

## MISSION STATEMENT

We at Nu-World, are driven by the quest for excellence across all the disciplines of manufacturing, importing, distributing and exporting, in the Global Market of Branded Consumer Durables, working together with a team of committed, well trained and empowered employees.

We aim to provide products of outstanding quality to our clients worldwide, superior returns to our shareholders, whilst contributing to the growth of a democratic and prosperous South Africa.

We will strive to be acknowledged, both locally and internationally, as an outstanding source and provider of Branded Consumer Durables. We will endeavour to ensure that the needs and expectations of our customers are consistently surpassed.

The attainment of this vision and mission, will require a sustained level of superior customer service and support as well as operational excellence, resulting in the continued growth and expansion of our business.



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**NU-WORLD HOLDINGS LIMITED**



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	2000 R000's	1999 R000's	% Change
Revenue	653 772	527 706	23.9
Net operating income	54 212	38 791	39.8
Depreciation	4 052	3 672	
Interest paid	6 414	6 098	
Income before taxation	43 746	29 021	50.7
Taxation	12 013	6 462	
Income after tax	31 733	22 559	40.7
Minority interests	2 648		
Attributable earnings	29 085	22 559	28.9
Cents per share:			
Earnings per share	134.1	105.8	26.7
Earnings per share - weighted	134.8	105.9	27.2
Dividend per share	22.6	17.0	32.9
Net asset value	959.2	863.5	11.1
Financial ratios:			
Debt : equity ratio %	0.0	0.0	
Dividend cover (times)	5.9	6.2	
Interest cover (times)	7.8	5.8	
Return on average total assets (%)	14.7	12.0	
Return on average funds employed (%)			
Liquidity ratio (times)			
- Current	2.5	3.0	
- Quick	1.6	2.1	
Closing price earnings ratio (times)	10.1	9.3	

	2000 R000's	1999 R000's	1998 R000's	1997 R000's	1996 R000's	1995 R000's	1994 R000's
<b>INCOME STATEMENT</b>							
Revenue	653 772	527 706	446 629	343 979	247 387	174 476	112 863
Operating income	50 160	35 119	32 781	24 344	15 147	11 224	6 880
Net interest paid	6 414	6 098	6 636	5 957	4 209	3 989	2 685
Income before taxation	43 746	29 021	26 145	18 387	10 938	7 235	4 195
Taxation	12 013	6 462	7 729	4 720	1 594	1 843	868
Income after taxation	31 733	22 559	18 416	13 667	9 344	5 392	3 327
Minority interest	2 648						
Net Profit for the year	29 085	22 559	18 416	13 667	9 344	5 392	3 327
Shares in issue (000's)							
- at year end	21 695	21 327	21 229	17 989	17 657	14 854	14 025
- weighted average	21 560	21 300	19 496	17 848	17 009	14 378	13 361
Headline Earnings per share (cents)	134.1	105.8	86.7	76.0	52.9	36.3	23.7
Headline Earnings per share (cents)							
- weighted	134.8	105.9	94.5	76.6	55.0	37.5	24.9
Dividend per share (cents)	22.6	17.0	15.5	15.3	10.6	8.1	5.3
Dividend cover	5.9	6.2	6.0	5.0	5.0	4.5	4.5

**BALANCE SHEET**
**ASSETS**

Non-current assets	35 812	24 681	23 516	22 137	19 407	17 355	12 394
Property, plant and equipment	35 812	24 681	23 516	22 137	19 407	17 355	12 394
Current assets	350 628	273 364	265 296	144 971	100 486	67 512	41 320
Inventories	132 947	80 324	77 432	52 684	43 819	29 999	17 939
Trade and other receivables	157 150	113 622	104 632	79 755	49 136	35 899	23 395
Bank and cash balances	60 531	79 418	83 232	12 532	7 531	1 614	(14)
Total assets	386 440	298 045	288 812	167 108	119 893	84 867	53 714

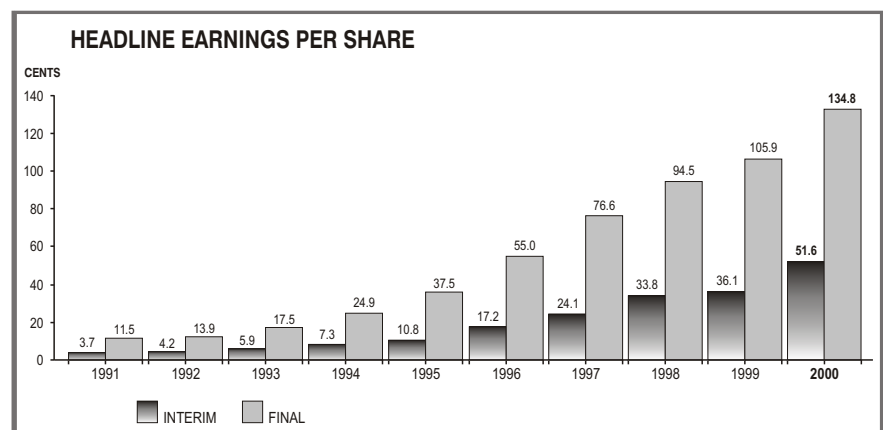
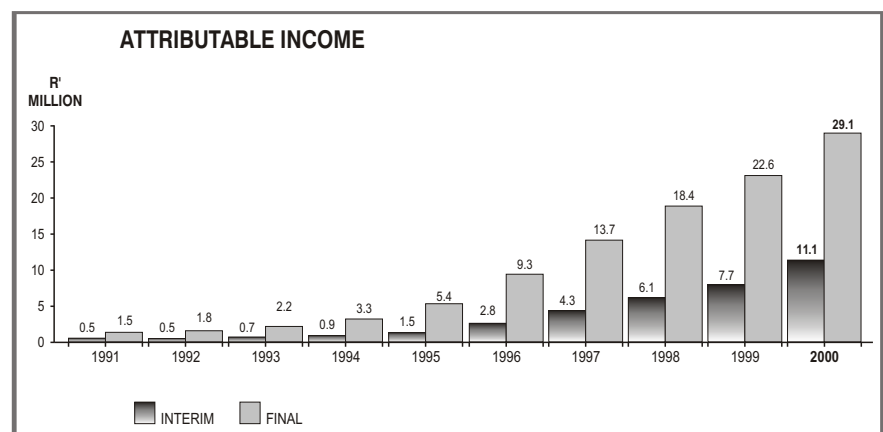
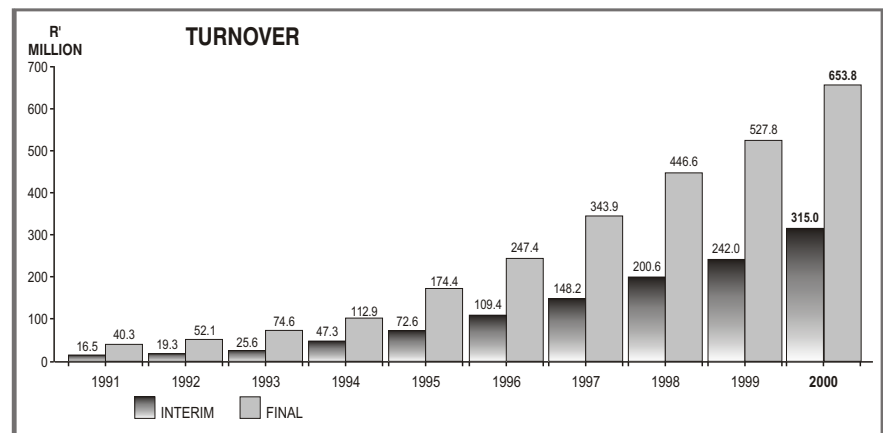
**EQUITY AND LIABILITIES**

Total capital and reserves	208 101	184 158	162 874	77 437	60 989	30 983	21 634
Issued capital	117 120	117 449	115 099	39 341	33 810	11 273	6 116
Foreign currency translation reserve	88						
Retained earnings	90 893	66 709	47 775	38 096	27 179	19 710	15 518
Minority interest	22 880						
Non-current liabilities	17 433	23 261	30 088	7 686	10 337	9 950	5 812
Interest bearing borrowings	10 119	16 150	23 316	7 686	10 337	9 950	5 812
Deferred taxation	7 314	7 111	6 772				
Current liabilities	138 026	90 626	95 850	81 985	48 567	43 934	26 268
Trade and other payables	132 095	88 459	92 670	77 550	44 381	40 474	22 883
Shareholders for dividend	4 900						
Current portion of interest bearing borrowings	1 031	2 167	3 180	4 435	4 186	3 460	3 385
Total equity and liabilities	386 440	298 045	288 812	167 108	119 893	84 867	53 714

1993 R000's	1992 R000's	1991 R000's
74 580	52 092	40 346
4 648	3 491	3 260
1 879	1 187	1 349
2 769	2 304	1 911
532	536	441
2 237	1 768	1 470
2 237	1 768	1 470
12 750	12 750	12 750
12 750	12 750	12 750
17.5	13.9	11.5
17.5	13.9	11.5
3.8	3.0	2.6
4.7	4.6	4.5

8 454	5 961	3 921
8 454	5 961	3 921
33 375	23 504	17 283
11 965	8 920	8 681
21 283	10 423	7 395
127	4 161	1 207
41 829	29 465	21 204

15 155	8 398	7 444
2 224	2 224	2 224
12 931	6 174	5 220
7 005	7 836	5 800
7 005	7 836	5 800
19 669	13 231	7 960
16 007	10 483	5 945
3 662	2 748	2 015
41 829	29 465	21 204





