

**Summarised
condensed results**
for the year ended 31 December 2019

A large, abstract graphic consisting of multiple concentric, swirling blue lines that create a sense of motion and depth, resembling a stylized eye or a vortex. A light blue circle is superimposed in the center of this graphic.

Uplifting people.
Growing business.

THIS IS WORKFORCE

What we do

The group provides employment, training, healthcare, wellness, financial services and lifestyle benefits to individuals and their employers.

What differentiates us

Entrepreneurial culture

Innovative service solutions

Diversified and integrated business model

Strong customer relationships

Extensive footprint

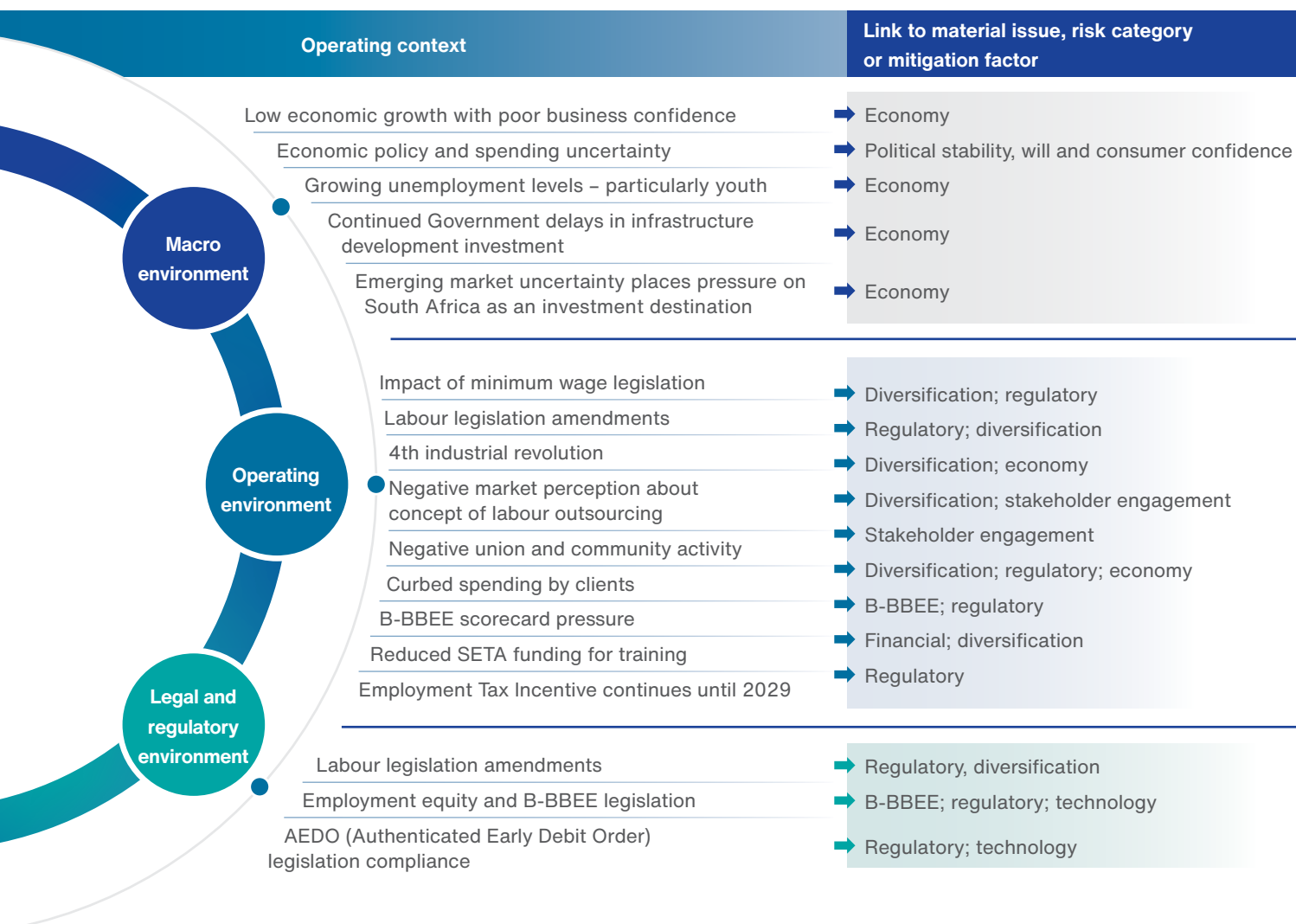
Our people

- intellectual capital
- depth of management
- committed workforce

HOW WE ARE STRUCTURED



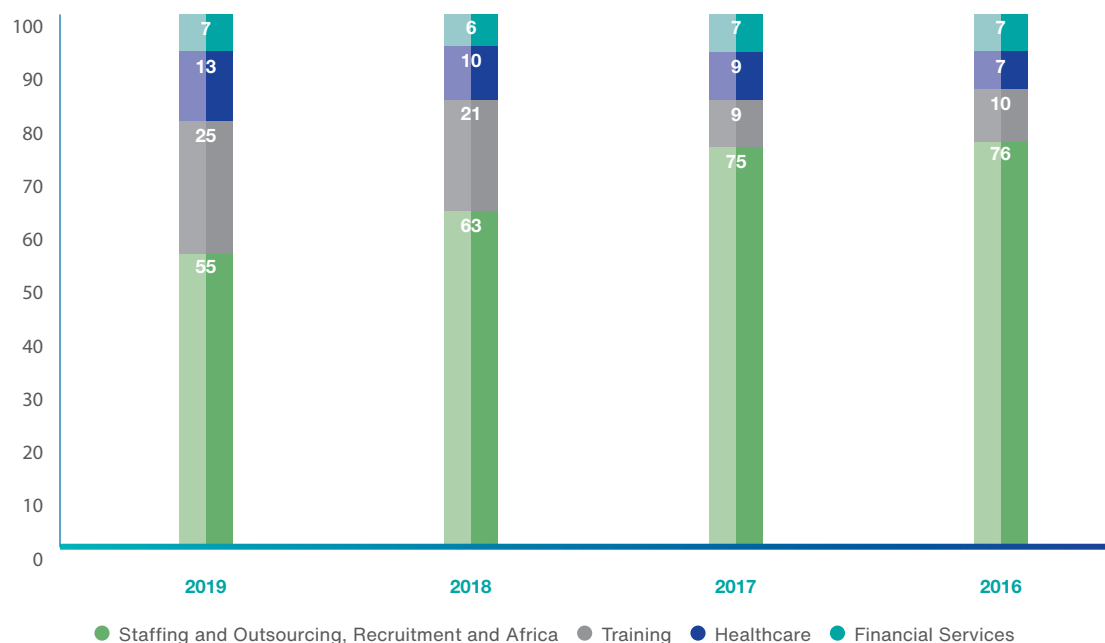
STRATEGIC TRENDS IMPACTING OUR BUSINESS



OUR PATH TO DIVERSIFICATION

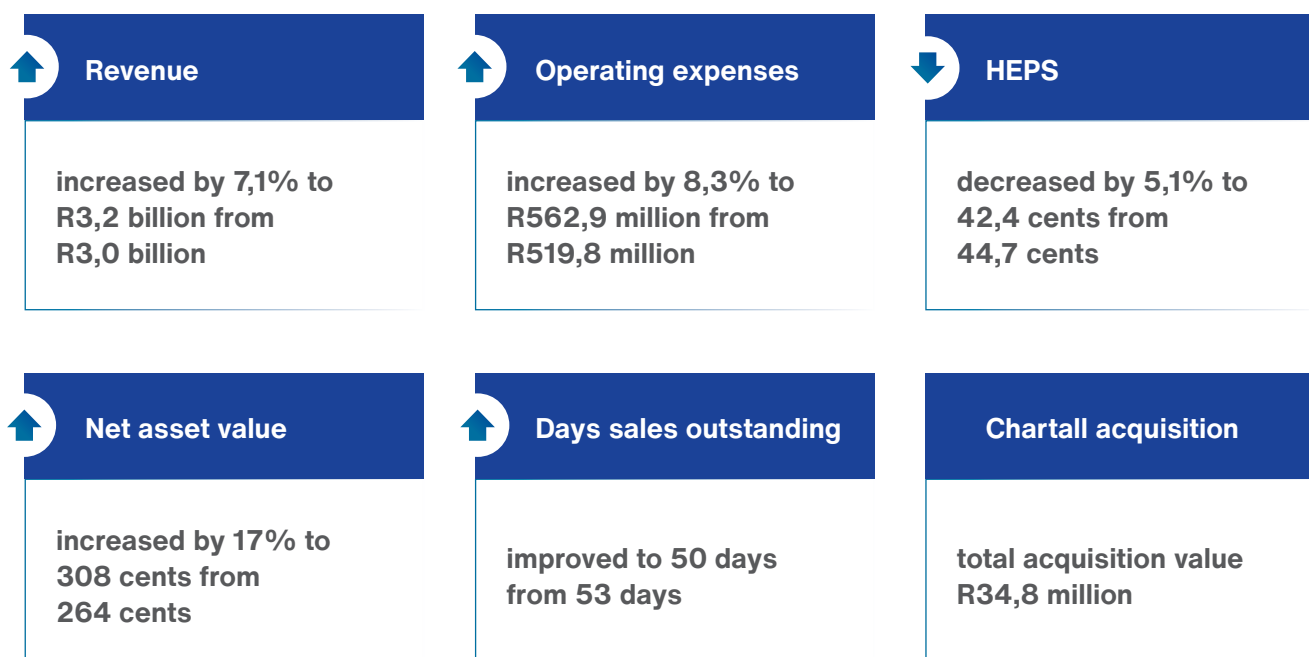


ESTABLISHED DIVERSIFICATION STRATEGY



Refer to note 11 in this document for the segment report.

FINANCIAL INDICATORS



INVESTMENT CASE



COMMENTARY

Workforce commentary to the results

The year under review focused on the development of leadership, information technology, geographic expansion and ensuring that the structure of the organisation is able to support the future of human capital solutions.

