

# CONTENTS

---

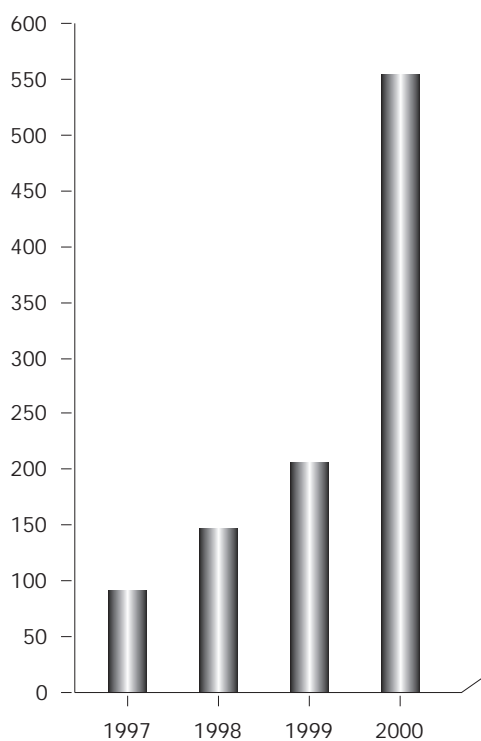
|   |    |
|---|----|
| Salient Features                                  | 2  |
| Directorate and Administration                    | 3  |
| Group Structure                                   | 4  |
| Chairman's Report                                 | 5  |
| Value Added Statement                             | 6  |
| Segment Reporting                                 | 7  |
| Directors' Responsibility for Financial Reporting | 9  |
| Approval of the Financial Statements              | 11 |
| Report of the Independent Auditors                | 11 |
| Certificate By Secretary                          | 11 |
| Directors' Report                                 | 12 |
| Income Statements                                 | 14 |
| Statement of Changes in Equity                    | 14 |
| Balance Sheets                                    | 15 |
| Cash Flow Statements                              | 16 |
| Notes to the Financial Statements                 | 17 |
| Shareholders' Analysis                            | 32 |
| Share Information                                 | 33 |
| Shareholders' Diary                               | 34 |
| Notice to Shareholders                            | 35 |

## Features

|  | 2000<br>R'000 | 1999<br>R'000 |
|--|---------------|---------------|
| Turnover   | 554 235       | 206 534       |
| Operating profit                                       | 48 262        | 23 609        |
| Profit before taxation                                 | 29 884        | 37 500        |
| Shareholders' equity                                   | 455 344       | 281 425       |
| Total assets   | 719 518       | 384 819       |
| Net asset value per share (cents)                      | 115.9         | 102.6         |
| Earnings per share (cents)                             | 4.44          | 11.0          |
| Headline earnings per share (cents)                    | 9.17          | 11.6          |
| Weighted average number of shares in issue (thousands) | 392 804       | 274 234       |
| Fully diluted headline earnings per share (cents)      | 9.14          | 11.5          |
| Fully diluted shares (thousands)                       | 394 204       | 275 230       |
| Number of employees                                    | 3 169         | 1 486         |

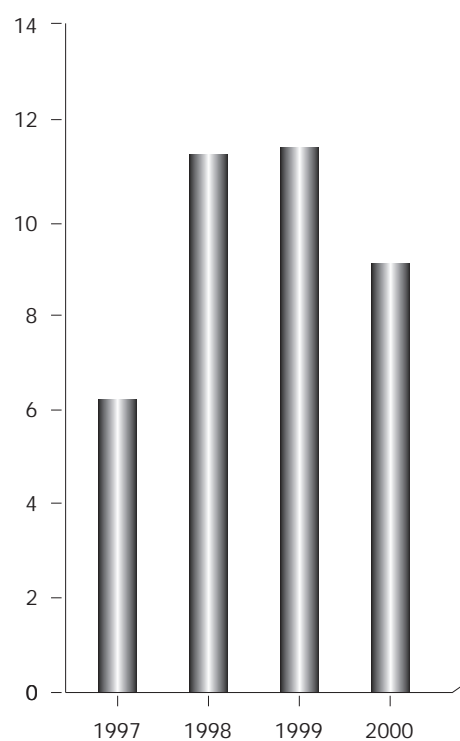
Turnover

R'm



Fully Diluted Headline Earnings Per Share

Cents



## DIRECTORATE

### *and Administration*



▼  
Brian D Buckham (62)  
Chairman



▼  
Renney D Plit (43)  
Managing Director  
*B Acc; CA(SA)*



▼  
Jan NP Booyens (34)  
Financial Director  
*B Com, CA(SA)*



▼  
Marina Welihockyj (47)



▼  
Craig N Duff (31)



▼  
Campbell Bomela (51)  
(Non-Executive)



▼  
Neill O Davies (65)  
(Non-Executive)  
*CA(SA)*



▼  
Humphrey J Borkum (55)  
(Non-Executive)



▼  
Hymie R Levin (55)  
(Non-Executive)  
*B Com, LLB, LLM, H Dip  
Tax Law, H Dip Co Law*

---

#### COMPANY SECRETARY

Lilian Verster  
(ACIS)

#### TRANSFER SECRETARY

Mercantile Registrars Limited  
11 Diagonal Street  
Johannesburg 2001  
Registration Number: 87/03382/06

#### AUDITORS

Moores Rowland

#### BANKERS

ABSA Bank Limited  
Registration Number: 86/04794/06

#### REGISTERED OFFICE

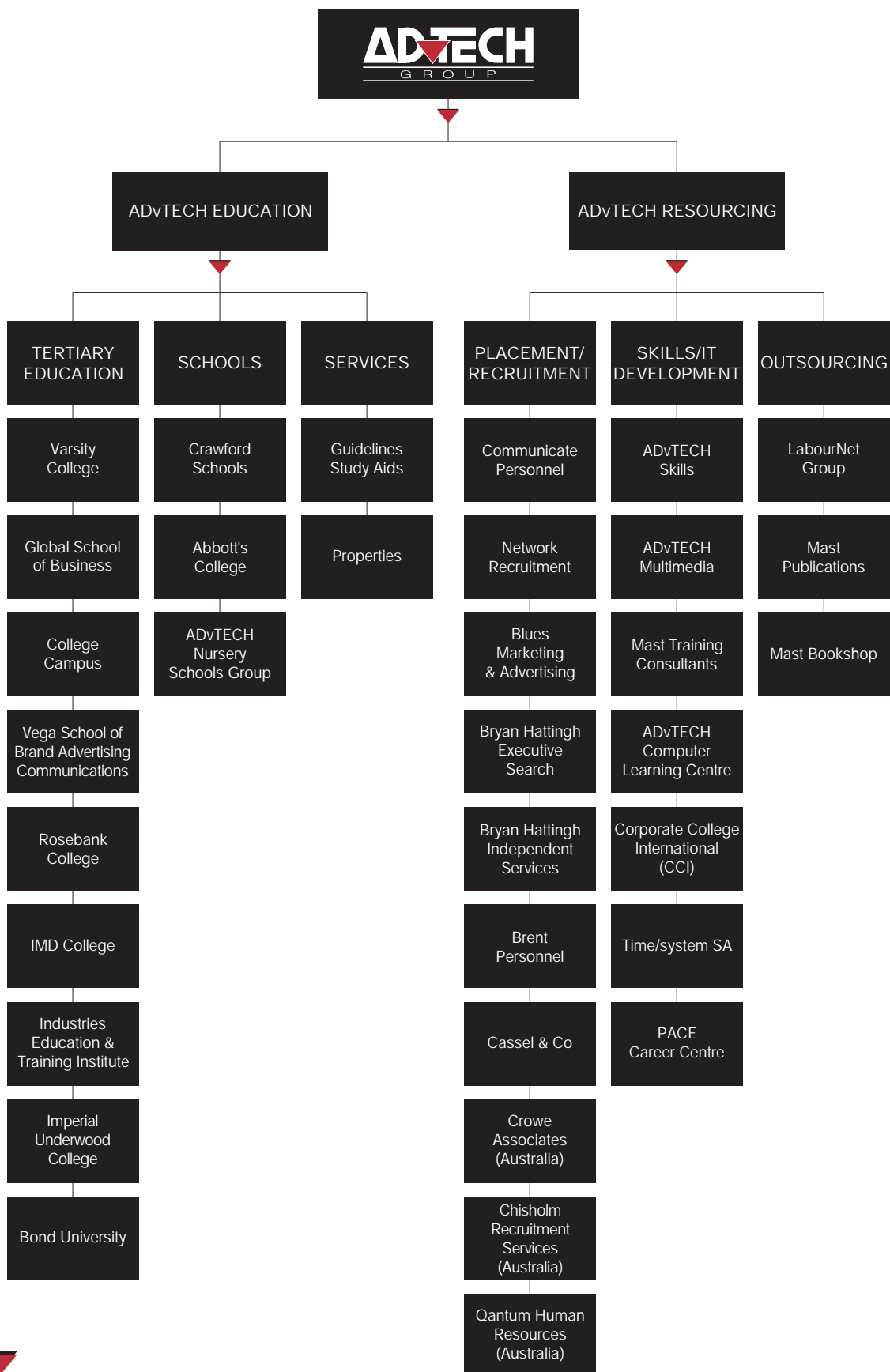
2nd Floor  
Moores Rowland House  
5 St Davids Place  
Parktown 2193

#### ATTORNEYS

HR Levin  
J Solomon

# GROUP

## Structure



# CHAIRMAN'S

## *Report*

At the end of the 1999 financial year it was decided to restructure the Group into a single listed entity. During the first half of the year under review this process was completed. The results for the year ending December 2000 therefore represent the combined operations of the three previously listed companies ADvTECH, ADvED and ADvSOURCE. The three companies were consolidated into ADvED Limited and consequently results reported are not directly comparable to previous years. The new ADvED was renamed ADvTECH Limited and now comprises the two main operating divisions of Education and Resourcing.

Group turnover for the 2000 financial year was R554 million while headline earnings were R36 million or 9.17 cents per share. The significant difference between headline earnings per share and attributable earnings per share was brought about by a change in accounting policy which was implemented with respect to both deferred tax and goodwill. Owing to the general weakness of the JSE and subsequent decline in the share price, it was decided to pay vendor amounts due, by utilising cash resources as opposed to placing shares in the market. Further cash utilisation was required to complete capital projects in the Education Division. These factors gave rise to increased borrowings and a subsequent increase in interest paid during the year under review. This situation is expected to normalise over the next 24 months.

I am pleased to report that the Education Division showed the strong organic growth that was expected for the year under review. The leading performer in the Education Group was Varsity College which now operates seven campuses, making a strong contribution to group profits. At the beginning of 2000, Bond University undergraduate degrees were launched at our Sandton Campus. A range of degrees was offered in the Business and IT Faculties, as well as in Psychology and Communication. Approximately 190 students enrolled for the first year of operation. At the time of writing enrolments for the 2001 academic year have increased to almost 500 students. The MBA programme continued to show increased student numbers and completed another successful year.

The new Pretoria branch of College Campus was profitable in its first year of operation. It is anticipated that this brand will show continuing growth in the coming years with further sites being planned. The Vega School of Brand Advertising which operates out of the Sandton campus continued to show growth for the year. Student enrolments increased significantly, as did the level of profit achieved for the year. Vega staff can be justifiably proud of the many awards for excellence won by students of the school since its inception. The Industries Education and Training Institute, focused on unskilled blue-collar workers, also increased its profit contribution.

An important milestone was achieved during the 2000 financial year, when all of the Group's tertiary education brands were registered by the Department of Education in terms of the new legislation. In addition, all diploma and degree programmes were approved by SAQA (South African Qualification Authority).