## Share Performance

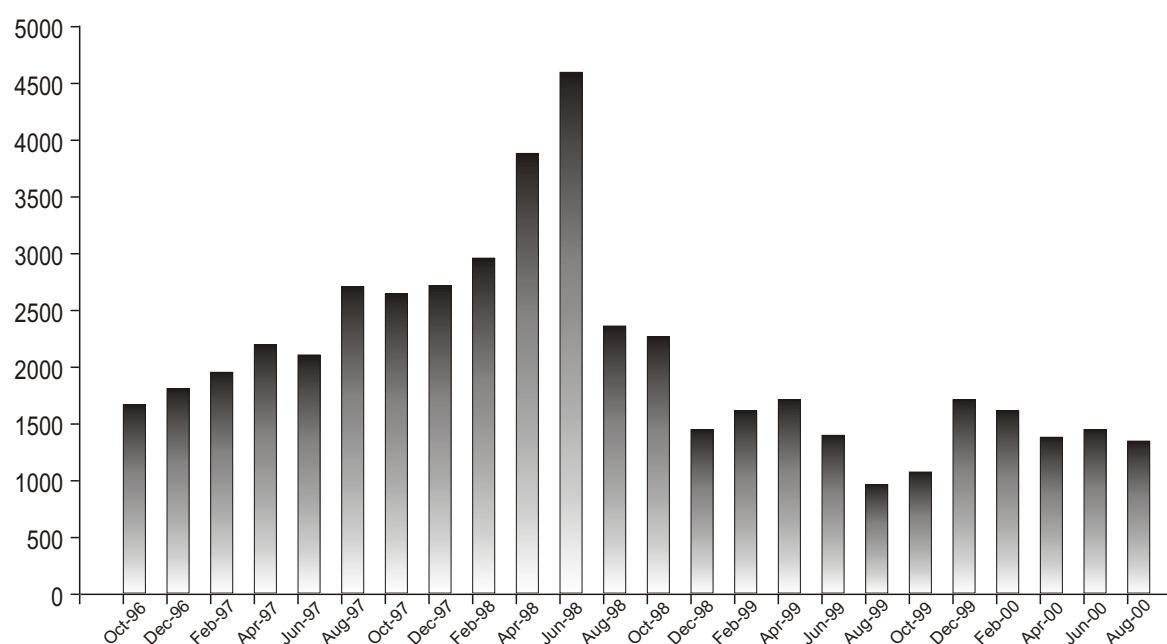
Comparison of share price trend with JSE Actuaries' Index - Furniture and Appliances Index.

Month		Price (cents)		Index (cents)	
		High	Low	High	Low
September	1999	1 265	925	2 124	2 012
October	1999	1 105	925	2 397	2 117
November	1999	1 700	1 065	2 622	2 236
December	1999	1 710	1 500	3 226	2 565
January	2000	2 100	1 450	3 521	2 899
February	2000	1 830	1 460	3 529	3 349
March	2000	1 650	1 500	3 438	2 987
April	2000	1 500	1 300	3 156	2 435
May	2000	1 360	1 170	3 096	2 831
June	2000	1 550	1 280	3 254	2 845
July	2000	1 520	1 215	3 506	3 033
August	2000	1 400	1 270	3 210	3 082

### Share price

31 August	1997	2680	During the year 5 564 351 (1999: 13 438 393) shares were traded
31 August	1998	2400	
31 August	1999	980	
31 August	2000	1 360	

(Cents)



**FOR THE YEAR ENDED 31 AUGUST 2000**

August 2000 was another fine year for Nu-World Holdings Ltd and the tenth successive year of growth across the board. The Group, which has been recognised as one of the top growth companies listed on the J.S.E., has for the tenth year in a row, produced growth in Turnover, Operating Income, Attributable Income, Earnings Per Share and Dividend.

This achievement is more admirable considering that Consumer Disposable Income still remains under pressure in the South African economy. The Prime Interest Rate was stable for much of the financial year at 14.5%.

There is concern among traditional suppliers of Consumer Goods, that consumer spending patterns are changing, with more money flowing into cell phones, the national lottery and gambling. However, these new spending patterns have not affected sales of the broad range of Branded Consumer Durables which Nu-World carries.

Fortunately the Nu-World Group has again come away unscathed from a recessionary South African economy. The broad diversity of Nu-World buffers the Group from adverse conditions and acts as a springboard for future growth.

The year under review was all that more exciting because of the acquisition of Prima Australasia Pty Ltd and its subsidiary AKAI. The AKAI Brand of Consumer Electronics has always been a front player in the Australian market and fits in well with Nu-World's portfolio of International brands. A new management team has been put into place in the Prima and AKAI subsidiaries and notwithstanding a relatively subdued Australian economy, the prospects for a strong contribution for the year ahead are good.

In addition to this acquisition, Nu-World also took over the logistics and financing operations of James Ralph (Pty) Ltd, which markets the Casio range of Consumer and Office Electronic Products. This is the second logistics and warehousing agreement undertaken by the Group, following shortly after the successful takeover of the Fujitsu range of air-conditioning.

These agreements are proving to work well for Nu-World, with a guaranteed bottom line margin for our involvement and at the same time, our partners are benefiting from lower costs and improved profitability.

With a portfolio of 21 prestigious brands, Nu-World has grown organically to become one of South Africa's largest and most important players in the supply of Branded Consumer Durables to the retail sector.

Directors believe that the Group is in a stronger and more resilient position than ever before to deliver a sustained rate of growth in line with previous years for August 2001 and the years to come.

It is my pleasure to congratulate and thank management and every member of staff for their commitment and dedication during the past year.

The groundwork has been laid for growth for the forthcoming year and I remain confident that the Nu-World team will continue to enhance Shareholder Value and that Nu-World will continue to be recognised as a "Winning Growth Company".

**DR J.A. TEMPLE**  
Chairman

## GROUP FINANCIAL RESULTS

I have pleasure in submitting my report and review of the results for the year ended 31 August 2000 which can be summarised as follows:

	2000 R000's	1999 R000's
Net operating profit	54 212	38 791
Depreciation	4 052	3 672
Interest paid	6 414	6 098
Profit before taxation	43 746	29 021
Taxation	12 013	6 462
Profit after taxation	31 733	22 559
Minority interest	2 648	
Net profit attributable to ordinary shareholders	29 085	22 559
Dividend	4 900	3 625
Net profit for the year	24 185	18 934
Earnings per share (cents)	134.8	105.9

## COMMENTS

The directors are pleased to report on an excellent set of results for the financial year ended 31 August 2000. These results, which represent the tenth consecutive year of growth across the board, have been achieved in an eventful year.

The Group made its first offshore acquisition, acquiring a controlling interest in Prima-Akai Australasia Proprietary Limited, effective from April 2000. Prima-Akai markets the "Akai" brand of consumer electronics in Australia and New Zealand as well as a range of branded small electrical appliances.

For the tenth year in succession, the Group has produced growth in revenue, operating profit, attributable profit, earnings per share and dividend.

**Revenue** has increased by 23.9% to R653,772M (August 1999: R527,706M). This reflects an increase of R126M on 1999.

**Net operating profit** before depreciation and interest paid is up 39.8% to R54,212M reflecting a marked improvement in operating margins.

**Interest paid** is marginally higher, up 5.2% to R6,414M. However, interest cover has substantially improved to 7.8 times from 5.8 for 1999.

The Group remains in an **ungeared** position with cash balances of R60,531M at the year end.

**Profit before taxation** is up 50.7% to R43,746M (1999: R29,021M).

**Profit after taxation** of R31,733M has increased by 40.7% (1999: R22,559M).

The effective tax rate has increased from 22.3% to 27.5%. This is due in part to the higher Australian tax rate pertaining to the acquisition, as well as to the rate adjustment in the 1999 year.

**Minority shareholders interest** represents five trading months for the newly acquired Australian subsidiaries amounting to R2,648M.

**Net profit attributable to ordinary shareholders** has grown by 28.9% to R29,085M (1999: R22,559M).



Earnings per share is up 27.2% to 134.8 cents (1999: 105.9 cents). The weighted average number of shares in issue is marginally up by 1.3% on the prior year.

Dividend per share has increased by 32.9% to 22.6 cents from 17.0 cents last year. The dividend cover reflects a conservative 5.9 times earnings.

Cash utilised by operations amounting to R4,981M (1999: generated R9,158M). Cash was utilised for the acquisition of the James Ralph stock and the increased working capital requirements.

## ACQUISITION OF PRIMA AUSTRALASIA PROPRIETARY LIMITED AND PRIMA-AKAI PROPRIETARY LIMITED

Effective on the 1<sup>st</sup> April 2000, the Group acquired a controlling interest in the consumer electronic brand “Akai” in Australia and New Zealand, through the acquisition of Prima-Australasia Proprietary Limited and Prima-Akai Proprietary Limited (Prima-Akai) for R11,1M.

This is the first acquisition by the Group since its listing in 1987 and marks a major step forward for Nu-World's off-shore ambitions.

Prima-Akai is an importer and distributor of consumer electronics and small electrical appliances. Apart from the “Akai” brand, Prima has rights to a stable of international brands such as “Prima”, “Magic Line”, “Winterwarm”, “Timex Audio”, “Fenici” and “Ideal”, in Australia and New Zealand.

Prima-Akai will strengthen the Group's position as an international player in branded consumer electronics and electrical appliances.

This acquisition will bring the Group closer to the R1 Billion turnover mark for the forthcoming financial year to August 2001.

The “Akai” brand is a particularly strong and well recognised label in consumer electronics in Australia, across a broad range of quality products including, televisions, hi-fi's, video recorders, DVD players and component systems.

From Nu-World's perspective the acquisition will further secure and boost in-house manufactured exports to Australia and New Zealand.

Management expects positive spin-offs from the enlarged group's purchasing power from suppliers in South East Asia and China.

Rand hedge's - Management is budgeting for a minimum 20% of the 2002 financial year end earnings being generated from off-shore operations and hard currency exports.

## AGENCY DISTRIBUTION AGREEMENT FOR CASIO WITH JAMES RALPH (PROPRIETARY) LIMITED

Nu-World has concluded an agreement with the directors of James Ralph (Proprietary) Limited with effect from the 1<sup>st</sup> of August 2000. Nu-World has taken over the finance and logistic operations of James Ralph (Proprietary) Limited.

Directors have budgeted for a turnover of close to R50M for this new division which comprises a highly regarded range of internationally branded consumer durables.

