



NU-WORLD HOLDINGS LIMITED

A N N U A L R E P O R T
2 0 0 2

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.



EXCELLENCE





Sunbeam

GOLDAIR
Designed to be the Best!

iDEAS
BY NU-WORLD

ideal

MAGIC LINE

FENICI

WIX

CASIO®

TIMEX®
AUDIO PRODUCTS

*Winter
warm*



prima

AKAI

JVC

TELEFUNKEN

NU-TEC

THOMSON



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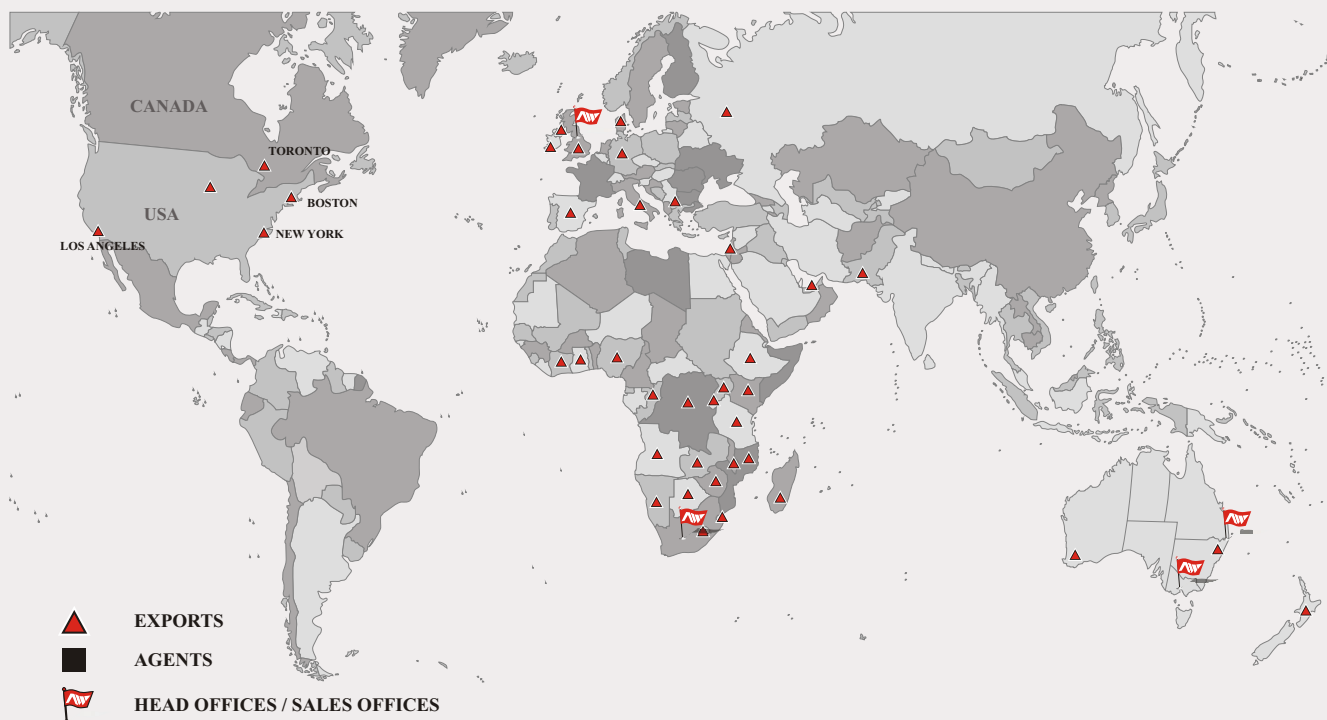
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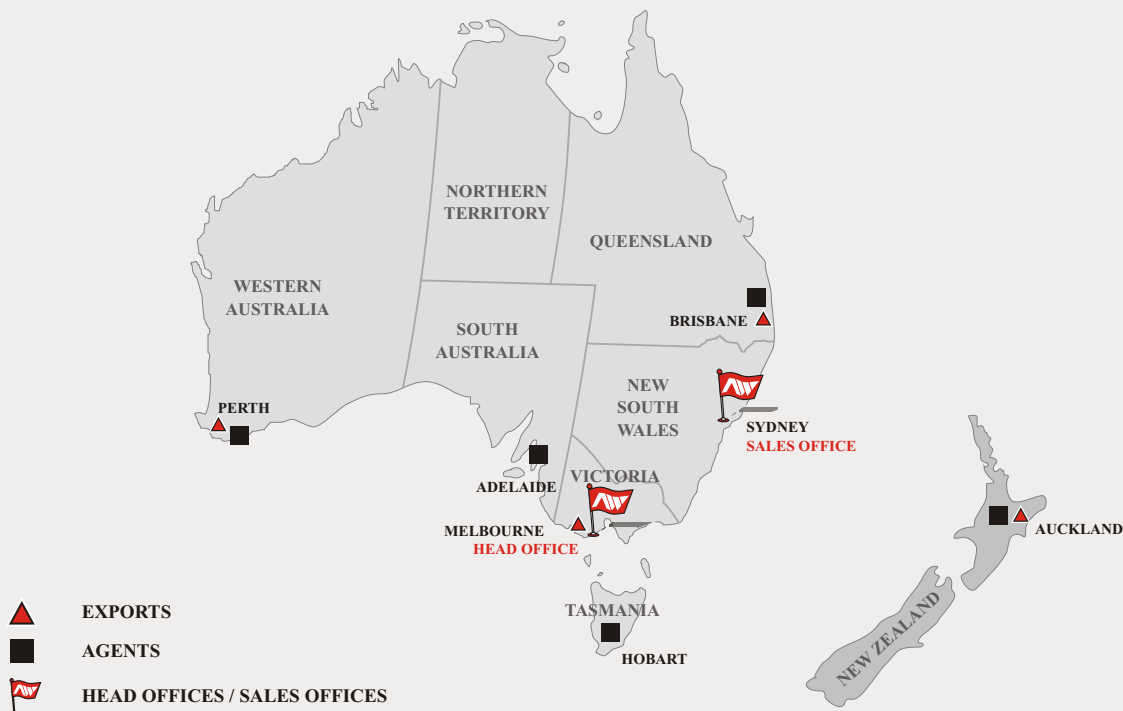
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WORLD PRESENCE

