Murray & Roberts

(Zimbabwe) Limited

2011

two thousand and eleven

ANNUAL report

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Group Profile

Murray & Roberts (Zimbabwe) Limited and its subsidiaries (the Group) is a prominent Zimbabwean contracting and industrial Group. It has been listed as a public company on the Zimbabwe Stock Exchange since 1974.

The Group has three (3) operating segments; Contracting (consisting of Murray & Roberts Construction Zimbabwe), Manufacturing (consisting of Proplastics) and other operations (treasury, properties and corporate).

The Group's contracting operations form a portfolio of complimentary competencies allowing the Group to undertake turnkey contracting activities. Murray & Roberts optimizes the synergies and relationships between its portfolio of investments and those of its major shareholder, Murray & Roberts Holdings Limited of South Africa.

The Manufacturing division produces and distributes a wide range of Plastic piping systems for different markets, supplying the local and regional markets.

The competence of Murray & Roberts is built around its broad base of management skills, enhanced by the financial, commercial, marketing and human resource capabilities of the Group.

Group Structure

Murray & Roberts Limited (South Africa)
46.69% Shareholding

Private Investors via ZSE
53.31% Shareholding

Murray & Roberts (Zimbabwe) Limited
100% Shareholding

Murray & Roberts Investments (Zimbabwe) (Private) Limited

DIVISIONS

CORPORATE

Murray & Roberts Properties
Property Development

MANUFACTURING

Proplastics
Plastic Piping Systems

CONTRACTING

Murray & Roberts Construction Zimbabwe
Civils, Buildings, Housing, Road & Earthworks and Structural Steel

Nature of Business

Contracting

The business comprises civil engineering, building, housing construction, roads and earthworks and structural steel fabrication. Murray & Roberts Construction also specialises in concrete structures for major water, mining and agricultural projects. They are recognised as the leading concrete dam and canal contractor in Zimbabwe.

Murray & Roberts Construction has the capacity to undertake major civil building contracts and housing developments. An enviable track record and solid relationships built on the "Partnering" philosophy have entrenched the business as a preferred contractor in Zimbabwe.

The fabrication facility based in Harare has established itself as a key supplier of structural steel to the construction and telecommunications sectors.

Proplastics

Proplastics is a specialist manufacturer and supplier of Polyvinyl Chloride (PVC), High-Density Polyethylene (HDPE) and Low-Density Polyethylene (LDPE) pipes and related fittings for various applications in irrigation, water and sewer reticulation, mining, telecommunications and building construction.

Since its humble beginnings in 1965, the Proplastics' philosophy of constant and never ending improvement has resulted in the company being the leading player in Zimbabwe and well positioned to realise its vision to be the leading solution provider to plastic piping systems in Southern Africa.

The ISO 9001:2008 Quality Management Systems accreditation is the backbone of Proplastics' customised manufacturing and service delivery processes. Proplastics products are certified by South African Bureau of Standards (SABS) & Standards Association of Zimbabwe (SAZ).

It has a well equipped factory with a current capacity to convert 10 000 tonnes of PVC per annum. The co-operation with Wavin, a seasoned world class pipe manufacturer based in Netherlands, has seen the growth and expansion of technology in the range of products manufactured to meet international standards.

Group Financial Highlights (continuing operations only)

	2011	2010	2009
Group summary			
Revenue (US$)	35,623,767	18,084,633	9,187,624
Profit/(loss) before net interest and tax (US$)	1,494,705	(902,080)	1,379,728
Profit/(loss) for the year from continuing operations (US$)	1,135,952	(69,979)	1,944,260
Total assets	**31,655,746**	**23,360,961**	**26,916,514**
Value created (US$)	5,742,961	3,555,990	2,974,301
Payroll costs (US$)	3,270,429	3,267,305	1,332,101
Total number of employees	**1,601**	**949**	**1,263**
Ordinary share performance (cents)			
Basic earnings/(loss) per ordinary share	0.53	(0.25)	0.98
Headline earnings/(loss) per ordinary share	0.56	(0.07)	0.93
Diluted earnings/(loss) per ordinary share	0.53	(0.24)	0.97
Cash equivalent earnings per ordinary share (cents)	1.05	0.10	-
Net asset value per ordinary share (cents)	8.32	7.77	8.06
Market price per ordinary share (cents)	21	18	7
Financial statistics			
Profit before tax on revenue (%)	3.96%	-4.58%	15.20%
Return on average capital employed (%)	7.41%	-4.39%	7.16%

Note:
2009 non statement of financial position items include Zimbabwe Dollar balances translated using exchange rates aligned to the market at that time.

Chairman's Report for the year ended 30 June 2011

PT Zhanda Chairman

A stable, peaceful environment complemented by consistent Government policies is a prerequisite to attracting new investment and economic development.

Group Performance Review

The Group performance improved compared to prior year, which is a reflection of the modest growth in the general economy and in particular the construction sector. Government expenditure in previously suspended capital projects is a good sign and we hope the expenditure on new projects will start in the short to medium term. Business activity in the second half of the financial year improved as 64% of the total revenue for the year was recorded in this period. The operating margins however continued to be under severe pressure due to low activity in the first half of the year, especially in contracting as well as restructuring and retrenchment costs which amounted to $231 000 for the period. The growth recorded during the financial year was funded from internal resources.

Disposal of non performing assets was finalized in July 2010 with the sale of Promat Malawi. This concluded the consolidation and transformation phase as well as the process of de-risking our balance sheet.

The recovery of our Construction division is commendable and we expect it to trade profitably going forward. Once again the manufacturing division had a strong performance which is expected to continue due to the investment in new plant that will enhance operational efficiency.

Introduction

The economic and operating environment showed some improvement in the period under review but a few fundamental economic and political issues still need to be addressed to realize full potential.

Investment in key sectors of the economy, especially energy and general infrastructure development, has been well below expectation. Every economy needs an efficient infrastructure as a prerequisite for sustainable growth. Our industry will find it difficult to be competitive in the global economy without a functional and reliable infrastructure network. Several initiatives are needed from Government to unlock the significant opportunities in infrastructure rehabilitation and development, the most important being through Public Private Partnership (PPP). There is urgent need to address the issue of energy, road and rail infrastructure if our economy is to recover. Investment in Energy infrastructure in particular has become important as industry is failing to operate at optimum levels mostly due to erratic availability of electricity.

Strategic Positioning

The key focus will be to ensure that our human capital, operating systems and risk management controls are in line with our growth strategy. The consolidation and transformation process of the Group necessitated the efficient redeploying of capital and cash resources obtained in the disposal of non performing assets. The Group continues to build capacity in order to consolidate it's status as the contractor of first choice in the country.

Directorate

I am pleased to announce that Mr. Stewart M. Mangoma was appointed Chief Executive Officer of the Group with effect from 1 June 2011. Mr. Mangoma had been Acting Chief Executive Officer since January 2011 and prior to this appointment was the Group Finance Director.

Mr Canada Malunga resigned as Chief Executive Officer and member of the board effective 31 December 2010 to pursue other interests. He joined Murray & Roberts In 1994

Chairman's Report (cnt'd) for the year ended 30 June 2011

and was appointed Chief Executive Officer in 2004. During his career, he served in various operational roles and as the executive director on the board. We would like to thank Mr Malunga for his valuable contribution to the Company, and wish him every success in future endeavors.

Mr. Trevor Fowler resigned as a member of the board effective 31 August 2011. We would like to thank Mr. Fowler for his valuable contribution to the Group and wish him every success in future endeavors.

Dividend

In view of the need to recapitalize the business, the Board has resolved that a final dividend be passed.

Prospects

The Group order book continues to improve and the project pipeline still has a significant number of infrastructure opportunities. The critical mass achieved so far across the Group's divisions has created a solid platform for sustainable growth as we strive to get to our optimum operating levels.

The focus in the coming year will be revenue growth through new products and markets.

APPRECIATION

I wish to thank my colleagues on the Board for their support during a challenging but exciting year. I extend a special thank you to the executives and staff for their dedication as well as to many valued customers, suppliers, shareholders and business associates for their unwavering support.

PT Zhanda

24 October 2011

Chief Executive's Report for the year ended 30 June 2011

SM Mangoma Chief Executive Officer

Overview

The slow recovery of our economy and lack of clarity on policy issues has seen potential investors avoiding committing money in infrastructure projects. This is mainly because these projects are long term and also involve significant funding requirements, therefore the risk associated with them has been considered too high. The low level of investment in the infrastructure sector resulted in a low Group order book particularly in the first half of the year. The level of activity however improved in the last half of the financial year especially at the Construction (MRCZ) division. This was however at the expense of margins as two projects tendered for at a very low mark up were eventually awarded to MRCZ. This was necessitated by little work available in the market, which is still the case up to now, therefore there was need to utilize the idle capacity in the division and at the same time evaluate capacity to deliver.

Finance Review

The Group recorded Revenue and Profit after tax of $35 623 767 and $1 128 648 respectively with revenue generated increasing by 97% compared to the same period last year. This was after taking into account the loss after tax for Promat (Malawi) of $7 304.

Rationalisation of costs in line with the level of operations is still ongoing as we strive to eliminate inefficiencies in our value chain. There has been a lot of focus on the consolidation and transformation of the Group this year with a lot of emphasis on improving our operating processes and production efficiency.

The net asset value for the Group increased by 7.7% from prior year. Investment in capital equipment was $2 087 838, the bulk of it being replacement of plant in the Proplastics factory. A further commitment of plant worth $534 854 was subsequently commissioned after year end. The growth in both the revenue and the balance sheet was funded from internally generated funds. This is in accordance with our ultimate objective of having a business model with a sustainable growth platform.

Our low gearing level gives us the flexibility of a quick turnaround and the current focus is to have a sustainable cost structure whilst taking advantage of any opportunities that will come with the recovery of the economy.

Review of Operations

Contracting Division

The Contracting division recorded Revenue of $20 373 341 and Loss after Tax of $192 332 in 2011. Revenue increased by 232% compared to the same period last year. This was mainly driven by projects from government related institutions which contributed 56% of the total revenue. The Joshua Mqabuko Nkomo airport in Bulawayo is close to completion as government steps up efforts to clear the backlog of all previously suspended projects. The mining sector was not vibrant as it contributed 21% to the revenue line. There was however a lot of tendering activity towards the end of the financial year from our traditional mining clients. The major concern however is that all projects currently being undertaken have a very short life span which is not ideal for planning and execution purposes.

The division has managed to build capacity in the roads and earthworks section against a background of low activity. The growth potential in this area is huge and the division is ready to take advantage of any opportunities that will arise.

The litigation relating to the New British Embassy contract is most likely to be concluded in the fourth quarter of the next financial year. The legal costs are going to be significant and a lot of management time will be spent preparing for and attending the trial. The impact of all these factors will be considered in pursuit of the amounts due to the Company. The Board is confident that some recovery will be made.

Manufacturing

Proplastics recorded Revenue of $15 392 491 and Profit after Tax of $1 418 676. Volumes traded at 4 968 tonnes were 40% above those for the same period last year. Manufacturing and supply of 1 800 tonnes for the Mtshabezi water project, was successfully completed soon after the financial year end. When fully commissioned, the project will go a long way in alleviating Bulawayo's perennial water problems. The demand from City Councils and national water authorities for water and sanitation rehabilitation projects was instrumental in the performance and growth of the division.

Average capacity utilization was 46% mainly because of the production inefficiencies in the first half of the year. Production and operational efficiency improved significantly in the second half of the year and is expected to continue in the new year. Marsden Sibanda, our former Business Development Director, was re-appointed as the Managing Director of Proplastics on 1 January 2011. He is bringing the much needed experience and strengthening of the operational leadership and focus to the division.

Human Resources

The Group staff complement increased to 1 601 from 949 in prior year mostly due to the increase in the number of contracts. We have strengthened our Contracting leadership capacity considerably this year as we are now recruiting from the pool of skilled labour that had left the country. Human capital is always a source of competitive advantage for the Group and a comprehensive process of skills development is underway. The focus has been on improving the skills and capacity of first line of supervisors and managers, sourcing new candidates for this function and internal training focused on critical competencies. Our bursary programme supports students in various universities and technical colleges throughout the country. We also employ students on attachment every year from these same universities and technical colleges this being a prerequisite for the completion of their degrees.

Safety Health and Environment

Our commitment to Zero harm to our environment, employees and all stakeholders we associate with is none negotiable. It is sad to note that we recorded fifty five (55) lost time injuries (LTI) compared to seventeen (17) last year. Against this background our Health, Safety and Environment committee worked vigorously with management and staff to raise awareness in all workstations. A comprehensive training programme was developed for all employees in line with best international practice as safety is of paramount importance to the Board.

The Group launched Environmental Management System (EMS 14001:2004) and Occupational Health and Safety Assessment Series (OSHAS 18001:2007) and the following programmes were rolled out during implementation phase:-

- Hazards and Aspects Identification
- Hazards and Aspects Legal Registers
- Management Programmes for significant Aspects and Hazards development

The Standard Association of Zimbabwe (SAZ) conducted Initial Documentation Evaluation (IDE) and the Group successfully completed the first stage of the document evaluation. The certification should be achieved by the beginning of the second half of the financial year.

Outlook

The Group operating divisions have positioned themselves for opportunities that lie ahead as we started the new financial year with an order book of $30 million. Positive signs coming from the government through spending money in capital investment will be important in kickstarting the infrastructure rebuild program. We expect mining infrastructure investment to play a significant role in the growth of this business given the current level of tendering activity.

Appreciation

I sincerely thank management and staff for their commitment and hard work, and specifically acknowledge the significant contribution of all our employees on various sites throughout the country.