Group structure for value creation

One of the strategies we adopted to enhance the profitability and ensure the continued growth of the group was to form clusters of the different business activities and place each cluster under an independent management team with the directive to grow these businesses into substantial independent entities. I am pleased to report that this strategy is working extremely well and took another step forward in the year under review with the appointment of dedicated cluster executives to further drive the holistic Workforce offering. The clusters are positioned in such a way that many are able to cross-sell services.

External operating environment

Workforce continues to have to deal with a faltering economy, the ever-increasing unemployment rate, and poor investment sentiment.

Minimum wage legislation has been introduced and Workforce is actively engaging with clients to assist with any implications and opportunities arising from this legislation. From a regulatory perspective, Workforce welcomed the introduction of the legislation, believing it will, in the longer term, improve the stability of labour in the country and provide fairer and more sustainable pay structures. However, the recent increase in the minimum wage has undoubtedly had an impact on clients.

Also to be noted for reference to our results is the extension to 28 February 2029 of the Employment Tax Incentive ("ETI") by Government.

On a positive note, the finality of the court ruling on the deeming provision created stability in the marketplace as the rules of engagement are now clearly defined. Initially, there were numerous court challenges on the interpretation of section 198A of the Labour Relations Act, better known as the "deeming provision", but this all came to a head with the determination by the Constitutional Court ruling on 26 July 2018 that ultimately endorsed the legitimacy of the Temporary Employment Services ("TES") industry, supporting the concept of the client becoming the employer of their outsourced staff after a period of three months for the purposes of the Labour Relations Act only. This stability bodes well for the future growth in our industry.

Financial performance

Comparative 2018 results

The 2018 results have been restated due to the adoption of IFRS 16, which was adopted using the full retrospective method during the year. Workforce has lease contracts for property and motor vehicles, and the comparative information in the consolidated financial statements has thus been restated. In compliance with the new standard, the group has recognised "right-of-use assets" and "interest-bearing borrowings" for all qualifying leases. This resulted in an opening retained earnings adjustment of R2,9 million at 1 January 2018.

Performance

In one of the most challenging operating environments in many years, EBITDA for the year decreased by 19,0% from R173,9 million to R140,9 million. The majority of the decrease is due to modest sales growth of 7,1%, flat gross margins in rand terms and an 8,3% operating expense increase to support a significant drive from the healthcare, training and Africa clusters to increase their capacity in the areas of human capital, technology, geographical expansion and the establishment of new verticals. This was implemented to ensure a strong base from which to generate additional income from current and new income streams in future.

The **staffing and outsourcing cluster** had to navigate previous uncertainty relating to the deeming provision, the introduction of a minimum wage and a depressed employment market. Revenue increased by 6% to R2.6 billion (2018: R2.5 billion) albeit with a reduction in headcount but EBITDA reduced by 22% to R125,9 million (2018: R161,8 million). This was mainly due to margin pressures resulting of the minimum wage introduction and further maturity of the Employment Tax Incentive ("ETI"), which had a small effect. The end of the financial year saw an increase in headcount serviced by staffing and outsourcing, which was evidenced by significant growth in turnover during November and December.

The **training cluster** increased operating expenses by 32% to R109,5 million. Despite this, the cluster produced satisfactory results with an increase of 16% in revenue to R286,4 million (2018: R247,1 million) and an increase in EBITDA contribution of 5%. During the year the cluster contended with job losses in the mining sector, which was countered by quickly incorporating training arising from new B-BBEE code changes and acquiring more corporate clients.

Similarly the **healthcare cluster** increased its delivery capacity, with an increase in operating expenses of 13% to R52,8 million (2018: R46,7 million). It delivered robust results by increasing revenue by 11% to R274,0 million (2018: R244,0 million) and EBITDA contribution increased by 16% to R29,0 million (2018: R25,0 million). The cluster, year-on-year, placed more healthcare professionals and brand recognition and credibility drove growth in wellness services. All growth was organic and resulted from focused strategic initiatives in place.

The 4% increase in operating expenses in the **financial services cluster** is mainly attributable to it hosting 60 YES Programme participants in its call centre and establishing a presence outside of South Africa. In this cluster there a decline in revenue of 7% to R94,2 million (2018: R101,9 million) with EBITDA flat at R15,8 million (2018: R16,0 million). Management has spent a large part of the year increasing their capability to service the Africa market outside of South Africa. Whilst some revenue was generated in Africa, management is planning for an increase in activity outside of South Africa during the coming year.

Margins

The net effective reduction in gross margin percentages is mostly due to significant, high-margin contracts coming to an end in the renewable energy sector. These projects have successfully been replaced with new contracts to compensate for the loss, but at lower margins. Management does not believe that this reduction in margin is necessarily systemic across the business.

Fair value adjustments

Fair value adjustments netted an income of R30,1 million compared to an expense of R5,3 million in 2018. This change is mostly due to a change in assessment of the probability of the eventual amount to be paid to the seller in respect of an acquisition.

Taxation

As with previous financial years, the group's low tax rate arises primarily from the income derived from the ETI programme not being taxable, and the learnership allowances that are claimed in terms of section 12H of the Income Tax Act. The ETI has been extended to 28 February 2029 whilst the 12H learnership allowance will be in place until 1 April 2022. Ongoing initiatives are under way to employ more youth, as well as to train more learners. Going forward, the group's tax rate will continue to be a function of our ability to utilise these two initiatives with regards to our taxable profits. One of our strategic reasons for diversifying the business is to ensure that, should the ETI come to an end, Workforce will not be negatively impacted.

Cash generation

Cash flows from operating activities decreased substantially to R35,7 million (2018: R68,1 million). Lower EBITDA, coupled with the fact that November and December turnover for 2019 was 15% higher than the corresponding months in 2018 (compared to a 7% growth in turnover for the full financial year), largely contributed to this much lower cash generation. The increase in debtors is, however, always funded by the group's invoice discounting facility. The lower cash generation occurred despite the days sales outstanding on trade debtors improving to 50 days (2018: 53 days).

COMMENTARY (CONTINUED)

Dividend

The directors have elected not to declare a dividend in order to conserve cash resources in light of current economic circumstances.

Funding and acquisition

Post the financial year-end, the group acquired Chartall Business College with funding secured through an existing facility with the group's bankers. In terms of this deal, a maximum purchase consideration of R34,8 million in cash is payable by Workforce subject to various performance conditions being achieved by Chartall Business College. The value of the net assets acquired as at 31 December 2019 equate to R6,8 million and the unaudited profit after tax attributable to these net assets was R6,9 million.

Funders understand the Workforce business model and remain supportive of our growth initiatives and through this, the group has been able to raise funding successfully.

Capital allocation

The diversification of revenue and product streams through the cluster structure continues to be a focus of the group. In addition to this, the acquisition of cash generative businesses to bolster the clusters will continue. The effective use of the ETI, coupled with funding, ensures that Workforce has the necessary cash resources to undertake acquisitive growth and to ensure clusters are at critical mass to make meaningful future contributions. This is supported by funders to close any gaps in funding that might arise. Shareholders are reminded that it is Workforce's intention to replace the ETI with earnings by driving organic and acquisitive growth to become less reliant on these incentives.

Gearing

The group's debt:equity ratio improved to 0,45 (2018: 0,54), with a goal of maintaining a debt:equity ratio of between 0,4 and 0,7.

Covid-19 and outlook

At the time of writing, the Covid-19 pandemic has created an unprecedented global crisis and an uncertain and unpredictable business environment for the entire South African economy.

We have taken steps to protect the income of our employees using both internal resources and those that have been made available by government. We have also been proactive in securing ongoing cash flow for the business by focusing on overhead reduction, cash preservation and stringent credit management.

Despite the national lockdown negatively impacting some of our clients and certain of our business activities, we also have a fair portion of clients and our own business clusters that are deemed to be essential services and we are experiencing strong demand in these areas. Considering these factors, management is confident that the business has the necessary capabilities and resources in place to cope with this situation.



John Macey
Independent chairman



Ronny Katz
Chief executive officer



Willie van Wyk
Financial director

30 March 2020

GROUP STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Notes	2019 R'000	2018 Restated* R'000	2017 Restated* R'000
Assets				
Non-current assets		386 939	381 928	288 281
Right-of-use assets		28 183	31 241	36 369
Property, plant and equipment	6	20 642	20 266	23 559
Goodwill		192 993	191 230	134 480
Intangible assets	7	74 302	74 128	44 247
Deferred tax assets		63 882	58 757	44 251
Other financial assets		6 937	6 306	5 375
Current assets		892 530	783 521	744 246
Trade and other receivables		836 224	734 787	714 389
Inventories		4 229	4 965	3 546
Taxation		3 069	2 221	763
Cash and cash equivalents	8	49 008	41 548	25 548
Total assets		1 279 469	1 165 449	1 032 527
Equity and liabilities				
Equity		694 877	598 464	539 453
Equity attributable to owners of the parent		695 325	601 273	540 914
Stated capital		234 051	234 051	234 051
Treasury shares		(13 075)	(11 158)	(7 658)
Fair value reserve		1 768	752	923
Foreign exchange differences on translation of foreign operations		(304)	549	–
Equity-settled employee benefits reserve		5 529	9 288	6 793
Retained earnings		467 356	367 791	306 805
Non-controlling interests		(448)	(2 809)	(1 461)
Non-current liabilities		57 022	128 867	65 113
Financial liabilities		17 698	87 585	26 407
Interest-bearing loans and borrowings		14 781	20 934	26 940
Deferred tax liabilities		24 543	20 348	11 766
Current liabilities		527 570	438 118	427 961
Trade and other payables		167 906	141 535	136 914
Financial liabilities		341 877	281 720	278 726
Interest-bearing loans and borrowings		17 787	14 863	12 321
Total equity and liabilities		1 279 469	1 165 449	1 032 527

* See note 14 on restatement.