Brands and products categories include:-

Casio                      Watches, calculators, cameras, handheld computers, electronic musical instruments, cash registers.

Samsung                  Cash registers.

Sanji                        Calculators, magnetic tape.

Management anticipates substantial benefits from this arrangement.

The additional R50 Million of turnover will be injected into our existing infrastructure without additional cost.



Synergies in terms of improved profitability for James Ralph (Proprietary) Limited, include improvements in procurement, freight, finance costs, distribution costs and increased sales potential to Nu-World's wider customer brands base and benefits from Nu-World's information technology and management information systems.

### BRANDS

Nu-World is a leading South African source for branded consumer durables. The Group manufactures, imports, exports and distributes a one-stop supply of a broad range of consumer durables under a total of 21 international and local brands.

### IN-HOUSE MANUFACTURING AND EXPORT OF SMALL ELECTRICAL APPLIANCES

Export turnover has increased by more than 50% year on year. New low-cost products manufactured in our Wynberg factory are selling well into the United Kingdom, Europe, the Middle East, Australia and Africa.

African exports have received a boost from South African retailers establishing a presence in countries apart from the SADC.

Eskom's ongoing electrification programme continues to increase the overall size of the market for electrical appliances. Whilst new consumers purchase the basic price-entry appliances of necessity, established consumers are upgrading their first time purchases with a broader range of appliances.

### CONSUMER ELECTRONICS JVC AND NU-TEC

JVC of Japan have introduced a number of innovative products over the past year. JVC Superflat Televisions and specialised Micro Component Audio Systems will be available to consumers at major retailers over the Christmas period.

JVC has launched a state-of-the-art Multimedia Home Entertainment System which was voted "Best European Product" of the year. A limited number of these systems will be available to South African consumers this year.

The NU-TEC Range of products, the In-House Value Brand of Consumer Electronics, has undergone an extensive expansion. The comprehensive range of NU-TEC Products is now gaining recognition as a "one-stop price entry brand". Flat-look televisions, fully-featured DVD players, cutting-edge design audio systems, video decks and car audio have been added to the range during the period.

### WHITE GOODS - LAUNDRY, COOKING AND REFRIGERATION

With the rationalization in the South African market over the past year, new opportunities are emerging. The Group is a relatively small niche player in the large appliance industry, but a number of new products have been introduced over the past few months. A new range of tabletop stoves will be launched later this year. The appliances are sourced from leading manufacturers in South East Asia, China, Turkey, Spain and South America.

### FURNITURE

This division is proving to be an enormously successful growth area. The Group imports ranges within selected niche sub-markets of the broad furniture market.

The initial range of complimentary add-on products such as TV and HiFi stands for our JVC and Nu-Tec ranges, has grown within the period under review to include entertainment units, dinettes, bed sets, office furniture for the home, desks and work stations. Most of the furniture items are imported in SKD Kit form, for assembly by the consumer.

### AIR CONDITIONING FUJITSU, GOLDAIR AND WHITE WESTINGHOUSE

Growth has been excellent within this division which imports and distributes quality ranges under 3 international brands.



## PROSPECTS

With the acquisition of Prima-Akai Australia, our leading position in Southern Africa and our in-roads into the United Kingdom, the group is emerging as an international player in branded consumer electronics and electrical appliances.

Over the past number of years, the group has demonstrated its resilience by sustaining a remarkable level of growth, notwithstanding the difficult economic climate in Southern Africa. The international diversification has added an additional level of resilience to the group's future performance, now less reliant on the Southern African markets.

The South African fundamentals are in place, however, to support the improvement in economic activity and the resurgence of consumer confidence and spending.

The group continues to focus as a ONE-STOP supplier of branded consumer durables to our broad customer base in Southern Africa and abroad. Prospects for growth appear most promising.

Our broadly diversified product range, our low-cost manufacturing base, together with our global reach, place the Nu-World Group of Companies in a strategically stronger position, to sustain and improve our level of growth during the forthcoming year and the years ahead.

## ACKNOWLEDGEMENTS

It goes without saying that the group's strong performance is attributable to the hard work, energy and determination of all Nu-World employees. I would like to express my thanks to each member of staff for his or her unique contribution to the performance of the group and look forward to another challenging and exciting year ahead.

**M.S. GOLDBERG**  
Managing Director

8 November 2000



The directors endorse the principles of openness, integrity and accountability in accordance with the highest standards of corporate practice. Nu-World complies in all material respects with the provisions of the King Report on Corporate Governance.

### FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the annual financial statements and related financial information in a manner that fairly presents the state of affairs and the results of the Company and the Group. The external auditors are responsible for independently auditing and reporting on these annual financial statements in conformity with generally accepted auditing standards.

The annual financial statements set out in this report have been prepared by management in accordance with generally accepted accounting practice. They incorporate full and reasonable disclosure and are based on appropriate accounting policies which have been consistently applied and which are supported by reasonable and prudent judgements and estimates.

### DIRECTORATE AND EXECUTIVE MANAGEMENT

The Board of Directors includes non-executive directors who are chosen for their business acumen and skills. The Chairman is a non-executive director. Non-executive directors are appointed for specific terms and re-appointment is not automatic.

The board meets regularly to debate and monitor the progress of the Group's strategies, policies and performance.

### AUDIT COMMITTEE

The audit committee, under the chairmanship of a non-executive director, meets formally at least twice a year, with the financial director (company secretary), and external auditors in attendance. The committee monitors the adequacy of the Group's internal controls, accounting policies and financial reporting.

### INTERNAL CONTROLS AND ETHICS

The Group maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard, verify and maintain accountability of its assets. Such controls are implemented by skilled personnel with an appropriate segregation of duties. These are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business practices are conducted in a manner above reproach. Nothing has come to the attention of the directors or the auditors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

### MANAGEMENT REPORTING

There are comprehensive management reporting disciplines in place which include the preparation of annual budgets by all operating divisions.

The Group budget is reviewed by the directors of this Company. Monthly results and the financial status of operating divisions are reported against approved budgets and compared to the prior year. Working capital and borrowing levels are monitored on an ongoing basis.

### DIRECTORS' EMOLUMENTS

Details of directors' emoluments are set out in the annual financial statements. The remuneration of all directors and senior managers is approved by the remuneration committee.

### AFFIRMATIVE ACTION

The Group is committed to providing equal opportunities for its employees regardless of their ethnic origin or gender. Affirmative Action strategies are being put in place to ensure that employee profiles will be more representative of the demographics of the regions in which the Group conducts its business activities. Progress in this key area is monitored at Board level.

### EMPLOYEE PARTICIPATION

The Group employs a variety of participative structures to deal with issues which affect employees directly and materially. These include collective bargaining mechanisms, structures to drive productivity improvements, safety committees and other participative forums. These structures, which have been set up with employee representatives, are designed to achieve good employer/employee relations through effective sharing of relevant information, consultation and the identification and resolution of conflict.

### GOING CONCERN

The directors have no reason to believe that the Company and the Group will not be a going concern in the year ahead. Accordingly, the annual financial statements are prepared on the going concern basis.



The annual financial statements, set out on pages 14 to 32, were prepared by management in conformity with Generally Accepted Accounting Practice and the Companies Act, applied on a consistent basis throughout the year, except where otherwise stated. They have been approved by the board of directors and have been signed on their behalf by the undermentioned directors.

The manner of presentation of the annual financial statements, the selection of accounting policies and the integrity of the financial information are the responsibility of the board of directors.

To fulfil its responsibilities, the board of directors has developed and continues to maintain a system of internal controls. These controls are based on established policies and procedures, are implemented by trained skilled personnel with an appropriate segregation of duties and are closely monitored by the board of directors.

We believe the controls in use are adequate to provide reasonable assurance that assets are safeguarded from loss or unauthorised use and that the financial records may be relied on for preparing the financial statements and maintaining accountability for assets and liabilities.

Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

After conducting appropriate procedures the directors are satisfied that the Company will be a going concern for the foreseeable future and have continued to adopt the going concern basis in preparing the annual financial statements.

The board of directors are primarily responsible for the financial affairs of the Group. The auditors are responsible for independently reviewing and reporting on the group's annual financial statements and the relevant underlying financial controls.

The annual financial statements have been examined by the Group's auditors and their report is presented on page 13. The auditors are appointed each year based on recommendation by the audit committee.

**M S GOLDBERG**  
Managing Director

**J A GOLDBERG**  
Executive Director

Sandton  
8 November 2000

#### **CERTIFICATE BY COMPANY SECRETARY**

I certify, in accordance with Section 286 G(d) of the Companies Act 1973 (as amended) that the Company has lodged with the Registrar all such returns as are required by a public Company in terms of this Act, for the year ended 31 August 2000. Furthermore, all such returns are true and correct.

**G R HINDLE**  
Company Secretary

Sandton  
8 November 2000





TO THE MEMBERS OF NU-WORLD HOLDINGS LIMITED

We have audited the annual financial statements and Group annual financial statements of Nu-World Holdings Limited set out on pages 14 to 32 for the year ended 31 August 2000. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

### **SCOPE**

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

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

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

### **AUDIT OPINION**

In our opinion these financial statements fairly present, in all material respects, the financial position of the Company and the Group at 31 August 2000, and the results of its operations and cash flow information for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act of South Africa.

### **TUFFIAS SANDBERG**

Chartered Accountants (S.A.)

Registered Accountants and Auditors

**Johannesburg**

8 November 2000



## NATURE OF BUSINESS

Your Company is a holding company listed on the JSE Securities Exchange South Africa. Its subsidiaries manufacture, import and export a diversified range of Electrical Appliances, Consumer Electronics and Branded Consumer Durables.

The results and state of affairs of the Group are reflected in the attached financial statements and commentary thereon is provided in the managing director's review.

## SHARE CAPITAL

### Authorised share capital

The authorised share capital of the Company comprises 30 000 000 ordinary shares of 1 cent each and 20 000 000 "N" ordinary shares of 0,1 cent each. There were no changes to the authorised share capital for the year under review.