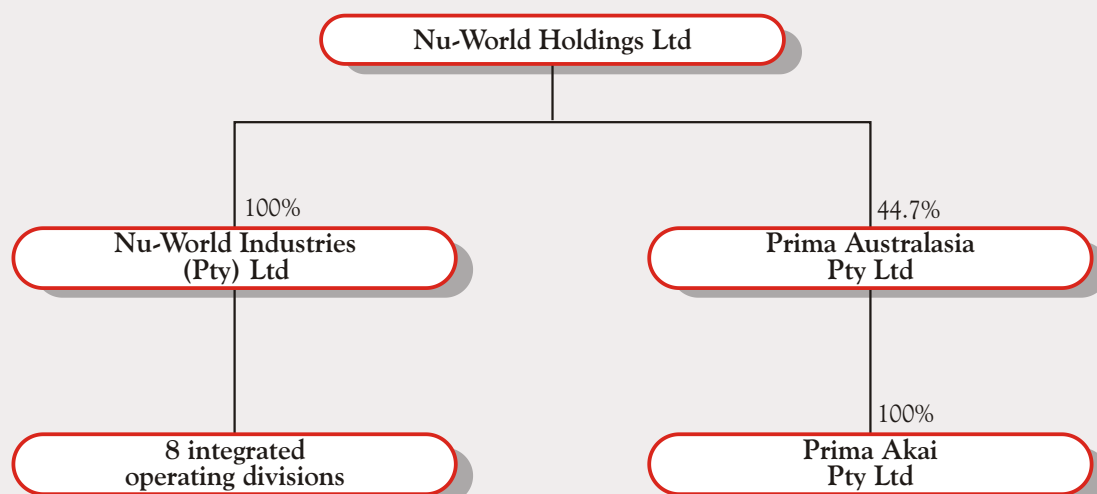


PRIMA AUSTRALASIA PTY LTD

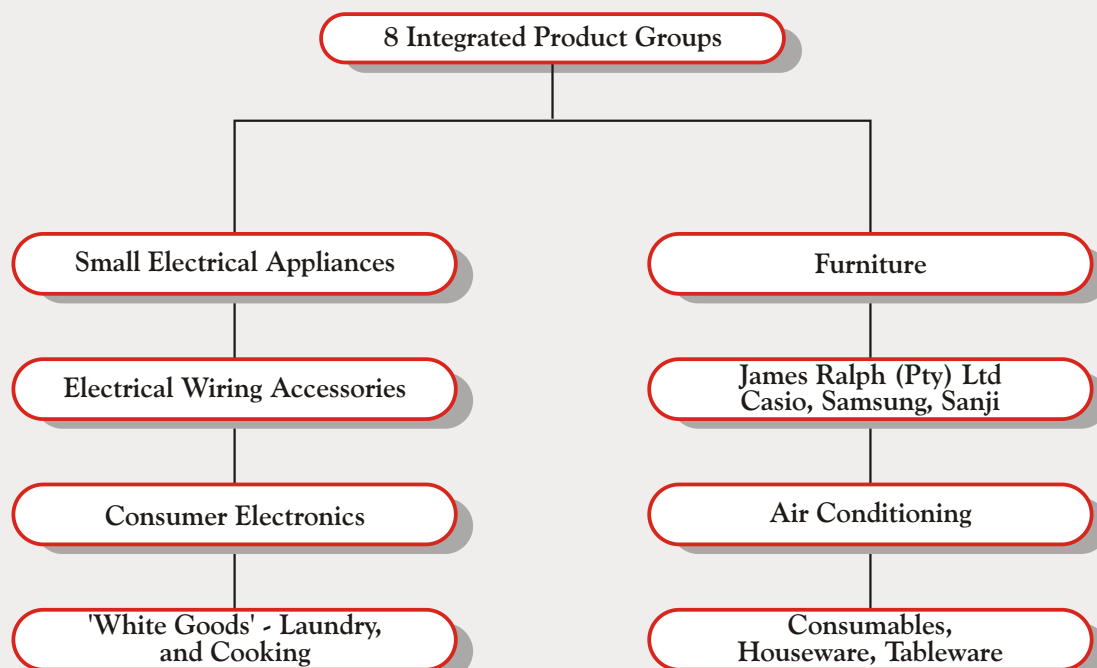


GLOBAL

GROUP STRUCTURE



PROFILE



TEN YEAR REVIEW

	2002 R000's	2001 R000's	2000 R000's	1999 R000's	1998 R000's
INCOME STATEMENT					
Revenue	942 084	884 252	653 772	527 706	446 629
Operating income	56 122	51 487	50 160	35 119	32 781
Interest paid	8 355	8 988	6 414	6 098	6 636
Income before taxation	47 767	42 499	43 746	29 021	26 145
Taxation	9 998	8 336	12 013	6 462	7 729
Income after taxation	37 769	34 163	31 733	22 559	18 416
Share of income attributable to associated company	2 296	135			
Net income	40 065	34 028	31 733	22 559	18 416
Minority interest		87	2 648		
Net profit for the year	40 065	33 941	29 085	22 559	18 416
Shares in issue (000's)					
- at year end	21 695	21 695	21 695	21 327	21 229
- weighted average	21 695	21 695	21 584	21 300	19 496
Headline earnings per share (cents)	184.7	156.4	134.1	105.8	86.7
Headline earnings per share (cents)					
- weighted	184.7	156.4	134.8	105.9	94.5
Dividend per share (cents)	31.3	27.2	22.6	17.0	15.5
Dividend cover	5.9	5.7	5.9	6.2	6.0
BALANCE SHEET					
ASSETS					
Non-current assets	57 286	40 954	35 812	24 681	23 516
Property, plant and equipment	36 204	28 089	35 812	24 681	23 516
Investment in associated company	21 082	12 865			
Current assets	361 091	330 648	350 628	273 364	265 296
Inventories	117 384	103 137	132 947	80 324	77 432
Trade and other receivables	156 563	162 433	157 150	113 622	104 632
Bank and cash balances	87 144	65 078	60 531	79 418	83 232
Total assets	418 377	371 602	386 440	298 045	288 812
EQUITY AND LIABILITIES					
Total capital and reserves	274 846	240 684	208 101	184 158	162 874
Issued capital	115 849	115 849	117 120	117 449	115 099
Foreign currency translation reserve			88		
Retained earnings	158 997	124 835	90 893	66 709	47 775
Minority interest			22 880		
Non-current liabilities	8 951	12 973	17 433	23 261	30 088
Interest bearing borrowings		5 089	10 119	16 150	23 316
Deferred taxation	8 951	7 884	7 314	7 111	6 772
Current liabilities	134 580	117 945	138 026	90 626	95 850
Trade and other payables	134 528	117 909	132 095	88 459	92 670
Shareholders for dividend	52	6	4 900		
Current portion of interest bearing borrowings		30	1 031	2 167	3 180
Total equity and liabilities	418 377	371 602	386 440	298 045	288 812

TEN YEAR REVIEW

1997 R000's	1996 R000's	1995 R000's	1994 R000's	1993 R000's	
					INCOME STATEMENT
343 979	247 387	174 476	112 863	74 580	Revenue
24 344	15 147	11 224	6 880	4 648	Operating income
5 957	4 209	3 989	2 685	1 879	Interest paid
18 387	10 938	7 235	4 195	2 769	Income before taxation
4 720	1 594	1 843	868	532	Taxation
13 667	9 344	5 392	3 327	2 237	Income after taxation
					Share of income attributable to associated company
13 667	9 344	5 392	3 327	2 237	Net income
					Minority interest
13 667	9 344	5 392	3 327	2 237	Net profit for the year
17 989	17 657	14 854	14 025	12 750	Shares in issue (000's)
17 848	17 009	14 378	13 361	12 750	- at year end
76.0	52.9	36.3	23.7	17.5	- weighted average
					Headline earnings per share (cents)
76.6	55.0	37.5	24.9	17.5	Headline earnings per share (cents)
15.3	10.6	8.1	5.3	3.8	- weighted
5.0	5.0	4.5	4.5	4.7	Dividend per share (cents)
					Dividend cover
					BALANCE SHEET
					ASSETS
22 137	19 407	17 355	12 394	8 454	Non-current assets
22 137	19 407	17 355	12 394	8 454	Property, plant and equipment
					Investment in associated company
144 971	100 486	67 512	41 320	33 375	Current assets
52 684	43 819	29 999	17 939	11 965	Inventories
79 755	49 136	35 899	23 395	21 283	Trade and other receivables
12 532	7 531	1 614	(14)	127	Bank and cash balances
167 108	119 893	84 867	53 714	41 829	Total assets
					EQUITY AND LIABILITIES
77 437	60 989	30 983	21 634	15 155	Total capital and reserves
39 341	33 810	11 273	6 116	2 224	Issued capital
38 096	27 179	19 710	15 518	12 931	Foreign currency translation reserve
					Retained earnings
7 686	10 337	9 950	5 812	7 005	Minority interest
7 686	10 337	9 950	5 812	7 005	Non-current liabilities
					Interest bearing borrowings
					Deferred taxation
81 985	48 567	43 934	26 268	19 669	Current liabilities
77 550	44 381	40 474	22 883	16 007	Trade and other payables
4 435	4 186	3 460	3 385	3 662	Shareholders for dividend
					Current portion of interest bearing borrowings
167 108	119 893	84 867	53 714	41 829	Total equity and liabilities

FINANCIAL HIGHLIGHTS

	2002 R000's	2001 R000's
Revenue	942 084	884 252
Net operating income	60 845	56 206
Depreciation	4 723	4 719
Interest paid	8 355	8 988
Income before taxation	47 767	42 499
Taxation	9 998	8 336
Income after taxation	37 769	34 163
Share of income attributable to associated company	2 296	135
Net income	40 065	34 028
Minority interests		87
Attributable earnings	40 065	33 941
Cents per share:		
Earnings per share	184.7	156.4
Earnings per share - weighted	184.7	156.4
Dividend per share	31.3	27.2
Net asset value per share	1266.8	1109.4
Financial ratios:		
Debt: equity ratio %	0.0	0.0
Dividend cover (times)	5.9	5.7
Interest cover (times)	6.7	5.7
Return on average total assets (%)	14.2	13.6
Liquidity ratio (times)		
- Current	2.7	2.7
- Quick	1.8	1.8
Closing price earnings ratio (times)	5.68	6.23

CHAIRMAN'S REVIEW

Your company, Nu-World Holdings Ltd, performed well for the financial year to the end of August 2002. The Group has now produced 12 consecutive years of growth for our shareholders, across the board, in turnover, operating income, headline earnings and dividend.