In the schools division the flagship Crawford Schools Group completed another successful year of academic, cultural and sporting achievement. Crawford Sandton has for the past 8 years achieved top matric results, and has won accolades for the top national, top provincial and top private school. In the 2000 matriculation examinations Crawford produced the best results in both Gauteng and KwaZulu-Natal. I would like to congratulate all our academic staff as well as our students at Crawford for this very fine achievement. Profit contributions were also made by Abbott's College and the Nursery School Division.

In the Resourcing Division some of the vendors had completed their warranty period in the year ending December 1999, and for the 2000 financial year produced results well below expectation. This applied in particular to the Communicate and Bryan Hattingh Groups. In both these operations a legal claim has been initiated against the vendors which should proceed to arbitration during the 2001 financial year. The remaining recruitment companies in South Africa, Brent Personnel and Cassel & Company reached their expected targets. In addition all three Australian recruitment companies i.e. Quantum Technology Recruitment, Crowe Associates and Chisholm Recruitment Services achieved budget and made a significant contribution to group profit. In its niche area the LabourNet Group performed to expectation.

Prospects for the group remain very positive. The education division has the capacity for strong growth within its completed infrastructure, particularly with respect to the Crawford Schools and tertiary brands. Certain brands are planning to open new sites during 2002 and 2003 to expand their base of operation. During the year under review some operations that were performing well below expectation were sold or closed down.

During the 2000 financial year Kevin Gordon resigned as Group Financial Director following a decision to emigrate to Australia. He was replaced by Nico Booyens who was Financial Director of the previously listed ADvED Limited. I would like to take this opportunity to thank our Board of Directors and all our employees for their contribution during this first year of the restructured Group.



BD Buckham  
Chairman  
29 March 2001

# VALUE

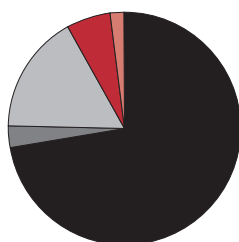
## *Added Statement*

for the year ended 31 December 2000

Value added is the wealth created by the Group and its employees by purchasing, processing and re-selling products and services. This statement shows how the value added was shared by those responsible for its achievement.

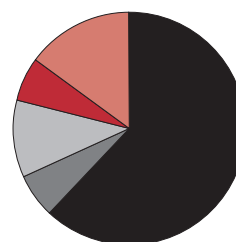
|   | 2000<br>R'000  | %          | 1999<br>R'000  | %          |
|---|----------------|------------|----------------|------------|
| Turnover  | 554 235        |            | 206 534        |            |
| Cost of products and services   | 251 468        |            | 34 317         |            |
| <b>TOTAL WEALTH CREATED</b>   | <b>302 767</b> | <b>100</b> | <b>172 217</b> | <b>100</b> |
| Applied as follows:   |                |            |                |            |
| TO REMUNERATE EMPLOYEES<br>(Salaries, wages and other benefits)                 | 220 502        | 73         | 107 179        | 62         |
| TO THE STATE<br>Government taxation   | 10 308         | 3          | 4 677          | 6          |
| TO REWARD PROVIDERS OF CAPITAL<br>Distributions                                 | 11 784         | 4          | 1 049          | 1          |
| Interest paid   | 36 417         | 12         | 17 072         | 10         |
| RETAINED IN THE GROUP FOR FUTURE GROWTH<br>To maintain the group - depreciation | 18 083         | 6          | 10 622         | 6          |
| To expand the group - net earnings retained                                     | 5 673          | 2          | 31 618         | 15         |
|   | <b>302 767</b> | <b>100</b> | <b>172 217</b> | <b>100</b> |

31 December 2000



|     |   |                                |     |
|-----|---|--------------------------------|-----|
| ... | ■ | To remunerate employees        | 73% |
| ... | ■ | To the State                   | 3%  |
| ... | ■ | To reward providers            | 16% |
| ... | ■ | Retained to maintain the Group | 6%  |
| ... | ■ | Retained for future expansion  | 2%  |

31 December 1999



|     |   |                                |     |
|-----|---|--------------------------------|-----|
| ... | ■ | To remunerate employees        | 62% |
| ... | ■ | To the State                   | 6%  |
| ... | ■ | To reward providers            | 11% |
| ... | ■ | Retained to maintain the Group | 6%  |
| ... | ■ | Retained for future expansion  | 15% |

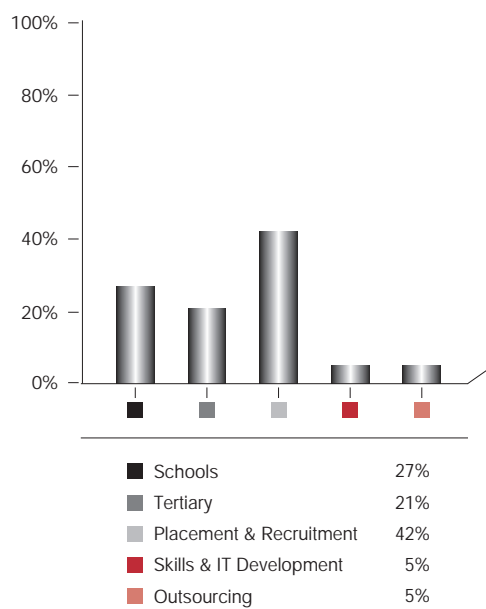
# SEGMENT

## Reporting

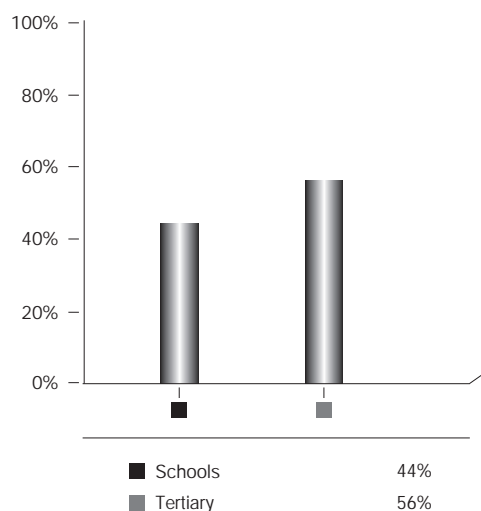
for the year ended 31 December 2000

### Turnover

31 December 2000

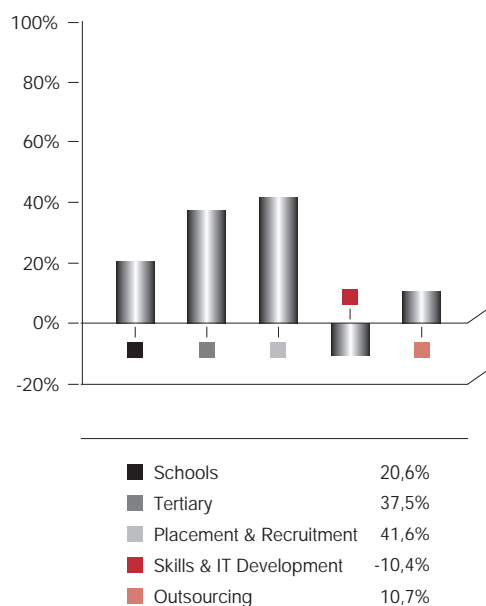


31 December 1999

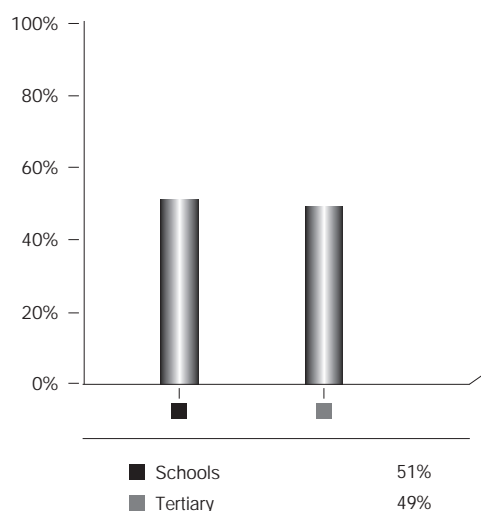


### Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA)

31 December 2000



31 December 1999



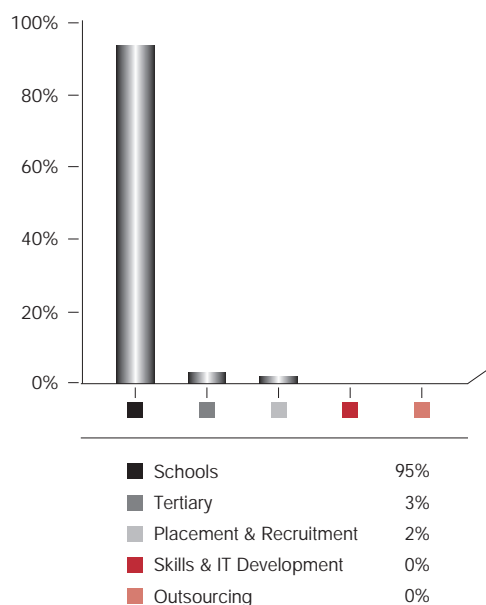
Head office costs have been allocated to divisions on a turnover basis.

# SEGMENT

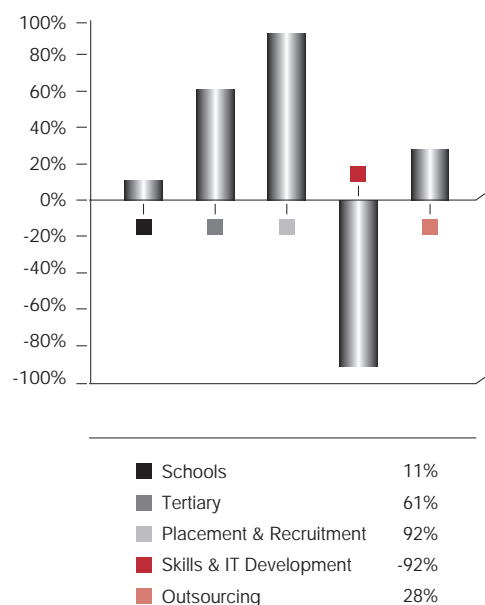
## Reporting *(contd.)*

for the year ended 31 December 2000

### Fixed Assets



### Profit After Tax



### Net Current Assets/Liabilities



Head office costs have been allocated to divisions on a turnover basis.



## DIRECTORS'

### *Responsibility for Financial Reporting*

It is the board's intention to comply with and run the company based on the principles of the Code of Corporate Practice and Conduct.

ADvTECH's ongoing compliance with the Code of Corporate Practice and Conduct is in place.

#### CORPORATE GOVERNANCE

The board of directors is fully committed to the principles of effective corporate governance as contained in the King Report, and believes that the Company has largely complied with those principles.

#### Board of Directors

The board as at 31 December 2000, consisted of nine directors, being the executive Chairman, supported by four executive directors and four non-executive directors. With the restructuring of the Group during the year, the following directors resigned: GRG Crawford, DN Goldin, K Gordon, DL Honey, AJ Jordaan, AJ Kieser; and the following directors were appointed: C Bomela, NO Davies, and M Welihockyj.

The board meets at least four times a year and is responsible for the proper management, control, and compliance and direction of the business under its direction.

All directors have access to the advice and services of the company secretary, and are entitled to seek independent and professional advice in the furtherance of their duties at the company's expense.

#### Board Committees

##### Remuneration Committee

The remuneration committee has three members of which two are non-executive. This committee ensures that the remuneration of directors and senior management is appropriate for their responsibilities, taking into account the size of the company, the industry and the importance of retaining management of appropriate calibre. The committee meets at least twice a year to consider and authorise the remuneration of the executive directors and senior managers of the Group. Directors' emoluments are shown in note 2 to the financial statements. The current remuneration committee members are: HJ Borkum, HR Levin and RD Plit.

