



# Contents

	<b>PAGE</b>		<b>PAGE</b>
The history of Bidvest	2	Financial statements	119
Group financial highlights	4	Directors' approval and responsibility statement	119
Financial indicators	6	Declaration by secretary	119
JSE Securities Exchange		Independent auditors' report	120
South Africa	7	Directors' report	121
Contribution per employee	7	Group accounting policies	127
Directors	8	Statements of income	130
Objectives and results	12	Cash flow statements	131
Chairman's statement	14	Balance sheets	132
Divisions of Bidvest	27	Statements of changes in shareholders' interest	133
Review of operations	30	Segmental analysis	134
The Services Division	30	Notes to the financial statements	136
The Foodservice Products Division	56	Interest in subsidiaries, joint ventures and associates	154
The Commercial Products Division	72	Analysis of shareholders	160
IT Services	90	Major shareholders	161
Corporate citizenship	92	Notice to shareholders	162
Corporate governance	94	Administration	167
Black economic empowerment	102	Shareholders' diary	168
Social responsibility	106	Form of proxy	<i>Attached</i>
Environmental responsibility	108		
Management directory	109		
Value added statement	118		
Exchanges with governments	118		





## Profile

### THE BIDVEST GROUP LIMITED

is an international, investment holding company listed on the JSE Securities Exchange South Africa in the Industrial-Support Service sector, with subsidiaries listed on the London, Australian and Luxembourg stock exchanges.

The strategy of the Group is to be invested in companies operating in the fields of service, distribution and trading, which could encompass light manufacturing, using the capacity of its South African growth engine to develop local operations and drive international expansion.

The Group comprises three umbrella divisions: The Services Division, The Foodservice Products Division and The Commercial Products Division, with operations located in South Africa, the United Kingdom, Australia, New Zealand and Europe.

Despite its size, Bidvest is a highly entrepreneurial, decentralised and incentivised Group with a culture of transparency, accountability, integrity, excellence and innovation.

Its 67 000 employees around the world are dedicated to simplifying their customers' lives.

The Group's objective is to enhance shareholder wealth through real growth in earnings and dividends per share by means of organic growth, selective acquisitions and control of funds employed.



The **BID**Vest Group Limited



The Services Division



The Foodservice Products Division



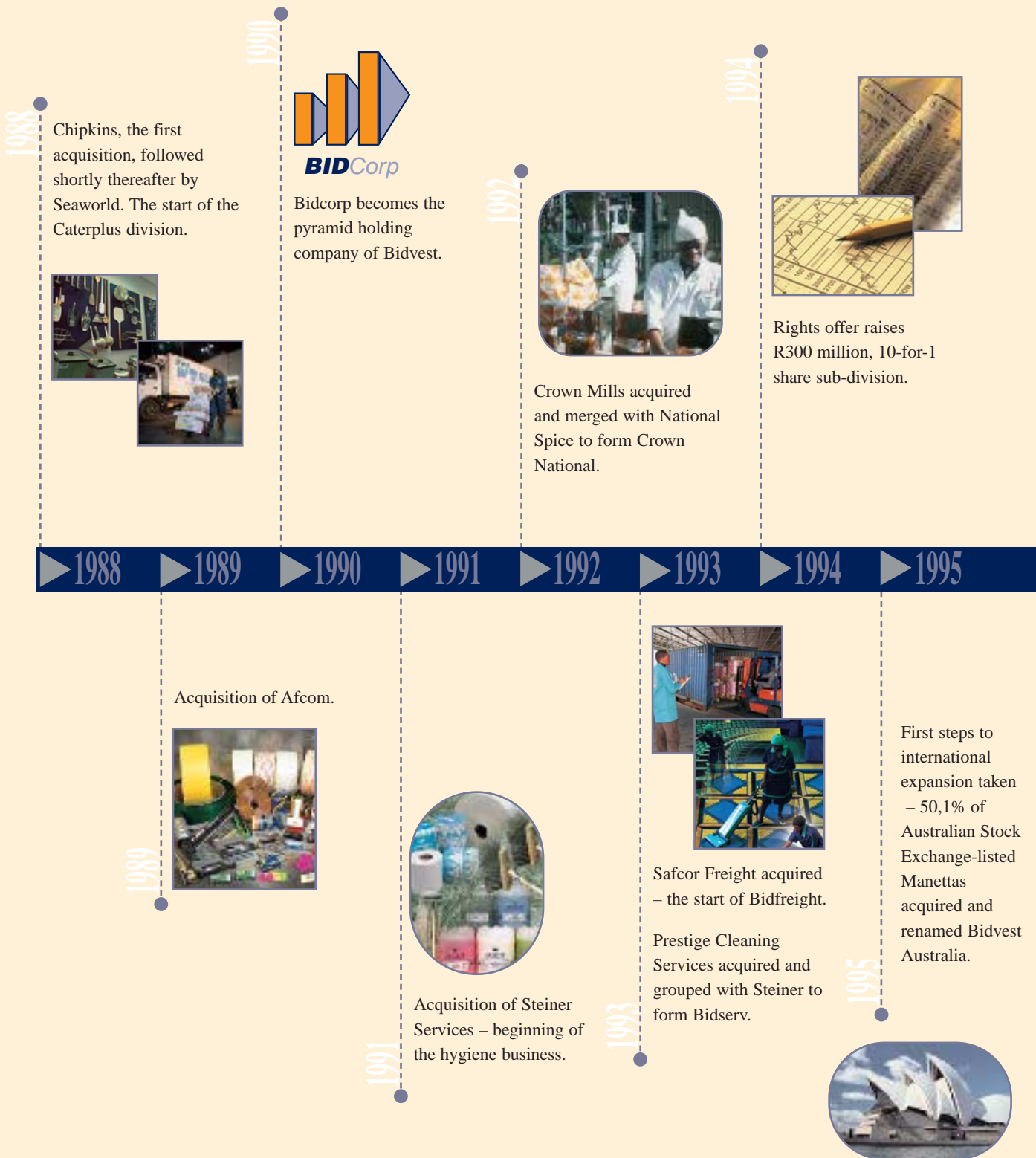
The Commercial Products Division



# The history of Bidvest

1988 – 2002

**BIDVEST**





**HISTORY**

1996 Empowerment programmes begin with Women Investment Portfolio Holdings and Worldwide African Investment Holdings acquiring shares in Bidvest.



1998 Bidvest plc, incorporating Bidvest Australia, was created with dual listings in Australia and Luxembourg.



Local acquisitions include the Rennies Group and Lithotech.

2000 Acquisition of Island View Storage, banking licence granted to Rennies Bank, and 77% of I-Fusion acquired.



2002 Acquisition of 56,7% of London Stock Exchange-listed Jacobs Holdings plc, which was renamed Bidcorp plc, to form the base for the international expansion of Bidfreight.



Paragon acquired and merged with Lithotech.

Remaining 68% of Voltex acquired, to form part of The Commercial Products Division.

The minority shareholding in I-Fusion acquired.

Subsequent to year-end Danel, the largest business forms manufacturing and distribution operation in France, acquired.

▶ 1996 ▶ 1997 ▶ 1998 ▶ 1999 ▶ 2000 ▶ 2001 ▶ 2002

1997



100% of Waltons Stationery Group acquired, Bidcorp unbundled and Bidvest incorporated into the industrial index.

1999



Booker Foodservice, renamed 3663 First Foodservice, acquired by Bidvest plc.

2001

John Lewis Foodservice acquired and incorporated into Bidvest Australia, creating the leading foodservice distributor in Australia.



The Group-wide network, Bidnet, developed by I-Fusion. mymarket.com, Bidvest's e-commerce initiative launched.

The Group simplified and reclassified into three umbrella divisions for clarity of focus and to set the platform for future growth.



## Group financial highlights

		Eleven year compound growth rates % per annum			
		2002	2001	2000	1999
<b>EXTRACTS FROM FINANCIAL STATEMENTS (R'000)</b>					
Revenue	52,3	<b>41 950 388</b>	29 415 011	26 427 620	14 646 145
Operating income	44,4	<b>2 012 611</b>	1 422 212	1 215 222	712 230
Attributable income	47,8	<b>1 241 249</b>	1 035 466	884 148	659 573
Shareholders' interest		<b>5 589 235</b>	3 860 494	3 028 819	2 985 433
Cash generated by operations		<b>2 788 346</b>	1 558 774	1 282 688	859 256
Total assets		<b>15 131 257</b>	9 741 970	8 134 879	7 680 848
Wealth created by trading operations		<b>7 307 305</b>	5 079 614	4 515 614	2 692 295
<b>SHARE STATISTICS</b>					
Headline earnings per share (cents) <sup>1</sup>	29,4	<b>436,2</b>	361,8	306,4	243,0
Distribution per share (cents) <sup>2</sup>	29,0	<b>190,0</b>	169,2	150,3	127,3
Distribution cover (times) <sup>2</sup>		<b>2,1</b>	2,1	2,0	2,0
Distribution yield (%) <sup>2</sup>		<b>4,1</b>	3,4	3,2	2,5
Net tangible asset value per share (cents)		<b>1 574</b>	1 186	1 046	1 042
Share price (cents)					
High		<b>5 200</b>	5 200	6 550	5 400
Low		<b>3 980</b>	4 075	3 620	2 910
Closing (end June)	29,0	<b>4 600</b>	5 010	4 680	5 040
Market capitalisation (Rm's)	43,4	<b>14 345</b>	14 821	13 555	14 435
Volumes traded (000's)		<b>125 566</b>	99 096	104 122	89 262
Volumes traded as percentage of weighted number of shares in issue (%)		<b>42,0</b>	34,0	36,1	32,9
<b>RATIOS AND STATISTICS</b>					
Return on shareholders' interest (%)		<b>32,2</b>	34,2	29,6	23,5
Return on average funds employed (%) <sup>3</sup>		<b>49,4</b>	43,6	41,7	40,4
Operating income margin (%)		<b>4,8</b>	4,8	4,6	4,9
Current asset ratio		<b>1,2</b>	1,2	1,1	1,2
Quick asset ratio		<b>0,9</b>	0,9	0,8	0,9
Number of employees		<b>66 879</b>	54 251	50 941	50 132
Number of shares in issue (000's)		<b>311 839</b>	295 821	289 638	286 418



1998	1997	1996	1995	1994	1993	1992	1991
7 432 920	5 069 948	4 166 682	3 432 155	2 560 707	775 206	595 994	411 694
493 051	276 843	216 111	165 243	115 622	68 461	58 075	35 377
400 872	214 249	165 577	123 751	88 602	35 745	25 071	16 898
2 803 898	1 758 311	802 451	602 358	499 657	430 522	134 156	107 064
491 126	297 814	277 035	113 811	125 146	45 708	59 691	23 216
4 101 777	3 251 061	1 583 321	1 188 202	980 743	747 401	388 563	321 639
1 610 681	899 879	696 702	524 636	412 828	224 924	175 299	104 350
171,2	124,9	103,1	80,1	58,6	38,7	28,0	25,6
101,3	70,8	56,1	43,0	30,2	21,0	16,4	11,5
1,7	1,8	2,5	2,7	2,9	2,5	2,3	2,4
2,2	2,0	2,2	2,3	2,1	2,7	4,1	4,1
1 135	771	438	343	292	258	136	111
5 980	3 535	2 956	2 000	1 470	780	400	283
3 250	2 275	1 838	1 450	780	343	250	180
4 525	3 500	2 590	1 875	1 470	780	400	280
11 181	7 968	4 681	3 294	2 502	1 301	391	271
64 413	26 456	13 997	8 140	11 061	1 186	4 877	1 247
27,5	14,2	7,8	4,7	6,5	1,1	5,0	1,8
22,8	29,1	30,8	27,8	23,0	31,2	27,3	68,6
37,2	53,9	57,6	58,8	48,9	29,0	28,2	37,9
6,6	5,5	5,2	4,8	4,5	8,8	9,7	8,6
2,8	2,0	2,0	1,9	1,8	2,0	2,5	1,7
2,1	1,5	1,5	1,5	1,4	1,5	1,4	1,0
31 420	30 001	21 506	14 970	14 117	4 749	4 784	2 226
247 095	228 027	183 041	175 701	171 131	166 775	98 552	96 266

<sup>1</sup>Based on weighted average number of shares in issue.

<sup>2</sup>Includes interim dividend paid, capitalisation issues at market value, distributions of share premium and final distributions approved after the year-end.

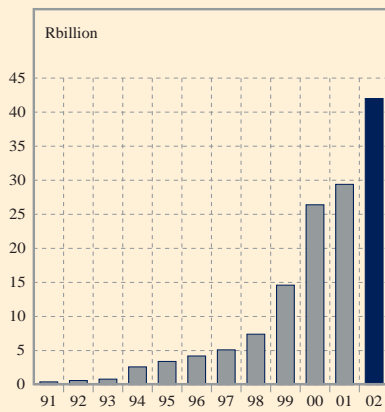
<sup>3</sup>Return on average funds employed is calculated using the weighted average of the Group's operating assets, excluding cash, and operating income before interest and taxation.

<sup>4</sup>The comparative figures have been restated to account for the various changes in accounting policies over the period.

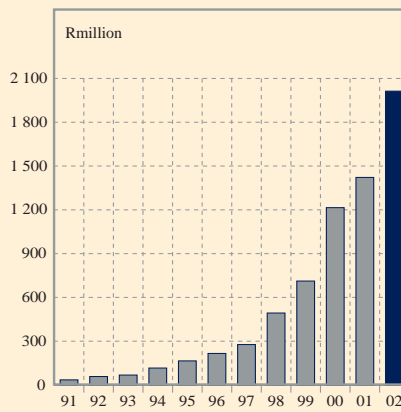
# Financial indicators

**BIDVEST**

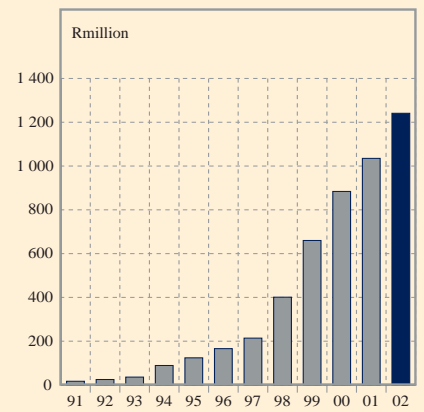
**REVENUE**



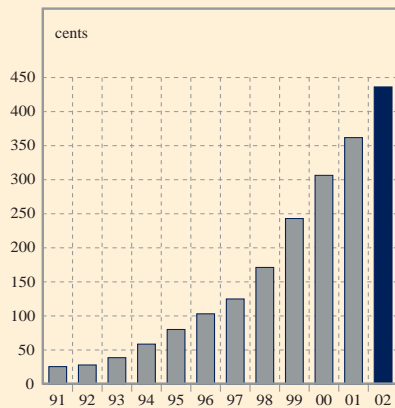
**OPERATING INCOME**



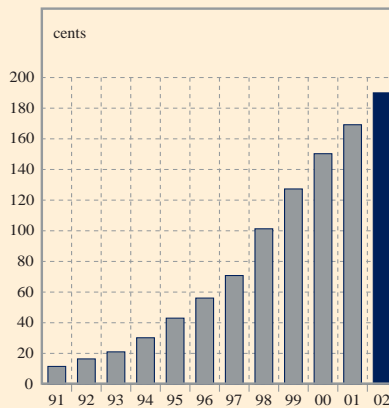
**ATTRIBUTABLE INCOME**



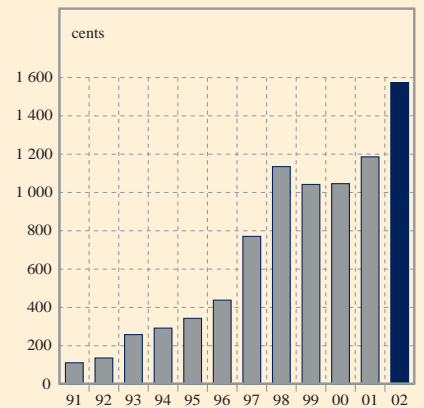
**HEADLINE EARNINGS PER SHARE**



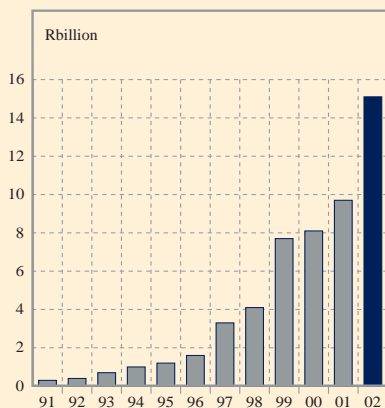
**DISTRIBUTION PER SHARE**



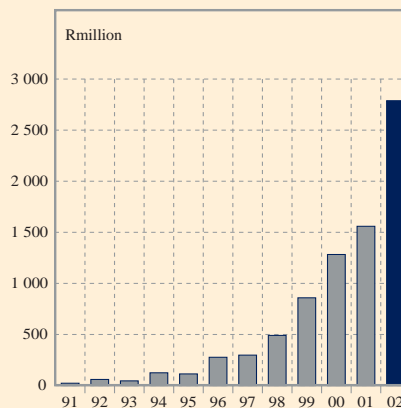
**NET ASSET VALUE PER SHARE**



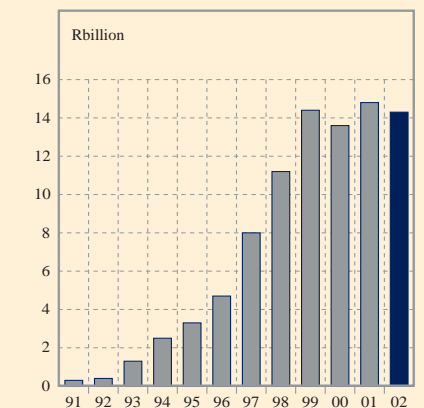
**TOTAL ASSETS**



**CASH GENERATED BY OPERATIONS**



**MARKET CAPITALISATION**

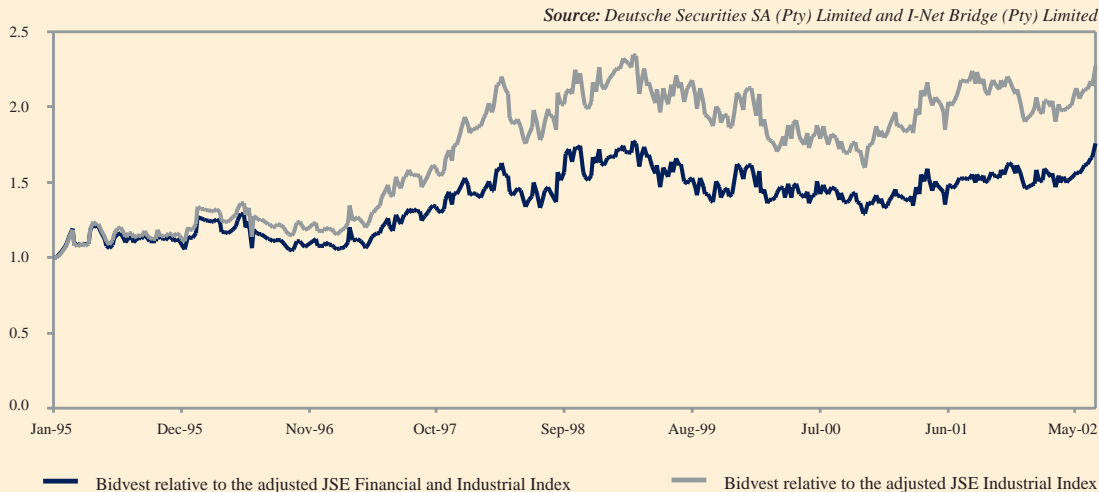




## JSE Securities Exchange South Africa

Bidvest is considered to have a 100% free float for purposes of the Morgan Stanley Capital International Emerging Market Index in which it is included. Bidvest also has the JSE's highest liquidity rating.

### BIDVEST RELATIVE SHARE PRICE PERFORMANCE



The graph represents Bidvest's share price performance relative to indices which have been adjusted to give a more meaningful comparison of Bidvest's share price performance to that of its peer group. Richemont Securities AG, whose business is offshore, in completely different markets and is a major constituent of the indices, has been excluded in the determination of the adjusted indices.

## Contribution per employee

for the year ended June 30 2002

	Number of employees	Operating income R'000	Contribution per employee R'000
<b>THE SERVICES DIVISION</b>	47 356	718 570	15
Bidfreight	8 422	474 514	56
Bidserv	36 512	134 317	4
Rennies Financial Services	2 422	109 739	45
<b>THE FOODSERVICE PRODUCTS DIVISION</b>	8 965	672 927	75
Bidvest plc	6 204	460 875	74
Caterplus	1 841	132 493	72
Combined Foods	920	79 559	86
<b>THE COMMERCIAL PRODUCTS DIVISION</b>	10 261	487 675	48
Bidoffice	6 457	313 715	49
Bidpac	1 781	84 142	47
Voltex	2 023	89 818	44
<b>CORPORATE SERVICES</b>	297	133 439	449
	66 879	2 012 611	30

# Directors

## Executive



**B Joffe**

**BRIAN JOFFE** (55)  
*Executive Chairman*  
CA(SA)

**Appointed:** March 1 1989  
**Directorships:** Executive Chairman of The Bidvest Group Limited, Chairman of Bidvest plc; Chairman of Bidcorp plc; Non-executive Director of EnviroServ Holdings Limited; director of numerous Bidvest companies  
Has served as Executive Chairman since he founded Bid Corporation Limited in 1988 and has over thirty years of local and international commercial experience. One of the Sunday Times top five businessmen in 1992 and a past recipient of the Jewish Business Achiever of the Year award.



**M Chipkin**

**MERVYN CHIPKIN** (76)  
*Deputy Chairman*

**Appointed:** May 9 1989  
**Directorships:** Deputy Chairman of The Bidvest Group Limited; director of numerous Bidvest subsidiaries including Bidvest plc  
Has been the Group's Deputy Chairman since Bidvest acquired the business of Chipkins Catering Supplies in 1988. Has sixty years' experience in the foodservice industry.



**MC Berzack**

**MYRON CYRIL BERZACK** (53)  
*Executive Director*

**Appointed:** April 29 2002  
**Directorships:** The Bidvest Group Limited; Chairman of Voltex  
Has thirty-three years' experience in the electrical industry, specialising in the marketing, distribution, financial control and reporting functions.



**LG Boyle**

**LILIAN GARNER BOYLE** (55)  
*Executive Director*  
MA Econ (Glasgow), MBA  
British

**Appointed:** January 23 2001  
**Directorships:** The Bidvest Group Limited and numerous subsidiaries thereof; Chairman of Rennies Financial Services; Non-executive Director of the South African Banknote Company (Pty) Limited  
Has thirty-four years of diverse business experience including seven years in the freight management industry and sixteen years in the travel industry. A finalist of the Business Woman of the Year 1992 and Chairman of the Business Travel Guild.



**LI Chimes**

**LEONARD IVAN CHIMES** (68)  
*Executive Director*

**Appointed:** June 30 1997  
**Directorships:** The Bidvest Group Limited and numerous subsidiaries thereof; Chairman of Bidoffice  
Has over forty years' experience in the office products industry, including office furniture, and has been with Bidvest since the acquisition of Waltons in 1997.



**RW Graham**

**RODGER WILLIAM GRAHAM** (56)  
*Executive Director*  
BCom, MBA

**Appointed:** February 19 2001  
**Directorships:** The Bidvest Group Limited and numerous subsidiaries thereof; Chairman of Bidfreight Terminals; Chief Executive Officer of Bidcorp plc  
Has more than twenty years' experience in the textile industry and twelve years' in the freight industry. Was the Managing Director of Island View Storage when it was acquired by Bidvest in 2000.



**AM Griffith**

**ALAN MICHAEL GRIFFITH** (52)  
*Executive Director*

**Appointed:** August 14 1998  
**Directorships:** The Bidvest Group Limited and numerous subsidiaries thereof; Managing Director of Minolta SA  
Has over thirty years' experience in office automation with Minolta. Appointed to the Board of Bidvest following the acquisition of Waltons.



**CH Kretzmann**

**COLIN HUGH KRETZMANN** (55)  
*Executive Director*  
CA(SA)

**Appointed:** August 10 1992  
**Directorships:** The Bidvest Group Limited and numerous subsidiaries thereof; Bidvest plc; Chairman of Caterplus and Combined Foods  
Has vast experience in the food manufacturing industry and joined The Bidvest Group Limited ten years ago in which time he has been instrumental in developing the Group's food interests through local and international acquisitions.



**P Nyman**

**PETER NYMAN** (57)  
*Executive Director*  
CA(SA), ACMA, HDip Tax Law

**Appointed:** February 1 1991  
**Directorships:** Financial Director of The Bidvest Group Limited; director of numerous Bidvest subsidiaries including Bidvest plc and Rennie's Bank Limited; Chairman of the trustees of the Quantum Medical Aid Society, Bidcorp Group Pension Fund and Bidcorp Group Provident Fund

Has extensive international financial and operational expertise in a diverse range of industries, specialising in tax.



**LP Ralphs**

**LINDSAY PETER RALPHS** (47)  
*Executive Director*  
CA(SA)

**Appointed:** May 10 1992  
**Directorships:** The Bidvest Group Limited and numerous subsidiaries thereof; Chairman of Bidserv

Joined Bidvest as Operations Director in 1992. In 1994 he was appointed Managing Director of Steiner and following the acquisition of Prestige to form Bidserv, appointed Chairman of Bidserv.



**FEA Robarts**

**FRANK ERNEST ANTHONY ROBERTS** (67)  
*Executive Director*

**Appointed:** June 30 1997  
**Directorships:** The Bidvest Group Limited; Chairman of Waltons Stationery

Was the Managing Director of Waltons when it was acquired by Bidvest. Has been associated with the stationery industry for over thirty years.



**DK Rosevear**

**DAVID KEITH ROSEVEAR** (47)  
*Executive Director*  
CA(SA)

**Appointed:** March 1 1992  
**Directorships:** The Bidvest Group Limited and numerous subsidiaries thereof including Bidvest plc and Bidcorp plc; Chairman of Bidfreight; Non-executive Director of Compu-Clearing Outsourcing Limited and Reclamation Group (Pty) Limited

Has many years of diverse experience including nine years of international executive experience in the motor industry. With Bidvest he was involved in the food manufacturing division, where he was a key figure in the acquisition due diligence team before transferring to the freight division. He remains involved in the Group's corporate finance activities.



**AC Salomon**

**ALAN CHARLES SALOMON** (53)  
*Executive Director*  
CA(SA), BSc (London) (with honours)

**Appointed:** September 10 1990  
**Directorships:** The Bidvest Group Limited and numerous subsidiaries thereof; Transpaco Limited; Chairman of Bidpac

Has twenty-four years' experience in the fields of manufacturing and distribution, specialising in productivity and efficiency improvements and customer service excellence programmes.



**CE Singer**

**CHARLES ELI SINGER** (56)  
*Executive Director*  
CA(SA)

**Appointed:** June 30 1995  
**Directorships:** The Bidvest Group Limited; Managing Director of Crown National

Has twenty-eight years' experience in the manufacture and distribution of consumer goods, the last seventeen of which have been spent involved with products relating to the meat and food industries.



**PC Steyn**

**PIETER CHRISTIAAN STEYN** (54)  
*Executive Director*  
PMD (Harvard)

**Appointed:** December 10 1998  
**Directorships:** The Bidvest Group Limited; numerous Bidfreight companies and Saga SA (France); Chairman of Manica Africa and Aeromaritime International Management Services

Has thirty years' experience in the freight, logistics, terminals and travel industries.



**R Wainer**

**ROY WAINER** (54)  
*Executive Director*

**Appointed:** May 14 1991  
**Directorships:** The Bidvest Group Limited; Managing Director of Caterplus' Frozen Foods division

Has traded in the perishable food industry since 1975 specialising in distribution to the foodservice industry.

## Directors (continued)

### Executive



**CE Watt**

**CHARLES EDWARD WATT** (57)  
*Executive Director*

**Appointed:** September 10 1990  
**Directorships:** The Bidvest Group Limited; Caterplus

Has thirty-six years' experience in the foodservice industry, specialising in sales, marketing and business development. He has held various senior management positions in Chipkins and Seaworld, and is currently assisting with a business development programme for mymarket.com.



**PD Womersley**

**PHILIP DOUGLAS WOMERSLEY** (52)  
*Executive Director*

**BA Econ, BSc (cum laude)**

**Appointed:** August 14 1998  
**Directorships:** The Bidvest Group Limited; Bidfreight; Chairman of Safcor Panalpina (incorporating Renfreight)

Has twenty-four years' experience in the freight industry – both operational and financial/administrative.



**HL Greenstein**

**HOWARD LYLE GREENSTEIN** (39)  
*Alternate Director*

**CA(SA)**

**Appointed:** May 14 1999 as alternate to AC Salomon

**Directorships:** Managing Director of Afcom-GE Hudson

Joined Bidpac nine years ago and is active in its operational management.

### Non-executive



**IA Berman**

**ISAAC ABRAHAM BERMAN** (64)  
*Non-executive Director*

**Appointed:** September 10 1990  
**Directorships:** The Bidvest Group Limited

Has forty years' experience in the bakery industry and is the former Managing Director of Chipkins Bakery Supplies.



**BR Chipkin**

**BERNARD ROBERT CHIPKIN** (73)  
*Non-executive Director*

**BSc**

**Appointed:** September 10 1990  
**Directorships:** The Bidvest Group Limited

Nearly fifty years' experience in the catering supplies industry specialising in the buying and sourcing of goods, both locally and overseas. As Managing Director of Chipkins Catering Supplies, he received several Fedics Foodservice Supplier of the Year awards.



**E Ellerine**

**ERIC ELLERINE** (68)  
*Non-executive Director*

**Appointed:** June 17 1997

**Directorships:** *inter alia* The Bidvest Group Limited; Corpcapital Limited; Dunlop International Limited; Redifine Income Fund; Sasani Limited; Sofline Technology Limited and a diverse range of other public companies

Has over fifty years of senior executive experience in the private equity, property and retail industries. He is a past recipient of both the Sunday Times Businessman of the Year and the Jewish Businessman of the Year awards.



**S Koseff**

**STEPHEN KOSEFF** (51)  
*Non-executive Director*

**BCom, CA(SA), Hdip BDP, MBA**

**Appointed:** June 17 1997

**Directorships:** *inter alia* The Bidvest Group Limited; JSE Securities Exchange South Africa; Investec Bank Limited; Investec Bank (UK) Limited; Chief Executive Officer of Investec Limited and Investec plc

Nearly thirty years of financial experience and is the recipient of numerous business awards. He is a former member of the Financial Markets Advisory Board and current Chairman of the Independent Banks Association.



## Non-executive



**D Masson**

**DONALD MASSON** (71)<sup>\*</sup>  
*Non-executive Director*  
ACIS

**Appointed:** March 10 1992  
**Directorships:** *inter alia* The Bidvest Group Limited; Cashbuild Limited; Alacrity Financial Services Limited; Valley Irrigation Limited; Faritec Holdings Limited and Prestasi Makelaars (Pty) Limited. Trustee of Investment Solutions; Cashbuild Pension Fund; Typographical Union Pension Fund and former Chairman of the South African Post Office Pension Fund

Former President of the Afrikaanse Handelsinstituut and a former member of the President's Economic Advisory Council. Has thirty-seven years of diverse business experience in senior executive positions at numerous listed, unlisted and parastatal organisations.



**LK Matisonn**

**LARA KIM MATISONN** (32)  
*Non-executive Director*  
BA, LLB, LLM (*Cantab*)

**Appointed:** February 15 2002  
**Directorships:** The Bidvest Group Limited; Werksmans Inc.; Sebenza Forwarding and Shipping Consultancy (Pty) Limited; Werksmans Sponsors (Pty) Limited

Partner of Werksmans Inc. with six years' experience as a commercial and corporate attorney. Legal advisor to the Board.



**SP Ngwenya**

**SIBUSISO PETER-PAUL NGWENYA** (49)  
*Non-executive Director*  
BCom (Hons)

**Appointed:** August 24 2000  
**Directorships:** *inter alia* The Bidvest Group Limited; P4 Radio Station (Pty) Limited; Zimisele Underwriting (Pty) Limited; Mail & Guardian (Pty) Limited; Sebenza Forwarding & Shipping Consultancy (Pty) Limited

Former Robben Island political prisoner, founding trustee of the Makana Trust and treasurer of the ex-Political Prisoner's Committee. An entrepreneur with eleven years business experience.



**JL Pamensky**

**JOSEPH LEON PAMENSKY** (72)<sup>\*</sup>  
*Non-executive Director*  
CA(SA),OMSG

**Appointed:** January 8 1990  
**Directorships:** *inter alia* The Bidvest Group Limited; Bidvest plc; Bidcorp plc; South African Eagle Insurance Company Limited; Stonehage Financial Services Holdings (Jersey) Limited; Worldwide African Investment Holdings (Pty) Limited; Chairman of Rennies Bank Limited and Schindler Lifts (SA) (Pty) Limited

Longest serving non-executive director of The Bidvest Group of companies with over forty years' experience in the financial, insurance and banking industries and the recipient of a number of business awards. He serves as non-executive director on the boards of numerous public and private companies, both locally and internationally, and is a member of several audit and remuneration committees.



**TH Reitmann**

**THEODOR HERZL REITMANN** (76)<sup>■</sup>  
*Non-executive Director*  
MA (*Cantab*)  
British

**Appointed:** June 17 1997  
**Directorships:** *inter alia* The Bidvest Group Limited and Bidvest plc

Has over forty years of international financial experience in various industrial and banking organisations.



**F Titi**

**FANI TITI** (40)  
*Non-executive Director*  
BSc (Hons), MA, MBA

**Appointed:** November 15 2001  
**Directorships:** The Bidvest Group Limited; Kumba Resources Limited; The Armaments Corporation of South Africa Limited; Tiso Capital (Pty) Limited

Has senior operations management and leadership experience with an emphasis on investment and dealmaking, strategy formulation and implementation as well as corporate transformation from a skills development perspective.

### AJ BEHRMANN

It is with great sadness that the directors and staff of The Bidvest Group Limited express their condolences to the Behrmann family on the passing of Tony Behrmann on February 17 2002. He was a director of and legal advisor to the Group since inception and was instrumental in its success. He will be sorely missed by all at Bidvest.

### • COMMITTEES

**Executive committee:** B Joffe (*Chairman*), MC Berzack, LG Boyle, LI Chimes, CH Kretzmann, P Nyman, LP Ralphs, DK Rosevear and AC Salomon

**Audit committee:** JL Pamensky (*Chairman*), D Masson, P Nyman and DK Rosevear

**Remuneration committee:** JL Pamensky (*Chairman*), D Masson and P Nyman

**Acquisition committee:** B Joffe, D Masson, JL Pamensky and DK Rosevear

**Nomination committee:** B Joffe, D Masson and JL Pamensky

<sup>■</sup> Originally directors of Bid Corporation Limited, the Company's former holding company and appointed to the Board on the unbundling of Bid Corporation Limited

## Objectives and results

LAST YEAR A NUMBER OF OBJECTIVES WERE SET. HERE WE DISCUSS THE PROGRESS MADE, UPDATE SOME OF THESE OBJECTIVES AND SET A FEW NEW ONES.

▶ Bidvest plans to use its South African 'engine' to seek acquisitions and organic growth opportunities that fit with the business focus of its three umbrella divisions.

### Acquisitions

- Jacobs Holdings plc (*renamed Bidcorp plc*)
- Paragon Business Communications Limited
- Voltex Holdings Limited
- Danel (*Post year-end*)

### Organic growth

- Double digit growth from all Bidvest divisions.

▶ *Bidvest will seek to acquire businesses that fill the gaps in its service offerings.*

▶ Bidvest plans to harness the benefits of being an international, multi-business group through the cross-pollination of ideas and expertise, in its drive to deliver ongoing shareholder value.

- 3663 First for Foodservice's 'First for Service' training was adapted to South African conditions and all The Foodservice Products Division entities have completed the course with measurable improvements in customer service.
- Bidvest Group's 'mymarket.com' technology was adapted for the foodservice market in the United Kingdom. 3663 First for Foodservice is the exclusive user of the marketplace and a number of its customers are currently trading online.

▶ *Focus in the year ahead will be on leveraging off the products and services we provide and promoting cross-selling across the Group.*

▶ Bidvest will continue to make strategically defensive investments in complementary businesses operating in similar fields where such an investment would yield a satisfactory return.

- No new investments were made in the reporting period.

▶ Through Bidvest plc, the Group will expand its foodservice interests in the markets in which it is currently active. Further expansion opportunities will be sought in continental Europe and the United States of America.

- Smaller 'foothold' acquisitions are being sought in regions and markets in which the Group is not yet represented.
- An unsuccessful bid was made for Brake Bros plc.

▶ *Acquisitions for The Foodservice Products Division remains a priority.*

▶ Bidvest intends to continue its tradition as a learning corporation and, through its divisions, to train and develop its staff in not only the expertise necessary for the job, but also in life and leadership skills.

- A management development initiative will be launched in October 2002 and is the first phase of what will become a learning academy for staff at all levels of the organisation.
- Training and development are key performance areas.





▶ Through mymarket.com Bidvest intends to develop a culture that is ready to embrace technology and adapt to the Group's business models. This e-commerce initiative is a long-term project from which no profit is expected in the immediate future.

- mymarket.com made excellent progress with its pilot projects and the technology has been well received by customers and suppliers.
- In June 2002 mymarket.com was launched in the United Kingdom.
- Plans are in place to develop mymarket.com for Bidvest Australasia.

▶ *mymarket.com is aggressively targeting new customers and suppliers to trade online.*

▶ Bidvest intends to substantially increase its international shareholder base.

- The international shareholding base continues to increase and is currently 10,4%.

▶ Bidvest aims to cautiously increase its debt and would feel comfortable with a debt-to-equity ratio of up to 40%.

- The planned bond issue was postponed.
- Shares were issued in anticipation of a major acquisition.

#### NEW OBJECTIVES

▶ *Opportunities between Bidfreight and Bidcorp will be explored.*

▶ *The integrated service solution concept will be targeted at the Group's entire customer base and should contribute to earnings.*

▶ *Bidvest intends to actively participate in the concessioning process of the South African ports as and when it happens.*

▶ *Bidvest hopes to increase its empowerment shareholding, currently approximately 24%.*

▶ *Export initiatives will be proactively pursued.*



**Brian Joffe**  
Executive Chairman

*Approximately  
24% of Bidvest  
is owned by  
institutions for  
the benefit of  
previously  
disadvantaged  
individuals*

## Chairman's statement

### INTRODUCTION

Bidvest has delivered strong results. The performance by the Group is commendable given the backdrop of some of the most turbulent times in recent history.

Twelve months ago we had no hint that the civilized world was about to be delivered the horror of September 11. We all probably thought that this was the worst we would be required to face. However, the business world was further plagued by a number of high profile failures and scandals, which has again severely dented investor confidence.

We all need to remind ourselves that there are countless thousands of people who, either directly or through their pension funds, have committed their savings to our care. They have pooled their capital and placed it in our charge in the belief that we will manage it honestly, diligently and prudently. They hope for growth in value and an income stream, but more importantly, they seek fair dealing and face value reporting.

Our strength lies in our diversity. We are able to withstand the storms and cycles of economies because of the spread of our operations and the commitment of our people who ensure our success. In today's markets single focus businesses are more subject to market negativity than a solid, diverse group such as Bidvest.

I am convinced that it is not the products and services we provide that make the Group successful, but the way we provide them – *it's not what we do, but how we do it*. With our focus on operational excellence, our execution is better than our competitors', and where it isn't we don't rest until it is.

Our emphasis on decentralisation and entrepreneurship ensures that Bidvest is structured for performance in any economic environment. Our strategy and leadership has been proven and we have a long history of careful risk taking, solid execution and attention to detail.

Bidvest has an unequalled position with its breadth and depth of products and services and an ability to extract value even from mature industries. We have a tried and tested business model, one that performs. We are financially strong, ungeared, cash flow positive and showing impressive growth relative to our peers and competitors. Our people have responded exceptionally to the challenges allowing us to deliver headline earnings growth of 23,7%. We have much of which to be proud.

### MARKET REVIEW

#### Economic conditions

Activity in the global economy slowed substantially in 2001 and September 11 further heightened economic uncertainty. Evidence of improved global economic conditions began to surface towards the end of 2001 and signs of a worldwide recovery have steadily increased.



However, events in the Middle East further serve to compound uncertainty.

South Africa has maintained a Gross Domestic Product annual growth rate of just more than 2% despite the global slowdown and has recorded consecutive positive quarterly growth rates since the fourth quarter of 1998.

The rapid devaluation of the rand impacted all businesses in South Africa making imports expensive and increasing working capital requirements. However, on the positive side, the devaluation improved the price competitiveness of locally manufactured goods and boosted exports and tourism to South Africa.

Business conditions in South Africa have slowly improved since the first quarter of our financial year. Crime remains a negative influence on the social fabric of South African society and government's inability to act decisively on such matters as Zimbabwe, HIV/AIDS and black economic empowerment have contributed to the negative perception of the country held by investors and international businesses.

These factors should not detract from the all-round performance of the South African government who should be given credit, especially for monetary and fiscal discipline. Government and business need to work more closely together to promote South Africa as an exciting place for foreign investment.

**JSE Securities Exchange South Africa**

Resource stocks have influenced the performance of the All Share Index on the JSE particularly since January 2002, but Bidvest performed well relative to the industrial index, particularly when compared to its peers and competitors.

**Investment community**

Sustainable and solid businesses are those that are managed and perform over the short- and long-term. The investment community's insistence on evaluating a company's quarter-to-quarter performance creates unrealistic pressure on

management. This pressure has, in my opinion, led to the current high profile corporate and auditing scandals regarding engineered financial results, business failures and questions raised around corporate credibility. Although everyone enjoys a feisty one-day international cricket match, business should more appropriately be compared to a five-day test, with good batsmen slowly building the innings, depending on the conditions in the field, to ensure ultimate success for the team.

**Regulatory environment**

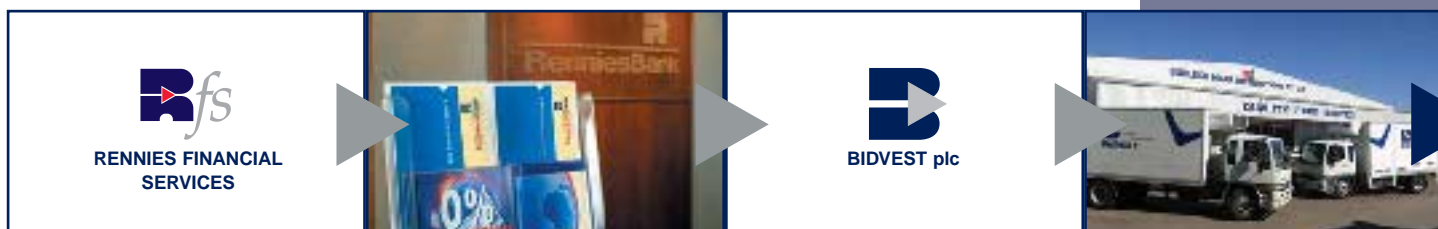
Doing business in South Africa unfortunately becomes more difficult every year and the latest amendments to the Labour Relations Act governing mergers and acquisitions is no exception, adding another layer of red tape.

The Competition Commission continues to have an influence on business and it seems, of late, to be evaluating transactions more commercially, rather than strictly in terms of the legal parameters, which is positive. Free market economics should be tempered with anti-monopoly legislation, but not at the expense of entrepreneurship. Due to the low threshold level, meeting the resulting bureaucratic requirements of the Competition Commission places enormous administrative burdens on acquisitive companies such as Bidvest and adds to the cost of doing business.

The regulatory environment in which we operate seems to promote small and medium enterprises at the expense of big business. Big business is responsible for a large percentage of the country's exports and provides the fertile ground upon which smaller business can grow and flourish. The compliance issues become more complex every year and serve primarily to entrench bureaucratic thinking. Big business should be entrepreneurial, yet still adhere to international best practices and good corporate governance.

**Empowerment**

Economic transformation remains fundamental to the future of South Africa and empowerment is a critical element.



*We aim to  
migrate our  
businesses along  
the integration  
ladder*

## Chairman's statement (continued)

However, the requisite criteria to qualify as an empowerment organisation are subject to different interpretations, which makes overall compliance impossible and not transparent. We are fully supportive of and committed to the concept of black economic empowerment and actively work to empower our staff members and the communities in which we operate.

The insistence on measuring empowerment only by equity percentages is complicated and difficult. In Bidvest's case, our shareholding has no one controlling party, but is held largely by institutional investors on behalf of the retirement and life fund industries. The Bidvest directors acknowledge their responsibility to manage and develop sustainable businesses for the benefit of all stakeholders.

### FINANCIAL REVIEW

In February 2002 we challenged our executives to react to the slowing economy and they not only met the goals set, but exceeded them.

Revenue grew by 42,6% to R42,0 billion (2001: R29,4 billion) and the operating margin was maintained at 4,8%. Operating income amounted to R2,013 billion (2001: R1,422 billion), exceeding R2 billion for the first time.

Headline earnings increased by 23,7% to R1,305 billion (2001: R1,055 billion), whilst headline earnings per share increased by 20,6% to 436,2 cents (2001: 361,8 cents). A compound growth rate in earnings per share over the past eleven years of 29,4% has been achieved. Bidvest plc, the Group's 80,8% held offshore subsidiary, contributed 22,9%

(2001: 18,6%) to the Group's operating income and 20,7% (2001: 18,9%) to headline earnings.

Income attributable to shareholders increased by 19,9% to R1,241 billion (2001: R1,035 billion).

The cash flow generated by operating activities increased by 77,7% to R2,003 billion (2001: R1,127 billion) resulting in the Group having net liquid funds of R2,202 billion (2001: R1,058 billion) available to finance future activities. Net capital expenditure on fixed assets increased to R695,1 million (2001: R496,0 million).

Capital items amounting to R11,5 million have been written off.

In accordance with recently amended South African Generally Accepted Accounting Practice with regard to depreciation of buildings and employee benefits, the Group has changed its accounting policies and provides for depreciation on buildings, leave pay and post-retirement employee benefits. These changes have resulted in additional charges to the income statement for the current year totalling R10,6 million (2001: R10,4 million), net of tax and outside shareholders' interest. Had these changes in accounting policies not taken place, the headline earnings per share for the year would have been 439,4 cents per share (2001: 365,4 cents per share), an increase of 20,3%.

The net tangible asset value per share increased by 32,7% to 1,574 cents (2001: 1,186 cents) and distributions to shareholders increased by 12,3% to 190,0 cents per share (2001: 169,2 cents per share).



CATERPLUS



COMBINED FOODS



Working capital management deteriorated during the first half of the year but improved considerably during the last quarter. The increase in Bidvest's effective tax rate from 23,3% to 27,6% had the effect of an additional charge to the income statement of approximately R80 million.

Bidvest is traditionally financially conservative and has always operated from a position of financial strength. We enjoy the highest local credit rating issued to an industrial corporate and we have a strong balance sheet, with financing capacity available for expansion and acquisitions to take advantage of local and international opportunities.

### STRATEGIC REVIEW

Bidvest has a clear focus and a commitment to build on what we have created. We have a common, proven business model across all of our closely aligned businesses and we use our resources and our diversity to create value. We are a strong, resilient and accountable company with a multi-faceted portfolio of focused businesses selling leading branded products and services and this financial strength allows us to capitalise on opportunities that present themselves through unpredictable economic cycles.

We are acquisitive and opportunistic by nature and will continue to be so. We have a focused approach to acquisitions, targeting assets which not only extend and add value to our range of products and services, but also offer an above average return on investment.

Organic growth is equally important and we strive for optimal operational performance, which includes focusing on product and market development, improved product and service quality and cost containment. Bidvest's management is tasked with ensuring that the business strategies of the decentralised operations remain relevant in the changing business environment and that future customer demands are proactively anticipated and addressed. Bidvest achieved organic growth of approximately 23,0% in operating income.

We also intend to migrate our businesses along the integration ladder. We aim to develop from a product-, service- and asset-centric organisation to one offering

holistic products and services catering to all our customers' needs. The future holds the promise of new service lines, new geographies and new clusters of offerings. The future may also produce new businesses as we turn internal competencies into marketable offerings. The concept of bundling our products and services and cross-selling the packaged solution across the Group has enormous potential.

Whilst Bidvest is a dynamic and opportunistic organisation, our core strategy of investing in distribution, services and trading businesses and operating on a decentralised and entrepreneurial basis has not changed and we will continue to deliver shareholder value by using the capacity of our South African growth engine to develop local operations and drive international expansion.

### Acquisitions

During the year the Group acquired the balance of 68% of the shares of Voltex Holdings Limited for R218 million, 100% of Paragon Business Communications Limited for R58 million and on January 3 2002 invested £31,5 million in the London-listed Jacobs Holdings plc (renamed Bidcorp plc). A number of smaller acquisitions were also made.

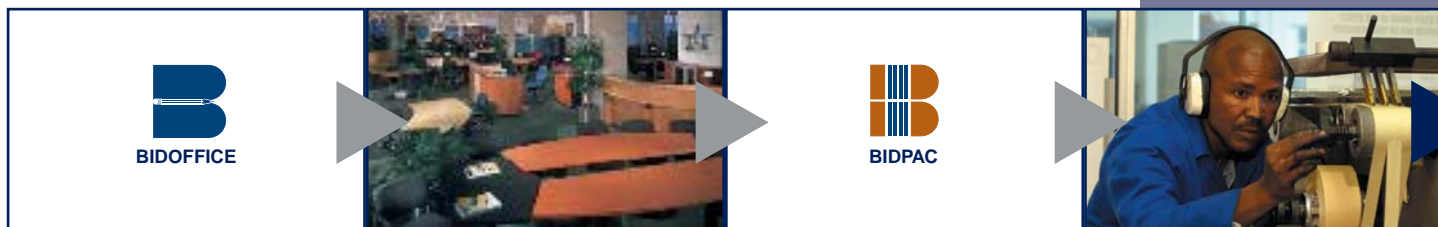
### OPERATIONAL REVIEW

During the previous financial year, Bidvest simplified its structure into three umbrella divisions, which has given perspective to the size and scope of the Group's operations. Each of these divisions will expand their businesses into the international marketplace to provide the platform for future growth. Bidvest is a multi-billion rand business and each of these divisions has the potential to achieve this scale in their own right.

### The Services Division

The Services Division comprises Bidfreight (incorporating Bidcorp plc), Bidserv and Rennies Financial Services, three highly focused operations providing services to niche markets, and all leaders in their field.

Our services business offsets economic cycles by offering long-term revenue streams and aligns Bidvest to its customers by linking their future success to our own.





*We are  
acquisitive and  
opportunistic by  
nature and will  
continue to be so*

## Chairman's statement (continued)

### ***Bidfreight***

Bidfreight's revenue increased by 18,6% and operating income by 24,0% with especially strong performances from the Terminals division and the Namibian operations.

Bidfreight saw a significant shift in trade patterns post the World Trade Centre disaster and the resultant economic slowdown. Import volumes in respect of both sea and air freight declined swiftly. Exports rose on the back of a weakened rand and import values increased, which boosted Bidfreight's forwarding revenue.

The growth of South Africa's international trade is expected to continue to be more rapid than its GDP growth. A greater percentage of South Africa's domestic product is traded internationally each year and we expect this trend to continue.

Renfreight was incorporated into Safcor Panalpina during the first quarter of 2002 with minimal disruption to their customers. Benefits arising from the merger have started to flow through.

The separation of Portnet into SA Port Operations and the National Port Authority is almost complete. Whilst the start of the Port concessioning process appears to be imminent, delays have been experienced in similar processes in other industries. Bidfreight Terminals intends to participate in port privatisation and concessioning when it occurs.

Bidfreight is intent on working with Spoornet to facilitate the shift in cargoes back to the rail system.

The operations that trade in other African countries have, with the exception of

Namibia, been adversely affected by the economic decline in these countries. The businesses have been focused on movement of commodities into and out of the territories. The Namibian operations, which are reliant on the fishing industry, had an excellent year with higher dollar prices coinciding with a weakening exchange rate.

### ***Bidcorp plc***

Following the acquisition of Bidcorp plc, a strategic review of the business activities was undertaken and a chief executive, seconded from Bidfreight Terminals, was appointed. The operations were reorganised into three focused operating divisions: Shipping and Ports, Automotive Services and Property and Outsourced Services.

These actions are already starting to show results as reflected by Bidcorp's return to profitability in its interim results for the six-month period to June 30 2002.

All business units have been stabilised in the period and the shipping division is well placed to benefit from the announced closure of a major competitor's services on the Zeebrugge route.

### ***Bidserv***

Bidserv's revenue increased by 29,5% and operating income of R134,3 million reflects an increase of 27,1%.

The overall trend to outsourcing in South Africa continues to gather momentum. All the divisions within Bidserv have taken advantage of this trend. Industry specific service concepts have been developed, which have been well received by the market. Bidserv Integrated Service



Solutions, has been successful in selling the full range of Bidserv's services to single clients.

The businesses of the Magnum Group were acquired with effect from July 1 2001 and integrated with Shield Security. Magnum Shield Security Services is now the third largest guarding business in the country.

Steiner Hygiene performed well and developed various new products to enhance its range. Customer service levels were improved and a number of new depots were opened.

The Prestige Group continued to grow strongly and improved its operating margin through the use of superior equipment and advanced cleaning techniques, coupled with efficient and highly trained personnel.

Although margins are low in the laundry industry, this division saw a significant improvement in its operating performance through improved efficiencies in its new modern factory.

**Rennies Financial Services**

Rennies Financial Services' revenue increased by 15,1% and operating income of R109,7 million reflects an increase of 23,3%.

The division increased its contribution and the value of bookings and foreign exchange dealings was just under R16 billion.

September 11 and the dramatic depreciation in the rand negatively affected international corporate travel, which had a knock-on effect on foreign exchange sales. However, the combination of the cheaper rand, fears of east-west travel and active marketing by SA Tourism all contributed to South Africa's attractiveness as a safe and affordable destination for foreign tourists, which had a positive effect on all the division's businesses.

Rennies Bank, whose primary focus is in foreign exchange and related activities, is now the leading seller of travellers' cheques and foreign currency bank notes in South Africa and increased turnover by 75% over the prior year. Rennies Bank has an A2 credit rating from CA-Ratings with a capital adequacy ratio of 62%.

**The Foodservice Products Division**

The Foodservice Products Division comprises Bidvest plc, Caterplus and Combined Foods, which are focused on the supply and distribution of foodservice products to the leisure, hospitality and catering industries.

There is a continuing and sustained lifestyle trend where single parent and double income families are more pressured for time and are increasingly spending money on meals away from home.

**Bidvest plc**

Bidvest plc's revenue increased by 67,1% and operating income of R460,9 million reflects an increase of 73,8%.

*United Kingdom*

3663 First for Foodservice had an extremely successful year, with revenue up 17,0% and operating income up 26,9% in sterling, in a market generally regarded as flat.

The most significant gain was recorded by Multi-Temperature, the largest operation, with good growth from the Frozen business. These trading units achieved sales growth in both the independent and national customer sectors. Further buying improvements offset pressure on costs leading to increased operating margins.

The performance of the Logistics division continues to improve. Contract Distribution achieved efficiencies in costs which, combined with new accounts brought on stream in the latter part of the year, enhanced profitability.