The Group has rewarded shareholders with an average annual compound growth rate over the past 5 years of 24.0% in headline earnings, 19.0% in H.E.P.S. and 15.5% in dividend per share.

Once again, this achievement is all the more commendable when taken against an economic backdrop of a severe depreciation in the Rand, during the first half of the financial year and a subsequent hike in interest rates from 13% to 17% from the beginning of the calendar 2002 to the end of August.

The combined negative effect of higher interest rates, sharply higher inflation and lower disposable income, has seriously affected consumer confidence and consumer spending, most especially during the second half of the financial year. The market for consumer durables remains as pressurized and competitive as in previous years.

However, as we approach the end of 2002, it is gratifying to see economic reports of inflation having peaked and now set to fall and the probability of a number of cuts in interest rates over the forthcoming calendar year.

Notwithstanding the lacklustre South African economy, the Group, by way of its global reach and broad diversification, has proved its capability in producing sustainable growth.

Our low-cost manufacturing base is on a strong growth curve. We have been successful in our first year of exporting to the USA, producing growth in exports of 320% year on year. The Group has also achieved increased market penetration in all areas of operation in the Southern African markets, in which we operate.

It is my pleasure to take this opportunity to thank and commend management for your admirable achievement, as well as to thank each and every staff member for your contribution.

We have now firmly established our Group as an international player in the supply of branded consumer durables, to leading retailers, on four continents. Many challenges lie ahead, but I am rest assured in the knowledge that the committed and motivated efforts of the Nu-World team, will continue to drive growth and to enhance shareholder value.

Michael S. Goldberg
Executive Chairman



MANAGING DIRECTOR'S REVIEW

FINANCIAL OVERVIEW

The Board of Directors of Nu-World Holdings Ltd is again pleased to report satisfactory growth results for the year ending 31st August 2002. For the twelfth year in succession, the Group has produced growth in turnover, operating income, attributable income, headline earnings per share and dividend.

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 18 international and local brands. The Group holds a 44.7% interest in associate Company Prima Australasia, a Melbourne based distributor of branded consumer durables.

Notwithstanding the difficult economic conditions, particularly in the second half of the year under review, the Group achieved satisfactory growth.

South African turnover increased by 15.8% to R942,084m.

Attributable income increased by 18.0% to R40,065m (August 2001 : R33,941m).

Headline earnings per share on a weighted basis increased by 18% to 184.7 cents (August 2001 : 156.4 cents).

Dividend declared per share is up 15.0% to 31.3 cents (August 2001 : 27.2 cents).

Cash generated by operating activities is up 272% to R45,920m (August 2001 : R12,335m).

The improved working capital position, has resulted in a reduction of **interest paid** of R633,000.

Stock turn ratios have greatly improved, whilst inventory increases were held below increases in turnover.

The D.S.O. debtors collection measure, reflects a significant improvement.

The Group remains **ungeared** with **cash balances on hand** of R87,144m (August 2001 : R65,078m).

The net asset value per share at 1267 cents is up 14.2% (August 2001 : 1109 cents).

At the time of writing, Nu-World shares at R10,50, were trading at a 17% discount to net asset value per share.

The benefits of the increased capital expenditure, utilized primarily for gearing up manufacturing capacity for exports as well as the design and development of new products for the local and export markets, are already apparent and will show further results in the forthcoming year.

DECONSOLIDATION OF PRIMA AUSTRALASIA PTY LTD

Prima Australasia Pty Ltd was deconsolidated on the 1st March 2001 and reclassified as an associate Company. The August 2001 turnover includes Prima revenues of R70,752m and profit after tax of R242,000. The deconsolidated figures provide a more meaningful year on year comparison.

OPERATIONAL REVIEW

SMALL ELECTRICAL APPLIANCES - IN-HOUSE MANUFACTURING

Nu-World is South Africa's leading low-cost, high-volume manufacturer, importer and exporter, of small electrical appliances.

During the year under review, the manufacturing division has been restructured in order to gear up production to meet export demand. The substantial capital investment program undertaken, has generated an increase of 42% in manufacturing output.

MANAGING DIRECTOR'S REVIEW

Manufacturing is expected to produce strong growth during the forthcoming year, with the launch of new products and further substantial increases in exports.

In surveys recently commissioned by leading retailers the **Sunbeam** brand has been recognized as a leading brand in small appliances, in South Africa. In the mass price-entry market, Nu-World's brands, "**Ideal**" and "**Ideas**" are rated first and second.

Leading on from the **Sunbeam** success, the Company will introduce a range of top-end up-market products under the **Sunbeam Designer** label.

EXPORTS

IN-HOUSE MANUFACTURED APPLIANCE - EXPORTS UP 400%

TOTAL GROUP - EXPORTS UP 320%

The success of our export program, most specifically our focus on the United States is proving successful. Manufactured exports have increased 400%, year on year. The manufacturing division exported more than 250,000 appliances during the passed three quarters, to the United States, United Kingdom, Europe and Australia.

In-house manufacturing and concurrent exports, provide a natural hedge against the devaluation of the Rand. Import replacement and exports will continue to be a key driver of growth in the forthcoming year.

CONSUMER ELECTRONICS

JVC * TELEFUNKEN * THOMSON * NU-TEC

Nu-World's consumer electronics division, with our range of complimentary international brands, differentiated within distinct market segments, from price-entry to top-end, continues to generate growth.

JVC

Difficult market conditions prevailed, due to increases in retail price points as a consequence of the depreciation of the Rand. However, notwithstanding this extremely difficult trading environment, JVC continues to hold its own within the consumer electronics market in Southern Africa. Over the passed year, JVC increased its share of the car audio market and is now considered by market analysts as the most sought after brand in this category.

JVC hometheatre systems continue to lead the market in design as well as visual and sound quality. JVC will launch the first 6.1 channel hometheatre system in the market, before the year end. JVC's progressive scan technology DVD, has been awarded the coveted EISA award of Europe.

JVC will launch the latest flat screen televisions into the market in the forthcoming year. The market acceptance of the 74cm model has been enthusiastic and a full line up is to follow.

TELEFUNKEN

The Telefunken brand, which enjoys high consumer recognition, has proved to be a huge marketing success for the Group. Brand awareness and market penetration continues at an exceptional pace.

In the Markinor survey commissioned by the Sunday Times ; Telefunken has been recognised as one of the leading consumer electronics brands, in Southern Africa.

Almost 30 new products and new technologies were introduced over the passed year, with more than 50 new products planned for the new financial year.

Telefunken has expanded its visual range by introducing a full new line up of CRT televisions for Christmas as well the largest size rear projection TV (RPT), measuring 165cm.

The audio range has expanded to include home theatre systems, DVD and mini DVD systems, as well as a DVD/VCR combination unit.

MANAGING DIRECTOR'S REVIEW

Leading on from the Telefunken success in South Africa, our associate Company, Prima Australasia, is making good progress with the introduction of the Telefunken brand in Australia.

The Group's purchasing power, for the Southern African and Australasian markets, provides a strategic advantage in obtaining world-best pricing and trading terms.

WHITE GOODS - LAUNDRY / COOKING AND REFRIGERATION

This division, although a small part of the Group's turnover, is opening up new areas of growth, with the introduction of a range of products under the Telefunken brand.

Extending the Telefunken brand to large appliances has proved to be successful. Telefunken is now established in laundry with a range of twintubs and top-loader washing machines. The Telefunken cooking range now includes under-counter, built-in ovens / hobs as well as free-standing stoves.

PRIMA AUSTRALASIA PTY LTD AKAI * TELEFUNKEN * PRIMA ELECTRONICS * NU-TEC

Associate, Prima Australasia Pty Ltd recorded a positive contribution of R2,296m.

Nu-World increased its shareholding in Prima to 44.7% in September 2001. Prima has experienced a dramatically positive turnaround during the year under review, with Turnover increasing 48.4% to AUD \$49,6m. Gross profit is up 65%, indicating firmer margins and the Company recorded an attributable income for the year, of AUD \$870,000.

The launch of the Telefunken brand in the second half of the year has been successful. The Company continues to make inroads into leading Australian retailers including:- Harvey Norman, Retravision, Target, The Coles Myer Group and The Good Guys, amongst others.

Prima is budgeting for strong growth during the forthcoming year.

PROSPECTS

Over the passed 12 years, the Group has demonstrated its resilience to adverse market conditions, by sustaining a remarkable level of growth, notwithstanding the difficult economic climate in Southern Africa.

