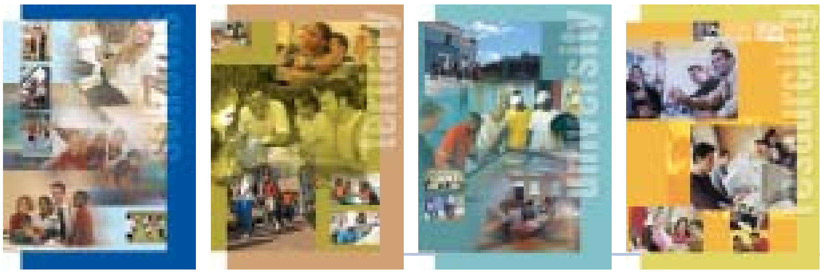


ADvTECH ANNUAL REPORT 2002 >>

>> SALIENT FEATURES for the year ended 31 December 2002

+47%

Headline earnings per share

+18%

Continuing operations margin

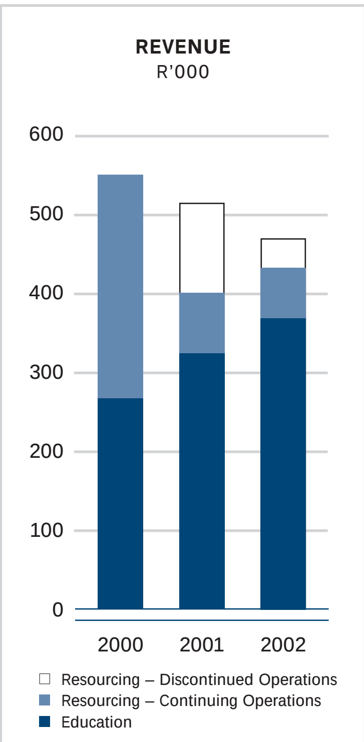
+30%

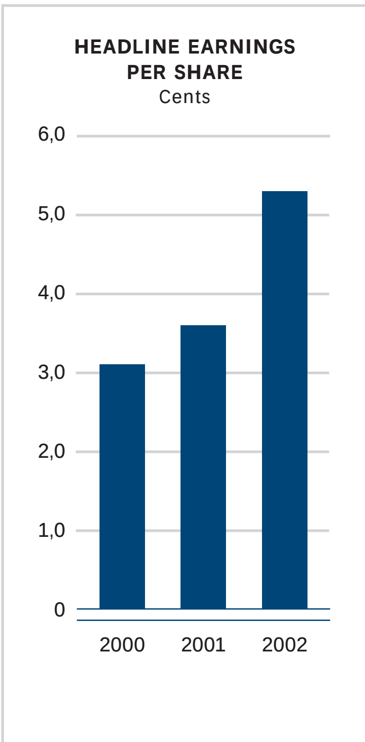
Operating profit

R'000	2002	2001
Revenue	**470 078**	515 950
EBITDA	**55 292**	47 468
Operating profit	**35 457**	27 350
Shareholders' equity	**180 502**	428 737
Total assets	**405 175**	661 330
Net asset value per share *(cents) (Net of goodwill)*	**45,9**	47,6
Gearing ratio *(%)*	**71,5**	65,6
Operating margin *(%)*	**11,8**	9,2
Fully diluted shares *(thousands)*	**393 665**	393 665
Fully diluted headline earnings per share *(cents)*	**5,3**	3,6
Number of employees	**1 962**	2 216

The ADvTECH Group is an organisation focused on the development, deployment and **management of human capital.** It is a **Southern Africa leader** in the areas of Education, Skills Development, Human Resource Management and Recruitment.

The Schools Division, Tertiary Division and University Division offer quality education from pre-primary to diploma, degree and post-graduate levels. The Recruitment Division is a **significant force in niche areas** of the placement industry.





CONTENTS

ADvTECH Limited

Registration Number: 1990/001119/06

JSE Code: ADH

ISIN: ZAE 0000 13819

GROUP SECRETARY

Lilian Gomes

364 Kent Avenue, Randburg

HEAD OFFICE

P.O. Box 2369

Randburg

2125

REGISTERED OFFICE

364 Kent Avenue

Ferndale

Randburg

2194

Tel: +27 (0)11 886-5100

Fax: +27 (0)11 886-4512

02 >> DIRECTORATE, EXECUTIVE COMMITTEE AND ADMINISTRATION

> CAMPBELL BOMELA (53)
Independent Non-Executive Director
B Com, MBA

Campbell Bomela has been a senior business professional for over 15 years. He previously served as a non-executive regional director of the International Council for Small Business Eastern Cape, as a Regional Non-Executive Director of the Development Bank of Southern Africa – Transkei Representative and as a Regional Non-Executive Director of the Black Management Forum.

Presently Campbell serves as the Managing Director of the Black Management Forum Investment Company, and as a non-executive Director to several companies.

> NICO BOOYENS (35)
Group Financial Director
B Com (Hons), CA (SA)

Nico Booyens was appointed as Group Financial Director in May 1999, after having been the financial director of ADvED Holdings Limited. He has extensive experience in operational accounting across a variety of industries, treasury and special tax projects. His expertise in technical accounting matters is considered a particular asset to the Group.

> HUGH BROWN (61)
Non-Executive Chairman
CA (SA)
(Audit, Remuneration & Litigation Committee member)

Hugh Brown was previously an executive director of Malbak Limited with responsibility for a portfolio of companies. In this position he was a CEO and Chairman of a number of listed and unlisted companies. He joined the board of ADvTECH in July 2001 as a non-executive director. He served as Acting CEO for the period October 2001 to July 2002, prior to the appointment of Frank Thompson as CEO. He was appointed to his present position of Chairman in August 2002.

> BRIAN BUCKHAM (64)
Non-Executive Director
(Litigation Committee member)

Brian Buckham has had over 30 years' experience in senior management and board positions. After several years as managing director of a major business equipment company he left to start the businesses which were the forerunners of the present day ADvTECH. During 2002 Brian stepped down as Executive Chairman and has remained on the board as a non-executive director.

> DOLINA DOWLING* (51)
Pro Vice Chancellor – Bond South Africa
BA (Open Univ) MA (Rhodes) PhD(Glasgow)
Dip Ed, Dip Sp Ed (Glasgow) A Ph.S. (London)

Before joining Bond South Africa, and thereby ADvTECH, in January 2002, Dolina has held senior positions in the public university sector. Prior to which, she spent many years lecturing in Philosophy.

Dolina has published extensively on the Philosophy of Social Relationships, Gender and Equity issues as well as various aspects of Education.

She has an in-depth knowledge of Higher Education and considerable experiences of dealing with the challenges facing the transforming Higher Education system in South Africa.

> CRAIG DUFF (33)
Executive Director – Tertiary Division

Craig Duff was one of the founder members of Varsity College when it began operations in 1990, and he has been instrumental in its growth both on a regional and national basis. Towards the end of 2001, with the restructure of the operating divisions within the Group, Craig assumed responsibility for all the tertiary brands as well as Guidelines and Mast Bookshop.

INTERNET ADDRESS
www.advtech.co.za

E-MAIL ADDRESS
contact@advtech.co.za

INDEPENDENT AUDITORS
Deloitte & Touche

TRANSFER SECRETARIES
Computershare Investor
Services Limited
70 Marshall Street
Johannesburg
2001
Tel: +27 (0)11 370-5000
Fax: +27 (0)11 370-5487

SPONSOR
Bridge Capital Services (Pty) Ltd.

> BACK ROW: LENN HONEY, SHAUN SCHWANZER*, DAVID FERREIRA, MICHAEL SACKS, HUGH BROWN, FRANK THOMPSON, NICO BOOYENS, CRAIG DUFF, CAMPBELL BOMELA

> FRONT ROW: HYMIE LEVIN, ALEX ISAAKIDIS*, DOLINA DOWLING*, BRIAN BUCKHAM

> DAVID FERREIRA (40)
Independent Non-Executive Director
BA (Wits), LLB (Wits), MA (Oxon), MSc (LSE)

David Ferreira is a founding shareholder and director of Praxis Capital, and serves as a non-executive director on the boards of a number of companies. He is also a non-executive director of the Municipal Infrastructure Investment Unit. Before becoming a private equity investor, David worked in project and corporate finance, for leading South African and US firms, as well as for the World Bank. He has worked in Africa, Asia, Latin America, the United Kingdom and United States. David is a Rhodes Scholar.

> LENN HONEY (37)
Executive Director – Recruitment Division
B Com (Hons), MBA

Lenn Honey commenced his career in the advertising industry in a brand and strategic planning role, thereafter he was a Management Consultant, focusing on systems implementation and productivity improvement. In 1994 he purchased Rosebank College, growing it and taking it from an unprofitable business into a profitable concern when he sold it to ADvTECH. Lenn remained with the Group and under his leadership the five smaller tertiary brands increased their business revenues and profits. In early 2002 Lenn assumed overall responsibility for the Group's Recruitment Division and the management of the Australian recruitment operations.

> ALEX ISAAKIDIS* (51)
CEO Schools Division
BA, BCom (Hons)

Alex joined the Group in 1999 as Managing Director of the Crawford Schools. Prior to that he was involved with the Dorbyl Group and was MD of Chubb Safes. In 2000 he was appointed CEO of the Schools Division, with responsibility for the Crawford Schools, Abbott's Colleges and the Nursery Schools. In 2002 he assumed responsibility for Mast Publications as well.

> HYMIE LEVIN (57)
Non-Executive Director
B Com, LLB, LLM, H Dip Tax Law, H Dip Co Law
(Audit, Remuneration & Litigation Committee member)

Hymie Levin is a specialist corporate and tax lawyer. He is the senior partner of H R Levin Attorneys and his experience spans more than thirty years. He is also a non-executive director of various companies listed on the JSE.

> MICHAEL SACKS (60)
Independent Non-Executive Director
CTA, CA (SA), AICPA (Isr)
(Chairman of Audit & Remuneration Committees, Litigation Committee member)

Michael Sacks acted as an independent Corporate Adviser for 25 years prior to his appointment as Executive Chairman of Netcare. He has served and continues to serve as a non-executive director to several companies, institutions and empowerment committees.

He is also an officer of the International Association of Political Consultants.

> SHAUN SCHWANZER* (36)
Group Human Resources Executive
MMM, ADC, DipMkt (GSM), MProjM (DMS), HRP

Shaun Schwanzer has worked in the SA Navy, Cashbuild Ltd, Renwick Reward and Atraxis Africa in senior HR positions before joining ADvTECH in February 2002. Shaun's particular expertise lies in the area of HR practice and organisational behaviour. His up to date knowledge of the regulatory labour environment and his external political awareness has proved invaluable.

> FRANK THOMPSON (47)
Chief Executive Officer
B Com, B Acc, CA (SA)

After qualifying at Deloittes in 1981, Frank has gained over 20 years' experience in senior management and board positions. He spent 10 years in the Anglo American Group, mainly at electronics company Conlog and 10 years in the Malbak Group and its subsequently unbundled entity Amalgamated Appliance Holdings Limited, where he was Deputy Chairman until joining ADvTECH on 1 August 2002 as CEO.

*EXECUTIVE COMMITTEE

04 >> CHAIRMAN AND CEO'S REPORT

GENERAL REVIEW

For ADvTECH Limited, the year 2002 can best be described as the year of restabilisation and renewal. During the year the Group disposed of or terminated non-performing or non-core operations and concluded the year with a cleansed portfolio of focused Education and Resourcing enterprises.

In the review of the interim results, the board anticipated further growth and improvement in profitability. In the event, revenue from continuing operations increased by 8% to R434 million and EBITDA from continuing operations grew to R70 million from R55 million, generating an EBITDA margin increase of 18%. With operating profit increasing by 30% to R35,5 million, return on funds employed from continuing operations improved from 19% to 25% and headline earnings per share increased by 47% to 5,3 cents per share.

There have been various changes in accounting and reporting requirements applicable to the Group, which have necessitated the restating of the Group's results for the year and comparative figures, the details of which appear in the Directors' Report on page 22.

REVIEW OF OPERATIONS

Through its long-term commitment to the enhancement of private education in South Africa, ADvTECH has demonstrated its ability to create vibrant, stimulating and caring environments in which each individual can excel and grow, preparing them to hold their own in a competitive and rapidly changing world. We expose students to a full spectrum of experiences that will enrich and expand their cultural horizons.

The Group's well-known and established brands in the Education Division include Crawford Schools, Abbott's College, Varsity College, College Campus, Rosebank College, Vega: The Brand Communication School and Bond South Africa. These brands are incorporated within three distinct operating divisions, namely: Schools, Tertiary and University and are reviewed on pages 8 to 13.

The Education Division as a whole, experienced revenue growth of 14% to R369 million and growth in operating profit of 44% to R63 million. All education enterprises sustained the positive growth trends reported at the interim stage. Operating margins improved by 27% due mainly to higher enrolments at all locations and hence, the more efficient recovery of fixed costs.

The well-established South African recruitment businesses: Network, Communicate, Brent, Cassel, Insource and a new black empowerment company, Kapele, are incorporated within the Resourcing Division. A review of the division is included on pages 14 to 15.

Overall the Resourcing Division in South Africa was turned around successfully during the year and produced EBITDA of R7 million in the second six months compared to a break even in the first half. The Australian operations incurred losses of R6,6 million and these were either sold or closed down at a closure cost of R5,9 million.

"ADvTECH has demonstrated its ability to create vibrant, stimulating and caring environments in which each individual can excel and grow"

NET GEARING AND CASH FLOW

Notwithstanding the loss of capacity experienced during the restructuring process, as well as the costs and lost productivity associated with disposals and discontinued operations, the cash generated by Group operations reached a satisfactory R39,4 million (2001: R46,1 million) and net gearing at the year end was 71% (2001: 66%). Average gearing through the year was approximately 47%, and the Group's cash flow patterns are such that the gearing reaches its peak at the year end. The disciplines introduced on debtor collections in 2001 were appropriately maintained. Net interest paid increased by R2,3 million, mainly as a result of interest rate increases during the year. Interest cover was 4,0 times (2001: 4,1 times).