*Australasia*

The results of Bidvest First for Foodservice in Australia reflect organic growth as the year was spent on consolidation and the integration of the John Lewis Foodservice business into the existing operations and infrastructure.

The trading environment in Australasia remains relatively stable and Bidvest Australasia continues to entrench itself as the leading foodservice distributor in Australia and New Zealand.





*We have  
a common,  
proven business  
model across all  
of our closely  
aligned businesses*

## Chairman's statement (continued)

The unsuccessful bid for Brake Bros plc was disappointing. However, Bidvest plc, with a strong and financially stable base, will continue to grow both organically and by acquisition, consolidating its position as a market leader to become a truly international player.

### *Caterplus*

Caterplus' revenue increased by 21,5% and operating income of R132,5 million reflects an increase of 24,9%.

The emphasis this year has been on gaining market share through aggressive trading, whilst maintaining strict controls on assets and overhead expenses. The results were most pleasing.

The Catering Supplies division acquired M&M Quality Choice, located in Johannesburg, with a small branch in Nelspruit, in December 2001 and their results have been included for the second half of the year.

The Frozen Foods division performed very well in a market that remained highly competitive with margins under continuous pressure.

The depreciation of the rand affected the Speciality division most significantly and sales volumes declined as a result of the higher prices whilst rand sales increased. Various new product ranges such as Ferrero Rocher and Pez were acquired and a number of new products were added to the Goldcrest range.

The benefits of the previous year's restructuring at Vulcan-CAARS improved the profitability of the business.

### *Combined Foods*

Combined Foods' revenue increased by 11,3% and operating income of R79,6 million reflects an increase of 16,4%.

The baking industry is in a state of change and is characterised by strong competition. Chipkins has focused on improving back-office systems, reducing costs and greatly improving customer service levels.

Despite increases in the price of red meat Crown National achieved growth in market share and made inroads into certain non-meat market segments.

NCP Yeast serves the home and industrial baking and brewing industries, which experienced mixed growth, increasing its customer base by utilising Chipkins' distribution network.

### **The Commercial Products Division**

The Commercial Products Division comprises Bidoffice, Bidpac and Voltex, which are focused on the manufacture, trading and distribution of commercial products.

### *Bidoffice*

Bidoffice's revenue increased by 25,5% and operating income of R313,7 million reflects an increase of 42,8%.

Kolok increased revenue by 88% as a result of an aggressive marketing and sales campaign and managed its assets superbly to generate exceptional returns and significant cash flows.



**RENNIES FINANCIAL  
SERVICES**



**BIDVEST plc**



Waltons performed strongly with a marked turnaround in the profitability of the Gauteng region. The successful formation of the 'direct stores concept' was extended through additional store roll-outs and significant progress was made in e-procurement. Waltons is looking to brand more of its own products as a hedge against further devaluation in the rand.

Lithotech produced outstanding results through effective management of assets resulting in substantial cash generation and improved return on funds employed. The acquisition of Paragon Business Communications Limited and its merger with Lithotech created the opportunity for a major consolidation of the industry. Their distribution channels were integrated and certain production units combined. The mature products are focused on low cost production achieved through better economies of scale, whilst a range of new-age electronic products complements the product offering.

#### ***Bidpac***

Bidpac's revenue increased by 9,1% and operating income of R84,1 million reflects an increase of 20,5%.

Afcom-GE Hudson and Buffalo Executape produced excellent results, with improved margins achieved through enhanced manufacturing efficiencies and productivity. During the year a strategic decision was taken to increase the businesses' manufacturing capacity, to produce product previously imported, which created a competitive edge in the face of a depreciating rand.

Silveray delivered good profit growth and increased market share in a growing market through focused sales programmes of its Croxley range of products.

In the latter part of the year, Silveray embarked on an ambitious export drive into the United Kingdom and Africa and has secured some lucrative orders. This initiative will be continued into 2003.

#### ***Voltex***

Voltex achieved revenue of R1,362 billion and operating income of R89,8 million for the nine-month period since acquisition.

Voltex continues its policy of cost-cutting initiatives with unprofitable branches being closed, merged or relocated. Senior management is involved in a thorough review of expenses throughout the business and continues to monitor pricing on an ongoing basis.

Voltex embarked on a drive to increase its participation in the manufacturing sector and is attempting to increase its market share in the electrical maintenance and wholesaling industries as well as the mining sector whilst consolidating its leading position in the contracting industry.

#### **IT Services**

##### ***mymarket.com***

mymarket.com dedicated most of the year to developing the infrastructural and software capabilities required to accommodate the needs of trading partners, which was largely completed by March 2002. The cost of this development was R25,3 million and is now being depreciated.

Vigorous 'proof of concept' pilot projects were successfully completed. Two significant national customers of the Group are currently trading online. mymarket.com has embarked on an aggressive customer acquisition strategy.

The site built for 3663 First for Foodservice in the United Kingdom went live in June 2002. A number of customers have already been signed up and 3663 is implementing the system into these customers' businesses.

#### ***I-Fusion***

The past year proved to be particularly challenging for companies in the information technology industry. Further restructuring has resulted in I-Fusion's focus being



*We use  
our diversity  
and resources  
to create value*

## Chairman's statement (continued)

narrowed considerably to provide a world-class network and networking solutions to its customers.

Bidvest acquired the remaining 23,0% minority shareholding in I-Fusion. I-Fusion owns technologically advanced equipment and a state-of-the-art network, delivering a managed service solution to Bidvest and the market at large. The Group remains committed to maximising I-Fusion's capabilities due to the strategic nature of the operation.

### Corporate Services

Bidvest's relatively small corporate office provides the Group's strategic direction, financial management and corporate finance services. The corporate centre adds value through the identification and evaluation of acquisition opportunities and the implementation of Bidvest's decentralised, entrepreneurial business model.

As overall winner of the 2002 Five-Year Growth Award, the Group is proud to have been recognised and ranked first amongst the companies that are making a significant contribution to growing South Africa's economy.

During April 2002 Bidvest raised R558 million through the issue of new shares to institutional shareholders in anticipation of the participation in the Brake Bros bidding process.

Should acquisition opportunities arise, the Group will not be averse to increasing its gearing to a debt-to-equity ratio of up to 40%, which will have the effect of reducing Bidvest's weighted cost of capital and improving shareholder returns.

Bidvest intends to increase its international shareholder base. As the Group globalises, so its shareholders should reflect the geographical spread of its operations. The fundamental long-term goal of delivering shareholder value requires further international expansion, which will need to be funded from international resources.

A comprehensive open market valuation of the South African property portfolio has been completed and the results are currently being evaluated. Some non-core properties have been disposed of and new property developments to house Group companies have commenced.

### CORPORATE CITIZENSHIP

Bidvest is committed to conforming to good corporate governance principles and fulfils the appropriate requirements laid down in the King II Report.

### Empowerment shareholding

Institutions hold approximately 90% of Bidvest's shares. The true identity of black empowerment shareholders is uncertain and the real quantum, at this stage, is difficult to determine.

However, approximately 24% of Bidvest's share capital is owned by institutions for the benefit of previously disadvantaged individuals.

At June 30 2001, Women's Investment Portfolio Holdings and Worldwide African Investment Holdings held 1,4% and 1,3% of Bidvest respectively. Both shareholders have since disposed of their holdings.





### Empowerment initiatives

Empowerment should not be determined by percentages, but should be measured on the rand value of projects and wealth created, educational initiatives and skills development.

Various new empowerment joint ventures were set up, which include two Cecil Nurse assembly plants in Gauteng and Port Elizabeth, Ubuhle be Dauphin Office Seating in Mpumalanga, Ditulo in Gauteng, SheNxisa Travel in East London, Tuka Travel and Twafika in Namibia and Vuka Catering Supplies in Gauteng.

Bidvest sold a 25% stake in Rennies Travel to Women's Development Business Investment Holdings at the beginning of the year, a move that has been positively accepted by all stakeholders.

An estimation of the value of the black economic empowerment businesses within Bidvest is approximately R500 million, which, if grouped together, would create a substantial organisation.

The establishment of joint ventures with empowerment groups is an ongoing process within Bidvest.

### People

Bidvest's culture has been embraced in our operations throughout the world. Employees work in entrepreneurial environments where being the best and paying attention to detail is imperative. We empower our employees with the training, the authority and the responsibility and they respond by delivering the results. Teamwork is critical and reinforced at every level of the organisation.

I am extremely proud of Bidvest's management. They succeed because our policy of decentralisation means that they are in control of their own destinies and they have the requisite strategic knowledge, which they use to choose the appropriate growth paths.

### Development

Training and career development are important elements of our business philosophy and success. As the marketplace

becomes more challenging, it takes great leadership to guide a successful business. We put a high priority on developing our next generation of business leaders and continue to explore new ways to foster a progressive workplace that attracts and inspires bright, passionate people.

A new management development initiative will be launched in October 2002 and is the next phase of staff training at all levels of the organisation.

### HIV/AIDS

The Group has a responsibility to ensure that the rights of employees with life threatening diseases are consistent with the rights of other employees, and to provide a safe and productive working environment for all.

Bidvest's philosophy of decentralisation applies equally to the handling of HIV/AIDS and each business unit monitors the magnitude of the problem. The Group encourages training and education programmes, voluntary anonymous testing and crisis planning.

We anticipate there will be a continued impact, although small at this stage, on productivity and costs, particularly in Bidserv, which is our largest employer.

### Social responsibility

The managers and staff of our operations understand which charitable causes are most important in their areas and they determine how to support the organisations that are making a difference in the lives of our customers and their communities.

Good corporate citizenship is an integral way of life at Bidvest and through the Chairman's Fund, and on an ad hoc basis throughout the Group, Bidvest will continue to support worthy programmes.

### POST-BALANCE SHEET EVENTS

#### Servest Holdings Limited

Post the year-end, an offer was made to Servest by a consortium comprising a private equity fund and the



*Our strength  
lies in our  
diversity and  
our best days  
lie ahead*

## Chairman's statement (continued)

management of Servest to purchase the underlying businesses, subject to approval by shareholders in general meeting. The performance of Servest had been disappointing.

As a 28% shareholder and a potential offeror, Bidvest decided to reflect the book value of its investment at 89 cents per share.

Following a review of information provided by Servest management, we believed the offer to be fully priced and once distribution of the proceeds had been ensured, decided to vote in favour of the transaction.

### Danel

Bidvest acquired the bulk of the assets of Danel SA on September 5 2002 which, prior to being placed in receivership, was the largest business forms manufacturing and distribution operation in France. The acquisition consideration, which will be settled in cash, is €5,6 (R58,2 million), plus an amount in respect of inventories.

Lithotech, the business forms operation of Bidoffice, has a similar business to that of Danel. Lithotech will provide management expertise and will implement its systems across Danel to reduce costs, whilst taking advantage of Danel's market presence and developing the range of solutions sold. It is envisaged that Danel will, in time, become the base for the distribution of Bidoffice products throughout Europe.

### Dow Jones Sustainability – World Index

Bidvest has been selected as a component of the Dow Jones Sustainability – World

Index for its achievements in, and ongoing commitment to, good corporate citizenship and sustainability. Bidvest is one of five South African businesses selected for the Index.

### PROSPECTS

Bidvest is about the future, about where we are going, not where we have been.

We have been through a period of consolidation after a year of growth, but are now ready for the next phase and are proactively sourcing potential transactions. Opportunities do not always arise when one would like them to and patience and timing are critical.

Our ability to strategically leverage resources will be the key to enhancing our competitive advantage and the Group is well positioned to grow. The integrated service solution concept will be targeted at the Group's entire customer base and should contribute to earnings.

The year ahead will see a focus on maximising the opportunities between the local Bidfreight operations and Bidcorp in the United Kingdom and Europe in an effort to position the combined operations in the growing international trade arena. We will also look to expand our foodservice products interests in the United Kingdom, Europe, Australasia and the United States of America.

Acquisitions beyond our borders will by necessity have a slower and more selective decision making process. We aim to pursue smaller, 'foothold' acquisitions in regions and markets where we are not yet represented, whilst also evaluating large





acquisitions, particularly in the services and foodservice distribution spheres.

Looking ahead we, like everybody else, are watching the world economy and anticipating a steady recovery. Bidvest is well positioned to benefit from future economic improvements, however, we have not built our 2003 plans around any development that is not within our control. We go into the next financial year with the objective of growing faster than the market, conservatively managing our expenses and taking managed business risks while setting aggressive goals in all areas of our business, from productivity to profit contribution, return on funds employed, market-share gains and customer satisfaction.

The launch of the next phase of our career training and development initiative as well as our Group-wide cross-selling initiative should assist in creating new ideas and revenues in the future.

#### BOARD OF DIRECTORS

It is with great sadness that directors and staff noted the passing of Tony Behrmann on February 17 2002. He was a director and legal advisor to the Group since its inception and was part of its success. He is sorely missed by all at Bidvest.

I would like to welcome Myron Berzack as an executive director and Lara Matisonn and Fani Titi as non-executive directors to the Board. Mr Berzack built Voltex into the success it is today and his business acumen is a welcome addition. Ms Matisonn is a partner at Werksmans Inc. and replaces Mr Behrmann as the Board's legal advisor. Mr Titi brings expertise in strategy formulation and implementation as well as investments and deal making. His experience in corporate transformation will also assist the Board.

Bidvest is a unique company, reflected in the composition and size of its Board, which, notwithstanding the effectiveness of this structure, will be reviewed.

#### APPRECIATION

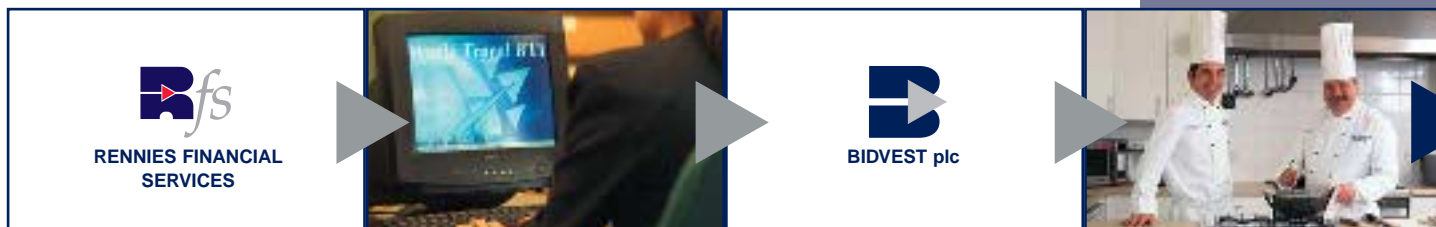
I would like to take this opportunity to thank the members of the Board, divisional chairmen, the heads of all the subsidiary companies and every member of management and staff whose commitment to the values and culture of Bidvest have brought us another successful year. Our people bring energy and enthusiasm, a customer focus, a vision and a commitment that extend beyond the performance of any one-year and involve an investment in building the next cycle of growth.

Bidvest is a diverse company bound together by common values, systems, initiatives and financial practices. Bidvest works and is trusted because it performs. This is our way of making our objectives a living reality.

Bidvest is grateful for your continuing trust and support. Our strength lies in our diversity and our best days lie ahead.

**B JOFFE**

*Executive Chairman*





*Bidvest has an unequalled position*



*with its breadth and depth*



*of products and services*



*to extract value*



**BIDVEST**

## Divisions of Bidvest



### The Services Division



#### BIDFREIGHT

A leading freight management group serving customers in all major centres in sub-Saharan Africa, the United Kingdom and Europe through several independent businesses focusing on freight terminals, international freight forwarding, logistics and marine services.

#### BIDFREIGHT TERMINALS

*Bluff Mechanical Appliance, Island View Storage, Naval, South African Bulk Terminals, Rennie's Cargo Terminals, SA Sievedores and South African Container Depots* operate a wide range of specialist materials – handling operations from strategically located facilities in and around the port peripheries and at various inland locations throughout southern Africa.

#### INTERNATIONAL FORWARDING

Offers specialist international freight management services through the *Sajcor Panalpina (incorporating Renfreight)* operation. It has access to an international network of over 300 offices in 65 countries through its long-standing association with Panalpina World Transport of Switzerland. Its investment in *Sebenza Forwarding and Shipping Consultancy* extends the scope of its operations.

#### MARINE SERVICES

Through *Rennie's Ships Agency, Bidfreight Intermodal, P & I Associates and Rennie Murray* and the joint venture operations, *Cosren, Freightbulk and Japan Marine Supplies & Services*, the division provides a complete range of ships agency-related activities at all South African ports. These activities include charter, marine insurance, port and general agency functions for and on behalf of South African and international shippers and shipowners.

#### MANICA AFRICA

Manica Africa, with operations in Botswana, the Democratic Republic of the Congo, Malawi, Zambia, Zimbabwe and Namibia, offers a full range of freight and marine-related services in southern Africa with the network and facilities to meet all the needs of regional agriculture and mineral logistical requirements. Manica is also involved in the fishing industry in Namibia.

#### BIDFREIGHT LOGISTICS

Offers total supply chain management and logistics solutions. Its services range from international express freight and overnight domestic express to specialist warehousing and distribution through its three dedicated logistics operations. *Rennie's Textile Logistics, Rennie's Technology Logistics, Rennie's International Logistics, FedEx and Safcon*, together with *Express Air Services*, comprise this division.

#### BIDCORP PLC

Listed on the London Stock Exchange in the transport sector, Bidcorp plc focuses on shipping and port services, automotive logistics and property and outsourced services sectors.

#### Investments

Bidfreight has an investment in *Compu-Cleaning* and *Sebenza Forwarding and Shipping Consultancy*.



#### BIDSERV

Provides a comprehensive range of outsourcing services including contract cleaning, security, staff facilitation, washroom hygiene, laundry services and garment rental and distributes janitorial supplies and workwear.

#### PRESTIGE GROUP

Southern Africa's largest contract-cleaning operation provides services to a wide range of industries and institutions. Its specialised property solutions division offers a variety of services such as vehicle cleaning, chemical deep-cleaning and exterior cleaning of buildings, pest control and carpet and window cleaning. The 50/50 joint venture, Bidwip, is a majority shareholder in a number of empowerment cleaning companies.

#### STEINER HYGIENE

South Africa's leading washroom rental service provider offering a large and cost effective range of washroom products. Services include purified water under the brand name *Pureau*, dust control mats and a range of products for food preparation areas.

#### SECURITY

##### Magnum Shield Security Services

Operating in the physical guarding sector of the market, with a focus on specialising in niche markets such as hospitality, shopping centres, retail, mining, banking and residential estates.

##### Provicom Electronics

Supply and installation of electronic security management systems, providing an integrated solution to security needs through the use of advanced technology.

#### LAUNDRY SERVICES

##### Boston Launderers

The country's largest commercial laundry, dealing extensively in the hospitality industry. *Montana Laundries* specialises in on-premise laundries for the healthcare industry.

##### First Garment Rental

Tailor-made garment rental from industrial protective clothing to corporate wear. Rental services include laundering, repairs, delivery and collection of garments.

##### Clockwork Clothing

Manufactures high quality workwear and Admiral Sportswear.

#### COMMERCIAL SUNDRIES

A major distributor of janitorial, cleaning products and consumables to industry.

#### TMS-SHEZI

Specialises in high-pressure cleaning, vacuumation, chemical technical cleaning, catalyst handling, transportation of toxic waste-streams, shut-down management as well as staff facilitation of temporary staff on short-, medium- and long-term contracts.

#### BIDSERV INTEGRATED SERVICE SOLUTIONS

A division focused on combining the products and services of the entire Bidserv division to sell the complete outsourcing package.

#### Investments

Bidserv has an investment in *EnviroServ*.



#### RENNIES FINANCIAL SERVICES

Southern Africa's leading travel-related financial services group providing an extensive blue-chip client base with the widest range of high quality products and services to meet all their travel and foreign currency needs, locally, regionally and internationally.

#### TRAVEL SERVICES

Group companies provide travel management services to corporate and leisure clients through their local, regional and international networks. Brand names include *Rennie's Travel, Concorde Travel, BTI Comex Travel, BTI World Travel, Harvey World Travel (SA), Travel Connections* and its associated airport service company *Premier Club Airport Lounges*.

#### RENNIES BANK

A niche bank specialising in foreign money transfers. Rennie's Foreign Exchange is recognised as the foremost provider of specialised travel foreign exchange services, operating a chain of 65 strategically located bureaux de change throughout southern Africa. Backed by a professional currency dealing operation offering the widest range of currencies in traveller's cheques and foreign banknotes in South Africa. Rennie's Foreign Exchange is an authorised representative of Thomas Cook MasterCard Traveller's Cheques in the region and owns 49% of *Master Currency*.



### Corporate Services

The Group's corporate office, based in Melrose Arch, Johannesburg, provides strategic direction, financial management and corporate finance services. The corporate centre adds value through identification of opportunities and the implementation of Bidvest's decentralised, entrepreneurial business model.

#### mymarket.com

Bidvest's business-to-business e-procurement marketplace, mymarket.com, is an electronic exchange using the world's best technology. mymarket.com harnesses the critical mass of the Bidvest supplier and customer base who are able to integrate their financial management and stock control systems with the mymarket.com back-end, thereby maximising their buying power and supply-chain efficiencies, in a secure and confidential electronic environment.

#### I-FUSION

I-Fusion provides a comprehensive range of network and network service solutions. I-Fusion owns and operates Bidnet, the Group's wide-area voice and data network.



### The Foodservice Products Division



#### BIDVEST plc

Bidvest plc, is listed on the Australian and Luxembourg stock exchanges. Its three divisions, Bidvest United Kingdom (3663 First for Foodservice), Bidvest Australia (Bidvest First for Foodservice) and Bidvest New Zealand (Crean First for Foodservice) are leading headline foodservice distributors in the regions in which they operate.

#### BIDVEST UNITED KINGDOM

One of the leading foodservice products distributors in the United Kingdom, 3663 First for Foodservice is made up of two divisions:

- Trading (Multi-Temperature and Frozen)
- Logistics (Contract Distribution and Ministry of Defence)

#### BIDVEST AUSTRALIA

Bidvest First for Foodservice is the leading multi-temperature foodservice products distributor in Australia offering a broad range of products on a national basis.

#### BIDVEST NEW ZEALAND

Crean First for Foodservice is the leading national headline foodservice products distributor in New Zealand.



#### CATERPLUS

A leading, headline distributor of a comprehensive range of products to the catering, hospitality and foodservice industry through strategically located independent business units situated in all urban and tourist centres in southern Africa.

#### CATERING SUPPLIES

A leading supplier of groceries and allied products to the catering, hospitality and foodservice industry, trading under: *Catersales, CCW Catering Supplies, Chipkins Catering Supplies, D & R Lowe Catering Supplies, First Foods Distributors, Lou's Wholesalers, M&M Quality Choice, Nelpack, Pyramid Catering Supplies and RFS Catering Supplies.*

#### FROZEN FOODS

Leading supplier of seafood, vegetable, poultry, red meat, dairy and pastry products to the catering, hospitality and foodservice industry and trades under the following names: *Blue Marine, East Cape Foods and Seaworld Frozen Foods.*

#### SPECIALITY

Through *Patleys* local and imported premium quality food products are marketed under the Goldcrest and other leading local and international brand names.

#### CATERING EQUIPMENT

One of South Africa's leading manufacturers, importers and suppliers of catering and refrigeration equipment, heavy duty kitchen equipment and trades as *Vulcan-CAARS.*

#### Investments

Caterplus has an investment in *Vuka Catering Suppliers.*



#### COMBINED FOODS

Manufactures and distributes a comprehensive range of products to the bakery, meat and food processing industries.

#### NCP YEAST

Manufactures and distributes active yeast to the baking, brewing and consumer markets. The product range comprises compressed yeast, active dried yeast (under the Superbake brand name), brewers dried yeast and cream yeast in various pack sizes.

#### CHIPKINS BAKERY SUPPLIES

Manufactures and distributes a wide range of pre-mixed convenience products and ingredients and bakery consumables to independent and in-store bakeries.

#### CROWN NATIONAL

One of South Africa's largest manufacturers and suppliers of spices, seasonings, additives and condiments to the butchery, meat and food processing industries. A number of "Spice World" cash-and-carry outlets for the consumer market were opened. It is also a leading supplier of sausage casings, butchery equipment, packaging and allied products.

#### Investments

Combined Foods has an investment in *Yeastpro.*



## The Commercial Products Division



### BIDOFFICE

Engaged in the manufacture, distribution and supply of commercial office products including stationery, office furniture, computer consumables and other office automation products, including printing, through a network of branches throughout southern Africa.

#### STATIONERY

Wholesales and distributes a wide range of stationery products and computer consumables including leading brand names through *Contract Office Products*, *Hortors Stationery*, *Kolok*, *Kolok Africa*, *South African Diaries*, *Statmark* and *Waltons Stationery Company*.

#### PRINTING AND RELATED

Distributes print and print-related products to the trade through approximately twenty operational divisions of *Lithotech* (incorporating *Paragon*), including mailing and laser personalisation. *Danel* manufactures and distributes business forms in France.

#### OFFICE AUTOMATION

*Minolta South Africa* distributes the Minolta range of photocopiers, facsimile machines and laser printers and the *Océ* range of high volume and specialised printing equipment.

#### OFFICE FURNITURE

Manufactures and distributes a wide range of office furniture and associated products for the corporate and commercial markets through *Atomic*, *Cecil Nurse* (incorporating *Budget Desks and Chairs*), *Dauphin*, *Nuclear*, *Pago*, *Seating*, *Stenochair* and *Waltons*.

#### BIDOFFICE CORPORATE SOLUTIONS

This division works together with *Bidserv* to offer an integrated solution to corporates, be it on an outsourced or in-house basis.

#### Investments

Bidoffice has investments in *Corporate Concepts*, *Matlafatso Stationery Supplies* and *Offurn Clearance House*.



### BIDPAC

Market and technology leader of nailing, stapling, packaging closures, strapping, adhesive tape, marking and coding, construction fasteners, labels and stationery products. These products are distributed through a nationwide branch network to the commercial, industrial, mining, agricultural, construction and retail sectors.

#### PACKAGING CLOSURES

Manufactures and distributes strapping, staples, nails, adhesive tapes, labels, seals and custom-made machinery and systems through its operations *Afcom-GE Hudson*, *Buffalo Executape* and *Ramset*.

#### PAPER CONVERSION

Manufactures and distributes envelopes, commercial and scholastic stationery, files, adhesive tapes, staplers, rubber bands, paper punches, stamp pads, inks, paste, labels and other stationery products through *Silveray Stationery Company* under well-known brand names including *Croxley*, *Sellotape*, *Rapid*, *Tesa*, *Penguin* and *Pelican*.

#### Investments

Bidpac has an investment in *Transpaco*.



### VOLTEX

Voltex is a pre-eminent distributor and wholesaler of electrical products to the industrial, reticulation, domestic and general electrical markets. Voltex also supplies security products through *Sanlic International* and distributes industrial embroidery and domestic sewing machines as well as a range of leading appliances through *The Berzack Division*.

#### THE VOLTEX ELECTRICAL DISTRIBUTION DIVISION

Operates from 77 strategically situated outlets throughout southern Africa and carries a comprehensive range of well known local and international brands.

Specialist services and products are offered through *Waco Industries*, *Atlas Cables and Association Cables*, *Cabstrut*, *Sanlic Silverline*, *Voltex Lighting* and *Voltex Transmission and Distribution*.

#### THE BERZACK DIVISION

Operates from eight outlets in South Africa, four in the United Kingdom and one in Morocco.

This division distributes industrial machinery and accessories to the clothing, luggage, upholstery and embroidery industries. The division also distributes household machines and appliances, as well as consumer medical devices to the general retail trade. Price marking equipment and labels are manufactured and sold by the *Sato* division.



**The Services  
Division**

## Review of operations

### The Services Division

The Services Division comprises Bidfreight, Bidserv and Rennies Financial Services, three highly focused operations providing services to niche markets, and all leaders in their field.

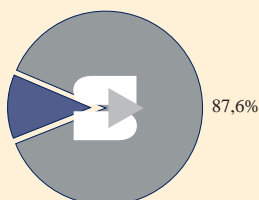
Our services businesses offset economic cycles by offering long-term revenue streams and align Bidvest to its customers by linking their future success to our own.

#### CONTRIBUTION TO THE SERVICES DIVISION – 2002

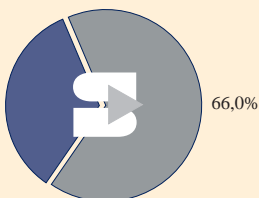
*Our services  
businesses offset  
economic cycles by  
offering long-term  
revenue streams*

#### BIDFREIGHT

Revenue

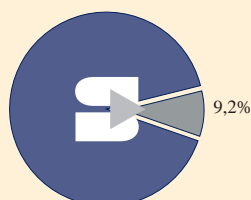


Operating income

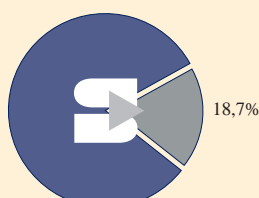


#### BIDSERV

Revenue

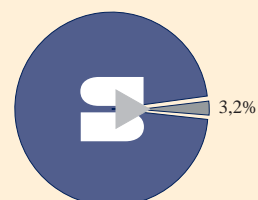


Operating income

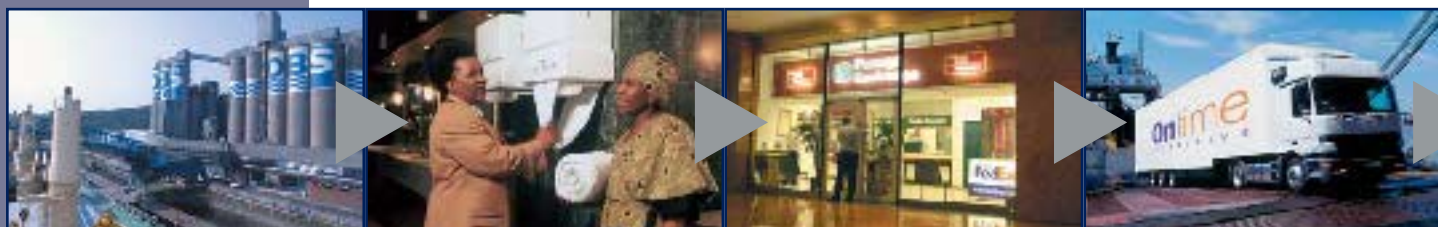
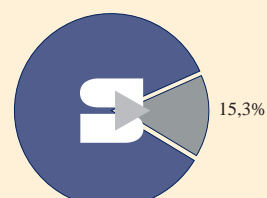


#### RENNIES FINANCIAL SERVICES

Revenue



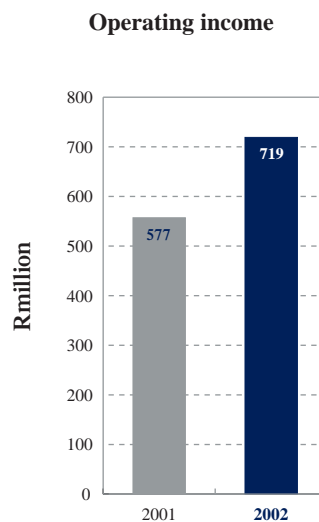
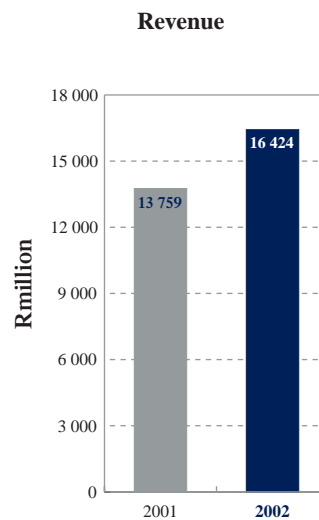
Operating income





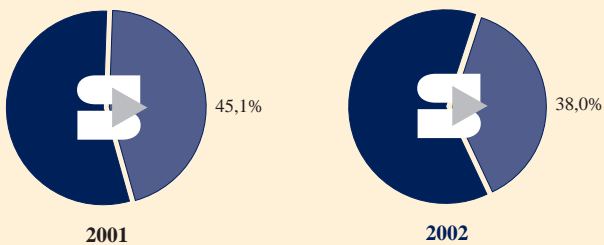
	2002	2001
<b>SEGMENTAL ANALYSIS (R'000)</b>		
Revenue	16 424 403	13 759 072
Operating income	718 570	577 370
Depreciation	228 710	129 691
Capital expenditure	446 050	230 997
Funds employed	1 455 616	436 188
Employee benefits and remuneration	2 076 878	1 478 871
<b>RATIOS AND STATISTICS</b>		
Return on average funds employed (%)	76,0	97,9
Operating income margin (%)	4,4	4,2
Number of employees	47 356	37 895

**The Services Division's contribution to the Group**



**THE SERVICES DIVISION'S CONTRIBUTION TO THE GROUP**

**Revenue**



**Operating income**





**The Services  
Division**

*The global  
slowdown and rand  
depreciation shifted  
trade patterns*

## Review of operations (continued)



### **BIDFREIGHT**

#### **Highlights**

- Operating income increased by 24,0%
- Strong performances from Bidfreight Terminals and the Namibian Fishing operations
- Renfreight operations incorporated into Safcor Panalpina
- Continuing dialogue with Portnet and Spoornet to improve services
- Start and development of Bidfreight Intermodal
- Jacobs plc acquired (renamed Bidcorp plc) in fulfilment of strategy to realise opportunities in the logistics chain in both the country of export and import



### **BIDCORP PLC**

- New chief executive officer and managing director (shipping and ports) appointed
- Strategic review and reorganisation of divisions at Bidcorp plc into Shipping and Port Services, Automotive Logistics and Property and Outsourced Services
- Opportunities from trade to and from South Africa handled by Bidfreight
- Cost-saving initiatives and return to profitability





**BIDSERV**

**Highlights**

- Operating income increased by 27,1%
- Trend to outsourcing gained momentum
- Good performance from core 'soft services'
- Bidserv Integrated Service Solutions division offering 'one-stop' packaged services
- *Acquisitions*
  - Magnum Group
  - Montana Laundries
- Prestige improved margins
- Steiner Hygiene developed additional products
- Boston Launderers commissioned new R20 million plant



**RENNIES FINANCIAL SERVICES**

**Highlights**

- Operating income increased by 23,3%
- Value of transactions just under R16 billion
- Rennies Bank increased turnover by 75%
- 25% of Rennies Travel sold to Womens Development Business Investment Holdings (Pty) Limited
- Maintained market leadership
- Completed rationalisation of low-performing units
- *Acquisitions*
  - Leading Travel
  - Travel Connections
  - Manica's Malawian travel and foreign exchange operations





**Dave Rosevear**  
Chairman

*Bidfreight will  
maximise its  
influence over its  
customers' supply  
chain in the  
United Kingdom  
and Europe  
through  
Bidcorp plc*

## Review of operations (continued)

### Bidfreight

#### MARKET OVERVIEW

After a difficult start to the year, the division performed well with an increase in operating income of 24,0%.

The World Trade Centre disaster negatively impacted sea and airfreight import volumes although revenues increased as a result of the weakened rand, which also led to a gradual increase in exports. The division's terminals produced a solid performance, notwithstanding the restricted Spoornet capacity allocations on certain cargo types. In this respect the division is engaged in constructive discussions with Transnet executives to find suitable solutions.

The Renfreight operations were incorporated into Safcor Panalpina. A major undertaking, which involved once-off costs and necessitated a high level of dedication from the staff concerned. However, the cost savings have now started to flow through and client acceptance and support of the new entity has been pleasing.

The over-border Manica operations focused on their core competencies – the physical handling of metals, minerals and agricultural commodities – substantially reducing the risk profile of the operations. The fishing activities in Namibia had an excellent year.

All other Bidfreight divisions produced strong results with the exception of certain diversified logistics operations within the relatively small Bidfreight Logistics operation.

Bidvest acquired a controlling interest in the London-listed Jacobs Holdings plc, now renamed Bidcorp plc, which operates in the United Kingdom and western Europe providing shipping and port services, automotive logistics and property and outsourced services.

#### Bidfreight Terminals

Bidfreight Terminals is South Africa's leading private provider of storage and handling facilities for bulk, break-bulk and containerised cargoes with facilities strategically positioned in all ports and at key inland locations.

Bidfreight Terminals handled fourteen million tons of exports and five million tons of imports. The depreciation of the rand was a key contributor to improved export volumes, without any noticeable drop in imports. The net result was an improvement in the financial performance of the Terminals division.

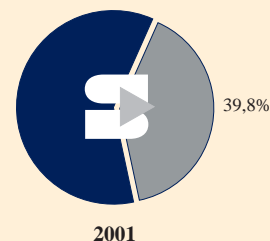
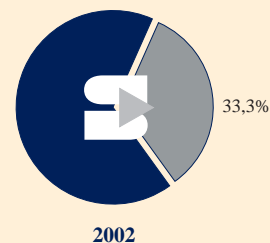
The separation of Portnet into SA Port Operations and the National Port Authority is almost complete. Whilst the start of the Port concessioning process appears to be imminent, delays have been experienced in similar processes in other industries. Bidfreight Terminals intends to participate in port privatisation and concessioning when it occurs.



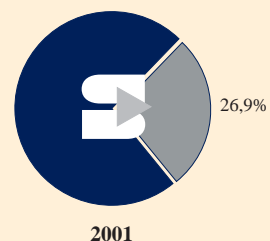
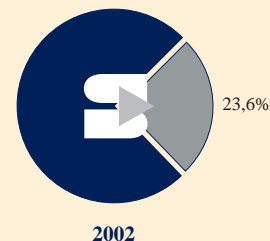


**Bidfreight's contribution to the Group**

**Revenue**



**Operating income**



Bidfreight is intent on working with Spoornet to facilitate the shift in cargoes back to the rail system.

**Bluff Mechanical Appliance (BMA)**

BMA is a sized and steam coal export terminal in the port of Durban.

The world price of steam coal has been high for the past eighteen months. The strong demand and weak rand resulted in large increases in coal exports with BMA handling 2,2 million tons.

The demand for the products handled at BMA remains high, however, reduced rail wagon capacity from Spoornet restricted the terminals throughput.

The shares of the minorities in The Durban Coal Terminal Company, the holder of the lease of the 21 hectares on which BMA is situated, were purchased, giving BMA full control of this site.

BMA constantly looks at ways to improve vessel load rates and efficiencies and load rates of export vessels have doubled over the past few years. Two further shiploaders are being constructed with the aim of increasing capacity in Durban and possibly other southern African ports.

**Island View Storage (IVS)**

IVS provides independent bulk liquid storage and handling to the chemical, petroleum and edible oil industries. World-class facilities are situated in Durban, Richards Bay, Isando and Cape

Town, which together handled 1,7 million tons.

Edible oils movements continue to show growth of approximately 6% per annum. Despite the fall in the rand, growth in demand for chemicals handled by IVS eased due to the impact of the world economic slowdown.

The Richards Bay rail discharge facility was upgraded to improve efficiencies. Two storage facilities, totalling 25 000 cubic metres, were commissioned for the storage of detergent alcohol and octene. Other potential projects include opportunities that will be created by the deregulation of the fuel industry.

**Rennies Cargo Terminals (RCT)**

RCT provides specially tailored and dedicated port terminal and distribution services to a blue-chip customer base. RCT's major operations are ISO 9002 accredited and service targets are aligned to specific customer needs.

The trend of neobulk manufacturers and exporters to outsource warehousing and distribution services and move towards a single logistics provider has continued and had a positive affect on RCT, which handled 2,3 million tons of cargo.

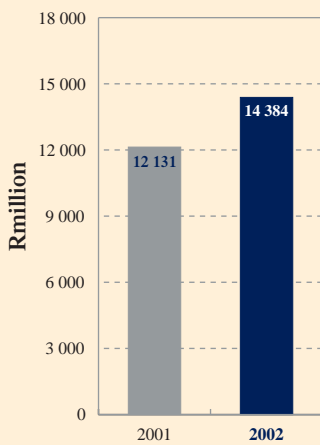
Radio frequency barcode scanning for stock management and a web-based application for in-house stock management were introduced. Three new warehouse facilities within the Maydon Wharf area in Durban were also acquired.



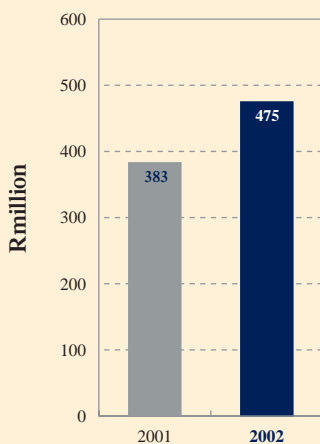


**Bidfreight's contribution to the Group**

Revenue



Operating income



**Review of operations** (continued)

The commitment to growth continues and RCT is well placed to take advantage of facilities that become available through the port concessioning process. Opportunities exist throughout South Africa, which will allow RCT to meet customers' future demands and obtain new business.

**South African Container Depots (SACD)**

SACD, which now has branches in all major South African cities, was first to the market in 1977, providing services to container shipping lines, the clearing and forwarding industry and exporters.

SACD has traditionally been the market leader in the container depot business, a trend that will continue due to the strategic location of facilities and the associated economics involved in importing and exporting containerised traffic.

However, over the past two years a few of SACD's major customers have opened their own facilities, resulting in a decrease in traditional revenue. In response, SACD, which is uniquely placed to offer tailor-made solutions using the broad range of services available within Bidfreight, has adopted new strategies, primarily geared to container packing for selected exporters. The traditional services will be retained as there is still a viable business base amongst a number of shipping lines whose volumes do not justify them setting up their own facilities. The new target markets are large and represent significant potential going forward. Already close to

50% of SACD's earnings are derived from container packing, with the balance from the more traditional storage and handling of both full and empty containers.

SACD upgraded and rewrote its computer operating system and significant savings have been realised as a result.

**South African Stevedores (SAS)**

SAS is a leader in providing stevedoring services to importers, exporters and shipping lines in all of South Africa's ports.

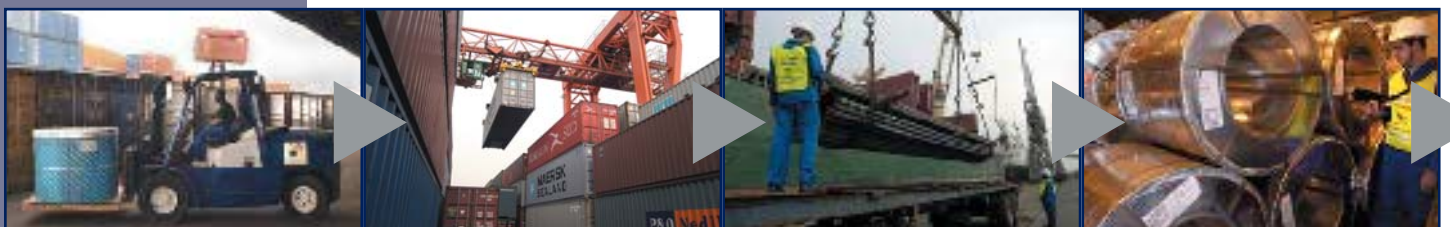
After years of intense price competition within the industry, stevedoring rates have begun to firm, leading to improved results. With the encouragement of the Port Authority and customers, stevedoring companies are beginning to attach themselves to specific terminals, a move that is expected to improve productivity and efficiency due to closer integration of shore and ship operations.

SAS disposed of its 50% shareholdings in Estivar and Richards Bay Steel Stevedoring.

SAS is committed to reducing costs and improving efficiencies to achieve growth. The National Port Authority concessioning will provide opportunities for SAS to integrate into shore-side operations.

**South African Bulk Terminals (SABT)**

SABT, which handles and stores free-flowing bulk products, again produced good results. Volumes in the second half of the year strengthened significantly as a





result of high grain import volumes, mainly maize, wheat and soya. Unprecedented food shortages in the southern African region have buoyed the demand for imported grains and the full effect of the related food aid programme is expected in the coming year. Even with the high level of imports, exports of non-genetically modified grains continue to be strong as a result of the weak rand.

The new flat bin storage capacity at Rennie's Bulk Terminals (RBT) came on stream in December 2001 and immediately ran at full capacity under the flood of imports. The trend towards larger ship parcels by the major traders saw a strong performance by Durban Bulk Shipping (DBS), as it is the only terminal in Durban capable of handling full Panamax vessels.

Inconsistent delivery of rail trucks by Spoornet to RBT and DBS resulted in a noticeable swing from rail to road transport. As a result, both terminals have made changes to their road loading/unloading infrastructure, which has significantly improved truck turnaround times.

High volumes are expected in the coming year and as a result SABT is exploring expansion opportunities in other ports in southern Africa.

#### **Naval (Mozambique)**

Following the repositioning of Naval, the business has shown significant improvement. Ferrochrome and bagged sugar exports through Maputo were the main contributors to the strong performance. The investments currently held are strategically placed to address growth prospects in Maputo and management anticipates that opportunities will arise as the privatisation of Mozambican ports takes place.

#### **International Forwarding**

The highly competitive South African freight forwarding market saw a significant shift in trade patterns post the World Trade Centre disaster. Volumes in respect of both sea

and airfreight imports declined swiftly, but revenues and exports have gradually increased through the continued weakness of the rand.

The situation continues, although more robust economic indicators emanating from the South African economy could lead to a sustained recovery in imports in the second half of calendar 2002.

South African Revenue Service's decision to introduce an accreditation programme in respect of the customs and excise function will no doubt have a positive impact on South African commerce and Bidfreight welcomes the move and looks forward to swifter customs processing, even though the change has increased workloads and necessitated substantial procedural amendments.

#### ***Safcor Panalpina (incorporating Renfreight)***

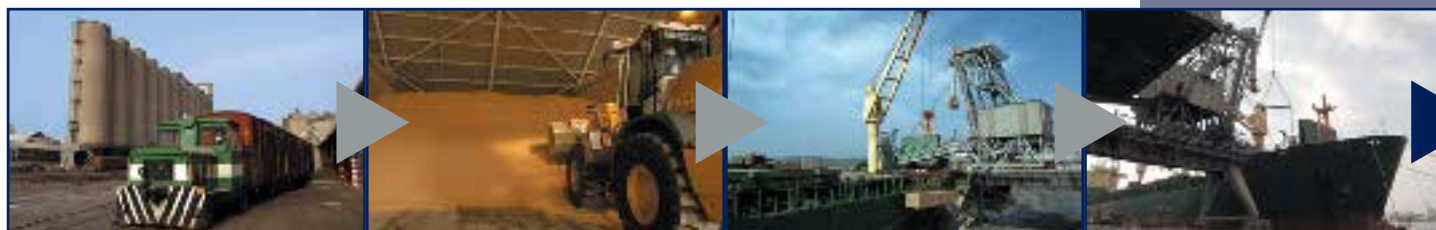
The most significant event was the incorporation of Renfreight into Safcor Panalpina, which commenced late October 2001 and was completed during the first quarter of 2002.

The retention of key staff skills and the maintenance of morale in this difficult period were critical issues and both objectives were well achieved. Client retention was also excellent.

It was most pleasing to be rated by the Professional Management Review as having the highest levels of client satisfaction in the industry. This rating has been achieved before, but never in the middle of a major integration.

The new combined operation provides an exciting range of skills and services and allows for a degree of specialisation previously not achievable in the South African marketplace.

The motivation and development of staff will be the key determinants of Safcor Panalpina's success. Increased focus has been given to formal training programmes, which complement the well-established informal transfers of skill for which Safcor Panalpina is renowned.



## Review of operations (continued)

### *Sebenza Forwarding and Shipping Consultancy (Sebenza)*

Sebenza, in which the Group has a 45% stake, is the largest and best-established black empowerment forwarding operation in South Africa. It offers international forwarding and customs clearing, courier and warehousing services and currently holds approximately 4% of the market. Sebenza performed well in an industry with increasing competition.

Sebenza upgraded its information technology systems and launched its 'Track and Trace' service. New facilities were also acquired. Sebenza won a number of important new accounts, which contributed to the strong results.

### **Marine Services**

Marine Services, which offers a comprehensive range of ships-agency and related services at all South African ports and provides extensive intermodal services to importers and exporters, achieved significant growth in both income and assets despite the impact of volatile exchange rates, falling freight rates and deteriorating port service levels.

### *Rennies Ships Agency*

Rennies Ships Agency maintained its position as a market leader despite intensive competition. Shipowners' participation in new consortia saw a doubling of volumes and allocations on certain routes while the introduction of larger vessels on the South American and Far East services also had a positive impact on market share. Continued investment in both human capital and innovative technology resulted in a significant improvement in both operational and service level efficiencies.

Rennies Ships Agency is the largest and oldest ships agency in the region handling over 3 500 vessels per annum at all ports from Richards Bay to Saldanha Bay. It represents shipowner principals, charterers and traders from all over the world.

Two of Rennies Ships Agency's major liner container-shipping principals are introducing upgraded services and vessels to the South African trade, which will impact favourably on the business.

### *Bidfreight Intermodal*

Bidfreight Intermodal, launched eighteen months ago, experienced significant growth and has become a major player in the southern African intermodal industry. The division services the needs of Bidfreight, shipping lines and shippers of rail and road cargoes into and out of the region. The successful introduction of innovative, internally developed information technology systems significantly enhanced Bidfreight Intermodal's competitive advantage and it secured a number of large customers in the automotive industry. These new contracts, together with the anticipated improvements at Spoornet, are expected to result in substantial growth.

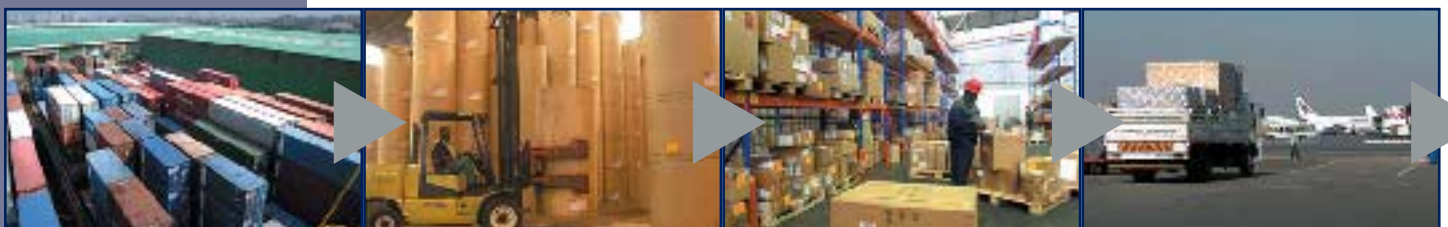
### *Marine Insurance*

The Marine Insurance division, comprising Rennie Murray and P & I Associates, produced highly satisfactory results with Rennie Murray realising the benefits of increased motor vehicle import programmes.

### **Manica Africa**

The year was one of consolidation and improvements in internal processes and operational capabilities. The economic decline in Zimbabwe, Zambia and Malawi affected cargo volumes into and out of the regions. Management concentrated on reducing unnecessary costs and on capturing additional market volumes to keep ahead of the increasingly tough market conditions.

Manica's core focus is the movement of commodities into and out of the southern African region. The commodity strategy has defined itself into two major southern African





routes. The eastern route concentrates on agriculture, textiles, food relief, consolidations and capital projects through Zimbabwe, Mozambique and Malawi. The central route focuses on mining supplies, mineral exports, capital projects and food relief through Zambia and the Democratic Republic of the Congo (DRC).

Namibia operates autonomously as a third route due to its west coast positioning and distinct cargo focus.

With its asset base and border network, Manica is able to offer customers a total freight management solution. There are continuous efforts to create partnerships with shipping lines and other intermodal operators to provide a seamless solution for the customer. Manica focused on reducing shareholder risk, increasing operational efficiency throughout the regions and regional integration.

Various management changes have enhanced financial expertise and resulted in more cost effective management structures. The South African operation became the administrative hub for Manica, consolidating tenders, traffic flows and optimising operational capability.

Advanced enterprise systems were implemented and a web-based tracking system was developed specifically for Manica's customers, enabling them to view the progress of their cargo from anywhere in the world. The tracking system highlights the cargo's movements from point of despatch through to final destination whether it is Botswana, the DRC, Malawi, Mozambique, Namibia, Zambia or Zimbabwe.

#### ***Manica Botswana***

Botswana is rapidly becoming the most efficient route from South Africa to Zambia and central southern Africa. The traffic volumes have increased through the Groblersbrug and Kasane border posts where Manica Botswana is the leading clearing agent. Newly improved systems and

processes have been put in place to reposition the Botswana operations ensuring effectiveness and focus.

#### ***Manica DRC***

Manica DRC has become a key performer in the freight management solution industry in the DRC for inward and outward cargo flows by rail or road.

The economic environment in the DRC is volatile and often unpredictable and the ability to be flexible is therefore crucial to customer satisfaction. Manica DRC has developed local expertise and experience, enabling customers to be confident about operating in the DRC.

#### ***Manica Malawi***

Manica Malawi has increased its market share even though the Malawian economy has been affected by the HIV/AIDS pandemic, high interest and inflation rates and currency depreciation.

The agricultural and textile industries are Malawi's biggest economic sectors, and accordingly Manica Malawi concentrated on developing its agricultural and textile raw material import volumes as well as tobacco, tea and sugar export volumes. The ability to offer a rail and road option has given Manica Malawi the competitive advantage required to operate in a continuously testing environment.

#### ***Manica Zambia***

The acquisition of the Copperbelt Container Depot (CCD) in Kitwe, has given Manica Zambia an enormous competitive advantage. The CCD was developed as a hub for the Dar es Salaam, the DRC and local Zambian traffic, offering rail and road options, container handling and storage, cargo consolidation for local distribution, and bonded warehouses. Strategic partnerships with a number of different shipping lines ensure effective utilisation of the container depot.



## Review of operations (continued)

The present focus on mineral exports and mining re-supply will be changed to include more diverse commodities to ensure that Manica does not become solely dependent on the mining sector.

### *Manica Zimbabwe*

Manica Zimbabwe performed well given the economic decline. Management consolidated operations, minimised risk and focused on reliable revenues, which include terminal operations, cargo logistics, warehousing and tobacco packaging for South Africa.

The political unrest in the country remains a concern and the need for food relief and aid continues. Manica Zimbabwe is involved in the warehousing, forwarding and local distribution of aid cargo in Zimbabwe.

### *Manica Namibia (incorporating Namsov)*

The Namibian operations are primarily involved with the fishing industry and Manica Namibia continues to increase its market share.

The fishing division of Namsov, in which the Group has an effective 27% interest, experienced favourable market conditions. Selling prices were at exceptionally high levels and the demanded volumes were more than Manica Namibia could supply. The current peace initiatives in the DRC could result in increased demand for frozen horse mackerel. Political stability in all west African markets is a critical factor in determining affordability of imported food products. Namsov is optimistic that volumes will increase. The contribution by the monk fishing industry is also expected to increase substantially.

### **Bidfreight Logistics (Bidlog)**

Bidlog houses six distinct, but relatively small, logistics operations: specialist warehousing and distribution

operations (Rennies Textile Logistics, Rennies Technology Logistics and Rennies International Logistics); carrier type operations (FedEx and Safcon); and general sales and handling agency for airfreight (Express Air Services).