Since the beginning of calendar 2002, consumer sentiment and consumer spending has been negatively impacted by rising prices and rising interest rates. Notwithstanding the difficult economic climate however, the Group remains focused on sustaining current levels of growth.

Import substitution and export growth will generate above average growth levels in the manufacturing division. A number of new products will be introduced for the local market and for the U.K and U.S.A in particular. The benefits of the passed year's increased capital expenditure will continue to flow through with increased production throughput and productivity gains. Increasing hard currency denominated exports, will generate increased profit margins, should the South African currency weaken further.

The Group aims to increase market penetration in each of its areas of operation in Southern Africa, with new and increased ranges of products lined up for the consumer electronic and large appliance divisions.

Prima Australasia Pty Ltd is budgeting to accelerate growth further and is expected to generate an increased contribution.

Despite the difficult market conditions, government's delivery on housing and the ongoing electrification program, serves to underpin growth in the electrical appliance and consumer electronics sectors.

Future sustainable growth levels in the medium term, are supported by the Group's increasing strategically diversified base.

MANAGING DIRECTOR'S REVIEW

DIVIDENDS

Notice is hereby given that the final dividend number 15 (fifteen) of 31,3 cents per share (2001: 27,2 cents) has been declared to shareholders.

The dividend is payable to the shareholders of the company recorded in the books of the company at the close of business on Friday, 13 December 2002 ("the record date"). The last date to trade cum dividend will be Friday, 6 December 2002 and trading commences ex dividend from Monday, 9 December 2002. The dividend will be paid on Tuesday, 17 December 2002. Share certificates may not be rematerialised or dematerialised between Monday, 9 December 2002 and Friday, 13 December 2002.

On behalf of the board

M.S. Goldberg
Executive Chairman

B.H. Haikney
Company Secretary

Johannesburg
12 November 2002

DIRECTORS

The board expects to appoint additional non-executive directors in the future.

M.S. Goldberg B. Com MBA (Rand) (Chairman), J.A. Goldberg BSc (Eng) (Rand) (Managing), G.R. Hindle (Wits) CA (SA), P. Gross B.Com L.L.B. (Wits)*, J.M. Judin Dip Law (Rand)* (* Non-executive Directors.)

Registered Office
35-3rd Street
Wynberg, Sandton
2199

Transfer Secretaries
Computershare Investor Services Limited
P O Box 61051
Marshalltown
2107

J.A. GOLDBERG
Managing Director

12 November 2002

Share Code: NWL
ISIW Code: ZHE000005070



CORPORATE CONDUCT AND GOVERNANCE

INTRODUCTION

The Board of Directors subscribe to the recommendations for good corporate governance as set out in the King II Report. The directors have recognised the need to conduct the enterprise with integrity and in accordance with sound corporate practices by implementing procedures that are enhanced where necessary to meet the changing demands of our group and to ensure a culture of qualitative governance. The board and its individual directors have embraced their duty of ensuring that the principles set out in the Code of Corporate Practices and Conduct as defined in the King II Report are observed.

BOARD OF DIRECTORS

The board comprises of two non-executive directors and three executive directors. Nu-World is a small market capitalisation company, which is reflected in the composition and size of its Board. This has sometimes made it difficult when constituting various committees and following the recommendations espoused in the King II Report.

Additional suitably independent and intellectually honest non-executive directors are being sought for appointment in the year ahead.

The Board considers, that given the circumstances, it is in the group's best interests that the Chief Executive Officer also be the Chairman of the Board for the time being. However, it is foreseen that in the future the role of the Chairman of the Board and the Chief Executive Officer will be split.

The Board has an independent company secretary who is both properly empowered and suitably experienced to fulfil the duties of a company secretary. The company secretary provides the board with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the group in relation to its statutory and other requirements.

BOARD COMMITTEES

The Board has established a number of committees, in which non-executive and independent skilled outsiders play an active role and which operate within the defined terms of reference laid down by the Board with clearly agreed upon reporting procedures, defined areas of authority and full transparency and disclosure. The committees are free where appropriate to take independent outside professional advice on any issues.

Executive Committee

The executive committee consists of the Executive Chairman, Managing Director and Group Financial Director. This committee deals with the normal operating decisions, which are required to be made to run the group effectively whilst major matters of importance are referred to the Board for approval.

Remuneration Committee

The remuneration committee is chaired by Mr. M. Judin and its other members are Mr. G.R. Hindle and Mr. B.H. Haikney. The Executive Chairman and Managing Director are invitees where necessary when the committee meets. The committee is responsible for the group remuneration strategy, incentives, reward structures, pay-levels of senior management and executives relative to local and other industry benchmarks as well as the assessment and authorisation of any other reward proposals relating to executive directors, executives reporting to the Executive Chairman and other personnel in the group. The remuneration committee sets out to ensure that the employees of the group are rewarded fairly in accordance with their contribution to the group's operating and financial performance.

The remuneration committee also makes recommendations in regard to share incentives, which are considered to be essential when packaging various elements relating to executive remuneration. A schedule setting out directors' remuneration and equity interests appears in the Director's Report.

CORPORATE CONDUCT AND GOVERNANCE

Audit Committee

The Board has appointed an audit committee. Mr M. Judin holds the position as chairman of the committee. The Executive Chairman, Group Financial Director, Company Secretary, internal audit manager and the external auditors are invited to attend every meeting. From time to time members of other management committees may meet with the audit committee.

The audit committee has written terms of reference that deal adequately with its membership, authority and duties. The committee deals with internal financial controls that are in place, assesses their adequacy and makes certain that business, statutory and financial risks have been identified and are being monitored and managed, and that appropriate standards of governance, reporting and compliance are in operation. The committee is also responsible for reviewing the interim reports and financial statements, internal financial control procedures, accounting policies, compliance and regulatory matters, recommending the appointment of external auditors and other related issues. The audit committee advises the Board on various other issues ranging from the application of accounting standards to published financial information. The group internal audit manager and external auditors have unrestricted access to the audit committee chairman and, if necessary, the non-executive directors.

ACCOUNTABILITY AND AUDIT

Going Concern

The Board minutes the facts and assumptions used in the assessment of the going concern status of the group at the financial year end following the review by the audit committee. The directors consider their assessment at the reporting stage of the group's ability to continue as a going concern and determine whether or not, under the guidance of the audit committee, any of the significant factors in the assessment have changed to such an extent that the appropriateness of the going concern assumption at the reporting stage has been affected.

Auditing and Accounting

The Board considers that their auditors Tuffias Sandberg observe the highest level of business and professional ethics and that their independence is not in any way impaired. There is an external and internal audit function where both internal and external auditors exchange information and express their opinion. Working papers and management letters as well as reports are drafted and prepared according to a set procedure and according to a common understanding of audit techniques, methods and terminology.

Internal Financial Controls

The group maintains controls and systems designed to provide reasonable assurance as to the integrity and reliability of its financial information, to safeguard its assets and to provide reasonable but not absolute, assurance against material misstatement or loss. The directors have established an internal audit department. These functions are performed by appropriately qualified and experienced personnel. In addition, the external auditors or other independent specialists are engaged to review and report on systems of internal control.

EMPLOYEE PARTICIPATION

Nu-World seeks to provide employment equity in which individuals with the ability and application can develop careers, regardless of race, gender or background. The group supports the principles and objectives contained in the Employment Equity Act.

The board is committed to improving communication with employees and encourages employees to participate at all levels in the decision-making process of the group. A share incentive scheme has been established to provide an incentive to employees to remain in the service of the group and increase the proprietary interest in the group's success. Other mechanisms have also been put in place by the remuneration committee and sanctioned by the Board which incentivise, motivate and empower management to express dynamic entrepreneurial skills.

Nu-World is concentrating on promoting education and training opportunities for all employees within the organisation. Nu-World has submitted their Employment Equity and Skills Development plans to the relevant authorities and are on track to meet the required target.

Training and Skills Development

Nu-World considers training and skills development as strategically significant and which will differentiate the group from its competitors. Succession planning and development of future leaders makes it imperative that proper training programmes and skills development opportunities are made available to all employees in the group, whatever their background or persuasion.

DIRECTORS RESPONSIBILITIES FOR, AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements, set out on pages 16 to 35, 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 audit committee is comprised of one non-executive and one executive director and meets bi-annually with the auditors. The auditors have free access to this committee.

The annual financial statements have been examined by the group's auditors and their report is presented on page 8. The auditors are appointed each year based on recommendation by the audit committee.

M S GOLDBERG
Executive Chairman

J A GOLDBERG
Managing Director

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 2002. Furthermore, all such returns are true and correct.