##### Audit Committee

The ADvTECH Group audit committee has a minimum of three members, at least two of whom are non-executive directors and the committee is chaired by a non-executive director. The committee meet at least twice a year to consider the audit plan, the interim and annual financial results before submission to the board as well as matters raised by the auditors. It also reviews the adequacy and effectiveness of accounting systems and internal controls. The current members of the audit committee are: HR Levin, HJ Borkum and RD Plit, and by invitation, a representative of the external auditors and the Group Financial Director attend meetings.

#### INTERNAL FINANCIAL CONTROL

The board of directors has overall responsibility for the systems of internal financial control. The board of directors through the Audit Committee, reviews the effectiveness of the systems of internal control, although it should be understood that such systems are designed to provide reasonable but not absolute assurance against misstatements or losses.

The company has established a framework of internal financial controls, the key features of which are as follows:

- (a) Effective control over strategic and financial issues by the board of directors.
- (b) A comprehensive system of financial reporting to the board of directors and senior management, based on an annual budget and forecast. Periodic reports of actual results together with key performance indicators are produced and reviewed.
- (c) Management control is formalised at all levels. Compliance with policies and procedures is regularly reviewed.
- (d) The values of trust, honesty and integrity of personnel in responsible positions are of high importance in the Group. A policy of recruiting and promoting suitably experienced personnel is implemented.
- (e) The capital investment programme is subject to stringent formalised review procedures.
- (f) The external auditors, Moores Rowland, contribute an independent perspective on certain aspects of the internal financial control system arising from their audit work and report their findings to the Audit Committee.

## DIRECTORS'

### *Responsibility for Financial Reporting* (contd.)

#### RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements and other information contained in this report were prepared under the direction of management, which is responsible for the integrity and objectivity thereof.

The board of directors accepts responsibility for ensuring that the financial statements are prepared in a way which reasonably reflects the financial position of the company and Group. The financial statements have been prepared in conformity with generally accepted accounting practice.

Moore's Rowland are engaged to express an independent opinion on the financial statements. Their audit is conducted in accordance with South African Auditing Standards and includes a review of internal controls and a test of transactions to the extent necessary to allow them to report on the fairness of the operating results and financial position of the Group and its subsidiaries. Their report is set out on page 11.

The board of directors is of the opinion that the business will continue to operate as a going concern in the next financial year.

#### COMPANY SECRETARY

The secretary of the company is Mrs LJ Verster, who was appointed on 4 December 2000, replacing Mr H Freeman who resigned on 31 October 2000.

#### EMPLOYMENT EQUITY

The Group has taken steps to promote equal opportunity in the workplace and will continue to eliminate unfair discrimination in any employment policy or practice. The Group has established employment equity and training committees to consult staff and to attempt to reach agreements with them. These committees consist of employees from across all categories and levels of the Group's workforce and all groups.

The committees' proposed equity and workplace skills plans were adopted by management. These plans will achieve reasonable progress towards employment equity, skills training and development. Progress will be measured against these plans and the plans will be reviewed annually.

## APPROVAL

### *of the Financial Statements*

The annual financial statements and Group annual financial statements which appear on pages 12 to 31 were approved by the board on 29 March 2001 and are signed on its behalf by:



BD Buckham  
Chairman



JNP Booyens  
Group Financial Director

## REPORT

### *of the Independent Auditors*

To the members of ADvTECH Limited

We have audited the annual financial statements and Group annual financial statements of ADvTECH Limited set out in pages 12 to 31 for the year ended 31 December 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, the financial statements fairly present, in all material respects, the financial position of the company and the Group at 31 December 2000 and the results of their operations and cash flows for the year then ended in accordance with generally accepted accounting practice, and in the manner required by the Companies Act.



Moares Rowland  
Registered Accountants and Auditors  
Chartered Accountants (SA)  
Johannesburg  
29 March 2001

## CERTIFICATE

### *by Secretary*

In terms of section 268 G(d) of the Companies Act, 1973, as amended, I hereby certify that from 4 December 2000, ADvTECH Limited has lodged with the registrar of Companies all such returns as are required of a public company in terms of the Act and furthermore that such returns are true, correct and up to date.

As far as I can ascertain the returns prior to 4 December 2000 were not all up to date, but have subsequently been brought up to date, and as at the date of this report there are no outstanding returns.

LJ Verster  
Secretary

# DIRECTORS'

## *Report*

To the members of ADvTECH Limited

Your directors have pleasure in submitting their report which forms part of the Group annual financial statements for the year ended 31 December 2000.

### NATURE OF BUSINESS

1. Training services in the fields of information technology, end user computing, adult basic education and professional development.
2. Custom development of multimedia applications and work support systems.
3. Supply of multimedia authoring products and competency, testing and assessment software.
4. Consultancy services to business in the human resource development field.
5. Subscription services for local and overseas publications.
6. Supply of time management systems and related training.
7. Formal education from pre-primary to post-graduate levels.
8. Recruitment and related services in the fields of technology, finance and engineering.
9. Professional contracting services in the information technology field.

### FINANCIAL RESULTS

The results for the year ended 31 December 2000 are set out in the financial statements and a full commentary thereon is provided in the Chairman's Report.

The comparative figures for the year ended 31 December 1999 are not comparable as the three listed companies ADvTECH, ADvED and ADvSOURCE were consolidated into ADvED. ADvED was subsequently renamed ADvTECH Limited.

Fixed assets acquired during the year are reflected in note 12.2. Segment Reporting is disclosed on pages 7 & 8 of the annual financial statements.

### SHARE CAPITAL AND SHARE PREMIUM

During the year under review the following changes took effect in the issued shared capital.

1. 72 010 531 Ordinary shares of 1 cent each were issued on 15 May 2000 to partly settle the purchase price for the investment in ADvSOURCE from the previous Holding Company.
2. 1 769 547 Ordinary shares of 1 cent each were issued in terms of the company's executive share incentive scheme.
3. 40 801 001 Ordinary shares of 1 cent each were issued in terms of the Scheme Arrangement to buy out the minorities of ADvSOURCE.
4. 1 147 998 Ordinary shares of 1 cent each were issued on 2 November 2000 in settlement of the purchases of "MultiSkills Group", "Wiese Nursery School Group" and businesses of Gerber and Corbett.

### DIVIDEND

The directors of ADvTECH Limited have declared a dividend of 3.0 cents per share to ordinary shareholders registered in the books of the Company at the close of business on Friday 20 April 2001.

### DIRECTORS AND SECRETARY

The directors of the company are:

|              |             |           |                 |
|--------------|-------------|-----------|-----------------|
| BD Buckham   | (Chairman)  | HR Levin  | (Non-Executive) |
| RD Plit      | (Managing)  | HJ Borkum | (Non-Executive) |
| JNP Booyens  | (Financial) | NO Davies | (Non-Executive) |
| CN Duff      |             | C Bomela  | (Non-Executive) |
| M Welihockyj |             |           |                 |

Mr C Bomela, Mr NO Davies and Mrs M Welihockyj were appointed to the Board on 31 July 2000. In terms of the Company's Articles of Association, these directors retire from office at the conclusion of the Annual General Meeting, and may be re-appointed at the meeting. Mr GRG Crawford, Ms DJ Goldin, Mr K Gordon, Mr DL Honey, Mr AJ Jordaan and Mr AJ Kieser all resigned from the Board during the year.

The secretary of the company is Mrs LJ Verster. Her business address is 364 Kent Avenue, Randburg 2194, and her postal address is PO Box 2369, Randburg 2125.

# DIRECTORS'

## *Report* (cont.)

To the members of ADvTECH Limited

### SUBSIDIARY COMPANIES

Details of interests in subsidiary companies are set out in note 15 which forms part of this report.

### DIRECTORS' INTEREST

According to information available to the Company after reasonable enquiry, the directors' beneficial and non-beneficial, direct and indirect interests in the issued share capital of the Company was 21.4% \* in the aggregate and per director as follows:

|              | Direct     | Beneficially<br>Indirect | Direct    | Non-Beneficially<br>Indirect |
|--------------|------------|--------------------------|-----------|------------------------------|
| JNP BOOYENS  | 15 000     | -                        | -         | -                            |
| HJ BORKUM    | 50 000     | -                        | -         | -                            |
| BD BUCKHAM   | 26 392 650 | 2 667 255                | 970 276   | -                            |
| NO DAVIES    | -          | -                        | -         | 50 740                       |
| CN DUFF      | -          | 1 722 790                | -         | -                            |
| HR LEVIN     | 8 325 627  | -                        | 350 000   | -                            |
| RD PLIT      | 1 022 465  | 264 155                  | -         | -                            |
| M WELIHOCKYJ | 6 324 173  | 31 620 865               | 4 216 115 | -                            |
| TOTALS       | 42 129 915 | 36 275 065               | 5 536 391 | 50 740 -                     |

\* Comparisons to the previous year are not appropriate due to the restructure of Advanced Technical Systems Limited, ADvED Limited and ADvSOURCE Holdings Limited into one listed company.

At the date that this Annual Report was prepared, none of the current directors of the Company had disposed of any shares held by them as at 31 December 2000.

# INCOME

## Statements

for the year ended 31 December 2000

|  | Notes | GROUP         |               | COMPANY       |               |
|--|-------|---------------|---------------|---------------|---------------|
|  |       | 2000<br>R'000 | 1999<br>R'000 | 2000<br>R'000 | 1999<br>R'000 |
| Turnover   |       | 554 235       | 206 534       | -             | -             |
| Operating profit   | 2     | 48 262        | 23 609        | 1 669         | -             |
| Net dividend income  |       | 3 558         | 6 005         | 3 125         | 6 005         |
| Net interest (paid)/received                               | 3     | (4 298)       | 8 767         | (1 452)       | 746           |
| Equity accounted earnings                                  |       | 937           | 980           | -             | -             |
| Profit before exceptional items                            |       | 48 459        | 39 361        | 3 342         | 6 751         |
| Exceptional items  | 4     | (18 575)      | (1 861)       | -             | -             |
| Profit before taxation                                     |       | 29 884        | 37 500        | 3 342         | 6 751         |
| Taxation   | 5     | (10 922)      | (7 258)       | (409)         | 10            |
| Profit after taxation                                      |       | 18 962        | 30 242        | 2 933         | 6 761         |
| Attributable to outside shareholders                       |       | 1 505         | -             | -             | -             |
| Profit attributable to ordinary shareholders               |       | 17 457        | 30 242        | 2 933         | 6 761         |
| Distribution to shareholders                               |       | 11 784        | 1 049         | -             | 1 049         |
| Retained earnings for the year                             |       | 5 673         | 29 193        | 2 933         | 5 712         |
| Earnings per ordinary share (cents)                        | 6.1   | 4,44          | 11,0          |               |               |
| Headline earnings per ordinary share (cents)               |       | 9,17          | 11,6          |               |               |
| Fully diluted earnings per ordinary share (cents)          | 6.2   | 4,43          | 11,0          |               |               |
| Fully diluted headline earnings per ordinary share (cents) |       | 9,14          | 11,5          |               |               |

# STATEMENT

## of Changes in Equity

for the year ended 31 December 2000

|  | Share<br>Capital<br>R'000 | Share<br>Premium<br>R'000 | Non<br>-Distributable<br>Reserves<br>R'000 | Retained<br>Earnings<br>R'000 | Outside<br>Shareholders'<br>interest<br>for the year<br>R'000 | Total<br>R'000 |
|--|---------------------------|---------------------------|--|-------------------------------|---|----------------|
| Balance at beginning of the year               | 2 771                     | 197 398                   | 18 783                                     | 62 473                        |   | 281 425        |
| Retained earnings for the year                 | -                         | -                         | -  | 5 673                         |   | 5 673          |
| Issue of share capital                         | 1 157                     | 157 808                   | -  | -                             |   | 158 965        |
| Share issue expenses written-off               | -                         | (2 040)                   | -  | -                             |   | (2 040)        |
| Translation reserves and restructuring reserve | -                         | -                         | 9 155                                      | -                             |   | 9 155          |
| Outside shareholders' interest for the year    | -                         | -                         | -  | -                             | 2 166   | 2 166          |
| Balance at end of the year                     | 3 928                     | 353 166                   | 27 938                                     | 68 146                        | 2 166   | 455 344        |