I also extend my appreciation to our Chairman, all non executive directors for their wise counsel, and fellow executive directors for their support during a difficult but promising year for the Group.

A special thank you goes to all our clients, partners and various other stakeholders and I hope our association will be mutually beneficial going forward.

SM Mangoma
24 October 2011

Mission & Values

Mission

"To deliver world class infrastructure solutions and create sustainable value for our stakeholders."

Vision

To be the market leader in the infrastructure development in Zimbabwe, with a significant presence in the SADC region.

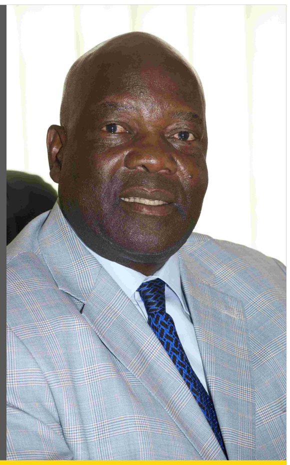
Core Values

Respect for life	Committed to the safety and health of our employees and stakeholder partners and sustainability of the environment in which we operate.
Integrity	Being upright, ethical and accountable in our conduct.
Professionalism	Adhering to core principles that guide our work.
Leadership	Providing clarity of vision, influencing and commanding respect.
Excellence	All our delivery processes shall be benchmarked to world class standards.

Group Directorate

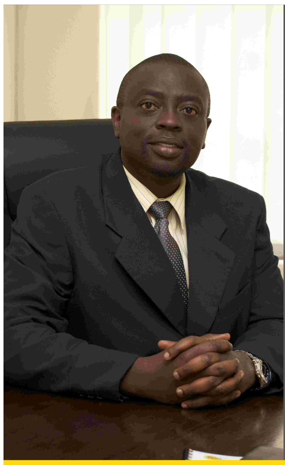
Paddy Tendayi Zhanda
Independent Chairman
Non-Executive Director

Appointed to the Board in 1995. Appointed Chairman in 1998. Member of Remuneration Committee. Director of companies, including Shingai Holdings (Private) Limited.



Stewart Magaso Mangoma
Group Chief Executive Officer

Joined the Group and appointed Group Financial Director in 2006. Appointed Group Chief Executive Officer in June 2011. Member of the Remuneration Committee and Audit Committee. Trustee of the Murray & Roberts (Zimbabwe) Retirement Fund. Director of companies including William Bain Holdings (Private) Limited.



Marsden Sibanda
Executive Director

Joined the Group in 2004 and appointed to the Board in 2005. Managing Director of Proplastics division. Director of companies including Willowvale Mazda Motor Industries.

Morris Tsoka
Executive Director

Joined the Group in 1975 and appointed to the Board in 2002. Managing Director of Murray & Roberts Construction Zimbabwe. Trustee of the Murray & Roberts (Zimbabwe) Retirement Fund.

Addington Bexley Chikomborero Chinake
Independent
Non-Executive Director

Appointed to the Board in 2005. Member of the Audit Committee. Director of companies including Phoenix Consolidated Industries Limited. Member of the Commonwealth Lawyers Association, Law Association of Zimbabwe, University of Zimbabwe Graduates Association and Who's Who Professional Edition.

Graham Leslie Mullany
Independent
Non-Executive Director

Appointed to the Board in February 2010. Chairman of the Audit Committee. Director of various Murray & Roberts South Africa companies. Has been in the construction industry for 33 years with both Concor and Murray & Roberts South Africa.

Report of the Directors

The Directors have pleasure in presenting their Thirty Seventh Annual Report and the Audited Financial Statements of the Group and the Company for the financial year ended 30 June 2011. In the report "Group" refers to Murray & Roberts (Zimbabwe) Limited and its subsidiary companies.

Year's results	**$**
Earnings attributable to shareholders	1 128 648
Dividends	
Interim - passed	-
Final - passed	-
Total	-
Retained earnings	606 509

Capital Expenditure
Capital expenditure for the year to 30 June 2011 totalled $2 087 838.

The budgeted capital expenditure for the year to June 2011 was $6.4 million.

Share Capital
The authorized share capital of the company is $8,750,000 and comprises 875,000,000 ordinary shares of a nominal value of $0,01 each.

During the year a total of 1,312,500 ordinary shares of a nominal value of $0,01 each were issued in terms of the Executive Share Option Scheme. The issued share capital of the company increased to $2,142,746 as at June 2011 (2010 : $2,129,621) and comprised 214 274 610 (2010 : 212 962 110) ordinary shares of the nominal amount of $0,01 each.

Auditors
The Auditors of the company are Deloitte & Touche. Shareholders will be asked at the forthcoming Annual General Meeting to approve their remuneration in respect of the past audit and to appoint auditors for the coming year.

Reserves
The movement in the Reserves of the Group is disclosed on the Consolidated Statement of Changes in Equity.

Directorate
The 6 directors in office at the date of this report appear on page 9. Details relating to the group company secretary appear in the administration section on page 57.

Mr Canada Malunga resigned from the board and as Group Chief Executive Officer with effect from 31 December 2010 following his decision to pursue personal interests. We would like to thank him for his contribution to the Group over his 16 years of service. Mr Stewart Mangoma was appointed as the Chief Executive Officer of the Group with effect from 1 June 2011 having been the Acting Chief Executive Officer since January 2011. Prior to this appointment, Stewart was the Group Finance Director.

Messrs PT Zhanda and M Tsoka will be retiring by rotation on conclusion of the forthcoming Annual General Meeting. Both, being eligible, have offered themselves for re-election and shareholders will be asked to appoint Directors for the coming year.

Directors' Fees
Shareholders will be asked to approve the remuneration of the Directors for their services as Directors during the past year. Your Board recommends that an amount of $47 500 (2010: $47 500) be paid, to be divided amongst themselves at their discretion.

The Murray & Roberts (Zimbabwe) Limited Senior Executive Share Option Scheme 2003

The scheme was approved by Shareholders in October 2003, the purpose of which is to promote the retention of senior executives responsible for the management of the Group.

The details of the movement in the outstanding share options during the year ended 30 June 2011 are shown on Note 9 to the financial statements.

Statement of compliance
The Directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Group's independent external auditors, Deloitte & Touche, have audited the financial statements and their report appears on page 17.

The Directors are also responsible for the systems of internal control. These are designed to provide reasonable but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Directors to indicate that the Group will not remain a going concern for the foreseeable future.

By Order of the Board

P T Zhanda
Director
24 October 2011

SM Mangoma
Director

Record of attendance

at Directors meetings for the 2011 financial year

Board members	Status/position	Board	AGM	Audit	Remuneration
Paddy Tendayi Zhanda[1]	Non-executive chairman	4/4	1/1	n/a	4/4
Addington Bexley Chikomborero Chinake[2]	Independent non-executive	4/4	1/1	2/2	4/4
Trevor George Fowler[3]	Non-executive director	4/4	1/1	2/2	4/4
Graham Leslie Mullany[4]	Non-executive director	4/4	1/1	2/2	4/4
Canada Malunga[5]	Chief Executive Officer	2/4	1/1	1/2	2/4
Stewart Magaso Mangoma[6]	Chief Executive Officer	4/4	1/1	2/2	2/4
Marsden Sibanda	Managing Director Proplastics	4/4	1/1	n/a	n/a
Morris Tsoka	Managing Director Construction	4/4	1/1	n/a	n/a

1 Board and Remuneration Committee Chairman.
2 Vice Chairman.
3 Mr Fowler resigned from the board with effect from 1 September 2011.
4 Audit and Risk Committee Chairman.
5 Mr Malunga resigned from the board with effect from 31 December 2010.
6 Mr Mangoma was appointed Group Chief Executive Officer effective 1 June 2011.

Three Year Review (continuing operations only)

	2011 US$	2010 US$	2009 US$
Summarised income statements			
Revenue	**35,623,767**	**18,084,633**	**9,187,624**
Profit before interest and depreciation	2 756 730	147,178	1,692,225
Depreciation	(1,262,025)	(1,049,258)	(312,497)
Profit/(loss) before net interest and tax	1,494,705	(902,080)	1,379,728
Net interest (paid)/received	(83,818)	73,137	16,703
Profit/(loss) before tax	1,410,887	(828,943)	1,396,431
Taxation	(274,935)	758,964	678,991
Profit/(loss) after tax	1,135,952	(69,979)	2,075,422
Profit/(loss) attributable to ordinary shareholders	**1,135,952**	**(69,979)**	**2,075,422**
Summarised statements of financial position			
Non-current assets	15,164,987	14,261,784	14,747,815
Cash and bank balances	1,117,928	1,242,187	743,205
Other current assets	15,372,831	7,856,990	11,425,494
Total assets	**31,655,746**	**23,360,961**	**26,916,514**
Capital and reserves	17,826,167	16,547,550	17,006,049
Liabilities	13,829,579	6,813,411	9,910,465
Total equity and liabilities	**31,655,746**	**23,360,961**	**26,916,514**

Ratios and Statistics
Continuing operations only
As at 30 June 2011

	2011	2010	2009
Earnings (US$)			
Basic earnings/(loss) per ordinary share	0.53	(0.03)	0.98
Headline earnings/(loss) per ordinary share	0.56	(0.07)	0.93
Diluted earnings/(loss) per ordinary share	0.53	(0.03)	0.97
Cash equivalent earnings per ordinary share (cents)	1.05	0.10	-
Dividends per ordinary shares	-	-	-
Dividend cover (times)	-	-	-
Profitability			
PBIT/(LBIT) on turnover (%)	4.20%	(4.99%)	15.02%
PBIT/(LBIT) on average capital employed excluding cash (%)*	8.37%	(5.04%)	7.36%
PAT/(LAT) on average ordinary shareholders' funds (%)*	6.61%	(0.42%)	12.20%
Productivity			
Payroll cost on turnover (cents)	9.18	18.07	14.50
Total average assets (excluding bank balances and cash) ($)	0.74	1.34	2.85
Value created ($)	5,742,961	3,555,990	2,974,301
Value ratio	1.76	1.09	2.23
Finance			
As a percentage of permanent capital:			
Total liabilities	77.58%	41.17%	55.97%
Total liabilities (net of bank balances and deposits)	71.31%	33.67%	51.60%
Current assets to current liabilities	1.39	1.79	1.73
Share Performance			
Ordinary shares in issue ($m)	214	213	211
Share price at year end (cents)	21	18	7
Market capitalisation ($m)	44.94	38.34	14.77
Other			
Number of employees - 30 June	1,601	949	1,263

Definitions

Average	Arithmetic average between consecutive year ends
Capital employed	Permanent capital, long term loans and deferred tax
Cash equivalent earnings	PAT adjusted for the effects of non-cash items
Earnings per ordinary share	Earnings after tax net of non-operating items, divided by the weighted average ordinary shares in issue
PAT	Profit after tax attributable to ordinary shareholders
PBIT	Profit before interest and tax
PBT	Earnings before taxation
Net asset value	Ordinary shareholders' funds
Permanent capital	Ordinary shareholders' funds and outside shareholders' interest
Total liabilities	Borrowings and non-interest bearing debt
Value ratio	Value created as a multiple of payroll cost

***Non-operating items are excluded when computing these statistic.**

Statement of
Value Created
for the year ended 30 June 2011

	2011 US$	2010 US$ (Restated)
Revenue	35,623,767	18,084,633
Less: Cost of materials, services and sub-contracts	(30,483,142)	(15,130,050)
	5,140,625	2,954,583
Investment and sundry income	602,337	1,056,310
Value created	**5,742,962**	**4,010,893**
Distributed as follows:		
To employees		
Payroll cost	3,270,429	3,267,305
To providers of finance		
Interest paid	106,860	35,525
To Government		
Company tax	25,000	180,944
Retained in the business		
To fund expansion - Retained profit/(loss)	1,128,648	(522,139)
To replace assets - Depreciation	1,262,025	1,049,258
	2,390,673	527,119
	5,742,962	4,010,893

Corporate Governance for the year ended 30 June 2011

Corporate Governance

The Board of Murray & Roberts is committed to increasing compliance with the principles embodied in the Code of Corporate Practices and Conduct included in the King 2 Report. In supporting the Code, the Board recognizes the need to conduct the business of the Company with openness, integrity and accountability.

The Board

As at the date of this annual report, Murray & Roberts has a Board with six (6) directors, three (3) of whom are non-executive directors and three (3) executive.

The Board meets regularly and there is an agenda of matters which is brought to it for consideration and where appropriate, for decision so that it maintains full and effective control over strategic, financial, operational and compliance issues. The record of attendance by each director at the board meetings held during the year under review is reflected in the table on page 11 of this report. There are procedures which allow directors to avail themselves for independent professional advice in the furtherance of their duties and to select non-executive directors.

Changes to the Board

Messrs Canada Malunga and Trevor Fowler resigned from the board with effect from 31 December 2010 and 31 August 2011, respectively. Mr Stewart M. Mangoma was appointed Group Chief Executive Officer effective 1 June 2011.

Board Committees

The Board has established and mandated a number of committees to perform work on its behalf in various key areas affecting the business of the Group.

These committees are:-

The Remuneration Committee

Murray & Roberts' Remuneration Committee is chaired by a non-executive director and Chairman of the Board, Mr P.T. Zhanda. The Committee is responsible for setting the remuneration of executive Directors and considers appointment of new directors before the final approval by the board. The remuneration policies of the Committee are as follows:-

- To ensure that individual rewards and incentives relate directly to the performance of the individuals, the operations and functions for which they are responsible and the Group as a whole.
- To maintain competitive rewards that enable the Group to attract and retain executives of the highest quality.

In order to determine the competitiveness of executive remuneration, the Committee receives independent professional advice on remuneration packages and practices of comparable organisations within the region.