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2019

	Notes	2019 R'000	Restated* 2018 R'000
Revenue		3 227 054	3 014 446
Cost of sales		(2 524 659)	(2 320 695)
Gross profit		702 395	693 751
Other income		1 402	-
Operating costs		(562 862)	(519 794)
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")		140 935	173 957
Fair value adjustments		30 147	(5 360)
Depreciation and amortisation		(41 030)	(39 752)
Finance income		1 278	2 829
Finance costs		(32 257)	(29 737)
Profit on sale of subsidiary		-	2 822
Profit before taxation		99 073	104 759
Taxation		(943)	(1 854)
Profit after tax		98 130	102 905
Other comprehensive income after tax			
Items that are reclassified to profit or loss:			
Foreign translations gain/(losses)		(853)	549
Exchange differences on translating foreign operations		(853)	549
Items that are not reclassified to profit or loss:		1 016	(171)
Fair value gain through other comprehensive income on financial assets		1 016	(171)
Total comprehensive income for the year		98 293	103 283
Profit for the year attributable to:			
Owners of the parent		95 769	104 253
Non-controlling interests		2 361	(1 348)
		98 130	102 905
Total comprehensive income attributable to:			
Owners of the parent		95 932	104 631
Non-controlling interests		2 361	(1 348)
		98 293	103 283
Earnings per share (cents per share)			
Basic earnings per share	9	42,5	46,0
Diluted earnings per share	9	41,2	45,0

* For details of restatement refer to note 14.

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

Attributable to owners of the parent

	Share capital and premium R'000	Treasury shares R'000	Fair value reserve R'000	Foreign currency trans- lation reserve R'000	Equity- settled employee benefits reserve R'000	Retained earnings R'000	Total R'000	Non- control- ling interests R'000	Total equity R'000
Balance at 1 January 2018 as previously reported	234 051	(7 658)	923	-	6 793	309 697	543 806	(1 461)	542 345
Recognition of IFRS 9 adjustment	-	-	-	-	-	(43 267)	(43 267)	-	(43 267)
Recognition of IFRS 16 adjustment (refer to note 2 on accounting policies)	-	-	-	-	-	(2 892)	(2 892)	-	(2 892)
Balance at 1 January 2018 restated	234 051	(7 658)	923	-	6 793	263 538	497 647	(1 461)	496 186
Recognition of share- based payments – see note 25.3	-	-	-	-	2 495	-	2 495	-	2 495
Buy-back of shares	-	(3 500)	-	-	-	-	(3 500)	-	(3 500)
Sale of subsidiary	-	-	-	-	-	1 383	1 383	1 439	2 822
Total comprehensive income for the year	-	-	(171)	549	-	102 870	103 248	(2 787)	100 461
Balance at 1 January 2019 as previously reported	234 051	(11 158)	752	549	9 288	367 791	601 273	(2 809)	598 464
Recognition of share- based payments – see note 25.3	-	-	-	-	4 525	-	4 525	-	4 525
Buy-back of shares	-	(1 917)	-	-	-	-	(1 917)	-	(1 917)
Issue of ordinary shares under share option plan	-	-	-	-	(8 284)	8 284	-	-	-
Payment of dividends	-	-	-	-	-	(4 488)	(4 488)	-	(4 488)
Total comprehensive income for the year	-	-	1 016	(853)	-	95 769	95 932	2 361	98 293
Balance at 31 December 2019	234 051	(13 075)	1 768	(304)	5 529	467 356	695 325	(448)	694 877

GROUP STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	Notes	2019 R'000	Restated* 2018 R'000
Cash generated from operations before net working capital changes		111 845	148 612
Cash generated from operations	10.1	138 601	172 045
Finance income		1 278	2 829
Finance costs		(27 094)	(25 626)
Taxation paid	10.2	(940)	(636)
Increase in net working capital	10.3	(76 111)	(80 496)
Cash flows from operating activities		35 734	67 838
Cash flows from investing activities		(21 831)	(15 041)
Property, plant and equipment acquired	6	(10 028)	(6 742)
Proceeds on disposal of property, plant and equipment		386	132
Dividend income		1 200	–
Intangible assets acquired	7	(13 389)	(13 670)
Cash flow on acquisition of business	10.4	–	5 239
Cash flows from financing activities		(6 443)	(37 075)
Repayment of borrowings and lease liabilities		(1 255)	(2 086)
Proceeds from borrowings and lease liabilities		42 478	35 915
Payment of lease liabilities		(18 693)	(12 909)
Payment for buy-back of shares		(1 917)	(3 500)
Contingent consideration liability		(22 569)	(54 495)
Dividends paid		(4 487)	–
Net change in cash and cash equivalents		7 460	16 000
Cash and cash equivalents at the beginning of the year		41 548	25 548
Cash and cash equivalents at the end of the year	8	49 008	41 548

* For details of restatement refer to note 14.

NOTES TO THE SUMMARISED CONSOLIDATED RESULTS

for the year ended 31 December 2019

1. Nature of operations and general information

Workforce Holdings Limited ("the company") is a holding company incorporated in South Africa. The registered address and principal place of business is disclosed under corporate information in the integrated annual report. The principal activities of the group are human capital solutions that include temporary employment services, permanent placement recruitment, training and skills development, contractor on-boarding, healthcare and wellness, disability solutions, financial services, lifestyle benefits and business process outsourcing solutions.

2. Basis of preparation

The summary group financial statements are prepared in accordance with the requirements of the JSE Listings Requirements for preliminary financial statements and the requirements of the Companies Act applicable to summary financial statements. The summary financial statements were prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee ("APC") and the Financial Pronouncements as issued by the Financial Reporting Standard Council ("FRSC"), and to also, as a minimum, contain the information required by IAS 34: *Interim Financial Reporting*.

The summarised consolidated results for the year ended 31 December 2019 were compiled under the supervision of Willie van Wyk, the financial director. The summarised consolidated results have been prepared in accordance with the IFRS and have been applied consistently with the accounting policies in the annual financial statements for the year ended 31 December 2019.

3. Audit opinion

The group annual financial statements for the year ended 31 December 2019 have been audited by the group's auditors, Crowe JHB, and their unqualified audit report is available for inspection at the registered office of the group. This summarised report is extracted from audited information but is not itself audited. The directors take full responsibility for the preparation of these consolidated results and the financial information has been correctly extracted from the underlying annual financial statements.

4. Posting of integrated annual report and notice of annual general meeting

The integrated report for the year ended 31 December 2019 will be available on the group's website at www.workforce.co.za on 31 March 2020. The audited summarised condensed results for the year ended 31 December 2019 including notice of annual general meeting is expected to be mailed to shareholders on 30 April 2020.

5. Events after reporting date

5.1 Business acquired

2019	Principal activity	Date of acquisition	Portion of business acquired %	Consideration transferred R'000
Uni Education Group Proprietary Limited	Uni Education Group (Pty) Ltd ("UEG") is the 100% holding company of Chartall Business College (Pty) Ltd ("Chartall Business College"), a registered and accredited provider of training services and educational qualifications primarily to the financial services sector and mainly through the on-line medium.	1 January 2020	100	34 883
				34 883

Workforce has obtained control of the abovementioned entity by acquiring 100% of the equity and voting rights in UEG. UEG was acquired in order to grow and diversify Workforce's training segment by providing specialised training programmes in addition to the existing training programmes currently offered.

NOTES TO THE SUMMARISED CONSOLIDATED RESULTS (CONTINUED)

for the year ended 31 December 2019

5. Events after reporting date *(continued)*

Consideration transferred

	Total R'000
Cash	13 953
Contingent consideration	20 930
Total	34 883
Cash consideration	
First payment	13 558
Contingent consideration	
Second payment	5 785
Third payment	4 923
Fourth payment	4 923
Subtotal of future payments	29 189
Interest raised on future payments	5 694
Total	34 883

Under the contingent consideration arrangement for UEG, Workforce is obliged to pay an amount of up to R6 976 578 (inclusive of future interest) subject to UEG achieving an agreed upon after tax profit for the 12 months ending 31 December 2020 and an amount of up to R6 976 578 (inclusive of future interest) subject to UEG achieving an agreed upon after tax profit for the 12 months ending 31 December 2021. Should the after tax profit for the 24 month period ending 31 December 2021 exceed R15 562 129, an additional payment of up to R6 976 578 (inclusive of future interest) may also be payable. All these payments are calculated using agreed upon formulae. The directors believe that these payments are probable.

Assets acquired and liabilities recognised at the date of acquisition:

	Total R'000
5.1.2 Non-current assets	5 213
Property, plant and equipment	9
Intangible assets	5 184
Deferred tax asset	20
Current assets	1 967
Trade and other receivables	1 849
Cash and cash equivalents	118
Current liabilities	(777)
Trade and other payables	(777)
Total	6 403

The receivables acquired (principally trade receivables) in this transaction with a fair value of R1 849 703 for Chartall Business College is equivalent to the gross contractual amount. All contractual cash flows are expected to be collected.

5. Events after reporting date *(continued)*

	Total R'000
Net cash outflow on acquisition of subsidiaries	
Consideration to be paid in cash	34 883
Less: Cash and cash equivalent balances acquired	(118)
Total	34 765
Goodwill arising on acquisition	
Consideration	34 883
Less: Fair value of identifiable net assets acquired	(6 402)
Less: Interest raised on future payments	(5 694)
Goodwill arising on acquisition	22 787

Goodwill arises on the acquisition of UEG because the cost of the combination includes a control premium. In addition, the consideration paid for the combination effectively includes amounts in relation to the benefit of the expected synergies, revenue growth and future market share. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill in the UEG acquisition is expected to be deductible for tax purposes.

Impact of acquisitions on the results of the group

Revenue from the above acquisition amounted to R26 511 680 with profit after tax of R6 976 578 for the period under review.

Revenue from the above acquisition, subsequent to the period under review amounted to R4 250 322 with profit after tax of R1 189 284.

Acquisition-related costs amounting to R276 747 have been excluded from the consideration transferred and have been recognised as an expense in the profit or loss in the 2020 year.

5.2 COVID-19

Management is actively engaging on and monitoring the Codiv-19 pandemic, firstly to ensure that we discharge our social responsibility to slow down the progress of the virus across the spectrum of human capital we are responsible for, but also to ensure the sustainability of our business, given the possible negative impact on the economy. Given the high degree of uncertainty of the pandemic effect on our operating environment, we are unable to estimate the financial effect of this event.

A slowdown in demand for our client's products linked with the possible temporary closure of some of our client's sites, may have an adverse effect on turnover and cash flow. Workforce's business model is robust with a high degree of variability in the cost base. In addition, our funding arrangements have an embedded mechanism by which more cash becomes available in the short-term as debtors are liquidated. Management is confident that the business has the necessary focus, capabilities and resources in place to cope with this situation.

