

Directors' Approval



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. The external auditors are responsible for reporting on the financial statements.

The financial statements are prepared in accordance with generally accepted accounting practices, other than as disclosed in the directors report, 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 quality 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, 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 direct 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 14 1998 and are signed on its behalf by:

Brian Joffe
Chairman

Mervyn Chipkin
Deputy Chairman

Report of the Independent Auditors

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 40 to 60 for the year ended June 30 1998. 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.

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.

A foreign exchange gain of R112 million has not been recognised in the financial statements. This practice is not in accordance with generally accepted accounting practice and the Group's accounting policy. The reasons for, and the effect of the above are fully set out in the directors' report.

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of the Company and of the Group at June 30 1998 and the results of their operations and cash flows for the year then ended in accordance with generally accepted accounting practice, and in the manner required by the Companies Act.

KPMG.

KPMG

Registered Accountants and Auditors

Chartered Accountants (SA)

August 14 1998

Johannesburg



NATURE OF BUSINESS

The Company is an investment holding company. Details of the Group activities are included in the review of operations.

RESULTS OF OPERATIONS

The results of operations are dealt with in the statements of income.

US\$136 million was raised during April 1998, through the issue of shares, for the purpose of funding a potential offshore acquisition. The Group was however not successful in regard to the acquisition and the funds were retained offshore to ensure the Group has financial resources available to fund future offshore acquisitions. The Rand subsequently weakened significantly and at year end a foreign exchange gain of R112 million had arisen on the Group's offshore US\$ holdings. This gain has not been recognised in the results of the Group for the year, as is required in terms of generally accepted accounting practice and the Group's accounting policy, due to the uncertainty relating to the volatile Rand/US\$ exchange rate. The accounting treatment of this gain will be reconsidered, once stability returns to the foreign exchange market.

Had the foreign exchange gain of R112 million been accounted for, the headline earnings per share for the year would have amounted to 233,6 cents.

SUBSEQUENT EVENT

The Group has acquired a significant interest in Safmarine and Rennies Holdings Limited subsequent to the financial year end.

SHARE CAPITAL

The Company increased its authorised share capital during the year to R18 000 000 by the creation of an additional 110 000 000 ordinary shares of 5 cents each, to facilitate future expansion of the Group.

During the year the Company issued:

- 41 983 958 ordinary shares of 5 cents each at a premium of R1,75 per share arising on the election of the Company to convert all outstanding compulsorily convertible debentures on a one for one basis into ordinary shares;
- 380 952 ordinary shares of 5 cents each at a premium of R31,45 per share for the acquisition of the Boston Laundry and Dry Cleaners business;
- 100 000 ordinary shares of 5 cents each at a premium of R29,95 per share for the acquisition of the Catering Appliances and Refrigeration Services business;

- 134 048 ordinary shares of 5 cents each at a premium of R37,25 per share for the acquisition of the Contract Stationers and Media Supplies businesses;
- 733 903 ordinary shares of 5 cents each at premiums of between R1,75 and R30,95 per share in terms of The Bidvest Incentive Trust;
- 13 643 000 ordinary shares of 5 cents each at a premium of R49,95 for cash in respect of an offshore placement;
- 2 308 848 ordinary shares of 5 cents each at par pursuant to the issue of capitalisation shares to shareholders on the basis of 1,0 new share per 100 shares held.

In addition the following share issue subsequent to the year end has been accounted for in the annual financial statements:

- 2 223 857 ordinary shares of 5 cents each at par pursuant to the issue of capitalisation shares to shareholders on the basis of 0,9 new shares per 100 shares held.

DIVIDENDS AND CAPITALISATION ISSUES

A capitalisation issue of shares in lieu of an interim dividend was awarded to shareholders in February 1998 in the ratio of 1,0 new share per 100 shares held being equivalent to 47,0 cents per share based on the market value on the date of award (1997 – 33,75 cents per share).

A final cash dividend of 11,5 (1997 – nil) cents per share has been declared and a capitalisation issue of shares has been awarded in the ratio of 0,9 new shares per 100 shares held being equivalent to 42,8 (1997 – 37,1) cents per share to members registered in the books of the Company at the close of business on September 4 1998.

DIRECTORATE

The names of the directors in office appear on page 8 of this report. The following changes during the year under review were recorded:

- the appointment of Messrs A M Griffith and P D Womersley on August 14 1998;
- the passing away of Mr J P Desilla on May 31 1998.

The aggregate direct and indirect interest of the directors in the share capital of the Company at June 30 1998 was as follows:

	1998	1997
Beneficial	8 235 196	8 616 860
Non-beneficial	7 241 402	7 987 341
Options	4 441 348	2 549 065

The following directors were directly or indirectly interested in excess of 1% of the Company's share capital at June 30, 1998:

	1998	1997
Beneficial		
B Joffe	41 019	227 345
T H Reitman	2 724 300	3 157 948
Non-beneficial		
B Joffe	4 016 047	4 620 284
E Ellerine	2 646 489	2 876 873

The Company has not been informed of any material changes in these holdings since June 30 1998 to the date of this report.

INCENTIVE TRUST

The aggregate interest of directors and staff in the share capital of the Company at June 30 1998 in terms of The Bidvest Incentive Trust was as follows:

	1998	1997
Directors	256 252	164 989
Staff	—	13 218
	<u>256 252</u>	<u>178 207</u>

Options outstanding:

Year of grant	Average option price	Number of options
1991	3,22	325 442
1992	4,05	251 384
1993	8,27	1 727 643
1994	10,51	731 210
1995	17,38	531 973
1996	22,14	1 948 655
1997	28,53	4 157 388
1998	41,57	3 260 750

MOVEMENTS FOR THE YEAR

At beginning of year	10 457 398	7 829 408
Granted	3 260 750	4 077 620
Rights offer	—	392 489
Lapsed	(49 800)	(204 914)
Exercised	(733 903)	(1 637 205)
At end of year	<u>12 934 445</u>	<u>10 457 398</u>

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 below, unless otherwise recommended by the Board.