### *Rennies Textile Logistics*

Rennies Textile Logistics operates within the domestic textile logistics industry and has positioned itself as a leading third-party service provider to blue-chip retailers. Through constant differentiation of the service offering from both a technological and human perspective and selective, yet aggressive realisation of business opportunities, Rennies Textile Logistics further grew its share of its niche market. Despite the volume reductions experienced as a result of the decline in consumer spend and rising interest rates, Rennies Textile Logistics achieved its forecast profit through greater control of fixed costs.

### *Rennies Technology Logistics*

Rennies Technology Logistics is a specialised distribution business providing services to the consumer electronics market. Clients import their products and are thus highly influenced by the market forces that impact on foreign trade, factors that have restricted the growth of the local market. Margins are consequently tight, but Rennies Technology Logistics' market share has increased and it remains one of the market leaders.

### *Rennies International Logistics*

Rennies International Logistics offers customer-centric, dedicated logistics management services to automotive clients. Rennies International Logistics acts as a lead logistics provider and co-ordinates and manages the performance of other service providers in the supply chain. There are many competitors in the market including most of





the large clearing and forwarding agents and a number of Fourth Party Logistics companies.

### **FedEx**

FedEx is positioned in the premium-priced express distribution section of the international and cross border market. The services offered cater predominantly for the movement of high-value, time-sensitive goods for industries that need an express service. FedEx has continued to focus on the acquisition of small to medium sized accounts and has grown this sector successfully. Knight Movers, a freight brokerage company, was acquired to cater for customers' requirements outside the standard FedEx services.

### **Safcon**

Safcon's services range from time definite road delivery to express services. The market it serves is subject to economic volatility and is extremely price sensitive. The proposed postal legislation, the possible return of road permits and the present proposal by authorities to restrict specific categories of vehicles to travel on major roads at peak traffic times, all constitute additional potential threats to the viability of the industry. However, the worldwide trend to outsource non-core business activities, including distribution, is likely to continue.

Whilst much of Safcon's focus was on getting back to basics, rightsizing both manpower and the fleet, the primary aim was to restore the operation to profitability. The strategy going forward is to further improve profits and address fundamental business imperatives.

### **Express Air Services (EAS)**

EAS operates within the domestic, regional and international airfreight markets as handling and sales agent for various airlines.

A 2 000m<sup>2</sup> warehouse at Johannesburg International airport was acquired for international cargo handling, including an additional 1 500m<sup>2</sup> of cooler rooms for perishable export products, which enables EAS to offer South African exporters an integrated cold chain between Cape Town and Johannesburg for on-forwarding on intercontinental flights.

A number of substantial new accounts were won.

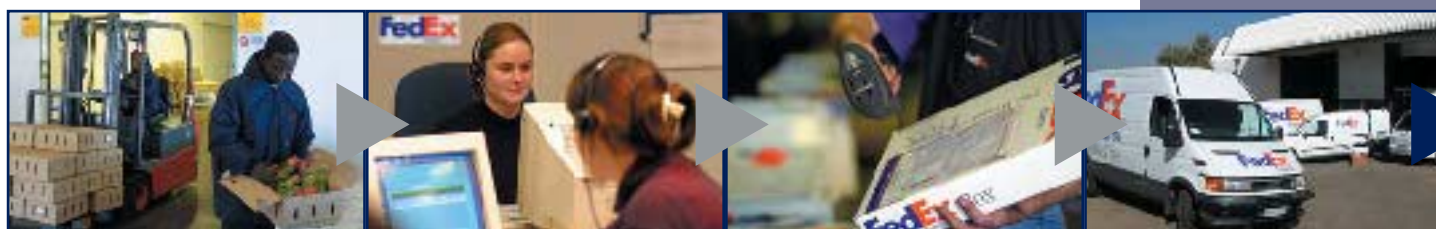
In December 2001, EAS was awarded the 'Best Cargo Operator' of the year by the Airports Company of South Africa. This accolade was awarded based on the recognition of EAS' professionalism, safety record and contribution to the airline industry.

### **BIDCORP plc**

With effect from January 3 2002, Bidvest invested £31,5 million (R548 million) into Jacobs Holdings plc, which is listed in the transport sector on the London Stock Exchange, acquiring 56,7% of the issued share capital of the enlarged group. Jacobs Holdings plc was renamed Bidcorp plc.

Bidcorp plc, is focused on the provision of services in the shipping and ports services, automotive logistics and property and outsourced services sectors.

The first half of the 2002 calendar year was a period of consolidation of Bidcorp's activities with fundamental strategic evaluations being performed within each of the businesses. There has been a determined effort to streamline each operation and implement cost-saving initiatives. Bidcorp has returned to profitability following the poor result for 2001, prior to Bidvest's involvement, and is now well placed to resume growth within its core activities in the medium-term.



## Review of operations (continued)

Opportunities are being investigated and planning is in progress to ensure Bidcorp's involvement in the growing trade between the United Kingdom, Europe and southern Africa.

A consolidation in the shipping and ports market is expected following the announcement from a competitor that it is to close its Zeebrugge ferry services later in the year. The Shipping division is well placed to exploit this opportunity.

### FINANCIAL REVIEW

Revenue increased 18,6% to R14,4 billion (2001: R12,1 billion) and operating income increased by 24,0% to R475 million (2001: R383 million).

Capital expenditure increased by 117,3% to R251 million (2001: R115 million) whilst depreciation increased by 131,2% to R145 million (2001: R63 million).

The division's return on average funds employed was 134,1%.

### STRATEGIC REVIEW

The formation of the Intermodal division has allowed Bidfreight to extend the range of services offered to its blue-chip client base, strategically providing a means of linking cargo handling operations in the supply chain.

The split of Portnet into the National Ports Authority and the South African Port Operations is welcomed and Bidfreight looks forward to the start of the anticipated port processing process. Bidfreight, and in particular the terminals operations, are well positioned to benefit from concessions in its fields of expertise.

### CORPORATE CITIZENSHIP

#### New empowerment initiatives

##### *Namsov*

The empowerment joint venture company of Namsov, Twafika Fishing Enterprises, acquired its first vessel, only starting production during the second part of the financial year. The initial production results were encouraging.

##### *FedEx*

All couriers in South Africa are employed as owner-drivers, thus giving people from previously disadvantaged groups the opportunity to start their own businesses.

#### New environmental responsibility initiatives

##### *Island View Storage*

Environmental legislation in South Africa embraces international best practice and in the interests of transparency and accountability, Island View Storage has engaged the government and local communities to address concerns.

'Open Days' have been well attended by the local community at Island View Storage affording them the opportunity of examining the various facilities and the environmental responsibility programme.

##### *Namsov*

Namsov recognises that its future is dependent on the sustainable use of the marine resources and is an active participant in conservation initiatives.

Namsov pays a levy, which is used to fund research activities in the Namibian fishing waters, to the Ministry of Fisheries and Marine Resources on every ton of fish it catches.





## PROSPECTS

Bidfreight's prospects are encouraging given the strong growth in international trade, in particular the boom in the local export market, and the expected benefits to be derived from the incorporation of Renfreight into Safcor Panalpina. The food aid needed by many southern African countries will, in part, be handled by Bidfreight through the terminals operations as well as the extensive Manica networks in these countries.

Bidfreight looks forward to the realisation of a number of initiatives with Portnet and Spoornet that are currently being investigated.

The focus is to grow the Intermodal operation into a substantial force in the freight industry and, through Bidcorp plc, to maximise the division's influence over its customers' supply chain in the United Kingdom and Europe. Acquisitions will be sought to fill gaps in the service offering and to further strengthen Bidfreight.

Based on the well-established historic pattern both with regard to South Africa and the Organisation for Economic Co-operation and Development countries, the growth rate of South Africa's international trade will continue to be more robust than gross domestic product growth, which should contribute to the sustained growth of all Bidfreight operations.





**Lindsay Ralphs**  
Chairman

*The integrated service solution concept is being targeted at the Group's entire customer base*

## Review of operations (continued)

### Bidserv

#### MARKET OVERVIEW

Bidserv performed well in a market that remains fairly buoyant. Revenue increased by 29,5% and operating income increased by 27,1%. All operations within the division delivered strong performances, except TMS-Shezi, which did not meet expectations.

Assets under management were particularly well controlled, resulting in strong positive cash flows and an improved return on funds employed.

The trend of major South African corporates with regards to services procurement is to deal with large and effective national service providers, which has undoubtedly been to Bidserv's advantage as a leader in most of the fields in which it operates. As business demands increased, the need to focus on one's core business has become more critical and the outsourcing of services has required new, innovative forms of contracting.

Bidserv currently employs approximately 36 500 employees and all of its divisions are beginning to feel the effects of the HIV/AIDS pandemic. Awareness campaigns and training are conducted throughout the division on an on-going basis.

#### Prestige Group

With more than thirty years of experience, Prestige provides expert cleaning services

to a wide range of industries and institutions. Prestige's staff are highly qualified and trained in their fields of expertise. Specialist divisions include hospitality, healthcare, food hygiene, retail, industrial, commercial and educational facilities, and garden maintenance.

Prestige has maintained its position as a market leader in the growing contract cleaning industry.

Prestige is rolling out an upgraded information technology system, which will improve efficiencies in invoicing and financial management. The Food Hygiene division was launched and the Specialised Property Solutions division, which offers pest control services, vehicle wash and valet and deep cleaning, enhanced their carpet maintenance systems and successfully introduced rope access cleaning for inaccessible windows.

The use of superior equipment and cleaning techniques, coupled with an efficient and highly trained personnel, ensure Prestige's success.

#### Steiner Hygiene

Steiner Hygiene's core business is to provide hygiene services to the corporate, industrial, health and food sectors through the rental of the latest washroom products. Steiner also provides all the required consumables, delivered to the client on a continuous cycle.

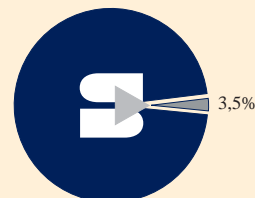
Steiner Hygiene is positioned as a market leader and aims to further increase its market share.



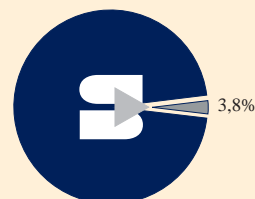


**Bidserv's contribution to the Group**

**Revenue**



2002

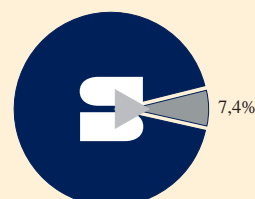


2001

**Operating income**



2002



2001



Property management companies prefer to outsource the hygiene services of a building because of *inter alia* the regulatory requirements related to the disposal of sanitary waste, which Steiner handles on behalf of clients.

Steiner Hygiene is far advanced in the upgrading of its information technology systems, which will incorporate all financial functions, in addition to sales tracking, vehicle routing and an information warehouse to extract management information. The system should be operational in all 24 branches around the country towards the end of 2002, which will assist in growing the existing customer base by identifying opportunities to add value to the service offering. Turnaround time in servicing a client's needs and lower resource requirements will reduce costs.

Steiner has replaced certain chemicals and paper products, which were previously imported, with locally produced alternatives without affecting quality, which has also had a significant impact on the cost of sales.

In order to get closer to clients and offer a more efficient service, Steiner has opened a number of smaller depots.

Steiner recently developed various new products, including new odour and pest control units, an electronic hands-free paper cabinet, a soap dispenser and air freshener. Steiner will supply washroom consumable requirements in small quantities to supplement the rental service.

**Pureau Fresh Water Company**

Pureau operates as a division of Steiner Hygiene and supplies purified drinking water and upmarket water coolers and dispensers to the private and business sectors.

The Pureau plant, based in Johannesburg, commenced operations in 1999 and has a distribution network of vehicles and dedicated sales and service staff in all major centres.

**Security**

Bidserv's security operations are handled by two specialised divisions. Magnum Shield Security Services' focus is on physical guarding, while Provicom Electronics concentrates on the design and provision of electronic security systems and devices.

Market conditions changed dramatically over the past twelve months. Consolidation took place in most major security companies, which left only a few who can truly claim to be independent and totally South African-owned.

**Magnum Shield Security Services**

The business of the Magnum Group was acquired with effect from July 1 2001 and successfully merged with Shield Security. As a result of the acquisition Magnum Shield Security Services has achieved cost savings and increased efficiencies, resulting in substantially increased turnover and operating profit.

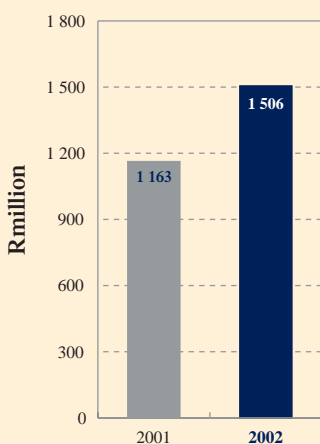
There have been an unprecedented number of security company mergers



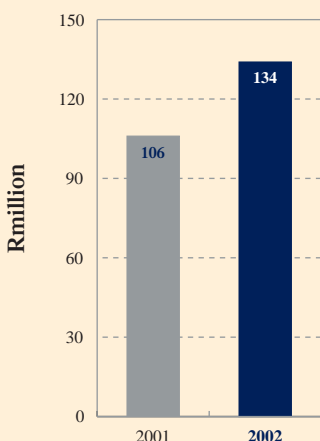


**Bidserv's contribution to the Group**

**Revenue**



**Operating income**



**Review of operations** (continued)

over the past year and Magnum Shield is currently the third largest guarding company in South Africa.

The physical guarding side of the security industry has grown by 5% per annum, which represents approximately 9 000 security guards, as a result of new property developments and the continuing trend to change from in-house to contract guarding.

Magnum Shield's strategy is to specialise in niche markets, which allows for a more focused approach. These niche sectors include hospitality, shopping centres, retail, mining, banking and residential estates. Magnum Shield recently launched a Specialised Hospitality division.

Staff training is an important aspect of the business and Magnum Shield focuses on developing and empowering staff at all levels. Every division has a fully accredited training centre, which is responsible for recruitment, training and true empowerment through education and the creation of opportunities.

**Provicom Electronics**

With the increased spend on security annually, corporations are now selecting their suppliers more carefully and entering into long-term contracts with preferred installers. Many bigger corporates are moving to a 'total electronic security solution' and depend on their suppliers to propose, design and install a system that is easy to operate, with quick reference capabilities covering all strategic areas such as closed-circuit television, access

control, fire detection, audio, evacuation and perimeter fencing.

Provicom Electronics has focused on a number of niche markets such as mining, golf estates and financial institutions, which require more sophisticated products.

Two new products entered the market in the last two years. Digital storage for camera systems, which offers more reliability and improved efficiency, and biometrics for access control systems, ensure greater security.

A dial-up facility, whereby clients can dial into the security system and assess the security status of their premises from anywhere in the world, is available through Provicom.

Provicom Electronics keeps abreast of international developments in the security industry, thus ensuring that the systems offered are technologically superior.

**Laundry Services**

The Bidserv Laundry division consists of three businesses operating in different sectors of the laundry market: Boston Launderers, servicing the hospitality industry, First Garment Rental, operating in industrial markets, and Montana Laundries, focusing on the healthcare sector.

The division's prospects have improved dramatically. Although margins are low, there has been an improvement in the garment rental business, which is expected to continue into the new financial year due to the long-term nature of the contracts





signed. The Healthcare division is expanding into KwaZulu-Natal and has secured long-term contracts to this effect.

The continued improvement in the tourism industry, coupled with the lower cost of production enjoyed by Boston, should result in good growth in the hospitality laundry sector.

#### ***Boston Launderers***

Boston Launderers is currently the largest commercial launderer to the hospitality industry and has continued to grow its market share. A new state-of-the-art plant, which meets European standards, was commissioned in December 2001 at a cost of R20 million for the Johannesburg operation. Equipment was secured at a favourable exchange rate and the investment in technology supports Boston's market positioning.

A new facility was also commissioned in Livingstone, Zambia for the Sun International resort at Victoria Falls.

#### ***First Garment Rental***

First Garment Rental, which operates nationally with world-class laundries, is an industrial workwear launderer, supplying individualised garments on a full maintenance rental scheme. The garments are individually tagged, laundered, repaired and returned to the customer.

First Garment Rental's customers include the food manufacturing industry, motor manufacturers, light engineering and the service industry. First Garment Rental saw a major upturn in the demand for its services and has grown its market share as a result of the increase in demand for professionally laundered garments in the industrial market.

#### ***Montana Laundries***

Montana Laundries was acquired at the start of the financial year. Montana specialises in on-premise laundries for the healthcare industry and currently operates seventeen

laundries countrywide. Potential new clients would be mines and certain industrial and hospitality customers who require on-premise laundries. Growth will also be achieved by further expansion into current clients.

#### ***Clockwork Clothing (incorporating Admiral Sportswear)***

Clockwork is a manufacturer and distributor of workwear garments to the industrial market in South Africa and abroad. Admiral Sportswear distributes sports clothing and footwear, importing from manufacturers in the East and Malawi. Clockwork and Admiral service clients nationally and have seen significant year-on-year growth.

The Clockwork manufacturing facility in East London was closed and production was relocated to Malawi, with Clockwork Johannesburg handling the distribution.

New product innovation is important in the clothing industry and Clockwork launched a higher specification workwear garment with great success. Admiral launched the South African cricket team's new kit as well as cricket and rugby footwear for the general market. Various less profitable ranges were discontinued.

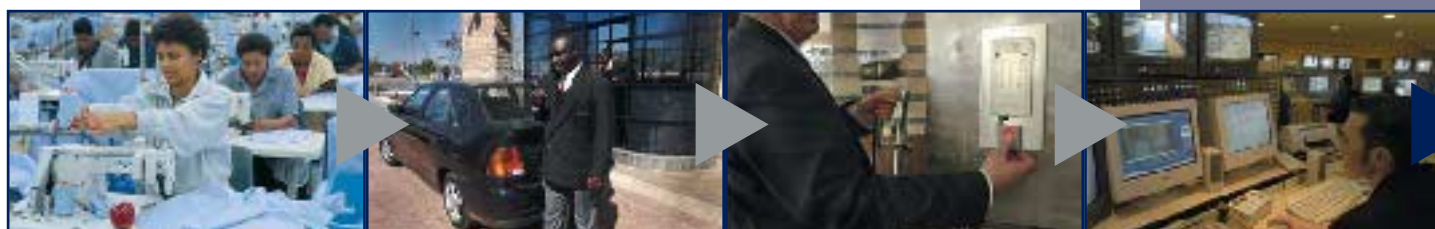
Growth is expected to come from actively pursuing higher margin and higher quality business as well as opportunities in the mining industry.

#### ***Commercial Sundries***

Commercial Sundries is one of the largest distributors of janitorial and cleaning products to the commercial and public sectors. The division also operates a joint venture chemical manufacturing facility in Johannesburg.

The industry experienced marginal growth due to price increases resulting from the decline in the rand.

Commercial Sundries increased its market share in products such as cleaning chemicals and garments and has grown some of its own brands. Particular focus was directed on reducing manning levels and distribution costs.



## Review of operations (continued)

On September 1 2001, Commercial Sundries concluded a joint venture agreement with Rochester Midland International, an American company, for the local manufacture of cleaning products serving the food and water treatment industries. Commercial Sundries will be able to take advantage of the technical back-up and knowledge that Rochester Midland offers, whilst handling the product distribution. It is anticipated that the joint venture will deliver pleasing results.

### TMS-Shezi Industrial Services

#### *Industrial Cleaning*

TMS-Shezi operates in an extremely specialised industry with high barriers to entry, providing cleaning services to petrochemical plants, power stations, toxic-waste spillages, pulp and paper factories and steel manufacturers. TMS-Shezi's strategy is to be at the forefront of new technologies and skills with regard to providing safe and effective industrial cleaning solutions, which promote environmental harmony.

Substantial capital expenditure has been invested and TMS-Shezi now has some of the most technically advanced equipment in South Africa.

The vacuum units used are the only vehicles in Africa that comply with European safety standards, which are due to be implemented in South Africa.

TMS-Shezi won a number of new contracts and aims to continue to grow its market share.

TMS-Shezi is working on a system, similar to that used by the large cleaning contractors in Europe, to increase plant maintenance efficiency and operational capacity as measured in equipment hours worked, down time and the number of litres of fuel used per job.

TMS-Shezi has formed a working relationship with one of the largest industrial cleaning companies in the Netherlands in order to explore new markets. Discussions are also

currently underway with one of the world's leading petrochemical companies.

### *Manpower*

TMS-Shezi supplies casual, permanent, semi-permanent and seasonal staff to a wide range of industries. The international trend towards the outsourcing of non-core activities offers a cost efficient alternative to the employment of permanent staff.

TMS-Shezi's specialist knowledge of the Labour Relations Act, regulations specified by the various Bargaining Councils, which govern certain industries, and an accurate understanding of disciplinary procedures is pivotal in the effective management of human resources and the costs associated with it.

### **Bidserv Integrated Service Solutions**

Bidserv Integrated Service Solutions is focused on combining all of the products and services supplied by Bidserv in order to sell a complete outsourcing package on a national basis.

The opportunities to win new, quality business and retain existing clients on an individual service basis are not always guaranteed. The ability to offer a comprehensive, packaged solution, however, differentiates Bidserv and assists in securing and retaining a large portion of available business.

Bidserv's Integrated Service Solutions offers a "one-stop" bundled service with a competitive base price. Numerous advantages are realised under the bundling concept such as dealing with one vendor, creating one point of contact, call centre service support, a single invoice system and national pricing structures.

Facilities management companies are making strong inroads in the marketplace and are becoming significant customers of Bidserv's Integrated Service Solutions package.





Numerous contracts were secured in KwaZulu-Natal, Gauteng and the western Cape regions and the platform for further growth has now been established. Service support has further been enhanced with the commissioning of a call centre that operates 24 hours per day, seven days a week. All complaints and service requests are captured electronically and directed to the appropriate management structures. Service level agreements are in place whereby minimum service standards are defined and measured accordingly.

Bidserv Integrated Service Solutions targets new markets nationally. All Bidserv divisions are currently creating industry specific concept modules that are being marketed and sold both individually and on a packaged service concept.

## FINANCIAL REVIEW

Bidserv's revenue increased by 29,5% to R1,5 billion (2001: R1,2 billion). Operating profit similarly increased by 27,1% to R134 million (2001: R106 million).

An increase of 41,2% to R135 million (2001: R95 million) in capital expenditure was due to new laundry and operating equipment for the division's rental base. Depreciation charges increased by 31,1% to R66 million (2001: R50 million).

The division's return on average funds employed increased to 32,9%.

## STRATEGIC REVIEW

Bidserv aims to remain the most effective national service provider in the activities in which it operates. The packaged solutions of the Bidserv Integrated Service Solutions division are vital to this strategy.

'Bolt on' acquisitions will be sought in order to enhance Bidserv's national presence and expand its service offering.

## CORPORATE CITIZENSHIP

### New empowerment initiatives

At the end of the financial year, Wiphold exited their empowerment joint venture arrangement with Bidserv and new partners are currently being sought. It is expected that the new partner will play a more active role in the empowerment vehicle.

### New social responsibility initiatives

Bidserv continues to evaluate and implement social responsibility programmes such as the "Youth are our Future"-programme, which supplies sportswear to underprivileged children. Various training and bursary programmes are in place.

A number of Bidserv's divisions initiated HIV/AIDS awareness and training programmes.

## PROSPECTS

Bidserv is well positioned to deliver good results in the year ahead and TMS-Shezi is expected to turn around.

Bidserv will continue to specialise into niche markets and take advantage of ongoing outsourcing trends.





**Lilian Boyle**  
Chairman

*Renfin continues to pursue the dual strategic imperatives of driving increased profits from the core businesses and the development of new products and services*

## Review of operations (continued)

### Rennie's Financial Services

#### MARKET OVERVIEW

Rennie's Financial Services (Renfin) increased its contribution and returns and the value of bookings and foreign exchange dealings was just under R16 billion. The combination of dramatic world events, concerns about the region fuelled by the political crisis in Zimbabwe, the first synchronised recession since the mid-1970s, collapsing world equity markets and difficulties in emerging markets conspired to make the past year one of the most difficult.

The general downturn in the South African economic cycle manifested itself in a decline in travel and related foreign exchange transactions from April 2001. Local companies and individuals focused on reducing their travel spend along with other cost-cutting measures. As a result, the opening months of the financial year saw reduced volumes in all Renfin divisions. However, overall travel and forex market shares were maintained.

The terrorist attack on the World Trade Centre on September 11 triggered a dramatic drop in travel worldwide. Most multi-national companies and South African companies with global connections curtailed all travel for six to twelve weeks post the September 11 tragedy until there was greater clarity on USA retaliation and fears of further attacks subsided.

The attendant crisis in the airline, accommodation and ground transportation industries across the globe intensified the drive to reduce commissions and saw an increase in investments in direct distribution channels.

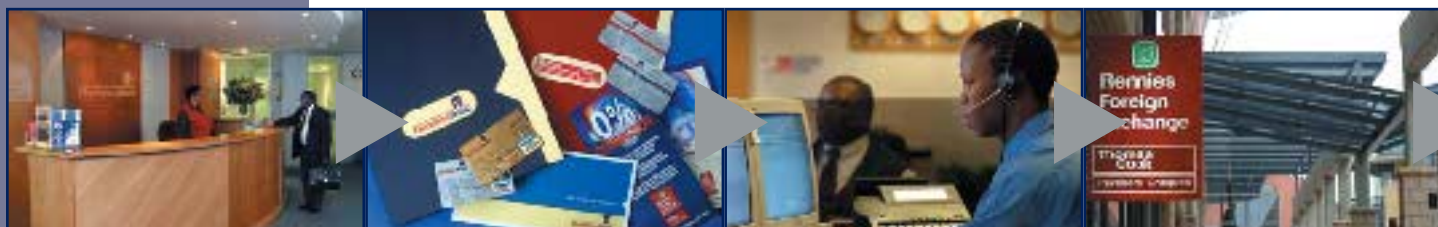
Renfin focused on working capital management and cost reduction, including freezing salary and headcount increases and the postponement of capital expenditure not already committed.

The dramatic depreciation in the rand in the second quarter of the financial year negatively affected international travel volumes with a natural knock-on effect on foreign exchange sales. The combination of the cheaper rand, fears of east-west travel and active marketing by SA Tourism and other local suppliers all contributed to South Africa's increased attraction as a safe and affordable destination for foreign tourists, which had a very positive effect on foreign exchange encashments. Both Rennie's Bank and Master Currency capitalised on this growth.

#### Travel Services

##### *Rennie's Travel*

Given the weight of large corporate accounts in Rennie's Travel's business mix, the widespread travel embargo after the World Trade Centre disaster impacted heavily on the retail business throughout the country. Extremely strict cost reduction and postponement programmes were implemented, which successfully offset the decline in revenues.





## Renfin's contribution to the Group

Three marginal branches were closed, namely Flora Centre, Sandton City and Eastgate, in line with the continuous programme of branch rationalisation and greater promotion of the call centre and electronic channels as alternatives to the 'bricks and mortar' network. Eight new satellite branches were opened in corporate clients' offices bringing the total number of in-house sites to sixty, while the number of full branches reduced to twenty-six.

The concept of replacing commissions with fee-based remuneration has been a major focus area for several years and the successful conversion of accounts gained momentum. The main players in the travel industry and most larger corporate clients recognised the appropriateness of the new business model. The challenge has been to demonstrate the benefits of a travel management partnership, which adds significant value to the client in terms of guaranteed cost savings, process efficiencies and personalised service.

Travel arrangements and fare structures are complex and most business travellers appreciate that they have neither the expertise nor the time to go the "do-it-yourself" route. The trend to outsourcing benefits Renfin's travel operations as travel arrangements are often seen as non-core corporate functions.

There was a significant increase in the installation of customised online travel planning and ordering tools and utilisation is growing. Web-based travel bookings

were not as prolific as predicted, but are increasing especially for leisure travel and direct city-to-city return trips.

Bidvest sold a 25% stake in Rennie's Travel to Womens Development Business Investment Holdings, a move that has been positively received by all stakeholders.

The specialised travel operations continued to produce new and improved packages under the "Options" banner, developing a range of products at excellent prices, with extra value benefits, applicable to both business and leisure travellers. The inbound tourism unit did well from the upturn in travellers from western Europe, while the Incentives and Conferences division also enjoyed a strong upturn in spite of the rush of cancellations immediately after September 11.

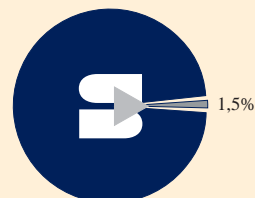
The Airport Services division, which houses the Premier Club lounges and Aerospace Handling, had a successful year with increased utilisation of the lounges and excellent cost management. Almost half a million passengers per annum are now hosted at Rennie's Travel's airport lounges. Earnings were supplemented by the contribution from several airlines, which outsourced their lounge management to Rennie's Travel, a most satisfactory arrangement for both parties.

Rennie's Travel has always invested heavily in the training and development of its people, together with a generous programme of incentivisation based on performance. In a year in which growth was adversely affected by factors beyond their control, the division's people are to

### Revenue

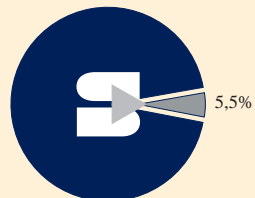


2002

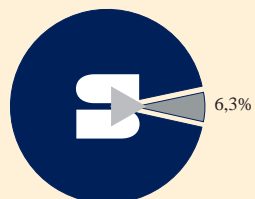


2001

### Operating income



2002



2001



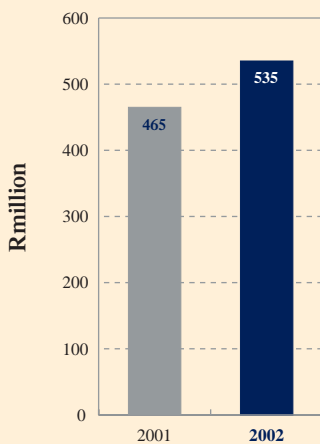
**RENNIE'S FINANCIAL SERVICES**



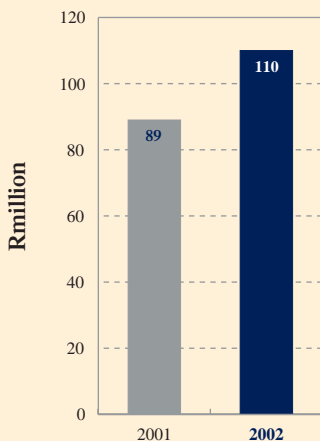


**Renfin's contribution to the Group**

**Revenue**



**Operating income**



**Review of operations** (continued)

be commended for the resilience and commitment demonstrated, the personal sacrifices made and their unwavering dedication to raising the bar of service excellence.

**Concorde Travel**

Following the acquisition of 10% of the equity by Carlson Wagonlit Travel (CWT) in the previous year, the relationship with Concorde has facilitated the implementation of the Carlson account management strategy including customised travel management reports for multi-national clients.

The downturn in business experienced throughout the market allowed Concorde Travel to accelerate the creation of the first true 'travel service centre' in South Africa through the consolidation of four Johannesburg branches into one location with state-of-the-art telephony and technology.

Concorde Travel, as with all Renfin operations, enjoyed the support of its staff in the necessary controlling and curtailing of all expenses. Several large accounts were gained and have been successfully bedded down.

Investment in system improvements continued and the 'Concorde-On-Line' self-booking tool was launched creating a next generation travel reservation medium through which business and holiday travellers can make their own bookings with quality control supplied by professional consultants in the service centre.

Concorde Travel has developed a fully integrated reservation, accounting and clients' travel management reporting system, which is due for first phase testing in the first quarter. Its applicability for the other travel companies will then be assessed.

Concorde Travel consolidated its position in the marketplace and, together with CWT, is well positioned for growth. Concorde Travel will capitalise on the opportunity to gain local, multi-national accounts held by CWT in other parts of the world.

**BTI Connex Travel**

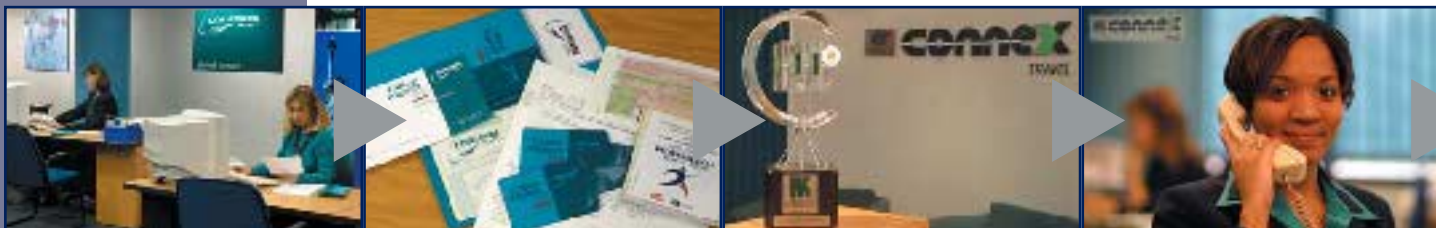
BTI Connex enjoyed unprecedented growth and doubled its market share, which was largely achieved through growth in domestic business travel, reflecting the division's success in securing new business given its unrivalled black empowerment status.

BTI Connex acquired the business of Leading Travel from Fabcos in January 2002 and now operates through ten branches and ten in-house branches around the country.

**BTI World Travel**

Whilst the generally negative market conditions impacted on BTI World Travel, positive developments included increased international rail sales volumes and the re-routing of cruise ships past the South African coast creating unexpected booking opportunities.

Operational highlights relate mainly to information technology upgrades and





included the roll-out of a business-to-business e-commerce product, a new front office system for the cruise and rail department, and the replacement of the Galileo computer terminals. BTI World Travel also worked extensively with Rennies Travel in developing the travel component of the mymarket.com portal for Bidvest.

#### ***Harvey World Travel (SA)***

Harvey World Travel has grown from strength to strength with profits now exceeding R1 million. The 100th outlet was opened in April 2002.

The franchise model ensures that the highest quality product at the best possible price is available to clients. Franchisees have access to management, financial, marketing and advertising support.

The personalised, professional service provided by consultants and the flexibility to adapt to niche markets, recognising and servicing profitable territories, continues to be the cornerstone of Harvey World Travel's success and the division enjoys a high level of repeat business. To ensure continuity, travel consultants are internationally trained, developing sales systems and other soft skills.

#### ***Travel Connections***

Renfin acquired 60% of Travel Connections in October 2001. The operation has two branches, Rosebank and Sandton, and services several blue-chip companies in its client base. Professionalism is Travel Connections' hallmark and is reflected in the longstanding relationship between the business and its loyal corporate and leisure travellers.

The travel market decline was exacerbated by disruptive building alterations in the Rosebank Mall, but Travel Connections is confident of its continued growth in the coming year.

#### ***Master Currency***

As in the case of Rennies Foreign Exchange, Master Currency was well positioned to capitalise on the sharp

upturn in foreign visitors from early December 2001 through to April 2002.

The investment in the brand over the past few years has been the correct strategy and Master Currency is now well established, operating in eighteen strategically positioned branches with plans for further expansion.

#### ***Renfin Malawi***

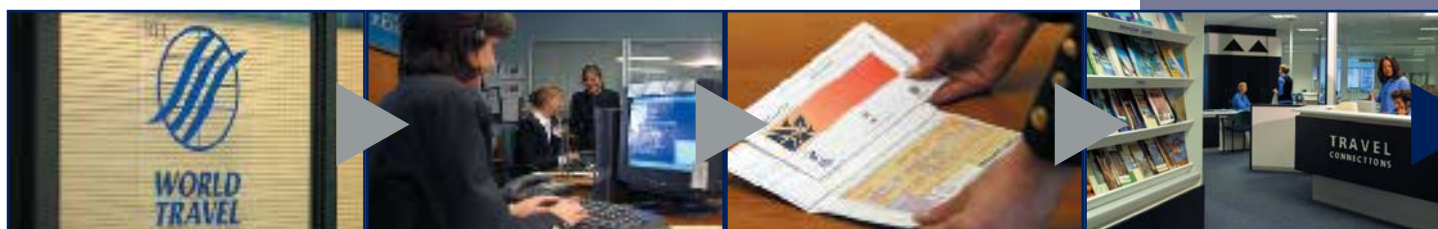
With effect from January 1 2002, Renfin acquired the Malawian travel and foreign exchange operations from Manica. The business has been restructured and management and staff have been introduced to the Rennies Travel disciplines, controls and operating procedures, which together with the Renfin product range and service ethic, should result in good growth.

#### ***Renfin Namibia***

Both Rennies Travel and Namibia Bureaux de Change enjoyed a prosperous year and increased their respective market shares. The travel business benefited particularly from the successful acquisition of several major accounts and from the offshore oil-drilling activities serviced from Luderitz. Increased controls and efficiencies, together with increased sales from the bureau at Windhoek airport, boosted the earnings of the foreign exchange business.

#### ***Renfin Zimbabwe***

Rennies Travel and Rennies Foreign Exchange did well to sustain its previous year's growth in sales and profitability in an extremely difficult trading environment. Cost pressures arising from the legislated wage increase mandates, loss of skilled personnel to emigration and the airlines move to US dollar-based fares, created extreme pressure on management who are to be congratulated on their resilience and leadership, which maintained their performance and grew their market shares.



## Review of operations (continued)

### Rennies Bank

Rennies Bank is unique in South Africa in that its primary focus is travel foreign exchange and related activities. Rennies Bank accepts deposits and, on the advances side, grants personal loans, revolving credit, asset-based finance, corporate loans, bridging finance and runs a Visa-branded corporate credit card programme. Rennies Bank is not involved in micro-lending and has no plans to enter this market.

Through Rennies Foreign Exchange's retail division, Rennies Bank is the leading seller of traveller's cheques and foreign currency banknotes in South Africa. Other retail products include drafts, telegraphic transfers, Moneygrams, Visa TravelMoney/Cash Passport (a pre-paid stored value card) and other ancillary products such as travel insurance and telephone cards.

Outbound travel from South Africa declined and sales of traveller's cheques fell, a trend mirrored elsewhere in the world. However, South Africa's image as an affordable and safe destination saw inbound tourism grow dramatically and as a result, the purchases of traveller's cheques and foreign banknotes grew substantially.

It is expected that increased tourism levels will continue and Rennies Foreign Exchange will expand its sixty-branch retail network in selected high profile outlets. The retail network is now selling non-travel-related foreign exchange to individuals and small corporate clients. Rennies Bank provides a small range of foreign exchange products and services to approximately twenty corporate clients. It is anticipated that both the range of products and services and the number of corporate clients will grow significantly in the year ahead.

Rennies Bank is rated A2 by CA-Ratings and the policy is to retain sufficient liquidity to be able to repay all depositors on demand. Rennies Bank has not been impacted in any way by the past year's crisis in the banking sector, which saw several banks taken over, fail or relinquish their banking licences. The various changes to the Banks Act

regulations during 2001 have been successfully implemented and Rennies Bank's capital adequacy ratio, the primary measure of regulatory capital strength for South African banks, at 62%, is well above the statutory requirement of 10%.

The combination of a strong parent, high levels of liquidity and niche focus places Rennies Bank in an extremely strong position for growth.

### FINANCIAL REVIEW

Revenue increased by 15,1% to R535 million (2001: R465 million) and operating income increased by 23,3% to R110 million (2001: R89 million).

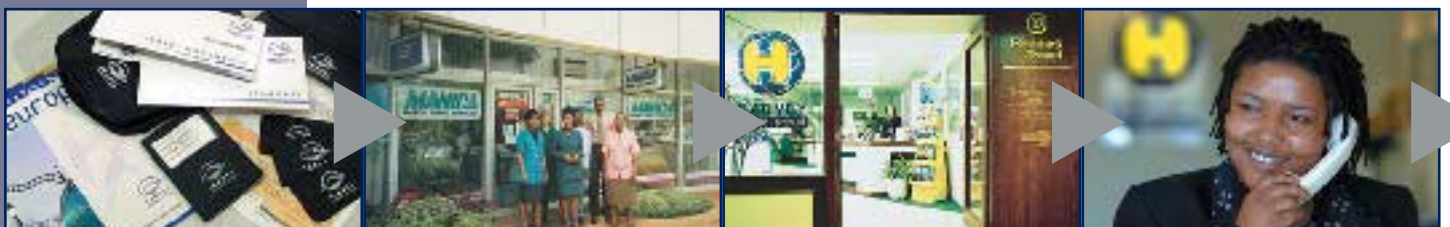
Capital expenditure increased to R61 million (2001: R20 million). Depreciation increased by 7,6% to R18 million (2001: R17 million).

The return on average funds employed increased from 37,0% in 2001 to 59,8% reflecting the growth in profitability and further improvements in working capital management.

### STRATEGIC REVIEW

In line with the integrated multi-distribution channel strategy adopted some years ago, the division continues to invest in alternate channels and, whilst utilisation has been below expectations, there has been an increasing level of interest shown by the markets served. Renfin continues to pursue the dual strategic imperatives of driving increased profits from the core businesses and the development of new products and services, exploiting the businesses' strengths in clearly defined niche markets. The leadership position in each of the markets served will be enhanced, building on the service excellence delivered by its people, which, in commoditised markets, is the true differentiator.

The challenges include the conversion of all revenue to fee-based income and continuous improvement in productivity harnessing the full power of the technology available.





## CORPORATE CITIZENSHIP

### New equity partnerships

With effect from July 1 2001, Womens Development Business Investment Holdings (WDBIH) acquired a 25% shareholding in Rennies Travel. WDBIH is owned by the WDB Trust, which grants small loans to women entrepreneurs and provides basic business skills training.

In the twelve years since its formation, the Trust has granted in excess of 20 000 loans and has been instrumental in the start-up of successful enterprises. This is, by far, the largest empowerment deal in the travel industry. The cash flows earned from the investment in Rennies Travel will be ploughed back into the most deprived communities through the WDB initiatives.

Rennies Travel is pleased to have developed this partnership with WDB as it is seen as a genuine vehicle dedicated to the empowerment of many as opposed to a venture which enriches a few.

### New empowerment initiatives

#### *SheNxisa Travel*

SheNxisa Travel is a joint venture travel business in East London in which Rennies Travel holds 49%, the other 51% being owned by Rudolph Bailey Baker and Nadia Samantha Baker.

#### *Tuka Travel*

Tuka Travel, in which Rennies Travel and Thikama Investment, a black empowerment group, hold equal shares, was established in Namibia.

### New skills development initiatives

In partnership with the National Business Initiative (NBI), Renfin businesses have conducted Student Internship Programmes designed for senior school students from designated groups who are interested in careers in travel

and tourism. A total of twenty students have completed the programme, which was well received by the students and their teachers. It is planned to extend the programme to reach more schools and more students in the forthcoming year and the division has been instrumental in encouraging other travel and tourism companies to join the scheme. A learnership programme has been developed through which new entrants to the travel industry will be trained and will achieve accredited qualifications.

### New social responsibility initiatives

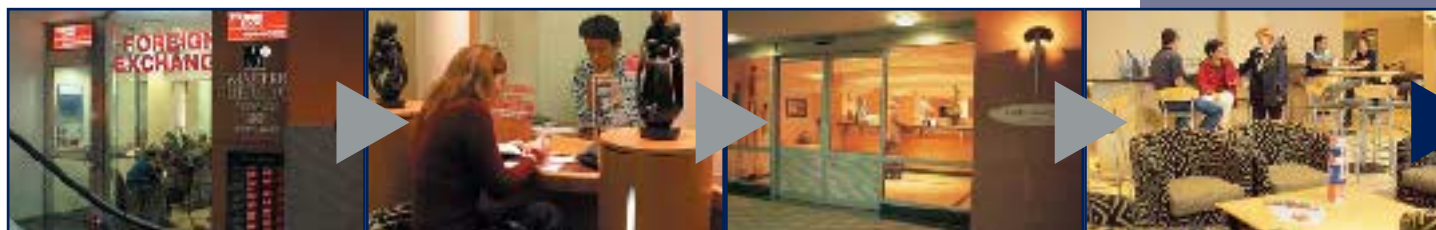
A set of corporate social responsibility guidelines has been developed encouraging involvement rather than merely 'cheque book charity' and local projects are actively assisted in the areas of street children, the homeless, abused women and children, and AIDS orphans.

## PROSPECTS

Consistent strategic direction and opportunistic management, coupled with an intense focus on productivity improvement and working capital management provided a robust foundation, which assisted the division to withstand the full impact of a dramatic drop in business. The business units are well poised to take advantage of the recovery in the business cycle in South Africa. Uncertainty will continue until there is more evidence of sustained recovery on the international economic front.

Renfin's operations have become heavily dependent on technology, now the second highest cost component after staff costs. Overdue upgrades of software packages and servers can no longer be postponed and there are several other major initiatives currently underway.

Rennies Bank is developing a new point-of-sale system for the retail network and a new internet banking and accounting system.





**The Foodservice Products Division**

*Bidvest is a significant force in the international foodservice industry*

## Review of operations (continued)

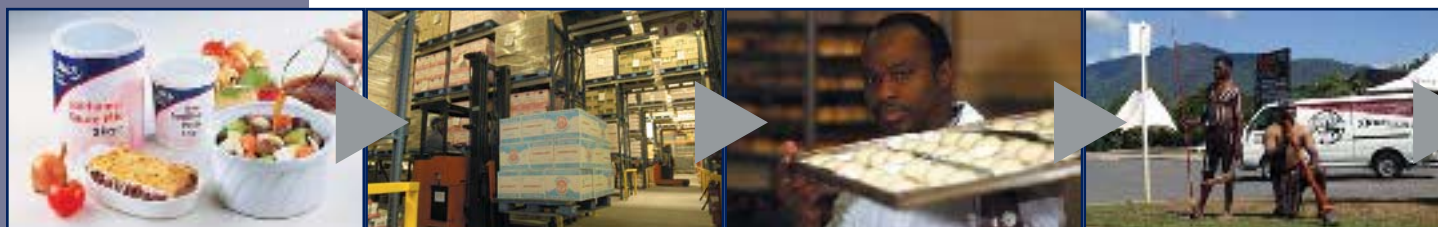
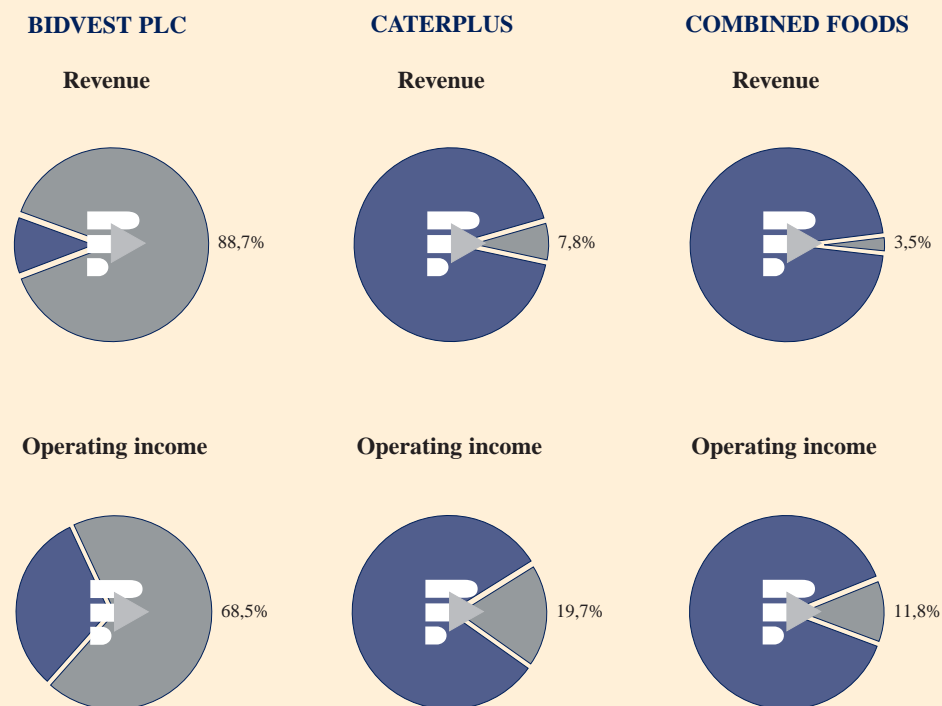
### The Foodservice Products Division

The Foodservice Products Division comprises Bidvest plc, Caterplus and Combined Foods, which are focused on the manufacture, trading and distribution of food and consumable products to the catering, leisure, hospitality and foodservice industries.

Bidvest's foodservice operations in southern Africa, the United Kingdom, Australia and New Zealand cater to the needs of thousands of customers and through them the division reaches millions of consumers who eat meals prepared away from home.

The increasing trend of out of home food consumption reveals how heavily society depends on foodservice operators to satisfy consumers' nutritional needs by providing a variety of quality meals at affordable prices, while easing their time constraints and providing an entertaining dining experience.

#### CONTRIBUTION TO THE FOODSERVICE PRODUCTS DIVISION – 2002

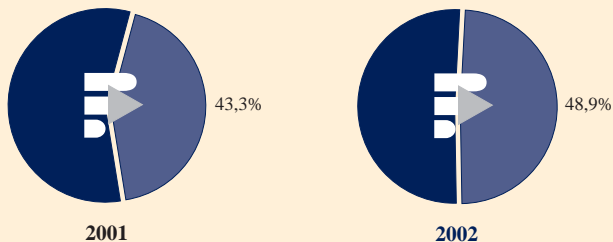


**The Foodservice Products Division's contribution to the Group**

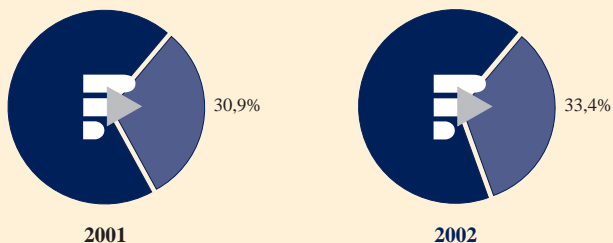
	2002	2001
<b>SEGMENTAL ANALYSIS (R'000)</b>		
Revenue	21 121 321	13 226 694
Operating income	672 927	439 642
Depreciation	230 300	165 212
Capital expenditure	286 262	205 990
Funds employed	1 158 592	1 061 472
Employee benefits and remuneration	2 034 594	1 300 725
<b>RATIOS AND STATISTICS</b>		
Return on average funds employed (%)	60,6	44,4
Operating income margin (%)	3,2	3,3
Number of employees	8 965	8 492

**THE FOODSERVICE PRODUCTS DIVISION'S CONTRIBUTION TO THE GROUP**

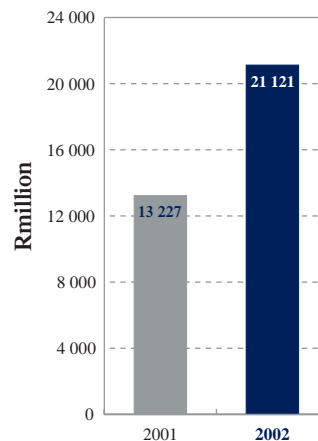
Revenue



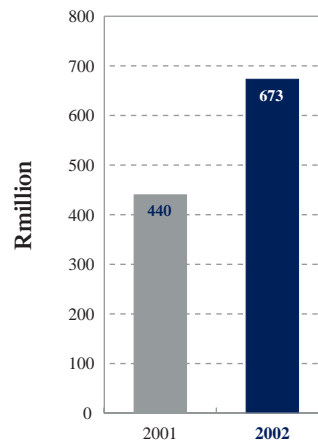
Operating income



Revenue



Operating income





**The Foodservice Products  
Division**

*Acquisitions for  
The Foodservice  
Products Division  
remain a priority*

## Review of operations (continued)



### **BIDVEST PLC**

Bidvest plc is a leading foodservice products distributor in the United Kingdom, Australia and New Zealand and is listed on the Australian and Luxembourg Stock Exchanges.

#### **Highlights**



#### **3663 FIRST FOR FOODSERVICE (UNITED KINGDOM)**

- Successful year, with revenue and operating income increasing by 17% and 25% respectively (in sterling) in flat market conditions
- Launch of mymarket.com tailored to the foodservice industry in the United Kingdom
- Significant growth by the Multi-Temperature operation
- Good growth from the Frozen business
- Greater operating efficiencies and better capacity utilisation
- Ministry of Defence (MoD) division recorded further profit growth, partly due to the overseas activities in Afghanistan and Oman



#### **BIDVEST FIRST FOR FOODSERVICE (AUSTRALIA)**

- Operating income increased by 57% (in sterling)
- Further organic growth
- Rationalisation and positive contribution from John Lewis Foodservice acquisition
- 'FindFoodFast', an interactive online customer-procurement site, was launched with great success
- Canberra, Brisbane and Newcastle facilities being expanded and upgraded



#### **GREAN FIRST FOR FOODSERVICE (NEW ZEALAND)**

- Operating income increased by 64% (in sterling) in year of consolidation
- Two new state-of-the-art foodservice distribution centres were built in Hamilton and Auckland
- Acquisition of foodservice business in Auckland





## CATERPLUS

Caterplus is a leading, broadline distributor of a comprehensive range of foodservice products to the catering, hospitality, leisure and foodservice industry through strategically located independent business units situated in all urban and tourist centres in southern Africa.

### Highlights

- Operating income increased by 24,9%
- Emphasis on growing market share
- Tight asset and cost controls
- Good performance in Frozen Foods division
- Growth in fast-food sector of the market
- M&M Quality Choice was acquired in December 2001
- Patleys new product lines:
  - Ferrero Rocher and Pez
  - New additions to the Goldcrest range
- Vulcan-CAARS' restructuring improved its performance



## COMBINED FOODS

Combined Foods manufactures and distributes a comprehensive range of products to the bakery, meat and food processing industries.

### Highlights

- Operating income increased by 16,4%
- Crown National's product design centres supplied the market with innovative new products using product extension technology
- Crown National has made inroads into certain non-meat market segments
- NCP Yeast reported good results





**Fred Barnes**  
Chief Executive  
3663 First for Foodservice

*Acquisitions will  
be sought to  
complement the  
product and  
service offering  
as well as the  
geographical spread*



**Bernard Berson**  
Managing Director  
Bidvest Australasia

## Review of operations (continued)

### Bidvest plc

#### MARKET OVERVIEW

##### Bidvest United Kingdom

##### *3663 First for Foodservice*

3663 First for Foodservice's ability to win business from its competitors resulted in strong growth and its market share increased from 10% to 12% despite a flat market due to reduced levels of tourism, particularly in central London. The impact of the slowdown in the financial services sector based in the City of London was compensated for by growth in the regions. 3663 First for Foodservice reported excellent results.

New contract wins and the ability to gain a greater proportion of existing customers spend drove the sales growth. The increased volumes handled proved challenging for 3663 First for Foodservice's depot network and additional capital expenditure will be required in future years, to enable the business to handle the current level of activity more efficiently and allow 3663 First for Foodservice to continue to grow organically.

Despite the unsuccessful bid for Brake Bros plc, 3663 First for Foodservice's management believes that exciting growth opportunities remain in the United Kingdom.

3663 First for Foodservice has further developed the e-commerce marketplace, mymarket.com, in conjunction with Bidvest. Several pilot projects, tailored specifically to the United Kingdom foodservice market, have been started and the official launch in the United Kingdom took place in June 2002. The launch was attended by many customers and suppliers and attracted a large amount of favourable press coverage. mymarket.com is an exciting development for the United Kingdom foodservice market and management believes that it has the potential to develop into a valuable service and increase revenues.