Audit and Risk Committee

Mr G L Mullany, a non-executive director, chairs this committee which deals with compliance, internal control and risk management.

The Committee:-

- considers changes to the Group's accounting policies and examines its annual and interim financial statements before the Board, with whom ultimate responsibility remains, approves them.
- reviews the effectiveness of the system of internal controls during the year and reports thereon to the Board. The Board is responsible for establishing systems of internal control, which provide reasonable assurance that the Group's assets are safeguarded, that proper accounting records are maintained and the financial information used in the business and for publication is reliable. They attach great importance to maintaining a strong control environment. However, any system of internal financial control can provide only reasonable, not absolute, assurance against material misstatement or loss.

Code of Conduct

The Board has approved a Group Code of Conduct which sets out the Group's core values relating to lawful and ethical conduct of business. All employees have access to a copy of the Code and are expected to observe high standards of integrity and fair dealing in relation to customers, staff and regulators in the communities in which the Group operates. Policies exist for monitoring compliance with the code.

Performance Management Reporting

Business is conducted within a well developed control framework, underpinned by procedures and control manuals. The Board has established a management structure which clearly defines roles, responsibilities and reporting lines. Each operating entity has a formal operating Board with clear defined limits of responsibility.

The business performance of the Group is reported regularly to management, the Executive Committee and the Board.

Forward performance trends and performance against budgets and prior periods are closely monitored. Financial information is prepared using appropriate accounting policies which are consistently applied. Where a change in accounting policy occurs, the change is specifically noted in the financial statements.

The system of internal financial control is monitored regularly by management, the Executive Committee and the Board.

The work of the internal audit department includes an assessment of the risks and controls in each operating unit and its findings are reported to management. The findings of all adverse audits are reported to the Group Chief Executive Officer for immediate management action. Group internal audit also reports regularly to the Audit and Risk Committee.

The external auditors review the system of internal financial controls to the extent necessary for them to form the opinion they express on the financial statements. They also report to the Audit and Risk Committee on matters arising from this review.

Going Concern

The Board confirms that the Group has adequate resources to continue in business for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

Auditors

A resolution will be proposed at the Annual General Meeting to reappoint Delotte & Touche as auditors of the Group.

Graham L. Mullany
Chairman - Audit and Risk Committee

24 October 2011

Deloitte.

Report of the Independent Auditors to the Members of Murray & Roberts (Zimbabwe) Limited

We have audited the accompanying consolidated and Company financial statements of Murray & Roberts (Zimbabwe) Limited as set out on pages18 to 55, which comprise the consolidated and the Company statement of financial position at 30 June 2011, the consolidated and the Company income statement and the consolidated and the Company statement of comprehensive income, the consolidated and the Company statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated and the Company financial statements, which include a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act (Chapter 24:03) and the relevant Statutory Instruments (SI 33/99 and SI 62/96). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated and the Company financial statements present fairly, in all material respects, the financial position of Murray & Roberts (Zimbabwe) Limited at 30 June 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant Statutory Instruments (SI 33/99 and SI 62/96).

Deloitte & Touche

Deloitte & Touche
24 October 2011

Consolidated Statement of

Financial Position as at 30 June 2011

	Notes	2011 US$	2010 US$ (Restated)	2009 US$ (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	2	10,199,825	10,483,537	10,958,815
Investment property	3	4,755,700	3,685,000	3,685,000
Investments	4	209,462	93,247	104,000
Total non-current assets		**15,164,987**	**14,261,784**	**14,747,815**
Current assets				
Cash and bank balances		1,117,928	1,242,187	743,205
Contracts in progress and contract receivables	6	5,730,832	1,083,842	4,807,882
Trade and other receivables	7	4,274,509	2,261,349	3,114,375
Inventories	8	5,316,218	3,411,659	3,503,237
Current tax assets		51,272	38,937	-
Assets classified as held for sale	14	-	1,061,203	-
Total current assets		**16,490,759**	**9,099,177**	**12,168,699**
Total assets		**31,655,746**	**23,360,961**	**26,916,514**
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	9	2,142,746	2,129,621	-
Reserves	33.1	15,076,912	14,369,081	17,006,049
Retained earnings/(accumulated loss)		606,509	(522,139)	-
Amount recognised directly in equity relating to discontinued operations		-	570,987	-
Total capital and reserves		**17,826,167**	**16,547,550**	**17,006,049**
Non-current liabilities				
Interest bearing borrowings	10	-	-	32,805
Other payables	11	-	-	359,341
Deferred tax liabilities	12	1,991,353	1,720,289	2,484,458
Total non-current liabilities		**1,991,353**	**1,720,289**	**2,876,604**
Current liabilities				
Interest bearing borrowings	10	1,600,000	567,088	110,611
Trade and other payables	11	6,761,225	3,346,859	6,277,311
Sub-contractors	13	3,477,001	445,878	547,924
Income tax liabilities		-	-	98,015
Liabilities directly associated with discontinued operations	14	-	733,297	-
Total current liabilities		**11,838,226**	**5,093,122**	**7,033,861**
Total equity and liabilities		**31,655,746**	**23,360,961**	**26,916,514**

PT Zhanda
Chairman
24 October 2011

SM Mangoma
Chief Executive Officer
24 October 2011

Consolidated

Income Statement
for the year ended 30 June 2011

	Notes	2011 US$	2010 US$ (Restated)
Continuing operations			
Revenue	17	**35,623,767**	**18,084,633**
Cost of sales		(29,304,298)	(13,807,589)
Gross profit		**6,319,469**	**4,277,044**
Other operating income	19	579,295	947,648
Distribution costs		(530,982)	(570,721)
Administration costs	18	(4,873,077)	(5,556,051)
Profit/(loss) before interest received/(paid)		**1,494,705**	**(902,080)**
Interest received		23,042	108,662
Interest paid		(106,860)	(35,525)
Profit/(loss) before taxation	20	**1,410,887**	**(828,943)**
Taxation	21	(274,935)	758,964
Profit/(loss) for the year from continuing operations		**1,135,952**	**(69,979)**
Discontinued operations			
Loss for the year from discontinued operations	15.3	**(7,304)**	**(452,160)**
PROFIT/(LOSS) FOR THE YEAR	33.2	**1,128,648**	**(522,139)**
Earnings/(loss) per share from continuing and discontinued operations (cents)			
- Diluted	22.1	0.52	(0.24)
- Basic	22.1	0.53	(0.25)
Earnings/(loss) per share from continuing operations (cents)			
- Diluted	22.2	0.53	(0.03)
- Basic	22.2	0.53	(0.03)

Consolidated Statement of

Comprehensive Income

for the year ended 30 June 2011

	2011 US$	2010 US$ (Restated)
Profit/(loss) for the year	**1,128,648**	**(522,139)**
Other comprehensive income		
Exchange differences on translating foreign operations		
Exchange differences arising during the year	(476)	(40,903)
Available-for-sale financial assets		
Net gain arising on revaluation of available-for-sale financial assets during the year	118,215	(2,603)
Functional currency change reserve		
Net movement during the year	-	95,943
Revaluation reserve	13,650	-
Income tax relating to components of other comprehensive income	(4,574)	11,203
Other comprehensive income for the year, net of tax	**126,815**	**63,640**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**1,255,463**	**(458,499)**

Consolidated

Statement of Cash Flows

for the year ended 30 June 2011

	Notes	2011 US$	2010 US$ (Restated)
Cash flows from operating activities			
Profit/(loss) before interest and tax		1,494,705	(902,080)
Adjusted for:			
Depreciation of non-current assets		1,262,025	1,049,258
Fair value adjustment of investment property		(290,700)	-
Fair value adjustment of shares designated as at fair value through profit and loss		2,000	8,151
Expense recognised in respect of equity-settled share based payments		23,152	48,681
Profit/(loss) on disposal of investments	16.3	7,304	(270,987)
Unrealised exchange loss/(gain)		27,481	(181,255)
Loss on disposal of property, plant and equipment and investments		97,844	91,882
Operating cash flow before working capital changes		**2,623,811**	**(156,351)**
Increase in inventories		(1,904,559)	(394,066)
(Increase)/decrease in contracts in progress and contract receivables		(4,646,990)	3,724,040
(Increase)/decrease in trade and other receivables		(2,013,160)	392,643
Increase/(decrease) in trade and other payables and sub-contractors		6,445,489	(2,526,405)
Cash generated from operations		**504,591**	**1,039,861**
Net interest (paid)/received		(83,818)	73,137
Income taxes paid		(25,000)	(180,944)
Net cash generated by operating activities		**395,773**	**932,054**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(2,087,838)	(1,315,942)
Proceeds from disposal of investments	16.1	300,000	162,694
Proceeds from disposal of property, plant and equipment		243,147	151,274
Net cash used in investing activities		**(1,544,691)**	**(1,001,974)**
Cash flows from financing activities			
Proceeds from interest bearing borrowings		1,032,912	614,562
Net cash flows attributable to discontinued operations	15.3	**(8,253)**	**(45,660)**
Net (decrease)/increase in cash and cash equivalents		**(124,259)**	**498,982**
Cash and cash equivalents at the beginning of the year		**1,242,187**	**743,205**
Cash and cash equivalents at the end of the year		**1,117,928**	**1,242,187**
Comprising:			
Cash and bank balances:		1,117,928	1,242,187

Consolidated Statement of

Changes in Equity

for the year ended 30 June 2011

	Share capital US$	Share premium US$	Non distributable reserve US$	Revaluation reserve US$	Share based payments reserve US$	Foreign currency translation reserve US$	Investments fair value reserve US$	(Accumulated loss)/ retained earnings US$	Total US$
Balance at 1 July 2009 (as previously reported)	-	-	16,642,127	-	-	-	-	-	16,642,127
Deferred tax adjustment -IAS 12 amendments	-	-	1,488,168	-	-	-	-	-	1,488,168
Deferred tax adjustment -prior period error	-	-	(1,124,246)	-	-	-	-	-	(1,124,246)
Balance at 1 July 2009 as restated	**-**	**-**	**17,006,049**	**-**	**-**	**-**	**-**	**-**	**17,006,049**
Transfer from functional currency change reserve	2,129,621	-	(2,239,401)	-	109,780	-	-	-	-
	2,129,621	**-**	**14,766,648**	**-**	**109,780**	**-**	**-**	**-**	**17,006,049**
									-
Loss for the year (restated)	-	-	-	-	-	-	-	(522,139)	(522,139)
Other comprehensive income for the year, net of tax	-	-	95,943	-	-	(30,371)	(1,933)	-	63,640
Total comprehensive income for the year	-	-	95,943	-	-	(30,371)	(1,933)	(522,139)	(458,499)
Balance at 30 June 2010	**2,129,621**	**-**	**14,862,591**	**-**	**109,780**	**(30,371)**	**(1,933)**	**(522,139)**	**16,547,550**
Profit for the year	-	-	-	-	-	-	-	1,128,648	1,128,648
Other comprehensive income for the year, net of tax	-	-	-	10,135	-	(353)	117,033	-	126,815
Total comprehensive income for the year	-	-	-	10,135	-	(353)	117,033	1,128,648	1,255,463
Share based payments	13,125	41,430	-	-	(31,401)	-	-	-	23,154
Balance at 30 June 2011	**2,142,746**	**41,430**	**14,862,591**	**10,135**	**78,379**	**(30,724)**	**115,100**	**606,509**	**17,826,167**

Accounting policies for the year ended 30 June 2011

1. The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below and have been applied consistently to all periods presented.

1.1. Basis of preparation

These consolidated financial statements have been prepared under a historical cost convention, except for investment property, property, plant and equipment, which is revalued and available for sale investments that have been measured at fair value. Non- current assets and disposal groups held-for-sale, where applicable, are stated at the lower of carrying amount and fair value less costs to sell.

The Group's functional currency changed during the course of the 2009 financial year from Zimbabwe Dollar (ZW$) to United States Dollar (US$). The Group reports all its transactions in US$.

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on managements' best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of International Financial Reporting Standards (IFRS) that have a significant effect on the financial statements, and significant estimates made in the preparation of these consolidated financial statements are discussed in Note 34.

Standards, interpretations and amendments to published standards that are not yet effective as well as those adopted early by the Group, are discussed in Note 35.

1.2. Statement of compliance

These consolidated financial statements have been prepared in conformity with International Financial Reporting Standards, promulgated by the International Accounting Standards Board (IASB), which include standards and interpretations approved by the IASB as well as International Standards and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions.

An exception to this, which had previously existed as a consequence of severe hyperinflation and which had resulted in the statement of financial position relating to June 2009 not complying with IAS 29 Financial Reporting in Hyperinflationary Economies and IAS 21 The Effects of Changes in Foreign Exchange Rates and IAS 1 Presentation of Financial Statements, has been removed by the amendments to IFRS 1 First time Adoption of IFRS (issued December 2010 and subject to early adoption in these financial statements).

1.3. Basis of consolidation

The consolidated financial statements comprise the financial statements of Murray & Roberts (Zimbabwe) Limited and entities controlled by the Company (its subsidiaries) as at 30 June each year. Control is achieved 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 financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

1.4 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition- related costs are recognised in profit or loss as incurred.

1.4 Business combinations (continued)

Where applicable, the consideration for acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition- date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date, except that:
- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share- based payments awards are measured in accordance with IFRS 2 Share- based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non- current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date - and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss. The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable goodwill is included in the determination of the profit or loss on disposal. The same principle applies to partial disposals where there is a change in ownership, in other words a portion of the goodwill is expensed as part of the cost of disposal. For partial disposals and acquisitions with no change in ownership, goodwill is recognised as a transaction with equity holders.

1.5 Interests in joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control (i.e. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control).