# BALANCE

## *Sheets*

as at 31 December 2000

| as at 31 December 2000                           |       | GROUP         |               | COMPANY       |               |
|--|-------|---------------|---------------|---------------|---------------|
|  | Notes | 2000<br>R'000 | 1999<br>R'000 | 2000<br>R'000 | 1999<br>R'000 |
| <b>ASSETS</b>                                    |       |               |               |               |               |
| Non-current assets                               |       | 601 106       | 277 795       | 379 292       | 143 119       |
| Fixed assets                                     | 12    | 289 664       | 237 474       | 135           | -             |
| Intangible assets                                | 13    | 277 414       | 450           | 2 621         | -             |
| Investments                                      | 14    | 1 460         | 686           | -             | -             |
| Investments in subsidiaries                      | 15    | -             | -             | 285 670       | 41 228        |
| Deferred taxation                                | 11    | 32 568        | 18 783        | -             | -             |
| Indebtedness of holding company and subsidiaries | 15    | -             | 20 402        | 90 866        | 101 891       |
| Current assets                                   |       | 118 412       | 107 024       | 29 268        | 74 087        |
| Inventories                                      | 16    | 3 605         | 977           | -             | -             |
| Accounts receivable                              |       | 90 204        | 17 536        | 14 278        | 460           |
| Prepayments                                      |       | 11 333        | 9 637         |               |               |
| Cash resources and liquid instruments            |       | 13 270        | 78 874        | 14 990        | 73 627        |
| Total assets                                     |       | 719 518       | 384 819       | 408 560       | 217 206       |
| <b>EQUITY AND LIABILITIES</b>                    |       |               |               |               |               |
| Capital and reserves                             |       | 455 344       | 281 425       | 376 907       | 217 048       |
| Ordinary share capital                           | 8.1   | 3 928         | 2 771         | 3 928         | 2 771         |
| Ordinary share premium                           | 8.2   | 353 166       | 197 398       | 353 166       | 197 398       |
| Non-distributable reserve                        | 9     | 27 938        | 18 783        | -             | -             |
| Distributable reserve                            |       |               |               |               |               |
| - Retained earnings                              |       | 68 146        | 62 473        | 19 813        | 16 879        |
| Outside shareholders' interest                   |       | 2 166         | -             | -             | -             |
| Non-current liabilities                          |       | 111 814       | 48 721        | 15 000        | -             |
| Long-term liabilities                            | 10.4  | 108 567       | 46 983        | 15 000        | -             |
| Deferred taxation                                | 11    | 3 247         | 1 738         | -             | -             |
| Current liabilities                              |       | 152 360       | 54 673        | 16 653        | 158           |
| Accounts payable                                 |       | 60 149        | 16 186        | 2 125         | 168           |
| Taxation   |       | (4 768)       | (2 497)       | 399           | (10)          |
| Bank overdraft                                   |       | 25 300        | 10 875        | 14 129        | -             |
| Creditors for acquisition of business            |       | 29 445        | 10 631        | -             | -             |
| Deferred income                                  |       | 7 274         | 2 804         | -             | -             |
| Current portion of long-term liabilities         | 10.4  | 23 176        | 16 674        | -             | -             |
| Shareholders for dividend                        |       | 11 784        | -             | -             | -             |
| Total equity and liabilities                     |       | 719 518       | 384 819       | 408 560       | 217 206       |

# CASH FLOW

## Statements

for the year ended 31 December 2000

| for the year ended 31 December 2000                  |       | GROUP         |               | COMPANY       |               |
|--|-------|---------------|---------------|---------------|---------------|
|  | Notes | 2000<br>R'000 | 1999<br>R'000 | 2000<br>R'000 | 1999<br>R'000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>          |       |               |               |               |               |
| Cash generated by operations                         | 22.1  | 71 110        | 26 373        | 4 848         | 6 005         |
| Utilised to (increase)/decrease working capital      | 22.2  | (18 538)      | 29 349        | (11 862)      | 168           |
| Cash generated/(utilised)by operating activities     |       | 52 572        | 55 722        | (7 014)       | 6 173         |
| Net interest (paid)/received                         |       | (4 053)       | 8 767         | (1 451)       | 746           |
| Taxation (paid)/refunded                             | 22.3  | (11 594)      | 6 342         | -             | (238)         |
| Dividends paid                                       | 22.4  | -             | (534)         | -             | (534)         |
| Net cash inflow/(outflow) from operating activities  |       | 36 925        | 57 613        | (8 465)       | 6 147         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>          |       |               |               |               |               |
| Additions to fixed assets                            | 22.5  | (62 912)      | (88 795)      | (189)         | -             |
| Goodwill and trademarks                              |       | (2 621)       | (4 926)       | (2 621)       | -             |
| Proceeds on disposal of fixed assets                 |       | 1 723         | 7 110         | -             | -             |
| Investments  |       | (183 450)     | 1 373         | (244 442)     | (40 000)      |
| Net cash outflow from investing activities           |       | (247 260)     | (85 238)      | (247 252)     | (40 000)      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>          |       |               |               |               |               |
| (Decrease)/increase in long-term liabilities         |       | (10 752)      | 44 240        | 15 000        | -             |
| Proceeds from shares issued                          |       | 156 926       | 46 524        | 156 925       | 46 524        |
| Proceeds from long-term borrowings                   |       | 76 951        | -             | -             | -             |
| (Increase)/decrease in inter-company loans           |       | (63 448)      | (13 522)      | 11 025        | 42 086        |
| Creditors for acquisition of businesses settled      |       | (39 867)      | (11 779)      | -             | -             |
| Net cash inflow from financing activities            |       | 356 119       | 65 463        | 182 950       | 88 610        |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS |       | (90 525)      | 37 838        | (72 767)      | 54 757        |
| Acquisition cash                                     |       | 10 497        | -             | 77 156        | -             |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR       |       | 67 999        | 30 161        | (3 528)       | 18 870        |
| CASH AND CASH EQUIVALENTS AT END OF YEAR             |       | (12 029)      | 67 999        | 861           | 73 627        |



# NOTES

## *to the Financial Statements*

for the year ended 31 December 2000

### 1. ACCOUNTING POLICIES

The principal accounting policies and the disclosures made in the annual financial statements conform with South African generally accepted accounting practices.

The financial statements and Group financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies, applied on a basis consistent with that of the previous year:

#### 1.1 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of the company and its subsidiaries. Operating results of subsidiaries acquired or disposed of during the financial year are included from the date effective control was acquired or up to date of disposal or discontinuance. All inter-group balances and transactions have been eliminated on consolidation.

#### 1.2 JOINT VENTURES

Joint ventures are those entities which are not subsidiaries and over which the Group exercises joint control. Joint ventures are accounted for using the equity method.

#### 1.3 TRANSLATION OF FINANCIAL STATEMENTS PREPARED IN FOREIGN CURRENCIES

Balance sheets of consolidated foreign entities are translated into rand at rates of exchange ruling at year end. The related income statement and cash flow statement are translated at the weighted average rate of exchange for the year. Any translation gains and losses are taken directly to non-distributable reserves.

#### 1.4 REVENUE RECOGNITION

##### 1.4.1 TURNOVER

Turnover comprises the invoiced amount of tuition fees, goods supplied and services rendered to customers, net of value added tax. Revenue is recognised at the date the services are rendered and/or in terms of contractual obligations.

##### 1.4.2 NET DIVIDEND INCOME

Dividend income is brought to account to the extent of dividends received and/or accrued, net of costs.

##### 1.4.3 INTEREST

Interest is recognised on a time proportional basis.

#### 1.5 EXCEPTIONAL ITEMS

Exceptional items are those amounts which are relevant to explain the performance of the Group for the year under review.

#### 1.6 INVESTMENTS

Investments are stated at cost and are written down where the directors are of the opinion that there is a permanent diminution in value.

#### 1.7 FIXED ASSETS AND DEPRECIATION

##### OWNED

Land and buildings are classified as an asset and are not depreciated in accordance with AC 123. Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on the straight line basis at rates which will reduce the cost of the assets to estimated residual values over their expected useful lives.

The annual rates used for this purpose are:

|  |                 |
|--|-----------------|
| Computer equipment                       | 33,3%           |
| Furniture, fittings and office equipment | 10 - 20%        |
| Motor vehicles                           | 20%             |
| Leasehold improvements                   | Period of lease |

Borrowing costs incurred relating to the development of properties are capitalised and included in the cost of properties until completion. The capitalisation rate used to determine the borrowing cost capitalised is the prevailing average borrowing rate.

# NOTES

## *to the Financial Statements*

for the year ended 31 December 2000

### LEASED

Assets subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. These assets are depreciated in accordance with the policy relating to fixed assets. Finance charges are amortised over the duration of the lease agreements. Operating lease rentals are charged against profits as incurred.

### 1.8 INTANGIBLE ASSETS

#### 1.8.1 GOODWILL

Goodwill and premium on acquisition of subsidiaries, represents the excess of the cost of acquisition over the net book value of the assets acquired at date of acquisition.

Goodwill is amortised over its useful life.

#### 1.8.2 TRADEMARKS

Trademarks have been written-off against share premium after the required authority was granted by shareholders in a general meeting. Trademarks are amortised over their useful lives.

#### 1.8.3 DEVELOPMENT COSTS

All direct costs from the commencement to the completion of development are capitalised. These costs are amortised over the period of the expected benefit, commencing when a revenue stream is produced.

### 1.9 INVENTORIES

Inventories, which comprises merchandise for resale, is valued at the lower of cost, determined either at selling price less an average mark up percentage or on a first-in first-out basis, and net realisable value.

### 1.10 FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the rate of exchange ruling on the transaction date, or at forward cover rates where forward cover contracts are considered to be integral to the transaction. Assets and liabilities in foreign currencies are translated at approximate rates of exchange ruling at year end except where these are subject to forward exchange contracts. All transaction differences are taken to income in the year in which they arise.

### 1.11 DEFERRED TAXATION

Deferred taxation is provided at current rates using the balance sheet liability method. Full provision is made for all temporary differences between the taxation base of an asset or liability and its balance sheet carrying amount with the exception of those amounts treated as permanent differences.

### 1.12 RETIREMENT BENEFITS

The Group operates pension and provident funds to which substantially all employees belong. The funds are both defined contribution plans and do not require to be actuarially valued. Current contributions to the pension and provident funds are charged against profits when incurred.

### 1.13 RELATED PARTY TRANSACTIONS

Related party transactions exist between the company and its subsidiaries. All transactions are concluded at arms length.

# NOTES

## *to the Financial Statements*

for the year ended 31 December 2000

### 1.14 FINANCIAL INSTRUMENTS

#### FINANCIAL ASSETS

The Group's principal financial assets are bank balances and cash, trade receivables and Investments. Trade receivables are stated at the nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Investments are stated at cost less any impairment losses, where the investments' carrying amounts exceed their estimated recoverable amounts.

#### FINANCIAL LIABILITIES

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Significant financial liabilities include finance lease obligations, interest-bearing bank loans and overdrafts, and trade and other payables.

Interest-bearing bank loans and overdrafts are recorded at the proceeds received. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instruments to the extent that they are not settled in the period in which they arise.

### 1.15 CONCENTRATION OF CREDIT RISK

The Group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the balance sheet are net of realistic allowances for doubtful receivables, in terms of the current economic environment. The company and the group have no significant concentrations of credit risk.

### 1.16 LIQUIDITY RISK

The Group has no risk of liquidation as it has significant banking facilities and reserve borrowing capacity including liquid resources.