New product development continues to be a focus area and a new portion pack range under the Coronet brand was launched. 3663 First for Foodservice also launched Springbourne, an own-brand water, in January 2002 and the product already accounts for 20% of 3663 First for Foodservice's mineral water revenues.

The first phase of the facilities upgrade, which will be completed in January 2003, commenced with the expansion of the depot at Salisbury at a cost of £1.8 million.

A new frozen regional distribution centre to cover the north of the United Kingdom was opened, using existing space in one of the logistics depots. The Frozen business also opened a new depot in Plymouth, to improve coverage in the south-west of England.





**Bidvest Australasia**

*Australia*

*Bidvest First for Foodservice*

The Australian economy continued to perform well and is estimated to be one of the world's fastest growing, with an annual gross domestic product growth of over 4%.

Consumer confidence was affected by the events of September 11, along with some large corporate bankruptcies. It would appear that tourism numbers are only now starting to show signs of improvement, but the economy is expected to remain strong with low levels of inflation and reasonably strong gross domestic product growth.

The year under review was one of consolidation for Bidvest First for Foodservice with a focus on integrating the John Lewis Foodservice business into the existing operations and infrastructure. The John Lewis Foodservice business was acquired effective June 4 2001, and represented a quantum leap in Bidvest First for Foodservice establishing its position as the leading foodservice distributor in Australia.

Bidvest First for Foodservice now consists of twenty business units across Queensland, New South Wales, Australian Capital Territory, Victoria, South Australia and Northern Territories. Although not truly national, coverage is

as comprehensive as the other major player in the industry, and opportunities for expansion in Perth and Tasmania are being pursued.

The online customer-procurement site, FindFoodFast, which enables customers to trade interactively online with Bidvest First for Foodservice, was launched with great success.

A number of facilities across the country are currently being expanded and upgraded, which will lift both capacities and service levels.

Bidvest First for Foodservice recorded greatly improved results for the year.

*New Zealand*

*Crean First for Foodservice*

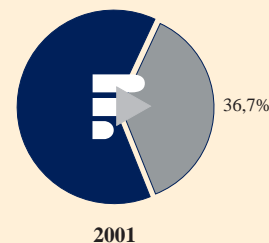
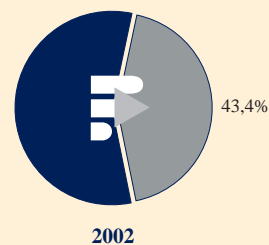
The foodservice market in New Zealand has been reported to be growing between 6% and 8% per annum. Yet, Crean First for Foodservice managed to achieve growth in revenue of 58% in sterling, an extremely pleasing result.

All the businesses are now on a common computer platform with standardised reporting, which provides greater control and gives the business units greater independence.

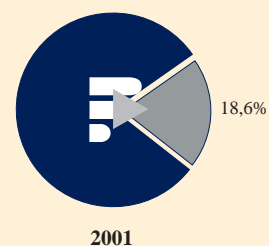
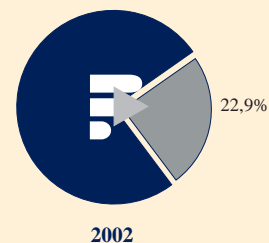
Two new state-of-the-art foodservice distribution centres were built in Hamilton and Auckland and in May 2002 the foodservice division of a cash-and-carry operation in Auckland was acquired.

**Bidvest plc's contribution to the Group**

**Revenue**



**Operating income**

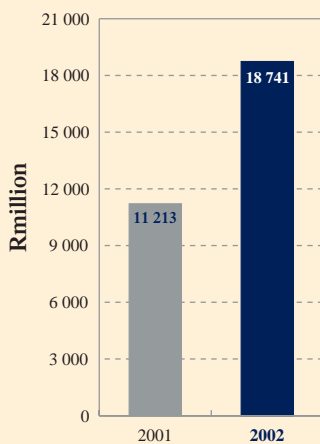


**BIDVEST** plc

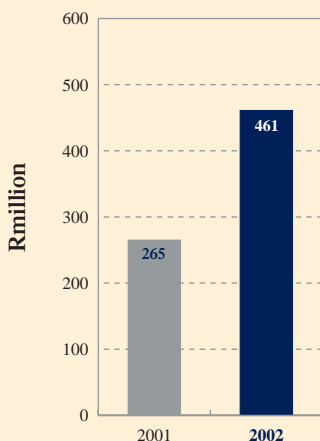


## Bidvest plc's contribution to the Group

Revenue



Operating income



## Review of operations (continued)

### FINANCIAL REVIEW

Revenue increased by 26,5% to £1,288 billion (2001: £1,018 billion), strongly ahead of the prior year's performance.

Operating income at £31,7 million (2001: £24,2 million) increased by 31,0% reflecting strong organic growth from all the divisions and the integration of the John Lewis Foodservice acquisition in Australia.

Headline earnings increased by 27,5% to £23,0 million (2001: £18,1 million) and attributable income increased by 16,8% to £20,8 million (2001: £17,8 million).

Cash generated by operations increased by 18,4% to £58,5 million (2001: £49,4 million). Net cash inflow for the year was £8,3 million (2001: £20,0 million) as a result of payment for the acquisition of business and fixed asset additions.

Driven by the strong earnings performance, shareholders' interest increased to £105,2 million (2001: £91,1 million) and the net asset value per share increased by 15,5% to 53,56 pence per share (2001: 46,37 pence per share).

Total dividends per share of 3,60 pence per share (2001: 3,24 pence per share), which represents an 11,1% increase, have been declared for the year.

### STRATEGIC REVIEW

The division remains committed to its strategy of becoming a truly integrated,

international foodservice products distributor supplying value added products and services to the foodservice, hospitality and leisure markets internationally.

To this end, acquisitions will be sought to complement the product and service offering as well as the geographic spread. The operations are also involved in developing new products and services to meet current and future client needs.

Bidvest plc is a significant force in the international foodservice industry and is one of the largest foodservice distribution companies outside the United States of America.

The international foodservice industry remains fragmented with opportunities for consolidation. There are only a handful of players operating on a national basis and even fewer operating internationally. Some of the smaller players tend to have top quality facilities and loyal customer bases, but operate under low margins due to a lack of scale. These candidates provide excellent acquisition opportunities for Bidvest plc.

### PEOPLE

Bidvest's culture has been embraced in its operations throughout the world. Employees work in entrepreneurial environments where being the best and paying attention to detail is imperative. Employees are empowered with the training, the authority and the responsibility and they respond by





BIDVEST plc

supplying the results. Teamwork is critical and reinforced at every level of the organisation.

Effective recruitment is central and crucial to the successful day-to-day functioning of the organisation. Successful recruitment depends upon finding people both with the necessary skills, expertise and qualifications to deliver organisational objectives and with the ability to make a positive contribution to the values and aims of the organisation.

Bidvest plc's divisions operate several bonus schemes, which is based on a variety of measures. Senior management is incentivised against stretching targets for operating profit and funds employed. Other employees are targeted by depot profit, sales and margin or productivity measures depending on their role. These are designed to ensure the target measure is relevant to the employee and the employee can directly influence the achievement of the target.

## PROSPECTS

Bidvest plc has been through a period of consolidation after a year of growth, but is now ready for the next phase and is proactively sourcing potential transactions. Opportunities do not always arise when one would like them to and patience and timing are critical. Bidvest plc will be looking to expand its foodservice products interests in the United Kingdom, Europe, Australasia and in the United States.

3663 First for Foodservice worked hard at developing the growth enablers for a successful year ahead, which include the finalisation of the restructuring of the national accounts sales team and focusing the team on delivering results against certain key measures. In addition, the extension of services offered to customers and the expansion of the product range will drive revenues. 3663 First for Foodservice's prospects are particularly strong.

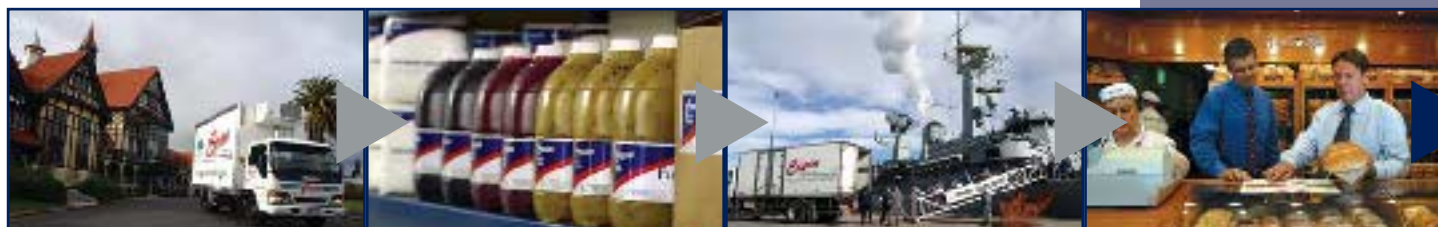
Whilst 3663 First for Foodservice in the United Kingdom is one of the leading foodservice distributors, much of the industry is serviced by independents and 3663 First for Foodservice will aggressively target market share and pursue acquisitions to extend its geographic and product spread.

Bidvest First for Foodservice will pursue expansion opportunities in Perth and Tasmania to achieve truly, national coverage of the foodservice market in Australia.

Bidvest First for Foodservice is now substantially down the track of fully integrating the John Lewis Foodservice business and can devote its full focus and attention to profitably growing the entire business and deriving the full benefits of the acquisition.

Crean First for Foodservice's prospects look promising and real growth in operating income is being targeted. Crean First for Foodservice aims to complete its national distribution network and expand its product range and service offering.

Bidvest plc has a leading market position with an excellent management team and a strong balance sheet. Bidvest plc will service its customer base through investment in modern infrastructure and improvements in operational efficiencies.





**Colin Kretzmann**  
Chairman

*Caterplus' strategy is to enhance its position by growing its market share and selling its customers an expanded basket of products*

## Review of operations (continued)

### Caterplus

#### MARKET OVERVIEW

During the second half of the year the leisure market benefited from an improvement in the levels of both domestic and international tourism. The decline in the rand over the same period gave rise to a temporary level of food inflation.

Caterplus recorded a significant improvement in revenue, operating income and returns, partly due to a concerted effort to increase its share of the market.

#### Catering Supplies

The Catering Supplies division is the leading foodservice distributor of dry groceries and consumables in South Africa, with eighteen business units strategically located around the country. These business units are managed on a totally decentralised basis by highly skilled and entrepreneurial management teams and operate under a number of different trade names.

The emphasis has been on gaining market share through aggressive trading, whilst maintaining strict controls on stock, debtors and expenses. The results have been most pleasing and the division has recorded a vastly improved performance with an increased return on funds employed.

The market was depressed up to and immediately after September 11. However, South Africa is now perceived internationally as an attractive tourist destination and the South African tourism authorities are proactively attracting foreigners to the country. With the government's emphasis on promoting tourism, Catering Supplies is optimistic of steady growth.

Catering Supplies is looking to upgrade and improve its information technology systems. A uniform computer system will replace the multiple systems presently in use. With the development of Bidvest's e-commerce initiative, mymarket.com, Catering Supplies anticipates live business-to-business trade with both its customers and suppliers. mymarket.com will not only provide significant sales opportunities, but should also afford greater customer and supplier efficiencies and savings.

The fast-food sector of the market has again seen the biggest growth and coffee shops, with their accompanying light meals, have also shown progress. With the encouraging results achieved from the free-trade business, greater emphasis and focus will be given to the fast-food sector.

The eighteen operations have had to become more service-focused whilst, at the same time, improving on the economies of scale with a bigger basket of goods sold.

M&M Quality Choice, located in Johannesburg, with a small branch in Nelspruit, was acquired in December





2001 and its results have been included for the second half of the year.

**Frozen Foods**

The Frozen Foods division is the leading foodservice distributor of frozen and chilled food products in southern Africa, with fourteen strategically situated business units. The Frozen Foods division operates under the two national trade names of Seaworld and Blue Marine, as well as East Cape Foods in the eastern Cape.

The Frozen Foods division performed well in a market that remained highly competitive with margins under constant pressure. There was a notable improvement in international tourism, particularly in Cape Town, and increased business activity in Johannesburg saw an increase in hotel occupancies. All major national customers showed growth and continue to do so. The game lodge segment of the market also reflected the positive trend.

The growth in the fast-food industry continued and the division managed to further expand its share of this segment.

The strategy to expand activities in southern Africa saw the acquisition of small businesses in both Botswana and Namibia. The cross-border operations showed pleasing improvements. Blue Marine Namibia moved into new premises, which should contribute to growth.

The improvement in the performance of Seaworld and Blue Marine in Johannesburg has been most pleasing and is reflected in the excellent results.

**Speciality**

Patleys markets, distributes and sells international and local branded speciality food products to the retail, wholesale and industrial markets in South Africa. Its customer base is made up of the major chains, cash-and-carry's as well as speciality wholesalers.

The depreciation of the rand affected the speciality division significantly and volumes declined. The rand value of sales was, however, up, but margins were under pressure.

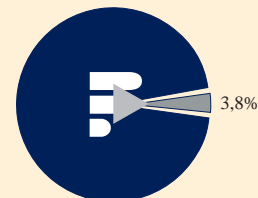
During the latter part of the year, the agency with Kraft was terminated. The Kraft brands belong to Phillip Morris and as a result of their acquisition of Nabisco worldwide, all these brands have been moved into Nabisco South Africa for sales and distribution.

Various new product ranges such as Ferrero Rocher and Pez were acquired and a number of new products were added to the Goldcrest range, which remains the number one brand in the 'special occasion' food sector.

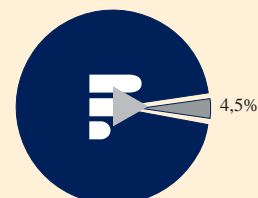
Patleys focuses on products for the top end of the market with a brand strategy to represent only the number one or number two brands per category. Patleys is at the forefront of international trends and membership of Cercle Européen

**Caterplus' contribution to the Group**

**Revenue**

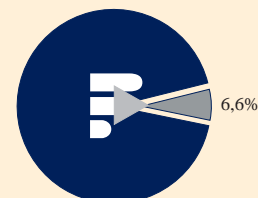


2002

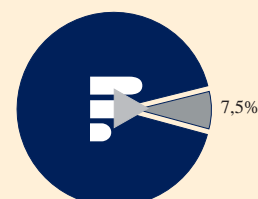


2001

**Operating income**



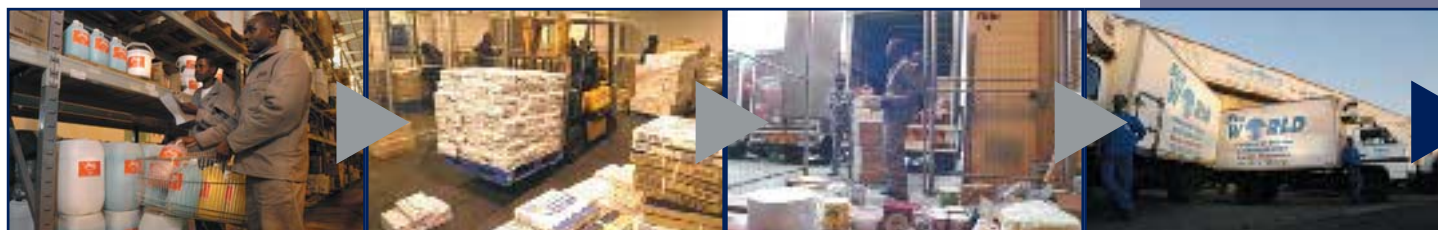
2002



2001

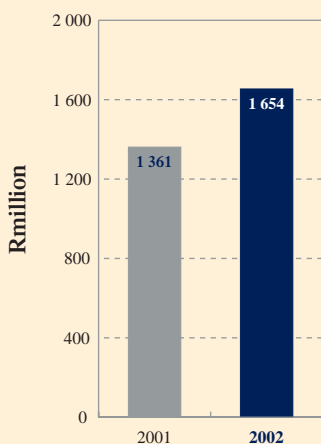


**CATERPLUS**

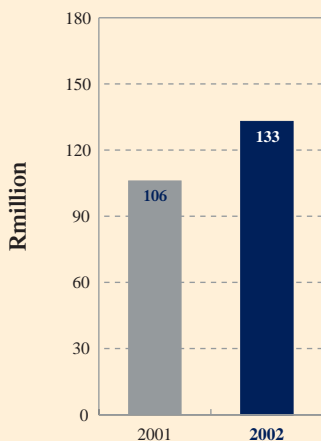


**Caterplus' contribution to the Group**

**Revenue**



**Operating income**



**Review of operations** (continued)

Importeurs Spécialités Alimentaires allows the business to interact with the leading players in the speciality food industry from around the world.

A major competitor recently went into liquidation and Patleys has already won some of its market share. It is expected that further gains will be made in both the retail and foodservice sectors.

The division again delivered a pleasing result.

**Catering Equipment**

The Catering Equipment division, trading as Vulcan-CAARS, is acknowledged as the most technologically advanced player in the hospitality industry. Vulcan-CAARS manufactures and distributes high-tech catering equipment to hotels, restaurants, industrial and commercial canteens, fast-food franchises and government institutions, such as the correctional services and hospitals.

The restructuring programme in the previous financial year resulted in significant benefits. The closure and rationalisation of the La Chef factory and Parsons Road warehouse with the Johannesburg operation, together with other significant expense savings, resulted in a substantial improvement in operating income.

Vulcan-CAARS operates in a difficult, cyclical market and yet, despite modest revenue growth, consolidated its position as the market leader in the sectors in which it operates. Exports, in particular,

showed good growth and prospects look encouraging.

Vulcan-CAARS' improved performance resulted in excellent cash flows with high returns on funds employed. The division has sufficient manufacturing capacity to meet future growth, with minimal additional capital expenditure required.

The research and development department, which launched various new products, obtained the IEC 335 South African Bureau of Standards certification, signifying compliance of Vulcan-CAARS' equipment in terms of safety and health standards.

**FINANCIAL REVIEW**

Caterplus increased revenue by 21,5% to R1,7 billion (2001: R1,4 billion) and increased its operating income by 24,9% to R132 million (2001: R106 million).

Depreciation increased by 11,8% to R14 million (2001: R12 million).

The division's return on average funds employed was 83,4%.

**STRATEGIC REVIEW**

Caterplus' strategy is to enhance its position by growing its share of the market and selling its customers an expanded basket of products.

In order to protect its market position, the division will continue its training initiatives to maintain high levels of service, which competitors find difficult to replicate.





The opportunities to invest in those areas of foodservice products, which are not yet provided by Caterplus, will be investigated and pursued.

The catering market in South Africa is going through a period of change due to the manner in which certain customers wish to procure their products. Whilst Caterplus' operations are aware of these dynamics and are prepared for any operational amendments that may be necessary, the unsuccessful models used in some international markets will not be followed.

## **CORPORATE CITIZENSHIP**

### **New empowerment initiatives**

#### ***Vulcan-CAARS***

Vulcan-CAARS initiated the creation of a black empowerment partner at the equipment division of the existing Vuka Catering Suppliers. Key employees were transferred from Vulcan-CAARS to Vuka Catering Suppliers and specialist skills were employed to make its equipment division a success.

## **PEOPLE**

The division has continued to invest in and increase its training spend in the advancement of employees. By far the major beneficiaries are previously disadvantaged individuals and in a number of branches, the investment in training has doubled year-on-year.

The division ensures that the relevant Skills Plans and Skills Grant Applications are submitted annually to the relevant Sector Education Training Authority. Whilst this goes beyond the legal minimum laid down in terms of the Skills Development Act and Skills Development Levies Act, it ensures effective measuring tools are in place at branch level against which progress can be assessed on an ongoing basis.

The year saw further promotion and appointment of affirmative action candidates into managerial positions within the branch structures.

Close to six hundred employees were trained on 'First for Service', The Foodservice Products Division's internal quality management programme. Training continues to have a positive impact, focusing on all operational issues both internally and externally.

## **PROSPECTS**

Caterplus will continue to improve service levels and the continued upswing in tourism is expected to be beneficial.

Patleys will consolidate its existing agencies as well as implement aggressive marketing campaigns for its own brand, Goldcrest, as well as the other leading brands it represents.





**Colin Kretzmann**  
Chairman

*Combined Foods  
will continue to  
provide taste  
alternatives to  
food products  
manufacturers*

## Review of operations (continued)

### Combined Foods

#### MARKET OVERVIEW

##### NCP Yeast

The yeast requirement in South Africa is serviced by two suppliers and a few small importers. NCP Yeast supplies the baking industry (plant bakeries, independents and in-store bakeries), the brewing industry (sorghum and beer powder manufacturers) and the home baking and consumer brewing industry through cash-and-carry outlets, chain stores and the informal sector such as spazas, bucket shops and small retailers. NCP Yeast services some speciality industries and occasionally exports small volumes.

Growth in the various industries NCP Yeast serves has been mixed, but overall the division has maintained its market share. There has been a decline in the requirements of yeast for home brewing, especially in the rural areas, mainly as a result of the penetration of finished products from beer producers.

Problems such as HIV/AIDS and unemployment continue to pose a threat to the industry.

NCP Yeast appointed Chipkins Bakery Supplies as its distributor in certain areas. By making use of Chipkins Bakery Supplies' superior distribution network, NCP Yeast has increased its customer base. The division has also more efficiently utilised its own transport fleet by selling back-haul space on its trucks.

NCP Yeast redesigned some of its consumer packs to fall in line with customer preferences for smaller, more affordable, value strip packs, and secured the agencies for value adding products to offer to the baking industry.

Certain consumer products were discontinued as a result of a change of consumer requirements, which has helped to improve the productivity of the factory.

NCP Yeast recorded impressive results.

##### Chipkins Bakery Supplies

The baking industry remains in a state of significant change and is characterised by strong competition. Large bakery groups continue to rationalise and consolidate, which has resulted in the closure of many large bakeries outside urban areas.

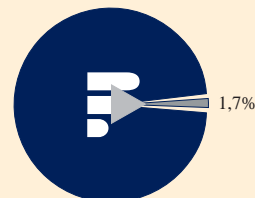
Previously, this led to growth in the in-store bakery sector, however, the large plant bakeries have recently improved their quality, which has impacted



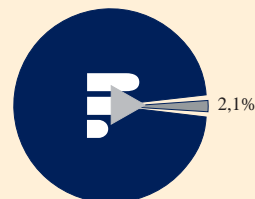


**Combined Foods’  
contribution  
to the Group**

**Revenue**

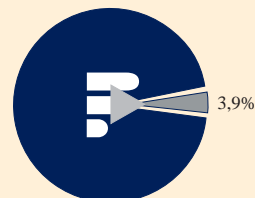


2002

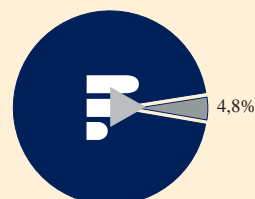


2001

**Operating income**



2002



2001



**COMBINED FOODS**

negatively on the in-store bakeries and has led to a reduction in volumes of Chipkins Bakery Supplies’ products.

The plant bakeries, most of which are owned by the large milling companies, produce their own pre-mixes and, as a consequence, have not been significant customers of the division.

Market share, therefore, remains vulnerable and margins under pressure.

A computerised distribution software package has been introduced in Johannesburg, and whilst this has shown no significant cost saving in the short-term, there have been vast improvements in customer service, a necessity in the light of intensified competition.

Major progress has also been made in terms of Health Analysis Critical Control. In an effort to improve quality, consistency and customer service, the majority of staff have completed the “First for Service” training programme.

SMR, a distribution business in Nelspruit, was acquired and integrated with Chipkins Bakery Supplies’ Nelspruit branch.

**Crown National**

Despite a significant increase in the price of red meat in the second half of the financial year, Crown National

achieved significant growth in market share as a result of an increased demand for extended and value added fresh meat products.

Crown National seized the opportunity to supply the market with innovative new products engineered by its product design centres, which enabled customers to change their product mixes and reduce the cost of the end product to the consumer. Crown National made inroads into certain non-meat market segments.

New information technology systems were installed at all Crown National branches during the third quarter and the benefits of the increased efficiencies are already being seen.

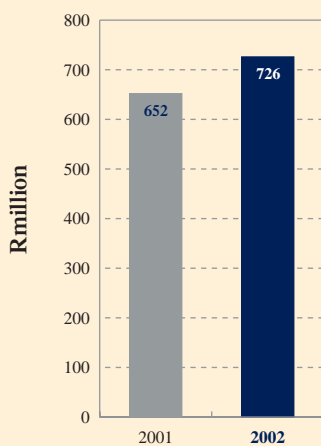
As part of Crown National’s strategic planning, selected major accounts were targeted and a number of notable successes were achieved. The cash-and-carry shops at all Crown National branches, which trade under the “Spice World” brand, have been revamped with vastly improved overall appearances, lighting, customer facilities and product displays.

Crown National’s results were most encouraging.

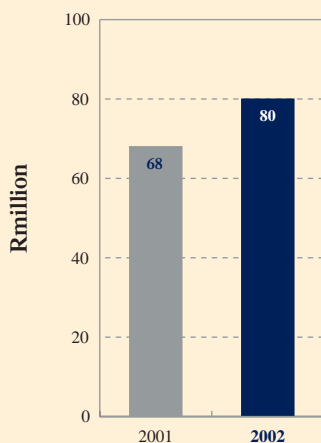


**Combined Foods' contribution to the Group**

Revenue



Operating income



**Review of operations** (continued)

**FINANCIAL REVIEW**

Revenue increased 11,3% to R726 million (2001: R652 million), whilst operating income increased by 16,4% to R80 million (2001: R68 million). Depreciation charges increased by 7,2% to R10 million (2001: R9 million).

Combined Foods' return on average funds employed was 60,7%.

**STRATEGIC REVIEW**

Combined Foods will continue to strive to provide taste alternatives to those manufacturers who produce food products.

Investments will be made to ensure an innovative and flexible approach to food flavour enhancing opportunities. The production facilities will be upgraded to ensure adequate and safe production areas.

The baking industry is going through difficult times and the pressure on suppliers' margins and market share is intense. Combined Foods is committed to meet these challenges and will compete aggressively for all profitable business.

While competitors continue to strive to improve their market share by providing products at low margins, Combined Foods will compete at all levels to maintain its market share and its position as a leading distributor of ingredients to the bakery industry.

**CORPORATE CITIZENSHIP**

**New social responsibility initiatives**

NCP Yeast sponsored forty black students at the Sasko Sally Thola Baking Training Centre.

Chipkins Bakery Supplies and NCP Yeast held HIV/AIDS counselling and training sessions.

**PEOPLE**

Operations within Combined Foods continue to train and develop employees with an emphasis on previously disadvantaged individuals.

Equity plans are in place and are monitored on an ongoing basis to ensure that targets are met, wherever possible, within the stipulated five-year period.

Skills plans continue to be reviewed on an annual basis and are submitted to the relevant Sector Education and Training Authority. These plans serve as effective measuring tools at branch level and ensure continued training and development.

Programmes for continued adult education encompassing primary and secondary education are firmly entrenched in Crown National and are fully subsidised by the division.





Almost four hundred employees have completed 'First for Service' training. The Foodservice Products Division's internal quality management programme, which was introduced at the beginning of the financial year. Operations throughout the division are embracing the philosophy of service excellence, which continues to have a positive impact within the branch structures.

**PROSPECTS**

Chipkins Bakery Supplies will continue to improve efficiencies and restructure as the market changes and will aggressively defend its market share.

Crown National will pursue all flavouring opportunities in food products and seek out international technology partners in this regard. Crown National is also currently investigating export opportunities.

NCP Yeast is investigating opportunities to improve economies of scale.





**The Commercial Products Division**

*Bidvest's business model encompasses influence over distribution channels and the route for products to the market*

## Review of operations (continued)

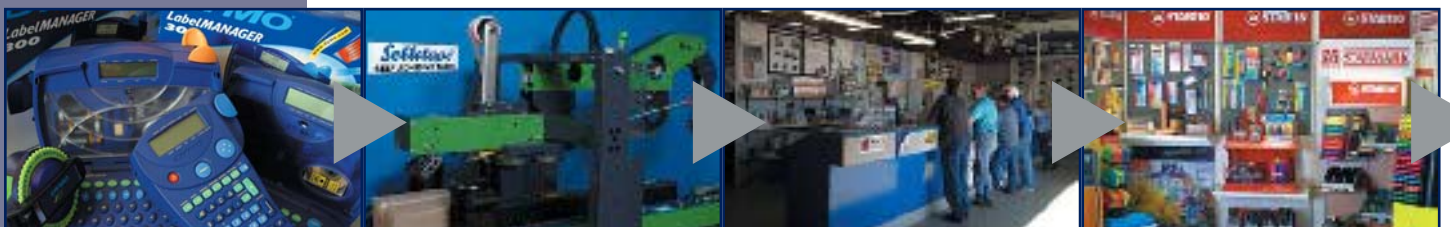
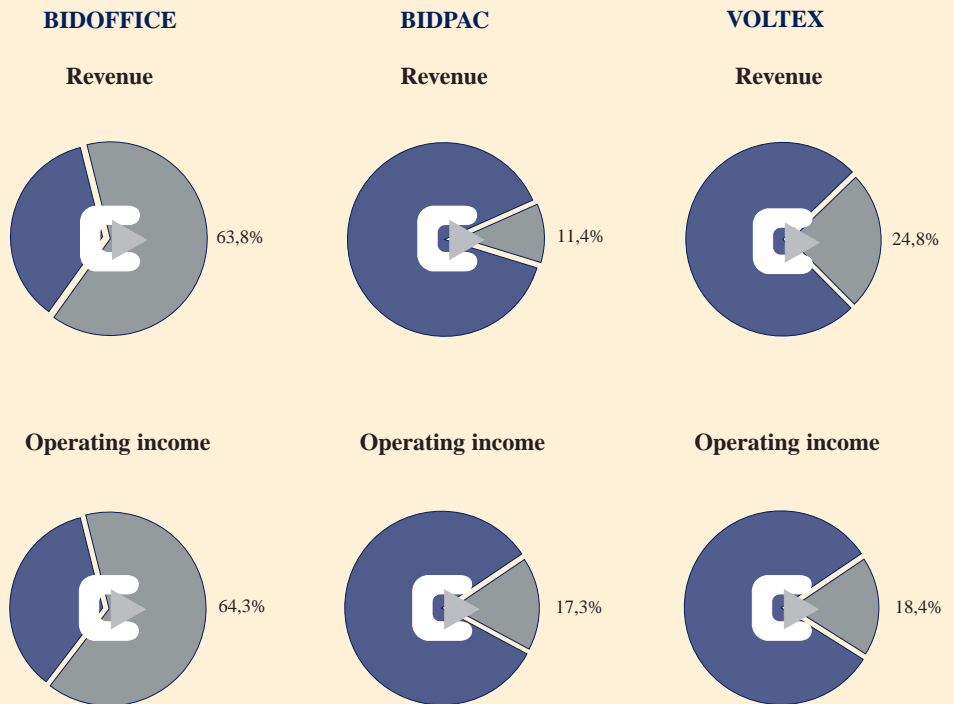
### The Commercial Products Division

The Commercial Products Division comprises Bidoffice, Bidpac and Voltex, which are focused on the manufacture and distribution of commercial products and are leaders in their fields of expertise.

The Voltex acquisition provided further critical mass to The Commercial Products Division.

Bidvest's business model encompasses influence over distribution channels and the route for products to the market. Each of Bidoffice, Bidpac and Voltex is a major distributor in its market.

#### CONTRIBUTION TO THE COMMERCIAL PRODUCTS DIVISION – 2002



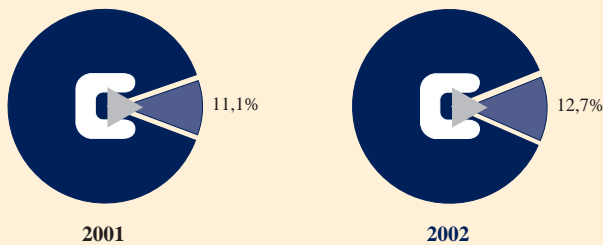


**The Commercial Products Division's contribution to the Group**

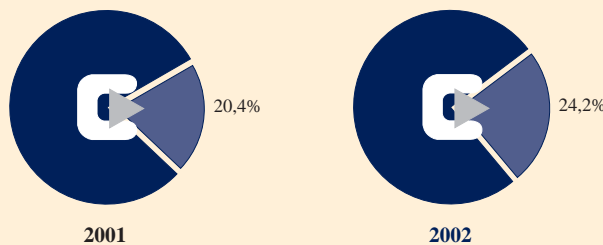
	2002	2001
<b>SEGMENTAL ANALYSIS (R'000)</b>		
Revenue	5 500 712	3 372 066
Operating income	487 675	289 547
Depreciation	109 964	95 698
Capital expenditure	171 343	114 166
Funds employed	1 568 809	1 006 738
Employee benefits and remuneration	800 405	566 374
<b>RATIOS AND STATISTICS</b>		
Return on average funds employed (%)	37,9	29,6
Operating income margin (%)	8,9	8,5
Number of employees	10 261	7 526

**THE COMMERCIAL PRODUCTS DIVISION'S CONTRIBUTION TO THE GROUP**

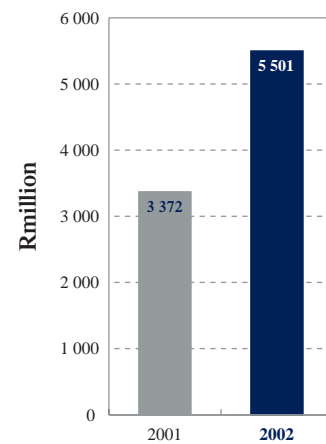
Revenue



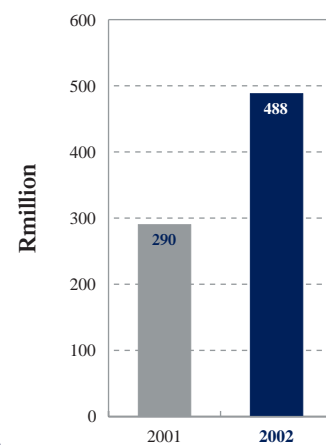
Operating income



Revenue



Operating income

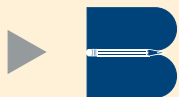




**The Commercial Products  
Division**

*All businesses  
are leaders in  
their fields  
of expertise*

## Review of operations (continued)



### **BIDOFFICE**

Bidoffice is engaged in the manufacture, distribution and supply of commercial office products including stationery, office furniture, computer consumables and other office automation products, including printing, through a network of branches in Europe and throughout southern Africa.

#### **Highlights**

- Operating income increased by 42,8%
- Excellent performance from Kolok
- Outstanding contribution from Lithotech
- Significant turnaround in Waltons Gauteng
- Roll-out of Waltons Direct Stores concept
- Substantial progress in e-procurement
- Paragon Business Communications acquired and incorporated into Lithotech
- Hi-Maur and Ozalid SA incorporated into Lithotech
- Acquisition of the assets of Danel SA, the largest business forms manufacturing and distribution operation in France, post year-end



### **BIDPAC**

Bidpac is the market and technology leader of nailing, stapling, packaging closures, strapping, adhesive tape, marking and coding, construction fasteners, labels and stationery products. These products are distributed through a nationwide branch network to the commercial, industrial, mining, agricultural, construction and retail sectors.

#### **Highlights**

- Operating income increased by 20,5%
- Good performance from Afcom-GE Hudson and Buffalo Executape
- Steady growth at Silveray maintaining market share
- Market conditions improved following devaluation of the rand – import substitution and pricing
- Significantly improved factory overhead recoveries





## VOLTEX

Voltex is the pre-eminent distributor and wholesaler in South Africa of the broad spectrum of electrical products used in the industrial, reticulation, domestic and general electrical markets.

The Berzack division distributes industrial machinery and accessories to the clothing, luggage, upholstery and embroidery industries. The division also distributes household machines and appliances, as well as consumer medical devices to the general retail trade.

### Highlights

- Bidvest acquired the remaining 68% of Voltex effective October 1 2001
- Operating income of R89,8 million for the nine-month period since acquisition
- Rationalisation initiatives at unprofitable branches
- New products added to existing range
- Expense reviews and customers' profitability focus





Len Chimes  
Chairman

*Providing  
an integrated  
office solution  
is a key strategy*

## Review of operations (continued)

### Bidoffice

#### MARKET OVERVIEW

##### Stationery

The Stationery division had an exceptional year with most operations significantly exceeding budget. The division managed its assets well and generated substantial cash.

The general upturn in the economy seen in the second half of the review period, coupled with the margin improvement resulting from the rapid devaluation of the rand in the third quarter, contributed to Bidoffice's success. The continued growth of Kolok subsequent to the demise of a major competitor, a strong performance by the Waltons Direct Stores and a significant improvement in the Waltons Gauteng business also impacted positively on the results.

##### Contract Office Products

Contract Office Products offers a one-stop supply of commercial stationery, office machines and computer consumables to large corporates, government and industry. Its fully diversified inventory to a large degree eliminates back-orders and the operation has a large and efficient fleet of delivery vehicles. Contract Office Products is committed to high levels of service, competitive pricing, fast turnaround times and nationwide delivery.

A number of large accounts were won and plans include an increased focus on the

small corporate sector of the market, which commands higher margins.

##### Kolok

Kolok operates in the printer consumables and data storage distribution industry, distributing leading brands such as Hewlett Packard, Epson, Canon, Lexmark, Sony, Verbatim, Dysan, Avery and Pelikan. Kolok offers customers access to the widest range of related products under one roof in southern Africa and services customers on a national basis with branches located in Johannesburg, Cape Town, Durban and Namibia. Branches carry stock of 4 000 product lines and the internal sales staff handle 4 500 calls daily.

The product range includes toner and ink cartridges, CD's, storage tapes, speciality paper and printer and thermal ribbons.

Kolok increased revenue by 88% as a result of aggressive marketing and sales. The liquidation of a major competitor also benefited the division. In addition, Kolok managed its assets superbly to generate exceptional returns and a strong cash flow.

As a result of the business re-engineering that took place, Kolok was able to handle the large increase in demand with relatively little extra infrastructure, resulting in a dramatic increase in profitability.

Kolok is currently investigating the possibility of opening a branch in Botswana to complement the operation in Namibia.





**Kolok Africa**

Kolok Africa is a niched manufacturing business, converting ribbons and coated sheets for the printing industry. Its main activity is the conversion of thermal ribbons from jumbo rolls for use in the bar code printing industry, which accounts for 60% of its revenue. Kolok Africa's products are targeted strategically and the business has a stable customer base.

Kolok Africa is the only local operation currently preparing carbon-coated films and it has an exclusive contract to assemble the nylon ribbons for the National Lottery.

**Statmark**

Statmark is a distributor of top-quality branded stationery and office products throughout southern Africa. All brands are exclusive to Statmark, a number of which are brand leaders such as Stabilo Boss highlighters, Rotring drawing and writing instruments and Helix/Oxford mathematics sets. Statmark distributes and markets its products through re-sellers such as Waltons and other stationers.

The market in which it operates is competitive with a multitude of product choices. However, Statmark's brand policy enables it to differentiate itself whilst continuously expanding its dealer base. Statmark's service levels are consistently higher than the industry standard and the introduction of online trading via the mymarket.com site is an additional competitive advantage.

A solid performance by the traditional business together with the successful integration of the Helix business produced a pleasing performance for the year.

**Waltons Stationery Company (incorporating SA Diaries, Hortors and Imports)**

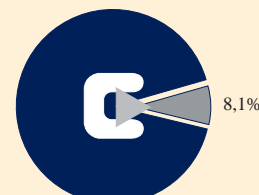
Using a highly effective distribution channel, Waltons supplies stationery, computer consumables, office furniture and back-to-school supplies on a commercial basis to business in South Africa. The network is supported by a fleet of 225 delivery vehicles, owned and operated by Waltons, and conveniently located retail-orientated branches. Waltons is the only national stationer with 69 branches in South Africa and Namibia and boasts a customer base of 60 000 account holders.

The business focused on improving service levels through enhanced stock management systems. Significant progress was made in e-commerce and Waltons is currently represented on most of the leading electronic procurement platforms in South Africa. The division developed and implemented the Waltons Order Wizard (WOW), a catalogue-based, offline electronic ordering system, utilising e-mail. Electronic ordering solutions, combined with desktop delivery capabilities on a national basis, have secured a number of major corporate accounts for Waltons.

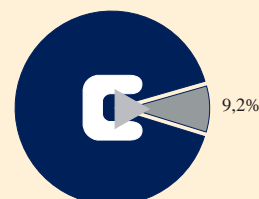
A number of the Bidoffice companies are already trading on mymarket.com with many others in the process of developing their e-commerce platform. Stationery

Bidoffice's contribution to the Group

**Revenue**

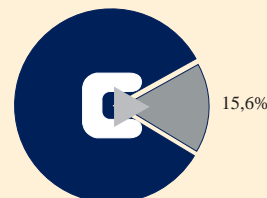


2002

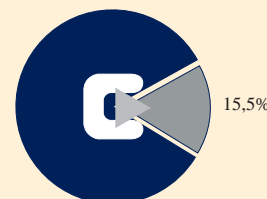


2001

**Operating income**



2002

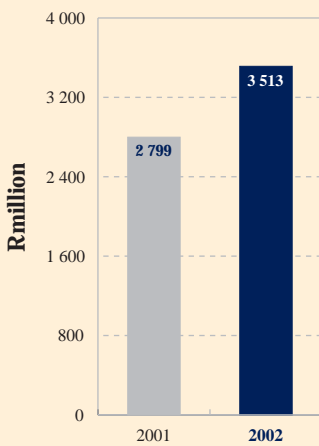


2001

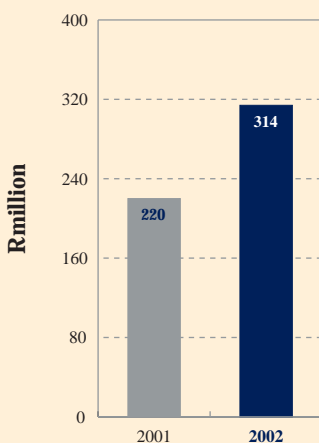


Bidoffice's contribution to the Group

Revenue



Operating income



Review of operations (continued)

products lend themselves to e-commerce trade and Waltons' position as the only national commercial stationer makes it a prime candidate for an e-commerce solution.

Waltons Direct Stores, the retail division of the business, were upgraded and a number of new stores were opened around the country. These stores provide customers with an opportunity to view Waltons' comprehensive product range and purchase on their business accounts. Five new, strategically positioned commercial distribution facilities were established in Gauteng.

Waltons delivered a strong performance with a notable improvement in the Gauteng region. The re-focusing of the direct sales and commercial aspects of the business, together with the significant progress in e-procurement, positions Waltons well for growth.

**Printing and related**

The performance at all levels of the business was exemplary. The improvement in efficiencies, coupled with some large deals and the acquisition and integration of Hi-Maur Labelling Systems, Ozalid and Paragon Business Communications, enabled the division to deliver excellent results. Significant cash was generated through profits and the effective management of assets.

*Lithotech (incorporating Hi-Maur Labelling Systems, Ozalid SA and Paragon Business Communications)*

Lithotech is a leading business forms printer. However, its focus is shifting to

providing a business communication solution, which would encompass other forms of printing, electronics and logistical support for its extensive customer base.

Traditional print products are under threat from alternate technology, which led to Lithotech's investment in electronic solutions.

With the acquisition of Paragon came the opportunity for a major rationalisation. The two groups have now integrated their distribution channels and combined certain production units. The mature products are focused on low cost production and the newer products now enjoy a greater critical mass. The full benefits of the rationalisation are yet to be felt.

The Hi-Maur and Ozalid businesses were transferred from Bidpac and have been fully integrated into the Lithotech operations and significant synergies are being realised.

Lithotech and Paragon Business Communications played a major role in producing the documents required for the national census while also printing the ballot papers used in the Ugandan elections.

**Office Automation**

Trading conditions were buoyant and the Office Automation division significantly increased its market share of the digital copying market. Revenue was well up on last year and budget. Unfortunately, due to attention being diverted to an information technology roll-out, the benefits of the



additional revenue were not realised at the operating income level. Asset management was not as effective as it could have been, which resulted in the utilisation of cash during the period. The position is anticipated to improve dramatically in the short-term.

### ***Minolta South Africa***

The Minolta Digital and Analogue Monochrome Copier division saw substantial analogue sales to central government despite the market trend shifting towards digital copying.

New machine sales, other than those specifically targeted at government, will be 80% digital. The older analogue technology is expected to be obsolete in two years' time. Network printing will be the main focus for growth in the industry with an emphasis on bigger output print/copier volume.

The Minolta Colour Copier division showed growth with revenue increasing by 50%. The demand for colour output will continue to grow as the equipment becomes more affordable and the actual cost of producing a page decreases dramatically.

Minolta-QMS, which distributes Minolta printers, is well represented with partners who distribute hardware and consumables. As in the copier industry, the market is increasingly moving towards colour printing. Two new products were launched.

The Fax division met the increasing demands for fax server and PC fax solutions by concluding business partner agreements.

There has been a worldwide decline in wide format printing sales, however, the local operation succeeded in gaining market share. The introduction of new products in the digital arena, coupled with an aggressive marketing policy and the assurance to customers of sound infrastructural support, resulted in customers returning to Océ as the vendor of choice for their engineering printing requirements.

The trend to outsourcing and the supply of a total copying solution has continued with Minolta South Africa having

secured a number of large, technically and logistically complex deals.

### **Office Furniture**

The office furniture industry worldwide has experienced difficult trading conditions and the Office Furniture division returned a disappointing performance in line with the international trend. However, improved structures and focus as well as innovative new products should contribute to an improved result, which is already evident, in the new financial year.

### ***Cecil Nurse (incorporating Budget Desks and Chairs)***

Cecil Nurse boasts the largest warehouse of its kind in the southern hemisphere with free delivery and installation to all major centres within South Africa. The business provides assistance with space planning and colour co-ordination to ensure maximum user comfort and productivity.

Tough economic conditions and smaller competitors undercutting prices made for a difficult and challenging financial year. Cecil Nurse reviewed its operational systems and various cost-cutting exercises were introduced. A major restructuring was undertaken, which included a reduction in the numbers of senior management and personnel.

A showroom was opened in Morningside to service business from Johannesburg's northern suburbs. During the past eighteen months Cecil Nurse produced a new, world-class catalogue, which was launched in July 2002.

The business has had sound support from its agents in Africa and business emanating from the continent looks promising. Cecil Nurse is well positioned for growth.

### ***Dauphin Office Seating SA***

Dauphin's vision is to be the number one office chair supplier to the corporate and project markets.

A number of important, high profile accounts were won.

Dauphin plans to diversify its product range, whilst sustaining its brand, to deliver growth into the future.



## Review of operations (continued)

### *Nuclear*

Nuclear operates predominantly in the corporate office furniture market distributing laminated and veneered desking, storage furniture and office screens through Cecil Nurse and various office furniture brokers. Whilst a number of standard product ranges are distributed on a national basis, special requirements for office furniture are part of almost every large contract as designers and specifiers continuously look for new innovations and differentiation.

Whilst Nuclear used to operate predominantly in Cape Town, it has established its market in Gauteng with 80% of its production being shipped to Johannesburg.

A number of new contracts were won and many existing contracts were renewed. Nuclear launched a number of exciting new ranges exclusively to Cecil Nurse and has responded to the demand for call centre workstations.

There has been a surge in government spending over the past twelve months and Nuclear aims to secure a significant portion of this spend through Corporate Concepts. The business will seek out other black-empowered marketing and sales companies with whom to form alliances.

### *Pago Designs*

Pago Designs spent the past two years restructuring and repositioning the business and is in the process of commissioning frame-making equipment, which should improve efficiencies and reduce costs. It is anticipated that the contract with the Airports Company of South Africa in respect of the various airports' benching requirements should contribute positively as a number of airports are being refurbished.

### *Seating*

Seating is currently the largest manufacturer of office chairs in Africa with a production capacity of over 1 500 units per day. While the overseas influence on design and

functionality is still very strong, the devaluation of the rand has been favourable for Seating as 80% of its components are produced at its in-house manufacturing plant. Seating tends to manufacture locally, using international designs from an overseas partner or manufacturer.

The business is currently implementing its plans for further expansion in the Exports division, with Nigeria, Uganda and Ghana as the main targets in Africa, and the United States in the overseas market. Recently, Seating entered into an agreement with one of the most renowned office chair manufacturers in the United States, for exclusive rights to a prestigious office chair.

Seating faces competition from Far East suppliers, whose products continue to penetrate the South African market. There also continues to be an increase in small individual manufacturers signing up with top overseas brands.

In July 2001, Seating established a service and distribution centre in Cape Town and Durban. The Cape Town facility is currently undergoing expansion and will eventually be upgraded into a modular factory. Seating's Wood division expanded into a new warehouse in the eastern Cape.

### *Stenochair*

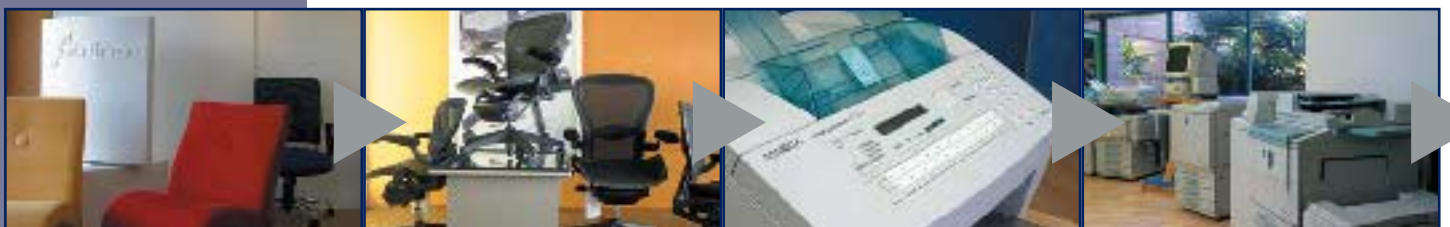
50% held by Bidvest, Stenochair manufactures and distributes office seating in the United Kingdom.

## FINANCIAL REVIEW

Bidoffice reported a 25,5% increase in revenue to R3,5 billion (2001: R2,8 billion) and a commendable 42,8% increase in operating income to R314 million (2001: R220 million).

Capital expenditure increased by 48,3% to R151 million (2001: R102 million). Depreciation of R87 million (2001: R83 million) represents a 5,3% increase.

The division's return on average funds employed was 39,2%.





## STRATEGIC REVIEW

Corporate clients continue to request an integrated office solution and the packaging of products and services offered by Bidoffice is a key strategy for the division. A corporate CD was created as an important selling tool. Bidoffice Corporate Solutions underwent some restructuring, but remains integral to the division's strategy.

Bidoffice's strategy of leading the market in the sectors in which it competes continues to be profitable. The division's reliance on the Furniture division's contribution decreased significantly due to the exceptional performance of the Stationery and Printing divisions.

A key element of the success of the Bidoffice division is the exceptionally high calibre of its management and staff who operate in a decentralised and entrepreneurial manner.

## CORPORATE CITIZENSHIP

### New empowerment initiatives

#### *Ubhule be Dauphin*

Ubhule be Dauphin, 60% owned by Dauphin's partners in Mpumalanga and 40% held by Dauphin SA, has a number of large contracts to supply Dauphin chairs to government organisations and large corporates.

#### *Ditulo*

Ditulo is a joint venture established between Seating and Ikwezi, a large and successful black empowerment company, involved in the transport and automotive industries, that tenders on large contracts requiring office supplies, principally seating and deskings.

#### *Cecil Nurse*

Cecil Nurse has established two empowerment businesses by outsourcing some portions of its assembly plants in Gauteng and Port Elizabeth. Drivers and crew in Gauteng also have the opportunity to become owner-drivers.

## POST-BALANCE SHEET EVENTS

With effect from July 1 2002, a controlling interest in e-Mail Connection was acquired. The business offers an e-billing solution that will complement the traditional print-to-post facility offered by the division.

Bidvest acquired the bulk of the assets of Danel, which prior to being placed in receivership, was the largest business forms manufacturing and distribution operation in France. The acquisition consideration, which will be settled in cash, is €5,6 million (R58,2 million), plus the value of inventories.

Lithotech, which has a similar business to that of Danel, will provide management expertise and will implement its systems across Danel to reduce costs whilst taking advantage of Danel's market presence and developing the range of solutions sold. It is envisaged that Danel will, in time, become the base for the distribution of Bidoffice products throughout Europe.

## PROSPECTS

Bidoffice aims to extend its reach through further offshore acquisitions.

The acquisition of e-Mail Connection, together with the move into electronic document storage, will provide the division with an unrivalled suite of solutions to meet any corporate's requirements which, together with the acquisition of Paragon Business Communications and the integration of Hi-Maur, enables the division to provide a world-class "print-to-post" facility.

More Waltons Direct Stores will be opened and the commercial stationery market in the Gauteng region is a priority.

A potential acquisition, which would complement the suite of products offered by the Office Automation division, boost the competitiveness of the printer businesses and enhance the division's outsourcing offering, is currently under consideration.





Alan Salomon  
Chairman

*Bidpac's strategies are directed towards new product development as well as supplying a more diverse range of its branded products to its customer base*

## Review of operations (continued)

### Bidpac

#### MARKET OVERVIEW

Bidpac's low cost identity and ability to trade effectively in a difficult and volatile business environment was clearly evident and the division produced pleasing results, increasing operating income by 20,5%. Improved profitability and excellent asset management resulted in strong positive cash flows. The efficiency and productivity initiatives developed in previous years contributed significantly to the division's stronger results.

Market conditions improved, primarily as a result of the severe depreciation of the rand as customers shifted to import substitution, choosing alternative locally produced, lower cost products, which had a positive impact on the volume throughput and economies of scale in the division's factories and pricing. There was a general increase in manufacturing activity in South Africa as exports grew on the back of the weak rand.

There were further improvements in corporate governance and basic internal controls within Bidpac. Measuring criteria were broadened and redefined and the division met or exceeded management's expectations.

#### Packaging Closure

The Packaging Closure division encompasses Afcom-GE Hudson and Buffalo Executape. Revenue and operating income increased as both businesses maximised opportunities in an up-turning manufacturing sector.

The division focused its sales and marketing efforts on export-led, South African manufacturing companies who are generally high profile, low risk companies requiring quality packaging closure products to meet the stringent specifications of export customers.

Improvements in manufacturing productivity and efficiencies were made, which resulted in better overhead recoveries in the factories.

The upgrading of plant and equipment enhanced the quality and productivity at the division's factories. Afcom-GE Hudson and Buffalo Executape have sufficient manufacturing and distribution capacity to meet the anticipated growth in demand with a minimal outlay in capital expenditure.

#### *Afcom-GE Hudson (incorporating Ramset)*

Afcom-GE Hudson produced excellent results with improved margins through manufacturing efficiencies and sales margin management in a business cycle that experienced unit cost push inflation





caused by the severe depreciation of the rand. A strategic decision was taken to increase manufacturing capacity, which enabled the division to locally manufacture previously imported product.

The Ramset acquisition was bedded down and yielded satisfactory results for the first year under Bidpac's control. Ramset is a leading brand name, distributing equipment systems and fasteners to the growing construction and mining industries.