B H HAIKNEY
Company Secretary

Sandton
12 November 2002

REPORT OF THE INDEPENDENT AUDITORS

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 16 to 35 for the year ended 31 August 2002. 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 2002, 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 (SA)
Registered Accountants & Auditors

Johannesburg
12 November 2002

SHARE PERFORMANCE

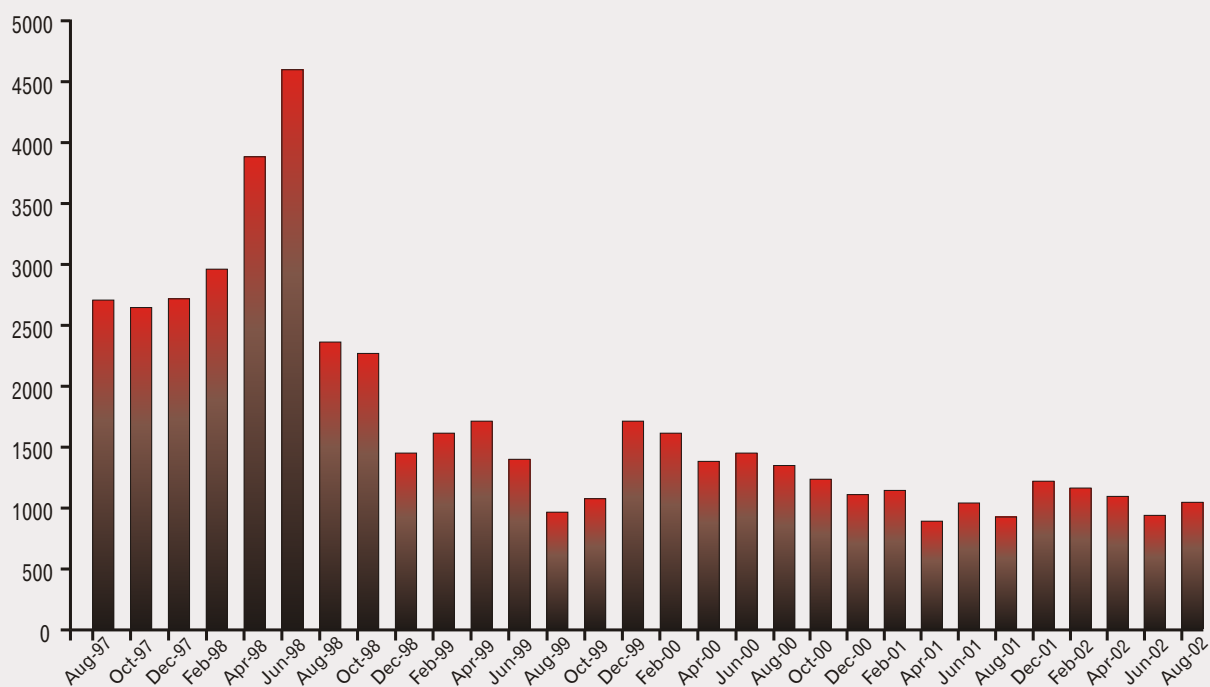
		Price (cents)	
Month		High	Low
September	2001	1 075	1 000
October	2001	1 280	1 100
November	2001	1 305	1 155
December	2001	1 210	1 110
January	2002	1 185	1 095
February	2002	1 160	1 105
March	2002	1 200	1 080
April	2002	1 150	1 020
May	2002	1 080	995
June	2002	995	965
July	2002	970	950
August	2002	1 050	1 005

Share Price

During the year 5 212 901 (2001: 5 000 235) shares were traded

31 August	1997	2 680
31 August	1998	2 400
31 August	1999	980
31 August	2000	1 360
31 August	2001	975
31 August	2002	1 050

(Cents)



REPORT OF THE DIRECTORS

NATURE OF BUSINESS

Your company is a holding company listed on the Johannesburg Stock Exchange. Its subsidiaries and associate 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.

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 2002 is R52,5 million, which exceeds book value by R16,3 million.

	Book Value		Replacement Value	
	2002	2001	2002	2001
Net asset value per share (cents)	1 266,8	1 109,4	1 342,0	1 184,5

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

DIVIDEND

Notice is hereby given that the final dividend number 15 (fifteen) of 31,3 cents per share (2001: 27,2 cents) has been declared to shareholders.

The dividend is payable to the shareholders of the company recorded in the books of the company at the close of business on Friday, 13 December 2002 ("the record date"). The last date to trade cum dividend will be Friday, 6 December 2002 and trading commences ex dividend from Monday, 9 December 2002. The dividend will be paid on Tuesday, 17 December 2002. Share certificates may not be rematerialised or dematerialised between Monday, 9 December 2002 and Friday, 13 December 2002.

REPORT OF THE DIRECTORS

DIRECTORATE

The composition of the board of directors during the year under review was as follows:

M.S. Goldberg (Executive Chairman), J.A. Goldberg (Managing Director), G.R. Hindle, P.Gross, J.M. Judin.

In terms of the articles of association, 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.

The directors' remuneration in respect of the financial year ended 31 August 2002 was as follows:

Name	Directors' fees R000's	Basic remuneration R000's	Performance bonus R000's	Other benefits R000's	Total R000's
Executive					
M.S. Goldberg	-	874	81	217	1 172
J.A. Goldberg	-	908	81	183	1 172
G.R. Hindle	-	615	55	150	820
Non-executive					
J.M. Judin	8	-	-	-	8
P. Gross	-	-	-	-	-
	8	2 397	217	550	3172

The directors' interest in the issued share capital of the company was as follows:

Name	Direct Holding		Indirect Holding		Future entitlement under share option scheme
	Beneficially	Non-Beneficially	Beneficially	Non-Beneficially	
Executive					
M.S. Goldberg			1 805	437 000	
J.A. Goldberg			580 760		
G.R. Hindle	54 470		13 334		10 000
Non-executive					
J.M. Judin			26 039		
P. Gross				6 233 203	

COMPANY SECRETARY

Mr G.R. Hindle resigned as company secretary on 1 February 2002 and Mr B.H. Haikney was duly appointed.

Business and postal address:

The Secretary
35, 3rd Street, Wynberg.
P.O Box 8964, Johannesburg.

SUBSIDIARY COMPANIES

Details of your company's investment in its subsidiaries are set out in appendix A to the annual financial statements.

POST BALANCE SHEET EVENTS

No material facts or circumstances have occurred between 31 August 2002 and the date of this report.



BALANCE SHEETS

at 31 August 2002

		Group		Company	
	Note	2002 R000's	2001 R000's	2002 R000's	2001 R000's
ASSETS					
Non-current assets		57 286	40 954	133 586	127 658
Property, plant and equipment	3	36 204	28 089		
Intangible asset	4				
Investment in subsidiaries	5			112 504	114 793
Investment in associated company	6	21 082	12 865	21 082	12 865
Current assets		361 091	330 648	74	74
Inventories	7	117 384	103 137		
Trade and other receivables		155 867	162 433		
Cash and cash resources		87 144	65 078		
Taxation prepaid		696		74	74
Total assets		418 377	371 602	133 660	127 732
EQUITY AND LIABILITIES					
Capital and reserves		274 845	240 684	133 607	127 726
Issued capital	8	115 849	115 849	117 737	117 737
Accumulated profits		158 996	124 835	15 870	9 989
Non-current liabilities		8 951	12 973		
Interest bearing borrowings	9		5 089		
Deferred taxation	10	8 951	7 884		
Current liabilities		134 581	117 945	53	6
Trade and other payables		134 528	115 933		
Current portion of interest bearing borrowings	9		30		
Shareholders for dividend		53	6	53	6
Taxation			1 976		
Total equity and liabilities		418 377	371 602	133 660	127 732

INCOME STATEMENTS

for the year ended 31 August 2002

	Note	Group		Company	
		2002 R000's	2001 R000's	2002 R000's	2001 R000's
Revenue	11	942 084	884 252	9 840	9 840
Operating profit before interest	12	56 122	51 487	9 488	9 686
Interest paid		8 355	8 988		
Profit before taxation		47 767	42 499	9 488	9 686
Taxation	13	9 998	8 336		
Net profit after taxation		37 769	34 163	9 488	9 686
Share of income (loss) attributable to associated company		2 296	(135)	2 296	(135)
Net income		40 065	34 028	11 784	9 551
Outside shareholders interest			87		
Net profit for the year		40 065	33 941	11 784	9 551
Earnings per share (cents)	14	184,7	156,4		
Dividend per share (cents)	15	31,3	27,2		