1.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

1.6a Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:
- the Group has transferred to the buyer significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6b. Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the statement of financial position date;
- servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

1.6c. Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

1.6d. Rental income

Rental income from investment properties is recognised on a straight line basis over the term of the relevant lease.

1.6e. Long-term and construction contracts

Where the outcome of a long term and construction contract can be measured reliably, revenue and costs are recognised by reference to the stage of completion of the contract at the statement of financial position date, as measured by the proportion that contract costs incurred for work to date bear to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that collection is probable and the amounts can be measured reliably. Anticipated losses to completion are recognised immediately as an expense in contract costs.

Where the outcome of the long-term and construction contracts cannot be reliably determined, contract revenue is recognised to the extent that the recoverability of incurred costs is probable.

1.7 Property, plant and equipment

Property, plant and equipment are tangible assets that the Group holds for its own use or for rental to others and which the Group expects to use for more than one period. The consumption of property, plant and equipment is reflected through a depreciation charge designed to reduce the asset to its residual value over its useful life.

1.7a Measurement

Property, plant and equipment are shown at cost less the related depreciation. It is the policy of the Group to revalue its property, plant and equipment frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any revaluation increase arising is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on revaluation is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve of that asset.

1.7b Subsequent costs

Subsequent costs are included in an asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

1.7c Components

The amount initially recognised in respect of an item of property, plant and equipment is allocated to its significant components and where they have different useful lives, are recorded and depreciated separately. The remainder of the cost, being the parts of the item that are individually not significant or have similar useful lives, are grouped together and depreciated as one component.

1.7d Depreciation

Depreciation is calculated on a straight line basis over the anticipated useful life of the assets. Depreciation is charged so as to write off the cost or valuation of assets other than land and assets under construction, over their estimated useful lives, using the straight line method.

1.7e Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

1.7f Useful lives and residual values

The property, plant and equipment's residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The estimated useful life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors such as number of shifts for which the asset is to be used and the repair and maintenance program and technological obsolescence arising from changes and residual value.

1.8 Impairment of assets

At each statement of financial position date the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the asset is tested for impairment by estimating the recoverable amount of the related asset. Irrespective of whether there is any indication of impairment, an intangible asset with an indefinite useful life, intangible assets not yet available for use and goodwill acquired in a business combination, are tested for impairment on an annual basis.

When performing impairment tests, the recoverable amount is determined for the individual asset for which an objective indication of impairment exists. If the asset does not generate cash flows from continuing use that are largely independent from other assets or group of assets, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1.9 Taxation and deferred taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.9a Current taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using rates that have been enacted by the statement of financial position date.

1.9b. Deferred taxation

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

1.9b. Deferred taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the assets realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in the accounting for the business combination.

1.9c. Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except where the goods supplied are exempted or zero rated. The net amount of VAT recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

1.10. Contracts in progress and contract receivables

The valuation of contracts in progress takes account of all direct expenditure on contracts, less payment on account and provision for possible losses to completion. Profits or losses on contracts are recognised with reference to the stage of completion, which is determined by taking into account the proportion of work executed and the nature of each contract.

Anticipated losses to completion are deducted.

1.10a Advance payments received

Advance payments received are assessed on initial recognition to determine whether it is probable that they will be repaid in cash or another financial asset. If it is probable that the advance payments will be repaid with goods or services, the liability is carried at historic cost.

1.11. Inventories

Inventories comprise raw materials, work in progress, finished goods and manufactured components. They are valued at the lower of cost or net realisable value generally determined on a moving average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.12. Foreign currency translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in United States Dollars, which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non- monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risk's, and
- exchange differences on monetary items receivables from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

1.12. Foreign currency translation (continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in United States dollars using exchange rates prevailing at the statement of financial position date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

1.13. Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Purchases and sales of financial instruments are recognised on trade date, being the date on which the Group commits to purchase or sell the instrument. Financial assets are initially measured at fair value and are subsequently measured on the bases as set out below.

1.13a Loans and receivables

Loans and receivables are stated at amortised cost. Amortised cost represents the original amount less principal repayments received, the impact of discounting to net present value and a provision for impairment, where applicable.

When a loan has a fixed maturity date but carries no interest, the carrying value reflects the time value of money, and the loan is discounted to its net present value. The unwinding of the discount is subsequently reflected in the income statement as part of interest income.

1.13b. Trade and other receivables

Trade receivables are initially measured at fair value and are subsequently classified as loans and receivables and measured at amortised cost using the effective interest rate method.

The provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the credit given and includes an assessment of recoverability based on historical trend analysis and events that exist at statement of financial position date.

The amount of the provision is the difference between the carrying value and the present value estimated future cash flows, discounted at the effective interest rate computed at initial recognition.

1.13.c Contract receivables and retentions

Contract receivables and retentions are initially recognised at fair value, and are subsequently classified as loans and receivables and measured at amortised cost using the effective interest rate method.

Contract and retention receivables comprise amounts due in respect of certified or approved certificates by the client or consultant at the statement of financial position date for which payment has not been received, and amounts held as retentions on certified certificates at the statement of financial position date.

1.13d. Cash and cash equivalents

These 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.

Bank overdrafts are not offset against positive bank balances unless a legally enforceable right to offset exists and there is an intention to settle the overdraft and realise the net cash simultaneously, or to settle on a net basis.

All short-term cash investments are invested with major financial institutions in order to manage credit risk.

1.13e Impairment of financial assets

Financial assets, other than those at fair value through profit and loss, are assessed for impairment at each statement of financial position date and impairment where there is objective evidence that, as a result of one or more events that, occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of a financial asset is reduced through the use of an allowance account and changes to this allowance account are recognised in profit and loss. Subsequent recoveries of amounts previously written off are credited against this allowance account.

1.13f Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities.

1.13g Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

1.13h Non-trading financial liabilities

Non trading financial liabilities are recognised at amortised cost. Amortised cost represents the original debt less principal repayments made, the impact of discounting to net present value and amortisation of related costs.

1.13i Trade and other payables

Trade payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Trade payables are initially recognised at fair value and are subsequently classified as non-trading financial liabilities and carried at amortised cost using the effective interest rate method.

1.13j Subcontractors liabilities

Subcontractors liabilities represent the actual unpaid liability owing to subcontractors for work performed including retention monies owed. Subcontractor liabilities are initially recognised at fair value and are subsequently classified as non-trading financial liabilities and carried at amortised cost using the effective interest rate method.

1.13k. Available-for-sale assets

Available-for-sale assets include financial instruments normally held for an indefinite period but may be sold depending on changes in exchange rate, interest rate or other market conditions. Available-for-sale financial instruments are initially measured at fair value, which represents consideration given plus transaction costs, and subsequently carried at fair value. Fair value is based on market prices for these assets. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the statement of financial position date. Resulting gains or losses are recognised as a fair value reserve in the statement of changes in equity until the asset is disposed of or impaired when the cumulative gain or loss is recognised in the income statement.

Where management has identified objective evidence of impairment, a provision is raised against the investment. When assessing impairment, consideration is given to whether or not there has been a significant or prolonged decline in the market value below original cost.

1.13l Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

1.13m. Bank overdrafts 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.

1.14 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

1.15 Share based payments

Senior executives of the Group receive remuneration in the form of share based payments, whereby they receive equity instruments as consideration for rendering services. The cost of equity settled transactions with employees is measured by reference to the fair value at the date on which they are granted. In valuing equity settled transactions, no account is taken of any performance conditions, other than linked to the price of the shares of the Company.The cost of equity settled transactions is recognised, together with corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date').

1.15 Share based payments (continued)

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.16 Investment properties

Investment property is property held to earn rentals and/or for capital appreciation rather than for use in the production or supply of goods or services, for administrative purposes, or sale in the ordinary course of business. This classification is performed on a property-by-property basis. Initially, investment property is measured at its cost, including transaction costs. Subsequent to initial measurement, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

1.17. Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.18. Provisions and contingencies

1.18a Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.18b Contingent liabilities

A contingent liability is a possible obligation that arises from past events and existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

1.18c Contingent assets

A contingent asset is a possible asset that arises from past events and existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the Group.

In the ordinary course of business, the Group may pursue a claim against a subcontractor or client.

Such contingent assets are only recognised in the financial statements where the realisation of income is virtually certain. If the flow of economic benefits is only probable, the contingent asset is disclosed as a claim in favour of the Group but not recognised on the statement of financial position.

1.19. Employee benefits

1.19a Defined contribution plans

The Group operates pension schemes in terms of the Pension and Provident Funds Act and current contributions to defined contribution schemes are charged against income as incurred. The Group also participates in the National Social Security Authority scheme. Under defined contribution plans the Group's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. Consequently, the actuarial risk that benefits will be less than expected and the investment risk that assets invested will be insufficient to meet expected benefits is borne by the employee.

1.19b Short term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are recognized as employee benefit expenses and accrued when the associated services are rendered by the employees of the Group.

1.19c Termination benefits

Termination benefits are payable when employment is terminated by the Group before retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than 12 months after the statement of financial position date are discounted to present value.

1.20. Related parties

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all executive and non- executive directors.

Related party transactions are those where a transfer of resources or obligations between related parties occur, regardless of whether or not a price is charged.

1.21. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those segments operating in other economic environments.

The Group's primary format for reporting segmental information is determined in accordance with the nature of business.

1.21a Inter-segment transfers

Segment revenue, segment expenses and segment results include transfers between business segments. Such transfers are accounted for at arms- length prices. These transfers are eliminated on consolidation.

1.21b Segmental revenue and expenses

All segment revenue and expenses are directly attributable to the segments.

1.21c Segment assets

All operating assets used by a segment, principally property, plant and equipment, investments, inventories, contracts in progress and receivables, net of allowances. Cash balances are excluded.

1.21d Segment liabilities

All operating liabilities of a segment, principally accounts payable, subcontractor liabilities and external interest bearing borrowings.

1.22 Non-current assets held-for-sale and discontinued operations

Non-current assets, disposal groups or components of an enterprise are classified as held-for-sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non current assets, disposal groups, or components of an enterprise classified as held-for-sale are stated at the lower of its previous carrying value and fair value less costs to sell.

An impairment, if any, is recognised in the income statement for any initial and subsequent write-down of the carrying value to fair value less costs to sell. Any subsequent increase in fair value less cost to sell is recognised in the income statement to the extent that it is not in excess of the previously recognised cumulative impairments. The impairment recognised reduces the carrying value of the non-current assets first to goodwill allocated to the disposal group, and the remainder to the other assets of the disposal group prorata on the basis of the carrying value of each asset in the disposal group.

1.22 Non-current assets held-for-sale and discontinued operations (continued)

Assets such as inventory and financial instruments allocated to a disposal group will not absorb any portion of the write-down as they are assessed for impairment per the relevant accounting policy involved. A subsequent reversal of an impairment should be to these other assets of the disposal group prorata on the basis of the carrying value of each asset in the unit but not to goodwill.

Assets held-for-sale are not depreciated or amortised. Interest and other expenses relating to the liabilities of a disposal group continue to be recognised.

When the sale is expected to occur beyond one year, the costs to sell are measured at their present value, any increase in the present value of the costs to sell that arises from the passage of time is presented in profit or loss as an interest expense.

Non-current assets, disposal groups or components of an enterprise that are classified as held-for-sale are presented separately on the face of the statement of financial position. The sum of the post-tax profit of the discontinued operation, and the post-tax gain or loss on the remeasurement to fair value less costs to sell is presented as a single amount on the face of the statement of comprehensive income.

	2011 US$	2010 US$ Restated	2009 US$ Restated
2. Property, plant and equipment			
Immovable property			
Cost/valuation	3,746,500	4,526,500	4,789,634
Accumulated depreciation	(158,560)	(92,928)	-
	3,587,940	**4,433,572**	**4,789,634**
Plant and equipment			
Cost/valuation	7,205,646	5,710,708	4,950,567
Accumulated depreciation	(1,632,950)	(823,331)	-
	5,572,696	**4,887,377**	**4,950,567**
Vehicles			
Cost/valuation	1,308,116	1,214,239	1,115,566
Accumulated depreciation	(387,415)	(196,852)	-
	920,701	**1,017,387**	**1,115,566**
Other assets			
Cost/valuation	305,698	246,743	103,048
Accumulated depreciation	(187,210)	(101,542)	-
	118,488	**145,201**	**103,048**
Total property, plant and equipment	**10,199,825**	**10,483,537**	**10,958,815**
Movement in net book amount for the year:			
At the beginning of the year	10,483,537	10,958,815	
Capital expenditure	2,087,838	1,315,942	
Revaluation	13,650	-	
Disposals	(440,068)	(320,753)	
Reclassified as held for sale	-	(678,730)	
Transfer to investment property	(780,000)	-	
Depreciation	(1,165,132)	(791,737)	
Property, plant and equipment uplift	-	-	10,958,815
At the end of the year	**10,199,825**	**10,483,537**	**10,958,815**

The last valuation of Property was in December 2010 and this was carried out by professional valuers whilst the Directors revalued the plant and equipment.

The following average useful lives are used in the calculation of depreciation:

Land	not depreciated	
Buildings	40 years	on a straight-line basis
Plant and equipment	10 years	on a straight-line basis
Motor vehicles	5 years	on a straight-line basis
Other assets	3- 10 years	on a straight-line basis

No property, plant and equipment has been pledged as security for liabilities. There are also no restrictions on title.