Afcom-GE Hudson's main product divisions – strapping, tape, nailing and stapling, stretch film, and general packaging closures – all performed particularly well.

Afcom-GE Hudson's high profile brand names Signode, Paslode, Senco, Rapid and Sellotape, supported by an enhanced relationship with overseas principals, contributed to an increase in market share. A substantial number of new accounts were opened as a result of focused sales programmes and proactive incentive schemes initiated throughout the sales force.

Demand from export-led South African companies was strong. An import substitution programme with locally manufactured, price competitive product was accentuated, which should enhance Afcom-GE Hudson's market position.

Expense management was well controlled and expense inflation was well under the consumer price index. Asset management was excellent, which resulted in an improvement in the return on funds employed.

**Buffalo Executape**

Buffalo Executape is a manufacturer and converter of self-adhesive tapes, supplying leading brands and speciality tape products such as Sellotape, Tesa, Nashua, Sontape and Scapa to the market. The division's market share increased significantly.

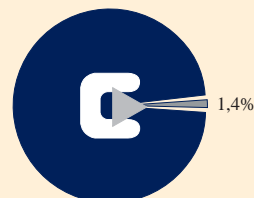
Buffalo Executape's factory has the versatility and flexibility to produce standard and custom-made adhesive tapes to meet a wide variety of applications and customers' specific needs. Buffalo Executape is a Johannesburg-based operation, but enjoys the benefits of a nationwide distribution network through the Afcom-GE Hudson business units.

Further cost-saving initiatives, supported by good margin management, contributed to Buffalo's excellent performance.

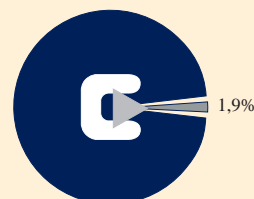
Buffalo Executape trades in a highly competitive market, yet managed to generate high, organic growth in revenue and operating income for the fourth year in succession.

Bidpac's contribution to the Group

Revenue

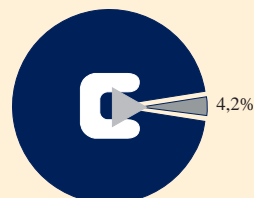


2002

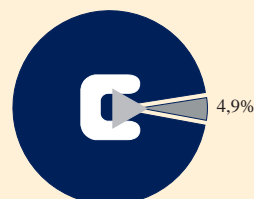


2001

Operating income



2002

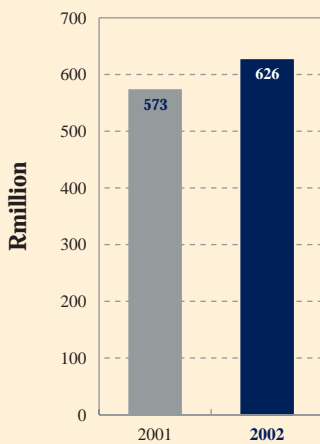


2001

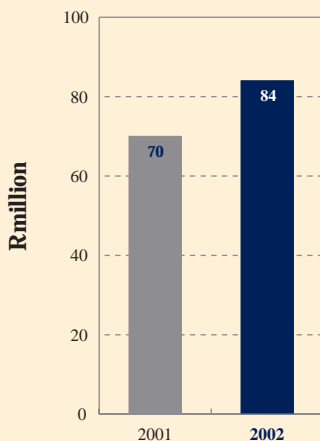


Bidpac's contribution to the Group

Revenue



Operating income



## Review of operations (continued)

### Stationery Products

The Stationery Products division, comprising Silveray Stationery Company, produced good results with increases in both revenue and operating income as a result of the growth achieved in the retail and general stationery trade sectors.

#### Silveray Stationery Company

Silveray manufactures and distributes a full range of stationery products, both local and imported, from paper converted products such as pads, books, files, and envelopes to erasers, pencils, pens, staplers and adhesive tapes for the home, office and educational markets. All goods are manufactured to international standards and to South African Central Standardisation Committee specifications.

Silveray increased market share in a growing market through focused sales programmes for its Croxley, Sellotape and Rapid range of products. The market shifted to leading branded merchandise and Silveray capitalised on the opportunity.

Manufacturing productivity and efficiencies, coupled with enhanced economies of scale, produced significant improvement in results in the Mobeni factory.

The roll-out of the mymarket.com e-commerce initiative will have a positive impact on Silveray.

Silveray embarked on an ambitious export drive into the United Kingdom and Africa and has secured some lucrative orders. The export programme will provide Silveray with further economies of scale.

### FINANCIAL REVIEW

Bidpac's revenues increased by 9,1% to R626 million (2001: R573 million), and reported a 20,5% increase in operating income to R84 million (2001: R70 million). Depreciation costs increased by 3,7% at R13 million (2001: R12 million).

The division's return on average funds employed was 30,3%

### STRATEGIC REVIEW

Bidpac's strategies are directed towards new product development within its core product range, as well as supplying a more diverse range of its branded products into its current customer base, which is growing steadily in size through effective sales and marketing programmes.

These strategies are in line with action plans set by Bidpac's world-leading, overseas principals.

Customer service remains a differentiating factor and Bidpac is committed to meeting and exceeding customers' expectations.





## PEOPLE

Bidpac met and exceeded its employment equity objectives.

There was a reduction in the number of people employed within the division. However, numerous previously disadvantaged individuals, particularly in the lower to middle occupational categories, were promoted and advanced.

On-the-job training, productivity and efficiency tutoring, together with outsourced training programmes, have improved the quality of employees' output. Bidpac is currently introducing the 'First for Service' training programme, which generated positive results in other Bidvest operations, both locally and abroad.

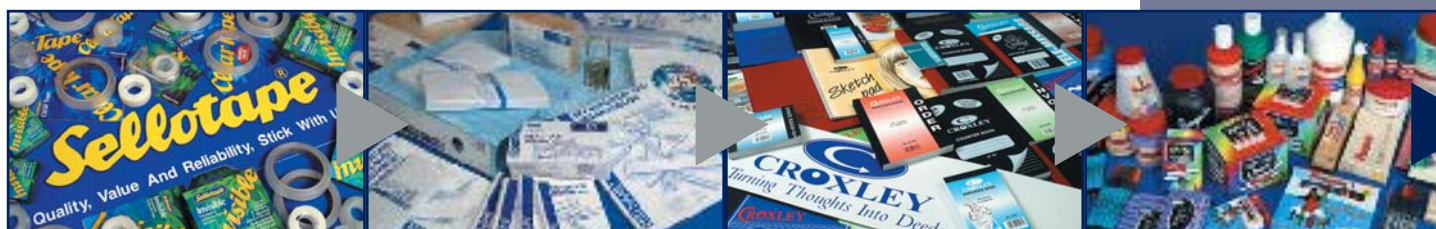
People are Bidpac's most valuable asset and their skills are being fine-tuned to meet world-class standards of performance.

Bidpac has developed a young, highly motivated management team with an entrepreneurial spirit.

Morale and confidence within Bidpac is high.

## PROSPECTS

Bidpac has budgeted for growth in both operating and attributable profits. The division will continue to focus on margin management, expense and asset controls, as well as product quality. Management anticipates further growth in the manufacturing sector of the South African economy, which will add additional critical mass to its present manufacturing and distribution infrastructure.





**Myron Berzack**  
Chairman

*The division is targeting niche businesses not necessarily allied to its core operations*

## Review of operations (continued)

### Voltex

#### MARKET OVERVIEW

Voltex is a pre-eminent distributor and wholesaler in South Africa of the broad spectrum of electrical products used in the industrial, reticulation, domestic and general electrical markets. Subsidiaries include Sanlic International, which supplies security products, and Berzack Brothers, a distributor of industrial and domestic sewing machines as well as a range of leading domestic appliances.

Voltex is a direct importer of euro- and dollar-priced products. The volatile rand exchange rate raises price sensitivity issues, but given Voltex's strong financial position, the division is able to maintain competitiveness. Voltex added many new products to its existing comprehensive product range.

Voltex has continued with cost-cutting initiatives. Unprofitable branches have been closed, merged or relocated. Senior management is involved in an ongoing expense evaluation exercise throughout the business.

Government appears to be taking seriously its commitment to make electricity available to all communities in South Africa. Access to electricity was identified at the recent World Summit on Sustainable Development as vital to lifting living standards.

#### The Voltex Electrical Distribution division

The Voltex Electrical Distribution division operates from 77 outlets strategically situated throughout southern Africa and employs approximately 1 700 people. The division consists of Bellco Electrical, Club-bok Electrical, Electric Centre, Electrostar, Globe Electrical, H&T Electrical, Keens, Leonard & Co, Litecor, Sanlic Silverline and Voltex. The customer base includes government and semi-government bodies, municipalities, mines, general industrial sectors, original equipment manufacturers, other resellers of electrical equipment and electrical contractors.

The Voltex Electrical Distribution outlets carry a comprehensive range of well-known local and international brands, which includes Philips industrial lamps and GE control gear, for which Voltex has the exclusive South African distribution rights.

#### Specialist

Voltex has a number of specialist branches, which supply both in-house branches and outside customers.

#### Waco Industries

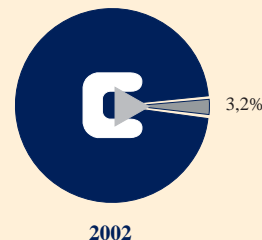
Waco is a new generation wholesaler servicing the entire electrical industry. Customers include original equipment manufacturers and consultants for specified products in building projects.





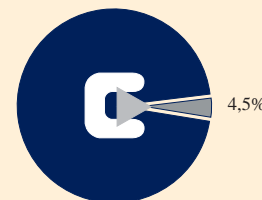
**Voltex's contribution to the Group**

**Revenue**



2002

**Operating income**



2002



Waco is also a specialist distributor of an extensive range of industrial products supplied mainly under sole agency agreements with leading overseas and local manufacturers. Waco operates out of Johannesburg, Cape Town, Durban, Port Elizabeth and Bloemfontein.

**Atlas Cables and Association Cables**

Atlas supplies a complete range of low, medium and high voltage cables to customers such as Eskom, municipalities, mines, electrical contractors, parastatals and other wholesalers. All cable supplied complies with South African Bureau of Standards' specifications.

**Cabstrut**

Cabstrut is a leader in cable and reticulation management systems in South Africa. Cabstrut achieves national coverage through its agents and outlets in Johannesburg, Pretoria, Durban, Cape Town, Port Elizabeth, East London, Bloemfontein and Nelspruit.

**Sanlic**

Sanlic supplies locksmith and security-related products through branches in Cape Town, Durban, Johannesburg, Pretoria and Port Elizabeth. Sanlic has the sole agency for the Silca range of key blanks and computerised key-cutting machines, and the Abus brand of locks. Customers include mines, industry, locksmiths, builder merchants, hardware and chain stores.

**Voltex Lighting**

Voltex Lighting specialises in the marketing and distribution of the Lascon range of commercial and industrial luminaires. The customer base is extensive and ranges from end-users, architects and consulting engineers to electrical contractors.

Voltex Lighting employs experienced staff with application and design capabilities.

**Voltex Transmission and Distribution**

Voltex Transmission and Distribution supplies overhead electrical powerline equipment. Customers include Eskom, municipalities, local authorities and contractors. The business' expertise is also utilised by the electrical authorities in neighbouring countries. Voltex Transmission and Distribution offers specialist advice and limited application engineering in the fields of low, medium and high voltage distribution and transmission lines and hardware.

**The Berzack division**

The Berzack division operates from eight outlets in South Africa, four in the United Kingdom and one in Morocco. The division distributes industrial machinery and accessories to the clothing, luggage, upholstery and embroidery industries as well as household machines and appliances and consumer medical devices to the general



## Review of operations (continued)

retail trade. Price marking equipment and labels are manufactured and sold by the Sato division.

Berzack represents Tajima, the world's leading embroidery machine manufacturer, and has the exclusive distribution rights for Juki sewing machines as well as Moulinex, Krups, Rowenta and Tefal domestic appliances. The division's own branded sewing machine is marketed under the name "Harrison".

The division markets an extensive range of generic parts for sewing machines and manufactures waistbands and binding for various clothing factories.

Sato Labelling is a distributor of price marking equipment and labels and produces labels for a variety of customer applications.

Bloch and Levitan is the country's largest supplier of fittings and PVC sheeting for the clothing and luggage industries.

Eastman Staples, in the United Kingdom, distributes sewing, cutting and cloth spreading machines and is a leading supplier and manufacturer of pattern paper used in the clothing industry.

### FINANCIAL REVIEW

Voltex became a wholly-owned subsidiary of Bidvest with effect from October 1 2001.

Revenue increased significantly to R1,4 billion and operating income to R89,9 million as a result of the buoyant trading conditions in the second half of the 2002 financial year as well as an increased presence in all sectors of the market in which Voltex operates.

Through attention to maintaining key financial and liquidity ratios, a more acceptable return on funds employed of 28,6% was achieved.

### STRATEGIC REVIEW

Voltex's strategy is to grow both organically and by acquisition. The division is targeting niche businesses not necessarily allied to its core operations. Its depth of management allows Voltex to offer a wide range of solutions to all electrical-based initiatives. Customer service and satisfaction remains of paramount importance.

Voltex recognises the need to be flexible to meet changing customer needs. The division constantly monitors the level of building activity throughout southern Africa.

The division sees e-commerce as a source of growth. A number of Voltex's Specialist division outlets have created websites to reach a broader spectrum of end-users. The applicability of mymarket.com will be investigated.

Voltex has the ability, through its comprehensive product range and skilled staff, to become the electrical supplier of choice on the African continent.

### OPERATIONAL REVIEW

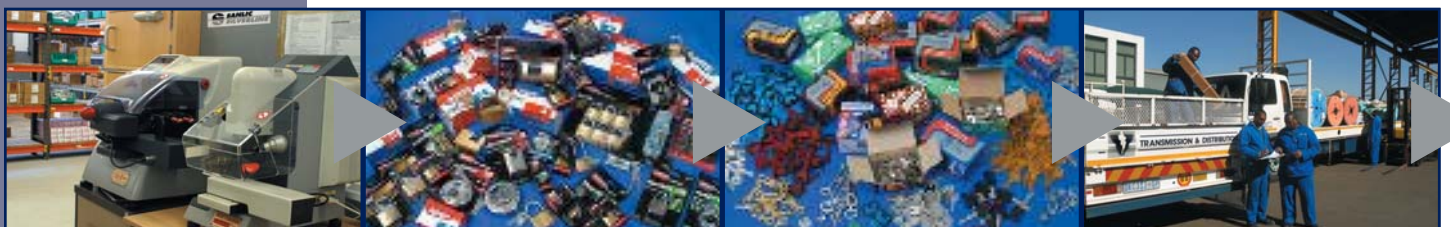
#### Operational highlights

Voltex improved its profitability by growing its market share. There were a number of minor structural changes to Voltex's distribution network, including the opening of joint ventures in Swaziland and Steelpoort. Due to the dynamic nature of the electrical industry, it was necessary to realign a number of outlets, which was achieved by relocating, merging and down-sizing various branches.

### CORPORATE CITIZENSHIP

#### New empowerment initiatives

Voltex is involved in two black empowerment joint ventures. These joint ventures are treated as associates and run totally independently from the division. Voltex supplies





accounting and management advisory services to ensure that these businesses become self-sufficient with the necessary skills to succeed.

#### ***Volsing Electrical***

Voltex has a 49% stake in Volsing Electrical, which is an electrical wholesale business based in Roodepoort. The balance of the shares are held by Mrs Greeta Singh.

#### ***Masithuthuke Cables***

Voltex holds 30% of the issued share capital of Masithukhuke Cables, an electrical wholesaling business based in Durban. The balance is held Mrs Tembi Shirley Nthaka.

The latest South African Bureau of Standards' regulations requires surge protection in every new building, which will result in a significant demand and supply opportunities.

Voltex is exploring many new areas for export growth. There are substantial projects in Africa and Voltex recognises that the approach has to be both conservative and cautious. Nonetheless, Voltex is a supplier to many sub-Saharan countries and business dealings continue with significant South African companies who are presently involved in Africa.

## **PEOPLE**

The division actively promotes a healthy environment and working climate, encouraging all staff to reach their maximum potential and has developed a highly skilled and motivated human resources and training department, which is responsible for the implementation of the transformation policy and training programmes.

Voltex is committed to achieving the relevant targets set in its transformation plan as well as ensuring that it meets ongoing legal requirements.

## **PROSPECTS**

Voltex's markets are growing and the division intends to increase its market share in industry and mining. It is promoting training and procurement to meet the needs of the markets it serves. The division is consolidating its position in the electrical contracting and reticulation industries.

The much needed injection of local or foreign capital into the economy will result in potential for large scale growth.





*mymarket.com*  
*has embarked*  
*on an aggressive*  
*customer*  
*acquisition*  
*strategy*

## Review of operations (continued)

### IT Services

#### **mymarket.com**

##### **MARKET OVERVIEW**

mymarket.com operates as an early adopter, high-tech business providing the electronic infrastructure required to facilitate trade between buying organisations and their nominated suppliers. e-procurement has already made itself felt in the global economy and there is a growing business requirement to use e-procurement to streamline processes and reduce stock levels within a business. There are many top companies in South Africa that have or are planning an e-business strategy and mymarket.com provides the infrastructure to service this need.

mymarket.com went live on July 1 2001 with minimal functionality and the year was dedicated to growing and developing infrastructural capabilities to meet the needs of participating trading partners.

The infrastructure provided is aimed at both buyers and suppliers. Buyers are given access to e-procurement software on a rental basis and suppliers are fully enabled by mymarket.com to participate in the marketplace. Such enablement includes the creation of electronic catalogues and the integration of their accounting systems with the mymarket.com back-end.

Vigorous proof of concept pilot projects have been successfully completed with

two significant national customers of the Group, both of which are currently trading online through mymarket.com. Once these projects are completely implemented, it is anticipated that they alone will transact R2 billion worth of trade through the site annually.

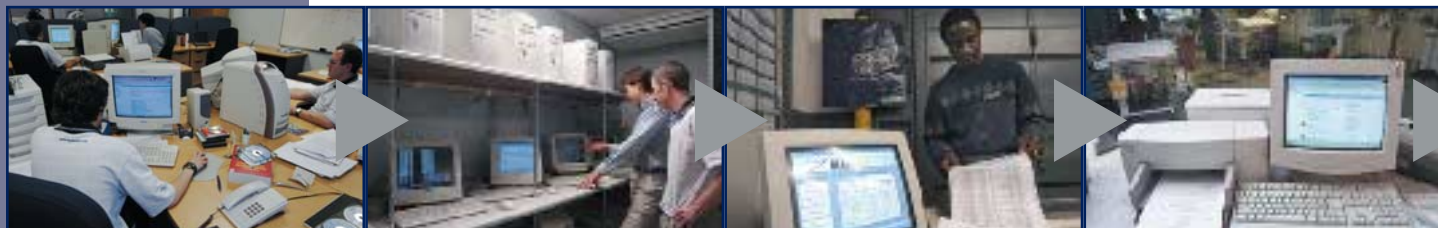
With the success of the pilot projects, mymarket.com has embarked on an aggressive customer acquisition strategy.

The site built for 3663 First for Foodservice in the United Kingdom went live in June 2002. A number of customers have already been signed up and 3663 First for Foodservice is actively involved in implementing the system into these customers' businesses. A number of technological enhancements were made to meet the demands of the catering and hospitality industries for whom the United Kingdom system was specifically developed. A similar site is being considered for Bidvest Australasia.

##### **STRATEGIC REVIEW**

mymarket.com's strategy is to develop, on a phased basis, as many buyers and suppliers as possible to create critical mass and transaction volumes. The business is, however, still in the start-up phase and no returns are expected until 2004.

There are a number of competitors in the market, but none of them enjoy any real supplier support and they are having mixed success. The barriers to entry are high and mymarket.com has real competitive advantages in that it has proven, world-class technology, operates on a low risk financial model and it has





guaranteed supplier support from Bidvest companies and their customers.

As an early adopter in a high-tech environment, continuous investment in research and development is paramount. mymarket.com ensures its success through its commitment to an upgrade path with its major technology providers, which has already seen a number of system improvements, by its investment in Microsoft's supplier enablement solution and by having a bespoke development team who create niche solutions for both buyers and suppliers.

mymarket.com recognises the business opportunity to become an early adopter and to position itself both locally and internationally for rapid and sustainable growth.

### PROSPECTS

mymarket.com has enormous potential. It is unique in the market, enjoys the support of a large buyer and seller base and is run on the world's latest technology. In addition to the Bidvest operations, large national organisations have committed to rolling out their procurement processes nationally through mymarket.com after the successful initial pilot projects.

The concept offers significant opportunities to Bidvest operations who have not traditionally invested in enterprise resource planning systems. The decentralised nature of Bidvest has limited the Group's buying power in the past, but the e-procurement functionality of mymarket.com will allow Bidvest to aggregate its buying power, improve negotiations with suppliers, optimise processes, reduce costs and promote cross-selling.

mymarket.com has a training room on site where the training of buyer and supplier users is ongoing and key to user success on the e-marketplace. A help desk is also being put in place where users may log on for assistance when required.

## I-FUSION

### MARKET OVERVIEW

The past year proved to be particularly challenging for information technology companies worldwide. Post Y2K and September 11, spend on information technology has been depressed. Management at the highest levels in most companies are now taking a very active role in major information technology purchase decisions and, as a consequence, the buying cycle has become longer and is subject to a more critical review.

I-Fusion's focus has narrowed considerably. The strategy has changed to that of providing networks and network service solutions. The business' aim is to deliver a superior, hassle-free, competitively-priced networking and managed service solution to its customers. I-Fusion's main point of differentiation is its value-based process that will ultimately result in the implementation of the best possible network solution.

A new management team was put in place during the second half of the year and the business has undergone a complete restructure and downsizing. I-Fusion is now leaner and more customer focused.

### PROSPECTS

I-Fusion is continually striving to becoming the value-added networking solution provider of choice in the mid-tier sector of the South African market by combining its expertise and technology in planning, design, sales, implementation and support, while remaining focused on delivering service excellence.

I-Fusion anticipates a much improved performance in the coming year.



## Corporate citizenship



Bidvest has been selected as a component of the Dow Jones Sustainability – World Index for its achievements in, and ongoing commitment to, good corporate citizenship and sustainability. Bidvest is one of five South African businesses selected for the Index.

Bidvest is committed to conforming to good corporate governance principles and fulfils the appropriate requirements laid down in the King II Report.

### CORPORATE VALUES

**Bidvest's corporate value system includes:**

- accountability
- acquisitiveness
- decentralisation
- entrepreneurship
- equal opportunity
- fairness
- honesty
- innovative business practices
- respect for human dignity, human rights and social justice
- responsibility
- service excellence
- transparency

### STAKEHOLDER RELATIONS

**The Group's stakeholders include:**

- business partners
- civil society in general
- customers
- employees
- local communities
- non-government organisations
- previously disadvantaged individuals
- shareholders
- stakeholders in the countries in which the Group operates
- sub-contractors
- suppliers
- the environment
- the investment community
- the media
- unions

The Group identifies stakeholders having a legitimate and relevant interest in the Group and is committed to proactively managing its relations with all stakeholders. The Board ensures that the appropriate balance is maintained between the individual interests of stakeholder groups and the collective good of the company in which their interests converge.

Bidvest is committed to reporting on stakeholder issues through the most appropriate medium and in the most appropriate manner.

The Group is in the process of developing appropriate performance measurement criteria and control processes that can tangibly be applied against stakeholder performance objectives.



## CODE OF ETHICS

### The Board actively promotes a code of ethics for the Group in order to:

- clearly state what is an acceptable, and unacceptable, practice
- guide policy by providing a set of ethical corporate standards
- encourage ethical behaviour of the Board, managers and employees at all levels
- guide ethical decision-making
- make ethical infringements easy to identify
- promote awareness of, and sensitivity to, ethical issues
- help resolve conflicts
- specify the enterprise's social responsibility
- cover relations between stakeholders
- enhance the reputation of the Group

### The Board has been proactive in the:

- regular and formal identification of ethical risk areas
- development and strengthening of monitoring and compliance policies, procedures and systems
- establishment of easily accessible safe reporting (whistleblowing) channels
- alignment of the Group's disciplinary code with its code of ethical practice
- development of performance measurement and remuneration systems that reward ethical behaviour and punish unethical behaviour
- integrity assessment as part of selection and promotion procedures
- induction of new appointees
- training on ethical principles, standards and decision-making

- regular monitoring of compliance with ethical principles and standards using the internal audit function
- reporting to stakeholders on compliance
- independent verification of conformance to established principles and ethical behaviour

## Corporate citizenship (continued)

### Corporate governance

The Board subscribes to the values of and accepts the inclusive approach to good corporate governance espoused in the King II Report. The directors have long recognised that good corporate governance is essentially about leadership and that there exists the need to conduct the enterprise with integrity and in compliance with best international practices, whilst taking cognisance of the value systems of the countries in which it operates. The Board and individual directors accept their duty and responsibility to ensure that the principles set out in the Code of Corporate Practices and Conduct as defined in the King II Report are observed.

#### CORPORATE CODE OF CONDUCT

##### Bidvest is committed to:

- the highest standards of integrity and behaviour in all its dealings with its stakeholders and society at large;
- carrying on of business through fair commercial competitive practices;
- trading with customers and suppliers who subscribe to ethical business practices;
- non-discriminatory employment practices and the promotion of employees to realise their potential through training and development of their skills; and
- being proactive toward environmental, social and sustainability issues.

#### BOARD OF DIRECTORS

The Board comprises ten non-executive and eighteen executive directors. Bidvest is a unique company, which is reflected in the composition and size of its Board. Bidvest consists of decentralised business units, run by successful entrepreneurial individuals whose recognition and ongoing participation in Bidvest is vital. In addition to the divisional chairmen, key South African operating executives, who are responsible for significant operations, are included on the Board. Notwithstanding the effectiveness of this structure, the composition and size of the Board will be reviewed.

The executive directors, have responsibility for implementing strategies and operational decisions on running the Group's businesses. Non-executive directors, who are viewed as independent by the Board, support the skills and experience of the executive directors and bring judgement to bear, independent of management, on issues of strategy, budgets, performance, resources, transformation, diversity, employment equity, standards of conduct and evaluation of performance, contributing to the formulation of policy and decision-making through *inter alia* their knowledge and experience. The Board gives strategic direction to the Group, appoints the Executive Chairman and ensures that succession is planned.

The Board has considered the merits of splitting the roles of the Chairman of the Board and the Chief Executive Officer, but concluded that this may be perceived by stakeholders as an exit in some form by Brian Joffe, which is not the case, and that the downside risk outweighs any possible benefits. The Board believes that it is in the Group's best interests that the Chief Executive Officer also be Chairman of the Board given the completely decentralised decision-making structure, the independence and character of the individual Board members and the fact that there are no controlling shareholders. As all shareholders are minority shareholders, all have the opportunity to appoint representatives to the Board or remove members as required. To date no minority has requested representation.

The non-executive directors take responsibility for ensuring that the chair encourages proper deliberation of all matters requiring the Board's attention. The Board ensures that there is an appropriate balance of power and authority on the Board so that no one individual or block of individuals can dominate the Board's decision-making process.

The Board, independently, is responsible for annual appraisals of the Executive Chairman.

Under chairmanship of Brian Joffe, the Board meets regularly and has a formal schedule of matters reserved to it. The Board retains full and effective control over the Group and monitors executive management in implementing plans and strategies through a structured approach to reporting and accountability under the auspices of an executive committee. The Board is currently considering the implementation of a board charter.



The Board has a comprehensive system of controls ensuring that risks are mitigated and the Group's objectives are attained. This control environment sets the tone of the Group and covers ethical values, management's philosophy and the competence of employees.

The Board ensures that the Group complies with all relevant laws, regulations and codes of business practice and that it communicates with its shareholders and relevant internal and external stakeholders openly, promptly and with substance prevailing over form.

The Board is developing a corporate code of conduct addressing conflicts of interest, particularly relating to directors and management. Once defined, this code of conduct will be regularly reviewed and updated as necessary.

Through the audit committee, the Board regularly reviews processes and procedures to ensure the effectiveness of internal systems of control so that its decision-making capability and the accuracy of its reporting are maintained at a high level at all times. The Board, furthermore, identifies and monitors the non-financial aspects relevant to the business of the Group and reviews appropriate non-financial information that goes beyond assessing the financial and quantitative performance of the Group, and looks at other qualitative performance factors, which take into account broader stakeholder issues. The Board is committed to conforming with good corporate governance, without impacting on Bidvest's entrepreneurial flair.

The Board and its committees are supplied with full and timely information which enables them to discharge their responsibilities and have unrestricted access to all Company information, records, documents and property. Non-executive directors have access to management and may even meet separately with management, without the attendance of executive directors. The information needs of the Board are well defined and regularly monitored. All directors have access to the advice and services of the Group secretariat and there is an agreed procedure by which directors may obtain independent professional advice at the Group's expense, should they deem this necessary.

The Group has a formal policy, established by the Board and implemented by the Company secretary, prohibiting dealing in securities by directors, officers and other selected employees for a designated period preceding the

announcement of its financial results or in any other period considered sensitive.

The Board defines levels of materiality, reserving specific power to itself and delegating other matters with the necessary written authority to management. These matters are monitored and evaluated on a regular basis. The Board is currently considering a formal delegation of authority matrix.

The Board identifies the key risk areas and key performance indicators for the Group. These are regularly updated and particular attention is given to technology and systems. Directors receive further briefings as required on new laws and regulations and changing commercial risks, which include the impact of information technology on the Group's businesses.

Procedures for appointment to the Board are formal and transparent and are a matter for the Board, assisted, where appropriate, by the nomination committee.

The Board annually reviews the required mix of skills and experience and other qualities such as its demographics and diversity in order to assess the effectiveness of the Board, its committees and the contribution of each director. The Group has an open policy on the nomination of directors and any shareholder reserves the right to nominate a director for appointment to the Board.

Following the appointment of new directors to the Board, visits to the Group's businesses and meetings with senior management, as appropriate, are offered to facilitate their understanding of the Group and their fiduciary responsibilities.

The Board is cognisant of the duties imposed on the Company secretary who is accordingly empowered to properly fulfil those duties. In addition to the extensive statutory duties, the Company secretariat provides the Board and directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Group. The Company secretariat is the central source of guidance and advice to the Board, and within the Group, on matters of ethics and good governance.

## Corporate citizenship (continued)

### BOARD COMMITTEES

Specific responsibilities have been formally delegated to Board committees with defined terms of reference, duration and function, clearly agreed upon reporting procedures and written scope of authority. There is transparency and full disclosure from the board committee to the Board, except where mandated otherwise by the Board. Board committees are free to take independent outside professional advice as and when necessary and are subject to regular evaluation by the Board to ascertain their performance and effectiveness. The principal board committees are as follows:

#### Executive committees and divisional boards

The executive committee consists of the Executive Chairman, the Group Financial Director and the Divisional Chairmen. The executive committee takes all day-to-day decisions relating to the Group and refers major decisions, which have their sanction, to the Board for approval. Each divisional Chairman chairs a board consisting of the key operating executives and financial director of the division, to which the Executive Chairman and the other non-executive directors are invited.

#### Remuneration committee

The remuneration committee is chaired by Joe Pamensky and its other members are Donald Masson and Peter Nyman. The committee is responsible for the assessment and approval of Board remuneration strategy for the Group, the determination of short- and long-term incentive pay structures for Group executives, the positioning of senior executive pay levels relative to local and international industry benchmarks and the assessment and authorisation of specific reward proposals for the Group's executive directors and those executives reporting directly to the Executive Chairman.

The executive director that is a member of the remuneration committee is excluded from the review of his own remuneration.

The remuneration committee's overall strategy is to ensure that employees are rewarded for their contribution to the Group's operating and financial performance at levels which take account of industry, market and country benchmarks, as well as the requirements of collective bargaining. In order to promote an identity of interests with shareholders, share incentives are considered to be critical elements of executive incentive pay.

A schedule setting out directors' remuneration and equity interest appears in the Directors' report.

#### Audit committee

An audit committee was established in 1995 and is an important element of the Board's system of monitoring internal controls. The members of the committee are Joe Pamensky (*Chairman*), Donald Masson, Peter Nyman and Dave Rosevear. The Group Internal Audit Manager and external auditors are invited to attend every meeting. Other members of the management team attend, as required. The committee meets not less than three times a year. The committee is responsible for reviewing the interim and final financial statements, internal financial control procedures, accounting policies, compliance and regulatory matters, recommending the appointment of external auditors and other related issues. The audit committee also reviews divisional audit committee reports.

The audit committee has written terms of reference that deal adequately with its membership, authority and duties. The audit committee considers whether adequate and appropriate internal financial controls are in place and appropriate to meet the current and future needs; that significant business, statutory and financial risks have been identified and are being monitored and managed; and that appropriate standards of governance, reporting and compliance are in operation. The audit committee advises the Board on issues ranging from the application of accounting standards to published financial information.

The audit committee has a responsibility to recommend to the Board, for its consideration and acceptance by shareholders, the appointment of external auditors. The audit committee also sets out the principles for recommending using the accounting firm of the external auditors for non-audit services.

Each division has its own audit committee which subscribes to the same Group audit philosophies and reports to the Group audit committee.

#### Acquisition committee

Acquisitions with perceived potential conflicts are referred to the acquisition committee for an in-principle decision as to whether the acquisition should be investigated and pursued. This committee consists of





Brian Joffe, Donald Masson, Joe Pamensky and Dave Rosevear.

Acquisitions are, depending on their magnitude, sanctioned by the executive committee and submitted to the Board for approval.

#### **Nomination committee**

The nomination committee comprises Donald Masson, Joe Pamensky and Brian Joffe. The committee considers the composition of the Board, retirements and appointments of additional and replacement directors and makes appropriate recommendations to the Board.

Executive directors are appointed to the Board on the basis of skill, experience and level of contribution to the Group and are responsible for the running of their businesses. Non-executive directors are selected on the basis of industry knowledge, professional skills and experience.

The committee is responsible for ensuring that nominees are not disqualified from being directors and prior to their appointment investigate their backgrounds along the lines of the approach required for listed companies by the JSE.

All directors are subject to election by shareholders and retire by staggered rotation and stand for re-election at least every three years in accordance with the Articles of Association. The names of directors submitted for election or re-election will be accompanied by sufficient biographical information to enable shareholders to make an informed decision in respect of their election.

Non-executive directors are appointed for specified terms subject to re-election and Companies Act provisions relating to the removal of directors. The re-appointment of non-executive directors is not automatic.

The committee annually reviews the Board's required mix of skills and experience and other qualities such as its demographics and diversity in order to assess the effectiveness of the Board, its committees and the contribution of each director.

### **ACCOUNTABILITY AND AUDIT**

#### **Going concern**

The Board minutes the facts and assumptions used in the assessment of the going concern status of the Group at the financial year-end.

At the interim reporting stage, the directors consider their assessment at the previous year-end of the Group's ability to continue as a going concern and determine whether or not any of the significant factors in the assessment have changed to such an extent that the appropriateness of the going concern assumption at the interim reporting stage has been affected.

#### **Auditing and accounting**

The Board is of the opinion that their auditors observe the highest level of business and professional ethics and that their independence is not in any way impaired.

The Group aims for efficient audit processes using its external auditors in combination with the internal audit function and management encourages unrestricted consultation between external and internal auditors. The co-ordination of efforts involves periodic meetings to discuss matters of mutual interest, the exchange of working papers and management letters and reports, and a common understanding of audit techniques, methods and terminology.

#### **Internal financial controls**

The directors are responsible for ensuring internal control systems exist that provide reasonable assurance regarding the safeguarding of assets and the prevention of their unauthorised use or disposition, the maintenance of proper accounting records and the reliability of financial and operational information used in the businesses.

#### **Internal audit function**

The internal audit departments are an independent appraisal function whose primary mandate is to examine and evaluate the effectiveness of the applicable operational activities, the attendant business risks, including those that arise subsequent to the year-end, and the systems of internal financial control, so as bring material deficiencies, instances of non-compliance and development needs to the attention of the audit committee, external auditors and operational management for resolution.

The internal audit is an independent, objective assurance and consulting activity to add value and improve the Group's operations. It helps the Group accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. It provides:

## Corporate citizenship (continued)

- assurance that the management processes are adequate to identify and monitor significant risks;
- confirmation of the adequacy and effective operation of the established internal control systems;
- credible processes for feedback on risk management and assurance; and
- objective confirmation that the Board receives the right quality of assurance and information from management and that this information is reliable.

The purpose, authority and responsibility of the internal audit activity is formally defined in an internal audit charter, which is approved by the Board, and which is consistent with the Institute of Internal Auditors' definition of internal auditing.

The activities of the divisional internal auditors are co-ordinated by the internal audit manager based at the corporate office, with unrestricted access to the audit committee and its chairman. The Group internal audit manager reports at all audit committee meetings and attends divisional audit committee meetings.

The internal audit function co-ordinates with other internal and external auditors to ensure proper coverage and to minimise duplication of effort. The external auditors also review reports issued by internal audit.

Audit plans for each business segment are tabled annually to take account of changing business needs. Follow-up audits are conducted in areas where weaknesses are identified.

The internal audit plan, approved by the audit committee, is based on risk assessments, which is of a continuous nature so as to identify not only existing and residual risks, but also emerging risks, as well as issues highlighted by the audit committee and senior management. Internal audits are conducted formally at each business unit at least once in a two-year cycle. This risk assessment is co-ordinated with the Board's own assessment of risk.

Where the internal audit function is conducted by the same firm as performs the external audit, due care is taken to ensure that there is adequate segregation between the two functions in order to ensure that their independence is not impaired.

### Risk management

The Board is responsible for the total process of risk management and sets the risk strategy, which is based on the need to identify, assess, manage and monitor all known forms of risk across the Group, in liaison with the executive directors and senior management. Management is accountable to the Board for designing, implementing and monitoring the processes of risk management and integrating it into the day-to-day activities of the Group. The risk aversion philosophy is communicated to all managers and employees in an endeavour to incorporate this philosophy into the language and culture of the Group. Risk management and internal control are practiced throughout the Group and is embedded in day-to-day activities.

The Board attests that there are adequate systems of internal control in place to mitigate the significant risks faced by the Group to an acceptable level. The systems are designed to manage, rather than eliminate, the risk of failure or to maximise opportunities to achieve business objectives.

Risk is not only viewed from a negative perspective. The review process also identifies areas of opportunity, such as where effective risk management can be turned to competitive advantage.

The management of risk and loss control is decentralised, but in compliance with Group policies on risk financing, including self-insurance. Compliance measurement is through periodic risk activity reports, and measurement of the loss control supported by independent consultants.

The decentralised structure consists of many business units and therefore the overall Group risk is spread and minimised.

At operational level, senior management identify critical, major business risks, promote awareness, introduce applicable control environments and procedures and apply risk-monitoring techniques. The divisional audit committees, identifying the manner in which and the extent to which risk is controlled and/or reduced, monitor the process.

Bidvest's decentralised structure forms the basis of the Group's business continuity plan with each of the operations being self-sufficient with disaster recovery and management succession plans. The individual business units are sufficiently small and independent of each other to eliminate a Group-wide disaster risk.





In addition to the Group's other compliance and enforcement activities, the Board recognises the need for a confidential reporting process ("whistleblowing") covering fraud and other risks. This "whistleblowing hotline" continues to function effectively.

### RELATIONS WITH SHAREHOLDERS

It is the policy of the Group to pursue dialogue with institutional investors based on constructive engagement and the mutual understanding of objectives taking due regard of statutory, regulatory and other directives regulating the dissemination of information by companies and their directors. To achieve this dialogue there have been a number of presentations to and meetings with investors and analysts to communicate the strategy and performance of the Group. The quality of this information is based on the standards of promptness, relevance and transparency.

The Group makes every effort to ensure that information is distributed via a broad range of communication channels, including the Internet, having regard for security and integrity while bearing in mind the need that critical financial information reaches all shareholders simultaneously.

The Board accepts its duty to present a balanced and understandable assessment of the Group's position in reporting to stakeholders, taking into account the circumstances of the communities in which it operates and the greater demands for transparency and accountability regarding non-financial matters. The quality of the information is based on the principles of openness and substance over form. Reports address material matters of significant interest and concern to all stakeholders and presents a comprehensive and objective assessment of the Group so that all stakeholders with a legitimate interest in the Group's affairs can obtain a full, fair and honest account of its performance.

### INTEGRATED SUSTAINABILITY REPORTING

Bidvest acknowledges the concept of sustainability defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Furthermore, Bidvest subscribes to the concept of creative co-operation, empathetic communication and teamwork.

Sustainability is the essence of Bidvest's corporate citizenship and Bidvest is committed to the implementation of triple-bottom-line reporting as it accepts that good governance and social and environmental issues can no longer be regarded as secondary to more conventional business imperatives and that the non-financial issues may have financial implications for the Group in that they are one of the factors that drive future value creation.

Bidvest was included in the Dow Jones Sustainability – World Index with effect from September 4 2002. This achievement positions Bidvest as one of the world's leading companies in terms of the five corporate sustainability principles on which index members are judged: strategy, innovation, governance, financial performance and stakeholder relations.

### AFFIRMATIVE ACTION

Bidvest's strategy regarding affirmative action is aimed at the development of its employees. Bidvest's strategy centres on creating opportunities that will enable previously disadvantaged employees to prepare themselves to occupy more skilled and responsible positions within the organisation. A key aspect of this strategy is to promote education and training opportunities for all employees within the organisation and externally.

More information on Bidvest's philosophy and activities regarding empowerment are available on pages 102 to 105 of this report.

### SAFETY, HEALTH AND THE ENVIRONMENT (SHE)

The divisional boards are responsible for dealing with SHE issues and provide the necessary guidance in developing and approving the policy, strategy and structure to manage SHE issues.

There are effective and adequate systems of internal control in place to manage SHE risks, including:

- risk identification and assessment (including legally required environmental impact assessments and major hazard installation risk assessments);
- risk management strategies, such as avoidance, elimination, transfer to the extent possible and treatment (tolerance, mitigation), including training and emergency response plans;

## Corporate citizenship (continued)

- risk financing; and
- being informed of the relevant legal SHE requirements and ensuring compliance with them.

### Safety

The Board is committed to preventing workplace accidents and fatalities and ensures the Group's compliance with the Occupational Health and Safety Act (No 85 of 1993) in South Africa.

Individual companies within the Group are required to identify hazards and risks in the workplace, and to take steps to eliminate or mitigate the risks by implementing the necessary controls.

### Health

The divisional boards are committed to preventing occupational diseases and takes cognisance of all threats to the health of employees. In addition, the Board pays attention to the primary health issues of the communities in which it operates and part of the Group's corporate social responsibility initiatives are aimed at improving primary health care.

The HIV/AIDS pandemic is a growing threat in South Africa and the Group pays particular attention to this disease, without disregarding other diseases that could pose a significant risk. Bidvest's philosophy of decentralisation applies equally to the handling of HIV/AIDS and each business unit monitors the magnitude of the problem. The Group encourages training and education programmes, voluntary, anonymous testing, free anti-retrovirals and crisis planning.

### The environment

The Board acknowledges their legal duties to:

- take reasonable measures to prevent significant pollution or degradation to the environment from occurring, continuing or recurring, and to minimise and rectify pollution or degradation that has already been caused.
- *These "reasonable measures" include:*
  - all applicable, reasonable environmental risks are identified and prioritised;

- environmental legal compliance requirements are determined, together with a strategy to ensure that compliance is attained and maintained;
- environmental emergency response plans are in place and have been distributed to all affected parties;
- environmental training and development programmes have been implemented based on identified needs, and
- ensure, as far as is reasonably practicable, that persons other than just those in their employ who may be directly affected by their activities are not exposed to health and safety hazards.

Environmental issues are addressed at Board level and the directors ensure that environmental issues are dealt with promptly. The Board is committed to making open and transparent disclosure on environmental issues to shareholders and relevant stakeholders and recognises that enterprises should disclose the nature of their environmental policies, ethos and values.

Management's responsibility is to recognise, measure and disclose environmental issues in the financial statements. Where environmental issues are significant and there may be a risk of material misstatement or inadequate disclosure, the external auditor gives consideration to environmental matters during the audit.

The Board subscribes to international best practice and complies with the highest legislative standard of the countries in which it operates.

All relevant Bidvest companies have accreditation, or are in the process of becoming certificated with the required international safety and environmental standards.

### SOCIAL AND TRANSFORMATION ISSUES

All Bidvest's subsidiaries have submitted their Employment Equity and Skills Development plans to the relevant authorities and are on track to meet, if not exceed, the required targets.

### EMPLOYMENT EQUITY

The Board is committed to the principles of employment equity and ensures the Group's compliance with the Employment Equity Act. The empowerment and advancement of previously



disadvantaged individuals is based on the premise that they are equal partners in the corporate sphere and their contribution is a valuable one.

Bidvest's strategy regarding affirmative action is aimed at the development of its employees.

The Board recognises the importance of diversity management and is developing mechanisms to positively reinforce the richness of diversity.

#### **TRAINING AND SKILLS DEVELOPMENT**

Training and career development are important elements of Bidvest's business philosophy and success. As the marketplace becomes more challenging, it takes great leadership to guide a successful business. The Group puts a high priority on developing the next generation of business leaders and continues to explore new ways to foster a progressive workplace that attracts and inspires bright and passionate people.

A management development initiative will be launched in October 2002 and is the first phase of what will be a learning academy for staff at all levels of the organisation.

## Corporate citizenship (continued)

### Black economic empowerment

Economic transformation remains fundamental to the future of South Africa and empowerment is a critical element. However, the requisite criteria to qualify as an empowerment organisation are subject to different interpretations, which makes overall compliance impossible and not transparent. The Group is fully supportive of and committed to the concept of black economic empowerment and actively works to empower staff members and the communities in which it operates.

The insistence on measuring empowerment only by equity percentages is complicated and difficult. Bidvest has a 100% free float and the JSE Securities Exchange South Africa's highest liquidity rating. The shareholding has no one controlling party, but is held largely by institutional investors on behalf of the retirement and life fund industries.

The Bidvest directors acknowledge their responsibility to manage and develop sustainable businesses for the benefit of all stakeholders.

Over and above the measures to facilitate empowerment through employment practices, the Group strives to make a significant contribution to black economic empowerment.

#### EMPOWERMENT SHAREHOLDING

Institutions hold approximately 90% of Bidvest's shares. The true identity of black empowerment shareholders is uncertain and the real quantum, at this stage, is difficult to determine. However, assuming the definition of empowerment institutions includes black economic empowerment holdings associated with black empowerment parties, state enterprise pension funds, trade union pension funds and black empowerment asset managers, then empowerment institutions own approximately 24% of Bidvest.

At June 30 2001, Women's Investment Portfolio Holdings and Worldwide African Investment Holdings held 1,4% and

1,3% of Bidvest respectively. Both shareholders have since disposed of their holdings.

#### EMPOWERMENT VENTURES

An estimation of the value of the black economic empowerment business is approximately R500 million, which, if grouped together, would create a substantial organisation.

The establishment of joint ventures with empowerment groups is an ongoing process within Bidvest:

#### Bidwip

A number of black entrepreneurs and ex-Bidvest employees have been given an opportunity to be part of this joint arrangement, encompassing: *Setsebi Cleaning Services; Thubelihle Property Services; Eyethu Property Cleaning Services; Nomsalane Cleaning Services; Ibhayi Cleaning Services; Imonti Cleaning Services; Hlwekisa Cleaning Services; Melisizwa Cleaning Services; Thaba Security Services; Langa Status Cleaning Services; Ilanga TMS; HP Chem; Ikhwezi Lomsolame and Phephile Electronics.*

At the end of the financial year, Wiphold exited its empowerment joint venture arrangement with Bidserv and new partners are currently being sought. It is expected that the new partner will play a more active role in the empowerment vehicle.

#### BTI Connex Travel

Renfin acquired 49% of BTI Connex Travel in 1999, as a result of the Transnet privatisation programme. The transfer of skills, sharing of expertise, access to training, unique products and membership of the Business Travel International network have contributed to the tremendous growth of this company, creating additional job opportunities and significant earnings growth for the empowerment shareholders.





### Cecil Nurse

Cecil Nurse has established two empowerment businesses by outsourcing some portions of its assembly plants in Gauteng and Port Elizabeth. The drivers and crew in Gauteng have the opportunity to become owner-drivers.

### Corporate Concepts

Corporate Concepts is a 50/50 partnership established in 1994 between Peter Mbolekwa and Cecil Nurse Business Furniture. This company was promoted by a joint vision of the parties to create, what we believe to be, one of the first empowerment initiatives in the industry.

### Daliso Office Supplies

Daliso Office Supplies is 100% black empowered with a distribution agreement with Waltons. The company supplies office stationery, office furniture and computer consumables in the KwaZulu-Natal region.

### Ditulo

A joint venture between Seating and Ikwezi, a large, successful black empowerment company involved in the transport and automotive industry, that tenders on large contracts requiring office supplies, principally seating and desking.

### Dudula Freightbulk

Dudula Freightbulk is a 50/50 joint venture between Rennies Ships Agency and Dudula Shipping Corporation, which is part of the Hi-Beam Investment Group, a black investment consortium.

### FedEx

All couriers in South Africa are employed as owner-drivers, thus giving people from previously disadvantaged groups the opportunity to start their own businesses.

### Ilanga Minolta

Ilanga Minolta is a distributor of Minolta and Océ photocopiers, facsimile machines and laser printers under a

joint venture agreement with the principal importers and distributors Minolta South Africa, who hold 49% of the business.

### Katuliiba Southern Trading

Katuliiba Southern Trading, registered as a close corporation in 1991 and owner, Peter John Katuliiba, linked up with Lithotech in 1997 to form a 50/50 joint venture. It has since been agreed to transfer 10% of Katuliiba Southern Trading's holdings to previously disadvantaged individuals who generate agreed sales levels within a specified period.

### Masithuthuke Cables

Voltex holds 30% of the issued share capital of Masithuthuke Cables, an electrical wholesaling business based in Durban. The balance of the shares is held by Mrs Tembi Shirley Nthaka.

### Master Currency

Master Currency has been an extremely successful joint venture partnership between Renfin (49%) and Combi Investments (51%) established in October 1995 operating from eighteen well-located bureaux de change. During the year, Master Currency acquired a 50% interest in Master Coins, a gold coin and jewellery retail business, operating at the Johannesburg International airport.

### Matlafatso Stationery

Bidvest owns 49% of Matlafatso Stationery, whilst the balance is owned by Sedibeng Investment Holdings, which is 100% controlled by an empowerment group. Matlafatso Stationery sells stationery and allied equipment and office furniture.

### Namsov Fishing Enterprises

Manica Namibia owns 50,1% of Namsov Fishing Enterprises, the balance is held by Namibian citizens. Namsov is active in the midwater trawling industry and



## Corporate citizenship (continued)

owns and operates five midwater trawlers. The company is an industry leader and contributes significantly to the development of the Namibian fishing industry.

### Phakama

Phakama is a 50/50 joint venture between Lithotech and Nhlanhla F Nkosi, and is active in the sale and distribution of Lithotech products.

### Rennies Travel

25% of the equity in Rennies Travel is owned by the Women's Development Bank Investment Holdings, which is part of the Women's Development Bank (WDB) Trust. WDB is a non-profit organisation founded by Mrs Mbeki in 1991, to provide small business loans and business training to rural women.

### Saldanha Logistics Company

In 1998 Rennies Terminals formed Saldanha Logistics Company with a consortium of black businessmen comprising Siphumelele Investments and Chroku Investments. Bidvest holds 62,5%, with Siphumelele Investments and Chroku Investments holding 37,5%.

### Sebenza Forwarding and Shipping Consultancy

Sebenza is the largest and most well-established black empowerment forwarding company in South Africa, having fully staffed branches in Johannesburg, Cape Town and Durban. The Makana Trust, via Makana Investments, holds the majority shareholding in Sebenza. The Makana Trust, which provides for the needs of the ex-Robben Island prisoners and their dependants, was founded at the urging of former President Nelson Mandela, who is a patron of the Trust.

### SheNxisa Travel

SheNxisa Travel is a joint venture travel business in East London in which Rennies Travel holds 49%, the other 51%

being owned by Rudolph Bailey Baker and Nadia Samantha Baker.

### Silapha Office Products

This company is 100% black-owned with a distribution agreement with Waltons operating in the western, northern and eastern Cape regions. The company is involved in the sale of office stationery, office furniture and computer consumables.

### Tuka Travel

Tuka Travel was formed in Namibia in which Rennies Travel holds 50% and the balance is held by a black empowerment group, Thikama Investment.

### Twafika Fishing Enterprises

The empowerment joint venture company of the Namsov group, Twafika Fishing Enterprises, acquired its first vessel during the year under review. The vessel only started production during the second part of the financial year and the initial production results were encouraging.

### Ubuhle be Dauphin

Ubuhle be Dauphin, 60% owned by Dauphin's partners in Mpumalanga and 40% held by Dauphin SA, has a number of large contracts to supply Dauphin chairs to government organisations and large corporates.

### Voltsing Electrical

Voltex has a 49% stake in Voltsing Electrical, which is an electrical wholesale business based in Roodepoort. The balance of the shares are held by Mrs Geeta Singh.

### Vuka Catering Suppliers

Victor Matsoane holds 51% of Vuka Catering Suppliers and the balance is held by the Orlando Children's Home (24%) and Bidvest (25%). This company is a wholesale





distributor of a full range of grocery products to the catering, leisure and hospitality industries.

Vulcan-CAARS initiated the creation of a black empowerment partner to form the equipment division of the existing Vuka Catering Suppliers. Key employees were transferred from Vulcan-CAARS to Vuka Catering Suppliers and specialist skills were employed to make its equipment division the success that it is.

#### **Wise Freight Services**

In restructuring its domestic distribution service in November 2000, Renfreight enabled the empowerment of its former employees in the formation of Wise Freight Services in which its drivers and former warehouse and office staff would have a stake in the business. The business is backed by Sarhwi Investment Holdings who will pay and manage the running costs for a period of five years, during which time the drivers will be trained to become employers and businessmen in their own right. This initiative has been assumed by Safcor Panalpina.

#### **Zinhle Printers**

This company is a 50/50 joint venture between Lithotech, and Sisekelo Printing, Publishing and Stationery. The closing down of the Southern Life Printing operation created an opportunity for two of its employees, Alfred Sithole and Eddie Colledge to start their own business, Zinhle Printing Publishing and Stationery (ZPPS). After a year of operation ZPPS joined forces with Lithotech to form Zinhle Printers.



## Corporate citizenship (continued)

### Social responsibility

#### Bidserv Projects

Bidserv continues to evaluate and implement social responsibility programmes such as the "Youth are our Future"-programme which supplies sportswear to underprivileged children. Various training and bursary programmes are in place.

#### Business Trust

The Business Trust is an initiative of companies in South Africa existing in partnership with government. It undertakes targeted job creation and capacity building programmes while the economy is put on a growth path that will provide sustained improvements in the lives of the majority of South Africans. Bidvest has committed to support the Trust for six years, starting in 2001.

#### Cotac Bridging Programme

Rennies Travel have funded, and subsequently, employed a number of black students on the Cotac Bridging Programme, which helps black school leavers compete more effectively for positions in travel and tourism.