A deterioration in our client's ability to repay the debtors book as a result of the pandemic may also be a possible scenario. To this effect management is focussed on cash preservation as well as more robust management of our credit granting activities. Discussions with our funders is ongoing in this regard coupled with a focus on those debtors who might miss payments or start to build up a large portion of outstanding debt. We undertake to monitor this stringently.

NOTES TO THE SUMMARISED CONSOLIDATED RESULTS (CONTINUED)

for the year ended 31 December 2019

6. Property, plant and equipment

	2019			2018			2017		
	Cost	Accu- mulated depre- ciation	Carrying value	Cost	Accu- mulated depre- ciation	Carrying value	Cost	Accu- mulated depre- ciation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Computer equipment	28 115	(23 970)	4 145	10 067	(5 319)	4 748	28 328	(21 765)	6 563
Industrial equipment	9 958	(8 306)	1 652	7 248	(4 765)	2 483	8 636	(6 057)	2 579
Land and buildings	2 700	-	2 700	2 700	-	2 700	2 700	-	2 700
Leasehold improvements	4 156	(1 251)	2 905	866	(247)	619	1 736	(1 175)	561
Motor vehicles	9 280	(7 628)	1 652	5 540	(2 596)	2 944	10 005	(5 550)	4 455
Office equipment	20 888	(15 637)	5 251	7 216	(3 097)	4 119	18 265	(14 194)	4 071
Training manuals	7 104	(4 767)	2 337	5 405	(2 752)	2 653	9 807	(7 177)	2 630
	82 201	(61 559)	20 642	39 042	(18 776)	20 266	79 477	(55 918)	23 559

The carrying value of property, plant and equipment can be reconciled as follows:

	Computer equipment R'000	Industrial equipment R'000	Land and buildings R'000	Leasehold improve- ments R'000	Motor vehicles R'000	Office equipment R'000	Training manuals R'000	Total R'000
Carrying value at								
1 January 2017	4 140	1 872	2 700	130	3 693	2 827	2 653	18 015
Additions	5 166	1 060	-	534	3 099	1 177	1 032	12 068
Disposals	(22)	-	-	(6)	(317)	(24)	(147)	(516)
Acquired through business combinations	718	686	-	-	421	985	-	2 810
Depreciation	(3 439)	(1 039)	-	(97)	(2 441)	(894)	(908)	(8 818)
Carrying value at								
1 January 2018	6 563	2 579	2 700	561	4 455	4 071	2 630	23 559
Additions	2 537	1 247	-	242	88	1 666	962	6 742
Disposals	(21)	(5)	-	-	(62)	(1)	-	(89)
Acquired through business combinations	76	-	-	-	-	73	-	149
Depreciation	(4 407)	(1 338)	-	(184)	(1 537)	(1 690)	(939)	(10 095)
Carrying value at								
31 December 2018	4 748	2 483	2 700	619	2 944	4 119	2 653	20 266
Additions	2 891	388	-	2 596	418	2 862	873	10 028
Disposals	(9)	-	-	(43)	(305)	-	-	(357)
Depreciation	(3 485)	(1 219)	-	(267)	(1 405)	(1 730)	(1 189)	(9 295)
Carrying value at 31 December 2019	4 145	1 652	2 700	2 905	1 652	5 251	2 337	20 642

Depreciation on property, plant and equipment are included in the "Depreciation and amortisation of assets" in the statement of comprehensive income. No property, plant and equipment has been impaired during the year (2018: Nil).

6. Property, plant and equipment *(continued)*

The net book value of motor vehicles held under instalment credit agreements at 31 December 2019 amounted to R1 187 921 (2018: R2 402 542). Refer to note 11 for details of the instalment credit agreements. Motor vehicles acquired under instalment credit agreements amounted to R86 563 (2018: Nil). The instalment sales relate primarily to motor vehicles.

The directors have determined that the residual value of the buildings is equal to or exceeds the carrying value, therefore no depreciation has been provided for this category.

The group has no further contractual commitments to acquire property, plant and equipment at reporting date.

7. Intangible assets

	2019			2018			2017		
	Cost	Accu- mulated amorti- sation	Carrying value	Cost	Accu- mulated amorti- sation	Carrying value	Cost	Accu- mulated amorti- sation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Brands	119	(5)	114	82	(6)	76	3 209	(3 209)	-
Client relationships	42 194	(36 465)	5 729	42 194	(27 842)	14 352	31 522	(15 260)	16 262
Computer software	99 487	(45 140)	54 347	74 733	(45 096)	29 664	62 146	(45 081)	17 065
Training course accreditations	20 620	(6 530)	14 090	20 620	(2 406)	18 214	-	-	-
Development costs	22	-	22	11 822	-	11 822	10 920	-	10 920
	162 441	(88 140)	74 302	149 451	(75 323)	74 128	107 797	(63 550)	44 247

The carrying amounts of intangible assets can be reconciled as follows:

	Brands	Client relationships	Computer software	Training course accredi- tations	Development costs	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Carrying value at						
1 January 2017	756	14 067	15 755	-	8 552	39 130
Additions	-	-	1 677	-	2 368	4 045
Disposals	-	-	(39)	-	-	(39)
Acquired through business combinations	-	12 012	2 761	-	-	14 773
Additions from internal development	-	-	3 600	-	-	3 600
Amortisation	(756)	(9 817)	(6 689)	-	-	(17 262)
Carrying value at						
1 January 2018	-	16 262	17 065	-	10 920	44 247
Additions	82	-	1 355	-	12 233	13 670
Disposals	-	-	-	-	-	-
Acquired through business combinations	-	10 672	3	20 620	-	31 295
Additions from internal development	-	-	11 331	-	(11 331)	-
Amortisation	(6)	(12 582)	(90)	(2 406)	-	(15 084)

NOTES TO THE SUMMARISED CONSOLIDATED RESULTS (CONTINUED)

for the year ended 31 December 2019

7. Intangible assets *(continued)*

	Brands R'000	Client relationships R'000	Computer software R'000	Training course accredi- tations R'000	Development costs R'000	Total R'000
Carrying value at 31 December 2018	76	14 352	29 664	18 214	11 822	74 128
Additions	75	-	13 436	-	(122)	13 388
Disposal at carrying value	-	-	-	-	-	-
Additions from internal development	-	-	11 678	-	(11 678)	-
Amortisation	(37)	(8 623)	(431)	(4 124)	-	(13 215)
Carrying value at 31 December 2019	114	5 729	54 347	14 090	22	74 302

The above amortisation expense is included in "Depreciation and amortisation of intangible assets" in the statement of comprehensive income. No intangible assets have been impaired during the year (2018: Nil). Computer software is mostly internally generated. The value of research and development expenditure recognised as an expense during the period was R378 221 (2018: R200 761).

The group has no further contractual commitments to acquire intangible assets at reporting date. No restrictions exist over intangible assets.

8. Cash and cash equivalents

Cash and cash equivalents include the following components:

	2019 R'000	2018 R'000	2017 R'000
Cash at bank and in hand	49 008	41 525	25 488
Short-term deposits	-	23	60
	49 008	41 548	25 548

9. Earnings per share

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2019	2018
Profit attributable to equity shareholders of the parent company (R'000)	95 769	104 253
Weighted average number of ordinary shares in issue ('000)	225 492	226 856
Basic earnings per share (cents)	42,5	46,0
Diluted earnings per share (cents)	41,2	45,0

9. Earnings per share *(continued)*

Basic earnings per share *(continued)*

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2019	2018
The weighted average number of ordinary shares in issue ('000)	225 492	226 856
Shares deemed to be issued for no consideration in respect of: Employee options	6 864	4 778
Weighted average number of ordinary shares in the calculation of diluted earnings per share	232 356	231 634

	Impact on profit for the year		Impact on basic earnings per share		Impact on diluted earnings per share	
	2019	2018	2019	2018	2019	2018
Impact of changes in accounting policy (see note 2)						
Impact of the adoption IFRS 16	13 551	(1 664)	6,0	(0,7)	5,8	(0,7)

	2019	2018
Headline earnings per share		
The earnings used in the calculation of headline earnings per share are as follows:		
Profit attributable to equity shareholders of the parent company (R'000)	95 769	104 253
Headline earnings adjustment (R'000)	(124)	(2 822)
(Gain) on disposal of property, plant and equipment (R'000)	(172)	-
Sale of subsidiary (R'000)	-	(2 822)
Tax effects of adjustments (R'000)	48	-
Total headline earnings (R'000)	95 645	101 431
Weighted average number of shares in issue ('000)	225 492	226 856
Headline earnings per share (cents)	42,4	44,7
Diluted headline earnings per share (cents)	41,2	43,8

	Impact on profit for the year		Impact on basic earnings per share		Impact on diluted earnings per share	
	2019	2018	2019	2018	2019	2018
Impact of changes in accounting policy (see note 2)						
Impact of the adoption IFRS 16	13 551	(1 664)	6,0	(0,7)	5,8	(0,7)

NOTES TO THE SUMMARISED CONSOLIDATED RESULTS (CONTINUED)

for the year ended 31 December 2019

	2019 R'000	2018 R'000		
10. Notes to the cash flows				
10.1 Cash generated from operations				
Profit before taxation	99 073	104 759		
Interest income	(1 278)	(2 829)		
Dividend income	(1 200)	–		
Finance costs	27 094	25 626		
Adjusted for non-cash items:				
Gain on disposal of property, plant and equipment	357	–		
Depreciation and amortisation	41 030	39 752		
Loss/(gain) arising on financial liability at fair value through profit or loss	(30 147)	5 360		
Foreign exchange differences on translation of foreign operations	(853)	549		
Expense recognised in respect of cash-settled share-based payment	–	(3 667)		
Expense recognised in respect of equity-settled share-based payment	(3 759)	2 495		
Shares issued	8 284	–		
	138 601	172 045		
10.2 Taxation paid				
Charged to profit or loss	(943)	(1 854)		
Adjusted for deferred tax	(930)	2 256		
Movement in taxation balance	933	(1 038)		
	(940)	(636)		
10.3 Working capital changes				
Change in trade and other receivables	(101 437)	(80 047)		
Change in inventories	736	(1 419)		
Change in trade and other payables	24 590	970		
	(76 111)	(80 496)		
10.4 Cash flow on acquisition of business				
Cash outflow on the acquisitions of subsidiaries – prior year acquisitions	–	5 239		
	–	5 239		
10.5 Equity-settled share-based payments				
Employees received shares in settlement of the equity-settled share-based payment scheme. The employees were given the option of retaining the shares they were granted, or selling their shares on the open market. The company sold the shares on the employees' behalf and paid them the proceeds from the sale.				
	1 January 2019	Cash flows	Non-cash flows	31 December 2019
10.6 Changes in liabilities arising from financing activities				
Non-current treasury share loan	8 045	–	(71)	7 974
Interest-bearing borrowings	35 797	(3 229)	–	32 568
Instalment sales liabilities	2 345	(1 255)	–	1 090
Invoice discounting facility	250 385	25 861	–	276 246
Loan facility bearing interest	11 558	17 700	–	29 258
	308 130	39 077	(71)	347 136