### Issued share capital

During the year the Company issued 368 514 ordinary shares at a premium of 893,58 cents per share.

### Unissued share capital

At the forthcoming annual general meeting, members will be asked to place the unissued share capital of the Company under the control of the directors. A resolution for this purpose is included in the notice of the forthcoming annual general meeting.

### The Nu-World Share Incentive Trust

The Nu-World Share Incentive Trust ("the trust") was established in March 1994. In terms of the trust deed, the aggregate number of ordinary shares in the capital of the Company, which may be made available for purposes of the trust, shall not exceed 10% of the Company's issued share capital. The trust requires a minimum of two trustees. The current trustees are Messrs J A Goldberg, M S Goldberg, G R Hindle and B H Haikney.

Refer to note 18 in the attached financial statements for further details.

## ESTIMATED VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The directors estimate that the depreciated replacement value of property, plant and equipment at 31 August 2000 is R42,6 million, which exceeds book value by R14,4 million.

	Book Value		Replacement Value	
	2000	1999	2000	1999
Net asset value per share (cents)	959,2	863,5	1 025,6	925,4

There were no changes in the nature and usage of property, plant and equipment.

## DIVIDEND

A final dividend amounting to 22,6 cents per share (1999: election to receive capitalisation shares or a cash dividend of 17 cents per share) has been declared on 8 November 2000 payable on or about 13 December 2000 to shareholders registered in the books of the Company at the close of business on 1 December 2000.



### DIRECTORS

The composition of the board of directors during the year under review and at the date of this report is as follows:

Dr. J.A. Temple (chairman), M.S. Goldberg (managing director), J.A. Goldberg, G.R. Hindle, P. Gross, J.M. Judin.

In terms of the articles of association, Dr. J.A. Temple and Messrs. P. Gross, G.R. Hindle and J.M. Judin retire at the forthcoming annual general meeting, but being eligible, offer themselves for re-election.

### SECRETARY

Mr. G.R. Hindle was the secretary throughout the year.

Business and postal address:

The Secretary  
35, 3<sup>rd</sup> Street, Wynberg.  
P O Box 8964, Johannesburg.

### SUBSIDIARY COMPANIES

Details of your Company's investment in its subsidiaries are detailed in appendix A to the annual financial statements.

### DIRECTORS' INTEREST IN THE SHARES OF THE COMPANY

The directors' interest, directly and indirectly, in the issued share capital of the Company at the year end was as follows:

	2000	1999
Director's interest, direct and indirect	46,9%	46,9%

There have been no material changes in the directors' interest between 31 August 2000 and the date of this report.

### POST BALANCE SHEET EVENTS

No material facts or circumstances have occurred between 31 August 2000 and the date of this report.





AT 31 AUGUST 2000

		Group		Company	
	Note	2000 R000's	1999 R000's	2000 R000's	1999 R000's
<b>ASSETS</b>					
<b>Non-current assets</b>		35 812	24 681	138 461	129 246
Property, plant and equipment	2	28 245	24 681		
Intangible asset	3	7 567			
Investment in subsidiaries	4			138 461	129 246
<b>Current assets</b>		350 628	273 364	33	
Inventories	5	132 947	80 324		
Trade and other receivables		157 150	113 622		
Cash and cash resources		60 531	79 418		
Taxation prepaid				33	
<b>Total assets</b>		<u>386 440</u>	<u>298 045</u>	<u>138 494</u>	<u>129 246</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>		208 101	184 158	133 594	129 129
Issued capital	6	117 120	117 449	134 008	129 337
Foreign currency translation reserve	7	88			
Accumulated profits (losses)		90 893	66 709	(414)	(208)
<b>Minority interest</b>		22 880			
<b>Non-current liabilities</b>		17 433	23 261		
Interest bearing borrowings	8	10 119	16 150		
Deferred taxation	9	7 314	7 111		
<b>Current liabilities</b>		138 026	90 626	4 900	117
Trade and other payables		123 006	85 564		
Current portion of interest bearing borrowings	8	1 031	2 167		
Shareholders for dividend		4 900		4 900	
Taxation		9 089	2 895		117
<b>Total equity and liabilities</b>		<u>386 440</u>	<u>298 045</u>	<u>138 494</u>	<u>129 246</u>



# Income Statements

FOR THE YEAR ENDED 31 AUGUST 2000

		Group		Company	
	Note	2000 R000's	1999 R000's	2000 R000's	1999 R000's
Revenue	10	<u>653 772</u>	<u>527 706</u>	<u>4 900</u>	<u>3 625</u>
Operating profit before interest	11	50 160	35 119	4 735	3 424
Interest paid		<u>6 414</u>	<u>6 098</u>		
Profit before taxation		43 746	29 021	4 735	3 424
Taxation	12	<u>12 013</u>	<u>6 462</u>	<u>41</u>	<u>159</u>
Net profit after taxation		31 733	22 559	4 694	3 265
Minority interest		<u>2 648</u>			
Net profit for the year		<u>29 085</u>	<u>22 559</u>	<u>4 694</u>	<u>3 265</u>
Headline Earnings per share (cents)	13	134,1	105,8		
Headline Earnings per share (cents) - weighted		134,8	105,9		
Dividend per share (cents)	14	22,6	17.0		



**FOR THE YEAR ENDED 31 AUGUST 2000**

	Issued Share capital R000's	Share premium R000's	Share election reserve R000's	Foreign currency translation reserve R000's	Accumu- lated profits R000's	Total R000's
<b>GROUP</b>						
Balance at 31 August 1998	212	111 597	3 290		54 547	169 646
Change in accounting policy (refer note 16)					(6 773)	(6 773)
Restated balance	212	111 597	3 290		47 774	162 873
Net profit for the year					22 559	22 559
Dividend proposed (refer note 14)			3 625		(3 625)	
Share issue	1	2 013	(2 014)			
Dividends paid			(1 276)			(1 276)
Balance at 31 August 1999	213	113 610	3 625		66 708	184 156
Currency translation difference				376		376
Transfer to deferred taxation				(113)		(113)
Transfer to minority interest				(175)		(175)
Net profit for the year					29 085	29 085
Dividend proposed					(4 900)	(4 900)
Share issue	4	3 293	(3 297)			
Dividend paid			(328)			(328)
Balance at 31 August 2000	217	116 903		88	90 893	208 101
	Issued Share capital R000's	Share premium R000's	Share election reserve R000's	Non- distributable reserve R000's	Accumu- lated profits (losses) R000's	Total R000's
<b>COMPANY</b>						
Balance at 31 August 1998	212	113 485	3 290	5 000	152	122 139
Revaluation of investment				5 000		5 000
Net profit for the year					3 265	3 265
Dividend proposed			3 625		(3 625)	
Share issue	1	2 013	(2 014)			
Dividend paid			(1 276)			(1 276)
Balance at 31 August 1999	213	115 498	3 625	10 000	(208)	129 128
Revaluation of investment				5 000		5 000
Net profit for the year					4 694	4 694
Dividend proposed					(4 900)	(4 900)
Share issue	4	3 293	(3 297)			
Dividend paid			(328)			(328)
Balance at 31 August 2000	217	118 791		15 000	(414)	133 594



# Cash Flow Statements

FOR THE YEAR ENDED 31 AUGUST 2000

		Group		Company	
	Note	2000 R000's	1999 R000's	2000 R000's	1999 R000's
Cash generated from (absorbed by) operating activities		(4 981)	9 158	4 215	2 064
Receipts from customers		603 815	518 715		
Paid to suppliers and employees		(600 404)	(496 268)	(165)	(201)
Cash generated from (absorbed by) operations	15.1	3 411	22 447	(165)	(201)
Investment income		4 080	3 571	4 900	3 625
Interest paid		(6 414)	(6 098)		
Taxation paid	15.2	(5 730)	(9 486)	(192)	(84)
Dividends paid	15.3	(328)	(1 276)	(328)	(1 276)
Cash flows from investing activities		(18 415)	(4 792)	(4 215)	(3 625)
Additions to property, plant and equipment		(7 417)	(4 975)		
Proceeds on disposal of property, plant and equipment		128	183		
Increase in investment in subsidiaries				(4 215)	(3 625)
Acquisition of subsidiary company	15.4	(11 126)			
Cash flows from financing activities		4 509	(8 180)		1 561
Proceeds from issue of shares to minority shareholders'		11 676			
(Decrease) increase in interest bearing borrowings		(7 167)	(8 180)		1 561
Net decrease in cash and cash equivalents		(18 887)	(3 814)		
Cash and cash equivalents at the beginning of the year		79 418	83 232		
Cash and cash equivalents at the end of the year	15.5	60 531	79 418		



AT 31 AUGUST 2000

**1. BASIS OF PREPARATION AND ACCOUNTING POLICIES****1.1 BASIS OF PREPARATION**

The financial statements, except where otherwise stated, have been prepared on the historical cost basis in conformity with South African Statements of Generally Accepted Accounting Practice.

**1.2 ACCOUNTING POLICIES**

The financial statements incorporate the following principal accounting policies, which have been applied consistently in all material respects:

**1.2.1 Basis of consolidation**

The consolidated financial statements include those of Nu-World Holdings Limited and its subsidiaries. A subsidiary being defined as a Company in which Nu-World has the power to govern the financial and operating activities. The results of any subsidiary acquired or disposed of during the year are included from the date effective control commenced to the date that effective control ceased. Significant intercompany transactions and balances and any resultant unrealised profits have been eliminated on consolidation.

**1.2.2 Property, plant and equipment**

Land is regarded as an investment property and is accordingly not depreciated. Property, plant and equipment are stated at cost less accumulated depreciation and are depreciated on the reducing balance basis at rates which approximate their useful lives. Depreciation is provided at the following rates:

Plant and machinery	15%
Moulds and dies	33,3%
Computers and software	25% or 33,3%
Motor vehicles	25%
Equipment	20%
Furniture, fixtures and fittings	20%
Leasehold improvements	5%
Buildings	2%

**1.2.3 Inventories**

Inventories are valued at the lower of cost or net realisable value. Cost is determined on the weighted average basis. The value of work in progress and finished goods includes direct costs and a proportion of manufacturing overheads. Specific provisions are made for slow moving, obsolete and redundant inventories.