The Group has maintained a strong operating cash flow into 2003 and with all major restructuring now concluded, it is anticipated that the Group will generate sufficient cash internally to fund the planned 2003 capital expenditure programme of R40 million. This will include the expansion of the Group's successful tertiary education businesses (R18 million) for roll out in 2004, and the replenishment of education and IT equipment (R15 million).

GOODWILL

As reported at the interim stage, the Group's established brands within the core business units have meaningful worth and enjoy significant goodwill respectively. The goodwill as previously disclosed, in accordance with SA GAAP, represented only goodwill arising on acquisitions and did not reflect the substantial goodwill of our educational operations developed over the years. The board resolved to adopt an extremely conservative policy, which has resulted in the writing down of goodwill to a nominal R1 000 (2001: R241,7 million).

LITIGATION

Regrettably, the Group continues to be engaged in significant litigation for material breaches of contract. The arbitration proceedings for claims against Mr Graham Crawford amounting to R85 million commenced in October 2002 and have been set down for further hearings during 2003. Legal proceedings in respect of claims, aggregating approximately R130 million against Mr Andry Welihockyj, Mrs Marina Welihockyj and a

company controlled by them, are in process. Every effort is being made to bring these matters to a speedy and satisfactory conclusion in the interest of shareholders.

ADvTECH's litigation board sub-committee has advised the board that legal counsel remains satisfied with the merits of the Group's claims and that the Group has no additional exposure other than for legal costs in these matters. Legal and related costs of R8 million were incurred during the year (2001: R10,2 million).

DIVIDEND

The board has resolved not to propose a dividend for the 2002 financial year.

BOARD ACTIVITIES

This has been a year in which we have seen significant changes on our board as we go through the process of transformation. David Ferreira was appointed as a non-executive director on 6 March 2002, following the Group's Annual General Meeting. Humphrey Borkum, being due to retire by rotation, did not stand for re-election at the annual general meeting due to his commitments as Chairman of the JSE Securities Exchange SA. The board would like to thank Humphrey for his support and contribution to the Group over many years.

Frank Thompson was appointed as CEO on 1 August 2002, replacing Hugh Brown who was Acting CEO. At the same time Brian Buckham, a founder member of the Group, stepped down as Chairman. Brian has a great deal of knowledge and insight of the Group and will remain on the board as a non-executive director and will continue to render services to the Group as a consultant. Hugh Brown was appointed to take over as Chairman of the board.

STAFF

ADvTECH employs approximately 2 000 people (permanent and contract employees) across the Group, of which about 67% are academic and teaching staff. ADvTECH is a “people” business, its success is dependent on the people it employs, and the

quality of the services provided. The high proportion of professionally qualified employees within the Group is indicative of the quality of staff attracted to and retained by the Group.

The commitment and dedication of ADvTECH's staff has been key to the continuing success of the Group. ADvTECH is proud of all its employees and would like to thank them and their families for their contribution to the Group during this year of restructuring.

PROSPECTS

The new management and transformed operational model has created a secure and stable platform for greater progress and improved profitability. In the case of Education, the growing appeal of the Group's institutions and the higher student enrolment for the new academic year already provides a reason for greater optimism. The Resourcing Division is more dependent on the performance of the general economy and the more positive South African economic indicators suggest that an improving trend will be achieved. The continued turnaround of the Group’s recruitment assets in South Africa and the fact that the Group is no longer exposed to the loss-making Australian businesses bode well for the future.

The Group has of necessity adopted a strong inward focus during the past few years. The core activities, especially in the Education Division, have recorded strong internally generated growth and we plan to develop and expand these areas in the coming year.

Overall, in the absence of any material changes in the economy, the board expects to report improved headline earnings per share and operating cash flow for 2003.

HF Brown
Chairman

FR Thompson
Chief Executive Officer

07 >> HUMAN RESOURCES

SKILLS DEVELOPMENT AND EMPLOYMENT EQUITY

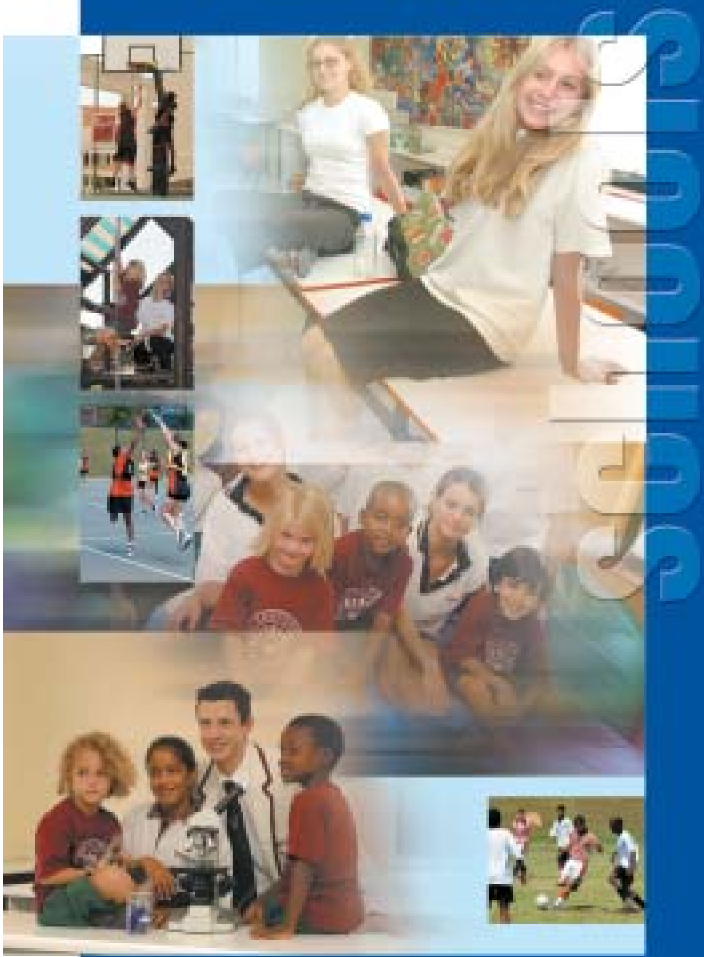
ADvTECH is committed to the National HR Development Strategy and Higher Education Plan as well as the relevant national legislation, i.e. Skills Development and Employment Equity. Employment Equity Plans are aligned with the requirements of the Employment Equity Act and reflect the need for constant realignment in the organisation. Transformation is restricted only by the availability of the relevant scarce resources in these highly specialised areas. The Group submitted a group wide equity plan, consolidating all business units into one. Targets have been established utilising a matrix of geographic, demographic and other data. ADvTECH values its cultural diversity and a total of 87% of its staff are from the previously/historically disadvantaged group. Skills Development Plans are geared to encompass and promote the need for personal growth aligned with the principles of the balanced score card approach to people enrichment in the area of tertiary and graduate studies.

CORPORATE SOCIAL RESPONSIBILITY/INVESTMENT

ADvTECH participates in a number of social upliftment projects ranging from PC delivery to schools, bursaries and human capital investments in primarily the previously disadvantaged groups. It endorses and supports an internal HIV/AIDS awareness policy and programmes throughout the Group. Currently our investment includes approximately R16 million in bursaries and education assistance. We enrol a sizeable majority of students and candidates from the designated previously disadvantaged groups and continue to make education and social investments in these efforts. The Group utilises a Black Economic Empowerment (BEE) Preferred Procurement Policy and currently spends 31% of its procurement Rand with BEE suppliers.

ENVIRONMENTAL AND HEALTH AND SAFETY

All new property and people development programmes are assessed where necessary through environmental impact studies. ADvTECH also subscribes to the principle that communication and co-operation between the employees and the employer must address health and safety in the workplace. Employees and the employer share the responsibility for health and safety in the workplace. Both parties pro-actively identify dangers and develop control measures to achieve compliance with health and safety legislation requirements.



> SCHOOLS DIVISION

NATURE OF BUSINESS

The ADvTECH Schools Division is dedicated to the education of children and students from infancy to Grade 12. Operating in the Western Cape, Gauteng and KwaZulu-Natal, this division has some 11 000 students in 44 schools. The well-known brands in the division are Crawford, Abbott's College and the Junior College nursery schools. The Crawford Group, comprising 22 Colleges, Preparatory and Pre-Primary Schools, is the most well known schools group in the country.

The unique Career Targeting (ACT) approach of the Abbott's Colleges has markedly improved students' academic results and made Abbott's schools one of the top feeder schools for the University of Cape Town, especially in the faculties of Media, Architecture and Engineering.

Situated in Cape Town, Sandton, East Rand and Pretoria, the 20 Nursery Schools of the Group cater for children from the age of 6 weeks to 6 years. The strength of these schools is in their accessibility to the local community and their capacity to care for children throughout the year, not just during school term time.

REVIEW OF OPERATIONS

The division had a successful year with an increase in revenue and profitability, notwithstanding a marginal increase of 2,5% in enrolments.

In delivering value for money to our pupils, all the schools in the Group place a non-negotiable emphasis on "A Commitment to Excellence". This was not only apparent with the outstanding Matric results in the Colleges, but also in the Preparatory, Pre-Primary and Nursery Schools, where well researched and benchmarked educational programmes ensured that students were afforded the best possible education.

> Crawford

Academically, the Crawford Schools had an exceptional year, with their 500 matriculants obtaining an average of 2,2 distinctions per candidate. The Sandton School was the top independent school in the Gauteng Department of Education and Crawford students were well represented in the top 20 candidates in their provinces. In addition, the final year students wrote a number of international exit examinations, ensuring that they were well prepared for their final Matric examinations and were adequately benchmarked against international standards.

Crawford Preparatory Schools and Colleges excelled in various local academic competitions. Students continue to be benchmarked in English, Mathematics, Science and Computer Science against some 500 000 other students in over 19 countries. In all cases Crawford students did well, proving that their educational standards are comparable to the best in the world.

On the sports and cultural fields students represented their schools at local, district, provincial and national level. The depth of talent amongst students ensured that Crawford were represented in almost every single competition and discipline.

During 2002 the construction of the Lonehill Preparatory campus was completed and the expansion of the campus at the Fourways Junior Preparatory School was started, which will see it grow into a full Preparatory School from Grades 1 – 7.

> Abbott's Colleges

The Abbott's Colleges had another successful year with the Claremont and Milnerton campuses both working at close to full capacity. The popularity of the Colleges in the Cape Town area led to the opening of a further campus in Durbanville, which opened for enrolment in November 2002. Of the 338 Matric students in 2002, 277 achieved full exemption, with four candidates receiving six or more distinctions and 27 candidates achieving "A" aggregates in total.

> Junior Colleges

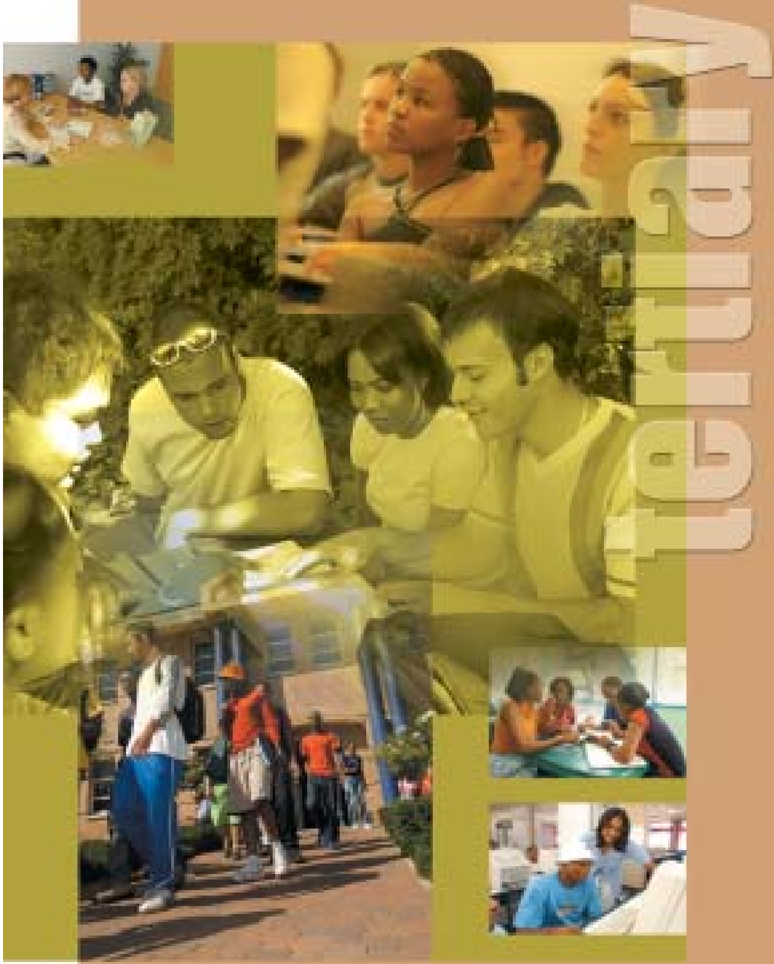
The nursery schools also showed pleasing growth during the year. The sale of one school and the opening of three others, including one at the Inkosi Albert Luthuli Community Hospital in KwaZulu-Natal, consolidated the portfolio.

PROSPECTS

The Abbott's College brand is entering a growth phase with the opening of further Colleges in other main centres in the years to come.

Although the nursery schools were vulnerable to the effects of the opening of Grade R classes in the State schools, this appears to have stabilised and overall student numbers have remained constant.

The achievements of this division are due to the efforts of the dedicated, professional employees of the various brands. This human capital is constantly developed through training programmes, and encouraged to improve service delivery in all areas. The Crawford Schools are proud to be the only educational institution selected by the Department of Manpower to be part of the pilot project in Investors-in-People, a programme that ensures the adoption of best practice procedures in all aspects of human resources.



> TERTIARY DIVISION

NATURE OF BUSINESS

ADvTECH consolidated the management of its Tertiary Education business units into one division. This consolidation has allowed for rationalisation and greater cohesion in terms of centralising certain academic, financial, human resources and support functions. Additionally a strategic decision was made to merge some of the smaller campuses to ensure that the divisional focus is on fewer more profitable business units with greater critical mass.