	2011 US$	2010 US$ Restated	2009 US$ Restated
3. Investment property			
At fair value			
Balance at beginning of year	3,685,000	3,685,000	-
Fair value adjustment of shares designated as at fair value through profit and loss	290,700	-	-
Transferred from property, plant and equipment	780,000	-	-
Fair value adjustment on dollarisation	-	-	3,685,000
Balance at end of year	**4,755,700**	**3,685,000**	**3,685,000**

3. Investment property (continued)

The fair value of investment property has been arrived at on the basis of a valuation carried out at 30 June 2009 and 31 December 2010 by independent professional valuers - CB Richard Ellis (Private) Limited. No valuation was done at 30 June 2011 and management is satisfied that no significant change in the fair value of the investment property has occurred since 31 December 2010 to warrant a valuation at year end. In arriving at the market values, the implicit investment approach based on the capitalization of income was applied. This method is based on the principle that rentals and capital values are inter-related.

The property rental income earned by the Group from its investment property, all of which is leased out under operating leases, ammounted to US$246 761 (2010: US$163 713). Direct operating expenses arising on the investment property amounted to US$101 922 (2010:US$176 260).

	2011 US$	**2010 US$ Restated**	**2009 US$ Restated**
4. Investments			
Financial assets carried at fair value through profit and loss	45,328	47,328	55,479
Available for sale investments carried at fair value	164,134	45,919	48,521
	209,462	93,247	104,000

Available-for-sale investments are stated at fair value with the change in fair value being recognised through equity. Fair value through profit or loss investments are stated at fair value with the change in value being recognised through profit and loss.

	2011	2010	2009
Balance at beginning of year	93,247	104,000	-
Additions	-	611	-
Fair value adjustment	116,215	(11,364)	-
Fair value adjustment on dollarisation	-	-	104,000
Balance at end of year	209,462	93,247	104,000

5. Foreign assets

There are exchange control restrictions on the repatriation of assets from countries in which the Group operates. Net asset values attributable to the Group are situated in the following countries:

	2011	2010	2009
Mozambique	10,269	12,328	12,376
Bank and cash balances	93,193	95,252	95,300
Intra group balances payable	(82,924)	(82,924)	(82,924)
Mauritius	8,648	8,648	8,648
Bank and cash balances	8,648	8,648	8,648
Botswana	5,797	6,273	5,373
Bank and cash balances	-	6,935	5,969
Intra group balances receivable	6,499	-	
Plant & equipment	40	40	40
Accruals	(742)	(702)	(636)
	24,714	27,249	26,397

6. Contracts in progress and contract receivables

	2011	2010	2009
Contract receivables - in respect of certified work	2,494,306	138,237	1,887,494
- retentions	991,520	63,678	-
Contract work-in-progress	2,245,006	2,481,927	2,920,388
Less: revision of estimates	-	(1,600,000)	-
	5,730,832	1,083,842	4,807,882

		2011 US$	2010 US$ Restated	2009 US$ Restated
7.	**Trade and other receivables**			
	Trade	1,802,255	825,646	1,109,985
	Other	2,472,254	1,435,703	2,004,390
		4,274,509	2,261,349	3,114,375
	Gross trade receivables	1,823,287	887,675	1,116,722
	Less: allowance for doubtful receivables	(21,032)	(62,029)	(6,737)
		1,802,255	825,646	1,109,985
	Prepayments	1,947,219	789,580	175,924
	Deposits	1,381	-	721
	Other receivables	523,654	646,123	1,827,745
		4,274,509	2,261,349	3,114,375

Trade receivables

The average credit period for trade receivables is 60 days. No interest is charged on the overdue trade receivables. The Group has recognised an allowance for doubtful receivables over 90 days on a case by case basis where subsequent developments suggest that recovery of amounts is doubtful.

Ageing of overdue but not impaired:

	2011	2010	2009
30-59 days	421,232	126,853	228,376
60-89 days	32,910	42,703	203,714
90-119 days	250,711	-	88,615
120+ days	-	-	79,212
	704,853	169,556	599,917

Movement in the allowance for doubtful debts

	2011	2010
Opening balance	62,029	6,737
Additional provision raised during the year	11,969	121,875
Bad debts written off	(10,313)	(65,416)
Bad debts recovered	(42,653)	(1,167)
Closing balance	21,032	62,029

In determining the recoverability of a trade receivable, the Group considers any changes in the credit quality of the trade receivable form the date credit was initially granted up to the reporting date The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further credit provision required in excess of the allowance for doubtful debts. No individual debtor represents more than 5% of trade receivables.

There is no individually impaired trade receivable which has been placed under liquidation.

		2011	2010	2009
8.	**Inventories**			
	Raw materials and consumable stores	2,525,529	1,120,141	1,543,895
	Work in progress and other	741,691	79,714	164,300
	Finished goods and manufactured components	2,048,998	2,211,804	1,795,042
		5,316,218	3,411,659	3,503,237
9.	**Share capital and reserves**			
	Authorised and issued share capital			
	Authorised			
	875 000 000 ordinary shares of US$ 0.01 each	8,750,000	8,750,000	-
	Issued			
	214 274 610 (2010:212 962 110 ; 2009:210 963 500) ordinary shares of US$ 0.01 each	2,142,746	2,129,621	-

9. Share capital and reserves (continued)

In February 2010, the Registrar of Companies issued a circular requiring that all companies re-denominate their share capital to United States dollars. The re-denominated share capital was determined by the Company and stated on all annual returns lodged with the Registrar of Companies. The Directors in an EGM held on the 12th of May 2010 proposed the redenomination of the Company's share capital into 875 million ordinary shares with a nominal value of US$0.01 per share, together with the redenomination of the issued share capital into 213 million ordinary shares with a nominal value of US$0.01 per share.

Unissued share capital

Share capital which directors may allot, grant options over or deal with at their discretion (in terms of the Articles of Association) subject to the limitations of the Companies Act (Chapter 24:03) and the Zimbabwe Stock Exchange without further restrictions:

	2011	2010	2009
Other unissued share capital	6,607,254	6,620,379	-

Shares under options

The directors are empowered to grant share options to senior executives of the Group up to a maximum of 20 000 000 (2010: 20 000 000 shares). The options are granted for a period of 5 years at a price determined by the middle market price ruling on the Zimbabwe Stock Exchange on the day on which the options are granted. Details of share options outstanding as at 30 June 2011 were as follows:

	2011	2010	2009
Balance at beginning of year	3,200,000	5,323,610	5,307,000
Granted during the year	-	-	1,000,000
Forfeited during the year	(625,000)	(250,000)	-
Exercised during the year	(1,312,500)	(1,873,610)	(983,390)
Balance at end of year	1,262,500	3,200,000	5,323,610

A valuation was carried out by professional valuers as at 30 June 2010. No valuation was carried out at 30 June 2011 owing to the fact that no new options were granted and no change in the options was expected. The estimated fair values of options granted were determined using the Black-scholes model in accordance with IFRS 2 with the following inputs and assumptions:

Grant date share price	0.05
Exercise price	0.01
Expected volatility	115.19%
Dividend yield	0.00%
Risk-free interest rate	4.09%

Valuation inputs:

Exercise price

Management has determined the exercise price as being the redenominated nominal value of the shares following a special resolution passed on the 17th of June 2010 to re-denominate the nominal value of the shares to US$ 0.01 per share.

Expected volatility

Expected volatility is a measure of the amount by which the price is expected to fluctuate during a period for example between grant date and the exercise date.

In our valuation, volatility was calculated as the standard deviation of lognormal daily returns for the period starting 1 June 2009 to 30 June 2010.

Expected dividends

When estimating the fair value of options, the projected valuation of shares is reduced by the present value of dividends expected to be paid during the vesting period. This is because the payment of dividends reduces the value of a company. Murray & Roberts had not been paying out dividends and is unlikely to declare any in the near future.

Risk-free rate of return

Typically, the implied risk free rate should be the rate on a government treasury bill with a term to maturity that is commensurate to the expected life of the option. Due to the unavailability of this information such as yields on government issues treasury bills in the Zimbabwean market, we based our analysis on the market yield on US Treasury Securities at 30 year constant maturity.

All options expire, if not exercised, 5 years after the date of grant.

Non-distributable reserves

This is the residual figure of assets and liabilities arising from the change in functional currency.

		2011 US$	2010 US$ Restated	2009 US$ Restated
10.	**Interest bearing borrowings**			
	Short term	1,600,000	567,088	110,611
	Long term	-	-	32,805
		1,600,000	567,088	143,416

The outstanding amount of US$1 600 000 is in respect of short term borrowings from Standard Chartered Bank (Zimbabwe), which are at interest rates of 7% and are unsecured. These borrowings are expected to be settled in the 2012 financial year end. The 2009 long term borrowings were in respect of Promat Malawi and were secured by the plant and equipment purchased with the loan.

11. Trade and other payables

	2011 US$	2010 US$ Restated	2009 US$ Restated
Trade	927,367	216,377	493,807
Other	5,833,858	3,130,482	5,783,504
	6,761,225	3,346,859	6,277,311
Provision for severance pay	-	-	359,341
	6,761,225	3,346,859	6,636,652

The provision for severance pay arose in Promat Limited (Malawi). This provision is a statutory requirement in Malawi paid on termination of employment. In 2010 the provision was included under liabilities directly associated with assets held for sale (Note 14).

Provisions (included in other payables above)

	2011 US$	2010 US$ Restated	2009 US$ Restated
Leave pay	411,887	250,582	206,923
Bonus	436,302	352,648	179,505
Long service awards	16,355	13,011	26,850
	864,544	616,241	413,278

12. Deferred tax

Reconciliation of opening and closing balance of deferred tax

	2011 US$	2010 US$ Restated	2009 US$ Restated
Balance at the beginning of the year (as previously reported)	-	2,484,458	2,848,380
IAS 12 adjustment	-	301,665	(1,488,168)
Prior period adjustment (Refer Note 33)	-	(426,679)	1,124,246
Balance at the begining of the year as restated	1,720,289	2,359,444	2,484,458
Charge to/(credit from) income statement	266,490	(633,949)	-
Charge to/(credit from) other comprehensive income	4,574	(11,203)	-
Transfer to discontinued operations	-	5,997	-
Balance at the end of the year	1,991,353	1,720,289	2,484,458
Comprising:			
Accelerated wear and tear	1,624,495	1,715,110	1,956,515
Uncertified work and under claims	578,089	227,096	1,065,253
Retention	139,746	15,939	16,033
Unrealised exchange gains	3,508	46,673	188,016
Prepaid expenditure	183,592	63,891	6,090
Assessed tax losses	(60,903)	(46,763)	(458,974)
Sales prepaid	(476,454)	(273,701)	(288,475)
Fair value adjustments	1,182	(670)	-
Provision for doubtful receivables	(5,416)	(16,753)	-
Revaluation of property, plant and equipment	3,514	-	-
Exchange difference on translation of foreign operations	-	(10,533)	-
	1,991,353	1,720,289	2,484,458

12. Deferred tax (continued)

In December 2010, IASB incorporated the consensus previously contained in Standards Interpretation Committee (SIC) 12 Income Taxes -Recovery of Revalued Non depreciable Assets. The amendments are effective for periods beginning on or after 1 January 2011, but early adoption is permitted which we have done. The effects of these amendments are as noted on page 36.

	2011 US$	2010 US$	2009 US$
13. Sub-contractors			
Balance at 30 June	3,477,001	445,878	547,924

Contracts in progress and contract receivables include claims against clients in respect of sub-contractor liabilities. These liabilities are only settled when payment has been received from clients.

14. Assets classified as held for sale

The Group disposed of its 100% shareholding in Promat (Malawi) Limited. This disposal was finalised in July 2011 and was therefore classified as assets held-for-sale in 2010 financial year. The proceeds from disposal are not expected to exceed the net carrying amount of the assets, and accordingly an impairment loss has been recognised on the classification of this asset as held-for-sale.

The major classes of assets comprising the assets held-for-sale are as follows:

	2010 US$
Property, plant and equipment	430,379
Inventories	534,285
Trade and other receivables	350,220
Cash and bank balances	17,306
Impairment associated with asset classified as held for sale	(270,987)
	1,061,203
Liabilities directly associated with assets classified as held-for-sale:	
Trade and other payable	608,116
Deferred tax assets	(4,363)
Current tax assets	(18,056)
Interest bearing borrowings	147,600
	733,297
Group balances eliminated	27,906
	761,203
Net assets of Promat (Malawi) Limited business classified as held for sale	**300,000**

15. Discontinued operations

15.1 Disposal of Caridorn Abrasives

On 30 April 2010, the board of directors entered into a sale agreement to dispose of Caridorn Abrasives division which carried out the manufacture of coated and resinoid reinforced cutting and grinding discs. The proceeds on disposal did not exceed the carrying amount of the related net assets and, accordingly, a loss of $30,434 was recognised. The disposal was completed on 21 May 2010, on which date control of the operations passed to the acquirer. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed in note 16.

15.2 Disposal of Promat Malawi

As described in note 14.

15.3 Analysis of loss for the year from discontinued operations

The combined results of the discontinued operations (i.e. Promat Malawi and Caridorn Abrasives) included in the income statement are set out below. The comparative profit and loss and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current period.

Loss for the year from discontinued operations

	2011 US$	2010 US$	2009 US$
Revenue	142,066	2,797,652	3,572,697
Cost of sales	(127,270)	(2,202,917)	(3,144,950)
Gross profit	14,796	594,735	427,747
Other operating income	178	9,003	7,237
Distribution costs	(5,901)	(163,224)	(174,314)
Administration costs	(18,066)	(557,252)	(435,414)
Loss before interest	(8,993)	(116,738)	(174,744)
Net interest expense	(1,441)	(32,000)	(7,833)
Loss before taxation - Caridorn Abrasives	-	(131,738)	(48,577)
Loss before taxation - Promat Malawi	(10,434)	(17,000)	(134,000)
Loss on disposal of Caridorn Abrasives	-	(30,434)	-
Loss on disposal of Promat Malawi	-	(270,988)	-
Taxation	3,130	(2,000)	51,415
Loss for the year from discontinued operations	(7,304)	(452,160)	(131,162)
Loss after tax - Promat Malawi	(7,304)	(19,000)	(82,585)
Loss after tax - Caridon Abrasives	-	(131,738)	(48,577)
Loss on disposal of operations	-	(301,422)	-

Cash flows from discontinued operations	2011 US$	2010 US$
Net cash outflows from operating activities	(8,253)	(2,370)
Net cash outflows from investing activities	-	-
Net cash outflows from financing activities	-	(43,290)
Net cash outflows	(8,253)	(45,660)

16. Disposal of Promat (Malawi) Limited

On 25 July 2010, the Group disposed of Promat (Malawi) Limited which also manufactured PVC pipes.