**1.2.4 Foreign currencies****Foreign entities**

The balance sheet of the consolidated foreign subsidiary is translated into South African Rand at rates of exchange ruling at year end. The related income statement is translated at the weighted average rate of exchange for the period. Aggregate gains or losses on the translation of the foreign subsidiary are taken directly to a foreign currency translation reserve.

**1.2 ACCOUNTING POLICIES (Continued)****Foreign currency transactions and balances**

Transactions in foreign currencies are translated at the rate of exchange ruling at the transaction date. Gains and losses on settlement of these amounts are included in operating profit when they arise.

Monetary assets and liabilities denominated in foreign currencies are brought to account or valued at the rates of exchange ruling at the balance sheet date. Gains or losses on foreign currency transactions are included in operating profit in the year in which they arise.

**1.2.5 Earnings per share**

Earnings per share has been calculated on the basis of net profit for the year in relation to the weighted average number of shares in issue during the financial year.

**1.2.6 Deferred taxation**

Deferred taxation is provided on the comprehensive basis using the balance sheet method on temporary differences arising from the recognition of income and expenditure in different periods for accounting and tax purposes. Deferred tax assets are only accounted for when it is probable that future taxable profits will be available against which to offset the timing differences.

**1.2.7 Retirement benefits**

The policy of the Group is to contribute to a defined contribution fund on behalf of employees. Contributions to the retirement funds operated for employees are charged to income as incurred.

**1.2.8 Revenue recognition**

The sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer. Interest income is recognised on a time proportion basis. Dividend income is recognised when shareholders are entitled to such dividend.

**1.2.9 Intangible assets****Goodwill**

Goodwill represents the excess of the purchase consideration over book value of net tangible asset values of the subsidiary acquired and is amortised over 20 years on the straight line basis.

**1.2.10 Investment in subsidiaries**

Investment in subsidiaries are stated at cost and are only written down when there is a permanent impairment in value.

AT 31 AUGUST 2000

	Group		Company	
	2000 R000's	1999 R000's	2000 R000's	1999 R000's
<b>2. PROPERTY, PLANT AND EQUIPMENT</b>				
Cost				
Land and buildings	1 100	1 100		
Plant and machinery	33 611	30 853		
Motor vehicles	2 855	1 895		
Office equipment and furniture	8 017	5 387		
Leasehold improvements	5 627	4 230		
	<u>51 210</u>	<u>43 465</u>		
Accumulated depreciation				
Land and buildings	4	2		
Plant and machinery	17 591	14 990		
Motor vehicles	1 109	538		
Office equipment and furniture	3 365	2 539		
Leasehold improvements	896	715		
	<u>22 965</u>	<u>18 784</u>		
Net carrying amount				
Land and buildings	1 096	1 098		
Plant and machinery	16 020	15 863		
Motor vehicles	1 746	1 357		
Office equipment and furniture	4 652	2 848		
Leasehold improvements	4 731	3 515		
	<u>28 245</u>	<u>24 681</u>		
Land and buildings purchased in 1998 is situated on erf 256 Wynberg				
	Land and buildings R000's	Plant and machinery R000's	Other fixed assets R000's	Total R000's
Movement summary				
Opening net carrying amount	1 098	15 863	7 720	24 681
Subsidiary acquired		41	238	279
Additions		2 736	4 681	7 417
Disposals		(33)	(47)	(80)
Depreciation	(2)	(2 587)	(1 463)	(4 052)
Closing net carrying amount	<u>1 096</u>	<u>16 020</u>	<u>11 129</u>	<u>28 245</u>

The directors estimate that the depreciated replacement value of property, plant and equipment at 31 August 2000 is R42,6 million, which exceeds book value by R14,4 million.



AT 31 AUGUST 2000

	Group		Company	
	2000 R000's	1999 R000's	2000 R000's	1999 R000's
<b>3. INTANGIBLE ASSET</b>				
Goodwill				
Balance at beginning of year				
Acquisition of subsidiary	7 728			
Goodwill amortised	(161)			
Balance at end of year	<u>7 567</u>			
<b>4. INVESTMENT IN SUBSIDIARIES</b>				
Shares at valuation			65 849	45 305
Share election reserve				3 625
Amount owing by subsidiaries			80 150	80 316
Amount owing to subsidiaries			(7 538)	
			<u>138 461</u>	<u>129 246</u>
The above loans are unsecured, interest free with no fixed terms of repayment.				
Refer to Appendix A for analysis of subsidiaries.				
<b>5. INVENTORIES</b>				
Raw materials	13 488	11 680		
Work in progress	3 142	3 470		
Finished goods	116 317	35 174		
	<u>132 947</u>	<u>80 324</u>		
<b>6. SHARE CAPITAL</b>				
Authorised				
30 000 000 (1999: 30 000 000)				
ordinary shares of 1 cent each	300	300	300	300
20 000 000 (1999: 20 000 000)				
"N" ordinary shares of 0,1 cent each	20	20	20	20
	<u>320</u>	<u>320</u>	<u>320</u>	<u>320</u>





AT 31 AUGUST 2000

	Group		Company	
	2000 R000's	1999 R000's	2000 R000's	1999 R000's
<b>6. SHARE CAPITAL (Continued)</b>				
Issued				
21 695 465 (1999: 21 326 951) ordinary shares of 1 cent each	217	212	217	212
Share premium	116 903	113 612	118 791	115 500
Arising on shares issued	122 165	118 874	122 165	118 874
Share issue expenses written off	(3 374)	(3 374)	(3 374)	(3 374)
Goodwill arising on consolidation	(1 888)	(1 888)		
In terms of the award of capitalisation shares registered on Friday 6 November 1999, 368 514 shares were issued in lieu of the August 1999 dividend in the ratio of 1,9 ordinary shares for every 100 shares held.				
Non-Distributable reserve			15 000	15 000
Revaluation of investment in Nu-World Industries (Proprietary) Limited.				
Share election reserve		3 625		3 625
Subsequent to the 1999 year end shareholders were given the option of receiving their dividend allotment in the form of cash or capitalisation shares. At 31 August 1999 this event had not yet occurred resulting in the full dividend being transferred to an election reserve.				
	117 120	117 449	134 008	129 337

## 7. FOREIGN CURRENCY TRANSLATION RESERVE

Aggregate gains and losses on the translation  
of the financial statements of the foreign  
subsidiaries into South African Rands are  
taken directly to the foreign currency

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AT 31 AUGUST 2000

	Group		Company	
	2000 R000's	1999 R000's	2000 R000's	1999 R000's
<b>8. INTEREST BEARING BORROWINGS</b>				
8.1 Industrial Development Corporation of South Africa Limited	119	1 150		
Total debt	1 150	3 317		
Amounts payable within the next 12 months reflected under current liabilities	(1 031)	(2 167)		
8.1.1 R148 800 (1999: R179 040), which is repayable in monthly instalments of R2 520 (1999: R2 520), bears interest at a fixed rate of 15,5% per annum payable monthly in arrear.				
8.1.2 R125 950 (1999: R762 500), which is repayable in monthly instalments of R41 650 (1999: R87 500), bears interest at a fluctuating rate of 2% per annum above the rate determined for each half year by averaging the six months negotiable certificate of deposit rates relating to that period as published by the South African Reserve Bank, payable monthly in arrear.				
8.1.3 R875 000 (1999: R2 375 000), which is repayable in monthly instalments of R125 000 (1999: R125 000), bears interest at 2,5% above the average six months negotiable certificate of deposit rates as published by the South African Reserve Bank, payable monthly in arrear.				
8.1.4 The debts in 8.1.1 to 8.1.3 above are secured by a general notarial bond in favour of the Industrial Development Corporation of South Africa Limited over all the assets of the subsidiary company to a value of R7 000 000.				
Carried forward	119	1 150		

AT 31 AUGUST 2000

	Group		Company	
	2000 R000's	1999 R000's	2000 R000's	1999 R000's
<b>8. INTEREST BEARING BORROWINGS</b>				
<b>(Continued)</b>				
Brought forward	119	1 150		
8.1.5 The group has undertaken that as long as any amount of the debts referred to in 8.1.1 to 8.1.3 are owing, it shall not dispose of any of its assets except in the ordinary course of business, or mortgage, pledge or hypothecate, or in any other way encumber any of its assets.				
8.2 International Bank of Southern Africa Limited	10 000	15 000		
The loan is reduced by the revaluation of the investment in Nu-World Industries (Proprietary) Limited of R15 000 000 (1999: R10 000 000) and bears interest at a fixed rate of 17% per annum, payable annually in arrear.				
	<u>10 119</u>	<u>16 150</u>		
<b>9. DEFERRED TAXATION</b>				
Balance at beginning of year	7 111	6 772		
Rate change		(967)		
Charge to income statement	90	1 306		
- Capital allowances	143	654		
- Allowances for future expenditure	(20)	535		
- Other temporary differences	(33)	117		
Amounts not charged to income statement Translation reserve	113			
	<u>7 314</u>	<u>7 111</u>		
Balance consists of:				
Capital allowances	4 289	4 146		
Allowances for future expenditure	2 612	2 633		
Translation reserve	113			
Other temporary differences	300	332		
	<u>7 314</u>	<u>7 111</u>		