The division now comprises three multi-disciplinary brands being Varsity College incorporating Global School of Business, College Campus and Rosebank College incorporating IMD & Imperial Underwood College. These brands offer lecture support to various externally examined degree and diploma programmes (known as agency based programmes), as well as the division's own certificate and diploma programmes. Programmes vary from the UNISA BCom and BA degrees to the IMM Marketing Management Diploma, the PRISA Public Relations qualifications and numerous management, hospitality and leisure, travel and tourism courses as well as a range of IT programmes covering engineering, networking, programming, web and graphic design.

The division also includes Vega: The Brand Communication School, which is a niche brand, focused mainly in the advertising industry, offering courses in Copy-writing, Diplomas in Creative Communications and Brand Contact Management.

Guidelines and MAST Bookshops also fall under this division. The Guidelines Study Aids focus on the provision of study guides and past examination papers for Grades 10, 11 and 12 and cover a wide variety of subjects and titles. MAST Bookshops operate a retail bookstore and also supply this division with educational material.

REVIEW OF OPERATIONS

All brands performed well against budgeted EBITDA with the exception of Guidelines that was adversely affected by the CNA liquidation. The consolidated performance of the division saw it perform ahead of budget with solid growth over 2001. The campuses showed real student growth despite tough economic times.

Students from Varsity College achieved first places in the final examinations of the Chartered Institute of Secretaries & Administrators (CIS) in May and October 2002, as well as several individual subject prizes. A student from Varsity College was the 2002 top IMM Graduate in the Western Cape and the recipient of the Pick 'n Pay trophy for the top Western Cape Student.

Varsity College has emerged as a market leader in terms of delivery of quality full time programmes on a national basis. The part time division showed significant growth in 2002.

Students from Rosebank College achieved the Top Student of the Year in the country for the Certificate in Business Administration (IBS).

Vega has become recognised as an industry leader with full time and part time programmes as well as corporate training. Growth demand has led to the establishment of a new initiative namely The Vega Imagination Lab located in both Johannesburg and Durban.

Over the last number of years, the Minister of Education has embarked on a process to ensure that all public and private tertiary education providers offer quality and relevant education from campuses that are appropriately resourced and conducive to learning.

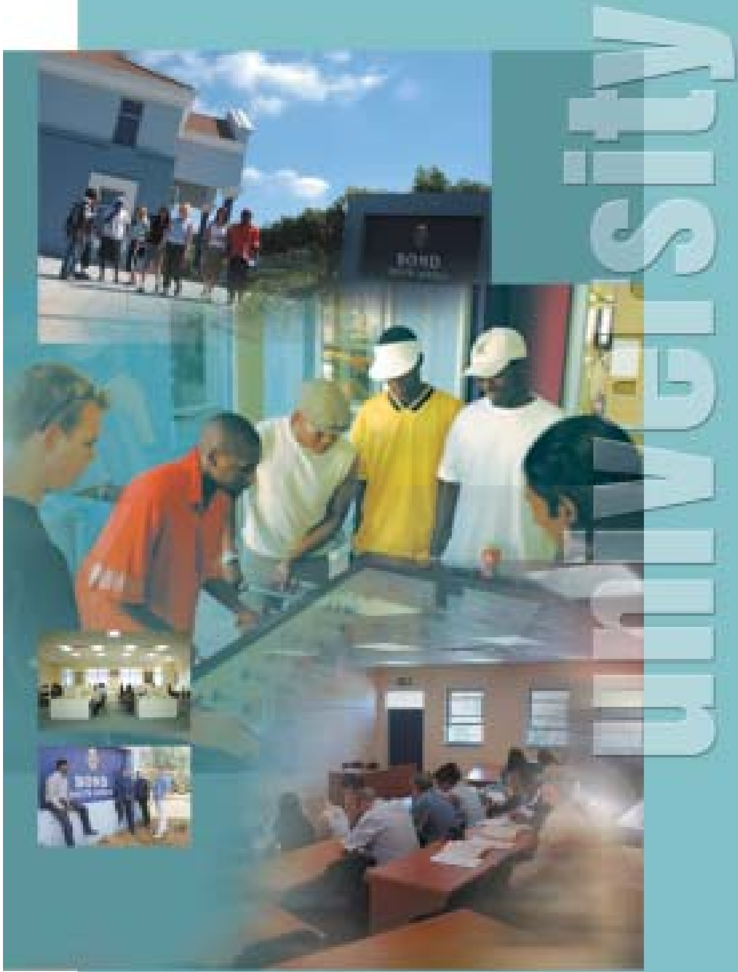
This process has been a long, yet beneficial one, and to date all ADvTECH campuses have received conditional accreditation.

The division continues to work closely with the Department of Education to ensure that current and new full time and part time programmes, either at a Higher Education Training or Further Education Training level, are accredited through the Council for Higher Education or other appropriate education and training quality assuring bodies.

PROSPECTS

A number of new courses are set to be launched in 2003 and an increase in student numbers is expected. Varsity College continues to be the largest college offering support programmes to UNISA students and is set to expand its campus facilities in Durban. The new Vega Imagination Labs established in Durban and Johannesburg and a new Rosebank College campus in the East Rand are indicative of the demand for the various programmes offered by these brands. College Campus, which was previously an IT College only, has launched five non-IT programmes for the 2003 academic year.

The continued need from learners demanding quality education together with the positive manner in which the division has engaged and worked with the government bodes well for a regulated public and private tertiary education system in which ADvTECH will play a significant role.



> UNIVERSITY DIVISION

NATURE OF BUSINESS

Bond South Africa is the South African campus of Bond University, Australia. Degrees are offered in the Schools of Business, Information Technology and Humanities and Social Sciences. At present, the Masters in Business Administration is the only postgraduate degree offered.

It is the aim of Bond South Africa to contribute to the diversity of the Higher Education system in South Africa as well as assist in meeting the country's human resources and skills needs by providing innovative high quality programmes.

REVIEW OF OPERATIONS

Significant progress has been made with respect to the management and administration of Bond SA and the relationship with Bond University Australia. The restructuring and transformation has resulted in renewed strategic and operational clarity. The management team was strengthened through the appointment of Professor Dolina Dowling (PhD) as Pro Vice-Chancellor, Dr Charles Freyson as Registrar, Dr Jennifer Wilkinson as Head of the School of Humanities and Social Sciences and Dr Edwin Anderssen as Head of School of Information Technology.

As well as ensuring that high-quality teaching and learning continued, the other core functions of a university being research and community service, were addressed. Research focus areas were identified and will be further developed. In conjunction the following are to be implemented:

> An academic staff development scheme that will assist academics in gaining PhDs.
> The development and implementation of a seminar series. The aim of which is to stimulate interest in research as well as encourage the cross-fertilisation of ideas.
> The establishment of a dedicated research fund that will support conference attendance, research capacity building initiatives and provide research grants.

During the year Bond South Africa responded to the challenge of developing outreach programmes in line with national objectives and has identified a number of projects such as teaching Information Technology at historically disadvantaged schools and assisting in kick-starting small entrepreneurial ventures with previously disadvantaged individuals. This, together with the formation of a Philosophy Café, where the aim is to encourage critical thinking under the guidance of philosophers has seen an increase in enthusiasm and pride in the growing Bond culture.

During 2002, the library facilities both in terms of space for study and resource materials were extended. New computers were also installed to ensure greater access to digital resources. A third, purpose focused academic building was opened in January 2002 and a Student Centre was acquired and became operational in September 2002.

Two graduation ceremonies took place during the year at which the Vice-Chancellor, Professor Ken Moores, conferred Bond University Australian degrees.

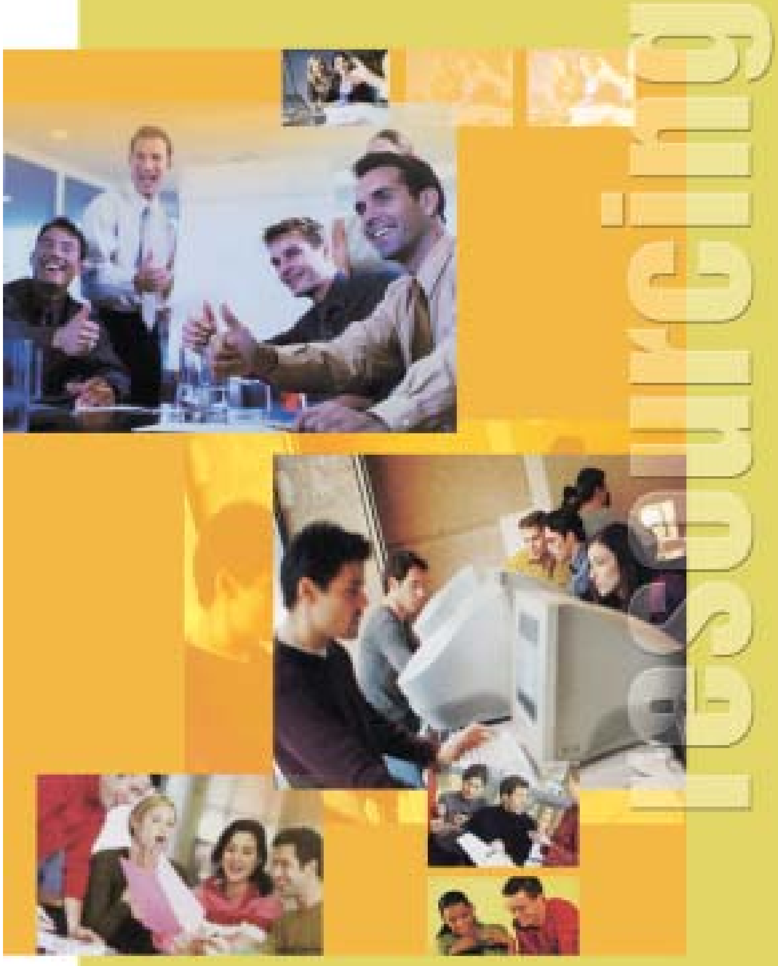
> 94 Bachelor degrees were conferred in April 2002 and;
> 178 Masters degrees were conferred in December 2002.

In 2002, 30 teams representing prestigious Business Schools from around the world gathered at the University of Texas for the finals of the Moot Corps competition, the oldest Business Plan competition in the world. The Bond South Africa team was placed second in their division and achieved an overall Top Ten position. The team beat world-renowned universities such as Carnegie Mellon, London Business School, Oxford University and San Diego State University. This has resulted in Bond South Africa receiving a much-coveted invitation to participate in the 2003 competition.

During August 2002, a high level team from the Council of Higher Education visited the campus to investigate the quality of Bond South Africa as an institution of higher learning. Issues such as Bond's quality assurance mechanisms and the evaluation thereof, as well as administrative and academic matters were explored. The outcome of the visit was most satisfactory and gives assurance of the quality of higher education provided by Bond.

PROSPECTS

Improved operational and administrative focus and continual upgrading of academic staff and programmes, rather than a growth of student numbers in 2002, has placed the university firmly on track to be a leader in excellent quality higher education. Bond South Africa will continue with this process in the new year and will contribute to the Group's results on the same basis for 2003.



> RESOURCING DIVISION

NATURE OF BUSINESS

The restructured ADvTECH Resourcing Division consists of the Group's recruitment operations in South Africa as well as Corporate College International and Mast Publications.

The recruitment brands in this division include; Brent Personnel, Network Recruitment, Insource Group, Cassel & Co, Communicate Personnel and empowerment company, Kapele Appointments. The Brent brand enjoys strong awareness in the office support arena, while Communicate, Network and Insource are well-known players in the financial and IT recruitment markets for permanent staff.

Corporate College International (CCI) is accredited as a training provider by the Education, Training and Development Practices (ETDP) SETA and was chosen as a pilot site for Investors-in-People. CCI offers Skills Development Facilitator, Assessor, Moderator and other associated courses up to NQF Level 5.

Mast Publications markets and sells worldwide subscriptions to magazines, periodicals, journals, newspapers and the like, to individuals, companies and government agencies.

REVIEW OF OPERATIONS

Major change and renewed energy flowed from the restructuring of the division.

Not reflected in the performance as reported for the year is the turnaround achieved in the second six months by a new and committed management team. Improved operational methodologies and a closer, more strategic approach to the recruitment market have been the focus of management, the benefits of which are now starting to become evident.

Disappointing trading results in a very difficult business climate and the complexities of managing a relatively small business in Australia led to the decision at mid-year to exit the recruitment business there. During the second six months one of the businesses, Qantum, was sold back to the vendors and the remaining two, Crowe and Chisholm were closed. The closure costs have been fully provided for in the year under review.

The Recruitment Division is ensuring the retention of its leadership position in the IT market for permanent placements, and will seek to increase its market share within the finance, engineering and office support sectors. A further aim in the next period is to increase the relative contribution of temporary and contracting staff to the division.

Under new management CCI has positioned itself in the education and training field to provide a service to Sector Education and Training Authorities (SETA's) and to enable business to deliver on their national training targets. Strategic alliances with professional bodies such as City and Guilds and the South African Quality Institute have been formed to provide for higher levels of quality and thus support the required accreditation requirements.

PROSPECTS

The key to being successful in the mature recruitment market, where the product offering is viewed as being similar to those of many other competitors, is to offer clients meaningful added value in a unique manner. Achieving this differentiation through the operational and strategic initiatives outlined above, will be the goal of the Recruitment Division in 2003. While there are few convincing signs that the promised economic recovery in South Africa is under way, the division has started 2003 with a better prepared, more motivated and focused team.

CORPORATE GOVERNANCE REPORT

The board of ADvTECH Limited is committed to achieving and upholding good corporate governance and subscribes to the values as set out in the second King Committee's Code of Corporate Practice and Conduct. Whilst acknowledging that full compliance with all the provisions of King II will evolve over time, the board is confident that the Group is compliant in all material aspects. The Group complies with all the provisions of the JSE Securities Exchange SA Listings Requirements.

Board of directors

ADvTECH has a unitary board structure with four executive and six non-executive directors, three of whom are independent. The roles of chairman and CEO are separate, each with clearly defined responsibilities.

The board as a whole considers the appointment of new directors. When a new director is considered a sub-committee evaluates suitable candidates, submits the nomination and assists the board in the process of appointment. One third of all directors (excluding the CEO) retire by rotation annually, and any director (including the CEO) appointed by the board are subject to election by shareholders at the first opportunity after their initial appointment. No director holds any fixed term contract and all executive directors have standard employment contracts, with a maximum of three months notice on termination.

