

Listings Division

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16 February 2004

Re: **TW/mmm**

Dear Sir/ Madam

#### **CONSOLIDATION OF SHARE INCENTIVE SCHEME TRUSTS**

The JSE Securities Exchange South Africa (JSE) wishes to remind issuers that in terms of section 8.62(b) of the JSE Listings Requirements their annual financial statements should be prepared in accordance with South African Statements of Generally Accepted Accounting Practice (GAAP) or International Financial Reporting Standards and with the national law applicable to that issuer. In addition, section 8.57 of those Listings Requirements requires that interim financial statements be prepared in accordance with GAAP.

The GAAP Monitoring Panel (GMP) has advised the JSE that an issuer with a standard JSE approved share incentive scheme should be consolidating the trust in their group financial statements in order to ensure compliance with AC132 and the Companies Act, No 61 of 1973, section 289 read with section 1(3)(c). Regard should also be had to the provisions of AC104 concerning diluted earnings per share in relation to options that may have been allocated by share trusts or share incentive schemes.

We would therefore urge all companies to review their accounting treatment of their share trusts to ensure that they have complied with the advice of the GMP as soon as possible, but by no later than for all interim and annual result periods ending on or after 31 March 2004.

Yours faithfully

A handwritten signature in black ink, appearing to read 'D.M. Doel', written over a light blue horizontal line.

**D.M. DOEL : GENERAL MANAGER  
LISTINGS DIVISION**

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