11. Segment reporting

During the previous reporting period, the group reorganised its segments and formed four business clusters of the different business activities and placed each cluster under an independent management team. As the formation of the clusters is in transition since late last year, our financial segmental reporting for the 2018 year will not reflect the new cluster structure identically, but is structured as follows:

- Staffing and outsourcing (includes recruitment and Africa) – comprising temporary employment services, functional outsourcing, permanent recruitment, executive search, specialist staffing, payroll management, HR and IR consulting and turnkey staffing solutions.
- Training – comprising accredited short courses, skills programmes, full qualifications, learnerships and apprenticeship programmes, adult education training and contractor on-boarding.
- Financial services – comprising death and disability cover, funeral cover, hospital cover, day-to-day medical insurance and financial and mobile products and services.
- Healthcare – comprising recruitment and placement of medical professionals for hospitals and frail-care homes, primary and occupational healthcare services, employee health and wellness programmes and health risk assessment.

These reporting segments better represent the current core trading of the group and allows for simple understanding and communication of the performance of the business.

These segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

Due to the above change in reporting segments, the prior year's segment information has been restated.

These operating segments, as further described in note 3.5 of the accounting policies, are monitored and strategic decisions are made on the basis of adjusted segment operating results.

Segment information can be analysed as follows for the reporting periods under review:

	Staffing and outsourcing R'000	Training R'000	Financial services R'000	Healthcare R'000	Shared Services & Central costs R'000	Consoli- dation entries R'000	Total R'000
2019							
Segment revenues	2 592 173	268 577	94 286	272 331	(313)	-	3 227 054
Inter-segment revenue	13 175	17 896	-	1 711	-	(32 782)	-
Cost of sales	(2 179 819)	(121 379)	(31 253)	(192 159)	(49)	-	(2 524 659)
Inter-segment cost of sales	(13 175)	-	-	-	-	13 175	-
Gross Margin	412 354	165 094	63 033	81 883	(362)	(19 607)	702 395
Operating costs	(284 615)	(93 368)	(48 379)	(51 306)	(85 194)	-	(562 862)
Inter segment operating costs	(1 839)	(16 186)	-	(1 582)	-	19 607	-
Other income	54	143	1 180	9	16	-	1 402

NOTES TO THE SUMMARISED CONSOLIDATED RESULTS (CONTINUED)

for the year ended 31 December 2019

11. Segment reporting *(continued)*

	Staffing and outsourcing R'000	Training R'000	Financial services R'000	Healthcare R'000	Shared Services & Central costs R'000	Consoli- dation entries R'000	Total R'000
EBITDA	125 954	55 683	15 834	29 004	(85 540)	-	140 935
Fair value adjustment	-	-	(385)	-	30 532	-	30 147
Depreciation and amortisation of non-financial assets	(11 475)	(4 982)	(1 804)	(2 277)	(7 140)	(13 352)	(41 030)
Finance income	358	638	26	82	174	-	1 278
Finance costs	(10 781)	(1 691)	(1 406)	(1 698)	(16 681)	-	(32 257)
Segment profit/(loss) before tax	104 056	49 648	12 265	25 111	(78 655)	(13 352)	99 073
Capital expenditure	2 600	4 973	1 158	441	14 245	-	23 417
Segment total assets	415 703	119 363	284 932	17 788	651 731	(210 048)	1 279 469
Segment total liabilities	(21 037)	(66 477)	(352 954)	7 964	(160 357)	8 269	(584 592)
Net segment assets/(liabilities)	394 666	52 886	(68 022)	25 752	491 374	(201 779)	694 877

	Staffing and outsourcing R'000	Training R'000	Financial services R'000	Healthcare R'000	Shared Services & Central costs R'000	Consoli- dation entries R'000	Total R'000
2018							
Segment revenues	2 437 120	230 909	101 873	244 461	83	-	3 014 446
Inter-segment revenue	27 894	16 187	-	1 582	-	(45 663)	-
Cost of sales	(1 999 682)	(111 315)	(39 364)	(174 244)	3 870	-	(2 320 695)
Inter-segment cost of sales	(25 875)	-	-	(62)	-	25 937	-
Operating costs	(275 672)	(66 785)	(46 477)	(45 123)	(85 737)	-	(519 794)
Inter-segment operating costs	(1 958)	(16 186)	-	(1 582)	-	19 726	-

11. Segment reporting *(continued)*

	Staffing and outsourcing R'000	Training R'000	Financial services R'000	Healthcare R'000	Shared Services & Central costs R'000	Consoli- dation entries R'000	Total R'000
EBITDA	161 867	52 810	16 032	25 032	(81 784)	-	173 957
Fair value adjustments	-	(885)	884	-	(5 359)	-	(5 360)
Depreciation and amortisation of non- financial assets	(11 070)	(5 640)	(1 821)	(2 347)	(3 280)	-	(24 158)
Amortisation of acquired intangible assets	-	-	-	-	-	(15 594)	(15 594)
Finance income	853	1 908	42	24	2	-	2 829
Finance costs	(4 580)	(2 417)	(12 593)	(2 443)	(7 704)	-	(29 737)
Profit on sale of subsidiary	-	-	-	-	-	2 822	2 822
Segment profit/ (loss) before tax	147 070	45 776	2 544	20 266	(98 125)	(12 772)	104 759
Capital expenditure	2 446	3 761	143	1 494	12 719	31 293	51 856
Segment total assets	477 991	96 389	241 560	25 186	527 585	(203 262)	1 165 449
Segment total liabilities	(75 985)	(56 293)	(300 362)	(4 947)	(200 906)	71 508	(566 985)
Net segments/ assets/(liabilities)	402 006	40 096	(58 802)	20 239	326 679	(131 754)	598 464

Geographical information

The group's revenue from external customers and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) by geographical location are immaterial.

Information about major customers

No single customers contributed 10% or more to the group's revenue in either 2019 or 2018.

NOTES TO THE SUMMARISED CONSOLIDATED RESULTS (CONTINUED)

for the year ended 31 December 2019

12. Adoption of new and revised International Financial Reporting Standards (“IFRSs”)

New and amended standards adopted by the group

IFRS 16 (Leases)

IFRS 16 supersedes IAS 17: *Leases*, IFRIC 4: *Determining whether an Arrangement contains a Lease*, SIC-15: *Operating Leases – Incentives* and SIC-27: *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires leases to account for most leases under a single on-balance sheet model.

In the current year, the group has applied IFRS 16 (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019. The date of initial application of IFRS 16 for the group is 1 January 2019.

Changes in accounting policies and disclosures

Impact on the statement of financial position (increase/decrease)

	Previously reported 31 Dec 2019 R'000	IFRS 16 adjust- ments R'000	Restated 31 Dec 2019 R'000	Previously reported 31 Dec 2018 R'000	IFRS 16 adjust- ments R'000	Restated 31 Dec 2018 R'000	Previously reported 31 Dec 2017 R'000	IFRS 16 adjust- ments R'000	Restated 31 Dec 2017 R'000
Financial position									
Assets									
Non-current assets	358 756	28 183	386 939	350 687	31 241	381 928	251 912	36 369	288 281
Right-of-use assets	–	28 183	28 183	–	31 241	31 241	–	36 369	36 369
Property plant and equipment	20 642	–	20 642	20 266	–	20 266	23 559	–	23 559
Goodwill	192 993	–	192 993	191 230	–	191 230	134 480	–	134 480
Intangible assets	74 302	–	74 302	74 128	–	74 128	44 247	–	44 247
Deferred tax assets	63 882	–	63 882	58 757	–	58 757	44 251	–	44 251
Other financial assets	6 937	–	6 937	6 306	–	6 306	5 375	–	5 375
Non-current liabilities	72 241	14 781	87 022	107 933	20 934	128 867	38 173	26 940	65 113
Financial liabilities	47 698	–	47 698	87 585	–	87 585	26 407	–	26 407
Interest-bearing borrowings	–	14 781	14 781	–	20 934	20 934	–	26 940	26 940
Deferred tax liabilities	24 543	–	24 543	20 348	–	20 348	11 766	–	11 766
Current liabilities	479 783	17 787	497 570	423 255	14 683	438 118	415 640	12 321	427 961
Trade and other payables	167 906	–	167 906	141 535	–	141 535	136 914	–	136 914
Financial liabilities	311 877	–	311 877	281 720	–	281 720	278 726	–	278 726
Interest-bearing borrowings	–	17 787	17 787	–	14 683	14 863	–	12 321	12 321
Retained earnings	453 805	13 551	467 356	369 455	(1 664)	367 791	266 431	(2 892)	263 539

12. Adoption of new and revised International Financial Reporting Standards *(continued)*

The group adopted IFRS 16 using the full retrospective method during the period under review. Workforce has lease contracts for property and motor vehicles, the comparative information in this period's consolidated financial statements has been restated. In compliance with the new standard the group has recognised "right-of-use-assets" and "interest-bearing borrowings" for all qualifying leases.