16.1 Consideration received

Total consideration received in cash	300,000

16.2 Analysis of assets and liabilities over which control was lost

Current assets	
Inventory	316,316
Trade and other receivables	349,408
Cash and bank balances	91
Non current assets	
Property, plant and equipment	428,198
Total assets	1,094,013
Current liabilities	
Trade and other payables	(474,864)
Non current liabilities	
Deferred tax liabilities	4,363
Other payables	(315,757)
Interest bearing borrowings	(15,059)
Total liabilities	(801,317)
Net assets disposed of	292,696

		2011 US$
16.3	**Profit on disposal**	
	Consideration received	300,000
	Net assets disposed of	(292,696)
	Profit on disposal	7,304

16. 4 Disposal of Caridorn Abrasives

On 21 May 2010, the Group disposed of Caridorn Abrasives which carried out all of it's abrasives manufacturing operations.

16.5	**Consideration received**	
	Consideration received in cash	90,000
	Deferred sales proceeds (included in other receivables)	90,000
		180,000
	Less cash and cash equivalents in disposed subsidiary	(17,306)
	Total consideration	162,694
16.6	**Analysis of assets and liabilities over which control was lost**	
	Current assets	
	Inventory	240,429
	Trade and other receivables	61,353
	Cash and bank balances	21,207
	Non current assets	
	Property, plant and equipment	43,347
	Total assets	366,336
	Current liabilities	
	Trade and other payables	(152,629)
	Non current liabilities	
	Deferred tax liabilities	(3,273)
	Total liabilities	155,902
	Net assets disposed of	210,434
16.7	**Loss on disposal**	
	Consideration received	180,000
	Net assets disposed of	(210,434)
	Loss on disposal	(30,434)

The loss on disposal is included in the loss for the year from discontinued operations in the income statement.

17. Revenue

The following is an analysis of the Group's revenue for the year from continuing operations:

	2011 US$	2010 US$
Revenue from the sale of goods	15,250,426	11,992,617
Construction contract revenue	20,373,341	6,092,016
	35,623,767	18,084,633

		2011 US$	2010 US$
18.	**Administration costs**		
	Advertising, promotions & donations	34,309	36,839
	Bank charges	131,934	109,585
	Computer expenses, printing & stationery	68,600	59,559
	Depreciation	454,952	164,477
	Insurance	138,748	123,816
	Office drinks, general admin and cleaning costs	83,502	78,914
	Professional fees & subscriptions	197,761	247,905
	Repairs & maintenance	22,837	13,906
	Security expenses	39,140	52,676
	Staff costs	3,270,429	3,267,305
	Telephone, cellphone and PABX	84,433	101,456
	Tender expenses	14,711	20,539
	Training & recruitment	18,340	21,229
	Travel & accommodation	81,207	50,377
	Vehicle expenses	206,193	335,280
	Water, electricity & rates	25,981	26,923
	Work In Progree write off	-	845,265
		4,873,077	5,556,051
19.	**Other operating income**		
	Rental income	246,761	163,713
	Joint venture administration fee	73,620	-
	Reversal of provision	-	430,204
	Fair value adjustment on investment property	290,700	-
	Profit/(loss) on disposal of subsidiary	7,303	(270,987)
	Exchange gain	58,755	678,154
	Insurance refund	-	38,446
	Loss on disposal of property, plant and equipment	(97,844)	(91,882)
		579,295	947,648
20.	**Profit/(loss) before taxation**		
	Loss for the year from continuing operations has been arrived at after taking into account:		
	Auditors' remuneration	100,000	75,000
	Depreciation	1,262,025	1,049,258
	Share option expense	23,152	48,681
	Pension	668,447	368,362
	Salaries and wages	3,270,429	3,267,305
	Compensation to directors and key management		
	- for services as directors	47,500	47,500
	- management services	1,265,057	1,590,757
	Fair value gain on investments designated at fair value through profit and loss	2,296	8,150
	Rentals received	(246,761)	(163,713)
	Loss on disposal of property, plant and equipment	97,844	91,882
	Profit/(loss) on disposal of investments	7,303	(270,987)
21.	**Taxation**		
	Current income tax	(8,445)	-
	Deferred tax movement as previously reported	(266,490)	633,949
	Prior period error (Refer Note 33)	-	125,015
	Tax per income statement	(274,935)	758,964
	Reconciliation of current income taxation		
	Profit /(loss) before taxation	1,410,887	(828,943)
	Tax at standard rate of 25.75%	(363,303)	213,453
	Net disallowable expenses	354,858	386,292
	Tax on temporary differences	(266,490)	633,949
	Change in tax rate	-	(474,730)
	Income tax charge/(credit)	(274,935)	758,964

On the 2nd of December 2009 the Zimbabwe basic corporate tax rate was reduced from 30% to 25%, with effect from the tax year commencing on the 1st of January 2010. 3% Aids levy is payable on the current income tax which results in an effective tax rate of 30.9% and 25.75% respectively. The relevant deferred tax balances have been remeasured and deferred tax expected to reverse in the year to 30 June 2011 has been calculated at the effective corporate tax rate that will apply of 25.75%.

22. Earnings per share

Basic earning basis
The calculation is based on the profit attributable to ordinary shareholders and the number of shares in issue for the year which participated in the profit of the Group.

Diluted earnings basis
The calculation is based on the profit attributable to ordinary shareholders and the number of shares in issue after adjusting to assume conversion of share options not yet exercised.

Headline earnings
Headline earnings comprise basic earnings attributable to ordinary shareholders adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects.

22.1 From continuing and discontinued operations
The calculation of basic and diluted earnings per share attributable to ordinary shareholders of the company is based on the following data:

	2011 US$	**2010 US$ Restated**
Earnings		
Earnings/(loss) attributable to the equity holders of the company	1,128,648	(522,139)
Number of shares		
Weighted average number of shares in issue used in the determination of:		
- basic per share figure	214,274,610	212,962,110
- diluted per share figures	215,476,991	215,984,332
Earnings/(loss) per share from continuing and discontinued operations (cents):		
- Basic	0.53	(0.25)
- Diluted	0.52	(0.24)

22.2 From continuing operations
The calculation of basic and diluted earnings per share from continuing operations attributable to ordinary shareholders of the company is based on the following data:

	2011 US$	**2010 US$ Restated**
Earnings		
Earnings/(loss) attributable to the equity holders of the company from continuing operations	1,135,952	(69,979)
Number of shares		
Weighted average number of shares in issue used in the determination of:		
- basic per share figure	214,274,610	212,962,110
- diluted per share figures	215,476,991	215,984,332
Earnings/(loss) per share from continuing operations (cents):		
- Basic	0.53	(0.03)
- Diluted	0.53	(0.03)

22.3 From discontinued operations

The calculation of basic and diluted earnings per share from discontinued operations attributable to ordinary shareholders of the company is based on the following data:

	2011 US$	2010 US$ Restated
Earnings		
Loss attributable to the equity holders of the company from discontinued operations	(7,304)	(452,160)
Number of shares		
Weighted average number of shares in issue used in the determination of:		
- basic per share figure	214,274,610	212,962,110
- diluted per share figures	215,476,991	215,984,332
Loss per share from discontinued operations (cents):		
- Basic	(0.00)	(0.21)
- Diluted	(0.00)	(0.21)

22.4 Headline earnings

The calculation of basic and diluted headline earnings per share attributable to ordinary shareholders of the company is based on the following data:

	US$	Taxation US$	Net impact US$
2011			
Profit attributable to the equity holders of the company	1,128,648	-	1,128,648
Adjustments for non - recurring items:			
Loss on disposal of fixed assets	97,844	(25,195)	72,649
Loss on disposal of Promat Malawi	7,303	-	7,303
	1,233,795	(25,195)	1,208,600
2010			
Loss attributable to the equity holders of the company	(522,139)	-	(522,139)
Adjustments for non - recurring items:			
Loss on disposal of fixed assets	87,168	(22,446)	64,722
Loss on disposal of Caridorn Abrasives	30,434	-	30,434
Loss on disposal of Promat Malawi	270,987	-	270,987
	(133,550)	(22,446)	(155,996)
2009			
Earnings attributable to the equity holders of the company	1,944,260	-	1,944,260
Adjustments for non - recurring items:			
Profit on disposal of property, plant and equipment	17,403	(4,481)	12,922
	1,961,663	(4,481)	1,957,182

Number of shares

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

	2011	2010
Headline earnings/(loss) per share (cents)		(restated)
- Basic	0.56	(0.07)
- Diluted	0.56	(0.07)

23. Retirement benefit costs

Pension funds

The Group operations and all permanent employees contribute to one of the funds detailed below:

23.1 Murray & Roberts Zimbabwe Retirement Fund

All Group employees, with the exception of those participating in the funds detailed in 23.2 below, are members of this fund administered by Old Mutual. The Fund is a defined contribution scheme. All members joining the fund automatically participate on the defined contribution pension benefit basis.

As at 30 June 2011, there were 238 members in the scheme.

23.2 Construction Industry Pension Fund
This fund, which is a defined contribution scheme, encompasses employees generally subject to an industrial agreement.

23.3 NSSA
The Group and its employees contribute to the National Social Security Authority. This is a social security scheme promulgated under the National Social Security Authority Act 1989. The Group's obligations under the Scheme are limited to specific contributions legislated from time to time.

23.4 Pension costs recognised as an expense for the year

	2011 US$	2010 US$
Murray & Roberts Zimbabwe Retirement Fund	208,799	243,119
Other funds	265,321	38,068
National Social Security Authority	194,327	87,175
	668,447	368,362

24. Capital commitments

Capital expenditure authorised but not contracted for is US$ 6 000 000. The expenditure is to be financed from internal resources and existing facilities.

25. Directors' interests
The Directors directly or indirectly hold the following number of shares of the company:

C Malunga	-	1,769,822
S Mangoma	700,000	930,000
M Tsoka	114,000	296,843
M Sibanda	50,996	455,996
P T Zhanda	-	-
ABC Chinake	15,313	-

26. Segment information
IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. For the purpose of decision making, allocation of resources and assessment of performance, senior management consider the Group to be 3 different segments. Current and prior year segment information for the contracting, manufacturing and corporate segments is reflected on page 51 of this report.

27. Borrowing powers
Authority is granted in the Articles of Association for directors to borrow a sum not exceeding 300% of ordinary shareholders' funds without the prior sanction of an ordinary resolution of the Company.

28. Insurance cover
The Group's assets are adequately insured at full replacement cost.

29. Contingent liabilities and contingent assets

29.1 The Group is from time to time involved in various disputes, claims and legal proceedings arising in the ordinary course of business. The Board does not believe that adverse decisions in any pending proceedings or claims against the Group will have a material adverse effect on the financial condition or future of the Group.

29.2 A division in the Group has a claim outstanding against a client for payment of final account in the sum of GBP 1 500 000 The directors believe that it is probable that their claim will be successful and that compensation for the legal costs and the main claim will be recovered.

30. Related party disclosures

The Group enters into transactions with other companies and entities that fall within the definition of a related party contained in International Accounting Standard 24:Related Party Disclosure. Such transactions are in the normal course of business at terms agreed between the parties.

The purchases from related parties are made at normal market prices. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party payables.

Interests in significant subsidiary companies at the statement of financial position date are as per note 2, investments in subsidiary, on page 52.

The Group has a related party relationship with its subsidiary companies and with its directors and prescribed officers.

	2011 US$	2010 US$	2009 US$
Included in other receivables is an amount due from Murray & Roberts Limited South Africa.			
Other receivables	3,153	299,417	-
The remuneration of directors and other members of key management during the year was as follows:			
Short term benefits	1,312,557	1,638,257	577,335
Post- employment benefits	-	-	-
Other long term benefits	-	-	-
Termination benefits	202,270	-	-
Share based payements	23,152	48,681	-
The following amounts are in respect of directors' emoluments:			
For services as directors	47,500	47,500	-
For managerial services	662,445	663,799	152,378

The remuneration of directors and key executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

Loans and advances to directors	116,682	70,247	2,000

Terms and conditions: The loan amount limit ranges between 100% to 130% of annual salary and is subject to cash flow and Remuneration Committee approval. The annual interest rate is the lower of 50% of minimum Bank lending Rate and 150% of the income tax deemed interest rate. The repayment period is 6 months to 2 years.

31. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets, financial liability and equity instruments are disclosed on page 28 - 29.

(b) Categories of financial instruments

	2011 US$	2010 US$	2009 US$
Financial assets			
Cash and cash equivalents	1,117,928	1,242,187	743,205
Loans and receivables	10,005,341	3,345,191	7,922,257
Financial assets carried at fair value through profit and loss	45,328	47,328	55,479
Available for sale investments carried at fair value	164,134	45,919	48,521
Financial liabilities			
Loans and payables	11,838,226	4,359,825	6,935,846

c) Fair value of financial instruments

The fair value of financial assets and financial liabilities approximate the carrying values in the statement of financial position as at 30 June 2011.