### 1.17 COMPARATIVE FIGURES

The comparative figures for the year ended 31 December 1999 are not directly comparable to the current year's figures as the company was restructured during the year. The comparative figures have been restated to take into account the change in accounting policy with respect to deferred taxation and goodwill.

# NOTES

## *to the Financial Statements*

for the year ended 31 December 2000

|   | GROUP    |          | COMPANY |         |
|---|----------|----------|---------|---------|
|   | 2000     | 1999     | 2000    | 1999    |
|   | R'000    | R'000    | R'000   | R'000   |
| 2. OPERATING PROFIT                                   |          |          |         |         |
| IS STATED AFTER TAKING INTO ACCOUNT:                  |          |          |         |         |
| INCOME  | 3 598    | 8 276    | 13 266  | 10 492  |
| Profit on realisation of fixed assets                 | 40       | 1 490    | -       | -       |
| Dividends received                                    | 3 558    | 6 786    | 3 125   | 6 942   |
| Administration fee received from subsidiary companies | -        | -        | 10 141  | 3 550   |
| EXPENDITURE   |          |          |         |         |
| Auditors' remuneration                                | 2 527    | 1 138    | 149     | 134     |
| - Current year audit fees                             | 1 696    | 854      | 149     | 90      |
| - Prior year underprovision audit fees                | 795      | 241      | -       | -       |
| - Other services                                      | 36       | 43       | -       | 44      |
| Depreciation of fixed assets                          | 18 083   | 10 533   | 54      | 32      |
| Owned   |          |          |         |         |
| - Computer equipment & software                       | 7 720    | 4 324    | 38      | 30      |
| - Furniture fittings & equipment                      | 6 406    | 3 847    | 16      | 2       |
| - Motor vehicles                                      | 981      | 656      | -       | -       |
| - Video equipment courses & masters                   | 208      | -        | -       | -       |
| Leased  |          |          |         |         |
| - Leasehold improvements                              | 1 660    | 1 110    | -       | -       |
| - Leased furniture fittings & equipment               | 86       | -        | -       | -       |
| - Leased computer equipment & software                | 892      | 542      | -       | -       |
| - Leased motor vehicles                               | 130      | 54       | -       | -       |
| Directors' emoluments                                 | 6 499    | 4 019    | 210     | 192     |
| - For services as directors                           | 360      | 330      | 210     | 192     |
| - For managerial and other services                   | 6 139    | 3 689    | -       | -       |
| Operating lease charges                               | 16 990   | 13 606   | -       | -       |
| - Premises  | 16 782   | 13 452   | -       | -       |
| - Equipment   | 208      | 154      | -       | -       |
| - Vehicles  | -        | -        | -       | -       |
| Remuneration for services                             | 802      | 2 042    | -       | -       |
| - Administrative                                      | 772      | 2 030    | -       | -       |
| - Secretarial   | 30       | 9        | -       | -       |
| - Other   | -        | 3        | -       | -       |
| Loss on sale of fixed assets                          | 719      | 23       | -       | -       |
| 3. NET INTEREST (PAID)/RECEIVED                       |          |          |         |         |
| Interest received                                     | 32 119   | 25 839   | 2 153   | 7 178   |
| Interest paid   | (43 901) | (28 610) | -       | (6 058) |
| Capitalised interest                                  | 7 484    | 11 538   | (3 605) | -       |
|   | (4 298)  | 8 767    | (1 452) | 1 120   |

# NOTES

## *to the Financial Statements*

for the year ended 31 December 2000

|                                      | GROUP         |               | COMPANY       |               |
|--------------------------------------|---------------|---------------|---------------|---------------|
|                                      | 2000<br>R'000 | 1999<br>R'000 | 2000<br>R'000 | 1999<br>R'000 |
| 4. EXCEPTIONAL ITEMS                 |               |               |               |               |
| Amortisation of goodwill             | (14 445)      | -             | -             | -             |
| Investment write off                 | -             | (569)         | -             | -             |
| Divisional restructuring costs       | -             | (1 292)       | -             | -             |
| Discontinued operations (See note 7) | (4 130)       | -             | -             | -             |
| Exceptional items before taxation    | (18 575)      | (1 861)       | -             | -             |
| Taxation                             | -             | 388           | -             | -             |
| Exceptional items after taxation     | (18 575)      | (1 473)       | -             | -             |
| 5. TAXATION                          |               |               |               |               |
| 5.1 TAXATION CHARGE                  |               |               |               |               |
| Current tax - SA normal              | 4 419         | 3 095         | 409           | (10)          |
| - foreign                            | 3 194         | -             | -             | -             |
| Deferred tax                         | 3 256         | 4 163         | -             | -             |
| Prior year tax                       | 53            | -             | -             | -             |
| TOTAL TAXATION                       | 10 922        | 7 258         | 409           | (10)          |

|  | GROUP              |                  |                |
|--|--------------------|------------------|----------------|
|  | SA Normal<br>R'000 | Foreign<br>R'000 | Total<br>R'000 |
| 5.2 RECONCILIATION OF CURRENT<br>TAX CHARGE - Year 2000 - 31 December 2000 |                    |                  |                |
| Tax on income at normal rate   | 5 679              | 3 714            | 9 393          |
| Adjusted for   |                    |                  |                |
| Permanent differences  | 1 444              | 31               | 1 475          |
| Disallowable expenditure   | 2 116              | 31               | 2 147          |
| Non-taxable income   | (3 958)            | -                | (3 958)        |
| Amortisation goodwill  | 4 263              | -                | 4 263          |
| Dividends received   | (977)              | -                | (977)          |
| Timing differences   | (2 704)            | (551)            | (3 255)        |
| Allowance for future expenditure   | (287)              | -                | (287)          |
| Deferred and prepaid expenditure   | (489)              | -                | (489)          |
| Income received in advance   | 1 406              | (103)            | 1 303          |
| Increase in provision for bad debts  | 449                | -                | 449            |
| Capitalised finance leases   | (62)               | -                | (62)           |
| Amortisation of development costs  | 67                 | (37)             | 30             |
| Amortisation of trademarks   | (4 259)            | -                | (4 259)        |
| Other  | 471                | (411)            | 60             |
| Current tax  | 4 419              | 3 194            | 7 613          |
| Effective tax rate   | 11.8%              | 29.2%            | 25.4%          |

# NOTES

## *to the Financial Statements*

for the year ended 31 December 2000

|     |   | GROUP              |                  |                |
|-----|---|--------------------|------------------|----------------|
|     |   | SA Normal<br>R'000 | Foreign<br>R'000 | Total<br>R'000 |
| 5.2 | RECONCILIATION OF CURRENT                 |                    |                  |                |
|     | TAX CHARGE - Year 1999 - 31 December 1999 |                    |                  |                |
|     | Tax on income at normal rate              | 11 250             | -                | 11 250         |
|     | Adjusted for                              |                    |                  |                |
|     | Permanent differences                     | (3 992)            | -                | (3 992)        |
|     | Disallowable expenditure                  | (182)              | -                | (182)          |
|     | Non-taxable income                        | (1 774)            | -                | 1 774          |
|     | Dividends received                        | (2 036)            | -                | (2 036)        |
|     | Timing differences                        | (4 163)            | -                | (4 163)        |
|     | Allowance for future expenditure          | 582                | -                | 582            |
|     | Deferred and prepaid expenditure          | (2 022)            | -                | (2 022)        |
|     | Income received in advance                | (759)              | -                | (759)          |
|     | Amortisation of trademarks                | (2 425)            | -                | (2 425)        |
|     | Other                                     | 461                | -                | 461            |
|     | Current tax                               | 3 095              | -                | 3 095          |
|     | Effective tax rate                        | 7.7%               | -                | 7.7%           |

|  |                              | COMPANY       |               |
|--|------------------------------|---------------|---------------|
|  |                              | 2000<br>R'000 | 1999<br>R'000 |
|  | RECONCILIATION OF CURRENT    |               |               |
|  | TAX CHARGE                   |               |               |
|  | Tax on income at normal rate | 1 003         | 2 026         |
|  | Adjusted for                 |               |               |
|  | Permanent differences        | (594)         | (2 036)       |
|  | Disallowable expenditure     | 344           | -             |
|  | Dividends received           | (938)         | (2 036)       |
|  | Current tax                  | 409           | (10)          |
|  | Effective tax rate           | 12.2%         | 0.2%          |

# NOTES

## *to the Financial Statements*

for the year ended 31 December 2000

|  | GROUP |       | COMPANY |       |
|--|-------|-------|---------|-------|
|  | 2000  | 1999  | 2000    | 1999  |
|  | R'000 | R'000 | R'000   | R'000 |

### 6. EARNINGS PER SHARE

#### 6.1 EARNINGS PER ORDINARY SHARE

Earnings per ordinary share has been calculated on net income after taxation of R17 456 404 (1999: 30 242 000) and the weighted average number of shares in issue during the period of 392 804 065 (1999: 274 233 593). In calculating the weighted average number of ordinary shares in issue for the period, an adjustment has been made for ordinary shares to be issued in the next financial year in respect of profits recognised for acquisitions.

#### 6.2 FULLYDILUTED EARNINGS PER ORDINARY SHARE

The dilution of 0,01 cents per share (1999: 0 cents) is as a result of the future issue of shares to settle the purchase price of the acquisitions.

### 7. DISCONTINUED OPERATIONS

During the year certain distinguishable business operations of the Group were discontinued

|                              |         |   |   |   |
|------------------------------|---------|---|---|---|
| Gross loss on discontinuance | (4 130) | - | - | - |
| Taxation                     | -       | - | - | - |
|                              | (4 130) | - | - | - |

During the year, it was decided to close the venture capital operation, PACE, that had opened at the beginning of the year and which did not perform to expectation, as well as a portion of the business of The Bryan Hattingh Independent Services Group.

### 8. ORDINARY SHARE CAPITAL AND PREMIUM

#### 8.1 SHARE CAPITAL

Authorised

500 000 000 shares of 1 cent each 5 000 5 000 5 000 5 000

(1999: 500 000 000 shares of 1 cent each)

500 000 000 N shares of 0.01 cent each 50 50 50 50

(1999: 500 000 000 N shares of 0.01 cent each)

5 050 5 050 5 050 5 050

Issued

392 804 065 shares of 1 cent each 3 928 2 771 3 928 2 771

(1999: 277 074 688 shares of 1 cent each)

3 928 2 771 3 928 2 771

#### 8.2 SHARE PREMIUM

595 847 403 473 353 166 403 473

At the beginning of year

197 398 346 260 197 398 346 260

Movements during the year

242 681

Premium on shares issued

155 768 57 655 155 768 57 655

Share issue expenses written off

- (442) - (442)

Goodwill and trademarks written off

(242 681) (206 075) - (206 075)

353 166 197 398 353 166 197 398

The unissued shares are under the control of the directors subject to the provisions of the Companies Act and the requirements of the Johannesburg Securities Exchange.