See below of the impact on the consolidated financial statement

	Previously reported 31 Dec 2019 R'000	IFRS 16 adjustments R'000	Restated 31 Dec 2019 R'000	Previously reported 31 Dec 2018 R'000	IFRS 16 adjustments R'000	Restated 31 Dec 2018 R'000
Comprehensive income						
Revenue	3 227 054	–	3 227 054	3 014 446		3 014 446
Cost of Sales	(2 531 230)	6 571	(2 524 659)	(2 323 153)	2 458	(2 323 153)
Gross profit	695 824	6 571	702 395	691 293	2 458	693 751
Other income	1 402	–	1 402	278	(278)	–
Operating costs	(592 214)	29 352	(562 862)	(534 634)	14 840	(579 794)
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	105 012	35 923	140 935	156 634	17 020	173 957
Fair value adjustments	30 147	–	30 147	(5 360)		(5 360)
Depreciation and amortisation	(22 508)	(18 522)	(41 030)	(25 179)	(14 573)	(39 752)
Finance income	1 278	–	1 278	2 829		2 829
Finance costs	(28 407)	(3 850)	(32 257)	(25 626)	(4 111)	(29 737)
Profit on sale of subsidiary	–	–	–	2 822		2 822
Increase/(decrease) in profit for year	85 522	13 551	99 073	106 423	(1 664)	104 759

	Previously reported 31 Dec 2018	IFRS 16 adjustments	Restated 31 Dec 2018
Cash generated from operations before net working capital changes	135 425	12 909	148 334
Cash flows from operating activities	54 929	12 909	67 838
Cash flows from investing activities	(69 258)	–	(14 763)
Property, plant and equipment acquired	(6 742)	–	(6 742)
Proceeds on disposal of property, plant and equipment	132	–	132
Dividend income	278	–	278
Intangible assets acquired of business combinations	(13 670)	–	(13 670)
	(49 256)		5 239
Cash flows from financing activities	30 329		(37 075)
Repayment of borrowings	(2 086)	–	(2 086)
Proceeds from borrowings	35 915	–	35 915
Payment of lease liabilities	–	(12 909)	(12 909)
Payment for buy-back of shares	(3 500)	–	(3 500)
Proceeds on disposal of shares	–		(54 495)
Contingent consideration liability	–	–	
Net change in cash and cash equivalents	16 000	–	16 000
Cash and cash equivalents at the beginning of the year	25 548	–	25 548
Cash and cash equivalents at the end of the year	41 548	–	41 548

NOTES TO THE SUMMARISED CONSOLIDATED RESULTS (CONTINUED)

for the year ended 31 December 2019

12. Adoption of new and revised International Financial Reporting Standards *(continued)*

(a) Nature of the effect of adoption of IFRS 16

The group has lease contracts for properties and motor vehicles. Before the adoption of IFRS 16, the group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classed as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the lease property or, lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in the statement of profit or loss on a straight-line basis over the lease term.

Upon adoption of IFRS 16, the group applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low value assets. The group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the full retrospective method of adoption, the group applied IFRS 16 at the date of initial application as if it had already been effective at the commencement date of existing lease contract. Accordingly, the comparative information in the prior year's financial statements has been restated.

As at 31 December 2018:

- Right-of-use assets of R31,241 million were recognised and presented separately in the statement of financial position;
- Additional lease liabilities of R35,797 million were recognised and included under interest-bearing loans and borrowings.

(b) Amounts recognised on the statement of financial position and statement of comprehensive income

Set out below are the carrying amounts of the group's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use assets			Liabilities R'000
	Property R'000	Motor vehicles R'000	Total R'000	
As at 31 December 2018	27 341	3 900	31 241	(35 797)
Additions	9 961	5 503	15 464	(15 484)
Depreciation expense	(14 726)	(3 796)	(18 522)	-
Interest expense	-	-	-	(3 850)
Payments	-	-	-	22 543
As at 31 December 2019	22 576	5 607	28 183	(32 588)

	Notes	2019 R'000	2018 R'000
13. Financial assets and financial liabilities			
<i>13.1.1 Set out below is an overview of financial assets held by the group</i>			
Financial assets at amortised costs		852 999	751 930
Trade and other receivables	7	803 991	710 382
Cash and cash equivalents	9	49 008	41 548
Financial assets at fair value through profit and loss		6 937	6 306
Investment in cell captive	6	3 105	3 490
Quoted equity shares	6	3 832	2 816
Total		859 936	758 236
Total current		852 999	751 930
Total non-current		6 937	6 306
<i>13.1.2 Set out below is an overview of financial liabilities held by the group</i>			
Financial liabilities at amortised costs			
Trade and other payables		72 088	47 036
Interest-bearing borrowings		276 246	250 385
Financial liabilities at fair value through profit/loss			
Contingent consideration	11	15 007	66 972
Current	11	5 683	18 802
Non-current	11	9 324	48 170
Loan on treasury shares	11	7 974	8 045
Total		371 315	372 438
Total current		854 017	316 223
Total non-current		17 298	56 215

13.2 Fair value measurement

Fair values

The following table provides the fair value measurement hierarchy of the group's financial assets and financial liabilities.

The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

NOTES TO THE SUMMARISED CONSOLIDATED RESULTS (CONTINUED)

for the year ended 31 December 2019

13. Financial assets and financial liabilities (continued)

13.2 Fair value measurement (continued)

Fair values (continued)

	Date of valuation	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
As at 31 December 2019					
Financial assets					
Quoted equity shares	31 December 2019	3 832	3 832	–	–
Cell captive	31 December 2019	3 105	–	–	3 105
Financial liabilities					
Loan from Simgarvin Proprietary Limited	31 December 2019	7 974	–	–	7 974
Contingent consideration relating to business acquisition	31 December 2019	15 007	–	–	15 007
As at 31 December 2018					
Financial assets					
Quoted equity shares	31 December 2018	2 816	2 816	–	–
Cell captive	31 December 2018	3 490	–	–	3 490
Financial liabilities					
Contingent consideration relating to business acquisition of Prisma Training Solutions Proprietary Limited	31 December 2018	(796)	–	–	(796)
Contingent consideration relating to business acquisition of KBC Health and Safety Proprietary Limited	31 December 2018	(15 991)	–	–	(15 991)
Contingent consideration relating to business acquisition of the Dyna Group	31 December 2018	(50 185)	–	–	(50 185)
Loan from Simgarvin Proprietary Limited	31 December 2018	8 045	–	–	8 045

Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
Quoted bid prices in active market	Not applicable	Not applicable
Financial Assets Net asset value is used as a valuation where the underlying assets and liabilities have been assessed to represent the fair value of the investment. Due to the nature of the investment, specifically the significant composition of liquid assets and liabilities, the net value is seen to be the most appropriate representation of fair value.	Fair values of the cell captive's assets and liabilities.	A 2% increase or decrease in the fair value of the underlying assets and liabilities should not result in a change in the fair value.
Financial Liabilities Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the group.	A risk adjusted discount rate of 5,9%.	A 2% increase in the discount rate used while holding all other variables constant would decreased/increase the fair value of the loan by R297 902 (2018: R200 000)
Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the group. Discount rate of 17,5% determined using the capital asset pricing model. Probability adjusted profits with ranges of R5 million to R17,6 million.	Discount rate of 17,5% determined using the capital asset pricing model.	A 2% increase or decrease in the discount rate used while holding all other variables constant would decrease/increase the fair value of the loan by R2,7 million (2018: R1,0 million). A slight change in the probability adjusted profits in isolation would not result in a significant change in fair value.
Financial Assets As above	As above	As above
Financial Liabilities As above	As above	As above
As above	As above	As above

NOTES TO THE SUMMARISED CONSOLIDATED RESULTS (CONTINUED)

for the year ended 31 December 2019

13. Financial assets and financial liabilities *(continued)*

13.2 Fair value measurement *(continued)*

Fair values (continued)

	Investment in cell captive	Contingent consideration	Total
As at 31 December 2019			
Opening balance	3 490	66 972	70 462
Gain/(loss) in profit or loss*	(385)	17 885	17 500
Additions	–	–	–
Release on liability	–	(34 279)	(34 279)
	3 105	50 578	53 683
As at 31 December 2018			
Opening balance	2 605	(25 562)	(22 957)
Gain/(loss) in profit or loss	211	(8 403)	(8 192)
Additions	–	(79 358)	(79 358)
Release on liability	–	46 351	46 351
Closing balance	3 490	(66 972)	(64 136)

* Included in fair value adjustments in profit or loss.

14. Restatement of the prior year

Statement of cash flows

Certain reclassification has been made to the prior period's consolidated statement of cash flows in order to enhance the comparability to the current period's financial results. Cash flows arising from the repayment of contingent consideration liabilities was incorrectly classified as a investing activity. This has now been corrected to be classified as a financing activity.

	Restated 31 December 2018 R'000	Previously reported 31 December 2018 R'000	Adjustment R'000
Cash flows from investing activities	(14 763)	(69 258)	54 495
	5 239	(49 256)	54 495
Contingent consideration liability	(54 495)	–	(54 495)

NOTICE OF ANNUAL GENERAL MEETING

Workforce Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number: 2006/018145/06)

Share code: WKF ISIN: ZAE000087847

("Workforce" or "the company" or "the group")

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

Notice is hereby given that the annual general meeting of the company's shareholders will be held at 11 Wellington Road, Parktown on Wednesday, 10 June 2020 at 10:00 ("annual general meeting").

Purpose

The purpose of the meeting is to transact the business set out in this notice of annual general meeting ("annual general meeting notice") by considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions hereunder.

Record date, attendance and voting

	2020
Record date in order to be eligible to receive the annual general meeting notice	Friday, 24 April
Annual general meeting notice posted to shareholders	Thursday, 30 April
Last date to trade in order to be eligible to vote at the annual general meeting	Tuesday, 26 May
Record date in order to be eligible to vote at the annual general meeting	Friday, 29 May
Last day to lodge forms of proxy for the annual general meeting (by 10:00) for administration purposes	Monday, 8 June
Annual general meeting (at 10:00)	Wednesday, 10 June
Results of the annual general meeting released on SENS	Wednesday, 10 June

- Shareholders entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the company. A form of proxy, in which is set out the relevant instructions for its completion, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the annual general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the annual general meeting.
- The instrument appointing a proxy and the authority (if any) under which it is signed must reach the company's transfer secretaries at the address given below by not later than 10:00 on Monday, 8 June 2020.
- Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the annual general meeting in person will need to request their CSDP or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
- Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the annual general meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between them and the CSDP or broker in the manner and time stipulated therein.
- Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.
- In terms of the Companies Act 2008 (Act 71 of 2008), as amended ("the Companies Act"), any shareholder or proxy who intends to attend or participate at the annual general meeting must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the annual general meeting. A green bar-coded identification document or identity card issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted at the annual general meeting as sufficient forms of identification.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Agenda

Presentation and consideration of the annual financial statements of the company, including the reports of the auditors and directors and the audit and risk committee for the year ended 31 December 2019 as set out in the company's integrated annual report 2019, of which this annual general meeting notice forms part; and to consider and, if deemed fit, approve, with or without modification, the following special and ordinary resolutions:

Note:

For any of the ordinary resolutions numbers 1 to 10, excluding ordinary resolution number 9, to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.