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 August 2002

	Issued Share Capital R000's	Share Premium R000's	Currency Translation Reserve R000's	Accumulated Profits R000's	Total R000's
GROUP					
Balance at 31 August 2000	217	116 903	88	90 893	208 101
Change in accounting policy (note 2.1)				4 900	4 900
Restated balance at 1 September 2000	217	116 903	88	95 793	213 001
Currency translation difference			(201)		(201)
Transfer to deferred taxation			60		60
Transfer to outside shareholders			94		94
Reclassification of subsidiary			(41)		(41)
Net profit for the year				33 941	33 941
Dividend paid				(4 900)	(4 900)
Share repurchase		(1 271)			(1 271)
Restated balance at 31 August 2001	217	115 632		124 834	240 683
Net profit for the year				40 065	40 065
Dividend paid				(5 903)	(5 903)
Balance at 31 August 2002	217	115 632		158 996	274 845

	Issued Share Capital R000's	Share Premium R000's	Non Distributable Reserve R000's	Accumulated Profits R000's	Total R000's
COMPANY					
Balance at 31 August 2000	217	118 791	15 000	(414)	133 594
Change in accounting policies (note 2)			(15 000)	4 900	(10 100)
Restated balance at 1 September 2000	217	118 791		4 486	123 494
Revaluation of investment			5 000		5 000
Net profit for the year				9 551	9 551
Reclassification of subsidiary				852	852
Dividend paid				(4 900)	(4 900)
Share repurchase		(1 271)			(1 271)
Change in accounting policy (note 2.2)			(5 000)		(5 000)
Restated balance at 31 August 2001	217	117 520		9 989	127 726
Net profit for the year				11 784	11 784
Dividend paid				(5 903)	(5 903)
Balance at 31 August 2002	217	117 520		15 870	133 607

CASH FLOW STATEMENTS

for the year ended 31 August 2002

	Note	Group		Company	
		2002 R000's	2001 R000's	2002 R000's	2001 R000's
Cash generated from operating activities		45 920	12 335	3 632	4 751
Receipts from customers		948 650	838 867		
Paid to suppliers and employees		(877 362)	(797 815)	(352)	(154)
Cash generated from (absorbed by) operations	16.1	71 288	41 052	(352)	(154)
Investment income		446	264	9 840	9 840
Interest paid		(8 355)	(8 988)		
Taxation paid	16.2	(11 603)	(15 099)		(41)
Dividends paid	16.3	(5 856)	(4 894)	(5 856)	(4 894)
Cash flows from investing activities		(18 735)	(254)	(3 632)	(3 480)
Additions to property, plant and equipment		(14 003)	(6 507)		
Proceeds on disposal of property, plant and equipment		1 189	107		
Decrease (increase) in investment in subsidiaries				2 289	(3 480)
Increase in investment in associate company		(5 921)		(5 921)	
Reclassification of subsidiary	16.4		6 146		
Cash flows from financing activities		(5 119)	(7 333)		(1 271)
Share repurchase			(1 271)		(1 271)
Decrease in interest bearing borrowings		(5 119)	(6 062)		
Net increase in cash and cash equivalents		22 066	4 748	-	-
Effects of exchange rate changes			(201)		
Cash and cash equivalents at the beginning of the year		65 078	60 531		
Cash and cash equivalents at the end of the year	16.5	87 144	65 078	-	-

NOTES TO THE FINANCIAL STATEMENTS

at 31 August 2002

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 with those applied in the previous year except for the change in accounting policies as detailed in Note 2.

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.

1.2.2 Investment in associates

Investments in associated undertakings are accounted for by the equity method of accounting. These are undertakings over which the Group has between 20% and 50% of the voting rights, and over which the Group exercises significant influence, but which it does not control. Provisions are recorded for long-term impairment in value.

Equity accounting involves recognising in the income statement the Group's share of the associates' profit and loss for the year. The Group's interest in the associate is carried in the balance sheet at an amount that reflects its share of the net assets of the associate and includes goodwill on acquisition.

1.2.3 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	15%
Computers and software	25%
Motor vehicles	25%
Equipment	20%
Furniture, fixtures and fittings	10%
Leasehold improvements	5%
Buildings	2%

1.2.4 Fund grants

Fund grants relating to qualifiable activities are included in current liabilities as deferred income and are credited to the income statement on a straight line basis over the duration of the activity.

1.2.5 Inventories

Inventories are valued at the lower cost or net realisable value. Cost is determined on the weighted average basis. Net realisable value is the estimate of the selling price in the ordinary course of business less the costs of completion and selling expenses. The value of work in progress and finished goods includes direct costs and an appropriate proportion of manufacturing overheads. Specific provisions are made for slow moving, obsolete and redundant inventories.

NOTES TO THE FINANCIAL STATEMENTS

at 31 August 2002

1.2 ACCOUNTING POLICIES (Continued)

1.2.6 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.

Foreign currency transactions and balances

Transactions in foreign currencies are translated at the rate of exchange ruling on the transaction dates. 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. Unrealised differences on monetary assets and liabilities are recognised in the income statement in the period in which they occur.

1.2.7 Earnings per share

Earning 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.

1.2.8 Deferred taxation

Deferred taxation is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted taxation rates are used to determine deferred taxation. Deferred taxation assets are recognised to the extent that it is probable that future taxable profits will be available against which to offset the deductible temporary difference.

1.2.9 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.

1.2.10 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.

1.2.11 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.

1.2.12 Investment in subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS

at 31 August 2002

2. CHANGE IN ACCOUNTING POLICIES

- 2.1** During the year, the group changed its accounting policy with the respect to the treatment of dividends proposed in order to conform with the revised statement of GAAP (AC 107). Whereas dividends proposed were previously provided for in the income statement and recognised as a liability when proposed, it is now recognised only when the company has an obligation as a result of a dividend being declared.

The comparative amounts have been appropriately restated. The effect of this change is as follows:

	Group		Company	
	2002 R000's	2001 R000's	2002 R000's	2001 R000's
Restatement of opening retained earnings in respect of prior year	5 903	4 900	5 903	4 900
(Reduction)/ increase in distributable reserves due to change in recognition of dividend paid	(5 903)	1 003	(5 903)	1 003
Net adjustment	-	5 903	-	5 903

- 2.2** The group also changed its accounting policies with respect to investment in subsidiaries. Whereas previously investments in subsidiaries were revalued, they are now stated at cost and are only written down when there is a permanent impairment in value.

NOTES TO THE FINANCIAL STATEMENTS

at 31 August 2002

	Group	
	2002 R000's	2001 R000's
3. PROPERTY, PLANT AND EQUIPMENT		
Cost		
Land and buildings		1 100
Plant and machinery	44 156	35 508
Motor vehicles	3 334	3 242
Office equipment and furniture	11 037	8 790
Leasehold improvements	9 160	6 226
	67 687	54 866
Accumulated depreciation		
Land and buildings		6
Plant and machinery	22 773	20 005
Motor vehicles	1 838	1 357
Office equipment and furniture	5 478	4 283
Leasehold improvements	1 394	1 126
	31 483	26 777
Net carrying amount		
Land and buildings		1 094
Plant and machinery	21 383	15 503
Motor vehicles	1 496	1 885
Office equipment and furniture	5 559	4 507
Leasehold improvements	7 766	5 100
	36 204	28 089
Land and buildings purchased in 1998, situated on erf 256 Wynberg was disposed of during the year.		

	Land and buildings R	Plant and machinery R	Other fixed assets R	Total R
Movement summary				
Opening net carrying amount	1 094	15 503	11 492	28 089
Additions		8 648	5 355	14 003
Disposals	1 092		74	1 166
Depreciation	2	2 768	1 952	4 722
Closing net carrying amount	-	21 383	14 821	36 204

The directors estimate that the depreciated replacement value of property, plant and equipment as at 31 August 2002 is R52,5 million, which exceeds book value by R16,3 million.