# NOTES

## *to the Financial Statements*

for the year ended 31 December 2000

|      |  | GROUP         |               | COMPANY       |               |
|------|--|---------------|---------------|---------------|---------------|
|      |  | 2000<br>R'000 | 1999<br>R'000 | 2000<br>R'000 | 1999<br>R'000 |
| 9.   | NON DISTRIBUTABLE RESERVE  |               |               |               |               |
|      | Opening balance in the beginning of the year   | 18 783        | -             | -             | -             |
|      | Restructuring reserve  | 7 246         | -             | -             | -             |
|      | Translation reserve  | 1 909         | -             | -             | -             |
|      | Raising of deferred tax asset  | -             | 18 783        | -             | -             |
|      |  | 27 938        | 18 783        | -             | -             |
| 10.  | LONG-TERM LIABILITIES  |               |               |               |               |
| 10.1 | Instalment sale and finance lease agreements<br>Secured by motor vehicles, furniture and fittings<br>and computer equipment having a book value<br>of R2 148 254 (1999: R6 282 420)  | 4 340         | 4 572         | -             | -             |
|      | Less: Current portion of long-term liabilities   | (2 486)       | (2 423)       | -             | -             |
|      |  | 1 854         | 2 149         | -             | -             |
|      | The liabilities bear interest at rates varying<br>between prime overdraft rate and prime<br>plus 1% per annum (1999: prime overdraft and<br>prime plus 1% per annum) and are payable<br>in monthly instalments of R174 421<br>(1999: R373 647) including interest. |               |               |               |               |
| 10.2 | Compulsory convertible loan.<br>Secured by various owned properties<br>amounting to R140 million   | 82 403        | 54 085        | -             | -             |
|      | Less: Current portion of long-term liabilities   | (20 690)      | (9 251)       | -             | -             |
|      |  | 61 713        | 44 834        | -             | -             |
|      | The loan is payable bi-annually bearing a variable<br>interest rate currently 12,5% (1999: 13,25%)   |               |               |               |               |
| 10.3 | Bankers acceptances  | 45 000        | 5 000         | 15 000        | -             |
|      | Less: Current portion of bankers acceptances   | -             | (5 000)       | -             | -             |
|      |  | 45 000        | -             | 15 000        | -             |
| 10.4 | Total long-term liabilities  | 131 743       | 63 657        | 15 000        | -             |
|      | Less: Current portion of long-term liabilities   | (23 176)      | (16 674)      | -             | -             |
|      |  | 108 567       | 46 983        | 15 000        | -             |



# NOTES

## *to the Financial Statements*

for the year ended 31 December 2000

GROUP

COMPANY

2000  
R'000

1999  
R'000

2000  
R'000

1999  
R'000

### 11. DEFERRED TAXATION

#### DEBIT DEFERRED TAX

Debit deferred tax relates solely to S11(gA) of the Income Tax Act for tax allowances on trademarks.

|                                  |            |            |   |   |
|----------------------------------|------------|------------|---|---|
| Balance at beginning of the year | 18 783 000 | -          | - | - |
| Movements during the year        | 13 785 000 | 18 783 000 | - | - |
| Balance at end of the year       | 32 568 000 | 18 783 000 | - | - |

#### CREDIT DEFERRED TAX

|                                    |       |       |   |   |
|------------------------------------|-------|-------|---|---|
| Balance at beginning of the year   | 1 738 | -     | - | - |
| Movements during the year          |       |       |   |   |
| Attributable to timing differences |       |       |   |   |
| net of amortisation of trademarks  | 1 509 | 1 738 | - | - |
| Balance at end of the year         | 3 247 | 1 738 | - | - |

The balance comprises:

|                                     |       |       |   |   |
|-------------------------------------|-------|-------|---|---|
| Allowance for future expenditure    | (295) | (582) | - | - |
| Deferred and prepaid expenditure    | 2 511 | 2 022 | - | - |
| Income received in advance          | (544) | 759   | - | - |
| Amortisation of trademarks          | 2 513 | -     | - | - |
| Increase in provision for bad debts | (449) | -     | - | - |
| Other                               | (489) | (461) | - | - |
|                                     | 3 247 | 1 738 | - | - |

# NOTES

## *to the Financial Statements*

for the year ended 31 December 2000

|                                      | GROUP          |                                      |                     | COMPANY       |                                      |                     |
|--------------------------------------|----------------|--------------------------------------|---------------------|---------------|--------------------------------------|---------------------|
|                                      | Cost<br>R'000  | Accumulated<br>depreciation<br>R'000 | Book value<br>R'000 | Cost<br>R'000 | Accumulated<br>depreciation<br>R'000 | Book value<br>R'000 |
| <b>12. FIXED ASSETS</b>              |                |                                      |                     |               |                                      |                     |
| <b>12.1 31 DECEMBER 2000</b>         |                |                                      |                     |               |                                      |                     |
| OWNED                                |                |                                      |                     |               |                                      |                     |
| Land and buildings                   | 233 565        | -                                    | 233 565             | -             | -                                    | -                   |
| Computer equipment                   | 32 262         | 22 304                               | 9 958               | 93            | 38                                   | 55                  |
| Furniture, fittings and equipment    | 37 742         | 17 128                               | 20 614              | 96            | 16                                   | 80                  |
| Motor vehicles                       | 5 015          | 2 243                                | 2 772               | -             | -                                    | -                   |
| Video equipment, courses and masters | 3 562          | 3 160                                | 402                 | -             | -                                    | -                   |
| Leasehold improvements               | 25 726         | 4 233                                | 21 493              | -             | -                                    | -                   |
|                                      | <b>337 872</b> | <b>49 068</b>                        | <b>288 804</b>      | <b>189</b>    | <b>54</b>                            | <b>135</b>          |
| LEASED                               |                |                                      |                     |               |                                      |                     |
| Computer equipment                   | 1 647          | 1 448                                | 199                 | -             | -                                    | -                   |
| Furniture, fittings and equipment    | 467            | 201                                  | 266                 | -             | -                                    | -                   |
| Motor vehicles                       | 696            | 300                                  | 396                 | -             | -                                    | -                   |
|                                      | <b>2 810</b>   | <b>1 949</b>                         | <b>861</b>          | <b>-</b>      | <b>-</b>                             | <b>-</b>            |
|                                      | <b>340 682</b> | <b>51 017</b>                        | <b>289 665</b>      | <b>189</b>    | <b>54</b>                            | <b>135</b>          |
| <b>31 DECEMBER 1999</b>              |                |                                      |                     |               |                                      |                     |
| OWNED                                |                |                                      |                     |               |                                      |                     |
| Land and buildings                   | 192 424        | -                                    | 192 424             | -             | -                                    | -                   |
| Computer equipment                   | 14 435         | 7 732                                | 6 703               | -             | -                                    | -                   |
| Furniture, fittings and equipment    | 21 694         | 7 227                                | 14 467              | -             | -                                    | -                   |
| Motor vehicles                       | 3 270          | 1 098                                | 2 172               | -             | -                                    | -                   |
| Leasehold improvements               | 22 581         | 2 267                                | 20 314              | -             | -                                    | -                   |
|                                      | <b>254 404</b> | <b>18 324</b>                        | <b>236 080</b>      | <b>-</b>      | <b>-</b>                             | <b>-</b>            |
| LEASED                               |                |                                      |                     |               |                                      |                     |
| Computer equipment                   | 1 801          | 624                                  | 1 177               | -             | -                                    | -                   |
| Motor vehicles                       | 272            | 55                                   | 217                 | -             | -                                    | -                   |
|                                      | <b>2 073</b>   | <b>679</b>                           | <b>1 394</b>        | <b>-</b>      | <b>-</b>                             | <b>-</b>            |
|                                      | <b>256 477</b> | <b>19 003</b>                        | <b>237 474</b>      | <b>-</b>      | <b>-</b>                             | <b>-</b>            |

Note:

The register of land and buildings is open for inspection at the place of business of the company.

|  | 2000<br>R'000  | 1999<br>R'000  | 2000<br>R'000 | 1999<br>R'000 |
|--|----------------|----------------|---------------|---------------|
| <b>12.2 RECONCILIATION OF FIXED ASSETS</b> |                |                |               |               |
| Net book value at beginning of year        | 247 136        | 153 295        | -             | -             |
| - Additions                                | 62 912         | 100 333        | 189           | -             |
| - Translation differences                  | 103            | -              | -             | -             |
| - Disposals                                | (2 404)        | (5 621)        | -             | -             |
| - Depreciation                             | (18 083)       | (10 533)       | (54)          | -             |
| Net book value at end of year              | <b>289 664</b> | <b>237 474</b> | <b>135</b>    | <b>-</b>      |

# NOTES

## *to the Financial Statements*

for the year ended 31 December 2000

|  | GROUP         |               | COMPANY       |               |
|--|---------------|---------------|---------------|---------------|
|  | 2000<br>R'000 | 1999<br>R'000 | 2000<br>R'000 | 1999<br>R'000 |
| 13. INTANGIBLE ASSETS  |               |               |               |               |
| 13.1 TRADEMARKS  |               |               |               |               |
| Carrying value at beginning of the year                              | -             | 78 854        | -             | -             |
| Plus: Additions  | -             | 1 982         | -             | -             |
| Less: Written off against share premium                              | -             | (80 836)      | -             | -             |
|  | -             | -             | -             | -             |
| 13.2 GOODWILL  |               |               |               |               |
| Carrying value at beginning of the year                              | -             | -             | -             | -             |
| Plus: Goodwill on acquisition of ADvSOURCE Ltd                       | 63 447        | -             | -             | -             |
| Plus: Goodwill on acquisition of ADvED Ltd                           | 4 694         | -             | -             | -             |
| Plus: Goodwill on current year acquisitions                          | 52 228        | -             | -             | -             |
| Plus: Goodwill on consolidation of ADvSOURCE<br>and on restructuring | 168 524       | -             | 2 621         | -             |
| Less: Goodwill amortisation  | (14 444)      | -             | -             | -             |
| Carrying value at end of the year                                    | 274 449       | -             | 2 621         | -             |
| 13.3 DEVELOPMENT COSTS   |               |               |               |               |
| Carrying value at beginning of the year                              | 450           | -             | -             | -             |
| Plus: Additions  | 3 090         | 540           | -             | -             |
| Less: Amortised for year   | (575)         | (90)          | -             | -             |
| Carrying value at end of the year                                    | 2 965         | 450           | -             | -             |
| TOTAL INTANGIBLE ASSETS CARRYING<br>VALUE AT END OF THE YEAR         | 277 414       | 450           | 2 621         | -             |

# NOTES

## *to the Financial Statements*

for the year ended 31 December 2000

|  | GROUP         |               | COMPANY       |               |
|--|---------------|---------------|---------------|---------------|
|  | 2000<br>R'000 | 1999<br>R'000 | 2000<br>R'000 | 1999<br>R'000 |
| 14. INVESTMENTS  |               |               |               |               |
| 14.1 UNLISTED SHARES AT COST LESS  |               |               |               |               |
| AMOUNTS WRITTEN OFF:   |               |               |               |               |
| - 26% (39 100 shares) interest in<br>Rhino Management (Pty) Ltd<br>Directors' valuation R722 000               | 722           | -             | -             | -             |
| - 5,8% (2 500 shares) interest in<br>Weimershoek No 81 (Pty) Limited<br>Directors' valuation R82 000           | 82            | -             | -             | -             |
| 14.2 JOINT VENTURE   |               |               |               |               |
| - 60% (1999: 50%) interest in the Varsity<br>College/ St Charles College joint venture                         | 656           | 686           | -             | -             |
|  | 1 460         | 686           | -             | -             |
| 14.3 INVESTMENT IN JOINT VENTURE   |               |               |               |               |
| 14.3.1 The Group's proportionate share of<br>the assets and liabilities of the joint<br>venture is as follows: |               |               |               |               |
| Fixed assets   | 853           | 703           | -             | -             |
| Current assets   | 888           | 598           | -             | -             |
|  | 1 741         | 1 301         |               |               |
| Deduct: Current liabilities  | (804)         | (258)         | -             | -             |
|  | 937           | 1 043         | -             | -             |
| 14.3.2 The Group's proportionate share of the<br>results of the joint venture is as follows:                   |               |               |               |               |
| Turnover   | 3 517         | 2 734         | -             | -             |
| Income before taxation   | 937           | 980           | -             | -             |
| 14.3.3 The Group's proportionate share of the<br>cash flow of the joint venture is<br>as follows:              |               |               |               |               |
| Cash inflow from operating activities  | 176           | 66            | -             | -             |
| Cash outflow from investing activities   | (164)         | (270)         | -             | -             |
| Cash inflow from financing activities  | 577           | 747           | -             | -             |
|  | 589           | 543           | -             | -             |