For any of the special resolutions numbers 1 to 3 to be adopted, more than 75% of the voting rights exercised on each such special resolution must be exercised in favour thereof.

For ordinary resolution number 9 to be adopted, more than 75% of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.

Ordinary business

1. Ordinary resolution number 1: Re-election of Kyansambo Vundla

"Resolved that Kyansambo Vundla, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible and offering herself for re-election, be and is hereby re-elected as director."

An abbreviated *curriculum vitae* in respect of Kyansambo Vundla may be viewed on page 65 of the integrated annual report of which this annual general meeting notice forms part.

The remuneration and nominations committee has considered Kyansambo Vundla's past performance, contribution to the company and her independence and, in accordance with article 38.3 of the memorandum of incorporation of the company, recommends that Kyansambo Vundla be re-elected as a director of the company.

2. Ordinary resolution number 2: Re-election of Shelley Thomas

"Resolved that Shelley Thomas, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible and offering herself for re-election, be and is hereby re-elected as director."

An abbreviated *curriculum vitae* in respect of Shelley Thomas may be viewed on page 65 of the integrated annual report of which this annual general meeting notice forms part.

The remuneration and nominations committee has considered Shelley Thomas's past performance and contribution to the company and, in accordance with article 38.3 of the memorandum of incorporation of the company, recommends that Shelley Thomas be re-elected as a director of the company.

Reason for ordinary resolutions numbers 1 and 2

The reason for ordinary resolutions numbers 1 and 2 is that article 36 of the memorandum of incorporation of the company and, to the extent applicable, the Companies Act, requires that one-third of the non-executive directors rotate at the annual general meeting and, being eligible, may offer themselves for re-election as directors.

3. Ordinary resolution number 3: Confirmation of the reappointment of the auditors

"Resolved that the reappointment of Crowe JHB (previously Horwath Leveton Boner) as independent auditors of the company for the ensuing year (the designated auditor being Gary Kartsounis) on the recommendation of the company's audit and risk committee, be ratified."

Reason for ordinary resolution number 3

The reason for ordinary resolution number 3 is that the company, being a public listed company, must have its annual financial statements audited and such auditor must be appointed or reappointed each year at the annual general meeting of the company as required by the Companies Act.

4. Ordinary resolution number 4: Reappointment of Kyansambo Vundla as member and chairman of the audit and risk committee

“Resolved that, subject to the passing of ordinary resolution number 1, Kyansambo Vundla be reelected a member and chairman of the audit and risk committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act.”

An abbreviated *curriculum vitae* in respect of Kyansambo Vundla may be viewed on page 65 of the integrated annual report of which this annual general meeting notice forms part.

5. Ordinary resolution number 5: Reappointment of John Macey as a member of the audit and risk committee

“Resolved that John Macey be elected a member of the audit and risk committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act.”

An abbreviated *curriculum vitae* in respect of John Macey may be viewed on page 65 of the integrated annual report of which this annual general meeting notice forms part.

6. Ordinary resolution number 6: Reappointment of Shelley Thomas as a member of the audit and risk committee

“Resolved that, subject to the passing of ordinary resolution number 2, Shelley Thomas be reelected a member of the audit and risk committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act.”

An abbreviated *curriculum vitae* in respect of Shelley Thomas may be viewed on page 65 of the integrated annual report of which this annual general meeting notice forms part.

Reason for ordinary resolutions number 4 to 6

The reason for ordinary resolutions numbers 4 to 6 (inclusive) is that the company, being a public listed company, must appoint an audit committee as prescribed by sections 66(2) and 94(2) of the Companies Act, which also requires that the members of such audit committee be appointed, or reappointed, as the case may be, at each annual general meeting of a company.

7. Ordinary resolution number 7: Endorsement of remuneration policy and implementation report

Ordinary resolution 7.1

“Resolved that the company’s remuneration policy, as set out in the remuneration report on page 66 of the integrated annual report of which this notice forms part, be and is hereby approved by way of a non-binding advisory vote of shareholders of the company in terms of the King IV™ Report on Corporate Governance.”

Ordinary resolution 7.2

“Resolved that the implementation report, as set out on page 69 of the integrated annual report of which this notice forms part, be and is hereby endorsed as a non-binding advisory vote of shareholders of the company in terms of the King IV™ Report on Corporate Governance.”

Reason for ordinary resolutions numbers 7.1 and 7.2

The reason for ordinary resolutions numbers 7.1 and 7.2 is that King IV™ recommends that the remuneration policy of the company be endorsed through separate non-binding advisory votes by shareholders at the annual general meeting of a company. Failure to pass these resolutions will not have legal consequences relating to existing arrangements. However, the board of directors of the company (“the board”) will take the outcome of the vote into consideration when assessing the company’s remuneration policy and implementation report.

8. Ordinary resolution number 8: Placing unissued shares under directors’ control

“Resolved that the unissued shares in the company, limited to 15% of the number of shares in issue at 31 March 2020, be and are hereby placed under the control of the directors until the next annual general meeting and that they be and are hereby authorised to issue any such shares as they may deem fit, subject to the Companies Act, the memorandum of incorporation of the company, and the provisions of the Listings Requirements of the JSE, save that the aforementioned 15% limitation shall not apply to any shares issued in terms of a rights offer.”

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Reason for ordinary resolution number 8

The reason for ordinary resolution number 8 is that the board requires authority from shareholders in terms of article 3 of its memorandum of incorporation to issue shares in the company. This general authority, once granted, allows the board from time to time, when it is appropriate to do so, to issue ordinary shares as may be required, *inter alia*, in terms of capital raising exercises, and to maintain a healthy capital adequacy ratio that may be required from time to time. This general authority is subject to the restriction that it is limited to 15% of the number of shares in issue at 31 March 2020.

9. Ordinary resolution number 9: General authority to issue shares for cash

“Resolved that the directors of the company be and are hereby authorised by way of a general authority, to allot and issue any of its unissued shares for cash placed under their control as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements of the JSE, and subject to the provision that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 15% of the issued share capital at 23 March 2020 (net of treasury shares being 226 645 964 ordinary shares), provided that:

- The approval shall be valid until the date of the next annual general meeting of the company, provided it shall not extend beyond 15 months from the date of this resolution (“issue period”);
- an announcement giving full details, including the impact on net asset value and earnings per share, will be published after any issue representing, on a cumulative basis within any one financial year, 5% or more of the number of shares in issue prior to such issue;
- the general issues of shares for cash in aggregate in the issue period may not exceed 15% of the company’s issued share capital (number of securities) of that class (net of treasury shares);
- in the event of a sub-division or consolidation of issued shares during the issue period, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 trading days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities. The JSE should be consulted for a ruling if the securities have not traded in such 30 business day period;
- any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the Listings Requirements of the JSE and not to related parties; and
- any such issue will only be securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue.”

Reason for ordinary resolution number 9

For listed entities wishing to issue shares, it is necessary for the board not only to obtain the prior authority of the shareholders as may be required in terms of their memorandum of incorporation contemplated in ordinary resolution number 8 above but it is also necessary to obtain the prior authority of shareholders in accordance with the Listings Requirements of the JSE. The reason for this resolution is accordingly to obtain a general authority from shareholders to issue shares in compliance with the Listings Requirements of the JSE. The authority granted in terms of this ordinary resolution number 9 must accordingly be read together with authority granted in terms of ordinary resolution number 8 above and any exercise thereof will be subject to the conditions contained in this ordinary resolution number 9.

Note:

In terms of the Listings Requirements of the JSE, this resolution requires the approval of not less than 75% of the votes cast by shareholders present or represented by proxy and entitled to vote at this annual general meeting.

10. Ordinary resolution number 10: Authority to action

“Resolved that any one director of the company and/or the company secretary is hereby authorised to do all such things and sign all such documents as deemed necessary to implement the ordinary and special resolutions as set out in this notice convening the annual general meeting at which these resolutions will be considered.”

The reason for ordinary resolution number 10

The reason for ordinary resolution number 10 is to ensure that the resolutions voted favourably upon are duly implemented through the delegation of powers provided for in terms of article 29 of the company’s memorandum of incorporation.

Special business

11. Special resolution number 1: Remuneration of non-executive directors

“Resolved that the remuneration payable to the non-executive directors be approved on the following basis, effective 1 January 2020:

	2020	2019
Category	Recommended remuneration	
Board Chairman	R408 312 annual retainer R16 040 per meeting attended	R408 312 annual retainer R15 135 per meeting attended
Board member	R50 650 annual retainer R16 040 per meeting attended	R47 790 annual retainer R15 135 per meeting attended
Ad hoc fee	R2 250 per hour	R2 120 per hour
Audit and risk committee		
Chairman	R15 160 per meeting attended	R14 304 per meeting attended
Member	R13 480 per meeting attended	R12 720 per meeting attended
Remuneration committee		
Chairman	R15 160 per meeting attended	R14 304 per meeting attended
Member	R13 480 per meeting attended	R12 720 per meeting attended
Social and ethics committee		
Chairman	R15 160 per meeting attended	R14 304 per meeting attended
Member	R13 480 per meeting attended	R12 720 per meeting attended
Investment committee		
Chairman	R15 160 per meeting attended	R14 304 per meeting attended
Member	R13 480 per meeting attended	R12 720 per meeting attended

Reasons for and effect of special resolution number 1

The reason for the proposed special resolution is to comply with section 66(9) of the Companies Act, which requires the approval of directors’ fees prior to the payment of such fees.