32. Financial risk management

The Group's financial liabilities comprise bank loans and overdrafts and trade and other payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, available for sale investments, cash and short-term deposits which arise directly from its operations. The Group does not use derivative financial instruments in its management of foreign currency risk. Derivative financial instruments are not held or issued for trading purposes.

The main risks arising from the Group's financial instruments are cash flow risk, foreign currency risk, interest rate risk, credit risk and liquidity risk. Senior executives of the Group meet on a regular basis to review and agree on policies to manage each of these risks. Treasury management strategies together with currency and interest rate exposures are re-evaluated against revised economic forecasts. Compliance with the Group policies and exposure limits are reviewed at audit committee meetings.

32.1 Foreign exchange risk management

The company undertakes certain transactions denominated in currencies other than the USD, hence exposure to exchange rate fluctuations arises.

The company's net foreign asset/(liability) exposure as at year end determined at the fair market rate of US$1 :ZAR 6.82 (2010:US$1: ZAR 7.64; US$1: Pula 6.97 and US$1: MWK152) is summarised as :

		2011		2010	
	Currency	Foreign balance outstanding	US$ equivalent	Foreign balance outstanding	US$ equivalent
Receivables	ZAR	1,936,457	283,938	2,291,296	300,104
Bank balances	ZAR	39,557	5,800	7,345	962
Payables	ZAR	437,753	(64,187)	-	-
Bank balances	Pula	-	-	35,071	5,032
Property, plant and equipment	MKW	-	-	65,417,529	430,378
Inventories	MKW	-	-	81,211,284	534,285
Receivables	MKW	-	-	59,715,264	392,864
Cash and bank balance	MKW	-	-	2,630,526	17,306
Payables	MKW	-	-	125,592,257	(826,265)
Taxes	MKW	-	-	3,407,566	(22,418)
Total			225,551		832,248

Fair values of financial instruments

The estimated net fair values of all financial instruments approximate the carrying amounts shown in the financial statements. Assets and liabilities denominated in currencies other than the USD which were on hand at the statement of financial position date have been valued for the purpose of these financial statements at official rates of exchange as the directors are of the opinion that the official rate fairly reflects the value of such assets and liabilities for accounting purposes as required by IAS 21: The Effects of Changes in Foreign Exchange Rates.

32.2 Interest risk

The Group treasury policy limits exposure to interest rate fluctuations by adopting a non-speculative approach to managing interest rate risk and only deals in approved financial instruments. Implementation of treasury policy ensures limited Group exposure to funding instruments while investment instruments are those which provide risk free returns at variable interest rates and mature within one year.

32.3 Credit risk

Financial assets which potentially subject the Group to concentration of credit risk consist principally of cash, short-term deposits and trade receivables. The Group's surplus cash equivalents and short term deposits are placed with high quality creditworthy financial institutions. The trade receivables are presented net of the allowance for doubtful debts and comprise a large, widespread customer base and the Group companies monitor the performance and financial condition of its customers with the result that the Group's exposure to bad debts is not significant.

32.4 Liquidity risk

The Group monitors its risk to a shortage of funds using a liquidity planning tool. The Group considers the maturity of both its financial investments and financial assets (e.g. receivables) and projected cash flows from operations. The Group's main objective is to maintain short term bank loans at a manageable level. The Group has no significant liquidity risk exposure as it has unutilized banking facilities of US$ 8.3 million.

32.5 Capital risk management

The Group manages its capital structure to ensure that entities in the Group will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of debt and equity.

The capital structure of the Group consists of debt, which includes borrowings disclosed in Note 10, interest bearing borrowings and equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings.

32.5 Capital risk management (continued)

The Group's audit and risk committee reviews the capital structure on a quarterly basis. As a part of this review, the committee considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of the committee, the Group will balance its overall structure through payments of dividends, new share issues and share buy backs as well as the issue of new debt or the redemption of existing debt.

33. Prior period adjustments

As a result of complications arising from hyperinflation, the Group's inaugural US dollar financial statements for 30 June 2009 were unaudited and published as such, in keeping with the trend in the market. This included the deferred tax computation, which contained errors.

The errors were corrected in the current year and the effects of these corrections are noted below.

In addition, guidance was initially provided by ZIMRA on how to convert ZWD balances to USD for tax purposes upon introduction of the multi currency system. The Group's deferred tax was computed in accordance with the public notice on transitional matters which had been issued and was with effect from 1 January 2009.

Subsequent to this a general binding ruling was then issued on 1 October 2010 binding guidance on the conversion of balances particularly assets that still had Income Tax Value's. Using the legislated method the deferred tax was recomputed and the effects of this change are noted below:

		US$
33.1	**Shareholders equity at 1 July 2009 as previously reported**	16,642,127
	Prior period error	(1,124,246)
	IAS 12 adjustment (Refer Note 12)	1,488,168
	Shareholders equity as restated	17,006,049
33.2	**Loss at 30 June 2010 as previously reported**	(718,129)
	Prior period error	450,890
	IAS 12 adjustment (Refer note 12)	(301,665)
	Prior period error - binding ruling	46,765
	Loss as restated	(522,139)

34. Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The most significant estimates and assumptions made in the preparation of these consolidated financial statements are discussed below.

Revenue recognition and contract accounting

The Group uses certain assumptions and key factors in the management of and reporting for its contracting arrangements.

These assumptions are material and relate to:

- the estimation of costs to completion and the determination of the percentage of completion;
- the recoverability of under claims;
- the recognition of penalties and claims on contracts; and
- the recognition of contract incentives.

Management is satisfied that at year end the significant risks and rewards have been transferred and the recognition of the revenue is appropriate.

Other estimates made:

The Group also makes estimates for:

- the calculation of the provision for doubtful debts;
- the determination of useful lives and residual values of items of property, plant and equipment. (See property, plant and equipment accounting policy)
- the calculation of the provision for obsolete inventory (factors influencing this adjustment include changes in demand, physical deterioration and quality issues).
- the calculation of any provision for claims, litigation and other legal matters;
- the calculation of any other provisions including bonuses;
- the assessment of impairment and the calculation of the recoverable amount of assets;
- the calculation of the fair value of financial instruments including the service concessions; and
- the determination of the fair value of share options.

35. Application of new and revised International Financial Reporting Standards (IFRSs)

35.1 New and revised IFRSs affecting amounts reported in the current period (and/or prior period)

In the current year, the Group has adopted the following new IFRSs that had a material effect on the financial statements.

IFRS 1 First-time Adoption of International Financial Reporting Standards (issued December 2010): replacement of "fixed dates" for certain exceptions with "the date of transition to IFRSs' and additional exemptions for entities ceasing to suffer from severe hyperinflation, all effective for annual periods beginning on or after 1 July 2011 with early adoption reccomended. The revised standard accepts use of the fair value for assets and liabilities as the deemed cost at the date of change of functional currency, and requires the following to be presented in the entity's first IFRS financial statements following severe hyperinflation; three statements of financial position, two income statements and two statements of comprehensive income, two statements of cash flows and two statements of changes in equity and related notes, including comparative information. The Group has decided to early adopt this change, with the following effects on the current year financial reporting:

- Three statements of financial position have been presented showing the opening IFRS statement as at 1 July 2009 with deemed amounts, the closing balances as at 30 June 2010 and the closing balances as at 30 June 2011.

- Two income statements and two statements of comprehensive income, two statements of changes in equity and two statements of cash flows have been presented for the periods to 30 June 2010 and 2011.

- Comparative notes for the opening IFRS statement of financial position.

35.2 New and revised IFRSs adopted with no effect on the financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

- IFRS 1: First-time Adoption of International Financial Reporting Standards (revised July 2009): amendments relating to oil and gas assets and determining whether an arrangement contains a lease. The amendments provide exemptions when adopting IFRSs for the first time related to oil and gas assets and the determination of whether arrangements contain leases.

- IFRS 1: First-time Adoption of International Financial Reporting Standards (Revised January 2010): limited exemption from comparative IFRS 7 Disclosures for First-time Adopters.

- IFRS 2: Share-based Payment (issued June 2009): amendments relating to Group cash -settled share based payment transactions. The amendments clarify the scope of IFRS 2, as well as the accounting for Group cash settled share based payment transactions in separate (or individual) financial statements of an entity receiving the goods or services when another Group entity or shareholder has an obligation to settle the award.

- IFRS 3: Business combination (revised 2008). Comprehensive revision on applying the acquisition method.

- IFRS 3: Business Combinations (issued May 2010): amendment provides clarification that the measurement choice regarding non- controlling interest at the date of acquisition is only available in respect on non-controlling interests that are present ownership interests and that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation.

- IFRS 5: Non-current Assets Held for Sales and Discontinued Operations (issued April 2009): amendments clarifying that the disclosure requirements in IFRSs other than IFRS 5 do not apply to non -current assets (or disposal groups) classified as held for sale or discontinued operations unless those IFRSs make certain specific requirements.

- IFRS 8: Operating Segments (issues April 2009): amendments increasing the level of disclosures for the measure of profit and assets and liabilities for each reportable segment.

- IAS 1: Presentation of Financial Statements (revised April 2009): amendments clarifying that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current.

35.2 New and revised IFRSs adopted with no effect on the financial statements (continued)

- IAS 7: Statement of Cash Flows (revised April 2009): amendments specifying that only expenditures that result in recognised assets in the statement of financial position can be classified as investing activities in the statement of cash flows.

- IAS 17: Leases (revised April 2009): the amendments requires separation of land and building elements for leases that include both land and buildings for separate classifications as operating or finance leases, and reassessment of the classification of land elements of unexpired leases at the date of adopting the amendments.

- IAS 27: Group and Separate Financial Statements (revised May 2010): Increases or decreases in ownership interests are dealt with in equity, with no impact on goodwill or profit or loss.

- IAS 32: Financial Instruments: Presentation (revised 2009): Clarifies the classification of rights issues denominated in foreign currency as either an equity instrument or a financial liability.

- IAS 36: Impairment of Assets (revised April 2009): For purposes of impairment testing, each unit or combination of units to which goodwill arising on a business combination is allocated should, among other conditions, not be larger than an operating segment as defined in IFRS8.

- IAS 39: Financial Instruments: Recognition and Measurement (revised April 2009): amendments provide clarification on two aspects of hedge accounting: identifying inflation as a hedged risk or portion, and hedging with options.

- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments: Provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments.

35.3 New and revised IFRSs in issue, but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which are applicable to the Group, were either issued or revised but not yet effective.

- IFRS 1: First - time Adoption of International Financial Repotting Standards (Revised January 2010): amendments resulting from May 2010 Annual Improvements to IFRSs. Effective for annual periods beginning on or after 1 January 2011.

- IFRS 7: Financial Instruments: Disclosures (issued May and October 2010): amendments provide clarification on the required level of disclosure about credit risk and collateral held and provides relief from disclosures previously required regarding renegotiated loans. It increases the disclosure requirements for transactions involving transfers of financial assets. Effective for annual periods beginning on or after 1 January 2011.

- IFRS 9: Financial Instruments (issued November 2009, amended October 2010): new requirements for the classification and measurement of financial assets and liabilities and for derecognition. Effective for annual periods beginning on or after 1 January 2013.

- IFRS 10: Consolidated Financial Statements (original issue May 2011): effective for annual periods beginning on or after 1 January 2012.

- IFRS 11: Joint Arrangements (original issue May 2011): effective for annual periods beginning on or after 1 January 2013.

- IFRS 12: Disclosure of Interest in Other Entities (original issue May 2011): effective for annual periods beginning on or after 1 January 2013.

- IFRS 13: Fair Value Measurement (original issue May 2011): effective for annual periods beginning on or after 1 January 2013.

- IAS 1: Presentation of Financial Statements (revised May 2010): amendment provide clarification that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of comprehensive income or in the statement of changes in equity or in the notes. Effective for annual periods beginning on or after 1 January 2011.

- IAS 1: Presentation of Financial Statements: amendments to revise the way other comprehensive income is presented. Effective for annual periods beginning on or after 1 July 2012.

35.3 New and revised IFRSs in issue, but not yet effective

- IAS 12: Income Taxes (revised December 2010): limited scope amendment relating to recovery of underlying assets. Effective for annual periods beginning on or after 1 January 2012.

- IAS 19: Employee Benefits (issued June 2011): amended standard resulting from the past employment benefit and termination benefits projects. Effective for annual periods beginning on or after 1 January 2013.

- IAS 24: Related Party Disclosures (revised November 2009): Modifies the definition of a related party and simplifies disclosures for government related entities. Effective for annual periods beginning on or after 1 January 2011.

- IAS 27: Consolidated and Separate Financial Statements (issued May 2011): reissued as IAS 27 Separate Financial Statement (amended in 2011). Effective for annual periods beginning on or after 1 January 2013.

- IAS 28: Investments in Associates (issued May 2011): reissued as IAS 28 Investments in Associates and Joint Ventures (amended in 2011)Effective for annual periods beginning on or after 1 January 2013.

- IAS 34: Interim Financial Reporting (revised May 2010). Effective for annual periods beginning on or after 1 January 2011.

- IFRIC 13: Customer Loyalty Programmes (revised 2010). Effective for annual periods beginning on or after 1 January 2011.

- IFRIC 14, IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (revised 2009): amendments with respect to voluntary prepaid contributions. Effective for annual periods beginning on or after 1 January 2011.

The management anticipate that the adoption of these Standards and Interpretations will have no material impact on the financial statements of the Group in the period of initial application.

36. Joint venture

The Group has the following significant interest in a joint venture:
(a) a 60% equity shareholding with equivalent voting power in the Murray and Roberts Construction Zimbabwe and Reliance (Private) Limited joint venture.