During the year under review Mr Borkum, a director retiring by rotation, did not stand for re-election due to his commitments as Chairman of the JSE. Mr Ferreira's appointment to the board on 6 March 2002 was confirmed by shareholders at the annual general meeting of the company held on 25 June 2002. On 1 August 2002 Mr Thompson was appointed as CEO of the Group, subject to shareholders' approval at the next annual general meeting.

The board meets a minimum of six times per year, and seven meetings were held during the financial year under review. The following table indicates the attendance at meetings by the directors:

Number of meetings held 7

Directors	Meetings attended
C Bomela	4
JNP Booyens	6
HF Brown	7
BD Buckham	7
HJ Borkum *	2
CN Duff	7
DK Ferreira **	7
DL Honey	7
HR Levin	6
MI Sacks	4
FR Thompson**	4

* Retired by rotation
** Appointed during the year

All directors have access to the advice and services of the Group secretary, whose appointment is in accordance with the provisions of the Companies Act, and who is responsible to the board for ensuring the proper administration of board meetings. Details of the Group secretary appear on page 2. The directors are entitled to seek independent professional advice in the furtherance of their duties, and have unrestricted access to management and all company property, information and records that they may require.

The board retains overall accountability and is responsible to all stakeholders for the proper management and effective control of the Group. The board has delegated to the CEO and the executive committee authority to run the day-to-day affairs of the Group. In addition the board has also created audit, remuneration and litigation committees to enable it to properly discharge its duties and responsibilities.

The board and its committees are supplied with full and timely information ensuring that relevant facts are brought to the attention of directors. Each sub-committee operates within specific and written terms of reference under which certain functions of the board are delegated with defined purposes, duties and reporting procedures. Chairmen of sub-committees are required to attend annual general meetings to answer any questions raised by shareholders.

The main operating divisions of the Group have established board and committee structures to ensure the maintenance of standards and best practice in respect of corporate governance and internal controls.

Group executive committee

The executive committee (EXCO) consists of the four executive directors as well as Mr A Isaakidis, Dr D Dowling and Mr S Schwanzer. The executive committee meets approximately fortnightly and is empowered and responsible for implementing strategies and policies determined by the board. It is responsible for the day to day managing of the business and affairs of the Group within a defined approvals framework.

Board committees

Remuneration committee

MI Sacks (Chairman), HF Brown

The remuneration committee is composed entirely of non-executive directors. In keeping with corporate governance principles the CEO attends meetings but is not entitled to vote, nor to participate in discussions regarding his own remuneration. During the year the committee met to determine the remuneration packages for executive directors, executives and other senior managers of the Group. The Group's philosophy is to set remuneration at realistic levels in order to retain and attract the directors and executives needed to run the Group successfully. A proportion of their remuneration is in the form of performance linked incentives.

Directors' fees have traditionally been approved by the board and ratified by shareholders at the annual general meeting. From the new financial year the remuneration committee will recommend directors' fees to the board for consideration and approval.

Audit committee

MI Sacks (Chairman), HF Brown, HR Levin

The audit committee consists exclusively of non-executive directors. The CEO, financial director, internal audit manager and representatives of the external auditors attend meetings by invitation. The committee meets five times a year and assists the board in discharging its duties. The audit committee reviews accounting policies and financial information prior to board approval and issue to the public, to ensure that all financial reports comply with South African Statements of Generally Accepted Accounting Practice. It also reviews the internal and external audit plans and the adequacy and effectiveness of accounting systems and internal controls.

Litigation committee

BD Buckham (Chairman), HF Brown, HR Levin, MI Sacks

The litigation committee was established by the board during the year and delegated the responsibility of dealing with all major litigation matters affecting the Group. This frees executive directors to deal with matters relating to the management of the Group and not have to spend undue time on litigation issues. The chief executive officer and group legal manager attend litigation committee meetings by invitation.

ACCOUNTABILITY AND INTERNAL AUDIT

The board is responsible for the Group's internal accounting and administration controls, which are reviewed regularly by the audit committee for effectiveness. These controls are designed to provide reasonable, but not absolute, assurance as to the integrity and reliability of financial information, to safeguard assets and to prevent and detect errors and fraud. Key elements of the Group's internal financial controls are:

– A comprehensive system of financial reporting based on budgets and forecasts allows management and the board to monitor the financial objectives and progress for the period.
– Internal control is maintained through the proper delegation of responsibility within a clearly defined approval framework.
– The capital investment programme is subject to stringent formalised review procedures.

Internal audit

The internal audit function monitors the appropriateness, adequacy and efficiency of the internal control systems and reports findings and makes recommendations to the audit committee. Corrective action is taken to address control deficiencies as and when they are identified.

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

Internal audit is independent of management and the internal audit manager has unrestricted access to the chairman of the audit committee.

Risk management

The board is responsible for ensuring that adequate procedures and processes are in place to identify, assess, manage and monitor key risks.
The annual self assessment of risk, which analyses key business risks and the controls in place to mitigate these risks, was conducted during October and November, and reported on to EXCO and the board. The Group's major assets are insured against loss and the disaster recovery plan will ensure that the business, from an information technology and operational viewpoint, continues with the least amount of disruption.

Financial statements

The directors of ADvTECH Limited accept full responsibility for the preparation of the annual financial statements and have satisfied themselves that these statements fairly reflect the present financial position of the Group. The financial statements have been prepared in compliance with South African statements of Generally Accepted Accounting Practice and the Companies Act of South Africa.

Deloitte & Touche have been engaged as external auditors to express an independent opinion of the financial statements. Their audit is conducted in accordance with South African Auditing Standards and their unqualified report appears on page 21.

Going concern

The Group annual financial statements as set out on pages 22 to 48 have been prepared on the going concern basis, since the directors have every reason to believe that the Group has adequate resources in place to continue in operation for the foreseeable future.

Insider trading

The company has a written policy adopted by the board on insider trading, which states that no director, executive, manager or any employee with "price sensitive information" not available to the general public may deal directly or indirectly in the Group's shares, or during defined closed periods. The Group secretary is responsible for monitoring insider trading and for advising directors and employees of the provisions of this policy.

Directors' interests in contracts

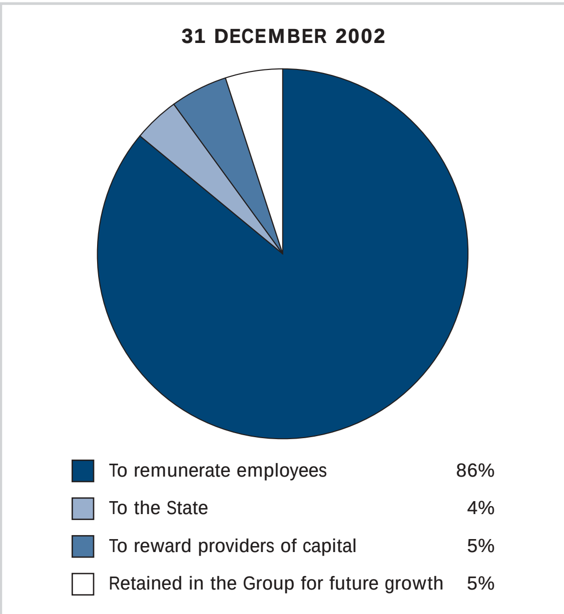
No material contracts involving directors' interests were entered into in the current year. The following is the only contract previously entered into that a director had an interest in:

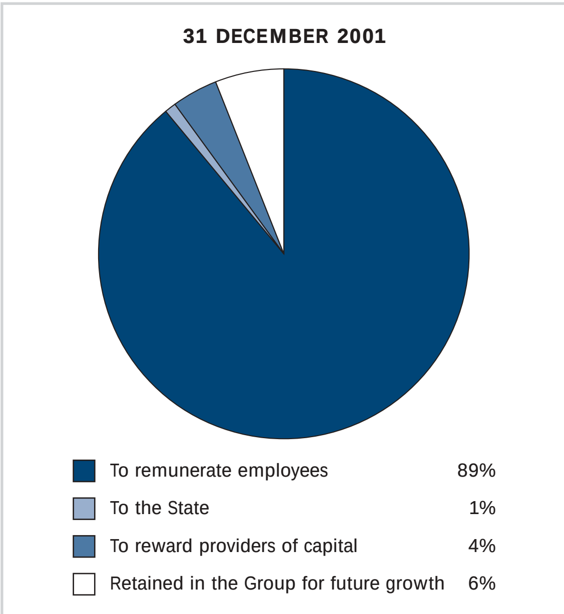
Director	Contract	Company	Date of Contract
BD Buckham	Lease: ADvTECH Education (Pty) Ltd	K2 Properties	1 January 2001

Mr HR Levin is a non-executive director and is a senior partner at HR Levin Attorneys who provide legal services to the Group.

VALUE ADDED STATEMENT for the year ended 31 December 2002

R'000	2002	%	2001	%
Revenue	470 078		515 950	
Cost of providing services	203 691		257 618	
Total wealth created	266 387	100	258 332	100
Applied as follows:				
To remunerate employees				
Salaries, wages and other benefits	229 149	86	228 886	89
To the State				
Government taxation	11 120	4	1 850	1
To reward providers of capital				
Net interest paid	13 891	5	11 615	4
Retained in the Group for future growth				
To maintain the Group – depreciation	17 310	7	17 530	7
Retained loss, net of goodwill impairment	(5 083)	(2)	(1 549)	(1)
	266 387	100	258 332	100





SEGMENTAL REPORTING at 31 December 2002

R'000	Education 2002	Recruitment 2002	Group office 2002	Total 2002
Revenue	368 689	101 389	–	470 078
EBITDA	58 847	(4 593)	1 038	55 292
Continuing operations	61 186	6 668	2 088	69 942
Discontinued operations	—	(6 619)	—	(6 619)
Litigation costs	(2 339)	(4 642)	(1 050)	(8 031)
EBIT	41 093	(6 616)	980	35 457
Continuing operations	43 432	5 183	2 030	50 645
Discontinued operations	—	(7 157)	—	(7 157)
Litigation costs	(2 339)	(4 642)	(1 050)	(8 031)
Loss after taxation	(140 202)	(101 276)	(1 781)	(243 259)
Funds employed				
Property, plant and equipment	306 994	3 468	170	310 632
Development costs	2 169	–	–	2 169
Deferred taxation asset	13 902	23 445	841	38 188
Loan to Share Incentive Trust	–	–	8 106	8 106
Investments	1 128	805	–	1 933
	324 193	27 718	9 117	361 028
Current assets	19 997	23 610	540	44 147
	344 190	51 328	9 657	405 175
Current liabilities	59 434	29 080	1 996	90 510
Total funds employed	284 756	22 248	7 661	314 665

R'000	Education 2001	Recruitment 2001	Group office 2001	Total 2001
Revenue	324 653	191 297	–	515 950
EBITDA	46 008	6 408	(4 948)	47 468
Continuing operations	46 476	11 900	(3 660)	54 716
Discontinued operations	—	2 927	—	2 927
Litigation costs	(468)	(8 419)	(1 288)	(10 175)
EBIT	29 306	3 050	(5 006)	27 350
Continuing operations	29 774	10 277	(3 718)	36 333
Discontinued operations	—	1 192	—	1 192
Litigation costs	(468)	(8 419)	(1 288)	(10 175)
Profit/(loss) after taxation	10 133	(6 166)	(5 212)	(1 245)
Funds employed				
Property, plant and equipment	294 337	4 967	108	299 412
Goodwill	5 462	236 288	–	241 750
Development costs	2 608	–	–	2 608
Deferred taxation asset	17 308	22 398	7	39 713
Loan to Share Incentive Trust	–	–	11 670	11 670
Investments	797	805	–	1 602
	320 512	264 458	11 785	596 755
Current assets	21 225	42 444	905	64 574
	341 737	306 902	12 690	661 329
Current liabilities	51 893	42 316	2 610	96 819
Total funds employed	289 844	264 586	10 080	564 510

APPROVAL OF THE FINANCIAL STATEMENTS

The annual financial statements and Group annual financial statements which appear on pages 22 to 48 were approved by the board on 9 April 2003 and are signed on its behalf by:

HF Brown	FR Thompson	JNP Booyens
Chairman	Chief Executive Officer	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 22 to 48 for the year ended 31 December 2002. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

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

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

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

AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and the Group at 31 December 2002 and the results of their operations and cash flows for the year then ended in accordance with Statements of South African Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

Deloitte & Touche

Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (SA)
9 April 2003

CERTIFICATE BY SECRETARY

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

LJ Gomes (ACIS)
Group Secretary

DIRECTORS' REPORT for the year ended 31 December 2002

NATURE OF BUSINESS

The ADvTECH Group is one of the largest diversified education, training and placement groups in South Africa. It is listed in the "Support Services – Education, Business Training & Employment Agencies" sector of the JSE Securities Exchange South Africa ("JSE"). The Schools Division, Tertiary Division and University Division offer quality education from pre-primary to diploma, degree and post-graduate levels. The Recruitment Division is a significant force in niche areas of the placement industry.

FINANCIAL RESULTS

The results for the year ended 31 December 2002 are set out in the financial statements and a full commentary thereon is provided in the Chairman and CEO's Report.

Restatements and changes in accounting policy

1. Buildings are depreciated in accordance with AC 123, previously no depreciation was charged. Accordingly, this has resulted in an accounting policy change, which affected prior year comparatives.
2. Prepayments were previously raised for expenses incurred in the current year, which related to income generated in the following year. Prepayments are now raised only in respect of payments made in the current year, for which the goods or services will be delivered in the following year. Accordingly, this has resulted in an accounting treatment change, which affected prior year comparatives.

Financial effect of accounting policy change and the change in accounting treatment of prepayments:

R'000	2002	2001	Prior to 2001
Depreciation	(1 685)	(1 568)	(1 873)
Prepayments	(1 608)	481	(7 397)
	(3 293)	(1 087)	(9 270)
Tax effect thereon	482	(144)	2 219
Net impact on earnings	(2 811)	(1 231)	(7 051)

There have been various changes in accounting and reporting requirements applicable to the Group, which have necessitated the restating of the Group's results for the year and comparative figures. The following table illustrates the headline earnings effect of the restatements and the regulation concerned.