AT 31 AUGUST 2000

	Group		Company	
	2000 R000's	1999 R000's	2000 R000's	1999 R000's
<b>10. REVENUE</b>				
10.1 Group	<u>653 772</u>	<u>527 706</u>		
Consolidated revenue comprises the gross invoiced value of goods supplied to customers, less trade discounts where applicable.				
10.2 Company			<u>4 900</u>	<u>3 625</u>
Revenue comprises dividends from the subsidiary company.				
<b>11. OPERATING PROFIT</b>				
Operating profit is arrived at after taking into account:				
Income				
Dividend received			4 900	3 625
Investment income	4 080	3 571		
Profit on disposal of property, plant and equipment	<u>48</u>	<u>45</u>		
Expenditure				
Amortisation of goodwill	161			
Auditors' remuneration	356	161	6	5
Audit fees	260	109	6	5
Fees for other services	<u>96</u>	<u>52</u>		
Cost of sales	481 864	396 961		
Depreciation of property, plant and equipment	4 052	3 672		
Buildings	2	2		
Plant and machinery	2 587	2 573		
Leasehold improvements	181	165		
Motor vehicles	480	311		
Office equipment and furniture	<u>802</u>	<u>621</u>		
Directors' executive emoluments				
- paid by subsidiary	2 063	1 882		
Foreign exchange losses	378	569		
Operating lease rentals				
- property	<u>2 985</u>	<u>2 295</u>		

AT 31 AUGUST 2000

	Group		Company	
	2000 R000's	1999 R000's	2000 R000's	1999 R000's
<b>12. TAXATION</b>				
12.1 Charge to income statement				
South African normal taxation	10 144	6 123	41	159
- Current year	10 103	5 964		
- Secondary tax on companies	41	159	41	159
Deferred taxation	90	339		
- Current year	90	1 306		
- Rate change		(967)		
Foreign taxation				
- Current year	1 779			
	12 013	6 462	41	159
12.2 Reconciliation of rates of taxation				
Statutory tax rate	30,0 %	30,0 %	30,0 %	30,0 %
Adjusted for:	(2,5 %)	(7,7 %)	(30,0 %)	(30,0 %)
Permanent differences	(3,2 %)	(5,0 %)	30,0 %	30,0 %
Secondary taxation on companies	0,1 %	0,6 %		
Rate change		(3,3 %)		
Foreign taxation	0,6 %			
Effective tax rate	27,5 %	22,3 %	0,0 %	0,0 %
<b>13. EARNINGS PER SHARE</b>				
Earnings per share are based on:				
Weighted average number of shares (000's)	21 584	21 300		
Net profit for the year	29 085	22 599		
<b>14. DIVIDEND</b>	4 900	3 625	4 900	3 625

A final dividend of 22.6 cents per share was declared on 8 November 2000 payable on or about 13 December 2000 to shareholders registered in the books of the company at the close of business on 1 December 2000.

During the 1999 financial year, shareholders were given the right of election to receive an award of capitalisation shares in lieu of a final dividend of 17 cents in cash.



AT 31 AUGUST 2000

	Group		Company	
	2000 R000's	1999 R000's	2000 R000's	1999 R000's
<b>15. CASH FLOW INFORMATION</b>				
<b>15.1 CASH GENERATED FROM (ABSORBED BY) OPERATING ACTIVITIES</b>				
Operating profit before interest and taxation	50 160	35 119	4 735	3 424
Adjustments for:				
Translation difference	376			
Depreciation	4 052	3 672		
Profit on disposal of property, plant and equipment	(48)	(45)		
Investment income	(4 080)	(3 571)	(4 900)	(3 625)
Amortisation of goodwill	161			
Operating profit (loss) before working capital changes	50 621	35 175	(165)	(201)
Working capital changes	(47 210)	(12 728)		
Increase in inventories	(38 088)	(2 892)		
Increase in trade and other receivables	(37 099)	(8 990)		
Increase (decrease) in trade and other payables	27 977	(846)		
	3 411	22 447	(165)	(201)
<b>15.2 TAXATION PAID</b>				
Amount unpaid at beginning of year	(2 896)	(6 259)	(118)	(43)
Amounts charged to the income statement	(11 923)	(6 123)	(41)	(159)
Amounts unpaid (prepaid) at end of year	9 089	2 896	(33)	118
	(5 730)	(9 486)	(192)	(84)
<b>15.3 DIVIDENDS PAID</b>				
Cash dividend paid relating to share election	(328)	(1 276)	(328)	(1 276)
Amounts charged to the income statement	(4 900)	(3 625)	(4 900)	(3 625)
Share election reserve raised	4 900	3 625	4 900	3 625
Shareholders' for dividends	(328)	(1 276)	(328)	(1 276)

AT 31 AUGUST 2000

	Group		Company	
	2000 R000's	1999 R000's	2000 R000's	1999 R000's
<b>15.4 ACQUISITION OF SUBSIDIARY - PRIMA AUSTRALASIA PROPRIETARY LIMITED</b>				
Property, plant and equipment	279			
Cash and cash equivalents	793			
Inventories	14 535			
Trade and other receivables	6 429			
Trade and other payables	(9 465)			
	<hr/>			
Fair value of assets acquired	12 571			
Minority interest	(8 380)			
Goodwill	7 728			
	<hr/>			
Purchase price	11 919			
Cash and cash equivalents on acquisition	(793)			
	<hr/>			
Net cash purchase price	11 126			
	<hr/>			
<b>15.5 CASH AND CASH EQUIVALENTS</b>				
Cash and cash equivalents consist of cash on hand, balances with banks and investments in money market instruments	<hr/>	<hr/>		
	60 531	79 418		
	<hr/>	<hr/>		
<b>16. CHANGE IN ACCOUNTING POLICY</b>				
During the previous year the Company changed its accounting policy in respect of deferred taxation from the partial allocation basis to the comprehensive basis.				
The change in policy had resulted in the deferred tax charge being increased and the net profit after tax being reduced by R1 306 346 in the 1999 financial year.				
Restatement of opening accumulated profits in respect of change in accounting policy.		<hr/>		
		6 773		
		<hr/>		
<b>17. RETIREMENT BENEFITS</b>				
The Group contributes to either a defined contribution pension fund or provident fund. These funds are registered under the Pension Funds Act, 1956.				
Non-scheduled employees may choose to which fund they wish to belong.				

AT 31 AUGUST 2000

	Group		Company	
	2000	1999	2000	1999
<b>18. SHARE INCENTIVE AND OPTION SCHEME</b>	<b>Shares</b>	<b>Shares</b>		
During March 1994 a share incentive and option scheme was created.				
Total number of shares available to be utilised for the share incentive and option scheme:				
Opening balance				
- unissued shares	47 549	43 963		
Shares sold during the year		(2 500)		
Shares purchased during the year	5 724	6 086		
Closing balance unissued shares	<u>53 273</u>	<u>47 549</u>		
The abovementioned shares are under the control of the Company's executive directors.				
<b>19. OPERATING LEASE COMMITMENTS</b>	<b>R000's</b>	<b>R000's</b>		
Property				
Due within one year	3 484	2 331		
Due within 2 to 5 years	16 522	14 895		
	<u>20 006</u>	<u>17 226</u>		
<b>20. FINANCIAL RISK MANAGEMENT</b>				
Senior executives meet on a regular basis to analyse interest rate exposures and evaluate treasury management strategies against revised economic forecasts. Compliance with Group policies and exposure limits are reviewed at quarterly meetings of the board.				
The directors believe, to the best of their knowledge, that there are no undisclosed financial risks.				
<b>20.1 Interest rate management</b>				
As part of the process of managing the Group's fixed and floating borrowings, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. For details of interest bearing borrowings refer to note 8.				



AT 31 AUGUST 2000

## 20. FINANCIAL RISK MANAGEMENT (Continued)

### 20.2 Foreign currency management

Foreign exchange commitments are managed using forward exchange contracts and the natural hedge derived from uncovered export proceeds. At the 31 August 2000 forward exchange contracts amounted to R79,7 million (1999: R68,9 million).

### 20.3 Credit risk management

Potential concentrations of credit risk consist principally of trade receivables and short term cash investments.

The Group only deposits short term cash surpluses with major banks of high quality credit standing. Trade receivables comprise a large, widespread customer base. The granting of credit is controlled via credit applications, rigorous credit reviews, and the assumptions therein are reviewed and updated on an ongoing basis. At 31 August 2000, the Group did not consider that any significant concentration of credit risk existed which had not been adequately provided for.

### 20.4 Liquidity risk

The Group manages liquidity risk by the proper management of working capital and cash flows. The risk of illiquidity is not considered probable as the Group has substantial banking facilities available.

	Group	
	2000 R000's	1999 R000's
Banking facilities		
Total banking facilities	286 000	214 000
Bank borrowings	(84 420)	(21 551)
Unutilised banking facilities	<u>201 580</u>	<u>192 449</u>

## 21. CONTINGENT LIABILITIES

The group has signed guarantee's for bank borrowings and other loan facilities of R84 419 621 (1999: R21 551 702) on behalf of their wholly owned subsidiary, Nu-World Industries (Proprietary) Limited.

Nu-World Holdings Limited has issued deeds of suretyship in favour of both ABN Amro Bank for five million Australian Dollars and the Australia and New Zealand Banking Group Limited for five million five hundred thousand Australian Dollars, to be used for general banking facilities of the subsidiary, Prima Akai Proprietary Limited.