There has been no change in the Group's ownership or voting interest in the joint venture for the reported years. The following amounts are included in the Group's consolidated financial statements as a result of the proportionate consolidation of the Reliance Joint Venture

	2011 US$	2010 US$	2009 US$
Current assets	3,155,829	145,414	-
Non-current assets	-	-	-
Current liabilities	3,033,099	3,990	-
Non-current liabilities	-	-	-
Income	8,132,212	248,836	-
Expenses	7,605,293	268,757	-
Other comprehensive income	-	-	-

37. Going concern

The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However, the Directors believe that under the current economic environment a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

38. Events after the reporting period

None.

39. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 21 September 2011.

Segment information

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of operations. The Group's reportable segments under IFRS8 are therefore as follows.

Contracting operations
Manufacturing operations
Other operations (properties, treasury and corporate)

One manufacturing operation (Promat (Malawi) was discontinued in the current year and another one (Caridorn Abrasives) in 2010. The segment information reported does not include any amounts from these discontinued operations, which are described in more detail in notes 15 and 16.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Segment revenue		Segment profit before tax	
	2011	2010	2011	2010
	US$	US$	US$	US$
Contracting	20,373,341	6,092,016	245,853	(1,899,257)
Manufacturing	15,250,426	11,992,617	1,624,696	2,340,546
Other	-	-	(459,663)	(1,270,232)
Total for continuing operations	35,623,767	18,084,633	1,410,887	(828,943)

Segment revenue reported above represents revenue generated from external customers.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1.

Segment assets and liabilities

Segment assets

	2011	2010	2009
	US$	US$	US$
Contracting	11,189,681	7,268,964	10,650,780
Manufacturing	10,321,206	5,795,084	7,182,731
Other	9,026,931	7,993,523	8,339,798
Total segment assets (excluding cash)	30,537,818	21,057,571	26,173,309
Cash	1,117,928	1,242,187	743,205
Assets relating to discontinued operations	-	1,061,203	-
Consolidated total assets	31,655,746	23,360,961	26,916,514

Segment liabilities

	2011	2010	2009
Contracting	9,183,786	3,145,465	5,363,235
Manufacturing	1,824,816	1,347,596	2,319,146
Other	2,820,977	1,587,053	2,228,084
Total segment liabilities	13,829,579	6,080,114	9,910,465
Liabilities relating to discontinued operations	-	733,297	-
Consolidated total liabilities	13,829,579	6,813,411	9,910,465

Other segment information

	Depreciation		Capital expenditure	
	2011	2010	2011	2010
	US$	US$	US$	US$
Contracting	658,629	582,830	713,100	439,703
Manufacturing	471,623	318,663	1,370,809	651,110
Other	131,772	218,739	3,929	225,129

Murray & Roberts (Zimbabwe) Limited

Statement of

Financial position as at 30 June 2011

	Notes	2011 US$	2010 US$	2009 US$
Assets				
Investments in subsidiaries	2	17,025,535	17,025,535	17,025,535
Other receivables		20,622	10,000	-
Total Assets		**17,046,157**	**17,035,535**	**17,025,535**
Equity and liabilities				
Capital and reserves				
Share capital	3	2,142,746	2,129,621	-
Share premium		41,430	-	-
Non-distributable reserves		14,821,873	14,876,428	17,006,049
Accumulated losses		(214,554)	(109,999)	-
		16,791,495	16,896,050	17,006,049
Current liabilities				
Group receivables				
- Murray & Roberts Investments (Zimbabwe) (Private) Limited	4	254,162	124,798	19,486
Other payables		500	14,687	-
		254,662	139,485	19,486
Total equity and liabilities		**17,046,157**	**17,035,535**	**17,025,535**

PT Zhanda
Chairman
24 October 2011

SM Mangoma
Chief Executive Officer
24 October 2011

Murray & Roberts (Zimbabwe) Limited

Income Statement

for the year ended 30 June 2011

	2011 US$	2010 US$
Revenue	-	-
Cost of sales	-	-
Gross profit	**-**	**-**
Administration costs	(104,555)	(109,999)
Loss before interest (paid)/received	**(104,555)**	**(109,999)**
Interest received	-	-
Interest paid	-	-
Loss before taxation	(104,555)	(109,999)
Income tax	-	-
Loss for the year	(104,555)	(109,999)

Murray & Roberts (Zimbabwe) Limited

Statement of

Comprehensive Income

for the year ended 30 June 2011

	2011 US$	2010 US$
Loss for the year	(104,555)	(109,999)
Other comprehensive income	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(104,555)	(109,999)

Murray & Roberts (Zimbabwe) Limited
Statement of

Changes in Equity

for the year ended
30 June 2011

	Share capital US$	Share Premium US$	Non distributable reserve US$	Accumulated loss US$	Total US$
Balance at 1 July 2009	**-**	**-**	**17,006,049**	**-**	**17,006,049**
Redenominated share capital	2,129,621	-	(2,129,621)	-	-
Loss for the year	-	-	-	(109,999)	(109,999)
Balance at 30 June 2010	**2,129,621**	**-**	**14,876,428**	**(109,999)**	**16,896,050**
Shares issued	13,125	41,430	(54,555)	-	-
Loss for the year	-	-	-	(104,555)	(104,555)
Balance at 30 June 2011	**2,142,746**	**41,430**	**14,821,873**	**(214,554)**	**16,791,495**

Statement of

Financial position notes

for the year ended 30 June 2011

1. **Accounting policies**

The accounting policies are set out on pages 23 to 32.

2. **Investments in subsidiaries**

	2011	2010	2009
	US$	US$	US$
	17,025,535	17,025,535	17,025,535

As per the Guidance issued by the Institute of Chartered Accounts of Zimbabwe in 2009, the value of investments in subsidiaries is the net asset value of the subsidiary.

The Company has investments in the following directly and indirectly held subsidiaries:-

	2011	2010	2009
		Percentage held	
Axwort Investments (Private Limited)	100	100	100
Caridorn Abrasives (Private) Limited	100	100	100
Chimene Investments (Private) Limited	100	100	100
Murray & Roberts Properties (Zimbabwe) Limited	100	100	100
Mobile Steel Construction (Private) Limited	100	100	100
Murray & Roberts Corporate Services (Zimbabwe) (Private) Limited	100	100	100
Murray & Roberts Estates (Zimbabwe) Limited	100	100	100
Murray & Roberts Investments (Zimbabwe) (Private) Limited	100	100	100
Promouldings (Private) Limited	100	100	100
Proplastics (Private) Limited	100	100	100
Regional Contracting Services Limited	100	100	100
Rintl investments (Private) Limited	88	88	88
Stemrich Investments (Private) Limited	100	100	100
Westminister (Proprietary) Limited	100	100	100
Prespeen Investments (Private) Limited	100	100	100
Huldwash Investments (Private) Limited	100	100	100
Wareput Investments (Private) Limited	100	100	100

3. **Share capital**

	2011	2010	2009
	US$	**US$**	**US$**
Authorised and issued share capital			
Authorised			
875 000 000 ordinary shares of US$ 0.01 each	8,750,000	8,750,000	-
Issued			
214 274 610 (2010:212 962 110 ; 2009:210 963 500) ordinary shares of US$ 0.01 each	2,142,746	2,129,621	-

4. **Amount owing to Murray & Roberts Investments (Zimbabwe) (Private) Limited**

	2011	2010	2009
	254,162	124,798	19,486

The amount owing to Murray & Roberts Investments (Zimbabwe) (Private) Limited resulted from expenses paid on behalf of Murray & Roberts (Zimbabwe) Limited, is unsecured, interest free and does not have any fixed repayment terms.

Murray & Roberts (Zimbabwe) Limited

Shareholders' Analysis

As at 30 June 2011

Range	Number of Shareholders	% of Holders	Holdings	% of Issued Share Capital
1 - 500	128	13.30	28,768	0.01
501 - 1000	109	11.25	80,432	0.04
1,001 - 5,000	317	32.41	890,973	0.42
5,001 - 10,000	120	12.27	919,827	0.43
10,001 - 50,000	175	17.89	4,133,687	1.93
50,001 & over	129	12.88	208,220,923	97.17
	978	100.00	214,274,610	100.00

Major Shareholders

Rank	Shareholder	Number of Shares	% of Total
1	Murray & Roberts Limited South Africa	99,792,515	46.83
2	Old Mutual Life Assurance Company Zimbabwe Limited	28,575,152	13.33
3	Old Mutual Zimbabwe Limited	9,458,061	4.41
4	Fed Nominees (Private) Limited	12,643,241	5.90
5	Barclays Zimbabwe Nominees (Private) Limited	12,511,098	5.83
6	Stanbic Nominees (Private) Limited	10,249,898	4.79
7	The Nomad Investment Partnership	3,679,563	1.72
8	Equivest Nominees	3,082,648	1.45
9	Scaiflow Investments (Private) Limited	2,984,278	1.40
10	National Social Security Authority	2,468,480	1.15
		185,444,934	**86.81**

Analysis by Category	2011	2010
	%	%
Banks, insurance companies and nominees	37.90	36.08
Pension Funds, Trust/Property companies	6.72	6.79
Resident individuals and other corporate companies	3.86	4.50
External companies	51.52	52.63
	100.00	100.00

Shareholders' Diary

October 2011	Thirty Seventh Annual Report 2011 to be published and mailed to Shareholders
10 November 2011	Thirty Seventh Annual General Meeting of Shareholders, 44 Tilbury Road, Willowvale
February 2012	Interim press results, analysts briefing
30 June 2012	Financial year end
August 2012	Preliminary Announcement to Shareholders, Analysts briefing
October 2012	Thirty Eighth Annual Report 2012 to be published and mailed to Shareholders
November 2012	Thirty Eighth Annual General Meeting of Shareholders, 44 Tilbury Road, Willowvale

Administration

COMPANY REGISTRATION NUMBER:-	278/74
BUSINESS ADDRESS AND REGISTERED OFFICE:-	44 Tilbury Road, Willowvale, Harare
POSTAL & ELECTRONIC ADDRESSES & TELECOMMUNICATIONS NUMBERS:-	P.O Box CY490, Causeway, Harare.
Telephone: Fax: Email:	+263-4-611641-5 or 611741-7 +263-4-612986 info@murrob.co.zw
SHARE TRANSFER SECRETARIES:	First Transfer Secretaries 4th Floor Goldbridge, Eastgate Sam Nujoma Street/Third Street, Harare
Telephone:	+263-4-773744-51
Fax:	+263-4-749048
AUDITORS:	Deloitte & Touche Chartered Accountants (Zimbabwe) 1 Kenilworth Road, Kenilworth Gardens, Newlands P O Box 267 Harare, Zimbabwe
BANKERS:	
Standard Chartered Bank Zimbabwe Limited	Africa Unity Square Branch Nelson Mandela Avenue Harare
FBC Banking Corporation	FBC Centre 45 Nelson Mandela Avenue Harare
LAWYERS:	
Kantor & Immerman Legal Practitioners	10 Selous Avenue Harare

Murray & Roberts (Zimbabwe) Limited

Notice to Shareholders

for the year ended 30 June 2011

Notice is hereby given that the Thirty Seventh Annual General Meeting of Members of Murray & Roberts (Zimbabwe) Limited will be held at the Registered Office of the Company at 44 Tilbury Road, Willowvale, Harare, on Thursday 10 November 2011 at 12:00 hours for the following purposes:-

ORDINARY BUSINESS

1. **Financial Statements**
   To receive and adopt the Annual Financial Statements and the Directors' and Auditors' Reports thereon for the year ended 30 June 2011.

2. **Election of Directors**
   To elect Directors in place of Messrs P T Zhanda and M Tsoka who retire by rotation. Both, being eligible, have offered themselves for re-election.

3. **Directors' Fees**
   To determine the remuneration of the Directors in respect of their services as Directors for the year ended 30 June 2011.

4. **Auditors**
   To approve the audit fees for the past audit and to appoint auditors for the ensuing year.

ANY OTHER BUSINESS

To transact such other business as may be transacted at an Annual General Meeting.

By Order of the Board
MURRAY & ROBERTS CORPORATE SERVICES (ZIMBABWE) (PRIVATE) LIMITED (Secretaries)

24 October 2011

NOTE:- A member entitled to attend and vote at the Annual General Meeting of Shareholders may appoint a proxy to attend and speak and, on a poll, to vote in his stead. A proxy need not be a member of the Company. Forms of proxy must be lodged at the Registered Office of the Company not less than 48 (forty eight) hours before the time of the holding of the meeting.

Proxy Form for the year ended 30 June 2011

For the Thirty Seventh Annual General Meeting of the Company to be held at the Registered Office of the Company at 44 Tilbury Road, Willowvale, Harare on Thursday, 10 November 2011 at 12:00 hours.

I/We____of

____, being the registered holder/s of

____.

Ordinary Shares in Murray & Roberts (Zimbabwe) Limited do hereby appoint:-

1.____or failing him/her

2.____or failing him/her

the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty Seventh Annual General Meeting of the Company to be held at 44 Tilbury Road, Willowvale, Harare and at any adjournment thereof.

		IN FAVOUR OF	AGAINST	ABSTAIN
1.	Adoption of 2011 Annual Financial Statements and Directors and Auditors reports thereon			
2.	Election of Directors			
3.	Approval of Directors' remuneration			
4.	Appointment of Auditors and approval of their Remuneration			

Signed this_________________________________day of____2011

Signature of member ____

NOTE: A member entitled to attend and vote at the meeting may appoint a proxy to attend and speak and, on a poll, to vote in his stead. A proxy need not be a member of the Company. Forms of proxy must be lodged at the Registered Office of the Company not less 48 (forty eight) hours before the time of the holding of the meeting.

Murray & Roberts

(Zimbabwe) Limited