	2002	2001
	Rm	Rm
Headline earnings on 2001 basis	31,2	24,2
Headline earnings per share – cents	*8,0*	*6,2*
Increase in HEPS	*29%*	
Effects of SAICA Circular 7		
Discontinued operation – operating loss	(0,4)	–
Litigation costs	(8,0)	(10,2)
Restructuring costs	–	(0,4)
Tax effect of above items	1,0	1,8
Depreciation of buildings (AC 123)	(1,7)	(1,6)
Pre-paid expenses after tax (AC 000)	(1,1)	0,4
Headline earnings on current basis	21,0	14,2
Headline earnings per share – cents	*5,3*	*3,6*
Increase in HEPS	*47%*	

SHARE CAPITAL

The movement in the number of issued ordinary shares during the year was as follows:

Opening balance 1 January 2002	392 804 065
Final settlement of the purchase price of the business Corporate College International	860 821
Shares in issue 31 December 2002	393 664 886

DIVIDEND

Share code: ADH ISIN code: ZAE 0000 13819

No dividend has been declared for the year ended 31 December 2002. (2001: Nil).

DISPOSAL OF BUSINESS

With effect from 26 September 2002, the Group sold its 70% stake in Qantum Human Resources (Pty) Limited back to the original vendors for $AUD 968 841.

POST BALANCE SHEET EVENTS

The remaining Australian operations of ADvTECH Australia (Pty) Limited, Crowe Associates (Pty) Ltd and Chisholm (Pty) Ltd, were discontinued during the year under review. An administrator was appointed on 5 February 2003, to formally place them in voluntary administration, after attempts to find suitable buyers were unsuccessful.

DIRECTORS AND SECRETARY

Information pertaining to the directors and the secretary appear on pages 2 – 3.

The following changes in directorate occurred during the year under review:

DK Ferreira	Appointed:	6 March 2002
HJ Borkum	Resigned:	25 June 2002
FR Thompson	Appointed:	1 August 2002

In terms of the company's Articles of Association the following directors retire at the forthcoming annual general meeting, and all being eligible, offer themselves for re-election: Messrs C Bomela, JNP Booyens, CN Duff and FR Thompson. Mr Ferreira's appointment was confirmed at the annual general meeting of the company held on 25 June 2002.

DIRECTORS' REMUNERATION (R's)

Executive	Fees	Salary	Bonus	Expense allowances	Other	Provident fund contributions	Total 2002	Total 2001
BD BUCKHAM (7 months)	29 167	870 332	—	114 958	—	73 579	**1 088 036**	1 238 000
HF BROWN (7 months)	40 833	—	—	—	574 560	—	**615 393**	—
JNP BOOYENS	50 000	603 445	105 300	132 700	—	87 855	**979 300**	995 000
R CHILDS	—	—	—	—	—	—	**—**	766 993
CN DUFF	50 000	783 647	300 000	93 120	—	106 567	**1 333 334**	1 269 624
DL HONEY	50 000	802 799	100 000	84 583	—	84 338	**1 121 720**	790 150
R PLIT	—	—	—	—	—	—	**—**	1 612 237
FR THOMPSON	20 833	370 036	167 500	75 000	—	54 965	**688 334**	—
Total Executive	**240 833**	**3 430 259**	**672 800**	**500 361**	**574 560**	**407 304**	**5 826 117**	6 672 004

Non-Executive	Fees	Salary	Bonus	Expense allowances	Other	Provident fund contributions	Total 2002	Total 2001
C BOMELA	50 000	—	—	—	—	—	**50 000**	50 000
HJ BORKUM	25 000	—	—	—	—	—	**25 000**	55 000
HF BROWN (5 months)	62 500	—	—	—	—	—	**62 500**	215 029
BD BUCKHAM (5 months)	20 833	—	—	—	426 360	—	**447 193**	—
DK FERREIRA	41 667	—	—	—	—	—	**41 667**	—
HR LEVIN	60 000	—	—	—	—	—	**60 000**	65 000
MI SACKS	90 000	—	—	—	—	—	**90 000**	35 000
Total Non-Executive	**350 000**	**—**	**—**	**—**	**426 360**	**—**	**776 360**	420 029
Total	**590 833**	**3 430 259**	**672 800**	**500 361**	**1 000 920**	**407 304**	**6 602 477**	7 092 033

Details of share options allocated to directors are detailed in Note 22 of the financial statements.

DIRECTORS' INTEREST

As at 31 December 2002, the directors' beneficial and non-beneficial, direct and indirect interests in the issued share capital of the company was 26,3% (10,5% in 2001) in the aggregate and per director as follows:

Number of shares held

	Beneficially				Non-Beneficially			
Director	**Direct**		**Indirect**		**Direct**		**Indirect**	
	2002	2001	**2002**	2001	**2002**	2001	**2002**	2001
C BOMELA	**–**	–	**–**	–	**–**	–	**–**	–
JNP BOOYENS	**15 000**	15 000	**–**	–	**–**	–	**–**	–
HJ BORKUM**	**250 000**	250 000	**–**	–	**–**	–	**–**	–
HF BROWN	**–**	–	**800 000**	800 000	**–**	–	**–**	–
BD BUCKHAM	**26 392 650**	26 622 650	**2 897 255**	2 667 255	**970 276**	970 276	**–**	–
CN DUFF	**–**	–	**877 514**	877 514	**–**	–	**–**	–
DK FERREIRA*	**–**	–	**–**	–	**–**	–	**62 359 427**	–
DL HONEY	**959 196**	959 196	**–**	–	**513**	513	**–**	–
HR LEVIN	**7 906 427**	7 906 427	**–**	–	**93 573**	93 573	**–**	–
MI SACKS	**–**	–	**–**	–	**–**	–	**–**	–
FR THOMPSON*	**10 000**	–	**–**	–	**–**	–	**–**	–
Totals	**35 533 273**	35 753 273	**4 574 769**	4 344 769	**1 064 362**	1 064 362	**62 359 427**	–

* New director

** Retired by rotation

At the date that this annual report was prepared, none of the current directors of the company had disposed of any of the shares held by them as at 31 December 2002, nor had they acquired any additional shares.

INCOME STATEMENTS for the year ended 31 December 2002

R'000	Notes	GROUP 2002	GROUP 2001	COMPANY 2002	COMPANY 2001
Revenue	2	**470 078**	515 950	**—**	—
Operating profit/(loss) before depreciation and amortisation		**55 292**	47 468	**(183 644)**	(4 947)
Education		**61 186**	46 475	**—**	—
Resourcing – Continuing operations		**6 668**	11 901	**—**	—
Resourcing – Discontinued operations		**(6 619)**	2 927	**—**	—
Central administration		**2 088**	(3 660)	**(182 594)**	(3 660)
Litigation costs		**(8 031)**	(10 175)	**(1 050)**	(1 287)
Depreciation and amortisation	3	**19 835**	20 118	**57**	59
Operating profit/(loss)	3	**35 457**	27 350	**(183 701)**	(5 006)
Net interest (paid)/received	4	**(13 891)**	(11 615)	**(159)**	1 146
Equity accounted earnings		**1 129**	798	**—**	—
Profit/(loss) before exceptional items		**22 695**	16 533	**(183 860)**	(3 860)
Exceptional items	5	**(258 806)**	(18 659)	**(2 621)**	5
Loss before taxation		**(236 111)**	(2 126)	**(186 481)**	(3 855)
Taxation	7	**7 148**	(881)	**(18)**	(1 156)
Loss after taxation		**(243 259)**	(1 245)	**(186 463)**	(2 699)
Attributable to outside shareholders		**(77)**	303	**—**	—
Loss attributable to ordinary shareholders		**(243 182)**	(1 548)	**(186 463)**	(2 699)
Loss per share (cents)	8.1	**(61,8)**	(0,4)		
Headline earnings per share (cents)	8.3	**5,3**	3,6		
Fully diluted loss per share (cents)	8.2	**(61,8)**	(0,4)		
Fully diluted headline earnings per share (cents)	8.3	**5,3**	3,6		

STATEMENTS OF CHANGES IN EQUITY for the year ended 31 December 2002

R'000	Share capital	Share premium	Non-distributable reserves	Retained earnings/ (accumulated loss)	Outside shareholders	Total
GROUP						
Balance at 1 January 2001						
as previously reported	3 928	353 166	27 938	68 146	2 167	455 345
Prior year adjustment – (per Directors' Report)				(7 523)		(7 523)
– taxation				(754)		(754)
Change in accounting policy						
– depreciation of buildings				(3 438)		(3 438)
Change in accounting treatment						
– prepayments				(4 842)		(4 842)
Net loss for the year as previously reported				(317)		(317)
Goodwill written off			(9 936)			(9 936)
Translation reserves			2 369			2 369
Outside shareholders for the year					303	303
Balance at 31 December 2001	3 928	353 166	20 371	51 272	2 470	431 207
Write down of Share Incentive						
Trust loan				(4 856)		(4 856)
Net loss for the year				(243 182)		(243 182)
Translation reserves			(2 140)			(2 140)
Outside shareholders for the year					(77)	(77)
Crowe outside shareholders acquired					(1 234)	(1 234)
Disposal of Qantum					(1 159)	(1 159)
Shares issued to vendors	9	1 934				1 943
Balance at 31 December 2002	3 937	355 100	18 231	(196 766)	—	180 502
COMPANY						
Balance at 1 January 2001						
as previously reported	3 928	353 166	—	6 271	—	363 365
Prior year adjustment – taxation				(755)		(755)
Net profit for the year as						
previously reported				(2 699)		(2 699)
Balance at 31 December 2001	3 928	353 166	—	2 817	—	359 911
Write down of Share Incentive						
Trust loan				(4 856)		(4 856)
Net profit for the year				(186 463)		(186 463)
Shares issued to vendors	9	1 934				1 943
Balance at 31 December 2002	3 937	355 100	—	(188 502)	—	170 535

BALANCE SHEETS at 31 December 2002

R'000	Notes	GROUP 2002	GROUP 2001	COMPANY 2002	COMPANY 2001
ASSETS					
Non-current assets		**361 028**	596 755	**202 229**	406 074
Property, plant and equipment	13	**310 632**	299 412	**170**	108
Intangible assets	14	**2 169**	244 358	**–**	2 621
Investments	15	**1 933**	1 602	**–**	–
Investments in subsidiaries	16			**100 988**	285 670
Loan to Share Incentive Trust		**8 106**	11 670	**8 106**	11 670
Deferred taxation	12	**38 188**	39 713	**841**	7
Indebtedness of holding company and subsidiaries	16			**92 124**	105 998
Current assets		**44 147**	64 574	**540**	905
Inventories	17	**3 842**	4 250	**–**	–
Accounts receivable		**29 413**	44 749	**29**	26
Prepayments		**3 109**	2 154	**509**	62
Taxation		**2 779**	2 870	**–**	815
Cash resources and liquid instruments		**5 004**	10 551	**2**	2
Total assets		**405 175**	661 329	**202 769**	406 979
EQUITY AND LIABILITIES					
Capital and reserves		**180 502**	431 207	**170 535**	359 911
Share capital	9	**3 937**	3 928	**3 937**	3 928
Share premium		**355 100**	353 166	**355 100**	353 166
Non-distributable reserves	10	**18 231**	20 371	**–**	–
(Accumulated loss)/retained earnings		**(196 766)**	51 272	**(188 502)**	2 817
Outside shareholders' interest		**–**	2 470		
Interest bearing debt		**134 163**	133 303	**30 238**	44 458
Interest bearing debt – medium term	11.1 & 11.2	**20 624**	39 989	**–**	–
– short term	11.1 & 11.2	**36 915**	26 155	**–**	–
– bank overdrafts and bankers' acceptances	11.3 & 11.4	**76 624**	67 159	**30 238**	44 458
Current liabilities		**90 510**	96 819	**1 996**	2 610
Accounts payable		**47 820**	58 328	**1 970**	2 554
Provisions	18	**6 742**	6 618	**–**	–
Taxation		**3 843**	–	**–**	–
Vendor claims		**7 333**	8 793	**–**	–
Fees in advance		**24 746**	23 024	**–**	–
Shareholders for dividend		**26**	56	**26**	56
Total equity and liabilities		**405 175**	661 329	**202 769**	406 979

CASH FLOW STATEMENTS for the year ended 31 December 2002

R'000	Notes	GROUP 2002	GROUP 2001	COMPANY 2002	COMPANY 2001
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated/(utilised) by operations	23.1	**39 207**	46 093	**1 039**	(4 947)
Utilised to decrease/(increase) working capital	23.2	**1 200**	43 720	**(16 327)**	34 437
Cash generated/(utilised) by operating activities		**40 407**	89 813	**(15 288)**	29 490
Net interest (paid)/received		**(13 891)**	(11 615)	**(159)**	1 146
Taxation paid	23.3	**(1 689)**	(3 414)	**–**	(65)
Dividends paid	23.4	**(30)**	(11 729)	**(30)**	(11 729)
Net cash inflow/(outflow) from operating activities		**24 797**	63 055	**(15 477)**	18 842
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to property, plant and equipment	23.5	**(33 471)**	(35 383)	**(119)**	(32)
Goodwill and trademarks		**(178)**	(8 949)	**–**	–
Proceeds on disposal of property, plant and equipment		**1 704**	3 615	**–**	5
(Increase)/decrease in investment in joint venture		**(331)**	130	**–**	–
Proceeds on disposal of subsidiary	23.6	**1 863**	–	**–**	–
Net cash outflow from investing activities		**(30 413)**	(40 587)	**(119)**	(27)
CASH FLOWS FROM FINANCING ACTIVITIES					
(Decrease)/increase in medium term interest bearing debt		**(8 598)**	(19 605)	**14 000**	(34 000)
Proceeds from shares issued		**1 943**	–	**1 943**	–
Movement in inter-company loans		**–**	220	**13 873**	(15 132)
Vendor claims settled		**(4 984)**	(2 773)	**–**	–
Net cash (outflow)/inflow from financing activities		**(11 639)**	(22 158)	**29 816**	(49 132)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(17 255)**	310	**14 220**	(30 317)
Cash disposed	23.6	**2 243**	112	**–**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**(56 608)**	(57 030)	**(44 456)**	(14 139)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**(71 620)**	(56 608)	**(30 236)**	(44 456)

Cash and cash equivalents include bankers' acceptances.