NOTES TO THE FINANCIAL STATEMENTS

at 31 August 2002

	Group		Company	
	2002 R000's	2001 R000's	2002 R000's	2001 R000's
4. INTANGIBLE ASSET				
Goodwill				
Balance at beginning of year		7 567		
Goodwill created		161		
Reclassification of subsidiary		(7 728)		
Balance at end of year		-		
5. INVESTMENT IN SUBSIDIARIES				
Shares at valuation			38 930	38 930
Amount owing by subsidiaries			73 574	75 863
			112 504	114 793
The above loans are unsecured, interest free with no fixed terms of repayment. Refer to Appendix A for analysis of subsidiaries.				
6. INVESTMENT IN ASSOCIATED COMPANY				
Shares at cost	18 069	11 919	18 069	11 919
Shares of accumulated profits since acquisition	3 013	717	3 013	717
Loans to associate company		229		229
	21 082	12 865	21 082	12 865
Movement summary				
Opening carrying amount	12 865	12 070	12 865	12 070
Acquisition of ordinary shares	6 150		6 150	
Share of net income	2 296	717	2 296	717
Movement of loan to associate company	(229)	78	(229)	78
	21 082	12 865	21 082	12 865
The investment in associated company comprises:				
Prima Australasia Proprietary Limited	44,70%	33,33%	44,70%	33,33%
The above loan is unsecured, interest free with no fixed terms of repayment.				

NOTES TO THE FINANCIAL STATEMENTS

at 31 August 2002

	Group		Company	
	2002 R000's	2001 R000's	2002 R000's	2001 R000's
7. INVENTORIES				
Raw materials	17 556	11 285		
Work in progress	3 955	2 797		
Finished goods	95 873	89 055		
	117 384	103 137		
8. SHARE CAPITAL				
Authorised				
30 000 000 ordinary shares of 1 cent each	300	300	300	300
20 000 000 "N" ordinary shares of 0,1 cent each	20	20	20	20
	320	320	320	320
Issued				
21 695 465 ordinary shares of 1 cent each	217	217	217	217
Share Premium	115 632	115 632	117 520	117 520
Arising on shares issued	120 894	120 894	120 894	120 894
Share issue expenses written off	(3 374)	(3 374)	(3 374)	(3 374)
Goodwill arising on consolidation	(1 888)	(1 888)		
	115 849	115 849	117 737	117 737

NOTES TO THE FINANCIAL STATEMENTS

at 31 August 2002

	Group	
	2002 R000's	2001 R000's
9. INTEREST BEARING BORROWINGS		
9.1 Industrial Development Corporation of South Africa Limited		89
Total debt		119
Amounts payable within the next 12 months reflected under current liabilities		(30)
9.1.1 The loan was repayable in monthly instalments of R2 520, bore interest at a fixed rate of 15,5% per annum payable monthly in arrear.		
9.1.2 The debt was 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 the amount owing. The suretyship was subsequently released and cancelled on repayment of the loan.		
9.2 International Bank of Southern Africa Limited.		5 000
The loan was repayable on 31 August 2002 and bore interest at a fixed rate of 17% per annum, payable annually in arrear.		
	-	5 089

NOTES TO THE FINANCIAL STATEMENTS

at 31 August 2002

	Group		Company	
	2002 R000's	2001 R000's	2002 R000's	2001 R000's
10. DEFERRED TAXATION				
Balance at beginning of year	7 884	7 313		
Charge to income statement	1 067	683		
- Capital allowances	651	18		
- Allowances for future expenditure	486	310		
- Other temporary differences	(70)	355		
Amounts not charged to income statement - Translation reserve		(112)		
	8 951	7 884		
Balance consists of:				
Capital allowances	4 958	4 306		
Allowances for future expenditure	4 557	2 922		
Other temporary differences	(564)	656		
	8 951	7 884		
11. REVENUE				
11.1 Group	942 084	884 252		
Consolidated revenue comprises the net invoiced value of goods supplied to customers, less trade discounts where applicable.				
11.2 Company			9 840	9 840
Revenue comprises dividends received from a subsidiary company.				

NOTES TO THE FINANCIAL STATEMENTS

at 31 August 2002

	Group		Company	
	2002 R000's	2001 R000's	2002 R000's	2001 R000's
12. OPERATING PROFIT				
Operating profit is arrived at after taking into account:				
Income				
Foreign exchange profits		530		
Dividend received			9 840	9 840
Deferred income				
- Amortisation of fund grant	116	116		
Investment income	446	264		
Profit on disposal of property, plant and equipment	24	21		
Expenditure				
Amortisation of goodwill created		(161)		
Auditors' remuneration	214	314	7	7
Audit fees	189	250	7	7
Fees for other services	19	47		
Underprovision for prior years	6	17		
Cost of sales	769 781	659 573		
Depreciation of property, plant and equipment	4 722	4 718		
Buildings	2	2		
Plant and machinery	2 768	2 751		
Leasehold improvements	269	229		
Motor vehicles	489	617		
Office equipment and furniture	1 194	1 119		
Directors' executive emoluments				
- paid by subsidiary	3 164	2 520		
Foreign exchange losses	3 262			
Operating lease rentals				
- property	3 589	3 169		

NOTES TO THE FINANCIAL STATEMENTS

at 31 August 2002

	Group		Company	
	2002 R000's	2001 R000's	2002 R000's	2001 R000's
13. TAXATION				
13.1 Charge to income statement				
South African normal taxation	8 931	7 539		
- Current year	8 931	7 512		
- Prior years		27		
Deferred taxation				
- Current year	1 067	683		
Foreign taxation				
- Current year		114		
	9 998	8 336		
13.2 Reconciliation of rates of taxation				
Statutory tax rate	30,00%	30,00%		
Adjusted for:	(9,10%)	(10,40%)		
Permanent differences	(9,10%)	(10,70%)		
Foreign taxation		0,30%		
Effective tax rate	20,90%	19,60%		
14. EARNINGS PER SHARE				
Earnings per share based on:				
Weighted average number of shares	21 695	21 695		
Net profit for the year	40 065	33 941		
15. DIVIDEND	5 903	4 900	5 903	4 900

It is the company's policy to declare only one dividend per year. A cash dividend of 27,2 cents per share has been declared in respect of the year ended 31 August 2002 (2001: 22,6 cents per share). This represents a change in accounting policy as dividends were previously recognised when proposed as opposed to being recognised when declared (refer note 2.1).

NOTES TO THE FINANCIAL STATEMENTS

at 31 August 2002

	Group		Company	
	2002 R000's	2001 R000's	2002 R000's	2001 R000's
16. CASH FLOW INFORMATION				
16.1 Cash generated from (absorbed by) operating activities				
Operating profit before interest and taxation	56 122	51 487	9 488	9 686
Adjustments for:				
Depreciation	4 722	4 718		
Profit on disposal of property, plant and equipment	(24)	(21)		
Investment income	(446)	(264)		
Amortisation of goodwill		(161)	(9 840)	(9 840)
Operating profit (loss) before working capital changes	60 374	55 759	(352)	(154)
Working capital changes	10 914	(14 707)		
Increase in inventories	(14 247)	(15 309)		
Decrease/ (Increase) in trade and other receivables	6 566	(41 887)		
Increase in trade and other payables	18 595	42 489		
	71 288	41 052	(352)	(154)
16.2 Taxation paid				
Amount (unpaid) prepaid at beginning of year	(1 976)	(8 946)	74	33
Amounts charged to the income statement	(8 931)	(7 653)		
Reclassification of subsidiary		(476)		
Amounts unpaid (prepaid) at end of year	(696)	1 976	(74)	(74)
	(11 603)	(15 099)	-	(41)
16.3 Dividends paid				
Amounts unpaid at beginning of year	(6)		(6)	
Amounts charged to the income statement	(5 903)	(4 900)	(5 903)	(4 900)
Amounts unpaid at end of year	53	6	53	6
	(5 856)	(4 894)	(5 856)	(4 894)

NOTES TO THE FINANCIAL STATEMENTS

at 31 August 2002

	Group	
	2002 R000's	2001 R000's
16.4 Reclassification of subsidiary		
Property, plant and equipment		1 859
Cash and cash equivalents		(6 146)
Inventories		44 184
Trade and other receivables		36 604
Trade and other payables		(44 326)
Interest bearing borrowings		(4 166)
Net assets on reclassification		28 009
Currency translation differences		(174)
Outside shareholders interest		(22 792)
Goodwill		7 728
Cost of investment		(12 771)
Net cash movement		
Bank overdraft on reclassification of subsidiary		6 146
Net cash increase on reclassification of subsidiary	-	6 146
16.5 Cash and cash equivalents		
Cash and cash equivalents consist of cash on hand, balances with banks and investments in money market instruments.		
	87 144	65 078

17. Retirement benefits

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.