#### Centre for the Rehabilitation of Wildlife (CROW)

Island View Storage has provided considerable support to CROW over the past years, which has been instrumental in releasing wildlife such as buffaloes, various species of monkeys and birds back into their natural habitat after recovery.

#### Good Luck Foods

Good Luck Foods is a feeding scheme which provides a meal for over 2 000 children each school day with weekly deliveries to Inanda and Kwa-Mashu crèches and daily deliveries to schools in the greater Durban area. Vegetable shops, supermarkets, bakeries and factories donate food. Bidfreight provides transportation.

#### Hill High School

Crown National runs an adult education programme through an institution called Leadership Through Creative Education, which was initiated through the Hill High School but has since split and is headed by a Hill High School teacher, Mrs Walters, in her private capacity.

The programme has been running in Johannesburg since 1993 and is fully subsidised by Crown National. Classes include tuition to matric and various Basic Adult Education Programmes.

Twenty-five students are currently participating in the programme. A number of employees have matriculated and in fact some are presently studying through UNISA towards BCom and various other degrees.

The programme does not only concentrate on the structured school subjects, but also does courses on business appreciation, motivation and corrective counselling.

#### Namsov Community Trust

Namsov continues to realise its social responsibility towards the upliftment and development of all Namibians. The contributions made by the group since inception in 1990 has now exceeded N\$ 7 million. The majority of this was channeled through the Namsov Community Trust who owns 10% of the issued share capital of the company. The Trust receives 10% of all dividends declared by Namsov Fishing Enterprises. The Trust is independently managed and all funds are distributed in an orderly fashion to worthy projects.

#### Nelson Mandela Children's Fund

Bidvest has been a long-standing contributing member of the Nelson Mandela Children's Fund.

#### Queen Noti Clinic, Tsolo

At the request of Dr Nelson Mandela, Bidvest developed and built a natal clinic in the Tsolo area of the eastern Cape, using local labour and contractors. It also equipped the





clinic, which comprises delivery rooms, recovery rooms, a dispensary, nurses' quarters and ample facilities for visitors.

Bidvest installed electricity, water, sewerage, waste disposal and a laundry. The standards and requirements, which were laid down by the Department of Health in the Eastern Cape, were exceeded.

Dr Nelson Mandela and Mr Brian Joffe opened the clinic on December 4 2000.

#### **Reach and Teach**

Rennies Travel is a full partner and cash sponsor of the Reach and Teach projects, which introduces travel and tourism as career options to students in disadvantaged schools.

#### **Renfin Community Projects**

Each region and branch of Renfin is encouraged to become involved in community projects in the areas of education, children, conservation and crime prevention. Current projects include work with AIDS babies and abused children, fundraising programmes for the Red Cross and the Salvation Army and work with the blind. The division is also an active member of Business Against Crime and are contributors to READ, the Endangered Wildlife Trust and Child Welfare.

#### **SAPS Hillbrow Street Children Project**

Bidvest supports the SAPS Hillbrow Street Children Project, which was started in 1997 and has had great success over the years. The number of car break-ins in Hillbrow has been significantly reduced and over two hundred children have been reunited with their families.

#### **Sasko Sally Thola Baking Training Centre**

During the year NCP Yeast sponsored forty black students at the Sasko Sally Thola Baking Training Centre.

#### **The Bidvest Chairman's Fund**

The Bidvest Chairman's Fund supports numerous charitable organisations and other worthwhile causes.

#### **Topsy Foundation**

Bidvest donated a fully-equipped kitchen to the Topsy Foundation south of Heidelberg, which cares for AIDS orphans from Soweto and Dube.

#### **WITS Croxley Cricket Club**

Croxley sponsors bursaries for talented and development cricketers to study at WITS.

#### **WITS Football Club**

The primary aim of the project is the upliftment of the communities surrounding WITS campus through sport and education. In terms of the project, Bidvest will sponsor the WITS Football Club, and contribute to the educational and social elevation of the community.

### **HUMAN CAPITAL**

The Board recognises that the development of human capital serves not only the economic interests of the Group, but also the broader requirements of the society within which Bidvest operates. It means ensuring not only that staff have skills to deliver on strategy, but also that statutory and social obligations in relation to issues such as racial, gender and disability demographics, are met.



## Corporate citizenship (continued)

### Environmental responsibility

#### Island View Storage

SABS ISO 14000 has been obtained in all geographical locations of Island View Storage, with the exception of Durban, which will be obtained within the next year. Environmental legislation in South Africa embraces international best practice and in the interests of transparency and accountability, IVS has engaged the government and local communities to address concerns. Regular "open days" have been well attended by the local community at Island View affording them the opportunity to examine the various facilities and understand the ongoing environmental responsibility programmes.

IVS has compiled Volatile Organic Emissions inventories for the Durban, Richards Bay, Isando and Cape Town terminals to assist in improving storage and handling of hazardous substances. Ongoing air emissions and ground water monitoring ensure that IVS meets its stringent environmental criteria.

#### Namsov

Namsov has a clear record with the Namibian government with regards to environmental issues. Namsov recognises that its future is dependant on the sustainable use of the marine resources it has access to and is an active participant in conservation initiatives.

Namsov pays a levy, which is used to fund research activities in the Namibian fishing waters, to the Ministry of Fisheries and Marine Resources on every ton of fish it catches.

#### Rennies Wetlands Project

The Rennies Wetlands Project was initiated in 1991 by the World Wide Fund for Nature (South Africa) and Renfreight, who were actively involved in the project for ten years.

The Rennies Wetlands Project (now Mondi Wetlands Project) is one of the few wetlands projects in South Africa that attempts to redress this problem, both at grassroots level and at the political decision-making level.

The project has been highly successful and has redefined the meaning of wetlands, both symbolically and physically, for the average South African. As a result of the Wetlands Project levels of awareness, and the understanding of the need to take care of them, has increased dramatically. It has created employment, generated skills, improved water access and people's living environments – at the same time restoring ecosystems.

#### 3663 First for Foodservice

3663 First for Foodservice is committed to pollution minimisation and compliance with appropriate environmental legislation.

Continual environmental improvements to the business operations will be achieved by setting environmental objectives and targets, which will be monitored and reviewed through the implementation of an ISO 14001 certified environmental management system. The aim is for all 3663 First for Foodservice operations to achieve this standard by June 2003.

To assist in the development of this system, 3663 First for Foodservice is working with Nottingham Trent University, and employs an associate to act as the Environment System Manager. Under the same scheme, 3663 First for Foodservice employs a Packaging Manager to formulate a green packaging policy, which has resulted in environmental symbols and information on over 50% of 3663 Smart Choice own-brand labelling.

Other activities undertaken include ongoing development and extensive training of ten regional environmental co-ordinators to assist in the ISO 14001 implementation programme and to ensure employee awareness. 3663 First for Foodservice's Environmental Services department created a central base for the maintenance of legal compliance paperwork for the environment.

# Management directory



## CORPORATE SERVICES

**Executive Chairman**  
B Joffe

**Group Financial Director**  
P Nyman

**Group Financial Manager**  
N Goodwin

**Group Company Secretary**  
MA David

**Group Corporate Finance and Investor Relations**  
J Hochfeld  
D Cleasby

**Group Properties**  
I Menashe

**Group Credit**  
H Zinman

**Group Internal Audit**  
B Smith

**Group Accountant**  
J Wilson

**Group Services**  
B Dorfman

**Group Purchasing**  
R Cohen

**Group Taxation**  
S Diss  
C Kourie

**Isle of Man**  
J Unsworth

**Bidvest United Kingdom**  
S Bender

## mymarket.com

**Managing Director**  
P Katz

**General Manager**  
T Piccione

**Sales Manager**  
S Danker

**Financial Manager**  
J Kramer

## I-FUSION

**Managing Director**  
G Griffiths

**Financial Director**  
C Pretorius

**Sales and Operations Director**  
B Bestor

**Networks Director**  
J Liebenberg

**Technology Director**  
A Brauer



## BIDFREIGHT

**Chairman**  
D Rosevear

**Financial Director**  
M Steele

## TERMINALS

**Chairman**  
R Graham

**Operations Director**  
A Dawe

## BLUFF MECHANICAL APPLIANCE

**Managing Director**  
I Geldart

**Financial Director**  
W Pillay

**Engineering Director**  
A Bedingham

## ISLAND VIEW STORAGE

**Managing Director**  
K Ehlers

**Financial Director**  
D Liesegang

**Operations Director**  
G Brooks

## RENNIES CARGO TERMINALS

**Managing Director**  
A Dawe

**Financial Director**  
R Carsons

**Human Resources Director**  
S Smith

## PORT OPERATIONS DIRECTOR

**Port Operations Director**  
J Roux

**Distribution Director**  
R Sheldrake

## SOUTH AFRICAN CONTAINER DEPOTS

**Managing Director**  
G Peinke

**Financial Director**  
S Coetzee

## BUSINESS DEVELOPMENT DIRECTOR

**Business Development Director**  
G Poppo

## INFORMATION SYSTEMS DIRECTOR

**Information Systems Director**  
T Afnan-Holmes

## REGIONAL DIRECTORS

**Cape Town**  
R Buchanan

**Durban**  
M Martin

**Gauteng**  
D Trotter

## SOUTH AFRICAN BULK TERMINALS

**Managing Director**  
J Smith

## FINANCIAL DIRECTOR

**Financial Director**  
M Steyn

## INTERNATIONAL FORWARDING

**Managing Director**  
L Goncalves

## SAFCOR PANALPINA INCORPORATING RENFREIGHT

**Chairman**  
P Womersley

**Managing Director**  
P Williams

**Airfreight Director**  
H Visser

**Financial Director**  
N Thompson

**Commercial Director**  
D Logan

## HUMAN RESOURCES DIRECTOR

**Human Resources Director**  
S McSweeney

## SALES AND MANAGER DIRECTOR

**Sales and Manager Director**  
B Thoresson

## CAPE TOWN

**Regional Director**  
Western Cape  
S Goslett

**General Manager**  
Western Cape  
G White

## SEAFREIGHT

**General Manager**  
Seafreight  
B Alison

## DURBAN

**Regional Director**  
KwaZulu-Natal  
J Cummins

**General Manager**  
Airfreight  
T Barron

## EAST LONDON

**Branch Manager**  
R May

## JOHANNESBURG INTERNATIONAL AIRPORT

**Airfreight**  
General Manager  
M du Preez

**Operations Manager**  
C Greyling

## JOHANNESBURG SEAFREIGHT

**Regional Director**  
C Speed Andrews

**General Manager**  
Seafreight Imports  
C Crowther

## PORT ELIZABETH

**Regional Director**  
Eastern Cape  
D Rothman

**Branch Manager**  
R Jesson

## SEBENZA FORWARDING AND SHIPPING CONSULTANCY

**Managing Director**  
M Goodger

## MARINE

**Chairman**  
P Steyn

**Financial Director**  
D Anderson

## RENNIES SHIPS AGENCY

**Chairman**  
P Steyn

**Managing Director**  
L Smith

**Financial Director**  
D Anderson

## OPERATIONS DIRECTOR

**Liner division**  
B Petzer

## COMMERCIAL MARKETING DIRECTORS

**Port operations division**  
A Kee

**Regional General Managers – Non-liner**  
Cape  
J Whittington

## DURBAN

**C Glen**  
Richards Bay  
G Stevenson

## BIDFREIGHT INTERMODAL

**Chairman**  
M Atter

**Managing Director**  
J Reddy

**Financial Director**  
D Anderson

## RENNIE MURRAY

**Managing Director**  
A Edwards

## P&I ASSOCIATES

**Managing Director**  
A Reid

## JAPAN MARINE SUPPLIES AND SERVICES

**Managing Director**  
C Kotze

## FINANCIAL DIRECTOR

**Financial Director**  
R Gonsalves

# Management directory

## **COSREN**

**Managing Director**  
H Shou San

## **FREIGHTBULK**

**Managing Director**  
C Clark

## **MANICA AFRICA**

**Chairman**  
P Steyn

### **Directors**

*Finance and SA operations*  
M Hodgson

*Non-SA Operations*  
M Gunther

## **MANICA MALAWI**

**Managing Director**  
A Chitsime

## **MANICA ZAMBIA**

**Director**  
L Brits

## **MANICA ZIMBABWE**

**Managing Director**  
A Kamhunga

### **Director**

G Davies

## **MANICA INVESTMENTS AND INTERNATIONAL**

## **MANICA NAMIBIA**

**Chairman**  
P Steyn

### **Managing Directors**

*Manica*  
T Templin

*Namsov*  
J Arnold

### **Financial Director**

C Lotheringen

## **BIDFREIGHT LOGISTICS**

### **Chairman**

D Rosevear

### **Managing Director**

G Marshall

### **Financial Director**

A Howie

## **RENNIES TEXTILE LOGISTICS**

### **Managing Director**

G Marshall

### **Financial Officer**

B Grieve

## **RENNIES TECHNOLOGY**

## **LOGISTICS**

### **Managing Director**

K Jackson

### **Financial Officer**

L Geldenhuys

## **RENNIES INTERNATIONAL**

## **LOGISTICS**

### **Managing Director**

T Wilkinson

## **FEDEX**

### **Managing Director**

G Marshall

### **Operations Director**

M Rissik

### **Marketing Director**

D Johnson

### **Financial Director**

J Brits

### **Human Resources Director**

E Seiler

## **SAFCON**

### **Chief Executive Officer**

C Donald

### **Financial Director**

R Balona

### **Sales and Marketing Director**

J van Zyl

### **Operations Director**

R Solomon

## **EXPRESS AIR SERVICES**

### **Managing Director**

F Wolmarans

### **Financial Director**

I Butterworth

### **Marketing Director**

B van Wyk

## **BIDCORP plc**

### **Chief Executive Officer**

R Graham

### **Finance Director**

P Pascan

### **Company Secretary**

P Scott

## **SHIPPING & PORTS**

### **Managing Director**

R Herman

### **Finance Director**

G Lacey

### **Commercial Director**

R Daelman

### **Sales Director**

N Pank

### **Director**

*Zeebrugge*

H Walgraeve

### **Director**

S Howard

## **AUTOMOTIVE**

## **VOLUME DISTRIBUTION**

### **Managing Director**

I Spry

### **Financial Director**

J Fowler

### **Operations Director**

R Smith

## **SVTV**

### **Managing Director**

A Tullec

### **Operations Director**

J Iuke

### **Financial Controller**

M Georget

## **RESCUE AND RECOVERY**

### **Managing Director**

D Brinklow

### **Finance Director**

S McLaughlan

### **Directors**

D Firminger

J Vickery

J Davies

D Palfrey

D Tilley

M Clarke

## **SPECIALIST OPERATIONS**

### **Managing Director**

M Stafford

### **Finance Director**

J Virgoe

### **Directors**

A Foxwell

M Loft

A Stuart

## **PROPERTY AND OUTSOURCED SERVICES**

### **Managing Director**

D Winduss



## **BIDSERV**

### **Chairman**

L Ralphs

### **Financial Director**

P Meijer

### **Group Financial Manager**

B Teixeira

## **PRESTIGE GROUP**

### **Managing Director**

J Taylor

### **Financial Director**

B Gosai

### **Operations Director**

D Otto

### **Marketing and Sales Director**

J du Toit

### **Human Resources Director**

P Roux

### **Divisional Directors**

*Finance*

A Still

### *Operations Southern*

H Liebenberg

### *Operations Central*

J Seegers

### *Operations Healthcare*

S Bell

### *Operations Hospitality*

P van der Westhuizen

### *Operations KwaZulu-Natal*

R White

### *Operations Cape Coastal*

E de Kok

### *Operations Specialised Services*

J Dames

### *Divisional Executive*

*Southern Division*

M Medallie

### **General Managers**

#### *Bloemfontein*

C van der Merwe

#### *East Rand*

S Coetzee

#### *Execu-clean*

P Moreau

#### *Hospitality*

*Durban*

N Withers

#### *Healthcare*

*Johannesburg*

K Reid

*Pretoria*

I Oosthuizen

*KwaZulu-Natal South*

R Mackenzie

#### *Healthcare and Hospitality*

*Western Cape*

M Hulley

#### *Human Resources*

*KwaZulu-Natal*

M Futcher

#### *Industrial Relations*

R Malinowski

B Wickham

*KwaZulu-Natal Central*

D Worsfold

*Mpumalanga-Highveld*

J Cunningham

*Mpumalanga-Lowveld*

M van der Merwe

*North Rand*

C Labuschagne

#### *Office Valet Services*

*KwaZulu-Natal*

A Kimble

*Northwest*

M Marais

*Port Elizabeth (Eastern Cape)*

A Fulton

*Pretoria*

C Maguire

*South Rand*

V Vassilev

#### *Technical, Training, Buying*

E Matthews

#### *Technical and Training*

L Steyn

*KwaZulu-Natal*

J du Toit

*Vaal*

G Ehlers

*Cape Town*

J Fleischer

*Hospitality**Johannesburg*

R Sergeant

*Midrand/Pretoria*

J Weiffenbach

*Rustenburg*

J Nel

*Sales**Hospitality, Food Hygiene*

T Valentine

*Healthcare*

J Kalkwarf

*Central division*

S Fulton

*Corporate division*

C Erwee

*Northern division*

D Neilon

*Cape Coastal and KwaZulu-Natal**Coastal*

V Singh

*Specialised Property Solutions**Cape Town*

A Hepburn

*Specialised Property Solutions**Johannesburg and Vaal*

W Butterworth

*Pretoria and East Rand*

C Venter

*Sales and Marketing*

A Dippenaar

*KwaZulu-Natal*

P Melvin

*Finance*

N Prinsloo

*IT*

R Shepherd

*Quality and Training*

C Barrat

*Finance*

L Casaleiro

D Gomersall

M Kruger

A Pretorius

E Steyn

*Credit Control*

M de Swardt

*Divisional Directors**Hi-Tech**Botswana*

M Moremong

*Kimberley*

C Strydom

*Richards Bay*

T van Zyl

*Retail Division*

S Daniels

*Secunda*

T Nel

**STEINER HYGIENE****Managing Director**

N Smith

**Financial Director**

G Bickerton

**Regional/Divisional Directors**

P Dunn

J Fritz

J Forman

R Tyack

M van Wyk

**Group Customer Relations Director**

A Cowan

**Group Logistics Director**

R Steyn

**Group IT Manager**

P Schoeman

**Marketing Manager**

W Breetzke

**Group Financial Manager**

G Megaw

**Regional Managers***Benrose*

M Markram

*Bloemfontein*

M Veldman

*Centurion*

P Labuschagne

*Durban*

E Barnard

*Port Elizabeth*

L Krause

*Pretoria West*

R Hagerty

**Branch Managers***East London*

L Stiljen

*Ermelo*

A Drodskie

*Kimberley*

Y Newton

*Nelspruit*

S Knoessen

*N'dabeni*

I Cochuis

*Pietermaritzburg*

A Botha

*Polokwane*

D van Staden

*Potchefstroom*

K du Plessis

*Richards Bay*

D Adamson

*Rustenburg*

A Retief

*Vereeniging*

C Ross

*Welkom*

E Grove

**SECURITY****MAGNUM SHIELD SECURITY****Managing Director**

K Stricker

**Financial Director**

L le Roux

**Human Resources Director**

L Maree

**Sales and Marketing Director**

D Mitchell

**Operations Director**

K Vos

**Divisional Directors***Eastern Cape Division*

T Lovegrove

*Eastern Gauteng Division*

W Stols

*Gauteng North Division*

I Veldman

*Kwa-Zulu Natal Division*

B McGeary

*Pretoria Division*

J Nell

*Western Cape Division*

B McGeary

*Strategic Corporate Solutions*

R Clarke

*Thaba Strategic Services*

W Mathebula

*Vericon Outsourcing*

C Humphries

*Masterguard*

J van Schalkwyk

*Armtech*

O Mngadi

**PROVICOM ELECTRONICS****Managing Director**

S van Aswegen

**Financial Director**

A Shiba

**Divisional Director***Marketing*

S Nel

**Director***Johannesburg*

G Shelton

**Divisional Directors***Cape Town*

G Schlutter

*Durban*

T Coom

*Port Elizabeth*

G Buchner

**LAUNDRY SERVICES****BOSTON LAUNDERERS/  
FIRST GARMENT RENTAL/  
MONTANA LAUNDRIES****Managing Director**

A Fainman

**Financial Director**

M van Niekerk

**Operations Director**

L Volans

**Healthcare and on Premise Laundry****Director**

G Wright

**General Managers***Durban*

H Hunnink

*Gauteng*

J de Klerk

*Mogwase*

S Heath

*Port Elizabeth*

A Mather-Brown

*Western Cape*

R Verhaver

*Zambia*

C Field

**CLOCKWORK****CLOTHING/ADMIRAL****SPORTSWEAR****Managing Director**

S Xenophon

**Director**

R Sparks

**Financial Manager**

A Green

**Director***Giant Clothing*

H Thomas

**COMMERCIAL SUNDRIES****Managing Director**

S Xenophon

**Financial Director**

A Muir

**Branch Managers***Cape Town*

H Axsel

*Durban*

C Henstock

*Johannesburg*

P Rice

*Pietersburg*

R Prins

**TMS-SHEZI INDUSTRIAL  
SERVICES****Deputy Chairman**

S Shezi

**Managing Director**

M Dreyer

**Financial Director**

J Venter

**Directors**

B Anderson

S Grobler

**General Manager**

J Huisamen

**BIDSERV INTEGRATED  
SERVICE SOLUTIONS****Operations Director**

O Hall

**Marketing Manager**

L Fleissig

**National Sales and Customer Care**

D Koff

# Management directory (continued)



## RENNIES FINANCIAL SERVICES

### Chairman

L Boyle

### Financial director

N Steingold

### Legal Advisor

D Blackstone

## TRAVEL

### RENNIES TRAVEL

#### Chief Executive

L Boyle

#### Financial Director

J Butler

#### Human Resources Director

K Morobe

#### Retail Operations Directors

##### Northern region

N Esnouf

##### Coastal region

C Holmes

#### Travel Services Director

K Harris

#### Client Relationships Director

D James

#### Commercial Director

R Lawlor

## NAMIBIA

### Managing Director

#### Travel

H Schultz

#### General Manager

#### Foreign Exchange

M Baas

## ZIMBABWE

### Operations Director

L Valler

#### General Manager

#### Travel and Foreign Exchange

M Evans

## MALAWI

### General Manager

S Chikaunda

## CONCORDE TRAVEL

### Managing Director

A Lunz

#### Finance Director

M Katz

#### Information Systems Director

D Tagari

#### Human Resources Director

D McCartney

#### Operations Directors

M Martins

A Gray

## BTI CONNEX TRAVEL

### Managing Director

K Makhetha

## BTI WORLD TRAVEL

### Operations Director

B Langner

### Sales and Marketing Director

I Hunter

## HARVEY WORLD TRAVEL (SA)

### General Manager

B Lutman

## TRAVEL CONNECTIONS

### Joint Managing Directors

G Bruyns

L Preston

## RENNIES BANK

### RENNIES BANK

#### Managing Director

D Walker

#### Financial Director

D Erlank

#### General Managers

##### Treasury

G Bower

##### Operations

C Macfarlane

## MASTER CURRENCY

### Executive Chairman

Z Combi

### Managing Director

A Jacobson

### Financial Director

M Frankel

## BID FINANCIAL SERVICES

### Managing Director

H Rostowsky

### Financial Manager

L Allsop



## BIDVEST plc

### BIDVEST UNITED KINGDOM

#### 3663 FIRST FOR

#### FOODSERVICE

#### Chief Executive

F Barnes

#### Finance Director

P Weir

#### Managing Directors

##### Multi-Temperature Division

A Fisher

##### Frozen division

R O'Keefe

##### Logistics division

A Selley

#### Buying and Trading Director

I Crawford

#### Sales Director

A Kemp

#### IT Director

P King

#### Regional Directors

P de Ternant

S Rich

B Rowlands

A Tiplady

N Wemyss

#### National Accounts Sales Director

L Webb

#### Directors of Finance

##### Logistics division

C Jones

##### Multi-Temperature division

M Tyler

##### Frozen division

I Uren

#### Group Financial Controller

J Ridley

#### Director of Systems Development

M Blank

#### Director of Client Relations

M Dickinson

#### Director of Internal Audit

J Foster

#### Director of Quality

M Holmes

#### Director of Operations Services

D Morgan

#### Director of MoD Supply

G Pritchard

### Director of Marketing

P Moore

### Director of Buying

A Roberts

### Operations Directors

#### North

E Williamson

#### South

P Lewis-Burling

### mymarket.com

#### Commercial Director

L Taylor

## BIDVEST AUSTRALASIA

### Managing Director

B Berson

## BIDVEST AUSTRALIA

### Bidvest First for Foodservice

#### Managing Director

K Bielby

#### National Marketing Manager

A Fechner

#### National Accounts Manager

P Jamieson

#### Management Information Systems

A Stainlay

#### Financial Manager

B Plit

#### Financial Controller

##### Central

R Romano

##### North

I Allan

##### South

P Wright

#### National Credit

B Boreham

#### Internal Audit

A Daniel

## BRANCHES

### Adelaide

R Simpson

### Adelaide

John Lewis Foodservice

P Hughes

### Albury

T Lewis

### Alice Springs

C Lillicrap

### Brisbane

M West

### Cairns

P North

### Canberra

M Moullakis

### Darwin

R Kearns

### Geelong

R Barnes

### Gold Coast

I McLeod

### Gold Coast

Dymel Distributions

G Sobel

### Hervey Bay

R Peterson

**Melbourne**

R Dally

**Newcastle**

C Fechner

**Sunshine Coast**

C James

**Sydney***Felans Fisheries*

C Mantikas

**Sydney***RM Smith*

A Harman

**Sydney***Stephensons*

L Redfern

**Townsville**

R Kippen

**Wollongong**

G Phillips

**BIDVEST NEW ZEALAND***Crean First for Foodservice***Managing Director**

N Boswell

**General Financial Manager**

P Ballantine

**National Accounts Manager**

A Crean

**National Procurement Manager**

A Watson

**National Retail Manager**

M Hogarth

**IT Manager**

M Dorward

**BRANCHES****Auckland**

A Crean

**Christchurch**

G McGale

**Dunedin**

B McPhee

**Hamilton**

G McGregor

**Invercargill**

R Oosterbroek

**Nelson**

R Bell

**Queenstown**

K Lovett

**Rotorua**

K Buckthought

**Timaru**

G Parkin

**Wellington**

D Magrath

**Human Resources Director**

M Lockley

**Training Consultant**

A Craig

**CATERING SUPPLIES DIVISION****Managing Director**

J Araujo

**Financial Manager**

P Roberts

**CATERSALES****Managing Director**

E Eagar

**Administration**

W Venter

**Operations**

J Lazenby

**Sales**

K Ross

**CCW CATERING SUPPLIES****Empangeni****Acting General Manager**

A Govender

**Administration**

R Kalsvig

**Pietermaritzburg****Managing Director**

N Yeats

**Administration**

C van der Velden

**Sales**

M Meyer

**Buying**

R Govender

**CHIPKINS CATERING SUPPLIES****Bloemfontein****General Manager**

R Ramos

**Administration**

D Bam

**Buying**

M Malherbe

**Operations**

T Nieuwenhuizen

**Cape Town****Managing Director**

E Webster

**Administration**

C Fourie

**Sales**

S Horwitz

**Durban****Managing Director**

R Lowe

**Administration**

C Palmer

**Operations**

S Naicker

**Sales**

B Mathura

**East London****Managing Director**

R Sneddon

**Administration**

R Hechter

**Operations**

P Zwane

**Johannesburg****Managing Director**

J Uys

**Administration**

J de Vries

**Buying**

W Forbes

**Operations**

J Inglis

**Sales**

M Bonnette

P Barrett

**Mpumalanga****General Manager**

R Lyon

**Administration**

H van Houten

**Pietersburg****General Manager**

A McLeod

**Operations**

J Phungo

**Port Elizabeth****Managing Director**

F da Silva

**Administration**

P Gouws

**Sales/Operations**

F Bekker

**D & R LOWE****Managing Director**

C McCormack

**Administration**

W Auret

**Operations**

S Uys

**Sales**

N Papas

**FIRST FOODS DISTRIBUTORS****Managing Director**

D Smit

**Administration**

R van Vlaanderen

**Buying**

R Brink

**Sales**

C Webb

**LOU'S WHOLESALERS****Managing Director**

H Dorfling

**Administration**

L Roll

**Sales**

C Lee

**Operations**

L Sibanda

**M&M QUALITY CHOICE****Managing Director**

M Katz

**Administration**

J Bernstein

**Sales**

G Oelofson

**Operations**

R Oberholzer

**NELPACK****General Manager**

B Moore

**PYRAMID CATERING SUPPLIES****Managing Director**

B Saharin

**Administration**

A Ramsarook

**Buying**

R Jankiepersadh

**Sales**

B Govender

**RFS CATERING SUPPLIES****Administration**

F Ball

**Sales**

K Drake

**FROZEN FOODS DIVISION****Managing Director**

R Wainer

**Financial Director**

B Varcoe

**Human Resources**

P Kashe

**BLUE MARINE****Cape Town****General Manager**

E Ferreira

**Durban****General Manager**

C Murray-Rawbone

**Johannesburg****General Manager**

K Köhler

**Namibia****General Manager**

L Geysler

**CATERPLUS BOTSWANA****General Manager**

B Pieterse

**EAST CAPE FOODS****General Manager**

A Roberts

**SEAWORLD****Bloemfontein****General Manager**

A Rheeder

**Cape Town****General Manager**

L Fouche

**Durban****General Manager**

S Naidoo

**Johannesburg****General Manager**

R Seaward

**Nelspruit****General Manager**

A Brower

**CATERPLUS****Chairman**

C Kretzmann

**Financial Director**

T Scruse

# Management directory (continued)

**Pietersburg**  
General Manager  
N Myburgh

## SPECIALITY DIVISION

**PATLEYS**  
Managing Director  
M Notrica  
**Administration**  
H Angove  
**Cape Town**  
General Manager  
J de Jager

**Sales**  
M Gliddon  
C Schoeman

**Durban**  
General Manager  
P Whitton

**Sales**  
E Tuback

**Johannesburg**  
Sales  
R Fitzsimmons

**Port Elizabeth**  
General Manager  
E Mossop  
**Sales**  
S Crouse

## CATERING EQUIPMENT DIVISION

**VULCAN-CAARS**  
Managing Director  
D Leibowitz

**Financial**  
R Lucas

**Production**  
R Barros

**Distribution**  
A Walker

**Exports**  
R McMurray

**Information Systems**  
M Hoff

## BRANCH DISTRIBUTION

**Cape Town**  
B du Bois  
D Thewlis

**Durban**  
C Bradfield

**East London**  
J Wright

**Johannesburg**  
M Neilson

**Port Elizabeth**  
T van der Merwe



## COMBINED FOODS

**Chairman**  
C Kretzmann  
**Financial Director**  
T Scruse  
**Human Resources Director**  
M Lockley  
**Training Consultant**  
A Craig

**NCP YEAST**  
Managing Director  
W Bright

**Operations Director**  
J du Plessis

**Financial Director**  
K Jacobs

**Sales and Marketing Director**  
J Oosthuizen

**Logistics Director**  
A Singh

**Exports**  
J Oosthuizen

**Admin Manager**  
D Greyling

**Promotions**  
A Huma

**Border, Eastern and Western Cape**  
Sales  
G Goschen

**Free State, Lesotho**  
Sales  
R Scheepers

**Gauteng, Botswana, Namibia, Swaziland**  
Sales  
G Scheepers

**KwaZulu-Natal**  
Maintenance engineer  
J van Rensburg

**Technical**  
A Maharaj

**Financial**  
A Singh

**Sales**  
G Goschen

**Production**  
F Mohammed

**Operations Director**  
J du Plessis

## CHIPKINS BAKERY SUPPLIES

**Group Managing Director**  
R Mooney

**Finance Director**  
N Phillips

**Technical Director**  
E Kohlöffel

**Human Resources Manager**  
J Ngcobo

**Bloemfontein**  
General Manager  
H de Vries

**Cape Town**  
Managing Director  
M Myers

**Administration**  
R Hitchins

**Sales**  
L Gareis

**Durban**  
Branch Manager  
T Quintal

**Administration**  
V Govender

**Sales**  
A Smith

**Johannesburg**  
Managing Director  
S Ferreira

**Administration**  
B Tozer

**Sales**  
A Duursema

**Namibia**  
General Manager  
A Viljoen

**Nelspruit**  
Managing Director  
J Wolter

**Pietersburg**  
Branch Manager  
T Aspeling

**Port Elizabeth**  
Managing Director  
D Stevenson

**CROWN NATIONAL**  
Group Managing Director  
C Singer

**Group Financial Manager**  
A Jochens

**MARKETING/DISTRIBUTION**  
Managing Director  
H Hunkin

**National Key Accounts**  
R Maasdorp

**CROWN FOOD INGREDIENTS**  
Managing Director  
J Morris

**Product Director**  
G Keeling

**Procurement and Shipping**  
Director  
G Fasser

**Technical**  
Manager  
J Visser

## SPICE PRODUCTION

**Cape Town**  
J Philogene

**Johannesburg**  
E Nardelli

**Equipment Division**  
Director  
M Jacob

**NATURAL CASINGS DIVISION**  
General Manager  
K Geldenhuys

**BRANCHES**  
**Cape Town**  
Managing Director  
A Cleghorn

**Durban**  
Managing Director  
M Critien

**Johannesburg**  
Managing Director  
J Dyssel

**Bloemfontein**  
General Manager  
N Le Grange

**Nelspruit**  
General Manager  
J Matthasen

**Port Elizabeth**  
General Manager  
P Roos

**Pretoria**  
General Manager  
H Pheiffer

**MODERN PACKAGING**  
General Manager  
I McBride



## BIDOFFICE

### Chairman

L Chimes

### Financial Director

C Rostowsky

### Finance

M Rubin

### Internal Auditor

D Conradie

## STATIONERY

### CONTRACT OFFICE PRODUCTS

#### Managing Director

H Magid

#### Financial Director

N George

#### Operations Director

B Eisenstein

#### Sales Director

H Elison

## KOLOK

#### Managing Director

A Thompson

#### Financial Director

P Kleynhans

#### Marketing Director

M Ebrahim

#### Operations Director

E Cassim

#### Business Unit Managers

L Nauschutz

L Stevens

K Ruthnum

#### Internal Sales

V Barnard

#### KwaZulu-Natal

Branch Manager

B Pullock

#### Namibia

Branch Manager

M Roets

#### Western Cape

Branch Manager

R Abels

#### KOLOK AFRICA

#### Managing Director

R Smith

#### Production Director

D Lino

#### Financial Director

C Pettitt

## STATMARK

#### Managing Director

H Servas

#### Financial Director

E Kleynhans

#### Sales Manager

G Reid

## WALTONS STATIONERY

#### Chairman

F Robarts

#### Managing Director

J Farrell

#### Financial Director

F Reyneke

#### IT Director

D Crooke

#### Procurement Director

P Cronje

#### East London

Managing Director

G Cohen

#### Free State

Managing Director

D Gallagher

#### Sales Director

R Schoonees

#### Gauteng

Managing Director

D Pewsey

#### Financial Director

E Choonara

#### Procurement Director

E Kleynhans

#### Sales Director

I Elorahim

#### KwaZulu-Natal

Managing Director

M Frizelle

#### Sales Director

T Kane-Berman

#### Namibia

Managing Director

J van Tonder

#### Financial Director

K Nel

#### Port Elizabeth

Managing Director

D Hugo

#### Financial Director

P Knight

#### Western Cape

Managing Director

R Bowes

#### Sales Director

K Spence

## ATOMIC

#### Managing Director

N Mentoor

## HORTORS

#### Managing Director

L Carlson

#### Editor

E Bungay

## IMPORT DIVISION

#### Managing Director

R Sepp

## SA DIARIES

#### Managing Director

P Honeyman

## PRINTING AND RELATED

### LITHOTECH (incorporating Paragon)

#### Managing Director

N Birch

#### Financial Director

C Adendorff

#### Lithotech Manufacturing Cape

Managing Director

N Speres

#### Lithotech Manufacturing

Johannesburg

Managing Director

P Fick

#### Lithotech Manufacturing Pinetown

Managing Director

M Barrett

#### Lithotech Print

Managing Director

P Fick

#### Listing Direct

Managing Director

D Lewis

#### Zinhle Printers

Managing Director

A Sithole

#### Lithotech Manufacturing Epping

Managing Director

G McWilliams

#### Lithotech Labels

Managing Director

R Evans

#### Hi-Maur Labelling Systems

Managing Director

T Ruppig

#### Ozalid

Managing Director

T Ruppig

#### Lithotech Africa Mail Johannesburg

Managing Director

D Lewis

#### Copyreel Caribonum

General Manager

E Cassim

#### Lithotech Afric Mail Cape

Managing Director

H Mentz

#### Visual Information Systems

Managing Director

D Gilfillan

#### Lithotech Consulting

Managing Director

D Gilfillan

#### Lithotech Sales Johannesburg

Managing Director

J Neethling

#### Lithotech Sales Pretoria

Managing Director

J Neethling

#### Lithotech Sales KwaZulu-Natal

Managing Director

P Hayes

#### Lithotech Sales Cape

Managing Director

F Lundie

#### Lithotech Sales East London

Managing Director

C Saunders

#### Lithotech Sales Port Elizabeth

General Manager

B van den Berg

#### Lithotech Sales Bloemfontein

General Manager

W Watson

#### Lithotech Corporate

Managing Director

R Staniforth

#### Lithotech Exports

Manager

N Gurriah

#### Katuliba Southern Trading

Managing Director

P Katuliba

## OFFICE AUTOMATION

### MINOLTA SOUTH AFRICA

#### Managing Director

A Griffith

#### Financial Director

I Keshwar

#### Administration Director

M Holahan

#### Technical Director

A Barbosa

#### General Manager

Minolta copiers

B Ludlum

#### Director

Fax and lasers

P Enslin

#### Regional Managers

K Dix-Peek

D Jackson

## OFFICE FURNITURE

### CECIL NURSE

#### Managing Director

R Bergh

#### Financial Director

W du Plessis

#### Budget Desks and Chairs

Managing Director

G Diamond

#### East London

Managing Director

R Lindsay

#### Free State

Managing Director

E Coetzee

#### KwaZulu-Natal

Managing Director

G Bolton

# Management directory (continued)

**Port Elizabeth**  
Managing Director  
R Pudney

**Western Cape**  
Managing Director  
H Meyer

**Germiston**  
Branch Manager  
V Mendes

**Morningside**  
Branch Manager  
D Hunt

**Pretoria**  
Branch Manager  
D Nel

**DAUPHIN**  
Managing Director  
I Galloway

**Financial Manager**  
J Allen

**Sales Director**  
J Chalmers

**NUCLEAR**  
Managing Director  
M Janutsch  
Financial Director  
E Keene

**PAGO**  
Managing Director  
H Noack

**SEATING**  
Managing Director  
S Gerber

**Financial Director**  
L Snyman

**Marketing Director**  
S Lavarone



## **BIDPAC**

**Chairman**  
A Salomon  
**Internal Audit**  
B Kerkhoff

**Credit Management**  
E Jenkinson

## **PACKAGING CLOSURE**

### **AFCOM-GE HUDSON, RAMSET**

**Managing Director**  
H Greenstein

**Financial**  
C Levin

**Operations**  
C Stedman

**Administration**  
B Kerkhoff

**Fastening**  
C Beeby

## **Packaging**

M Hilson

## **Strapping**

K Oliver  
B Smith  
F Hoppert

## **Stretchfilm**

R Trent

## **Labels**

W Coetzer

## **Ramset**

J East

## **Human Resources**

B Campbell

## **Accounting**

M Berthelot

## **PRODUCTION**

### **Strapping**

F Fremouw  
N Cloete

### **Collated Nails and Staples**

F Oudmayer  
A Craukamp

### **Ti-Strap**

W Molautsi

### **Workshop**

D Stojic

## **BRANCH DISTRIBUTION**

### **Bloemfontein**

W Coetzer

### **Cape Town**

P Sykes

D McVean-Nicol

### **Durban**

K Oliver

D Poovan

### **East London**

K Guess

### **Nelspruit**

A de Beer

### **Port Elizabeth**

H Nel

### **Pretoria**

T Nel

### **Tzaneen**

C Alberts

### **Markwell**

P Steyn

## **BUFFALO EXECUTAPE**

### **Managing Director**

T Girnun

### **Financial**

C van der Westhuizen

### **Production**

T Isaacs

### **Sales**

A Nel

### **Operations**

S Sewpersad

## **STATIONERY PRODUCTS**

### **SILVERAY STATIONERY**

#### **COMPANY**

#### **Managing Director**

A Muirhead

## **Financial**

P Haripersad

## **National Sales**

J Wheatley

## **Information Systems**

V Hoare

## **Retail**

J Feldman

## **Divisional Sales**

S Zimmerman

L Tippett

## **PRODUCTION**

### **Mobeni**

D Foure

### **Globe**

J Davis

## **BRANCH DISTRIBUTION**

### **Bloemfontein**

E Maree

### **Cape Town**

K Meehan

G Baines

### **Durban**

H Yunus

### **East London**

J Trefusis-Paynter

### **Johannesburg**

T Harman

J Millinger

### **Port Elizabeth**

J Kinnell



## **VOLTEX**

**Chairman**  
MC Berzack

### **Executive Directors**

R Berzack

C Esterhuizen

S Green

E Immermann

D Mare

### **Alternate**

N Chiba

## **ELECTRICAL DISTRIBUTION**

### **NORTH EAST REGION**

#### **Regional manager**

T Slaherty

### **BRANCHES**

#### **Electric Centre**

##### **Pretoria**

T Flaherty

#### **Globe Electrical**

##### **Pretoria North**

A Robinson

##### **Witbank**

M Cameron

#### **Keens Electrical**

##### **Olympus**

H Dewrance

## **Pretoria**

J Homan

C Snyder

## **Voltex Electrical**

### **Centurion**

C Stoltz

### **Nelspruit**

H Schoeman

L van Heerden

## **NORTH WEST REGION**

### **Regional manager**

C Alley

## **BRANCHES**

### **Electric Centre**

#### **Phalaborwa**

RJ Schutte

#### **Tzaneen**

C Lotter

#### **Electrostar**

#### **Potchefstroom**

P Potgieter

#### **Globe Electrical**

##### **Polokwane**

J van Heerden

#### **Keens Electrical**

##### **Klerksdorp**

A Goosen

##### **Rustenburg**

C Alley

## **GAUTENG**

### **Regional manager**

D Blumgart

## **BRANCHES**

### **Electric Centre**

#### **Benoni**

I Baig

#### **Krugersdorp**

A Lightfoot

C Myburgh

#### **Midrand**

J Thomson

#### **Globe Electrical**

##### **Benrose**

A Botha

##### **Kempton Park**

S Reynolds

##### **Kensington**

K Smith

#### **Keens Electrical**

##### **Springfield**

G Cunningham

A Lambey

##### **Vereeniging**

J Niemand

#### **Litecor Electrical**

##### **Alberton**

M Terblanche

##### **Randburg**

A Baig

##### **Reuven**

K Pearman

T Turnbull

#### **Voltex Electrical**

##### **Bramley**

G Jacks

J Murphy

**KWAZULU-NATAL****Regional manager**

K Draper

**BRANCHES****Electric Centre****Durban**

K Draper

**Pietermaritzburg**

P Merton

**Keens Electrical****Pietermaritzburg**

R Ramdhin

**Litecor Electrical****Avoca**

K Thulasaie

**Durban**

G Paterson

**Voltex Electrical****Newcastle**

S Kruger

**Pinetown**

G Elliott

**Richards Bay**

S Ross

**Sanlic****Durban**

N van Loggerenberg

**Waco Industries****Durban**

N van Loggerenberg

**FREE STATE****Regional manager**

G Grant

**BRANCHES****Globe Electrical****Welkom**

D Kruger

**Litecor Electrical****Bloemfontein**

B Benade

C Thompson

**Kimberley**

C Johnston

**Voltex Transmission and****Distribution****Bloemfontein**

J Cilliers

**WESTERN CAPE****Regional manager**

D Barrie-Smith

**BRANCHES****Bello Electrical****Cape Town**

P Huffer

G Lighton

**Club-bok****Cape Town**

K Theunissen

**Electric Centre****Worcester**

R Ruthenberg

**Globe Electrical****Windhoek & Oshakati**

H Lingner

**H & T Electrical****Paarl**

J Arendse

**Strand**

V Grovers

**Leonard & Company****Parow**

D Collins

**Litecor Electrical****Upington**

L Collett

**Voltex Electrical****Cape Town**

W Smith

A Gamba

**Wetton**

I Saunders

**Atlas Cable Supplies****Cape Town**

F Powell

B Taylor

**EASTERN CAPE****Regional manager**

C Boltar

**BRANCHES****Electric Centre****Umtata**

E Witbooi

**Voltex Coland****East London**

C Pillay

**Voltex Electrical****George**

H Stanley

R Scholtz

**Jefferys Bay**

K Wierzba

**Knysna**

H Stanley

**Port Elizabeth**

A van der Vyver

**Uitenhage**

Vacant

**SPECIALIST****ATLAS CABLE SUPPLIES****General Manager**

C McDonald

**BRANCH****Alrode**

C McDonald

**ASSOCIATION CABLES****BRANCH****Alrode**

M Rall

**CABSTRUT****General Managers**

J Louw

A Bertulis

**BRANCHES****Cape Town**

A Bodechtel

**Durban**

F Jacobs

**Johannesburg**

K Beattie

E Lovell

K Rose

**Pretoria**

R Krige

**NORTHERN REGION  
SPECIALIST DIVISION****Regional manager**

M van Schalkwyk

**BRANCHES****Atlas Cable Suppliers****Polokwane**

K de Kock

**Voltex Electrical****Rayton**

M Herbst

**SANLIC INTERNATIONAL****General Manager**

B Human

**BRANCHES****Cape Town**

I McLeod

**Johannesburg**

B van Dyk

**Pretoria**

V Vermeulen

**Warehouse**

N McCabe

**VOLTEX LIGHTING****General Manager**

D Donald

**BRANCHES****Cape Town**

R Lowe

**Johannesburg**

D Donald

**VOLTEX TRANSMISSION &  
DISTRIBUTION****BRANCH****Alrode**

G du Plooy

**WACO INDUSTRIES****General Manager**

J Lipson

**BRANCHES****Bloemfontein**

E Ackerman

**Cleveland**

J Lipson

**Cape Town**

R Human

**Doornfontein**

G Norman

**Port Elizabeth**

P Louw

**BERZACK BROTHERS****Chairman**

MC Berzack

**Executive Directors**

M Berzack

R Berzack

C Gordon

P Magid

**BRANCHES****Cape Town**

E Huisaman

**Durban**

M Berzack

L Pevsner

**Johannesburg**

R Berzack

C Gordon

P Magid

**Port Elizabeth**

T Allen

**BLOCH & LEVITAN****Regional Manager**

J Lourens

**BRANCHES****Cape Town**

A Eksteen

**Durban**

J Olivier

**Johannesburg**

J Lourens

**SATO LABELLING SYSTEMS****BRANCH****Johannesburg**

R Berzack

**EASTMAN STAPLES****Head Office****United Kingdom**

A Berzack

C Werb

**JOINT VENTURES****Voltex****Steelpoort**

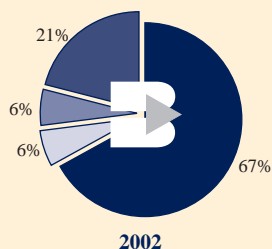
J Vercueil

**Swaziland**

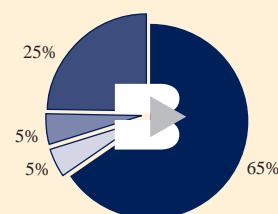
H Nissiotis

**Voltexing****Roodepoort**

G Singh



2002



2001

- Employees
- Retained for growth
- Providers of capital
- Government

## Value added statement

“Value added” is the value which the Group has added to purchased materials and goods by process of manufacture and conversion, and the sale of its products and services. This statement shows how the value so added has been distributed.

	2002		2001	
	R'000	%	R'000	%
Revenue	<b>41 950 388</b>		29 415 011	
Net cost of raw materials, goods and services	<b>34 643 083</b>		24 335 397	
Wealth created by trading operations	<b>7 307 305</b>		5 079 614	
Finance income	<b>133 827</b>		134 451	
<b>Total wealth created</b>	<b>7 441 132</b>	<b>100,0</b>	5 214 065	100,0
<b>Distributed as follows</b>				
Employees				
Benefits and remuneration	<b>4 995 377</b>	<b>67,1</b>	3 411 280	65,4
Government				
Taxation	<b>429 291</b>	<b>5,8</b>	251 821	4,8
Providers of capital	<b>471 494</b>	<b>6,3</b>	259 949	5,0
Finance charges	<b>202 486</b>	<b>2,7</b>	113 766	2,2
Dividends and capitalisation awards	<b>269 008</b>	<b>3,6</b>	146 183	2,8
Retained for growth	<b>1 544 970</b>	<b>20,8</b>	1 291 015	24,8
Depreciation	<b>582 937</b>	<b>7,9</b>	402 083	7,7
Retained income	<b>962 033</b>	<b>12,9</b>	888 932	17,1
	<b>7 441 132</b>	<b>100,0</b>	5 214 065	100,0

## Exchanges with governments

including amounts collected on their behalf

	2002	2001
	R'000	R'000
Employee taxes	<b>840 748</b>	598 724
Company taxes	<b>429 291</b>	251 821
Value added and sales taxes	<b>5 658 497</b>	5 551 103
Customs and excise duty	<b>2 362 267</b>	2 325 538
Other	<b>128 989</b>	91 731
	<b>9 419 792</b>	8 818 917
<b>Paid to</b>		
South African authorities	<b>8 485 942</b>	8 170 153
Other	<b>933 850</b>	648 764
	<b>9 419 792</b>	8 818 917



## Directors' approval and responsibility statement

---

### To the members of The Bidvest Group Limited

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements, Group financial statements and related financial information included in this report, for the year ended June 30 2002. The external auditors are responsible for reporting on the financial statements.

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and incorporate full and responsible disclosure in line with the accounting philosophy of the Group. The financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. In particular, there is a simple organisational structure with clearly drawn lines of accountability and delegation of authority and the Board actively promotes a culture of accountability and integrity. Risks are identified and appraised both formally, through the annual process of preparing business plans and budgets, and informally through close monitoring of operations.

Financial results and various key business statistics are reported regularly throughout the year and variances from approved plans are monitored and followed up vigorously. Detailed control procedures exist throughout the Group's operations and compliance is monitored by management through internal audit, and, to the extent they consider it necessary to support their audit report, the external auditors. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Group has an audit committee, chaired by a non-executive director, which is responsible for, inter alia, monitoring the adequacy of the Group's financial controls, accounting policies and financial reporting. The external auditors have unrestricted access to this committee.

These financial statements have been prepared on the going concern basis, which is considered appropriate by the directors. They were approved by the Board on August 25 2002 and are signed on its behalf by:

**BRIAN JOFFE**  
*Executive Chairman*

**MERVYN CHIPKIN**  
*Deputy Chairman*

## Declaration by secretary

---

The secretary certifies that the Company has lodged with the Registrar of Companies all such returns as are required of a public company, in terms of the Companies Act, No 61 of 1973, as amended, and that all such returns are true, correct and up to date.

**MA DAVID**  
*Secretary*

August 25 2002

## Independent auditors' report

---

### To the members of The Bidvest Group Limited

We have audited the financial statements and Group financial statements of The Bidvest Group Limited set out on pages 121 to 159 for the year ended June 30 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. Those 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 of the Group at June 30 2002 and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.



**KPMG Inc**  
*Registered Accountants and Auditors*  
*Chartered Accountants (SA)*

August 25 2002  
Johannesburg



## Directors' report

---

The directors have pleasure in presenting their report and audited financial statements for the year ended June 30 2002.

### NATURE OF BUSINESS

The Company is an investment holding Company. Details of the Group's activities are included in the review of operations.

### FINANCIAL REPORTING

The directors are required by the Companies Act to report financial statements, which fairly present the state of affairs of the Group as at the end of the financial period and the profit or loss for that period, in conformity with South African Statements of Generally Accepted Accounting practice.

The financial statements as set out in this report have been prepared by management in accordance with South African Statements of Generally Accepted Accounting Practice and are based on appropriate accounting policies, which are supported by reasonable and prudent judgments and estimates.

The directors are of the opinion that the financial statements fairly present the financial position of the Company and of the Group as at June 30 2002, and the results of their operations and cash flows for the year then ended.

The directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group continues to adopt the going-concern basis in preparing the financial statements.

### RESULTS OF OPERATIONS

The results of operations are dealt with in the statements of income, segmental analysis and reviews of operations.

### SHARE CAPITAL

#### During the year the Company issued:

- 2 143 052 ordinary shares of 5 cents each at par pursuant to the issue of capitalisation shares to shareholders on the basis of 0,7245 new shares per 100 shares held on September 28 2001;
- 12 455 360 new ordinary shares of 5 cents each at an issue price of R44,80 per share on April 30 2002 for cash; and
- 1 419 482 ordinary shares of 5 cents each at premiums of between R3,95 and R40,15 per share, in terms of The Bidvest Incentive Trust.

The directors have proposed that the authorised share capital of the Company be increased from 360 000 000 to 540 000 000 ordinary shares of 5 cents each, to facilitate future expansion of the Group, and shareholders will be requested to pass a special resolution at the forthcoming annual general meeting of the Company, to be held on Thursday, October 31 2002, to approve this increase.

### DIVIDENDS AND CAPITALISATION ISSUE IN LIEU OF DIVIDEND

A cash dividend of 54,0 cents per share was paid and a capitalisation issue of shares was awarded to shareholders in the ratio of 0,7245 new shares per 100 shares held, being equivalent to 34,2 cents per share in lieu of dividend on September 28 2001.

A cash dividend of 90,0 cents per share was awarded to shareholders on March 8 2002.

Subsequent to year-end a cash dividend of 100 cents per share was awarded.

## Directors' report (continued)

### PAYMENTS TO SHAREHOLDERS

Approval was obtained at the last annual general meeting for the Company to make payments, which would reduce its share capital, share premium reserves and/or any capital redemption reserve fund in terms of Section 90 of the Companies Act.

Shareholders will be requested at the forthcoming annual general meeting to consider an ordinary resolution to pay by way of a reduction of share capital or share premium, in lieu of a dividend, an amount equal to the amount, which directors of the Company would have declared and paid out of profits in respect of the Company's interim and final dividend for the financial year ending June 30 2003.

### DIRECTORATE

The following changes in directors were recorded during the year under review:

- the resignation of Mr J Araujo as an alternate director on October 1 2001
- the resignation of Mr PG Nhleko as a director on October 3 2001
- the appointment of Mr F Titi as a director on November 15 2001
- the resignation of Ms NG Canca as a director on February 15 2002
- the appointment of Ms LK Matisonn as a director on February 15 2002
- the death of Mr AJ Behrmann on February 17 2002
- the appointment of Mr MC Berzack as a director on April 29 2002

The names of the directors in office at the date of this report are indicated below. The number of meetings attended by each of the directors of the Company during the period July 1 2002 to August 25 2002 are as follows, with the number in brackets reflecting the number of meetings held, whilst the director was in office.