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 except for the depreciation on buildings in accordance with AC 123 which resulted in a change in accounting policy and the change in the accounting treatment of prepayments. (Refer Directors' Report page 22).

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 INTERESTS IN JOINT VENTURES

The Group's investment in jointly controlled ventures are incorporated in the financial statements, using the equity method of accounting, from the effective dates of their acquisition until the effective dates of their disposal.

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 statements and cash flow statements are translated at the weighted average rate of exchange for the year. Any translation gains or losses are classified as equity and transferred to the translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

1.4 REVENUE RECOGNITION

1.4.1 REVENUE

Revenue 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, by reference to the principal amount outstanding and the applicable interest rate.

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 PROPERTY, PLANT AND EQUIPMENT

Owned

Property, plant and equipment are stated at historical cost less accumulated depreciation. Land is not depreciated. Depreciation is calculated 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:

Buildings	2%
Computer equipment	33,3%
Furniture, fittings and equipment	10 – 20%
Motor vehicles	20%
Video equipment, courses and masters	33,3%
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, less any identified impairment loss. The capitalisation rate used to determine the borrowing cost capitalised is the prevailing average borrowing rate. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Leased

Assets subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. A lease is classified as a financial lease when, in terms of the lease, the risks and rewards of ownership are transferred to the lessee. These assets are depreciated in accordance with the policy relating to property, plant and equipment. 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 arising prior to 1 September 2000 was written-off directly against the Share Premium account. 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 not exceeding 3 years (previously goodwill was amortised over 20 years), which resulted in a change in estimate. On disposal of a subsidiary the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

1.8.2 TRADEMARKS

Trademarks arising prior to 1 September 2000 were written-off directly against the Share Premium account. Trademarks are measured initially at purchase costs and amortised on a straight line basis over their useful lives.

1.8.3 DEVELOPMENT COSTS

All direct costs prior to January 2000 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 IMPAIRMENT

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Impairment losses are recognised as an expense.

1.10 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. Net realisable value represents the estimated selling price less all estimated costs to completion and costs incurred in marketing, selling and distribution.

1.11 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.

1.12 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. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

1.13 PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be reliably estimated.

1.14 RETIREMENT BENEFITS

The Group operates pension and provident funds to which some employees belong. Both the funds are 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. The company has no liabilities in respect of post retirement medical aid contributions or benefits.

1.15 RELATED PARTY TRANSACTIONS

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

1.16 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 amounts outstanding at year end. 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.

1.17 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. The company and the Group have no significant concentrations of credit risk.

1.18 LIQUIDITY RISK

The Group has significant banking facilities and reserve borrowing capacity including liquid resources.

1.19 COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year as well as the changes in accounting policies and accounting treatments. Details of the accounting policy and accounting treatment changes have been provided in the Directors’ Report (page 22).

R'000	2002	2001
2. REVENUE ANALYSIS		
An analysis of the Group's revenue is as follows:		
Continuing operations:		
Tuition fees	**364 759**	320 314
Placement fees	**53 454**	67 516
Sales of goods and services	**15 300**	13 470
	433 513	401 300
Discontinued operations:		
Placement fees	**36 565**	101 897
Sales of goods and services	**—**	12 753
	36 565	114 650
	470 078	515 950

	GROUP		COMPANY	
R'000	2002	2001	2002	2001
3. OPERATING PROFIT/(LOSS)				
Operating profit/(loss) is stated after taking into account:				
INCOME				
Profit on realisation of property, plant and equipment	**—**	—	**—**	5
Expenses charged out to subsidiary companies	**—**	—	**9 871**	7 839
Exchange rate gains	**2 017**	115	**—**	—
EXPENDITURE				
Auditors' remuneration	**1 030**	1 705	**81**	74
– Current year audit fee	**916**	1 665	**81**	64
– Prior year underprovision audit fees	**102**	38	**–**	10
– Other services	**12**	2	**–**	–
Depreciation of property, plant and equipment	**19 395**	19 762	**57**	59
Owned				
– Land and buildings	**1 685**	1 568	**—**	—
– Computer equipment	**6 539**	6 512	**33**	39
– Furniture, fittings and equipment	**7 931**	7 898	**24**	20
– Motor vehicles	**1 077**	856	**—**	—
– Video equipment, courses and masters	**24**	160	**—**	—
– Leasehold improvements	**2 075**	2 242	**—**	—
Leased				
– Computer equipment	**31**	210	**—**	—
– Furniture, fittings and equipment	**—**	64	**—**	—
– Motor vehicles	**33**	252	**—**	—
Amortisation of development costs	**440**	356	**—**	—

R'000	GROUP 2002	GROUP 2001	COMPANY 2002	COMPANY 2001
3. OPERATING PROFIT/(LOSS) (continued)				
Directors' emoluments	**6 602**	7 092	**4 148**	5 107
– For services as directors	**591**	425	**491**	350
– For managerial and other services	**6 011**	6 667	**3 657**	4 757
Operating lease charges	**24 883**	20 180	**—**	—
– Premises	**21 515**	18 395	**—**	—
– Equipment	**3 368**	1 785	**—**	—
Remuneration for services	**2 582**	2 769	**230**	—
– Administrative services	**801**	142	**155**	—
– Secretarial services	**—**	6	**—**	—
– Managerial services	**1 261**	1 221	**75**	—
– Other services	**520**	1 400	**—**	—
Net loss on sale of property, plant and equipment	**493**	694	**—**	—
Write down of investment	**—**	—	**184 682**	—
Staff costs	**229 149**	227 906	**6 670**	7 604
4. INTEREST				
Interest received	**27 384**	33 928	**11 214**	2 589
Interest paid	**(41 275)**	(45 543)	**(11 373)**	(1 443)
Net interest (paid)/received	**(13 891)**	(11 615)	**(159)**	1 146
5. EXCEPTIONAL ITEMS				
Discontinued operations – Australia (Refer note 6)	**(5 860)**	—	**—**	—
Discontinued operations – Other	**(1 126)**	(9 035)	**—**	—
(Loss)/profit on sale of divisions or assets	**(6 897)**	4 210	**—**	5
Goodwill written down	**(238 099)**	—	**(2 621)**	—
Goodwill amortisation	**(6 824)**	(13 834)	**—**	—
Exceptional items before taxation	**(258 806)**	(18 659)	**(2 621)**	5
Taxation	**(5 375)**	2 918	**—**	(2)
Exceptional items after taxation	**(264 181)**	(15 741)	**(2 621)**	3

During the year, the Group exited its interests in Australia as referred to in note 6. This resulted in a write-down of R14,1 million worth of goodwill arising on the acquisition of these operations.

The useful life of the remaining acquired goodwill (initially assessed as 20 years) was reviewed by the ADvTECH Board, in accordance with AC131 Business Combination, and found to be more appropriately reflected as 3 years from the time of acquisition since this was the period over which the economic benefits arising from goodwill had been and were expected to be consumed. A discounted cash flow calculation was also completed, in accordance with AC128 Impairment of Assets, to consider a potential impairment of goodwill triggered by the operating losses in certain of the Resourcing businesses. This resulted in the accelerated amortisation and impairment of the remaining goodwill of R223,9 million.

6. DISCONTINUED OPERATIONS

On 1 July 2002 the board made a decision in principle to dispose of or close down the Group's Australian operations, which formed part of the Resourcing Division. Pursuant to this decision, the Group's interests in Qantum Technology Recruitment (Pty) Ltd were disposed of on 31 August 2002. (Refer note 23.6). By 31 December 2002 steps had been taken to liquidate the remaining Australian operations, and an administrator was appointed on 5 February 2003.

The results of the Australian operations for the year ended 31 December 2002, which have been included in the consolidated financial statements, are as follows:

	GROUP	
R'000	**2002**	2001
Revenue	**36 566**	57 721
Operating costs	**(43 184)**	(54 914)
EBITDA	**(6 618)**	2 807
Depreciation	**(538)**	(526)
Loan accounts written off	**27 018**	–
Closure costs	**(5 860)**	–
Exceptional items	**(14 263)**	(97)
– Goodwill amortised	**(14 144)**	(97)
– Loss on sale of investment	**(88)**	–
– Loss on sale of assets	**(31)**	–
Finance costs	**(98)**	137
(Loss)/profit before taxation	**(359)**	2 321
Taxation	**103**	(453)
(Loss)/profit after taxation	**(256)**	1 868
Closure costs consist of the following:		
Onerous contracts	**787**	
Retrenchment costs	**2 981**	
Closure costs	**1 652**	
Administrator costs	**440**	
	5 860	
The Australian operations' contribution to the Group's cash flow is summarised below:		
Operating cash flows	**12 597**	
Investing activities	**5 680**	
Financing activities	**(23 523)**	
At the year end the summarised balance sheet of the remaining Australian operations included in the consolidated financial statements was:		
Non-current assets	**18 701**	
Current assets	**3 118**	
Total assets	**21 819**	
Capital and reserves	**13 918**	
Non-current liabilities	**23**	
Current liabilities	**7 878**	
Total equity and liabilities	**21 819**	

R'000	GROUP 2002	GROUP 2001	COMPANY 2002	COMPANY 2001
7. TAXATION				
7.1 Taxation charge				
Current taxation – SA normal	**5 220**	8 412	**815**	(1 148)
– foreign	**(2 807)**	1 069	**—**	—
Deferred taxation	**1 525**	(10 392)	**(833)**	(8)
Prior year taxation	**3 210**	30	**—**	—
Total taxation per the Income Statement	**7 148**	(881)	**(18)**	(1 156)

Estimated taxation losses carried forward at year end were R 55 190 383.

R'000	GROUP SA normal	GROUP Foreign	GROUP Total
7.2 Reconciliation of current taxation charge			
31 December 2002			
Taxation on income at normal rate	(70 668)	(108)	(70 776)
Adjusted for			
Permanent differences	77 320	(2 606)	74 714
Disallowable expenditure	11 062	(6 849)	4 213
Non-taxable income	(2 976)	—	(2 976)
Amortisation of goodwill	69 234	4 243	73 477
Temporary differences	(1 432)	(93)	(1 525)
Allowance for future expenditure	(959)	—	(959)
Deferred and prepaid expenditure	(333)	63	(270)
Income received in advance	760	—	760
Increase in provision for bad debts	(1 464)	71	(1 393)
Capitalised finance leases	(15)	—	(15)
Amortisation of trademarks	(7 020)	—	(7 020)
Estimated taxation losses carried forward	9 509	—	9 509
Other	(1 910)	(227)	(2 137)
Current taxation	5 220	(2 807)	2 413

		GROUP		
R'000		SA normal	Foreign	Total
7.2	**Reconciliation of current taxation charge (continued)**			
	31 December 2001			
	Taxation on income at normal rate	(1 171)	511	(660)
	Adjusted for			
	Permanent differences	23	20	43
	Disallowable expenditure	2 169	20	2 189
	Non-taxable income	(6 296)	–	(6 296)
	Amortisation of goodwill	4 150	–	4 150
	Temporary differences	9 560	538	10 098
	Allowance for future expenditure	(3 423)	–	(3 423)
	Deferred and prepaid expenditure	2 588	(67)	2 521
	Income received in advance	4 611	–	4 611
	Increase in provision for bad debts	348	–	348
	Capitalised finance leases	(37)	(3)	(40)
	Amortisation of trademarks	(4 259)	–	(4 259)
	Estimated taxation losses carried forward	7 048	–	7 048
	Other	2 684	608	3 292
	Current taxation	8 412	1 069	9 481

		COMPANY	
R'000		**2002**	2001
	Reconciliation of current taxation charge		
	Taxation on income at normal rate	**(55 944)**	(1 910)
	Adjusted for		
	Permanent differences	**55 926**	754
	Disallowable expenditure	**56 218**	754
	Non-taxable income	**(292)**	–
	Temporary differences	**833**	8
	Prepayments	**(134)**	(18)
	Provision for leave pay	**(3)**	26
	Estimated taxation losses carried forward	**970**	–
	Current taxation	**815**	(1 148)

R'000	GROUP 2002	GROUP 2001	COMPANY 2002	COMPANY 2001
8. EARNINGS PER SHARE				
8.1 Loss per share				
Loss per share has been calculated on loss attributable to ordinary shareholders of R243 182 439 (2001: R1 548 123) and the weighted average number of shares in issue during the period of 393 664 886 (2001: 392 804 065).				
Loss attributable to ordinary shareholders per Income Statement	**(243 182)**	(1 548)		
Weighted average number of shares in issue ('000)	**393 665**	392 804		
Loss per share (cents)	**(61,8)**	(0,4)		
8.2 Fully diluted loss per share				
There is no dilution of earnings (2001: 0,01 cents per share) arising from the potential future issue of shares to settle the purchase price of acquisitions.				
Fully diluted shares ('000)	**393 665**	393 665		
Fully diluted loss per share (cents)	**(61,8)**	(0,4)		
8.3 Headline earnings per share				
Loss attributable to ordinary shareholders per Income Statement	**(243 182)**	(1 548)		
Exceptional items – Gross (Refer note 5)	**258 806**	18 659		
– Taxation (Refer note 5)	**5 375**	(2 918)		
Headline earnings	**20 999**	14 193		
Headline earnings per share (cents)	**5,3**	3,6		
Fully diluted headline earnings per share (cents)	**5,3**	3,6		
9. SHARE CAPITAL				
Authorised				
500 000 000 shares of 1 cent each (2001: 500 000 000 shares of 1 cent each)	**5 000**	5 000	**5 000**	5 000
500 000 000 N shares of 0,01 cent each (2001: 500 000 000 N shares of 0,01 cent each)	**50**	50	**50**	50
	5 050	5 050	**5 050**	5 050
Issued				
393 664 886 shares of 1 cent each (2001: 392 804 065 shares of 1 cent each)	**3 937**	3 928	**3 937**	3 928
	3 937	3 928	**3 937**	3 928

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

R'000	GROUP 2002	GROUP 2001	COMPANY 2002	COMPANY 2001
10. NON-DISTRIBUTABLE RESERVES				
Comprising:				
Foreign currency translation reserve	**2 116**	4 278	**—**	—
Deferred taxation on trademarks written off against shareholders' equity	**16 115**	16 093	**—**	—
	18 231	20 371	**—**	—
11. INTEREST BEARING DEBT				
11.1 Instalment sale and finance lease agreements				
Secured by motor vehicles, furniture and fittings and computer equipment having a net book value of R8 963 901 (2001: R2 349 123)	**10 785**	3 008	**—**	—
Less: Current portion of long term liabilities	**(3 349)**	(850)	**—**	—
	7 436	2 158	**—**	—
The liabilities bear interest at rates varying between prime overdraft rate and prime plus 1% per annum and are payable in monthly instalments of R389 815 (2001: R179 776) including interest.				
11.2 Compulsory convertible loan				
Secured by security bonds over properties having a cost of R261 087 479 (2001: R240 141 937)	**46 754**	63 136	**—**	—
Less: Current portion of loan	**(33 566)**	(25 305)	**—**	—
	13 188	37 831	**—**	—
The loan is repayable bi-annually, bearing a variable interest rate, currently 15,46% (2001: 12,5%).				
Total medium term liabilities	**57 539**	66 144	**—**	—
Less: Current portion	**(36 915)**	(26 155)	**—**	—
Net medium term liabilities	**20 624**	39 989	**—**	—
11.3 Bankers' acceptances	**30 000**	79 000	**20 000**	34 000
The bankers' acceptances bear interest (at the base rate plus an administration charge) which varies between 13,9% and 16,55% (2001: 12,5% and 13,25%).				
11.4 Bank overdrafts	**46 624**	(11 841)	**10 238**	10 458
Overdraft balances bear interest at the prime rate (2001: Prime rate).				
Total bank overdrafts and bankers' acceptances	**76 624**	67 159	**30 238**	44 458

Interest bearing debt comprises a combination of medium term loan agreements and short term finance. Notwithstanding the classification, the facility has been secured by security bonds to facilitate the registration of mortgage bonds over the Group's fixed property.