NOTES TO THE FINANCIAL STATEMENTS

at 31 August 2002

	Group	
	2002 R000's	2001 R000's
18. Share incentive and option scheme	Shares	Shares
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	56 473	53 273
Net shares purchased during the year	19 208	3 200
Closing balance - unissued shares	75 681	56 473
The abovementioned shares are under the control of the company's executive directors.		
19. OPERATING LEASE COMMITMENTS	R000's	R000's
Property		
Due within one year	2 394	4 524
Due within 2 to 5 years	10 058	15 040
	12 452	19 564

20. FINANCIAL RISK MANAGEMENT

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.

20.1 Interest rate management

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 9.)

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 2002 forward exchange contracts amounted to R103,6 million (2001: R96,3 million).

NOTES TO THE FINANCIAL STATEMENTS

at 31 August 2002

20. FINANCIAL RISK MANAGEMENT (Continued)

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 2002, 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	
	2002 R000's	2001 R000's
Banking facilities		
Total banking facilities	360 000	400 000
Bank facility utilisation	(100 246)	(94 772)
Unutilised banking facilities	259 754	305 228

21. CONTINGENT LIABILITIES

The group has signed guarantee's for bank borrowings and other loan facilities of R100 245 766 (2001: R94 772 000) 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 Citibank, N.A for five million Australian Dollars and the Australia and New Zealand Banking Group Limited (ANZ) for twelve million Australian Dollars, to be used for general banking facilities of the associate Prima Australasia Proprietary Limited.

APPENDIX A: ANALYSIS OF SUBSIDIARIES

at 31 August 2002

	Issued share capital		Effective share holding		Shares at valuation		Loans receivable(payable)	
	2002 R	2001 R	2002 %	2001 %	2002 R000's	2001 R000's	2002 R000's	2001 R000's
Direct Interest								
Nu-World Industries (Proprietary) Limited	5 725	1 130	100	100	38 930	38 930	(1 506)	783
Nu-World Strategic Investments (Proprietary) Limited	1	1	100	100			75 080	75 080
					38 930	38 930	73 574	75 863

The aggregate net profit
after taxation of subsidiaries
attributable to the company
amounted to R33 120 726
(2001: R31 432 583)

Indirect Interest

Prima Australasia Proprietary Limited
(incorporated in Australia)

APPENDIX B: VALUE ADDED STATEMENT

at 31 August 2002

	2002		2001	
	R000's	%	R000's	%
REVENUE	942 084	100,00	884 252	100,00
Cost of materials, services and expenses	(804 839)	(85,43)	(779 148)	(88,11)
VALUE ADDED FROM TRADING OPERATIONS	137 245	14,57	105 104	11,89
Net interest paid	(8 201)	(0,87)	(8 724)	(0,99)
TOTAL VALUE ADDED	129 044	13,70	96 380	10,90
Allocated as follows:				
Employees				
Salaries and wages, commission and other benefits	56 663	6,01	44 459	5,03
Government				
Normal taxation on companies	8 931	0,95	7 512	0,85
Employee tax	6 981	0,74	5 663	0,64
Providers of capital				
Minority interest			86	0,01
Dividends	5 903	0,63	4 900	0,55
Total wealth distributed	78 478	8,33	62 620	7,08
Re-investment in the group				
Depreciation and amortisation	4 722	0,51	4 718	0,53
Retained for future growth	45 844	4,86	29 042	3,29
	129 044	13,70	96 380	10,90

APPENDIX C: ANALYSIS OF SHAREHOLDERS

at 31 August 2002

	No. of shareholders	%	No. of shares 000's	%
HOLDINGS				
1 to 25 000	659	92,6	1 439	6,7
25 001 to 50 000	14	2,0	498	2,3
50 001 to 100 000	12	1,7	873	4,0
Over 100 000 shares	27	3,7	18 885	87,0
	712	100,0	21 695	100,0
CATEGORY OF SHAREHOLDERS				
Individuals	655	92,0	1 635	7,5
Other companies	12	1,7	2 198	10,1
Nominees	45	6,3	17 862	82,4
	712	100,0	21 695	100,0
SHAREHOLDERS SPREAD				
Major shareholders beneficially interested in more than 5% of the company's listed securities				
First National Nominees (Proprietary) Limited	115	16,2	11 025	50,8
Standard Bank Nominees (Tvl) (Proprietary) Limited	316	44,4	3 678	16,9
Nedcor Bank Nominees Limited	39	5,5	1 971	9,1
Old Mutual Nominees	4	0,5	3 663	16,9
		12 months trade 31 August 2002		12 months trade 31 August 2001
STOCK EXCHANGE PERFORMANCE				
Market price per share (cents)				
- at year end		1 050		975
- highest		1 290		1 475
- lowest		810		775
Number of shares traded (000)		5 212		5 000
Number of shares in issue (000)		21 695		21 695
Volume traded as a percentage of total shares in issue (%)		24,0		23,1

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders in respect of the year ended 31 August 2002 will be held in the boardroom of Nu-World Holdings Limited at 35, 3rd Street, Wynberg, Sandton at 10h00 on Wednesday 12 March 2003 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 2002 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, 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 4.1, 4.2, and 4.3 respectively that, Messrs 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 2002 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 2002 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 of 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."

NOTICE OF ANNUAL GENERAL MEETING

8. Ordinary Resolution number 8

"Resolved that the directors have the powers to allot and issue any shares of any class in the capital of the company for cash when the directors consider it appropriate in the circumstances, subject to the following:

- 8.1 this authority shall not endure beyond the next Annual General Meeting of the Company nor shall it endure beyond 15 months from the date of the meeting;
- 8.2 there will be no restrictions in regard to the persons to whom the shares may be issued, provided that such shares are to be issued to public shareholders (as defined by the JSE Securities Exchange South Africa in its Listing Requirements) and not to related parties;
- 8.3 upon any issue of shares which, together with prior issues during any financial year, will constitute 5% or more of the number of shares of the class in issue, the company shall, by way of a paid press announcement, give full details thereof, including the effect on the net asset value of the company and earnings per share;
- 8.4 the aggregate issue of any particular class of shares in any financial year will not exceed 15% of the number of that class of shares (including securities which are compulsorily convertible into shares of that class);
- 8.5 no shares issued pursuant to this authority will be issued at a price which is less than 90% of the weighted average traded price of the shares in question determined over the 30 day period prior to the date that the price of the issue is determined or agreed by the directors."

9. Special Resolution number 1

"Resolved that 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 Securities Exchange South Africa ("the JSE") which currently stipulate that:

- 9.1 any such acquisition of ordinary shares shall be implemented on the main board of the JSE;
- 9.2 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;
- 9.3 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, which announcement shall contain full details of such acquisitions;
- 9.4 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;
- 9.5 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."

NOTICE OF ANNUAL GENERAL MEETING

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;
- 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.

10. Ordinary Resolution number 9

"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

B.H. Haikney
Company Secretary

12 November 2002



SHAREHOLDERS CALENDAR

Declaration of dividend	12 November 2002
Announcement of 2002 results	Published 12 November 2002
2002 Annual Financial statement to shareholders	Published February 2003
Registers to close for dividend purposes	13 December 2002
Payment of dividend fifteen	17 December 2002
Annual General Meeting	12 March 2003
Announcement of 2003 interim results	To be published April 2003



DIRECTORATE AND ADMINISTRATION

DIRECTORS

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 B.Com L.L.B (Wits)

SECRETARY

Mr Bruce H. Haikney CA (SA)
35, 3rd Street
Wynberg
Sandton
2199

REGISTERED OFFICE

35, 3rd Street
Wynberg
Sandton
2199

AUDITORS

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

TRANSFER SECRETARIES

Computershare Investor Services Limited
P O Box 61051
Marshalltown
2107

COMPANY REGISTRATION NUMBER

1968/002490/06

BANKERS

First National Bank, 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, Maisels Inc.
2nd Floor, North Block
Thrupps Illovo Centre
204 Oxford Road
Illovo
2196

SPONSORS

BOE Securities (Proprietary) Limited
187 Rivonia Road
Morningside
2146

Sasfin Bank Limited
Sasfin Place, 13 - 15 Scott Street
Waverley
2090

FORM OF PROXY

NU-WORLD HOLDINGS LIMITED

(REGISTRATION NUMBER 1968/002490/06)

I/We

of

hereby appoint

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 12 March 2003 at 10h00 and at any adjournment thereof.

Dated this

day of

2003

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 P. Gross			
4.2 G.R. Hindle			
4.3 J.M. Judin			
Ordinary resolution 5			
Ordinary resolution 6			
Ordinary resolution 7			
Ordinary resolution 8			
Special resolution 1			
Ordinary resolution 9			

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.