AT 31 AUGUST 2000

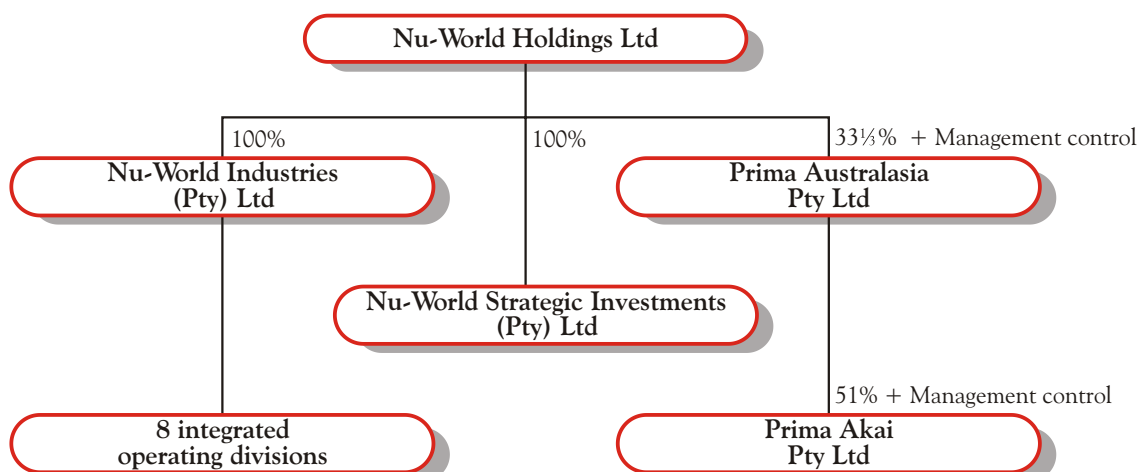
	Issued Share Capital		Effective Shareholding		Shares at Valuation	
	2000 R	1999 R	2000 %	1999 %	2000 R000's	1999 R000's
<b>Interest of Nu-World Holdings Limited</b>						
<b>Direct interest</b>						
Prima Australasia Proprietary Limited (Incorporated in Australia)	715	477	33½		11 919	
Nu-World Industries (Proprietary) Limited	1 130	767	100	100	53 930	45 305
Nu-World Strategic Investments (Proprietary) Limited	1		100			
					<u>65 849</u>	<u>45 305</u>

The aggregate net profit after taxation of subsidiaries attributable to the company amounted to R27 037 922 (1999: R19 294 642).

## Indirect interest

Prima Akai Proprietary Limited (Incorporated in Australia)	23 828 435	17
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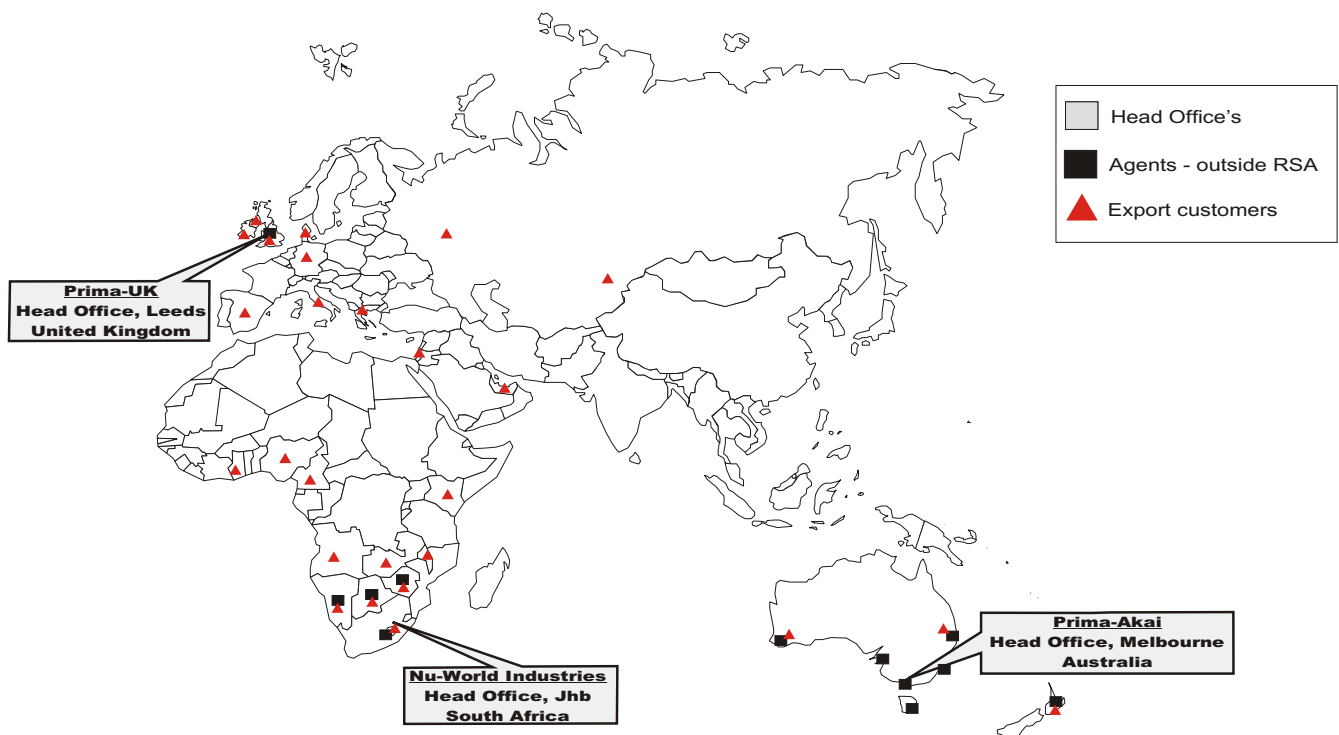
## Group Structure



AT 31 AUGUST 2000

Loans receivable/ (payable)		Share Election Reserve	
2000 R000's	1999 R000's	2000 R000's	1999 R000's
150			
(7 538)	80 316		3 625
80 000			
<u>72 612</u>	<u>80 316</u>	<u>      </u>	<u>3 625</u>

## World Relations





## Appendix B Value Added Statement

FOR THE YEAR ENDED 31 AUGUST 2000

	2000		1999	
	R000's	%	R000's	%
REVENUE	653 772	100,00 %	527 706	100,00 %
Net interest paid	(2 334)	(0,36 %)	(2 527)	(0,49 %)
Cost of materials, services and expenses	(565 202)	(86,45 %)	(457 337)	(86,67 %)
VALUE ADDED	<u>86 236</u>	<u>13,19 %</u>	<u>67 842</u>	<u>12,84 %</u>
Allocated as follows:				
Employees				
Salaries and wages, commission and other benefits	34 974	5,34 %	30 620	5,80 %
Government				
Normal taxation on companies	10 103	1,54 %	5 964	1,13 %
Secondary tax on companies	41	0,01 %	159	0,03 %
Paye	5 333	0,82 %	4 868	0,92 %
Providers of capital				
Minority interest	2 648	0,41 %		
Dividends	<u>4 900</u>	<u>0,75 %</u>	<u>3 625</u>	<u>0,69 %</u>
Total wealth distributed	57 999	8,87 %	45 236	8,57 %
Re-investment in the group				
Depreciation and amortisation	4 052	0,62 %	3 672	0,69 %
Retained for future growth	24 185	3,70 %	18 934	3,58 %
	<u>86 236</u>	<u>13,19 %</u>	<u>67 842</u>	<u>12,84 %</u>



AT 31 AUGUST 2000

	Number of shareholders	%	Number of shares	%
<b>HOLDINGS</b>				
1 to 25 000	388	95,3	720 355	3,3
25 001 to 50 000	6	1,5	215 268	1,0
50 001 to 100 000	3	0,7	233 971	1,1
Over 100 000 shares	10	2,5	20 525 871	94,6
	407	100,0	21 695 465	100,0
<b>CATEGORY OF SHAREHOLDERS</b>				
Individuals	328	80,6	523 711	2,4
Other companies	27	6,6	634 552	2,9
Nominees	52	12,8	20 537 202	94,7
	407	100,0	21 695 465	100,0
<b>SHAREHOLDERS SPREAD</b>				
<b>Major shareholders beneficially interested in more than 5% of the Company's listed securities</b>				
First National Nominees (Proprietary) Limited			10 033 750	46,3
Standard Bank Nominees (Tvl) (Proprietary) Limited			3 223 392	14,9
Nedcor Bank Nominees Limited			3 043 595	14,0
CMB Nominees (Proprietary) Limited			1 277 432	5,9
		<b>12 months trade 31 August 2000</b>		<b>12 months trade 31 August 1999</b>
<b>STOCK EXCHANGE PERFORMANCE</b>				
<b>Market price per share (cents)</b>				
- at year end		1 300		980
- highest		1 975		2 450
- lowest		980		900
Number of shares traded (000)		5 564		13 438
Number of shares in issue (000)		21 695		21 327
Volume traded as a percentage of total shares in issue (%)		23,1		63,0



Notice is given that the Annual General Meeting of shareholders in respect of the year ended 31 August 2000 will be held in the boardroom of Nu-World Holdings Limited at 35, 3<sup>rd</sup> Street, Wynberg, Sandton at 10h00 on Wednesday 14 March 2001 for the purpose of considering and, if deemed fit, passing with or without modification the resolutions set out below, in the manner required by the Companies Act, 1973 (Act 61 of 1973), as amended ("the Act");

1. Ordinary Resolution number 1

"Resolved that the annual financial statements and Group annual financial statements together with reports of the directors and auditors for the year ended 31 August 2000 be approved."

2. Ordinary Resolution number 2

"Resolved to elect directors by means of a single resolution."

3. Ordinary Resolution number 3

In terms of the Company's Articles of Association, all non-executive directors and at least one third of the executive directors are required to retire from office at every Annual General Meeting. Messrs M.S. Goldberg and J.A. Goldberg will not retire and thus will continue as directors.

Subject to the passing of resolution 2 by unanimous consent, "Resolved that the retiring directors, Dr J.A. Temple and Messrs P. Gross, G.R. Hindle and J.M. Judin, who, being eligible, have offered themselves for re-election, be and they are hereby re-appointed as directors."

4. Ordinary Resolution number 4

Subject to the failure to obtain unanimous consent to passing of resolution number 2, "Resolved as separate resolutions to 4.1, 4.2, 4.3 and 4.4 respectively that Dr J.A. Temple, P. Gross, G.R. Hindle and J.M. Judin be re-appointed as directors."

5. Ordinary Resolution number 5

"Resolved that the remuneration paid to the directors of the Company as set out in the financial statements for the financial year ended 31 August 2000 be approved."

6. Ordinary Resolution number 6

"Resolved that the directors be and are hereby authorised to re-appoint Tuffias Sandberg as auditors of the Company, which appointment shall be valid until the next Annual General Meeting of the Company unless varied or revoked by any general meeting prior thereto and that their remuneration for the year ended 31 August 2000 be approved."