Per the Articles of Association the company has unlimited borrowing powers.

	GROUP		COMPANY	
R'000	**2002**	2001	**2002**	2001
12. DEFERRED TAXATION				
Opening deferred taxation asset	**39 713**	29 321	**7**	–
Movements during the year	**(1 525)**	10 392	**834**	7
Balance at end of year	**38 188**	39 713	**841**	7
The balance comprises:				
– Prepayments	**(915)**	(645)	**(152)**	(18)
– Allowance for future expenditure (S24C)	**(5 912)**	(4 953)	**–**	–
– Fees received in advance	**7 667**	6 907	**–**	–
– Capitalised finance leases	**127**	142	**–**	–
– Provision for bad debts	**1 174**	3 032	**–**	–
– Doubtful debts allowance	**(293)**	(758)	**–**	–
– Provision for leave pay	**1 313**	1 656	**23**	25
– Trademarks (S11G(a))	**18 864**	25 884	**–**	–
– Estimated taxation loss carried forward	**16 557**	7 048	**970**	–
– Other	**(394)**	1 400	**–**	–
	38 188	39 713	**841**	7

GROUP			Cost		
R'000	1 January 2002	Additions	Disposals	Exchange differences	31 December 2002
13. PROPERTY, PLANT AND EQUIPMENT					
Owned					
Land and buildings	252 805	9 412	(1 335)	205	261 087
Computer equipment	27 496	14 178	(3 511)	(176)	37 987
Furniture, fittings and equipment	42 928	5 514	(2 120)	(254)	46 068
Motor vehicles	5 146	3 599	(1 714)	27	7 058
Video equipment, courses and masters	237	4	—	—	241
Leasehold improvements	27 250	629	(247)	(93)	27 539
	355 862	33 336	(8 927)	(291)	379 980
Leased					
Computer equipment	1 719	—	—	—	1 719
Motor vehicles	226	135	—	—	361
	1 945	135	—	—	2 080
	357 807	33 471	(8 927)	(291)	382 060

			Accumulated depreciation		
	1 January 2002	Depreciation	Disposals	Exchange differences	31 December 2002
Owned					
Land and buildings	3 438	1 685	—	—	5 123
Computer equipment	20 566	6 539	(3 451)	—	23 654
Furniture, fittings and equipment	23 345	7 931	(1 721)	—	29 555
Motor vehicles	2 789	1 077	(1 177)	—	2 689
Video equipment, courses and masters	31	24	—	—	55
Leasehold improvements	6 365	2 075	(99)	—	8 341
	56 534	19 331	(6 448)	—	69 417
Leased					
Computer equipment	1 635	31	—	—	1 666
Motor vehicles	226	33	86	—	345
	1 861	64	86	—	2 011
	58 395	19 395	(6 362)	—	71 428

	Net book value	
	31 December 2002	31 December 2001
Owned		
Land and buildings	**255 964**	249 367
Computer equipment	**14 333**	6 930
Furniture, fittings and equipment	**16 513**	19 583
Motor vehicles	**4 369**	2 357
Video equipment, courses and masters	**186**	206
Leasehold improvements	**19 198**	20 885
	310 563	299 328
Leased		
Computer equipment	**53**	84
Motor vehicles	**16**	—
	69	84
	310 632	299 412

COMPANY

R'000	1 January 2002	Additions	Disposals	31 December 2002
	Cost			
13. PROPERTY, PLANT AND EQUIPMENT				
Owned				
Computer equipment	120	64	—	184
Furniture, fittings and equipment	97	54	—	151
	217	118	—	335

	Opening balance	Depreciation	Disposals	Closing balance
	Accumulated depreciation			
Owned				
Computer equipment	78	33	—	111
Furniture, fittings and equipment	31	23	—	54
	109	56	—	165

	Net book value 31 December 2002	31 December 2001
Owned		
Computer equipment	**73**	42
Furniture, fittings and equipment	**97**	66
	170	108

The register of land and buildings is available for inspection at the registered offices.

Land and buildings have been pledged as security for the general banking facility (Refer note 11).

R'000	GROUP 2002	GROUP 2001	COMPANY 2002	COMPANY 2001
14. INTANGIBLE ASSETS				
14.1 Goodwill				
Carrying value at beginning of the year	**241 750**	274 450	**2 621**	2 621
Plus: Goodwill on acquisition of additional interest in subsidiary	**3 255**	—	**—**	—
Less: Diminution in purchase price	**—**	(7 643)	**—**	—
Goodwill on operations discontinued	**(81)**	(11 223)	**—**	—
Write downs	**(238 099)**	—	**(2 621)**	—
Amortisation for the year	**(6 824)**	(13 834)	**—**	—
Carrying value at end of the year	**1**	241 750	**—**	2 621
14.2 Development costs				
Carrying value at beginning of the year	**2 608**	2 964	**—**	—
Amortisation for the year	**(440)**	(356)	**—**	—
Carrying value at end of the year	**2 168**	2 608	**—**	—
14.3 Total intangible assets carrying value at end of the year	**2 169**	244 358	**—**	2 621

R'000	GROUP 2002	GROUP 2001	COMPANY 2002	COMPANY 2001
15. INVESTMENTS				
15.1 Unlisted shares at cost less amounts written off:				
– 26% (2001: 26%) (39 100 shares) interest in Rhino Management (Pty) Ltd Directors' valuation	**722**	722	**–**	–
– 5,8% (2001: 5,8%) (2 500 shares) interest in Weimershoek No 81 (Pty) Ltd Directors' valuation	**82**	82	**–**	–
15.2 Joint venture				
– 60% (2001: 60%) proportional share interest in the Varsity College/St Charles College joint venture	**1 129**	798	**–**	–
	1 933	1 602	**–**	–
15.2.1 The Group's proportionate share of the assets and liabilities of the joint venture is as follows:				
Property, plant and equipment	**801**	913	**–**	–
Current assets	**1 538**	915	**–**	–
	2 339	1 828	**–**	–
Deduct: Current liabilities	**(1 210)**	(1 030)	**–**	–
	1 129	798	**–**	–
15.2.2 The Group's proportionate share of the results of the joint venture is as follows:				
Revenue	**4 371**	3 602	**–**	–
Income before taxation	**1 129**	798	**–**	–
15.2.3 The Group's proportionate share of cash flow of the joint venture is as follows:				
Cash inflow from operating activities	**728**	339	**–**	–
Cash outflow from investing activities	**(20)**	(211)	**–**	–
Cash (outflow)/inflow from financing activities	**(43)**	1	**–**	–
	665	129	**–**	–

	Issued share capital 31 Dec 2002 R	Issued share capital 31 Dec 2001 R	Proportion held directly or indirectly 31 Dec 2002 %	Proportion held directly or indirectly 31 Dec 2001 %	Interest of holding company Shares 31 Dec 2002 R'000	Interest of holding company Shares 31 Dec 2001 R'000	Interest of holding company Owing 31 Dec 2002 R'000	Interest of holding company Owing 31 Dec 2001 R'000
16. INVESTMENTS IN SUBSIDIARIES								
– Holding company								
Direct								
ADvTECH Education (Pty) Ltd	**2**	2	**100**	100	**41 228**	41 228	**84 877**	99 655
ADvTECH Resource Holdings (Pty) Ltd	**3 150 023**	3 150 023	**100**	100	**59 760**	244 442	**7 247**	6 343
Indirect								
ADvTECH Training (Pty) Ltd	**2**	2	**100**	100	**–**	–	**–**	–
Strategic Connection (Pty) Ltd	**100**	100	**100**	100	**–**	–	**–**	–
Learntron (Pty) Ltd	**310 010**	310 010	**100**	100	**–**	–	**–**	–
Time Systems 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	**–**	–	**–**	–
Kapele Appointments (Pty) Ltd	**100**	100	**70**	100	**–**	–	**–**	–
TimeMaster (Pty) Ltd	**100**	100	**100**	100	**–**	–	**–**	–
Triumph Holdings Ltd (2)	**4**	4	**100**	100	**–**	–	**–**	–
Crowe Associates (Pty) Ltd (1)	**16**	16	**100**	80	**–**	–	**–**	–
ADvTECH Australia (Pty) Ltd (1)	**10**	10	**100**	100	**–**	–	**–**	–
Chisholm (Pty) Ltd (1)	**9**	9	**100**	100	**–**	–	**–**	–
Qantum (Pty) Ltd (1)	**433**	433	**–**	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 (Pty) Ltd	**150**	150	**100**	100	**–**	–	**–**	–
					100 988	285 670	**92 124**	105 998

Results of the subsidiaries so far as it concerns members of the company: Aggregate loss after taxation R105 million (2001: R7 million). All companies are incorporated in the Republic of South Africa except as indicated (1) Australia (2) British Virgin Islands.

R'000	GROUP 2002	GROUP 2001	COMPANY 2002	COMPANY 2001
17. INVENTORIES				
Books	**3 658**	3 279	**—**	—
Time Systems and accessories	**—**	894	**—**	—
Other	**184**	77	**—**	—
	3 842	4 250	**—**	—
Purchases of books included in cost of sales during the year	**4 930**	5 209	**—**	—

R'000	GROUP Discontinued operations	GROUP Computer projects	GROUP Total
18. PROVISIONS			
At 1 January 2002	5 746	872	6 618
Additional provision raised	4 060	—	4 060
Utilisation/release of provision	(3 064)	(872)	(3 936)
At 31 December 2002	6 742	—	6 742

The provision for discontinued operations includes onerous rental contracts and other closure costs in respect of the discontinued operations.

The computer project provision was created for the upgrade of the computer software utilised in the Recruitment Division.

19. FOREIGN CURRENCY EXPOSURE

19.1 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	**2002 Foreign currency '000**	2001 Foreign currency '000	**2002 Rand equivalent (at forward cover rate) R'000**	2001 Rand equivalent (at forward cover rate) R'000
Trade credit	US Dollars	**152**	239	**1 388**	2 739
Trade credit	British Pounds	**64**	73	**926**	1 201
Trade credit	Euros	**19**	—	**179**	—
				2 493	3 940

19.2 Uncovered and unhedged foreign liabilities

Nature of monetary item	Foreign currency	**2002 Foreign currency '000**	2001 Foreign currency '000	**2002 Rand equivalent R'000**	2001 Rand equivalent R'000
Trade credit	US Dollars	**3**	14	**32**	167
Trade credit	British Pounds	**1**	5	**12**	91
Trade credit	Euros	**—**	143	**—**	858
				44	1 116

R'000	GROUP 2002	GROUP 2001	COMPANY 2002	COMPANY 2001
20. COMMITMENTS				
20.1 Capital commitments				
Capital expenditure commitments to be incurred				
Capital expenditure approved by the directors:				
Contracted but not provided for	**2 442**	2 827	**–**	–
Not contracted for	**38 052**	7 147	**–**	–
	40 494	9 974	**–**	–
Capital commitments will be financed by existing facilities and working capital.				
20.2 Operating lease commitments				
Commitments under operating leases are as follows:				
Due within one year	**22 504**	15 949	**–**	–
Due thereafter	**86 521**	85 838	**–**	–
	109 025	101 787	**–**	–

21. CONTINGENT LIABILITIES

In terms of the Group's banking arrangement the company has issued to its bankers an unlimited suretyship on behalf of a subsidiary for overdraft facilities granted which, at 31 December 2002, had not been utilised.

22. ADvTECH SHARE INCENTIVE SCHEME (2002)

At the annual general meeting of the company held on 25 June 2002, shareholders approved the rules of the ADvTECH Share Incentive Scheme (2002).

All employees and directors are eligible to participate in the scheme. The amount payable by a participant for share options is the closing price at which shares are traded on the JSE Securities Exchange South Africa on the trading day immediately preceding the offer date. One third of the share options accepted by the participants are exercisable at intervals of 2, 4 and 6 years after the offer date.

Share Incentive Scheme reconciliation of options

Options outstanding on 1 January 2002	17 273 000
Options granted during the year	19 793 160
Exercised	—
Lapsed	(152 500)
Options outstanding at 31 December 2002	36 913 660

Reconciliation of shares owned:	Shares	Loan value R'000
Shares owned by the Trust as at I January 2002	23 499 722	11 606
Shares purchased during the year	5 508 843	1 356
Less: Written off against retained earnings	—	(4 856)
Shares owned by the Trust as at 31 December 2002	29 008 565	8 106

All shares owned by the Trust have been allocated and will be transferred to participants as and when the exercise and payment of options are due. In the event that the Trust does not own sufficient shares to issue to participants, new shares will be issued from the unissued share capital of the company, subject to continued shareholders' approval.