# NOTES

## *to the Financial Statements*

for the year ended 31 December 2000

|   | Issued share capital |                  | Proportion held directly or indirectly |                  | Interest of holding company |               |                        |               |
|---|----------------------|------------------|--|------------------|-----------------------------|---------------|------------------------|---------------|
|   | 31 Dec 2000<br>R     | 31 Dec 1999<br>R | 31 Dec 2000<br>%                       | 31 Dec 1999<br>% | Shares<br>2000<br>R'000     | 2000<br>R'000 | Owing<br>2000<br>R'000 | 2000<br>R'000 |
| <b>15. INVESTMENT IN SUBSIDIARIES</b>         |                      |                  |  |                  |                             |               |                        |               |
| - HOLDING COMPANY                             |                      |                  |  |                  |                             |               |                        |               |
| Direct  |                      |                  |  |                  |                             |               |                        |               |
| ADvTECH Education (Pty) Ltd                   | 2                    | 2                | 100                                    | 100              | 41 228                      | 41 228        | 87 613                 | 72 140        |
| ADvTECH Resource Holdings (Pty) Ltd           | 3 150 023            | 3 080 288        | 100                                    | 100              | 244 442                     | -             | 3 253                  | -             |
| Indirect                                      |                      |                  |  |                  |                             |               |                        |               |
| ADvTECH Training (Pty) Ltd                    | 200                  | 200              | 100                                    | 100              | -                           | -             | -                      | -             |
| Strategic Connection (Pty) Ltd                | 100                  | 100              | 100                                    | 100              | -                           | -             | -                      | -             |
| Learntron (Pty) Ltd                           | 310 010              | 309 480          | 100                                    | 100              | -                           | -             | -                      | -             |
| Time System SA (Pty) Ltd                      | 1 000                | 1 000            | 100                                    | 100              | -                           | -             | -                      | -             |
| ADvTECH Resourcing (Pty) Ltd                  | 10                   | 10               | 100                                    | 100              | -                           | -             | -                      | -             |
| Business Learning Systems (Pty) Ltd           | 1 000                | 1 000            | 100                                    | 100              | -                           | -             | -                      | -             |
| Lexpress Data (Pty) Ltd                       | 100                  | 100              | 100                                    | 100              | -                           | -             | -                      | -             |
| TimeMaster (Pty) Ltd                          | 100                  | 100              | 100                                    | 100              | -                           | -             | -                      | -             |
| Triumph Holdings Ltd (2)                      | 4                    | 4                | 100                                    | 100              | -                           | -             | -                      | -             |
| Crowe Associates (Pty) Ltd (1)                | 16                   | 16               | 80                                     | 80               | -                           | -             | -                      | -             |
| Hamlora (Pty) Ltd (1)                         | 10                   | 10               | 100                                    | 100              | -                           | -             | -                      | -             |
| Chisholm (Pty) Ltd (1)                        | 9                    | -                | 100                                    | 100              | -                           | -             | -                      | -             |
| Quantum Pty) Ltd (1)                          | 433                  | -                | 70                                     | 70               | -                           | -             | -                      | -             |
| HC Leon (Pty) Ltd                             | 100                  | 100              | 100                                    | 100              | -                           | -             | -                      | -             |
| Resource Development International (Pty) Ltd  | 200                  | 200              | 100                                    | 100              | -                           | -             | -                      | -             |
| Bryan Hattingh Independent Services (Pty) Ltd | 1                    | 1                | 100                                    | 100              | -                           | -             | -                      | -             |
| Sight and Sound Education                     | 150                  | 150              | 100                                    | 100              | -                           | -             | -                      | -             |
|   | 3 363 468            | 3 392 761        |  |                  | 285 670                     | 41 228        | 90 866                 | 72 140        |

Results of the subsidiaries so far as concerns members of the company. Aggregate income after tax R16 million (1999: R23,5 million). All companies are incorporated in the Republic of South Africa except as indicated

(1) Australia (2) British Virgin Islands

|  | GROUP         |               | COMPANY       |               |
|--|---------------|---------------|---------------|---------------|
|  | 2000<br>R'000 | 1999<br>R'000 | 2000<br>R'000 | 1999<br>R'000 |
| <b>16. INVENTORIES</b>                     |               |               |               |               |
| Books                                      | 2 802         | 977           | -             | -             |
| Computer hardware and software             | 12            | -             | -             | -             |
| Time/systems and accessories               | 791           | -             | -             | -             |
|  | 3 605         | 977           | -             | -             |
| <b>17. INTEREST BEARING BORROWINGS</b>     |               |               |               |               |
| Interest bearing borrowings comprise:      |               |               |               |               |
| Long-term                                  |               |               |               |               |
| - Long-term liabilities                    | 108 567       | 46 983        | 15 000        | -             |
| Current                                    | 48 476        | 27 549        | -             | -             |
| - Current portion of long-term liabilities | 23 176        | 16 674        | -             | -             |
| - Bank overdraft                           | 25 300        | 10 875        | -             | -             |
|  | 157 043       | 74 532        | 15 000        | -             |

# NOTES

## *to the Financial Statements*

for the year ended 31 December 2000

### 18. FOREIGN CURRENCY EXPOSURE

- 18.1 The Group has entered into the following forward exchange contracts to cover foreign commitments not yet due, and they accordingly do not relate to specific liabilities in the balance sheet.

| Nature of monetary item | Foreign currency | 2000<br>Foreign<br>currency<br>'000 | 1999<br>Foreign<br>currency<br>'000 | 2000<br>Rand<br>equivalent<br>(at forward<br>cover rate)<br>R'000 | 1999<br>Rand<br>equivalent<br>(at forward<br>cover rate)<br>R'000 |
|-------------------------|------------------|-------------------------------------|-------------------------------------|---|---|
| Trade credit            | Danish Krona     | 171                                 | 151                                 | 157   | 143   |
| Trade credit            | US Dollars       | 298                                 | -                                   | 2 290   | -   |
| Trade credit            | British Pounds   | 109                                 | -                                   | 1 208   | -   |
| Trade credit            | Other            | -                                   | -                                   | -   | -   |
|                         |                  | 578                                 | 151                                 | 3 655   | 143   |

### 18.2 UNCOVERED AND UNHEDGED FOREIGN LIABILITIES

| Nature of monetary item | Foreign currency | Foreign<br>currency<br>'000 | Foreign<br>currency<br>'000 | equivalent<br>(at forward<br>cover rate)<br>R'000 | equivalent<br>(at forward<br>cover rate)<br>R'000 |
|-------------------------|------------------|-----------------------------|-----------------------------|---|---|
| Trade credit            | Danish Krona     | 13                          | 6                           | 12  | 12  |
| Trade credit            | US Dollars       | 28                          | 10                          | 215   | 64  |
| Trade credit            | British Pounds   | 15                          | 14                          | 166   | 137   |
| Trade credit            | Other            | -                           | -                           | -   | -   |
|                         |                  | 56                          | 30                          | 393   | 213   |

| GROUP         |               | COMPANY       |               |
|---------------|---------------|---------------|---------------|
| 2000<br>R'000 | 1999<br>R'000 | 2000<br>R'000 | 1999<br>R'000 |

### 19. COMMITMENTS

#### 19.1 CAPITAL COMMITMENTS

Capital expenditure commitments to be incurred  
Capital expenditure approved by the directors:  
Contracted but not provided for  
Not contracted for

|        |        |   |   |
|--------|--------|---|---|
| 6 511  | 39 383 | - | - |
| 16 020 | 9 000  | - | - |
| 22 531 | 48 383 | - | - |

Capital commitments will be financed by existing facilities and working capital.

#### 19.2 OPERATING LEASE COMMITMENTS

Commitments under operating leases are as follows:

|                     |         |        |   |   |
|---------------------|---------|--------|---|---|
| Due within one year | 6 244   | 13 294 | - | - |
| Due thereafter      | 96 968  | 79 777 | - | - |
|                     | 103 212 | 93 071 | - | - |

### 20. CONTINGENT LIABILITIES

Unlimited suretyship on behalf of a subsidiary for overdraft facilities granted which at 31 December 2000 had not been utilised. Theresa & Ronald Crause have a put option on ADvTECH Resourcing (Pty) Ltd for the remaining 30% issued share capital in Qantum Human Resources (Pty) Ltd exercisable on or after 31 December 2003. Christine and Patrick Crowe have a put option on ADvTECH Resourcing (Pty) Ltd for the remaining 20% issued share capital exercisable on or after 31 December 2001.

### 21. ADvTECH SHARE INCENTIVE SCHEME

The maximum number of shares in respect of which options may be granted is limited to 15% of the total number of shares in issue from time to time. No share options were granted in the year ended 31 December 2000, (31 December 1999: 21 774 500 share options had been granted).

# NOTES

## *to the Financial Statements*

for the year ended 31 December 2000

|   | GROUP           |                 | COMPANY         |              |
|---|-----------------|-----------------|-----------------|--------------|
|   | 2000            | 1999            | 2000            | 1999         |
|   | R'000           | R'000           | R'000           | R'000        |
| <b>22. NOTES TO THE CASH FLOW STATEMENT</b>                     |                 |                 |                 |              |
| <b>22.1 CASH GENERATED BY OPERATIONS</b>                        |                 |                 |                 |              |
| Profit before taxation  | 29 884          | 37 500          | 3 342           | 6 751        |
| Amounts not requiring outlay of funds                           | 4 130           | -               | -               | -            |
| Discontinued operations   | 14 445          | -               | -               | -            |
| Depreciation net of profit and loss on disposal of fixed assets | 18 762          | 9 178           | 54              | -            |
| Net interest paid/(received)                                    | 11 537          | (8 767)         | 1 452           | (746)        |
| Interest capitalised  | (7 484)         | (11 538)        | -               | -            |
| Other   | (164)           | -               | -               | -            |
|   | <b>71 110</b>   | <b>26 373</b>   | <b>4 848</b>    | <b>6 005</b> |
| <b>22.2 UTILISED TO (INCREASE)/DECREASE WORKING CAPITAL</b>     |                 |                 |                 |              |
| (Increase)/decrease in inventories                              | (394)           | 209             | -               | -            |
| (Increase)/decrease in accounts receivable                      | (21 761)        | 9 630           | (13 819)        | -            |
| Increase in accounts payable                                    | 3 617           | 22 039          | 1 957           | 86           |
| Decrease in creditors for businesses acquired                   | -               | (2 529)         | -               | -            |
|   | <b>(18 538)</b> | <b>29 349</b>   | <b>(11 862)</b> | <b>168</b>   |
| <b>22.3 RECONCILIATION OF TAXATION PAID</b>                     |                 |                 |                 |              |
| Balance at beginning of year                                    | 421             | (750)           | (10)            | (238)        |
| Current charge  | (7 574)         | (2 801)         | 409             | 10           |
| Balance at end of year  | (4 441)         | (2 791)         | (399)           | (10)         |
| Cash amounts paid   | <b>(11 594)</b> | <b>(6 342)</b>  | <b>-</b>        | <b>(238)</b> |
| <b>22.4 RECONCILIATION OF DIVIDENDS PAID</b>                    |                 |                 |                 |              |
| Balance at beginning of year                                    | -               | (10 388)        | -               | (10 388)     |
| Per income statement  | (11 784)        | (1 049)         | -               | (1 049)      |
| Capitalisation award  | -               | 10 903          | -               | 10 903       |
| Balance at end of year  | <b>11 784</b>   | <b>-</b>        | <b>-</b>        | <b>-</b>     |
| Cash amounts paid   | <b>-</b>        | <b>(534)</b>    | <b>-</b>        | <b>(534)</b> |
| <b>22.5 ADDITIONS TO FIXED ASSETS</b>                           |                 |                 |                 |              |
| Computer equipment  | (7 857)         | (5 416)         | (93)            | -            |
| Development costs   | -               | (8 076)         | -               | -            |
| Furniture and equipment   | (10 187)        | (8 600)         | (96)            | -            |
| Leasehold improvements  | (2 478)         | -               | -               | -            |
| Video equipment, courses and masters                            | (149)           | -               | -               | -            |
| Leased assets   | (123)           | (1 627)         | -               | -            |
| Motor vehicles  | (1 024)         | (2 005)         | -               | -            |
| Land and buildings  | (41 094)        | (63 071)        | -               | -            |
|   | <b>(62 912)</b> | <b>(88 795)</b> | <b>(189)</b>    | <b>-</b>     |