7. Ordinary Resolution number 7

"Resolved that the authorised but unissued shares in the capital of the Company be and are hereby placed under the authority of the directors and that the directors be and are hereby authorised and empowered to allot, issue and otherwise dispose of such shares to such person or persons on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the terms and conditions of the Act and the Listings Requirements of the JSE Securities Exchange South Africa ("the JSE").

Further, that this authorisation is valid until the next Annual General Meeting of the Company, unless varied or revoked by any general meeting prior thereto."



8. Special Resolution number 1

“Resolved that the Company amend its Articles of Association by replacing the heading of article 6 with the following heading:

“CONSOLIDATION SUBDIVISION AND REPURCHASE OF OWN SHARES OR SHARES OF HOLDING COMPANY.” ”

The reason for this Special Resolution is to update the Company's Articles of Association in accordance with the recent amendments to the Act, so as to enable the Company and/or a subsidiary to repurchase its own shares. The effect of this Special Resolution is to amend the Company's Articles of Association.

9. Special Resolution number 2

“Resolved that the Company amend its Articles of Association by deleting the existing article 6.1.7 and replacing it with the following new article 6.1.7:

*“6.1.7 Approve the repurchase of shares issued by the Company or, if the Company is a subsidiary approve the repurchase of shares issued by its holding Company, subject to the listings requirements of any stock exchange on which the shares of the company or its holding Company are listed or quoted and up to the maximum, if any, provided in the Act, which approval may be a general approval or a specific approval for a particular transaction.””*

The reason for this Special Resolution is to update the Company's Articles of Association in accordance with the recent amendments to the Act, so as to enable the Company and/or a subsidiary to repurchase its shares. The effect of this Special Resolution is to amend the Company's Articles of Association.

10. Special Resolution number 3

“ Resolved that the Company amend its Articles of Association by deleting the existing article 6.4 and replacing it with the following new article 6.4:

*“6.4 All unclaimed amounts due as a result of any repurchase of shares issued by the Company or by its holding Company may be invested or otherwise made use of by the directors for the benefit of the Company until claimed, provided that such amounts unclaimed for a period of not less than 3 (three) years from the date on which such amounts became payable shall be paid over to the Guardians Fund. In the event of a resolution being passed providing for the Company being wound up voluntarily, such resolution may provide that any such amounts unclaimed for a period of not less than 3 (three) years from the date on which such amounts became payable shall be payable over to the Guardians Fund. The directors may resolve that any payments made to all or any members whose registered addresses are outside the Republic or who have given written instructions requesting payment at addresses outside the Republic, shall be paid in such other currency or currencies as may be stipulated by the directors. The obligations to obtain approval for such payment from the Exchange Control Authorities of the Republic of South Africa shall be on the member.””*

The reason for this Special Resolution is to update the Company's Articles of Association in accordance with the recent amendments to the Act, so as to enable the Company to deal with unclaimed amounts due to its members (excluding unclaimed dividends). The effect of this Special Resolution is to amend the Company's Articles of Association.

11. Special Resolution number 4

“Resolved that that company amend its Articles of Association by inserting the following new article 39A after the existing article 39:

**“Payments to members**

*39A Notwithstanding the provisions of the preceding articles, insofar as they relate to payments of dividends or distributions to members, the Company in general meeting or the directors may, from time to time, make payments to members””*

The reason for this Special Resolution is to update the company's Articles of Association in accordance with the recent amendments to the Act so as to enable the company to make payments to its members. The effect of this Special Resolution is to amend the Company's Articles of Association.

## 12. Special Resolution number 5

“Resolved that that Company amend its Articles of Association by inserting the following new article 39B after the new article 39A:

***“Share premium account and capital redemption reserve fund***

39B *The Company in general meeting or the directors may from time to time subject to any requirements which may be imposed by law, distribute or deal with all or any part of the amount for the time being standing to the credit of any share premium account or capital redemption reserve fund of the Company, save that the provisions of this article shall not apply in respect of any action properly taken by the Company in terms of section 76(3) or 98(4) of the Act”*”

The reason for this Special Resolution is to update the Company's Articles of Association in accordance with the recent amendments to the Act so as to enable the Company to make payments to its members, in particular by way of a reduction in the Company's share premium account. The effect of this Special Resolution is to amend the Company's Articles of Association.

## 13. Special Resolution number 6

“Resolved that subject to the passing and registration of Special Resolutions 1, 2, 3, 4 and 5:

“The Company or any of its subsidiaries, are hereby authorised as a general approval given in terms of section 85(2) of the Act, to acquire shares issued by the Company upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the provisions of the Act and the Listings Requirements of the JSE which currently stipulate that:

- 13.1 any such acquisition of ordinary shares shall be implemented on the open market of the JSE;
- 13.2 this general authority shall only be valid until the Company's next Annual General Meeting provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this Special Resolution 6;
- 13.3 a paid press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue, at the time of passing of this Special Resolution 6, which announcement shall contain full details of such acquisitions;
- 13.4 acquisitions of ordinary shares by the Company in terms of this general authority in the aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's issued ordinary share capital;
- 13.5 in determining the price at which ordinary shares issued by the Company are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market price at which such ordinary shares traded on the JSE over the 5 (five) business days immediately preceding the date of repurchase of such ordinary shares, and provided that the repurchase may not be made at a bid price greater than the current trading price.””

Although no such repurchases are currently being considered, the general authority to repurchase the company's shares will be acted upon within the parameters laid down by the JSE, as and when the directors deem it to be appropriate. After considering the effect of a general repurchase within these parameters, the directors are of the view that for a period of at least twelve months after the date of this notice:

- the Company and the Group will be able in the ordinary course of business to pay its debts;
- the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group;
- the ordinary capital and reserves of the Company and Group will be adequate for the purposes of the Company's and the Group's businesses respectively; and
- the working capital of the Company and the Group will be adequate for their requirements.



The reason for this Special Resolution is to grant a general approval in terms of the Act and the Listings Requirements of the JSE for the acquisition by the Company or its subsidiaries of shares issued by the Company, subject to statutory and regulatory limitations and controls.

The effect of this Special Resolution is to enable the Company and/or a subsidiary, by way of a general approval, to repurchase up to a maximum of 20% of its share capital in any one financial year; such authority to remain valid until the Company's next Annual General Meeting but not beyond the period of 15 (fifteen) months after the date of this resolution.

14. Ordinary Resolution number 8

"Resolved that the directors of the Company be and are hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to the registration or implementation of the resolutions set out in the notice convening the Annual General Meeting at which this ordinary resolution is to be considered."

A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and on a poll, vote in his stead. A proxy need not be a member of the Company. Proxy forms must reach the registered office of the Company not less than 48 hours before the time fixed for the meeting.

By order of the board

**G.R.Hindle**  
Company Secretary

8 November 2000

**SHAREHOLDER'S CALENDAR**

Declaration of dividend	8 November 2000
Announcement of 2000 results	Published 8 November 2000
2000 Annual Financial statement to shareholders	Published February 2001
Registers to close for dividend purposes	1 December 2000
Payment of dividend thirteen	13 December 2000
Annual General Meeting	14 March 2001
Announcement of 2001 interim results	To be published April 2001



### DIRECTORS

Dr John A. Temple Ph.D (Lond)  
Mr Michael S. Goldberg B.Com M.B.A. (Rand)  
Mr Jeffrey A. Goldberg B.Sc (Eng) (Rand)  
Mr J. Michael Judin Dip.Law (Rand)  
Mr Graham R. Hindle B.Acc (Wits) CA (SA)  
Mr Paul Gross Dip. Law L.L.B (Wits)

### SECRETARY

Mr Graham R. Hindle B.Acc (Wits) CA (SA)  
35, 3<sup>rd</sup> Street  
Wynberg  
Sandton  
2199

### REGISTERED OFFICE

35, 3<sup>rd</sup> Street  
Wynberg  
Sandton  
2199

### AUDITORS

Tuffias Sandberg  
Chartered Accountants (SA)  
Registered Accountants & Auditors  
4, 5<sup>th</sup> Avenue  
Edenburg  
Sandton  
2128

### TRANSFER SECRETARIES

Mercantile Registrars Limited  
11 Diagonal Street  
Johannesburg  
2001

### BANKERS

First National Bank of Southern Africa Limited, a division of  
First Rand Bank Limited

Standard Corporate and Merchant Bank, a division of  
The Standard Bank of South Africa Limited

### ATTORNEYS

Goldman, Judin Attorneys Inc.  
Khulisa House  
15 Scott Street  
Waverley  
2090

### COMPANY REGISTRATION NUMBER

1968/002490/06



**NU-WORLD HOLDINGS LIMITED**  
(REGISTRATION NUMBER 1968/002490/06)

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member/members of the above Company hereby

appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him/her \_\_\_\_\_

of \_\_\_\_\_

or, failing him/her, the chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Company's registered office, 35 - 3rd Street, Wynberg, Sandton on 14 March 2001 at 10h00 and at any adjournment thereof.

Dated this \_\_\_\_\_

day of \_\_\_\_\_

2001

Name in Full \_\_\_\_\_

Address \_\_\_\_\_

Number of shares

Signature \_\_\_\_\_

	For	Against	Abstain
Ordinary resolution 1			
Ordinary resolution 2			
Ordinary resolution 3			
Ordinary resolution 4			
4.1 Dr J.A. Temple			
4.2 P. Gross			
4.3 G.R. Hindle			
4.4 J.M. Judin			
Ordinary resolution 5			
Ordinary resolution 6			
Ordinary resolution 7			
Special resolution 1			
Special resolution 2			
Special resolution 3			
Special resolution 4			
Special resolution 5			
Special resolution 6			
Ordinary resolution 8			

Mark with an X whichever is applicable. Unless otherwise directed, the proxy will vote as he/she thinks fit in respect of the member's total holding. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and on a poll, vote in his stead. A proxy need not be a member of the Company.

Proxy forms must reach the registered office of the Company not less than 48 hours before the time fixed for the meeting.