The effect of special resolution number 1 is that the company will be able to pay its non-executive directors for the services they render to the company as directors without requiring further shareholder approval until the next annual general meeting.

12. Special resolution number 2: Financial assistance to related and inter-related companies

“Resolved that the board be and is hereby authorised in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval (which approval will be in place for a period of two years from the date of adoption of this special resolution number 2), to authorise the group to provide any direct or indirect financial assistance (“financial assistance” will herein have the meaning attributed to such term in section 45(1) of the Companies Act) that the board may deem fit to any related or inter-related company of the group (“related” and “inter-related” will herein have the meanings attributed to those terms in section 2 of the Companies Act), on the terms and conditions and for the amounts that the board may determine.”

Reason for and effect of special resolution number 2

The reason for and the effect of special resolution number 2 is to provide a general authority to the board for the group to grant direct or indirect financial assistance to any company forming part of the group, including in the form of loans or the guaranteeing of their debts.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

13. Special resolution number 3: Authority to repurchase shares by the company

“Resolved that as a special resolution that the company and its subsidiaries be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the memorandum of incorporation of the company and the Listings Requirements of the JSE, namely that:

- The general repurchase of the shares may only be implemented on the open market of the JSE and done without any prior understanding or arrangement between the company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond 15 months from the date of this resolution;
- an announcement must be published as soon as the company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the company's issued share capital at the time the authority is granted;
- a resolution has been passed by the board approving the purchase, that the company has satisfied the solvency and liquidity test as defined in the Companies Act and that since the solvency and liquidity test was applied there have been no material changes to the financial position or required shareholder spread of the group;
- the general repurchase is authorised by the company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for five business days immediately preceding the date that the transaction is affected. The JSE should be consulted for a ruling if the applicant's securities have not traded in such five business day period;
- the company may at any point in time only appoint one agent to effect any repurchase(s) on the company's behalf;
- the company and its subsidiaries may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless there is a repurchase programme in place as contemplated in terms of section 5.72(h) of the Listings Requirements of the JSE; and
- the company must ensure that its designated advisor provides the JSE with the required working capital letters before it commences the repurchase of any shares.”

Reason and effect of special resolution number 3

The reason for and effect of special resolution number 3 is to grant the directors a general authority in terms of its memorandum of incorporation and the Listings Requirements of the JSE for the acquisition by the company and/or its subsidiaries of shares issued by it on the basis reflected in the special resolution.

In terms of the Listings Requirements of the JSE any general repurchase by the company and/or its subsidiaries must, *inter alia*, be limited to a maximum of 20% of the company's issued share capital in any one financial year of that class at the time the authority is granted.

Other business

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the company.

Information relating to the special resolutions

1. General authority to purchase shares

The directors of the company or its subsidiaries will only utilise the general authority to purchase shares of the company and/or the subsidiary as set out in special resolution number 3 to the extent that the directors, after considering the maximum shares to be purchased, are of the opinion that the group position would not be compromised as to the following:

- The group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this annual general meeting and for a period of 12 months after the purchase;
- the consolidated assets of the group will at the time of the annual general meeting and at the time of making such determination be in excess of the consolidated liabilities of the group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the group;
- the ordinary capital and reserves of the group after the purchase will remain adequate for the purpose of the business of the group for a period of 12 months after the annual general meeting and after the date of the share purchase; and
- the working capital available to the group after the purchase will be sufficient for the group's requirements for a period of 12 months after the date of the notice of the annual general meeting and the directors have passed a resolution authorising the repurchase, resolving that the company has satisfied the solvency and liquidity test as defined in the Companies Act and resolving that since the solvency and liquidity test had been applied, there have been no material changes to the financial position of the group.

2. Other disclosures in terms of section 11.26 of the Listings Requirements of the JSE

For the purposes of considering special resolution number 3, and in compliance with paragraph 11.26 of the Listings Requirements, the information listed below has been included in the integrated annual report, in which this notice of annual general meeting is included, at the places indicated:

- Major shareholders (page 151 of the integrated annual report); and
- share capital of the company (page 120 of the integrated annual report).

3. Direct or indirect financial assistance

For purposes of special resolution number 2, the board will only utilise the general authority bestowed upon them to provide direct or indirect financial assistance related to inter-related companies to the extent that the directors, after considering the amount of financial assistance to be granted, are of the opinion that:

- Immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as defined in the Companies Act, 2008, as amended);
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the company; and
- all conditions or restrictions regarding the granting of financial assistance as set out in the company's memorandum of incorporation have been satisfied and that the board has passed a resolution authorising the grant of the said financial assistance ("the board resolution") under their general authority so granted, the company which will then provide written notice of the board resolution to all shareholders:
 - Within 10 days after adoption of the board resolution, if the total value of all loans, debts, obligations or assistance contemplated in that resolution, together with any previous such resolution(s) during the financial year, exceeds one-tenth of 1% of the company's net worth at the time of the board resolution; or
 - within 30 business days after the end of the financial year, in any other case.

4. Litigation statement

The company is not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the company is aware that may have or have had in the previous 12 months, a material effect on the company's financial position.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

5. Responsibility statement

The directors, whose names are reflected in this integrated annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts that have been made and that the notice contains all information required by the Listings Requirements of the JSE.

6. Material changes

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the financial or trading position of the company and its subsidiaries since the date of signature of the audit report up to the date of this notice.

By order of the board



Sirkien van Schalkwyk
Company secretary

31 March 2020

FORM OF PROXY

Workforce Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number: 2006/018145/06)

Share code: WKF ISIN: ZAE000087847

("Workforce" or "the company" or "the group")

FORM OF PROXY – for use by certificated and "own-name" dematerialised shareholders only at the annual general meeting of shareholders to be held at 11 Wellington Road, Parktown on Wednesday, 10 June 2020 at 10:00 ("the annual general meeting") and any adjournment thereof.

Dematerialised ordinary shareholders holding ordinary shares other than with "own-name" registration who wish to attend the annual general meeting must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the annual general meeting and request their CSDP or broker to issue them with the relevant letter of representation to attend the annual general meeting in person or by proxy and vote. If they do not wish to attend the annual general meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These ordinary shareholders must not use this form of proxy.

I/We (please print name in full)

of (address)

being a shareholder/s of Workforce Holdings Limited, holding shares in the company hereby appoint:

1. or, failing him/her,
2. or, failing him/her,
3. or failing him/her,

4. the chairman of the annual general meeting, as my proxy to vote for me/us and on my/our behalf at the annual general meeting and at any adjournment thereof and to speak and act for me/us and, on a poll, vote on my/our behalf.

My/our proxy shall vote as follows:

	Number of shares		
	In favour of	Against	Abstain
To consider the presentation of the annual financial statements for the year ended 31 December 2019			
Ordinary resolution number 1: To re-elect Kyansambo Vundla as director			
Ordinary resolution number 2: To re-elect Shelley Thomas as director			
Ordinary resolution number 3: Confirmation of auditor's reappointment			
Ordinary resolution number 4: Reappointment of Kyansambo Vundla as chairman to audit and risk committee			
Ordinary resolution number 5: Reappointment of John Macey to audit and risk committee			
Ordinary resolution number 6: Reappointment of Shelley Thomas to audit and risk committee			
Ordinary resolution number 7: 7.1 Endorsement of remuneration policy			
Ordinary resolution number 7: 7.2 Endorsement of the implementation report			
Ordinary resolution number 8: Placing of unissued shares under the directors' control			
Ordinary resolution number 9: General authority to issue shares for cash			
Ordinary resolution number 10: Authority to action			
Special resolution number 1: Remuneration of non-executive directors			
Special resolution number 2: Financial assistance to related and inter-related companies			
Special resolution number 3: General authority to the company to repurchase shares			

(indicate instruction to proxy by way of a cross in the space provided above)

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this day of 2020

Signature

NOTES TO PROXY

1. The form of proxy must only be completed by shareholders who hold ordinary shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
2. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the annual general meeting must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A shareholder entitled to attend and vote at the annual general meeting may insert the name of a proxy or the names of two alternate proxies (none of whom need be a shareholder of Workforce) of the shareholder's choice in the space provided, with or without deleting "the chairman of the meeting". The person whose name stands first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow. Should this space be left blank, the proxy will be exercised by the chairman of the annual general meeting.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholders or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the transfer secretaries not less than 48 hours before the commencement of the annual general meeting.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the annual general meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
8. A shareholder's authorisation to the proxy including the chairman of the annual general meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the annual general meeting.
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
10. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company's transfer secretaries or waived by the chairman of the annual general meeting.
11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the company.
12. Where there are joint holders of ordinary shares:
 - Any one holder may sign the form of proxy; or
 - the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
13. For administrative purposes only, forms of proxy should be lodged with or mailed to Link Market Services South Africa Proprietary Limited.

Hand deliveries to:	Postal deliveries to:
13th Floor, Rennie House	PO Box 4844
19 Ameshoff Street	Johannesburg
Braamfontein	2000
Johannesburg	
14. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.
15. Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act:
 - A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the relevant shareholders' meeting;
 - a proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy;
 - the appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder;
 - the appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the company as required in the first sentence of this paragraph; and
 - if the instrument appointing the proxy or proxies has been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder, must be delivered by the company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the company to do so in writing; and (ii) paid any reasonable fee charged by the company for doing so.

Attention is also drawn to the "Notes to proxy".

The completion of a form of proxy does not preclude any shareholder from attending the annual general meeting.

NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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CORPORATE INFORMATION

Executive directors

RS Katz
WP van Wyk

Non-executive directors

JR Macey
KN Vundla
S Thomas
I Ross
S Naidoo

Company secretary

Sirkien van Schalkwyk

Designated advisor

Merchantec Capital

Registered office

11 Wellington Road
Parktown
2193

PO Box 11137
Johannesburg
2000

Transfer secretaries

Link Market Services South Africa
Proprietary Limited

Business address

11 Wellington Road
Parktown
2193

PO Box 11137
Johannesburg
2000

Commercial bankers

ABSA Business Bank

Company registration number

2006/018145/06

Website address

www.workforce.co.za



workforce
HOLDINGS LIMITED

www.workforce.co.za