# SHAREHOLDERS'

## Analysis

for the year ended 31 December 2000

| Class of Shareholder                        | Number of Shareholders | % of Shareholders | Number of Shares | % of Total Shares |
|---|------------------------|-------------------|------------------|-------------------|
| Individuals                                 | 2 064                  | 91.3%             | 71 916 144       | 18.3%             |
| Nominee Companies and Trusts                | 84                     | 3.7%              | 274 093 287      | 69.8%             |
| Investment Companies                        | 10                     | 0.4%              | 854 193          | 0.2%              |
| Companies and Close Corporations            | 60                     | 2.7%              | 40 370 421       | 10.3%             |
| Pension/Provident Funds                     | 3                      | 0.1%              | 650              | 0.0%              |
| Insurance Companies                         | 1                      | 0.1%              | 1 164 669        | 0.3%              |
| Trustee of a trust & other Corporate Bodies | 39                     | 1.7%              | 4 404 701        | 1.1%              |
|   | 2 261                  | 100%              | 392 804 065      | 100%              |

| Range of Shareholding | Number of Shareholders | % of Shareholders | Number of Shares | % of Total Shares |
|-----------------------|------------------------|-------------------|------------------|-------------------|
| 1 - 10 000            | 1 950                  | 86.2%             | 2 948 592        | 0.8%              |
| 10 001 - 100 000      | 209                    | 9.2%              | 6 332 306        | 1.6%              |
| 100 001 - 500 000     | 49                     | 2.2%              | 10 958 818       | 2.8%              |
| 500 001 - 1 000 000   | 18                     | 0.8%              | 12 429 132       | 3.2%              |
| more than 1 000 000   | 35                     | 1.6%              | 360 135 217      | 91.6%             |
|                       | 2 261                  | 100%              | 392 804 065      | 100%              |

To the best knowledge of the directors and after reasonable enquiry, as at 31 December 2000 the spread of shareholders was as follows:

| Shareholder Spread                 | Number of Shareholders | % of Shareholders | Number of Shares | % of Total Shares |
|------------------------------------|------------------------|-------------------|------------------|-------------------|
| Public shareholding                | 2 251                  | 99.6%             | 248 347 210      | 63.2%             |
| Non-public shareholding            | 10                     | 0.4%              | 144 456 855      | 36.8%             |
| Directors                          | 8                      | 0.4%              | 81 279 233       | 20.7%             |
| Trustees of Share Incentive Scheme | 1                      | 0.0%              | 23 499 722       | 6.0%              |
| Holding 10% or more                | 1                      | 0.0%              | 39 677 900       | 10.1%             |
|                                    | 2 261                  | 100%              | 392 804 065      | 100%              |

### Major Shareholders

According to the information available to the Company after reasonable enquiry, the following shareholders (other than directors) are directly or indirectly interested in 5% or more of ADvTECH's share capital.

|                                      | Number of Shares Held | % of Total Shares Held |
|--------------------------------------|-----------------------|------------------------|
| SE Nominees (Pty) Ltd                | 45 039 957            | 11.5%                  |
| Peregrine (Pty) Ltd                  | 39 677 900            | 10.1%                  |
| Others                               | 5 362 057             | 1.4%                   |
| Old Mutual Nominees (Pty) Ltd        | 38 463 303            | 9.8%                   |
| Old Mutual Main Account              | 27 257 460            | 6.9%                   |
| Old Mutual Profile Clients           | 11 205 843            | 2.9%                   |
| Standard Bank Nominees TVL (Pty) Ltd | 36 874 121            | 9.4%                   |
| CMB Nominees (Pty) Ltd               | 34 643 358            | 8.8%                   |
| Sanlam                               | 34 196 012            | 8.7%                   |
| Others                               | 447 346               | 0.1%                   |
| Chalkton Nominee Company (Pty) Ltd   | 23 619 504            | 6.0%                   |
| ADvTECH Share Incentive Scheme       | 19 372 400            | 4.9%                   |
| Others                               | 4 247 104             | 1.1%                   |
| ADvTECH Share Incentive Scheme       | 4 127 322             | 1.1%                   |



# SHARE

## *Information*

for the year ended 31 December 2000

|   | 2000        | 1999        |
|---|-------------|-------------|
| Closing price at year end (cents)           | 29          | 122         |
| Total transactions at JSE                   | 3 105       | 2 838       |
| Total shares traded                         | 173 032 019 | 36 546 708  |
| Total value of shares traded (R)            | 79 021 000  | 69 660 000  |
| Average price per share (cents)             | 46          | 191         |
| Shares in issue                             | 392 804 065 | 277 074 688 |
| Percentage volume traded to shares in issue | 44%         | 13%         |
| PE ratio                                    | 2.58        | 10.25       |
| Actuaries' index for sector                 | 611.1       | 606.2       |

Note:

Shares in issue per the JSE as at 31 December 2000

The comparative figures for the year ended 31 December 1999 are not directly comparable to the current year's figures as the company was restructured during the year.

# SHAREHOLDERS'

---

## *Diary*

|                        |                  |
|------------------------|------------------|
| Financial year end     | 31 December 2000 |
| Annual General Meeting | 28 June 2001     |

---

|  |                |
|--|----------------|
| Reports and accounts                                   |                |
| Preliminary announcement of annual results             | 29 March 2001  |
| Annual Report  | 6 June 2001    |
| Interim results for the six months ending 30 June 2001 | 31 August 2001 |

---

### Dividends

|               |               |               |            |
|---------------|---------------|---------------|------------|
|               | Declared      | LDR           | Payment    |
| Cash Dividend | 29 March 2001 | 20 April 2001 | 4 May 2001 |

---

# NOTICE

## *to Shareholders*

### NOTICE TO THE ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of ADvTECH Limited will be held at 364 Kent Avenue, Ferndale, Randburg, on 28 June 2001 at 09h00 to transact the following business:

1. To receive and adopt the Group annual financial statements for the year ended 31 December 2000, and to receive and adopt the reports of the directors and of the auditors for the year then ended.
2. To elect the directors in the place of Messrs Borkum and Duff who retire by rotation in terms of the company's articles of association and, being eligible, offer themselves for re-election.
3. To re-elect Messrs Davies and Bomela and Mrs Welihockyj, who had been appointed as directors since the last annual general meeting and who, in terms of the company's articles of association, retire from office at the conclusion of the annual general meeting.
4. To confirm the re-appointment of Moores Rowland as auditors for the ensuing financial year.
5. To ratify the directors' fees for the past financial year.
6. In order to provide the directors with flexibility to issue the unissued ordinary shares for cash as and when suitable situations arise, to consider and if deemed fit, to pass, with or without modification, the following resolution as ORDINARY RESOLUTION NUMBER 1.

"RESOLVED THAT the directors of ADvTECH be and are hereby authorised by way of a general authority to issue all or any of the authorised but unissued ordinary shares in the capital of ADvTECH for cash, as and when the directors consider it appropriate, to persons qualifying as public shareholders excluding related parties, subject to the limitations imposed by the JSE's Listings Requirements:

- that this authority shall not extend beyond 15 months from the date that this authority is given;
  - that a paid press announcement providing full details including the effect on net asset value and earnings per ordinary share respectively, will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% or more of the number of shares of that class of ADvTECH's issued share capital in issue, prior to the issues;
  - that the number of ordinary shares issued for cash shall not in the aggregate in any one financial year exceed 15 per cent of the number of ADvTECH's issued ordinary share capital, adjusted, if applicable, to take into account of the existence or issue of shares that are compulsorily convertible into shares, or a rights issue (announced and irrevocable and underwritten) or shares issued in terms of a concluded transaction;
  - that in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the class of shares in question, as determined over the 30 days prior to the date that the price of the issue is determined or agreed by the directors.
  - In terms of the JSE's Listings Requirements, the approval of 75% of the votes cast by the shareholders present or represented by proxy at this general meeting is required for the authority in ordinary resolution 1 to become effective."
7. That the general authority for the Company to repurchase its own shares, as approved by the changes to the Articles of Association by special resolution on 20 December 1999, and subject to the provisions of the Act and the JSE, be renewed and extended until the conclusion of the next AGM. Accordingly, to consider and if deemed fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION NUMBER 1.

"RESOLVED THAT ADvTECH, or a subsidiary, be and is hereby authorised, by way of a general authority, to acquire ordinary shares of 1cent each ("ordinary shares") issued by ADvTECH, in terms of sections 85 and 89 of the Companies Act, 1973 (Act 61 of 1973), as amended, and in terms of the Listings Requirements from time to time of the JSE Securities Exchange South Africa ("the Listings Requirements"), it being recorded that the Listings Requirements currently require, inter alia, that the Company may make a general repurchase of securities only if:

- the general authority shall not extend beyond 15 months from the date of passing of this special resolution number 1;
- in determining the price at which the ordinary shares issued by the ADvTECH Group are acquired by it or its subsidiary in terms of this general authority, the maximum price at which such shares may be acquired will be 10% above the weighted average of the market value for such ordinary shares for the five business days immediately preceding the date of repurchase of such shares."

# NOTICE

## *to Shareholders* (contd.)

- any such repurchase of ordinary shares shall be implemented on the open market of the JSE;
- the company is authorised thereto by its Articles of Association; and
- the company publishes an announcement when it has cumulatively repurchased 3% of the initial number (the number of that class of shares in issue at the time that general authority is granted) of the relevant class of securities, and for each 3% in aggregate of the initial number of that class acquired thereafter. Such announcement must be made not later than 08h30 on the business day following the day on which the relevant threshold is reached or exceeded.

The board has considered the impact of a repurchase of 20% of ADvTECH shares, being the maximum permissible of a particular class in any one financial year, under a general authority in terms of the JSE's Listings Requirements, and is of the opinion that such repurchase will not result in:

- ADvTECH in the ordinary course of business being unable to pay its debts for a period of 12 months after the date of this Notice of General Meeting;
- the liabilities of ADvTECH exceeding the assets of ADvTECH for a period of 12 months after the date of the Notice of General Meeting, calculated in accordance with the accounting policies used in the audited financial statements for the period ended 31 December 2000;
- the ordinary capital and reserves of ADvTECH for a period of 12 months after the date of the Notice of General Meeting being materially affected; and
- the working capital of ADvTECH for a period of 12 months after the date of this Notice of General Meeting being materially affected.

At the present time the directors have no specific intention with regard to the utilisation of this authority which will only be used if the circumstances are appropriate.

### REASON AND EFFECT

The reason for and effect of special resolution number 1 is to grant the directors of ADvTECH a general authority in terms of the Act, for the acquisition by ADvTECH or any subsidiary of ADvTECH, of ADvTECH shares. Such general authority will provide the board with the flexibility, subject to the requirements of the Act and the JSE Securities Exchange South Africa, to repurchase ADvTECH shares should it be in the interests of ADvTECH at any time while the general authority exists. This general approval shall be valid until its variation or revocation of such general authority by special resolution by any subsequent general meeting of ADvTECH, provided that the general authority shall not be extended beyond 15 months from the date of passing of this special resolution.

8. To transact such business as may be transacted at an annual general meeting.

By order of the board

Lilian Verster  
Secretary  
30 May 2001