Name	Directors' meetings attended	Name	Directors' meetings attended
B Joffe	9 (9)	P Nyman	8 (9)
M Chipkin	3 (9)	JL Pamensky	7 (9)
IA Berman	4 (9)	LP Ralphs	8 (9)
MC Berzack	7 (7)	TH Reitman	3 (9)
LG Boyle	9 (9)	FEA Robarts	5 (9)
LI Chimes	8 (9)	DK Rosevear	8 (9)
BR Chipkin	3 (9)	AC Salomon	8 (9)
E Ellerine	7 (9)	CE Singer	6 (9)
RW Graham	5 (9)	PC Steyn	6 (9)
AM Griffith	6 (9)	F Titi	3 (7)
S Koseff	1 (9)	R Wainer	6 (9)
CH Kretzmann	8 (9)	CE Watt	6 (9)
D Masson	8 (9)	PD Womersley	5 (9)
LK Matisonn	3 (6)	HL Greenstein (alternate)	5 (9)
SP Ngwenya	4 (9)		

In terms of the Company's Articles of Association Messrs IA Berman, BR Chipkin, LI Chimes, RW Graham, CH Kretzmann, S Koseff, TH Reitman, AC Salomon, R Wainer and Mrs LG Boyle retire by rotation at the forthcoming annual general meeting. All the retiring directors are eligible and available for re-election. In addition shareholders will be requested to confirm the appointments of Ms LK Matisonn and Messrs F Titi and MC Berzack as directors of the Company.





## DIRECTORS' INTERESTS

The aggregate interest of the current directors in the capital of the Company at June 30 2002 was as follows:

	2002	2001*
Beneficial	<b>4 561 783</b>	5 434 961
Non-beneficial	<b>7 562 097</b>	7 158 418
Options	<b>5 571 531</b>	5 142 316

\*Comparative figures have been restated to take account of changes in the directorate and incorrect allocations between categories in the prior year.

The interest of the current directors in the Company's share capital at June 30 2002 was:

Number of shares	Beneficial		Non-beneficial	
	2002	2001	2002	2001
B Joffe	<b>28 373</b>	28 169	<b>4 440 643*</b>	4 182 041*
M Chipkin		1 639 815		
IA Berman				
MC Berzack	<b>48 783</b>			
LG Boyle				
LI Chimes	<b>90 824</b>			41 000
BR Chipkin	<b>2 932 437</b>	1 823 156		
E Ellerine			<b>2 888 573</b>	2 738 573
RW Graham				
AM Griffith				
S Koseff	<b>10</b>	10		
CH Kretzmann	<b>12 627</b>	53 434		
D Masson			<b>3 200<sup>†</sup></b>	3 041 <sup>†</sup>
LK Matisonn				
SP Ngwenya				
P Nyman	<b>60 002</b>	81 597	<b>97 400*</b>	62 433*
JL Pamensky	<b>16 101</b>	15 752	<b>4 440 643<sup>†</sup></b>	4 182 041 <sup>†</sup>
LP Ralphs	<b>232 313</b>	232 313		
TH Reitman	<b>10</b>	10		
FEA Robarts	<b>529 010</b>	605 178		
DK Rosevear	<b>24 017</b>	49 633		
AC Salomon	<b>224 884</b>	244 884		
CE Singer	<b>276</b>	274	<b>132 281<sup>†</sup></b>	131 330 <sup>†</sup>
PC Steyn				
F Titi				
R Wainer	<b>151 878</b>	376 575		
PD Womersley	<b>312</b>	80 067		
CE Watt	<b>207 380</b>	201 566		
HL Greenstein (alternate)	<b>2 546</b>	2 528		
	<b>4 561 783</b>	5 434 961	<b>12 002 740</b>	11 340 459
Elimination of common interests			<b>(4 440 643)</b>	(4 182 041)
	<b>4 561 783</b>	5 434 961	<b>7 562 097</b>	7 518 418

\*By virtue of being a potential beneficiary of a discretionary trust.

<sup>†</sup>By virtue of being a trustee of a trust.

The Company has not been informed of any material changes in these holdings since June 30 2002 to the date of this report.

## Directors' report (continued)

### DIRECTORS' REMUNERATION

The remuneration paid to directors of the Company, whilst in office, during the year ended June 30 2002 can be analysed as follows:

	Directors' fees R'000	Other services R'000	Basic remuneration R'000	Other benefits R'000	Retirement/ medical R'000	Cash incentives R'000	Total R'000
<b>EXECUTIVE</b>							
J Araujo			147	12	17	80	256
MC Berzack			275	26	30	360	691
LG Boyle			669	184	186	467	1 506
LI Chimes			996	18	98	360	1 472
M Chipkin			196				196
RW Graham			1 372	118	99	364	1 953
AM Griffith			310	270	79	44	703
B Joffe			3 267	615	155	280	4 317
CH Kretzmann			776	63	86	360	1 285
P Nyman			668	85	60	222	1 035
LP Ralphs			739	113	100	360	1 312
FEA Robarts			105	22	31		158
DK Rosevear			835	77	107	312	1 331
AC Salomon			728	136	111	360	1 335
CE Singer			516	40	70	258	884
PC Steyn			909	131	238	413	1 691
R Wainer			563	215	69	234	1 081
CE Watt			456	36	52	25	569
PD Womersley			708	145	83	270	1 206
HL Greenstein (alternate)			604	16	79	152	851
<b>NON-EXECUTIVE</b>							
AJ Behrmann	8	30					38
IA Berman						125	125
NG Canca	8						8
BR Chipkin	8						8
E Ellerine	8						8
S Koseff	8						8
D Masson	8	58					66
LK Matisonn		10					10
SP Ngwenya	8	52					60
PF Nhleko	8						8
JL Pamensky	150	123					273
TH Reitman	8						8
<b>Total</b>	<b>222</b>	<b>273</b>	<b>14 839</b>	<b>2 322</b>	<b>1 750</b>	<b>5 046</b>	<b>24 452</b>

### THE BIDVEST INCENTIVE SCHEME

The aggregate interest of directors in the issued ordinary share capital of the Company at June 30 2002 in terms of The Bidvest Incentive Scheme was nil (2001 – 176143) shares.



**THE FOLLOWING SHARE OPTIONS WERE OUTSTANDING AT JUNE 30 2002**

<b>Year of grant</b>	<b>Average option price R</b>	<b>Number of options</b>
1993	9,08	346 926
1994	12,77	92 799
1995	17,57	92 754
1996	22,89	609 856
1997	28,89	2 257 709
1998	35,59	912 980
1999	34,31	2 736 812
2000	38,85	6 661 024
2001	41,42	3 878 655
2002	41,79	4 102 315
<b>Total</b>		<b>21 691 830</b>

**MOVEMENTS IN SHARE OPTIONS FOR THE YEAR**

	<b>2002</b>	2001
Beginning of year	<b>20 958 908</b>	19 910 618
Granted	<b>4 102 315</b>	4 366 600
Directors	<b>624 015</b>	1 248 000
Staff	<b>3 478 300</b>	3 118 600
Lapsed	<b>(1 950 131)</b>	(1 262 121)
Exercised	<b>(1 419 262)</b>	(2 056 189)
Directors	<b>(194 800)</b>	(177 330)
Staff	<b>(1 224 462)</b>	(1 878 859)
At end of year	<b>21 691 830</b>	20 958 908

Option holders are only entitled to exercise their options if they are in the employment of the Group in accordance with the terms referred to hereafter, unless otherwise recommended by the Board.

Option holders in the scheme may exercise the options at such times as the option holder deems fit, but not so as to result in the following proportions of the holder's total number of instruments being purchased prior to the following dates:

- 50% of total number of instruments at the expiry of three years;
- 75% of total number of instruments at the expiry of four years;
- 100% of total number of instruments at the expiry of five years;

from the date of the holder's acceptance of an option.

All options must be exercised no later than the tenth anniversary on which they were granted.

The Bidvest Incentive Scheme Trust Deed permits the maximum number of shares, which may be issued and or granted as options in terms of the deed to be 10% of the aggregate of the Company's issued ordinary share capital.

## Directors' report (continued)

### DETAILS OF THE DIRECTORS' OUTSTANDING SHARE OPTIONS

Name	Share options at June 30 2001		Share options granted during the year		Share options exercised during the year			Share options at June 30 2002	
	Number	Average Price R	Number	Average price R	Number	Average price R	Benefit arising on exercise of options	Number	Average price R
B Joffe	739 080	35,16	40 000	42,20				779 080	35,52
IA Berman	103 580	33,27			61 080	28,83	978 528	42 500	39,65
MC Berzack			159 515*	23,03				159 515	23,03
LG Boyle	250 000	39,95	40 000	42,20				290 000	40,26
LI Chimes	380 000	38,47	40 000	42,20	57 500	32,33	719 875	362 500	39,86
M Chipkin	87 348	10,46						87 348	10,46
RW Graham	115 000	39,82	22 500	42,20				137 500	40,21
AM Griffith	110 000	36,89	13 500	42,20	20 000	31,38	220 500	103 500	38,65
CH Kretzmann	523 049	32,52	40 000	42,20				563 049	33,88
P Nyman	344 300	36,72	40 000	42,20				384 300	37,29
LP Ralphs	631 847	27,34	40 000	42,20				671 847	28,23
FEA Robarts	60 000	32,11						60 000	32,11
DK Rosevear	558 396	30,79	40 000	42,20	13 100	17,08	351 390	585 296	31,88
AC Salomon	441 817	35,81	40 000	42,20				481 817	36,35
CE Singer	151 594	32,30	18 500	42,20				170 094	33,37
PC Steyn	165 000	37,83	13 500	42,20	25 000	35,05	180 000	153 500	38,67
R Wainer	100 170	37,68	18 500	42,20	10 120	32,76	73 310	108 550	38,91
PD Womersley	265 948	33,33	18 000	42,20	8 000	13,28	214 200	275 948	34,49
CE Watt	20 275	35,28						20 275	35,28
HL Greenstein (alt)	94 912	37,04	40 000	42,20				134 912	38,57
	5 142 316		624 015		194 800		2 737 803	5 571 531	

\*Options granted to MC Berzack include 129 515 options at R18,59 in lieu of options previously held by him in Voltex Holdings Limited.

These options are exercisable over the period July 1 2002 to October 30 2010. A register of detailed options outstanding by director is available for inspection at the Company's registered office.

### SECRETARY

MA David is the Company secretary. The business and postal addresses of the secretary, which are also the registered addresses of the Company, are reflected on page 167.

### SUBSIDIARIES AND JOINT VENTURES

The attributable interest of the Company in the aggregate after tax income and losses of its subsidiaries and joint ventures for the year was:

	2002 R'000	2001 R'000
Profits	1 236 521	1 018 767
Losses	(13 007)	(8 549)

### SPECIAL RESOLUTIONS

To accommodate the acquisition of various businesses during the year special resolutions were passed in respect of amendments to the Articles of Association of various subsidiaries and to change certain of the names of subsidiaries.



## Group accounting policies

---

The financial statements are prepared on the historical cost basis, adjusted for the revaluation of certain land and buildings, and incorporate the following principle accounting policies which are consistent in all material respects with those adopted in the previous year with the exception of the policies relating to post-retirement benefits, leave pay and depreciation of buildings as set out below.

### 1. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Operating results of businesses acquired or disposed of during the year are included from or to the effective date of acquisition or disposal. The assets and liabilities of companies acquired are assessed and included in the balance sheet at their estimated fair values to the Group. The costs of integrating businesses acquired are reflected in the fair values ascribed. Such values are reviewed and amended as appropriate in the financial year subsequent to the acquisition.

The Group's interests in joint ventures are accounted for using the proportionate consolidation method and its shares of the underlying assets, liabilities, income, expenditure and cash flow are included in the consolidated financial statements on a line-by-line basis.

### 2. ASSOCIATE COMPANIES

An associate company is a company in which the Group holds a long-term investment and participates in operating and financial policy decisions through representation on the board of directors.

The equity method of accounting for associated companies is adopted in the Group financial statements. In applying the equity method, account is taken of the Group's share of accumulated retained earnings and movements in reserves from the effective dates on which the companies became associated companies and up to the effective dates of disposals.

### 3. FIXED ASSETS

Fixed assets are reflected at cost to the Group company which first acquired them less accumulated depreciation and accumulated impairment losses. Depreciation is provided for over the estimated useful lives of buildings, plant, equipment, vehicles and furniture, which vary between two and fifty years, or the period of the lease in the case of leasehold improvements. Land is stated at cost and not depreciated.

In prior years land and buildings were considered to be investment properties and not depreciated. They were revalued at regular intervals not exceeding five years and provision made to recognise any impairment losses.

### 4. INTANGIBLE ASSETS

Goodwill which represents the excess of cost over net assets acquired and includes goodwill inherent in the cost of associate companies, is capitalised and amortised over the expected useful life, which is considered to be no more than twenty years.

Patents, trademarks and trade names are capitalised and amortised over their expected useful lives, but not exceeding ten years.

Software development costs are capitalised and written off over the expected life from the date of commencement of use.

## Group accounting policies (continued)

---

### 5. LEASES

Assets held under finance lease agreements are capitalised at a value representing the cash price of such assets and a corresponding liability to the lessor is raised. Lease payments are allocated between a reduction in the liability to the lessor and interest, which is charged to income. Depreciation is calculated over the periods of the leases, which approximate the estimated useful lives of the assets concerned.

Operating lease costs are charged against income as incurred.

### 6. INVENTORIES

Inventories are valued at the lower of cost and estimated net realisable value. Cost is determined on the first-in, first-out or average cost basis. The cost of manufactured inventory and work in progress includes an appropriate portion of overheads. Circulating stock is stated at cost and is written off over its expected useful life.

### 7. DEFERRED TAXATION

Deferred taxation is provided on the comprehensive liability method and represents the potential future liability for taxation in respect of items of income and expenditure which are recognised for tax purposes in periods different from those during which they are brought to account in the financial statements. Account is taken of deferred tax assets where it is probable that sufficient taxable profits will be available to ensure the realisation of those assets.

### 8. REVENUE

Revenue comprises net invoiced sales to customers, excluding value added tax and includes gross billings and commissions related to clearing and forwarding transactions.

### 9. REVENUE RECOGNITION

Dividends are recognised when the right to receive payment is established.

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

The sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue from services is recognised when the service is rendered.

### 10. FOREIGN ENTITIES

Foreign subsidiaries are classified as independent foreign operations or integrated foreign operations.

In the case of independent foreign operations assets and liabilities are translated at rates of exchange approximating those ruling at the end of the financial year. Income, expenditure and cash flow items are translated using the average rate for the year. Differences arising on translation of independent foreign operations are reflected in non-distributable reserves.

In the case of integrated foreign operations, long-term assets are translated at rates of exchange approximating those ruling at the time of acquisition, whereas other assets and liabilities are translated at rates of exchange approximating those ruling at the end of the financial year. Income, expenditure and cash flow items are translated using the average rate for the year.



Differences arising on translation of integrated foreign operations are dealt with in the income statement in the determination of net income. A portion of the exchange difference arising on translation is considered to be compensation for the differential in interest rates between foreign and local markets and is included in interest income.

#### **11. FOREIGN CURRENCIES**

Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date while assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Translation differences are dealt with in the income statement.

#### **12. EMPLOYEE BENEFITS**

Leave benefits due to employees are recognised in full as a liability in the financial statements. In prior years such benefits were provided for on a partial basis.

Liabilities for post-retirement benefits accruing to past and current employees are actually calculated. Unfunded liabilities are recognised as a liability in the financial statements. Contributions of the Group to post-retirement benefit plans are recognised as a cost in the annual financial statements when incurred or charged to provisions when appropriate. In prior years such contributions were recognised when incurred.

#### **13. RESEARCH AND DEVELOPMENT**

Research and development expenditure is charged in full against trading profit as and when incurred.

#### **14. DIVIDENDS PAID**

Dividends to shareholders are accounted for once they have been approved by the Board of directors.

#### **15. SEGMENTAL REPORTING**

Segmental results include revenue and expenses directly related to a business segment, but exclude interest and taxation.

Funds employed includes fixed assets, investments, inventories, accounts receivable, accounts payable, liabilities for post-retirement obligations, banking assets and liabilities directly related to a business segment, but excludes cash, borrowings and intangibles.

# Statements of income

for the year ended June 30

	Note	GROUP		COMPANY	
		2002 R'000	2001 R'000	2002 R'000	2001 R'000
Revenue		<b>41 950 388</b>	29 415 011	–	–
Cost of revenue		<b>(33 900 308)</b>	(24 292 963)	–	–
Gross income		<b>8 050 080</b>	5 122 048	–	–
Operating expenses		<b>(6 037 469)</b>	(3 699 836)	<b>436 937</b>	181 960
Sales and distribution costs		<b>(3 253 282)</b>	(2 134 752)	–	–
Administration expenses		<b>(2 086 429)</b>	(1 376 077)	–	–
Other income (costs)		<b>(697 758)</b>	(189 007)	<b>436 937</b>	181 960
Operating income		<b>2 012 611</b>	1 422 212	<b>436 937</b>	181 960
Amortisation of goodwill		<b>(52 646)</b>	(14 529)	–	–
Net capital items		<b>(11 467)</b>	1 058	<b>(220 622)</b>	–
Net income before finance charges	2	<b>1 948 498</b>	1 408 741	<b>216 315</b>	181 960
Net finance charges	3	<b>(80 163)</b>	(391)	–	–
Income before taxation		<b>1 868 335</b>	1 408 350	<b>216 315</b>	181 960
Taxation	4	<b>(515 264)</b>	(328 520)	<b>(18)</b>	–
Income after taxation		<b>1 353 071</b>	1 079 830	<b>216 297</b>	181 960
Share of retained income of associates		<b>17 735</b>	25 248	–	–
Attributable to outside shareholders		<b>(129 557)</b>	(69 612)	–	–
Income attributable to shareholders		<b>1 241 249</b>	1 035 466	<b>216 297</b>	181 960
Dividends and capitalisation awards	5	<b>(269 008)</b>	(146 183)	<b>(269 008)</b>	(146 183)
Secondary tax on companies	4	<b>(10 208)</b>	(351)	–	–
Retained income for the year		<b>962 033</b>	888 932	<b>(52 711)</b>	35 777
Headline earnings per share (cents)	6	<b>436,2</b>	361,8	–	–
Earnings per share (cents)	6	<b>415,0</b>	355,1	–	–
Diluted earnings per share (cents)	6	<b>407,2</b>	348,5	–	–
Distributions per share (cents)*		<b>190,0</b>	169,2	–	–

\* Includes dividends, distribution from share premium and capitalisation issues at market value at the date of the award.



## Cash flow statements

for the year ended June 30

	Note	GROUP		COMPANY	
		2002 R'000	2001 R'000	2002 R'000	2001 R'000
Cash flow from operating activities		<b>2 002 904</b>	1 127 424	<b>167 833</b>	47 118
Cash generated by operations	7	<b>2 788 346</b>	1 558 774	<b>436 752</b>	193 095
Finance income		<b>91 763</b>	83 630	–	–
Finance charges		<b>(171 926)</b>	(84 021)	–	–
Taxation paid	8	<b>(395 737)</b>	(269 007)	<b>(18)</b>	–
Dividends paid	9	<b>(309 542)</b>	(161 952)	<b>(268 901)</b>	(145 977)
Cash effects of investment activities		<b>(1 658 352)</b>	(493 500)	<b>(577 344)</b>	56 422
Increase in advances to subsidiaries				<b>(294 230)</b>	(720 182)
Decrease (increase) in investment in subsidiaries				<b>(353 126)</b>	893 646
Decrease (increase) in investments and advances		<b>217 954</b>	255 264	<b>70 012</b>	(117 042)
Additions to fixed assets		<b>(920 699)</b>	(571 082)	–	–
Additions to intangible assets		<b>(18 759)</b>	(8 509)	–	–
Proceeds on disposal of fixed assets		<b>225 581</b>	75 127	–	–
Acquisition of businesses	10	<b>(1 168 564)</b>	(302 686)	–	–
Proceeds on disposal of businesses	11	<b>6 135</b>	58 386	–	–
Cash effects of financing activities		<b>552 378</b>	(127 000)	<b>436 719</b>	(68 372)
Proceeds from share issues					
Company		<b>596 462</b>	48 609	<b>596 462</b>	48 609
Subsidiaries		<b>506</b>	2 478	–	–
Refund of share premium to shareholders		<b>(159 743)</b>	(116 981)	<b>(159 743)</b>	(116 981)
Net borrowings raised (repaid)		<b>115 153</b>	(61 106)	–	–
Net increase in cash and cash equivalents		<b>896 930</b>	506 924	<b>27 208</b>	35 168
Cash and cash equivalents at the beginning of the year		<b>1 058 213</b>	536 263	<b>65 006</b>	29 838
Currency adjustments		<b>247 188</b>	15 026	–	–
Cash and cash equivalents at the end of the year		<b>2 202 331</b>	1 058 213	<b>92 214</b>	65 006
Cash equivalents comprise:					
Liquid funds	20	<b>2 745 492</b>	1 314 063	<b>92 214</b>	65 006
Bank overdrafts included in current portion of borrowings	22	<b>(543 161)</b>	(255 850)	–	–
		<b>2 202 331</b>	1 058 213	<b>92 214</b>	65 006

# Balance sheets

at June 30

	Note	GROUP		COMPANY	
		2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>ASSETS</b>					
<b>Non-current assets</b>		<b>5 132 443</b>	3 579 215	<b>4 699 553</b>	3 813 083
Fixed assets	12	<b>3 602 498</b>	2 182 752	–	–
Intangible assets	13	<b>681 903</b>	353 163	–	–
Deferred tax	14	<b>251 282</b>	239 093	–	–
Interest in subsidiaries	15			<b>4 523 849</b>	3 558 593
Interest in joint ventures	16			<b>10 032</b>	10 032
Investments and advances	17	<b>404 615</b>	495 277	<b>165 672</b>	244 458
Banking and other advances	18	<b>192 145</b>	308 930	–	–
<b>Current assets</b>		<b>9 998 814</b>	6 162 755	<b>92 214</b>	65 006
Inventories	19	<b>2 354 400</b>	1 539 854	–	–
Accounts receivable		<b>4 898 922</b>	3 308 838	–	–
Liquid funds	20	<b>2 745 492</b>	1 314 063	<b>92 214</b>	65 006
Total assets		<b>15 131 257</b>	9 741 970	<b>4 791 767</b>	3 878 089
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>		<b>6 395 651</b>	4 165 785	<b>4 774 357</b>	3 860 494
Shareholders' interest	21	<b>5 589 235</b>	3 860 494	<b>4 774 357</b>	3 860 494
Outside shareholders' interest		<b>806 416</b>	305 291	–	–
<b>Non-current liabilities</b>		<b>604 371</b>	325 428	–	–
Deferred tax	14	<b>252 048</b>	87 385	–	–
Long-term portion of borrowings	22	<b>135 838</b>	28 776	–	–
Post-retirement obligations	23	<b>188 785</b>	167 182	–	–
Banking liabilities	24	<b>27 700</b>	42 085	–	–
<b>Current liabilities</b>		<b>8 131 235</b>	5 250 757	<b>17 410</b>	17 595
Accounts payable	25	<b>6 622 092</b>	4 448 025	<b>17 383</b>	17 568
Vendors for acquisition		<b>3 367</b>	283 432	<b>27</b>	27
Taxation		<b>262 163</b>	193 384	–	–
Short-term portion of borrowings	22	<b>1 243 613</b>	325 916	–	–
Total equity and liabilities		<b>15 131 257</b>	9 741 970	<b>4 791 767</b>	3 878 089



## Statements of changes in shareholders' interest

for the year ended June 30

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
Shareholders' interest at the beginning of the year	<b>3 860 494</b>	3 028 819	<b>3 860 494</b>	3 028 819
Share capital issued	<b>801</b>	309	<b>801</b>	309
in terms of the share incentive scheme	<b>71</b>	103	<b>71</b>	103
in terms of a cash issue	<b>623</b>	–	<b>623</b>	–
capitalisation issue	<b>107</b>	206	<b>107</b>	206
Share premium arising on shares issued	<b>436 025</b>	(68 475)	<b>436 025</b>	(68 475)
in terms of the share incentive scheme	<b>40 067</b>	48 730	<b>40 067</b>	48 730
in terms of a cash issue	<b>557 377</b>	–	<b>557 377</b>	–
refund of share premium to shareholders				
in lieu of dividend	<b>(159 743)</b>	(116 981)	<b>(159 743)</b>	(116 981)
costs	<b>(1 676)</b>	(224)	<b>(1 676)</b>	(224)
Movement in non-distributable reserves	<b>329 882</b>	10 222	–	–
foreign currency translation reserve	<b>329 882</b>	8 723		
revaluation of fixed assets	–	2 186		
transfer to retained income	–	(687)		
Movement in retained income	<b>962 033</b>	889 619	<b>(52 711)</b>	35 777
income attributable to shareholders	<b>1 241 249</b>	1 035 466	<b>216 297</b>	181 960
dividends and capitalisation issues	<b>(269 008)</b>	(146 183)	<b>(269 008)</b>	(146 183)
secondary tax on companies	<b>(10 208)</b>	(351)	–	–
transfer from non-distributable reserves	–	687	–	–
Movement in amounts previously set off against investments in subsidiaries			<b>529 748</b>	864 064
Shareholders' interest at the end of the year	<b>5 589 235</b>	3 860 494	<b>4 774 357</b>	3 860 494

# Segmental analysis

for the year ended June 30

	2002 R'000	2001 R'000	% Change	% Contribution 2002
<b>REVENUE</b>				
The Services Division	16 424 403	13 759 072	19,4	38,0
Bidfreight	14 383 523	12 131 648	18,6	33,3
Bidserv	1 505 982	1 162 818	29,5	3,5
Rennies Financial Services	534 898	464 606	15,1	1,2
The Foodservice Products Division	21 121 321	13 226 694	59,7	48,9
Bidvest plc	18 741 489	11 213 360	67,1	43,4
Caterplus	1 653 732	1 360 908	21,5	3,8
Combined Foods	726 100	652 426	11,3	1,7
The Commercial Products Division	5 500 712	3 372 066	63,1	12,7
Bidoffice	3 512 837	2 798 707	25,5	8,1
Bidpac	625 537	573 359	9,1	1,4
Voltex	1 362 338	–	–	3,2
Corporate Services	159 387	168 244	(5,3)	0,4
I-Fusion	159 225	168 244	(5,4)	0,4
mymarket.com	162	–	–	–
Intergroup eliminations	43 205 823 (1 255 435)	30 526 076 (1 111 065)	41,5	100,0
	41 950 388	29 415 011	42,6	
Southern Africa	23 268 808	19 268 340	20,8	53,8
United Kingdom and Europe	15 752 501	9 467 221	66,4	36,5
Australasia	4 184 514	1 790 515	133,7	9,7
	43 205 823	30 526 076	41,5	100,0
<b>OPERATING INCOME</b>				
The Services Division	718 570	577 370	24,5	35,8
Bidfreight	474 514	382 674	24,0	23,6
Bidserv	134 317	105 661	27,1	6,7
Rennies Financial Services	109 739	89 035	23,3	5,5
The Foodservice Products Division	672 927	439 642	53,1	33,4
Bidvest plc	460 875	265 223	73,8	22,9
Caterplus	132 493	106 080	24,9	6,6
Combined Foods	79 559	68 339	16,4	3,9
The Commercial Products Division	487 675	289 547	68,4	24,2
Bidoffice	313 715	219 720	42,8	15,6
Bidpac	84 142	69 827	20,5	4,2
Voltex	89 818	–	–	4,4
Corporate Services	133 439	115 653	15,4	6,6
I-Fusion	(9 096)	(5 965)	(52,5)	(0,5)
mymarket.com	(2 172)	–	–	(0,1)
Group services, investment and other income	108 904	90 303	20,6	5,4
Group properties	35 803	31 315	14,3	1,8
	2 012 611	1 422 212	41,5	100,0
Southern Africa	1 429 649	1 078 357	32,6	71,0
United Kingdom and Europe	498 237	298 438	66,9	24,8
Australasia	84 725	45 417	86,5	4,2
	2 012 611	1 422 212	41,5	100,0
<b>DEPRECIATION</b>				
The Services Division	228 710	129 691	76,3	39,2
Bidfreight	144 780	62 615	131,2	24,8
Bidserv	65 683	50 120	31,1	11,3
Rennies Financial Services	18 247	16 956	7,6	3,1
The Foodservice Products Division	230 300	165 212	39,4	39,5
Bidvest plc	206 722	143 743	43,8	35,5
Caterplus	13 658	12 212	11,8	2,3
Combined Foods	9 920	9 257	7,2	1,7
The Commercial Products Division	109 964	95 698	14,9	18,9
Bidoffice	87 377	82 992	5,3	15,0
Bidpac	13 171	12 706	3,7	2,3
Voltex	9 416	–	–	1,6
Corporate Services	13 963	11 482	21,6	2,4
I-Fusion	4 810	3 447	39,5	0,8
mymarket.com	155	–	–	–
Group services, investment and other income	2 428	1 608	51,0	0,5
Group properties	6 570	6 427	2,2	1,1
	582 937	402 083	45,0	100,0
Southern Africa	305 276	257 843	18,4	52,4
United Kingdom and Europe	233 266	118 781	96,4	40,0
Australasia	44 395	25 459	74,4	7,6
	582 937	402 083	45,0	100,0



	2002 R'000	2001 R'000	% Change	% Contribution 2002
<b>CAPITAL EXPENDITURE</b>				
The Services Division	446 050	230 997	93,1	48,4
Bidfreight	250 544	115 310	117,3	27,2
Bidserv	134 711	95 427	41,2	14,6
Rennies Financial Services	60 795	20 260	200,1	6,6
The Foodservice Products Division	286 262	205 990	39,0	31,0
Bidvest plc	260 778	175 903	48,3	28,3
Caterplus	15 856	19 117	(17,1)	1,7
Combined Foods	9 628	10 970	(12,2)	1,0
The Commercial Products Division	171 343	114 166	50,1	18,7
Bidoffice	150 551	101 504	48,3	16,4
Bidpac	10 125	12 662	(20,0)	1,1
Voltex	10 667	-	-	1,2
Corporate Services	17 044	19 929	(14,5)	1,9
I-Fusion	1 888	10 107	(81,3)	0,2
mymarket.com	2 834	1 306	117,0	0,3
Group services, investment and other income	6 106	713	756,4	0,7
Group properties	6 216	7 803	(20,3)	0,7
	920 699	571 082	61,2	100,0
Southern Africa	563 477	394 710	42,8	61,2
United Kingdom and Europe	258 371	152 894	69,0	28,1
Australasia	98 851	23 478	321,0	10,7
	920 699	571 082	61,2	100,0
<b>FUNDS EMPLOYED</b>				
The Services Division	1 455 616	436 188	233,7	31,5
Bidfreight	904 923	(197 142)	559,0	19,6
Bidserv	425 094	391,901	8,5	9,2
Rennies Financial Services	125 599	241 429	(48,0)	2,7
The Foodservice Products Division	1 158 592	1 061 472	9,1	25,1
Bidvest plc	878 823	761 630	15,4	19,0
Caterplus	142 125	175 489	(19,0)	3,1
Combined Foods	137 644	124 353	10,7	3,0
The Commercial Products Division	1 568 809	1 006 738	55,8	34,0
Bidoffice	877 747	722 776	21,4	19,0
Bidpac	271 746	283 962	(4,3)	5,9
Voltex	419 316	-	-	9,1
Corporate Services	430 986	673 961	(36,1)	9,4
I-Fusion	12 801	35 827	(64,3)	0,3
mymarket.com	(3 932)	1 166	(437,2)	(0,1)
Group services, investment and other income	193 068	399 713	(51,7)	4,2
Group properties	229 049	237 255	(3,5)	5,0
	4 614 003	3 178 359	45,2	100,0
Southern Africa	2 588 128	2 386 775	8,4	56,1
United Kingdom and Europe	1 524 070	605 276	151,8	33,0
Australasia	501 805	186 308	169,3	10,9
	4 614 003	3 178 359	45,2	100,0

Transactions between divisions are conducted on an arm's length market-related basis.

# Notes to the financial statements

for the year ended June 30

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>1. ADJUSTMENTS FOR THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES</b>				
Adjustment for change in accounting policy to provide for depreciation of buildings, leave pay and post-retirement obligations				
<b>Effect on prior years</b>				
Accumulated income (deficit) at June 30 2000 as previously reported		(1 171 304)		139 228
Net effect on earnings in years prior to June 30 2000		(171 004)		–
Decrease in operating income		(232 636)		–
Leave pay		(24 013)		
Depreciation		(36 181)		
Post-retirement obligations		(172 442)		
Decrease in taxation		60 722		
Decrease in outside shareholders' interest		910		
Restated accumulated income (deficit) at June 30 2000		(1 342 308)		139 228
Accumulated income (deficit) at June 30 2001 as previously reported		(271 272)		175 005
Net effect in years prior to June 30 2001		(171 004)		–
Net effect on earnings for the year ended June 30 2001		(10 413)		–
Decrease in operating income		(10 823)		–
Leave pay		(3 534)		
Depreciation		(12 549)		
Post-retirement obligations		5 260		
Increase in taxation		(436)		
Decrease in outside shareholders' interest		846		
Restated accumulated income (deficit) at June 30 2001		(452 689)		175 005
<b>Effect on current year</b>				
Decrease in operating income	(11 337)		–	
Leave pay	(3 887)			
Depreciation	(12 599)			
Post-retirement obligations	5 149			
Decrease in taxation	(212)			
Decrease in outside shareholders' interest	989			
Decrease in earnings	(10 560)		–	



	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>2. NET INCOME BEFORE FINANCE CHARGES</b>				
Determined after charging (crediting):				
Auditors' remuneration	22 587	19 095	–	–
Audit fees	19 969	17 241		
Audit related expenses	345	456		
Other services	2 273	1 398		
Amortisation of intangible assets	53 338	14 838	–	–
Goodwill	52 646	14 529		
Patents, trademarks and trade names	411	309		
Software development	281	–		
Depreciation	582 937	402 083	–	–
Buildings	13 909	12 549		
Leasehold premises	13 809	13 782		
Plant and equipment	192 485	113 305		
Office equipment, furniture and fittings	170 355	149 098		
Vehicles, vessels and craft	191 799	112 591		
Capitalised leased assets	580	758		
Directors' emoluments	24 452	18 701	–	–
Executive directors				
Basic remuneration	14 839	12 224		
Retirement and medical benefits	1 750	1 564		
Other benefits	2 192	1 815		
Cash incentives	4 921	2 667		
Restraint of trade	130	130		
Non-executive directors				
Fees and emoluments for other services	620	301		
Employer contributions to	282 686	223 190	–	–
Pension funds	76 060	35 273		
Provident funds	80 330	86 039		
Retirement funds	19 022	14 793		
Medical aid funds	107 274	87 085		
Fees for administrative, managerial and technical services	19 966	21 004	–	–
Foreign exchange gains	(162 611)	(97 824)	–	–
Realised	(95 396)	(86 608)		
Unrealised	(67 215)	(11 216)		
Investment income	(58 414)	(47 053)	(436 937)	(181 960)
Subsidiaries and joint ventures			(426 688)	(167 411)
Associates	(10 610)	(14 708)	(10 249)	(14 549)
Listed investments	(25 575)	(31 998)	–	–
Unlisted investments	(22 229)	(347)	–	–

## Notes to the financial statements (continued)

for the year ended June 30

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>2. NET INCOME BEFORE FINANCE CHARGES</b> (continued)				
Surplus on disposal of fixed assets	(330)	(1 193)	–	–
Loss (surplus) on disposal of businesses	(3 280)	135	–	–
Write-down of investments in subsidiaries and associates			220 622	–
JSE Securities Exchange South Africa fees	287	277	–	–
Operating lease charges	488 352	361 647	–	–
Land and buildings	342 373	284 720		
Equipment and vehicles	145 979	76 927		
<b>3. NET FINANCE CHARGES</b>				
Income	133 827	134 451	–	–
Preference dividends	12 352	12 607		
Other	121 475	121 844		
Charges	(202 486)	(113 766)	–	–
Associates	–	(1 956)		
Other	(202 486)	(111 810)		
<i>Less:</i> Net finance income from banking operations included in operating income	(11 504)	(21 076)	–	–
Income	(42 064)	(50 821)		
Charges	30 560	29 745		
	(80 163)	(391)	–	–
<b>4. TAXATION</b>				
Current taxation	417 383	251 213	–	–
Current year	427 987	252 247		
Prior years	(10 604)	(1 034)		
Deferred taxation	96 181	77 050	–	–
Current year	89 562	72 960		
Prior years	6 619	4 106		
Rate adjustment	–	(16)		
Foreign withholding taxes	1 700	257	18	–
Per income statement	515 264	328 520	18	–
Secondary tax on companies	10 208	351	–	–
Total taxation	525 472	328 871	18	–



	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>4. TAXATION</b> (continued)				
Comprising				
South African normal taxation	<b>361 083</b>	239 906	–	–
Foreign taxes	<b>152 481</b>	88 357	–	–
Withholding taxes	<b>1 700</b>	257	<b>18</b>	–
Secondary taxation on companies	<b>10 208</b>	351	–	–
	<b>525 472</b>	328 871	<b>18</b>	–
The reconciliation of the effective tax rate with the company tax rate is as follows:				
	%	%	%	%
Taxation for the year as a percentage of income before taxation	<b>27,6</b>	23,3	–	–
Dividend and exempt income	<b>0,3</b>	2,5	<b>30,0</b>	30,0
Timing differences not taken into account	–	0,3	–	–
Foreign taxes	<b>2,9</b>	4,4	–	–
Income and expenses not taxable or allowed	<b>(1,0)</b>	(0,3)	–	–
Adjustments to prior year and rate changes	<b>0,2</b>	(0,2)	–	–
Rate of South African company tax	<b>30,0</b>	30,0	<b>30,0</b>	30,0
	<b>R'000</b>	R'000	<b>R'000</b>	R'000
Estimated tax losses available for set off against future taxable income	<b>157 354</b>	89 021		
Utilised in the computation of deferred tax	<b>(95 257)</b>	(36 249)		
Not accounted for in deferred tax	<b>62 097</b>	52 772	–	–
<b>5. DIVIDENDS AND CAPITALISATION AWARDS</b>				
Dividends paid	<b>268 901</b>	145 977	<b>268 901</b>	145 977
Capitalisation awards	<b>107</b>	206	<b>107</b>	206
	<b>269 008</b>	146 183	<b>269 008</b>	146 183

## Notes to the financial statements (continued)

for the year ended June 30

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>6. EARNINGS PER SHARE</b>				
The calculation of earnings per share is based on income attributable to shareholders of R1 241 249 000 (2001: R1 035 466 000) and a weighted average of 299 088 893 (2001: 291 598 516) shares in issue.				
The calculation of headline earnings per share is based on headline earnings of R1 304 730 000 (2001: R1 054 944 000) and a weighted average of 299 088 893 (2001: 291 598 516) shares in issue.				
The following adjustments to income attributable to shareholders were taken into account in the calculation of headline earnings:				
Income attributable to shareholders	1 241 249	1 035 466		
Profit on disposal of fixed assets	(330)	(1 193)		
Amortisation of goodwill	52 646	14 529		
Costs relating to unsuccessful bid for Brake Bros plc	20 403	–		
Underwriting commission received net of costs from Bidcorp plc (formerly Jacobs plc)	(5 326)	–		
Impairment of and goodwill in associates	10 053	8 136		
Loss (profit) on disposal of businesses	(3 280)	135		
Tax relief	(4 363)	–		
Outside shareholders' share	(6 322)	(2 129)		
	<b>1 304 730</b>	1 054 944		
The calculation of diluted earnings per share is based on income attributable to shareholders adjusted for the notional interest after taxation that would have been earned on the proceeds from the issue of shares on the exercising of the share options, and an adjusted weighted average of 320 780 723 (2001: 312 557 424) shares in issue.				
<b>7. CASH GENERATED BY OPERATIONS</b>				
Operating income	2 012 611	1 422 212	436 937	181 960
Capital items	(11 467)	1 058	(220 622)	–
Adjustment for depreciation and other non-cash items	580 019	401 334	220 622	–
Retained (utilised) to finance working capital	207 183	(265 830)	(185)	11 135
Increase in inventories	(212 299)	(102 600)	–	–
Increase in accounts receivable	(226 034)	(303 888)	–	–
Decrease (increase) in banking and other advances	116 784	(97 909)	–	–
Increase in accounts payable	528 732	238 567	(185)	11 135
Cash generated by operations	<b>2 788 346</b>	1 558 774	<b>436 752</b>	193 095



	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>8. TAXATION PAID</b>				
Amount payable at beginning of year	(193 384)	(205 256)	–	–
Per income statement	(429 291)	(251 821)	(18)	–
Businesses acquired	(31 107)	(3 235)	–	–
Businesses disposed of	3	(989)	–	–
Currency adjustment	(4 121)	(1 090)	–	–
Amount payable at end of year	262 163	193 384	–	–
Amount paid	(395 737)	(269 007)	(18)	–
<b>9. DIVIDENDS PAID</b>				
Per income statement	(268 901)	(145 977)	(268 901)	(145 977)
Amounts paid to outside shareholders by subsidiary	(40 641)	(15 975)	–	–
Amount paid	(309 542)	(161 952)	(268 901)	(145 977)
<b>10. ACQUISITION OF BUSINESSES</b>				
Borrowings	518 167	19 708	–	–
Fixed assets	(1 035 654)	(84 543)	–	–
Investments	(122 273)	(101 337)	–	–
Inventories	(344 801)	(119 607)	–	–
Accounts receivable	(901 110)	(27 318)	–	–
Accounts payable	900 950	201 238	–	–
Taxation	91 436	(25 476)	–	–
Net tangible asset value	(893 285)	(137 335)	–	–
Patents, trademarks and trade names	(1 360)	–	–	–
Goodwill	(271 259)	(352 730)	–	–
Outside shareholders' interest	357 324	(59 607)	–	–
Total value of acquisitions	(808 580)	(549 672)	–	–
Vendors for acquisition at beginning of year	(283 432)	(36 446)	–	–
Currency adjustment	(79 919)	–	–	–
Vendors for acquisition at end of year	3 367	283 432	–	–
	(1 168 564)	(302 686)	–	–
<b>11. PROCEEDS ON DISPOSAL OF BUSINESSES</b>				
Fixed assets	2 692	71 308	–	–
Investments	–	837	–	–
Inventories	762	705	–	–
Accounts receivable	1 127	5 866	–	–
Accounts payable	(1 250)	(21 184)	–	–
Taxation	(3)	989	–	–
Net tangible asset value	3 328	58 521	–	–
Outside shareholders' interest	(473)	–	–	–
Profit (loss) on disposal of business	3 280	(135)	–	–
Net proceeds	6 135	58 386	–	–

## Notes to the financial statements (continued)

for the year ended June 30

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>12. FIXED ASSETS</b>				
Freehold land and buildings	827 593	566 473	–	–
Cost	937 395	615 203		
Accumulated depreciation	(109 802)	(48 730)		
Leasehold premises	100 688	94 313	–	–
Cost	215 365	178 186		
Accumulated depreciation	(114 677)	(83 873)		
Plant and equipment	1 292 785	654 325	–	–
Cost	2 573 538	1 237 495		
Accumulated depreciation	(1 280 753)	(583 170)		
Office equipment, furniture and fittings	437 130	364 257	–	–
Cost	1 126 687	879 252		
Accumulated depreciation	(689 557)	(514 995)		
Vehicles, vessels and craft	937 077	482 974	–	–
Cost	1 849 968	997 633		
Accumulated depreciation	(912 891)	(514 659)		
Capitalised leased assets	7 225	20 410	–	–
Cost	10 359	23 214		
Accumulated depreciation	(3 134)	(2 804)		
	<b>3 602 498</b>	<b>2 182 752</b>	<b>–</b>	<b>–</b>

### GROUP 2002

	Property R'000	Plant and equipment R'000	Other fixed assets R'000	Total R'000
<b>Movement in fixed assets</b>				
Net book value at beginning of year	660 786	654 325	867 641	2 182 752
Additions	42 121	335 756	542 822	920 699
Disposals	(31 311)	(57 157)	(136 783)	(225 251)
Acquisition of businesses	181 206	496 582	357 866	1 035 654
Disposal of businesses	–	(2 436)	(256)	(2 692)
Depreciation	(27 718)	(192 485)	(362 734)	(582 937)
Currency adjustment	103 197	58 200	112 876	274 273
	<b>928 281</b>	<b>1 292 785</b>	<b>1 381 432</b>	<b>3 602 498</b>



	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>12. FIXED ASSETS</b> (continued)				
Land and buildings with a net book value of R27 086 000 (2001: R24 813 000) are mortgaged as security for loans of R14 064 000 (2001: R18 084 000).				
Other fixed assets with a book valued of R398 668 000 (2001: R27 745 000) were pledged as security for borrowings of R233 685 000 (2001: R18 315 000).				
Certain South African land and buildings were revalued by the directors on June 30 2002. The valuation was not materially different from cost and thus no adjustments have been made to the carrying values of land and buildings.				
A register of land and buildings is available for inspection at the registered office of the Company.				
<b>13. INTANGIBLE ASSETS</b>				
Goodwill	654 215	344 959	–	–
Cost	710 184	355 624		
Accumulated amortisation	(55 969)	(10 665)		
Patents, trademarks and trade names	2 629	1 410	–	–
Cost	3 815	1 719		
Accumulated amortisation	(1 186)	(309)		
Software development	25 059	6 794	–	–
Cost	25 355	6 794		
Accumulated amortisation	(296)	–		
	<b>681 903</b>	<b>353 163</b>	<b>–</b>	<b>–</b>
	<b>GROUP 2002</b>			
		<b>Patents, trademarks and tradenames</b>	<b>Software development</b>	<b>Total</b>
<b>Movement in intangible assets</b>	<b>Goodwill R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Net book value at beginning of year	344 959	1 410	6 794	353 163
Additions	–	213	18 546	18 759
Acquisition of businesses	271 259	1 360	–	272 619
Amortisation	(52 646)	(411)	(281)	(53 338)
Currency adjustment	90 643	57	–	90 700
	<b>654 215</b>	<b>2 629</b>	<b>25 059</b>	<b>681 903</b>

## Notes to the financial statements (continued)

for the year ended June 30

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>14. DEFERRED TAX</b>				
Deferred tax assets	251 282	239 093		
Deferred tax liabilities	(252 048)	(87 385)		
Net deferred tax assets (liability)	(766)	151 708	–	–
Net deferred tax assets (liability) comprise:				
Differential between net book values and tax values of fixed assets	(223 274)	(83 127)		
Differential between net book values and tax values of patents, trademarks and trade names	118 067	132 283		
Tax losses	28 577	10 875		
Other timing differences	75 864	91 677		
Net deferred tax asset (liability)	(766)	151 708	–	–
<b>15. INTEREST IN SUBSIDIARIES</b>				
Shares at cost			1 363 134	1 221 856
Due by subsidiaries			3 249 852	3 005 376
Due to subsidiaries			(89 137)	(138 891)
			4 523 849	4 088 341
Amount set off against shareholders' interest (note 21)			–	(529 748)
			4 523 849	3 558 593
Details of major subsidiaries are reflected on pages 154 to 158 of this report.				
<b>16. INTEREST IN JOINT VENTURES</b>				
Shares at cost			21 286	21 286
Due to joint ventures			(11 254)	(11 254)
			10 032	10 032
The Group's proportional interest in joint ventures has been incorporated in the Group's assets, liabilities and results as follows:				
<b>Income statements</b>				
Revenue	373 636	359 481		
Operating income before finance charges	25 273	20 342		
Net finance charges	18	376		
Net income before taxation	25 291	20 718		
Taxation	(6 704)	(5 962)		
Net income after taxation	18 587	14 756		





	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>16. INTEREST IN JOINT VENTURES (continued)</b>				
<b>Balance sheets</b>				
Shareholders' funds	48 821	51 899		
Deferred taxation	(66)	3 481		
Interest-bearing debt	83	10 675		
<b>Total funds employed</b>	<b>48 838</b>	<b>66 055</b>		
Fixed and intangible assets	25 395	43 671		
Investments	47	4 708		
Net current assets	23 396	17 676		
<b>Net assets</b>	<b>48 838</b>	<b>66 055</b>		
Details of major joint ventures are reflected on page 159 of this report.				
<b>17. INVESTMENTS AND ADVANCES</b>				
Associates				
Listed	115 825	186 268	107 051	186 268
Unlisted	58 735	71 132	57 685	56 897
	<b>174 560</b>	<b>257 400</b>	<b>164 736</b>	<b>243 165</b>
Attributable share of post-acquisition retained earnings of associates	(21 079)	50 245	–	–
At beginning of year	50 245	39 867		
For the current year	17 735	25 248		
Reversal of prior year on becoming subsidiary or disposal	(89 061)	558		
Currency adjustment	2	701		
Excess in net asset value	–	(16 129)		
<b>Net advances</b>	<b>8 663</b>	<b>10 887</b>	<b>936</b>	<b>669</b>
	<b>162 144</b>	<b>318 532</b>	<b>165 672</b>	<b>243 834</b>
Other investments				
Listed	91 875	89 368	–	–
Unlisted	122 727	2 939	–	–
Advances to share incentive trusts	27 869	84 438	–	624
	<b>404 615</b>	<b>495 277</b>	<b>165 672</b>	<b>244 458</b>
Market value of listed investments	197 378	326 619	102 526	239 118
Directors' value of unlisted investments	366 138	223 885	200 357	102 153
	<b>563 516</b>	<b>550 504</b>	<b>302 883</b>	<b>341 271</b>

## Notes to the financial statements (continued)

for the year ended June 30

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>17. INVESTMENTS AND ADVANCES (continued)</b>				
Summarised financial information of associates (aggregated)				
<b>Income statements</b>				
Revenue	<b>3 696 864</b>	4 345 305		
Operating income before finance charges	<b>244 368</b>	274 391		
Net finance charges	<b>(33 727)</b>	(4 843)		
Net income before taxation	<b>210 641</b>	269 548		
Taxation	<b>(69 209)</b>	(75 544)		
Net income after taxation	<b>141 432</b>	194 004		
<b>Balance sheets</b>				
Shareholders' funds	<b>853 165</b>	1 298 520		
Deferred taxation	<b>29 238</b>	14 032		
Interest-bearing debt	<b>141 137</b>	160 909		
Total funds employed	<b>1 023 540</b>	1 473 461		
Fixed and intangible assets	<b>951 816</b>	912 111		
Investments	<b>30 114</b>	30 051		
Net current assets	<b>41 610</b>	531 299		
Net assets	<b>1 023 540</b>	1 473 461		
Details of major associates are reflected on page 159 of this report, and a complete register of investments is available for inspection at the registered office of the Company.				
The incentive trusts finance the purchase, by employees of the Group, of shares in the Company and its subsidiaries. The loans are secured by the pledge of the shares purchased.				
<b>18. BANKING AND OTHER ADVANCES</b>				
Instalment finance	<b>206 320</b>	297 440		
Mortgages	<b>4 673</b>	5 883		
Other	<b>10 603</b>	22 106		
	<b>221 596</b>	325 429		
<i>Less:</i> Provision for doubtful advances	<b>(29 451)</b>	(16 499)		
	<b>192 145</b>	308 930	–	–
<b>Maturity analysis</b>				
Maturing in one year	<b>28 738</b>	16 253		
Maturing after one year but within five years	<b>100 927</b>	276 394		
Maturing after five years	<b>62 480</b>	16 283		
	<b>192 145</b>	308 930	–	–





	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>19. INVENTORIES</b>				
Raw materials	178 981	117 761		
Work in progress	52 777	31 158		
Finished goods	2 094 046	1 368 548		
Circulating stock	28 596	22 387		
	<b>2 354 400</b>	1 539 854	–	–
<b>20. LIQUID FUNDS</b>				
Cash on hand and at bank	2 625 492	1 194 063	92 214	65 006
Variable rate redeemable cumulative preference shares	120 000	120 000	–	–
	<b>2 745 492</b>	1 314 063	<b>92 214</b>	65 006
<b>21. SHAREHOLDERS' INTEREST</b>				
<b>Share capital</b>				
<i>Authorised</i>				
360 000 000 (2001: 360 000 000) ordinary shares of 5 cents each	18 000	18 000	18 000	18 000
<i>Issued</i>				
311 839 081 (2001: 295 821 187) ordinary shares of 5 cents each	15 592	14 791	15 592	14 791
<b>Non-distributable reserves</b>	<b>427 828</b>	97 946	–	–
Foreign currency translation reserve	420 707	90 825	–	–
Arising on the revaluation of land and buildings	7 121	7 121	–	–
At beginning of year	7 121	5 622		
Revaluations during the current year	–	2 186		
Transfer to retained income	–	(687)		
<b>Distributable reserves</b>	<b>5 145 815</b>	3 747 757	<b>4 758 765</b>	4 375 451
<b>Share premium</b>	<b>4 636 471</b>	4 200 446	<b>4 636 471</b>	4 200 446
At beginning of year	4 200 446	4 268 921	4 200 446	4 268 921
Arising on share issues	597 444	48 730	597 444	48 730
Refund of share premium to shareholders	(159 743)	(116 981)	(159 743)	(116 981)
Share issue expenses	(1 676)	(224)	(1 676)	(224)
<b>Retained income</b>	<b>509 344</b>	(452 689)	<b>122 294</b>	175 005
At beginning of year	(452 689)	(1 342 308)	175 005	139 228
Income for year	962 033	888 932	(52 711)	35 777
Transfer from non-distributable reserve	–	687	–	–
	<b>5 589 235</b>	3 860 494	<b>4 774 357</b>	4 390 242
Amount set off against interest in subsidiaries (note 15)			–	(529 748)
	<b>5 589 235</b>	3 860 494	<b>4 774 357</b>	3 860 494

## Notes to the financial statements (continued)

for the year ended June 30

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>21. SHAREHOLDERS' INTEREST</b> (continued)				
The unissued shares are under the control of the directors until the next annual general meeting.				
Retained income comprises:				
Company and subsidiaries	538 995	(504 944)		
Joint ventures	(8 572)	(14 119)		
Associates	(21 079)	66 374		
	<b>509 344</b>	<b>(452 689)</b>		
<b>22. BORROWINGS</b>				
Long-term borrowings	836 290	98 842	–	–
Loans secured by mortgage bonds over fixed property	14 064	18 084		
Loans secured by lien over certain fixed assets in terms of financial lease and suspensive sale agreements	233 685	18 315		
Unsecured loans	588 541	62 443		
Bank overdrafts	543 161	255 850	–	–
Total borrowings	1 379 451	354 692	–	–
Short-term portion of borrowings	(1 243 613)	(325 916)		
	<b>135 838</b>	<b>28 776</b>	<b>–</b>	<b>–</b>
Schedule of repayment of long-term borrowings				
Year to June 2002	–	70 066		
Year to June 2003	695 663	5 246		
Year to June 2004	74 456	9 992		
Year to June 2005	59 504	2 422		
Year to June 2006	4 906	6 103		
Year to June 2007	1 033	1 784		
Thereafter	728	3 229		
	<b>836 290</b>	<b>98 842</b>	<b>–</b>	<b>–</b>

22. **BORROWINGS** (continued)

Payment frequency	2002	2001	Period	Interest rate as at June 30 2002
	R'000	R'000		
Repaid		22 972		
Monthly	34	437	2003	31,0
Monthly	184 605	–	2003 to 2005	7,0
Monthly	13 390	–	2003 to 2005	14,3
Monthly	79	87	2003 to 2006	16,0
Monthly	4 560	6 681	2003 to 2006	18,5
Quarterly	49 001	–	2003 to 2005	5,0
One year revolving facility	510 290	–	2003	6,0
Single instalment after seven days notice	7 602	8 099	2003	6,9
Single instalment after thirty days notice	1 466	1 066	2003	–
Single instalment after thirty days notice	25 000	25 000	2003	16,8
Single instalment after thirty days notice	25 000	25 000	2003	16,5
Single instalment on maturity	900	–	2003	6,0
Single instalment on maturity	818	–	2003	16,8
Single instalment on maturity	4 045	–	2004	6,0
Single instalment on maturity	5 500	5 500	2004	13,6
Single instalment on maturity	4 000	4 000	2006	18,0
	<b>836 290</b>	98 842		

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>23. POST-RETIREMENT OBLIGATIONS</b>				
Post-retirement medical aid obligations	162 033	167 182		
Unfunded pension liability	26 752	–		
	<b>188 785</b>	167 182	–	–
<b>Post-retirement medical aid obligations</b>				
The Group provides post-retirement medical benefit subsidies to certain retired employees and is responsible for provision of post-retirement medical benefit subsidies to a limited number of current employees.				
<i>Provision for post-retirement medical aid obligations</i>				
Opening provision raised against unfunded obligation	167 182	172 442		
Current year charge to income	1 500	1 500		
Subsidies to retired employees charged against provisions	(6 649)	(6 760)		
Closing provision raised against unfunded obligation	162 033	167 182	–	–
Actuarially determined present value of total obligation	<b>162 033</b>	167 182	–	–

## Notes to the financial statements (continued)

for the year ended June 30

### 23. POST-RETIREMENT OBLIGATIONS (continued)

#### Key actuarial assumptions

Discount rate	11%
Inflation rate (CPI)	8%
Healthcare cost inflation	11%

#### Pension and provident funds

The Group provides retirement benefits for its permanent employees through pension funds with defined benefit and defined contribution categories being the Bidcorp Group Pension Fund, Jacobs Holdings plc Pension and Life Assurance Scheme, The Ropner plc Pension and Life Assurance Scheme, Voltex Pension Fund and Bidvest (UK) Retirement Scheme; defined contribution provident funds being the Bidcorp Group Provident Fund, Rennies Group Provident Fund and the Voltex Provident Fund; and appropriate industry funds.