The interests of directors in shares in the company provided in the form of options are shown in the table below:

Directors	JNP Booyens	CN Duff	DL Honey	FR Thompson
Options held as at 1 January 2002	3 900 000	3 900 000	3 900 000	—
Average exercise price per share (cents)	23,00	23,00	23,00	—
Exercised during the year	—	—	—	—
Lapsed during the year	—	—	—	—
Options granted during the year	3 973 290	3 973 290	3 973 290	7 873 290
Average exercise price per share (cents)	32,00	32,00	32,00	34,50
Options held as at 31 December 2002	7 873 290	7 873 290	7 873 290	7 873 290
Average exercise price per share (cents)	27,54	27,54	27,54	34,50
Expiry date of exercise of all options	15/07/2008	15/07/2008	15/07/2008	15/07/2008

R'000	GROUP 2002	GROUP 2001	COMPANY 2002	COMPANY 2001
23. NOTES TO THE CASH FLOW STATEMENTS				
23.1 Cash generated/(utilised) by operations				
Loss before taxation	**(236 111)**	(2 126)	**(186 481)**	(3 855)
Goodwill amortisation	**6 824**	13 834	**—**	—
Write down of goodwill	**238 099**	—	**2 621**	—
Write down of investment	**—**	—	**184 682**	—
Depreciation and amortisation net of profit and loss on disposal of property, plant and equipment	**20 328**	20 812	**58**	54
Net interest paid/(received)	**13 891**	11 615	**159**	(1 146)
Other	**(3 824)**	1 958	**—**	—
	39 207	46 093	**1 039**	(4 947)
23.2 Utilised to decrease/(increase) working capital				
Decrease/(increase) in inventories	**408**	(644)	**—**	—
Decrease/(increase) in accounts receivable	**8 376**	24 889	**(1 742)**	8
(Decrease)/increase in accounts payable	**(9 306)**	4 107	**(14 585)**	34 429
Increase in fees in advance	**1 722**	15 368	**—**	—
	1 200	43 720	**(16 327)**	34 437
23.3 Taxation paid				
Balance at beginning of year	**2 870**	7 991	**815**	(398)
Adjusted for:				
– prior year adjustments	**—**	(1 034)	**—**	—
– disposal of divisions	**—**	(239)	**—**	—
Current charge	**(5 623)**	(7 262)	**(815)**	1 148
Balance at end of year	**1 064**	(2 870)	**—**	(815)
Cash amounts paid	**(1 689)**	(3 414)	**—**	(65)
23.4 Dividends paid				
Balance at beginning of year	**(56)**	(11 785)	**(56)**	(11 785)
Balance at end of year	**26**	56	**26**	56
Cash amount paid	**(30)**	(11 729)	**(30)**	(11 729)
23.5 Additions to property, plant and equipment				
Land and buildings	**(9 412)**	(19 239)	**—**	—
Computer equipment	**(14 178)**	(4 249)	**(64)**	(26)
Furniture and equipment	**(5 514)**	(9 215)	**(55)**	(6)
Motor vehicles	**(3 599)**	(818)	**—**	—
Video equipment, courses and masters	**(4)**	(60)	**—**	—
Leasehold improvements	**(629)**	(1 710)	**—**	—
Leased assets	**(135)**	(92)	**—**	—
	(33 471)	(35 383)	**(119)**	(32)

R'000	GROUP 2002
23. NOTES TO THE CASH FLOW STATEMENTS (continued)	
23.6 Disposal of subsidiary	
As referred to in note 6, on 31 August 2002 the Group disposed of its interest in Qantum Technology Recruitment (Pty) Ltd.	
The summarised balance sheet of Qantum Technology Recruitment (Pty) Ltd on disposal was:	
Non-current assets	4 814
Current assets	4 713
Total assets	9 527
Capital and reserves	8 447
Non-current liabilities	1
Current liabilities	1 079
Total equity and liabilities	9 527
The net asset value of the company at this date was	8 447
Cash disposed of	(2 243)
Total consideration	6 204
Settled as follows:	
Cash consideration	1 863
Inter-company loan settled	4 341
Cash	6 204
Net cash outflow arising on disposal	
Cash consideration	1 863
Cash disposed of	(2 243)
	(380)

SHAREHOLDERS' ANALYSIS

Range of shareholding	Number of shareholders	% of shareholders	Number of shares	% of total shares
1 to 10 000	2 352	82,9	4 023 468	1,0
10 001 to 100 000	366	12,9	12 153 267	3,1
100 001 to 500 000	54	1,9	13 440 433	3,4
500 001 to 1 000 000	23	0,8	17 343 702	4,4
more than 1 000 000	42	1,5	346 704 016	88,1
	2 837	100	393 664 886	100

To the best knowledge of the directors and after reasonable enquiry, as at 31 December 2002 the spread of shareholders was as follows:

Shareholder spread

Public shareholding	2 824	99,5	176 436 110	44,8
Non-public shareholding	13	0,5	217 228 776	55,2
Directors (including subsidiary directors)	10	0,4	103 504 841	26,3
ADvTECH Share Incentive Trust	1	0,0	29 008 565	7,4
Holding/controlling 10% or more	2	0,1	84 715 370	21,5
Total of all shareholders	2 837	100	393 664 886	100

Major shareholders

According to the information available to the company after reasonable enquiry, the following shareholders are directly or indirectly interested in 5% or more of ADvTECH's share capital as at 31 December 2002.

	Number of shares held	% of shares held
Sanlam	**22 604 292**	**5,7**
Network Healthcare Holdings Limited	**25 130 000**	**6,4**
ADvTECH Share Incentive Trust	**29 008 565**	**7,4**
BD Buckham	**30 260 181**	**7,7**
Welihockyj Interests	**41 317 933**	**10,5**
Old Mutual	**43 397 437**	**11,0**
Praxis	**62 359 427**	**15,8**

SHARE INFORMATION

R'000	2002	2001
Closing price at period end (cents)	**40**	26
Total transactions at JSE	**1 144**	3 677
Total shares traded	**92 215 631**	168 645 092
Total value of shares traded (R)	**35 302 574**	67 009 087
Average price per share (cents)	**38**	40
Shares in issue	**393 664 886**	392 804 065
Percentage volume traded to shares in issue	**23%**	43%
PE ratio	**5.35**	5.34
Actuaries' index for sector (Support Services)	**772.33**	137.64

Note:
Shares in issue per the JSE Securities Exchange South Africa as at 31 December 2002.

SHAREHOLDERS' DIARY

Preliminary announcement of annual results	10 March 2003
Annual report	12 May 2003
Annual general meeting	6 June 2003
Interim results for the six months ending 30 June 2003	29 August 2003

NOTICE TO SHAREHOLDERS

Notice is hereby given that the annual general meeting of ADvTECH Limited will be held in the Auditorium, Deloitte & Touche, Building 3, Woodlands Office Park, Woodlands Drive, Woodmead, on Friday 6 June 2003 at 09:00 to transact the following business:

AS ORDINARY RESOLUTION

1. To receive and adopt the Group annual financial statements for the year ended 31 December 2002 together with the reports of the directors and of the auditors.
2. To elect the directors who retire by rotation in terms of the company's articles of association and, being eligible, offer themselves for re-election (abbreviated CV's appear on page 2 and 3 of the report).
   2.1 Mr C Bomela
   2.2 Mr JNP Booyens
   2.3 Mr CN Duff
3. To confirm the appointment of:
   3.1 Mr FR Thompson (see page 3 for CV)
   who had been appointed as a director since the last annual general meeting and who, in terms of the company's articles of association, retires from office at the conclusion of the annual general meeting, and being eligible, offers himself for re-election.
4. To re-appoint Deloitte & Touche as auditors until conclusion of the next annual general meeting.
5. To confirm the directors' fees for the past financial year.
6. To place the unissued shares of the company under the control of the directors, who shall be authorised to allot and issue these shares on such terms and conditions and at such times as they deem fit, subject to the Companies Act, 1973 as amended and the JSE Securities Exchange South Africa ("the JSE") regulations, until the next annual general meeting of the company.
7. To renew the general authority granted by the shareholders to the directors to issue the unissued ordinary shares for cash from time to time and on such terms and conditions as are suitable.

   "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 only be valid until the company's next annual general meeting provided that it 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 issue;
- that the number of ordinary shares issued for cash shall not in the aggregate in any one financial year exceed 15% of the number of ADvTECH's issued ordinary share capital, adjusted, if applicable, to take into account 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;
- The securities must be of a class already in issue;
- 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 this ordinary resolution to become effective."

8. **AS SPECIAL RESOLUTION**

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 Companies Act and the JSE Securities Exchange South Africa, be renewed and extended until the conclusion of the next annual general meeting. Accordingly, to consider and if deemed fit, to pass with or without modification, the following as a SPECIAL RESOLUTION:

"RESOLVED THAT ADvTECH, or a subsidiary of ADvTECH, be and is hereby authorised, by way of a general authority, to acquire ordinary shares of 1 cent 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 only be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 months from the date of passing of this special resolution:
- in determining the price at which the ordinary shares issued by ADvTECH 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 on which the repurchase of such shares was agreed;

- any such repurchase of ordinary shares shall be implemented on the open market of the JSE;
- acquisitions of shares in any one financial year may not exceed 20% of the company's issued share capital pursuant to this general authority and may not exceed 40% of its issued share capital in aggregate;
- subsidiaries of the company shall not acquire, in aggregate, more than 10% of the company's issued share capital;
- 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 08:30 on the second 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 Listing Requirements, and is of the opinion that such repurchase will not result in:

- The company and the Group 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 the company and the Group exceeding the assets of the company and the Group 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 2002;
- the adequacy of the ordinary capital and reserves of the company and the Group for a period of 12 months after the date of the notice of general meeting being materially affected; and
- the adequacy of the working capital of the company and the Group 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. No repurchase of shares under this authority will be implemented until such time as the company's sponsor has confirmed in writing to the JSE that the above working capital statement is valid.

REASON AND EFFECT

The reason for and effect of the special resolution 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 interest 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.

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

By order of the board

Lilian Gomes

Secretary

May 2003

FORM OF PROXY

ADvTECH LIMITED
Registration number: 1990/001119/06
("company")
JSE Code: ADH   ISIN: ZAE000013819

I/We ____

of ____

being the holder of: ______________________________ shares in the company

do hereby appoint: 1. ______________________________

or failing him/her: 2. ______________________________

or failing him/her the Chairman of the meeting as my/our proxy to attend and speak and vote for me/us and on my behalf at the annual general meeting of the company to be held at Deloitte & Touche Auditorium, Building 3, Woodlands Office Park, Woodlands Drive, Woodmead, on Friday 6 June 2003 at 09:00 or at any adjournment thereof.

I/We desire to vote as follows:

Resolution			In favour of	Against	Abstain
1. Ordinary resolution no. 1. To approve the annual financial statements for the year ended 31 December 2002					
2. Ordinary resolution no. 2. To re-elect directors retiring by rotation	2.1	C Bomela			
	2.2	JNP Booyens			
	2.3	CN Duff			
3. Ordinary resolution no. 3. To confirm appointment of directors appointed since last annual general meeting		FR Thompson			
4. Ordinary resolution no. 4. To re-appoint auditors Deloitte & Touche					
5. Ordinary resolution no. 5. To ratify the directors' fees for the financial year ended 31 December 2002					
6. Ordinary resolution no. 6. To place the unissued shares under the control of the directors					
7. Ordinary resolution no. 7. To renew the general authority to the directors to issue shares for cash					
8. Special resolution no. 1. To renew the general authority of the company to repurchase its own shares					

(Indicate instructions to proxy by way of a cross in space provided above)

Unless indicated above, my proxy may vote as he/she thinks fit.

Signed this ____________________ day of ____________________ 2003

Signed ____

Each shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy need not be a member of the company.

(instructions overleaf)

NOTES TO THE PROXY

Instructions on signing and lodging the annual general meeting proxy form:

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholders' choice in the space provided, with or without deleting "the chairman of the meeting". Any such deletion must be initialled by the shareholder. The person whose name appears first on the form of proxy and has not been deleted will be entitled to act as proxy to the exclusion of those names that follow.
2. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such shareholder wish to do so.
3. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form.
4. Forms of proxy may be deposited at the registered office of the company or the company's Transfer Secretaries by not later than 09:00 on Wednesday 4 June 2003.

Attendance at the annual general meeting:

1. Certificated members
   Only registered shareholders who are registered in the register of members of the company under their own name may complete a proxy or alternatively attend the meeting.
   Beneficial shareholders whose shares are not registered in their own name but are registered in any other name, or in the name of a company, or in the name of a nominee company may not complete a proxy or attend the meeting unless a proxy is issued to them by the registered shareholder.
2. Uncertificated/dematerialised shareholders
   All beneficial owners of dematerialised shares other than those in "own name", who wish to attend the annual general meeting have to request their Central Securities Depository Participant ("CSDP") or broker to provide them with a letter of representation, or instruct their CSDP or broker to vote by proxy on their behalf.
3. Dematerialised shareholders with "own name" registration
   Dematerialised shareholders who have "own name" registration should ensure with their CSDP that this is the case.

Voting:

1. All holders of ordinary shares will be entitled to attend and vote at the annual general meeting. On a show of hands, every holder of ordinary shares who is present in person or, in the case of a company, the representative appointed in terms of s188 of the Companies Act, 1973 (Act 61 of 1973), as amended, shall have one vote.
2. On a poll, the holders of ordinary shares present in person or by proxy will each be entitled to one vote for every ordinary share held.

Registered Office
ADvTECH Limited
364 Kent Avenue
Ferndale
Randburg
2194

Tel: (011) 886-5100
Fax: (011) 886-4512

Transfer Secretaries
Computershare Investor Services Ltd
70 Marshall Street
Johannesburg
2001

Tel: (011) 370-5000
Fax: (011) 370-5487

Annual general meeting venue
Deloitte & Touche
Auditorium
Building 3
Woodlands Office Park
Woodlands Drive
Woodmead

Tel: (011) 806-5000

ADTECH

GROUP