There are also a number of small funds within various employers of the Group. All funds are administered independently of the Group and are subject to the relevant pension fund legislation.

Employers' contributions are set out in note 2.

#### Defined benefit pension plans

	<b>Bidcorp Group Pension Fund</b>	<b>Jacobs and Ropner Pension and Life Assurance Schemes</b>
	<b>R'000</b>	<b>R'000</b>
Number of members June 30 2002	1 188	170
Employers' contributions	4 237	5 385
Employee's contributions	1 317	–
Actuarial present value of defined benefit obligation	(182 988)	(150 176)
Fair value of plan assets	259 335	93 999
Surplus (deficit) in the plan	76 347	(56 177)
Paragraph 59 limit	(79 996)	–
Related deferred tax asset	–	16 859
Net liability	(3 649)	(39 318)
Net liability accounted for	–	(26 752)
<i>Financial assumptions</i>	<b>%</b>	<b>%</b>
Discount rate	12,0	5,9
Inflation rate	7,0	2,4
Salary increase rate	8,5	3,9
Pension increase allowance	5,7	2,4
Valuation method	Projected unit credit	Attained age





	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>24. BANKING LIABILITIES</b>				
Call deposits	8 634	14 607		
Loans	10 116	10 841		
Fixed and notice deposits	8 950	16 637		
	<b>27 700</b>	42 085	–	–
The fixed and notice deposits all mature within one year.				

<b>25. ACCOUNTS PAYABLE</b>				
Includes the following provisions:				
Onerous contracts	108 234	79 858		
Business integration	34 270	59 819		
Other	–	11 000		
	<b>142 504</b>	150 677	–	–

## GROUP 2002

	Onerous contracts R'000	Business integration R'000	Other R'000	Total R'000
<b>Movements on provisions</b>				
Balance at beginning of year	79 858	59 819	11 000	150 677
Created	19 635	40 481	–	60 116
Utilised	(6 365)	(75 528)	(11 000)	(92 893)
Currency adjustment	15 106	9 498	–	24 604
Balance at the end of the year	<b>108 234</b>	<b>34 270</b>	–	<b>142 504</b>

## COMPANY

	2002 R'000	2001 R'000
<b>26. CONTINGENT LIABILITIES</b>		
In respect of guarantees of banking and other facilities granted to subsidiaries and associates	5 135 913	3 864 938
Of which has been utilised	710 870	959 236
In respect of future operating lease obligations of subsidiaries	122 484	84 908
Due in next year	28 902	11 669
Thereafter	93 582	73 239

## Notes to the financial statements (continued)

for the year ended June 30

### 26. CONTINGENT LIABILITIES (continued)

	GROUP 2002	
	Foreign amount 000's	Rand amount 000's
In respect of forward exchange contracts relating to foreign liabilities as at June 30 2002		
Euro	6 934	68 962
Japanese yen	288 455	25 208
Sterling	58	918
US dollars	2 322	24 344
other		566
In respect of forward exchange contracts relating to goods and services ordered not accounted for as at June 30 2002		
Euro	1 869	17 057
Japanese yen	381 231	32 068
Sterling	171	2 713
US dollars	1 152	11 711
other		2 696

	GROUP		COMPANY	
	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>27. COMMITMENTS</b>				
Capital expenditure approved by directors:				
Contracted for	50 201	45 606		
Proposed, not contracted for	126 172	80 917		
	<b>176 373</b>	126 523	–	–
It is anticipated that capital expenditure will be financed out of existing cash resources.				
<b>28. OPERATING LEASE COMMITMENTS</b>				
Property	2 435 147	1 090 189		
Due within one year	307 662	211 979		
Due thereafter	2 127 485	878 210		
Plant, equipment and vehicles	290 421	84 841		
Due within one year	52 484	23 302		
Due thereafter	237 937	61 539		
	<b>2 725 568</b>	1 175 030	–	–





## 29. BORROWING POWERS

Borrowing powers, in terms of the Articles of Association, are unlimited.

---

## 30. FINANCIAL INSTRUMENTS

Exposure to currency, interest rate and credit risk arises in the normal course of the Group's business.

### Currency risk

The Group incurs currency risk as a result of purchases, sales and borrowings, which are denominated in a currency other than the Group's reporting currency. Group entities hedge all trade debtors, trade creditors and borrowings denominated in a foreign currency. At any point in time they also take out economic hedges over their estimated foreign currency exposure resulting from sales and purchases.

### Interest rate risk

The Group generally adopts a policy of ensuring that its borrowings are at market-related rates, to address its interest rate risk.

### Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Reputable financial institutions are used for investing and cash handling purposes. At balance sheet date there were no significant concentrations of credit risk.

### Fair values

The fair values of all financial instruments are substantially identical to carrying values reflected in the balance sheet.

---

## 31. RELATED PARTIES

### GROUP

The Company has no holding company and as such the individual shareholders and any subsidiaries or associated companies of the shareholders are considered to be related parties. All transactions with these related parties are on an arm's length market-related basis.

### COMPANY

The major subsidiaries, joint ventures and associates of the Group are set out on pages 154 to 159. All of these entities are related parties of the Company. The Company has made loans to and has received loans from certain of these entities.

Details of income received from these related parties is included in notes 2 and 3.

All expenditure incurred by the Company is borne by a subsidiary in lieu of administration fees and interest.

---

# Interest in subsidiaries, joint ventures and associates

for the year ended June 30

	Country of incorporation	Issued ordinary capital R'000	Effective holdings		Company's interests			
			2002 %	2001 %	Shares		Indebtedness	
					2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>SUBSIDIARIES</b>								
<b>Catering supplies, food and allied products</b>								
BFS Group Limited (trading as 3663)	12	477 153	81	78	–	–	–	–
Bidvest (Victoria) (Pty) Limited	1	*	81	78	–	–	–	–
Bidvest Australia Limited	1	700	81	78	–	–	–	–
Blue Marine (Pty) Limited#		*	100	100	–	–	–	–
Burleigh Marr Distributions (Pty) Limited	1	64	81	78	–	–	–	–
Cater Plus (Namibia) (Pty) Limited	10	*	100	100	–	–	–	–
Cater Plus (Pty) Limited	1	*	81	78	–	–	–	–
Cater Plus (Pty) Limited#		*	100	100	–	–	–	–
Cater Plus Limitada	9	50	100	100	–	–	–	–
Catering Appliance and Refrigeration Services (Pty) Limited#		*	100	100	–	–	–	–
Catersales (Pty) Limited#		*	100	100	–	–	–	–
CCW Catering Supplies (Pty) Limited#		*	100	100	–	–	–	–
Chipkins Bakery Supplies (Pty) Limited#		*	100	100	–	–	–	–
Chipkins Catering Supplies (Pty) Limited#		*	100	100	–	–	–	–
Cold Seas (Pty) Limited	1	*	81	78	–	–	–	–
Combined Foods (Pty) Limited#		*	100	100	–	–	–	–
Combined Spice (Pty) Limited#		200	100	100	–	–	294	20 766
Crean Foodservice Limited	11	*	81	78	–	–	–	–
Crown National (Namibia) (Pty) Limited	10	*	100	100	–	–	–	–
Crown National (Pty) Limited#		10	100	100	10	10	(10)	(10)
D and R Lowe Catering Supplies (Pty) Limited#		*	100	100	–	–	(326)	(326)
First Food Distributors (Pty) Limited#		*	100	100	–	–	–	–
Gold Crest Foods (Pty) Limited#		*	100	100	–	–	–	–
HM Group Limited (trading as 3663)	12	207 577	81	78	–	–	–	–
John Lewis Foodservice (Pty) Limited	1	*	81	78	–	–	–	–
Logans Cigarettes (Pty) Limited#		*	100	100	–	–	–	–
Lou's Wholesalers (Pty) Limited#		*	100	100	–	–	–	–
Lusitania Sea Products (Free State) (Pty) Limited#	1	*	100	100	17	17	(1 742)	(1 742)
M&M Quality Choice (Pty) Limited#		*	100	–	–	–	–	–
Modern Packaging (Benoni) (Pty) Limited#		*	100	100	–	–	–	–
N Stephenson (Pty) Limited	1	*	81	78	–	–	–	–
National Spice Works (Pty) Limited		*	100	100	140	140	(140)	(140)
NCP Yeast (Pty) Limited#		*	100	100	–	–	–	–
Nelpack (Pty) Limited#		*	100	100	–	–	–	–
Patleys (Pty) Limited#		*	100	100	–	–	–	–
Pyramid Catering Supplies (Pty) Limited#		*	100	100	–	–	–	–
RM Smith & Son (Pty) Limited	1	*	81	78	–	–	–	–
RFS Catering Supplies (Pty) Limited#		*	100	100	–	–	–	–
Seaworld Frozen Foods (Pty) Limited#		*	100	100	–	–	2 429	2 447
Vulcan President (Pty) Limited#		*	100	100	–	–	–	–
<b>Financial and related services</b>								
Bid Financial Services (Pty) Limited		*	100	100	–	–	175 000	300 456
Concorde Travel (Pty) Limited		*	90	90	–	–	–	–
Connex Travel (Pty) Limited		100	47	55	–	–	–	–
Luxavia (Pty) Limited		*	100	100	23 393	23 393	40 254	62 856
Namibia Bureau de Change (Pty) Limited	10	500	51	51	–	–	–	–
Rennies Bank Holdings Limited		*	100	100	36	36	72 000	72 000
Rennies Bank Limited		720	100	100	–	–	–	–
Rennies Financial Services (Pty) Limited#		*	100	100	–	–	–	–
Rennies Travel (Namibia) (Pty) Limited	10	*	100	100	–	–	–	–
Rennies Travel (Pty) Limited		*	75	100	–	–	–	–
Rennies Travel (Pvt) Limited	14	17	100	100	–	–	–	–
Rennies Travel Malawi (Pty) Limited	8		75	–	–	–	–	–
Thomas Cook Bureau de Change (Pvt) Limited	14	2	100	76	–	–	–	–
Travel Connections (Pty) Limited		25	60	–	9 000	–	–	–
World Travel (Pty) Limited		3 350	100	100	–	–	–	–



	Country of incorporation	Issued ordinary capital R'000	Effective holdings		Company's interests			
			2002 %	2001 %	Shares		Indebtedness	
					2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>SUBSIDIARIES (continued)</b>								
<b>Freight forwarding, clearing, distribution warehousing and allied activities</b>								
Bidfreight (Pty) Limited#		*	100	100	-	-	-	-
Bidfreight Logistics (Pty) Limited#		*	100	100	-	-	-	-
Bidfreight Terminals (Proprietary) Limited#		*	100	100	-	-	-	-
Bluff Mechanical Appliances (Pty) Limited#		*	100	100	-	-	-	-
Dart Line Limited	12	*	57	-	-	-	-	-
Express Air Services (Pty) Limited		*	100	100	-	-	43 100	44 129
Ferryline Freight Limited	12	*	57	-	-	-	-	-
Ferryline NV	3	5	57	-	-	-	-	-
Ferryline Trailers Limited	12	*	57	-	-	-	-	-
Island View Storage Limited		6 300	100	100	366 357	366 357	-	-
Jacobs Transport Services Limited	12	*	57	-	-	-	-	-
Jacobs VII Limited	12	*	57	-	-	-	-	-
Luderitz Bay Shipping and Forwarding (Pty) Limited	10	*	36	36	-	-	-	-
Manica (Zambia) Limited	13	305	100	100	-	-	-	-
Manica Africa (Pty) Limited		3 088	100	100	-	-	-	-
Manica Botswana (Pty) Limited	4	130	100	100	-	-	-	-
Manica Zimbabwe Limited	14	1 159	100	100	-	-	-	-
Namibian Overseas Investment Company Limited	10	61	56	56	-	-	-	-
Namsoy Fishing Enterprises (Pty) Limited	10	100	28	28	-	-	-	-
Naval Servicos A Navegacao Limitada	9	10	100	100	-	-	-	-
Ocean Liner Services (Pty) Limited	10	*	56	56	-	-	-	-
Ontime (Kenfield Motors) Rescue and Recovery Limited	12	*	57	-	-	-	-	-
Ontime (Kenfield) Rescue and Recovery Limited	12	*	57	-	-	-	-	-
Ontime (Service Garage) Rescue and Recovery Limited	12	*	57	-	-	-	-	-
Ontime Automotive (Specialist Operations) Limited	12	*	57	-	-	-	-	-
Ontime Automotive (Volume Distribution) Limited	12	*	57	-	-	-	-	-
Ontime Automotive Limited	12	*	57	-	-	-	-	-
Ontime Rescue and Recovery Limited	12	*	57	-	-	-	-	-
P&I Associates (Pty) Limited#		*	100	100	-	-	-	-
Renair (Pty) Limited	10	*	56	56	-	-	-	-
Renfreight (Pty) Limited		*	100	100	95 554	95 554	-	-
Rennie Murray and Company (Pty) Limited#		*	100	100	-	-	-	-
Rennies Cargo Terminals (Pty) Limited#		*	100	100	-	-	-	-
Rennies Consolidated (Pty) Limited	10	*	56	56	-	-	-	-
Rennies Express Freight (Pty) Limited#		*	100	100	-	-	-	-
Rennies Ships Agency (Pty) Limited#		*	100	100	-	-	-	-
Richards Bay Bulk Storage (Pty) Limited		500	100	100	-	-	-	-
Ropner Ship Management Limited	12	*	57	-	-	-	-	-
Ropner Shipping Company Limited	12	*	57	-	-	-	-	-
S.A.F.E. Forwarding and Aircargo (Pty) Limited	10	*	28	28	-	-	-	-
Safcon (Pty) Limited#		*	100	100	-	-	-	-
Safcor Freight (Pty) Limited (trading as Safcor Panalpina (incorporating Renfreight))		*	100	100	6 181	6 181	35 015	12 897
Sally Bahamas Limited	2	*	57	-	-	-	-	-
Ships Agents and Fish Exporters (Namibia) (Pty) Limited	10	*	28	28	-	-	-	-
Societe Vendomoise de Transports de Vehicules SA	5	*	57	-	-	-	-	-
South African Bulk Terminals Limited		2	100	100	50 253	50 253	-	-
South African Container Depots (Pty) Limited#		*	100	100	-	-	-	-
South African Stevedores Limited		25	100	100	11 269	11 269	-	-
Thames Europort Limited	12	*	57	-	-	-	-	-
Walvis Bay Airport Services (Pty) Limited	10	*	28	28	-	-	-	-
Walvis Bay Stevedoring Company (Pty) Limited	10	*	33	33	-	-	-	-
Woker Freight Services (Pty) Limited	10	29	56	56	-	-	-	-

# Interest in subsidiaries, joint ventures and associates (continued)

for the year ended June 30

	Country of incorporation	Issued ordinary capital R'000	Effective holdings		Company's interests			
			2002 %	2001 %	Shares		Indebtedness	
					2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>SUBSIDIARIES (continued)</b>								
<b>Office furniture, supplies and related products</b>								
Atomic Office and Industrial Equipment (Pty) Limited#		*	100	100	-	-	-	-
Back-To-School Supplies (Pty) Limited#		36	100	100	36	36	(36)	(36)
Bidoffice (Pty) Limited#		*	100	100	-	-	-	-
Bidoffice Corporate Furniture (Pty) Limited#		*	100	100	-	-	-	-
Bonanza Holdings (Pty) Limited		*	100	100	-	-	-	-
Budget Desks & Chairs (Pty) Limited#		*	100	50	4 601	-	-	-
Cecil Nurse (Pty) Limited#		*	100	100	-	-	(149)	(149)
Cecil Nurse Office Centre (Pty) Limited#		*	100	100	-	-	-	-
Contact Labels (Pty) Limited	10	*	90	90	218	218	-	(77)
Contract Office Products (Pty) Limited#		*	100	100	-	-	-	-
Dauphin Office Seating SA (Pty) Limited		*	71	71	1 329	1 329	-	-
Hi-Maur Labelling Systems (Pty) Limited#		*	100	100	-	-	-	-
Hi-Maur Labelling Systems Sales Johannesburg (Pty) Limited#		*	100	100	-	-	-	-
Hortors Stationery (Pty) Limited#		*	100	100	-	-	-	-
Kolok (Namibia) (Pty) Limited	10	*	100	100	-	-	-	-
Kolok (Pty) Limited#		*	100	100	-	-	-	-
Kolok Africa (Pty) Limited#		*	100	100	-	-	-	-
Kuyasa Stationers (Pty) Limited		*	100	100	-	-	-	-
Listing Direct (Pty) Limited		*	100	67	-	-	-	-
Lithotech Communications (Pty) Limited#		*	100	100	-	-	-	-
Lithotech Consulting (Pty) Limited#		1	100	100	-	-	-	-
Lithotech Corporate (Pty) Limited#		*	100	100	-	-	-	-
Lithotech Group Services (Pty) Limited		*	100	100	-	-	-	-
Lithotech Lables (Pty) Limited#		*	100	100	-	-	-	-
Lithotech Limited		473	100	100	135 874	135 874	10 000	19 584
Lithotech Logistics (Pty) Limited#		*	100	100	-	-	-	-
Lithotech Manufacturing Cape (Pty) Limited#		150	100	100	-	-	-	-
Lithotech Manufacturing Johannesburg (Pty) Limited	10		100	100	-	-	-	-
Lithotech Manufacturing Pinetown (Pty) Limited#		*	100	100	-	-	-	-
Lithotech Print (Pty) Limited#		*	100	100	-	-	-	-
Lithotech Sales Cape (Pty) Limited		*	100	100	-	-	-	-
Lithotech Sales Johannesburg (Pty) Limited		*	100	100	-	-	-	-
Lithotech Sales KwaZulu-Natal (Pty) Limited#		*	100	100	-	-	-	-
Lithotech Sales Port Elizabeth (Pty) Limited		*	100	100	-	-	-	-
Lithotech Sales Pretoria (Pty) Limited		*	100	100	-	-	-	-
Lithotech Sales East London (Pty) Limited		*	100	100	-	-	-	-
Lithotech Afric Mail Cape (Pty) Limited		8 320	100	100	-	-	-	-
Lithotech Afric Mail Johannesburg (Pty) Limited		*	100	100	-	-	-	-
Minolco (Namibia) (Pty) Limited	10	*	100	100	-	-	-	-
Minolco (Pty) Limited#		*	100	100	-	-	-	-
Nuclear Corporate Furniture (Pty) Limited#		*	100	100	-	-	-	-
Ozalid South Africa (Pty) Limited#		*	100	100	-	-	-	-
Pago Designs (Pty) Limited		*	100	100	3 644	3 644	600	600
Seating (Pty) Limited#		*	100	100	-	-	-	-
South African Diaries (Pty) Limited#		*	100	100	-	-	-	-
Statmark (Pty) Limited#		*	100	100	-	-	-	-
Stenochair Limited	12	10	50	50	-	-	-	-
The Mailhouse (Pty) Limited#		3	100	100	-	-	-	-
The Table and Chair Company Limited	12	10	50	50	-	-	-	-
Visual Information Systems (Pty) Limited		*	96	55	-	-	-	-
Visual Information Systems UK Limited	12	*	96	55	-	-	-	-
Visualnet (Pty) Limited		*	96	96	-	-	-	-
Waltons Stationery Company (Namibia) (Pty) Limited	10	*	100	100	-	-	-	-
Waltons Stationery Company (Pty) Limited#		31	100	100	31	31	-	-
<b>Packaging closures, fastening systems and stationery products</b>								
African Commerce Developing Company (Pty) Limited#		151	100	100	-	-	-	-
Bidpac (Pty) Limited#		*	100	100	-	-	-	-
Buffalo Executape (Pty) Limited#		*	100	100	-	-	-	-
GE Hudson (Pty) Limited#		*	100	100	-	-	-	-
Globe Stationery Manufacturers (Pty) Limited#		*	100	100	-	-	-	-
Ramset Africa (Pty) Limited		*	100	100	3 319	3 319	12 747	12 747
Silveray Stationery Company (Pty) Limited#	11		100	100	44 007	105 545	46 846	47 146



	Country of incorporation	Issued ordinary capital R'000	Effective holdings		Company's interests			
			2002 %	2001 %	Shares		Indebtedness	
					2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>SUBSIDIARIES (continued)</b>								
<b>Linen rental, laundry and cleaning services</b>								
Armteck Security (Pty) Limited		*	60	-	-	-	-	-
Bidserv (Pty) Limited#		*	100	100	-	-	-	-
Bidserv Sport (Pty) Limited#		*	100	100	-	-	-	-
Bidvest Zambia (Pty) Limited		*	100	100	-	-	-	-
Bidwip Investments (Pty) Limited		30	50	50	1 817	31	3 500	-
Bosnandi Laundry (Pty) Limited		*	51	51	-	-	-	-
Boston Laundry and Dry Cleaners (Pty) Limited#		*	100	100	-	-	-	-
Clockwork Clothing (Pty) Limited		*	100	100	-	-	42 883	-
Commercial Sundry Supplies (Pty) Limited#		*	100	100	-	-	-	-
Execu-Clean (Pty) Limited#		*	100	100	-	-	-	-
Eyethu Property Cleaning Services Mossgas (Pty) Limited		*	40	40	-	-	-	-
Eyethu Property Cleaning Services Western Cape (Pty) Limited		*	40	40	-	-	-	-
First Garment Rental (Pty) Limited#		*	100	100	-	-	-	-
Giant Clothing Limited	8	1	100	100	-	-	-	-
Hi-Tech Cleaning Services (Pty) Limited	4	152	50	100	-	-	-	-
Hlwekisa Cleaning Services (Pty) Limited		*	40	50	-	-	-	-
Hoteltemp (Pty) Limited#		*	100	100	-	-	-	-
Ibayi Cleaning Services (Pty) Limited		*	45	50	-	-	-	-
Ingulule Cleaning Services (Pty) Limited		*	50	-	-	-	-	-
Langa Status Property Services (Pty) Limited		*	48	48	-	-	-	-
Magnum Shield Security Services (Pty) Limited#		*	100	100	-	-	-	-
Masterguard Security Electronics (Pty) Limited#		*	100	-	-	-	-	-
Melisizwa Cleaning Services (Pty) Limited		*	26	26	-	-	-	-
Modiri Developments (Pty) Limited		*	50	-	-	-	-	-
Phepile Electronics (Pty) Limited		*	100	100	-	-	-	-
Prestige Cleaning Services (Pty) Limited#		*	100	100	-	-	-	-
Provicom Electronics (Pty) Limited#		*	100	100	-	-	-	-
QMS Consulting (Pty) Limited#		*	100	100	-	-	-	-
Rochester Midlands Industries SA (Pty) Limited		*	50	-	167	-	-	-
Setsebi Cleaning Services (Pty) Limited#		*	48	48	-	-	-	-
Steiner Hygiene (Pty) Limited#		*	100	100	-	-	-	-
Thaba Strategic Services (Gauteng) (Pty) Limited		*	100	100	-	-	-	-
Thubelihle Property Services (Pty) Limited		*	40	40	-	-	-	-
TMS-Shezi Industrial Services (Pty) Limited		*	100	100	-	-	-	-
TMS Group (Pty) Limited		*	100	-	-	-	-	-
Total Manpower Solutions (Pty) Limited#		*	100	100	-	-	-	-
Umoja Cleaning Services (Pty) Limited		*	100	-	-	-	-	-
<b>Electrical, security and related products</b>								
Bellco Electrical		200	100	32	-	-	-	-
Berzack Brothers (Pty) Limited		4 300	100	32	-	-	-	-
Eastman Staples Company Limited	12	*	50	16	-	-	-	-
Sanlic International (Pty) Limited		*	100	32	-	-	-	-
Sewmac (Pty) Limited		*	51	16	-	-	-	-
Voltex (Pty) Limited		9	100	32	-	-	-	-
<b>Group services, investment, property and dormant companies</b>								
3663 Group Limited	12	*	81	78	-	-	-	-
3663 Holdings Limited	12	*	81	78	-	-	-	-
3663 Limited	12	*	81	78	-	-	-	-
Arcade Traffic Management Limited	12	*	57	-	-	-	-	-
BB Investment Company (Pty) Limited#		*	100	100	-	-	-	-
Berdur Properties (Pty) Limited		*	100	32	-	-	-	-
Berzack Brothers (JHB) (Pty) Limited		200	100	32	-	-	-	-
Bid Corporate Services (IOM) Limited		990	100	100	-	-	-	-
Bid Corporate Services (Pty) Limited#		*	100	100	-	-	52	52
Bid Corporation (Pty) Limited		*	100	100	-	-	1 524 409	1 269 181
Bid Corporation Limited	1	*	100	100	-	-	-	-
Bid Industrial Holdings (Pty) Limited		*	100	100	-	-	437 897	874 267

# Interest in subsidiaries, joint ventures and associates (continued)

for the year ended June 30

	Country of incorporation	Issued ordinary capital R'000	Effective holdings		Company's interests			
			2002 %	2001 %	Shares		Indebtedness	
					2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>SUBSIDIARIES (continued)</b>								
<b>Group services, investment, property and dormant companies (continued)</b>								
Bid Property Holdings (Pty) Limited		*	100	100	–	–	3 080	–
Bid Services Division (Pty) Limited		*	100	–	–	–	500 000	–
Bid Services Division (Pty) Limited	6	*	100	–	–	–	–	–
Bidcorp Finance Limited	6	*	81	78	–	–	–	–
Bidcorp Offshore Investments Limited	6	*	100	100	–	–	–	–
Bidcorp plc	12	325 362	57	–	–	–	–	–
Bidhold (AUS) Limited	6	*	81	78	–	–	–	–
Bid-It Limited		18 853	100	100	–	–	(68)	(68)
Bidvest (UK) Limited	12	*	81	78	–	–	–	–
Bidvest International Limited	6	*	100	100	–	–	–	–
Bidvest plc	6	76 472	81	78	–	–	–	–
Embassy Property Group Limited	12	*	57	–	–	–	–	–
Frigfreeze (Pty) Limited	1	5 567	81	78	–	–	–	–
I-Fusion Corporate (Pty) Limited		1	100	78	–	–	–	–
I-Fusion Desktop (Pty) Limited		*	100	78	–	–	–	–
I-Fusion Holdings Limited		148 431	100	78	31 403	87 575	–	–
I-Fusion IT Training (Pty) Limited		*	100	78	–	–	–	–
I-Fusion Maintenance Services (Pty) Limited		*	100	78	–	–	–	–
I-Fusion Midrange Solutions (Pty) Limited		*	100	78	–	–	–	–
I-Fusion Network Consulting (Pty) Limited		*	100	78	–	–	–	–
I-Fusion Networks Johannesburg (Pty) Limited		*	100	78	–	–	–	–
I-Fusion Networks Pretoria (Pty) Limited		*	100	78	–	–	–	–
I-Fusion Support (Pty) Limited		*	100	78	–	–	–	–
I-Fusion Western Cape (Pty) Limited		*	100	78	–	–	–	–
Impotek Midrange Solutions (Pty) Limited		*	100	78	–	–	–	–
Jacobs Overtime Limited	12	*	57	–	–	–	–	–
Jacobs Property Limited*	12	*	57	–	–	–	–	–
Jacobs Shipping Limited	12	*	57	–	–	–	–	–
JLB Investments (Pty) Limited		*	100	32	–	–	–	–
Manica Group Namibia (Pty) Limited	10	275	56	56	–	–	–	–
Manica Holdings Limited		1	100	100	76 813	76 813	(5 565)	(35 041)
Marathon Building Company Holdings (Pty) Limited		*	100	32	–	–	–	–
Mymarketdot com (Pty) Limited#		*	100	100	–	–	–	–
Namsov Holdings (Pty) Limited	10	1	56	56	–	–	–	–
Namsov Trading (Pty) Limited	7	*	28	28	–	–	–	–
Nugdur Investments (Pty) Limited		*	100	32	–	–	–	–
Outspan Properties (Pty) Limited		*	100	32	–	–	–	–
Primeinvest 5 (Pty) Limited		*	100	100	–	–	186 181	186 141
Pullman Foods Limited	12	81 132	81	78	–	–	–	–
Radris Investments (Pty) Limited		*	100	32	–	–	–	–
Rennies Leasehold Properties (Pty) Limited		*	100	100	–	–	–	–
Rennies Management Services (Pty) Limited#		*	100	100	–	–	–	–
Rennies Property Holdings (Pty) Limited		*	100	100	54 000	54 000	–	–
Rolcia Investments (Pty) Limited		*	100	32	–	–	–	–
Silveray Properties (Pty) Limited		*	100	100	8 833	8 833	5 586	9 222
Skillion Limited	12	*	57	–	–	–	–	–
The Stationery Centre (Pty) Limited		*	100	100	–	–	–	–
United Imports & Exports Co (Pty) Limited	1	*	81	78	–	–	–	–
Voltex Holdings Limited		6 630	100	32	245 889	–	–	–
Voltex Properties (Pty) Limited		*	100	32	–	–	–	–
Waltons Properties (Namibia) (Pty) Limited	10	1	100	100	1	1	–	–
Watson & Son (Pty) Limited	1	604	81	78	–	–	–	–
Minor and dormant subsidiaries					188 942	191 397	26 878	(30 417)
Totals (note 14)					1 363 134	1 221 856	3 160 715	2 866 485



	Country of incorporation	Issued ordinary capital R'000	Effective holdings		Company's interests			
			2002 %	2001 %	Shares		Indebtedness	
					2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>JOINT VENTURES</b>								
Aeromaritime International Management Services (Pty) Limited		4	50	50	–	–	–	–
Dudula Freightbulk (Pty) Limited		*	50	50	–	–	–	–
Ensimbini Terminals (Pty) Limited		2	50	50	4 541	4 541	–	–
Harvey World Travel Southern Africa (Pty) Limited		*	50	50	–	–	–	–
Japanese Ships Suppliers (Pty) Limited		200	50	50	16 745	16 745	(11 254)	(11 254)
Katuliiba Southern Trading (Pty) Limited		*	50	50	–	–	–	–
Manica Malawi Limited	8	149	50	50	–	–	–	–
Masithuthuke Cables (Pty) Limited		4	30	10	–	–	–	–
Master Currency (Pty) Limited		*	49	49	–	–	–	–
Phakama Print (Pty) Limited		*	50	50	–	–	–	–
Tuka Travel (Pty) Limited	10	*	50	50	–	–	–	–
Voltex Steelpoort (Pty) Limited		*	50	16	–	–	–	–
Voltex Swaziland (Pty) Limited		*	50	16	–	–	–	–
Voltsing Electrical (Pty) Limited		*	49	16	–	–	–	–
Zinhle Printers (Pty) Limited		*	50	50	–	–	–	–
Totals (note 15)					21 286	21 286	(11 254)	(11 254)
<b>ASSOCIATES</b>								
Carlfri Investments (Pty) Limited		*	50	50	–	–	–	–
Compu-Clearing Outsourcing Limited		468	21	21	8 806	8 806	–	–
Cosren Shipping Agency (Pty) Limited (December 31 year end)		*	45	45	338	338	–	–
Ditulo Office (Pty) Limited		*	40	–	–	–	–	–
Enviroserv Holdings Limited		1 056	27	24	42 085	41 961	–	–
Holmwoods and Back and Manson (South Africa ) (Pty) Limited		*	20	20	–	–	–	–
Ilanga Minolta (Pty) Limited		*	49	49	–	–	–	–
Master Guard Fabric Protection Africa (Pty) Limited		*	50	50	–	–	266	–
Matlafatso Stationery Supplies (Pty) Limited		*	49	49	–	–	670	669
Offurn Clearance House (Pty) Limited		1	50	50	1 588	1 588	–	–
Sebenza Forwarding & Shipping Consultancy (Pty) Limited		*	45	45	5 011	5 011	–	–
Servest Holdings Limited (February 28 year end)		192	28	28	47 991	56 990	–	–
The Reclamation Group (Pty) Limited		752	12	10	18 320	15 703	–	–
Transpaco Limited		327	21	21	8 168	8 168	–	–
Ubuhle be Dauphin Office Seating (Pty) Limited		*	28	28	–	–	–	–
Vuka Catering Suppliers (Pty) Limited		*	25	25	48	48	–	–
Yeastpro (Pty) Limited (April 30 year end)		100	25	25	32 381	32 381	–	–
Other			–	–	–	72 171	–	–
Totals (note 16)					164 736	243 165	936	669

Amounts owing by or to subsidiaries and joint ventures are unsecured, interest-free and have no fixed terms of repayment.

\* Less than R1 000

# Trading as agent

Country of incorporation if not South Africa:

1. Australia
2. Bahamas
3. Belgium
4. Botswana
5. France
6. Isle of Man
7. Jersey
8. Malawi
9. Mocambique
10. Namibia
11. New Zealand
12. United Kingdom
13. Zambia
14. Zimbabwe

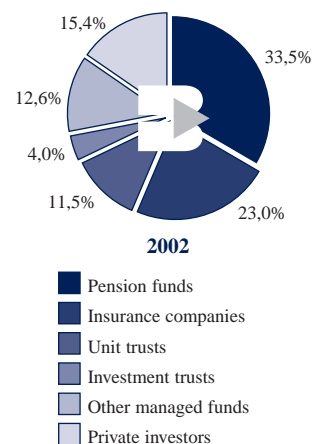
## Analysis of shareholders

at June 30 2002

The analysis of shareholders, as per the share register and information supplied by nominee companies:

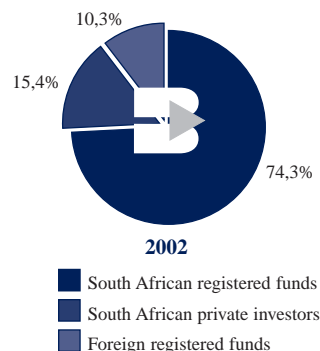
### TYPE OF SHAREHOLDER

	Number of shares	%
Pension funds	104 350 657	33,5
Insurance companies	71 720 668	23,0
Unit trusts	35 803 002	11,5
Investment trusts	12 622 667	4,0
Other managed funds	39 223 805	12,6
Private investors	48 118 282	15,4
	311 839 081	100,0



### LOCATION OF BENEFICIAL SHAREHOLDERS

	Number of shares	%
South African private investors	48 118 282	15,4
South African registered funds	231 709 250	74,3
Foreign registered funds	32 011 549	10,3
	311 839 081	100,0



### SHAREHOLDER SPREAD

	Number of shareholders	%	Number of shares	%
1 – 1 000	8 841	69,8	2 461 248	0,8
1 001 – 5 000	2 375	18,8	4 726 094	1,5
5 001 – 10 000	350	2,8	2 411 401	0,8
10 001 – 50 000	552	4,3	13 426 523	4,3
50 001 – 100 000	198	1,6	13 799 221	4,4
100 001 – 1 000 000	289	2,3	79 173 175	25,4
Above 1 000 000	53	0,4	195 841 419	62,8
	12 658	100,0	311 839 081	100,0



## Major shareholders

at June 30 2002

### OWNER LIST

Major shareholders holding in excess of 1% of the issued capital of the Company, as per the share register and information supplied by nominee companies:

	%
Public Investment Commissioners	14,1
Old Mutual Life Assurance Company (SA) Limited	9,7
Sanlam Lewensversekering Limited	6,4
Liberty Life Association of Africa Limited	2,6
Investment Solutions Holdings Limited	2,4
Investec Employee Benefits Limited	2,1
Old Mutual Profile Clients	1,8
Transnet Pensioenfonds	1,6
Sentinel Limited	1,6
JDL Holdings (Pty) Limited	1,4
Holdbin Investments	1,4
Eskom Pension and Provident Fund	1,4
Momentum Life Assurance Limited	1,3
	47,8

### MANAGER LIST

Major fund managers investing in excess of 1% of the issued capital of the Company, as per the share register and information supplied by nominee companies:

	%
Old Mutual Asset Managers (South Africa) (Pty) Limited	21,9
Sanlam Investment Management (Pty) Limited	11,6
Investec Asset Management (Pty) Limited	10,6
RMB Asset Management (Pty) Limited	9,1
Stanlib Asset Management (Pty) Limited	8,1
Coronation Fund Managers (Pty) Limited	6,2
Metropolitan Asset Management Limited	2,0
Franklin Templeton NIB Investments Limited	1,3
Investec Securities Limited	1,3
State Street Global Advisors Limited	1,2
Transnet Pensioenfonds	1,1
BoE Asset Management Limited	1,0
Total	75,4

### EMPOWERMENT HOLDINGS

Assuming the definition of empowerment institutions includes black economic empowerment holdings associated with black empowerment parties, state enterprise pension funds, trade union pension funds and black empowerment asset managers, then empowerment institutions own approximately 24% of Bidvest.

## Notice to shareholders

Notice is hereby given that the 56th annual general meeting of members of The Bidvest Group Limited will be held at Bidvest House, 18 Crescent Drive, Melrose Arch at 9:00 on Thursday, October 31 2002 for the following purposes:

1. To receive and adopt the audited financial statements for the year ended June 30 2002.
2. To approve the non-executive directors' remuneration for the year ended June 30 2002.
3. To confirm the reappointment of the auditors.
4. To consider and, if deemed fit, to pass, with or without modification, the following special resolutions:

### 4.1. SPECIAL RESOLUTION NUMBER 1

"Resolved that the Company or a subsidiary of the Company, be and is hereby authorised, by way of a general authority, to acquire shares issued by the Company in terms of sections 85 and 89 of the Companies Act, 1973 (Act 61 of 1973), as amended, ("the Act") and in terms of the rules and requirements of the JSE Securities Exchange South Africa ("JSE"), being that:

- any such acquisition of ordinary shares shall be implemented on the open market of the JSE;
- this general authority shall only be valid until the Company's next annual general meeting; provided that it shall not extend beyond fifteen months from the date of passing of this special resolution number 1;
- when the Company has cumulatively repurchased 3% of the number of a class of shares in issue on the date of passing of this special resolution number 1 ("the initial number"), and for each 3% in aggregate of the initial number of that class of shares acquired thereafter, an announcement in compliance with the JSE's Listings Requirements must be published as soon as possible and not later than 8:30 on the business day following the day on which the relevant threshold is reached or exceeded, and the Company's sponsor shall, prior to the Company entering into the market to repurchase the shares, provide the JSE with the written working capital statement required in terms of the JSE's Listings Requirements;
- in determining the price at which ordinary shares issued by the Company 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 shares for the five business days immediately preceding the date of repurchase of such shares;
- any general repurchase by the Company of its own shares shall not, in aggregate in any one financial year, exceed 10% of the Company's issued share capital of that class as at the date of passing of this special resolution number 1."

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

The Board has considered the impact of a repurchase of 10% of the Company's shares, being the maximum permissible under a general authority in terms of the JSE's Listings 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 twelve months after the date of this notice of annual general meeting;



- the liabilities of the Company and the Group exceeding the assets of the Company and the Group, calculated in accordance with the generally accepted accounting policies used in the audited financial statements for the period ended June 30 2002;
- the ordinary capital and reserves of the Company and the Group for a period of twelve months after the date of the notice of annual general meeting being materially affected; and
- the working capital of the Company and the Group for a period of twelve months after the date of this notice of annual general meeting being materially affected.

#### 4.2 SPECIAL RESOLUTION NUMBER 2

“Resolved that the Company’s authorised share capital of R18 000 000 divided into 360 000 000 ordinary shares of a nominal value of 5 cents each be and is hereby increased by the creation of an additional 180 000 000 ordinary shares of a nominal value of 5 cents each ranking *pari passu* in all respects with the existing ordinary shares in the authorised capital of the Company, resulting in the Company’s authorised share capital being R27 000 000 divided into 540 000 000 ordinary shares of 5 cents each and that the Memorandum of Association of the Company be and is hereby amended accordingly.”

The reason for the special resolution is to facilitate future expansion of the Group and the effect therefore will be that the authorised share capital of the Company will be increased so as to create sufficient unissued ordinary shares to facilitate such expansion.

5. To consider and, if approved, to pass, with or without modification, the following ordinary resolutions:

##### 5.1. ORDINARY RESOLUTION NUMBER 1

“Resolved that, subject to the requirements of the JSE, the directors be and are hereby authorised to allot and issue all or any of the shares in the authorised, but unissued share capital of the Company at such times, at such prices and for such purposes as they may determine, at their discretion, after setting aside so many shares as may be required to be allotted and issued pursuant to the Company’s employee share option scheme.”

##### 5.2. ORDINARY RESOLUTION NUMBER 2

“That subject to the passing of Ordinary Resolution Number 1 and in terms of the requirements of the JSE, the directors are hereby authorised to issue ordinary shares for cash as and when suitable opportunities arise, subject to the following conditions:

- that this authority shall not extend beyond the next annual general meeting or fifteen months from the date of this annual general meeting, whichever date is the earlier;
- that a press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one year, five per cent or more of the number of shares in issue prior to the issue/s;
- that issue in the aggregate in any one year shall not exceed fifteen per cent of the number of shares of the Company’s issued ordinary share capital, and
- that, in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be ten per cent of the weighted average traded price of the shares over the thirty days prior to the date that the price of the issue is determined or agreed to by the directors. In the event that shares have not traded in the said thirty-day period a ruling will be obtained from the Committee of the JSE.”

## Notice to shareholders (continued)

As more than thirty-five per cent of the Company's issued share capital is in the hands of the public, as defined by the JSE, the approval of seventy five per cent majority of the votes cast by shareholders present or represented by proxy at the meeting is required for Ordinary Resolution Number 2 to become effective.

### 5.3 ORDINARY RESOLUTION NUMBER 3

"Resolved that, subject to the prior approval by the JSE, the directors of the Company shall be entitled to pay by way of a *pro rata* reduction of share capital or share premium, in lieu of a dividend, an amount equal to the amount which the directors of the Company would have declared and paid out of profits in respect of the Company's interim and final dividends for the financial year ending June 30 2003." At that time an announcement will be made detailing the salient features of the reduction and the Company's sponsor shall, prior to the implementation of the reduction, provide the JSE with the written working capital statement required in terms of the JSE requirements.

6. To re-elect the following directors who retire by rotation or require re-election in accordance with the Articles of Association:

Messrs IA Berman, BR Chipkin, LI Chimes, RW Graham, CH Kretzmann, S Koseff, TH Reitman, AC Salomon, R Wainer and Mrs LG Boyle and in terms of Article 55.3 of the Articles of Association, to confirm the appointment of Ms LK Matisonn and Messrs F Titi and MC Berzack as directors appointed to the Board since the last annual general meeting.

- 6.1** Isaac Abraham Berman (64) is a non-executive director of The Bidvest Group Limited appointed to the Board on September 10 1990. Mr Berman has forty years' experience in the bakery industry and is the former Managing Director of Chipkins Bakery Supplies.
- 6.2** Bernard Robert Chipkin (73) is a non-executive director of The Bidvest Group Limited appointed to the Board on September 10 1990 and has a BSc degree. Mr Chipkin has nearly fifty years' experience in the catering supplies industry specialising in the buying and sourcing of goods, both locally and overseas. As Managing Director of Chipkins Bakery Supplies, he received several Fedics Foodservice Supplier of the Year awards.
- 6.3** Leonard Ivan Chimes (68) is an executive director of The Bidvest Group Limited and numerous subsidiaries thereof as well as Chairman of Bidoffice. Mr Chimes was appointed to the Board on June 30 1997 and has over forty years' experience in the office products industry, including office furniture, and has been with Bidvest since the acquisition of Waltons in 1997.
- 6.4** Rodger William Graham (56) is an executive director of The Bidvest Group Limited appointed to the Board on February 19 2001 and has a BCom and an MBA degree. Mr Graham is a director of numerous Bidvest subsidiaries, Chairman of Bidfreight Terminals and Chief Executive Officer of Bidcorp plc. Mr Graham has more than twenty years' experience in the textile industry and twelve years' in the freight industry. He was Managing Director of Island View Storage when it was acquired by Bidvest in 2000.
- 6.5** Colin Hugh Kretzmann (55) is an executive director of The Bidvest Group Limited appointed to the Board on August 10 1992. Mr Kretzmann is a director of numerous subsidiaries of Bidvest, Bidvest plc and Chairman of the Caterplus and Combined Foods divisions. Mr Kretzmann has vast experience in the food manufacturing industry and joined Bidvest ten years ago in which time he has been instrumental in developing the Group's food interest through local and international acquisitions.
- 6.6** Stephen Koseff (51) is a non-executive director of The Bidvest Group Limited appointed to the Board on June 17 1997 with qualifications BCom, CTA, CA(SA), Hdip BDP and an MBA. Mr Koseff has various



directorships, *inter alia*, JSE Securities Exchange South Africa, Investec Bank Limited, Investec Bank (UK) Limited and is the Chief Executive Officer of Investec Limited and Investec plc. Mr Koseff has nearly thirty years of financial experience and is the recipient of various business awards. Mr Koseff is a former member of the Financial Markets Advisory Board and current Chairman of the Independent Banks Association.

- 6.7** Theodor Herzl Reitman (76) is a non-executive director of The Bidvest Group Limited appointed to the Board on June 17 1997 and has an MA (Cantab). Mr Reitman also serves on the Board of Bidvest plc and has over forty years of international financial experience in various industrial and banking organisations.
- 6.8** Alan Charles Salomon (53) is an executive director of The Bidvest Group Limited appointed to the Board on September 10 1990 with qualifications CA(SA) and BSc London (with honours). Mr Salomon is a director of numerous Bidvest subsidiaries, Transpaco and is Chairman of the Bidpac division. Mr Salomon has twenty-four years' experience in the field of distribution, specialising in productivity and efficiency improvements and customer service excellence programmes.
- 6.9** Roy Wainer (54) is an executive director of The Bidvest Group Limited appointed to the Board on May 14 1991 and is Managing Director of Caterplus' Frozen Foods division. Mr Wainer has traded in the perishable food industry since 1975 specialising in distribution to the foodservice industry.
- 6.10** Lilian Garner Boyle (55) is an executive director of The Bidvest Group Limited appointed to the Board on January 23 2001 with qualifications MA Econ (Glasgow) and an MBA. Mrs Boyle is a director of numerous Bidvest subsidiaries, Chairman of the Rennie's Financial Services division and non-executive director of the South African Banknote Company (Pty) Limited. Mrs Boyle has thirty-four years of diverse business experience including seven years in the freight management industry and sixteen years in the travel industry. Mrs Boyle is a finalist of the Business Woman of the Year 1992 and Chairman of the Business Travel Guild.
- 6.11** Lara Kim Matisonn (32) is a non-executive director of The Bidvest Group Limited appointed to the Board on February 15 2002 with qualifications BA, LLB and LLM (Cantab). Ms Matisonn is a director of Sebenza Forwarding and Shipping Consultancy (Pty) Limited and Werksmans Sponsors (Pty) Limited. Ms Matisonn is a partner of Werksmans Inc. with six years' experience as a commercial and corporate attorney. Ms Matisonn is legal advisor to the Bidvest board.
- 6.12** Fani Titi (40) is a non-executive director of The Bidvest Group Limited appointed to the Board on November 15 2001 with qualifications BSc (Hons), MA and an MBA. Mr Titi is a director of Kumba Resources Limited, The Armaments Corporation of South Africa Limited and Tiso Capital (Pty) Limited. Mr Titi has senior operations management and leadership experience with an emphasis on investment and dealmaking, strategy formulation and implementation as well as corporate transformation from a skills development perspective.
- 6.13** Myron Cyril Berzack (53) is an executive director of The Bidvest Group Limited appointed to the Board on April 29 2002 and is the Chairman of the Voltex division. Mr Berzack has thirty years' experience in the electrical industry, specialising in marketing, distribution, financial control and reporting functions.
- 7.** To transact such other business as may be transacted at an annual general meeting.

Any member entitled to vote at the meeting may appoint a proxy or proxies to attend, speak and vote in his/her stead and the person/s so appointed need not be a member/s of the Company.

## Notice to shareholders (continued)

---

The forms of proxy should only be completed by those shareholders who are:

- holding shares in certificated form; or
- “own name” registered dematerialised shareholders.

All other beneficial owners who have dematerialised their shares through a Central Securities Depository Participant (“CSDP”) or broker and wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with a letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Proxy forms must be lodged at, posted to or faxed for attention Mr F Swart (fax: +27 (11) 370 5587), Computershare Investor Services Limited, 70 Marshall Street, Marshalltown, 2001 (PO Box 61051, Marshalltown 2107) to reach the Company at least 24 hours before the meeting.

By order of the board



**MA DAVID**  
*Group Company secretary*

September 27 2002



# Administration

---

## **THE BIDVEST GROUP LIMITED**

Incorporated in the Republic of South Africa  
Registration number 1946/021180/06  
Share code: BVT  
ISIN number: ZAE000008132

## **REGISTERED OFFICE**

Bidvest House  
18 Crescent Drive  
Melrose Arch  
Melrose 2196  
Johannesburg, South Africa

PO Box 87274  
Houghton 2041  
Johannesburg, South Africa

Telephone: +27 (11) 772 8700  
Telefax: +27 (11) 772 8970  
e-mail: info@bidvest.co.za  
URL: www.bidvest.com

## **SECRETARY**

MA David

## **AUDITORS**

KPMG Inc

## **LEGAL ADVISORS**

Werksmans Inc.  
Maitland & Co  
Ashurst Morris Crisp

## **BANKERS**

The Standard Bank of South Africa Limited  
Standard Bank London Limited  
Nedcor Bank Limited  
Investec Bank Limited  
HSBC Bank plc  
Firstrand Group Limited  
Commonwealth Bank of Australia Limited  
Barclays Bank Limited  
ASB Bank Limited  
ABSA Bank Limited

## **SHARE TRANSFER SECRETARIES**

Computershare Investor Services Limited  
70 Marshall Street  
Marshalltown 2001  
PO Box 61051  
Marshalltown 2107

## **SPONSORS**

Investec Securities Limited  
Deutsche Securities SA (Pty) Limited

## **INVESTOR RELATIONS**

Bid Corporate Services  
J Hochfeld  
D Cleasby  
College Hill  
Basco Communications

## Shareholders' diary

---

<b>Financial year-end</b>		June 30
<b>Annual general meeting</b>		October
<hr/>		
<b>Report and accounts</b>		
Interim report for the half-year ending December 31		February
Preliminary announcement of annual results		August
Annual report		September
<hr/>		
<b>Distributions</b>	<b>Declaration</b>	<b>Payment</b>
Interim distribution	February	March
Final distribution	August	September
<hr/>		



## Form of proxy



### The **BID** Vest Group Limited

(Registration number 1946/021180/06)

Share code: BVT • ISIN number: ZAE000008132

#### FOR THE 56th ANNUAL GENERAL MEETING – FOR USE BY CERTIFICATED SHAREHOLDERS

Holders of dematerialised ordinary shares must inform their CSDP or broker of their intention to attend the annual general meeting and request their CSDP to issue them with the necessary authorisation to attend the annual general meeting in person or provide their CSDP with their voting instructions should they not wish to attend the annual general meeting in person.

I/We

of

being a member/members of The Bidvest Group Limited and entitled to \_\_\_\_\_ votes,  
hereby appoint:

of

or failing him/her:

of

or failing him/her, the Chairman of the meeting as my/our proxy to vote on my/our behalf at the annual general meeting of the Company to be held at 9:00 on October 31 2002 or at any adjournment thereof, as follows:

	For	Against	Abstain		For	Against	Abstain
*Special resolution 1 (4.1)				*Resolution 6.5			
*Special resolution 2 (4.2)				*Resolution 6.6			
*Ordinary resolution 1 (5.1)				*Resolution 6.7			
*Ordinary resolution 2 (5.2)				*Resoluiton 6.8			
*Ordinary resolution 3 (5.3)				*Resolution 6.9			
*Resolution 6.1				*Resolution 6.10			
*Resolution 6.2				*Resolution 6.11			
*Resolution 6.3				*Resolution 6.12			
*Resolution 6.4				*Resoluiton 6.13			

\* Mark with an "X" whichever is applicable. Unless otherwise directed the proxy will vote as he/she thinks fit.

Signed this

day of

2002

Member

A member entitled to attend and vote at the abovementioned meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and, on a poll, to vote in his/her stead.

---

## NOTES

1. On a poll a shareholder is entitled to one vote for each share held.
2. Forms of proxy must be lodged at, posted to or faxed for attention Mr F Swart (+27 (11) 370 5587), Computershare Investor Services Limited, 70 Marshall Street, Marshalltown 2001, South Africa (PO Box 61051, Marshalltown 2107, South Africa) to reach the Company at least 24 hours before the meeting.
3. **If you have not dematerialised your shares or you have dematerialised your shares and selected own name registration in the sub-register.**

You may either attend the general meeting in person or complete and return the form of proxy in accordance with the instructions contained therein to the transfer secretaries.

4. **If you have dematerialised your shares through a CSDP or broker and registered them in a name other than your own name.**

If you have already dematerialised your shares you may advise your CSDP or broker of your voting instructions on the proposed resolutions. However, should you wish to attend the annual general meeting in person, you will need to request your CSDP or broker to provide you with the necessary authority in terms of the custody agreement entered into with the CSDP or broker.