The options may be exercised by option holders in the scheme at such times as the option holders deem 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 shares at the expiry of three years;
 - 75% of total number of shares at the expiry of four years;
 - 100% of total number of shares 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.

In terms of an ordinary resolution passed by shareholders on August 19 1993, the maximum number of ordinary shares which may be made available by the Company to The Bidvest Incentive Trust may not exceed 10% of the ordinary shares in issue.

SECRETARY

M S Viljoen is the Company secretary. The business and postal addresses of the secretary appear on page 9.

SUBSIDIARIES

Details of the Company's subsidiaries are reflected on pages 57 to 60 of this report.

The attributable interest of the Company in the aggregate after tax income and losses of its subsidiaries for the year was:

	1998	1997
	R000	R000
Profits	430 895	228 866
Losses	(284)	(395)

SPECIAL RESOLUTIONS

During the year special resolutions were passed to change the names of various subsidiaries mainly to facilitate the acquisition of businesses. In addition the capital structures of certain subsidiaries were changed, inter alia, in anticipation of facilitating black empowerment transactions.



The financial statements are prepared on the historical cost basis and incorporate the following accounting policies which are consistent in all material respects with those adopted in the previous year.

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/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.

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.

The retained earnings of associated companies attributable to the Group are transferred to non-distributable reserves.

3. FIXED ASSETS

Fixed assets are reflected at cost to the group company which first acquired them, less accumulated depreciation. Depreciation is provided for over the estimated useful lives of plant, equipment, vehicles and furniture, which vary between 2 and 15 years, or the period of the lease in the case of leasehold improvements.

Land and buildings are considered to be investment properties and are not depreciated. They are revalued at regular intervals not exceeding five years and provision is made to recognise any permanent decline in value.

4. PATENTS, TRADEMARKS AND TRADENAMES

Patents, trademarks and tradenames are reflected at cost and are not depreciated. The carrying value, which is reviewed periodically by the directors and written down where, in their opinion, a permanent decline has occurred, is set off against ordinary shareholders' interest.

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. GOODWILL

Goodwill represents the excess of cost over net assets acquired and is written off against distributable reserves.

7. 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.

8. 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 income tax

purposes in periods different from those during which they are brought to account in the financial statements. No provision is made for deferred tax in respect of allowances claimed for tax purposes on buildings, patents, trademarks and tradenames as these allowances are considered permanent in nature. In determining the liability, account is taken of tax losses.

9. TURNOVER

Turnover comprises net invoiced sales to customers, excluding value added tax and includes gross billings and commissions related to clearing and forwarding transactions.

10. 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 for the buyer.

Revenue from services is recognised when the service is rendered.

11. 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 weighted average rate for the year. Differences arising on translation of independent 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 weighted 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.

12. FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date. Assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date or at forward cover rates where applicable. Translation differences are dealt with in the income statement.

13. RETIREMENT BENEFITS

Contributions to retirement benefit plans are expensed in the year incurred.

14. RESEARCH AND DEVELOPMENT

Research and development expenditure is charged in full against trading profit as and when incurred.

Statements of Income

for the year ended June 30



	Note	GROUP		COMPANY	
		1998 R000	1997 R000	1998 R000	1997 R000
Turnover		7 432 920	5 069 948		
Cost of sales		5 692 983	4 173 846		
Gross income		1 739 937	896 102	1 277	—
Operating expenses		1 238 546	610 572	—	10
Operating income (loss)	1	501 391	285 530	1 277	(10)
Net finance income	2	68 412	22 990	—	—
Dividends from subsidiaries				2 737	15 209
Income before taxation		569 803	308 520	4 014	15 199
Taxation	3	134 708	76 439	—	—
Income after taxation		435 095	232 081	4 014	15 199
Share of retained income of associates		2 496	—		
Attributable to outside shareholders		(3 207)	(3 620)		
Income attributable to ordinary shareholders		434 384	228 461	4 014	15 199
Dividends and capitalisation awards	4	28 643	178	28 643	178
Retained income for the year	11	405 741	228 283	(24 629)	15 021
Headline earnings per share (cents)	5	185,6	132,5		
Dividends per ordinary share (cents)		101,3*	70,8*		

*Includes capitalisation issues at market values.

Cash Flow Statements

for the year ended June 30

	Note	GROUP		COMPANY	
		1998 R000	1997 R000	1998 R000	1997 R000
Cash flow from operating activities		470 623	242 047	2 208	(18 580)
Cash generated (utilised) by operations	6	491 127	297 814	(529)	157
Finance income		83 135	62 313	—	29 155
Finance charges		(14 723)	(39 323)	—	(29 155)
Taxation paid	7	(87 617)	(44 811)	—	—
Dividends from subsidiaries				2 737	15 209
Dividends paid	8	(1 299)	(33 946)	—	(33 946)
Cash effects of investment activities		(483 443)	(1 161 637)	(687 202)	(1 345 280)
Increase in advances to subsidiaries				(644 554)	(1 150 618)
Increase in investment in subsidiaries				(151)	(159 717)
Increase in investment in associates		(47 240)	—	(42 497)	(34 945)
Additions to fixed assets, patents, trademarks and tradenames		(261 878)	(131 880)	—	—
Proceeds on disposal of fixed assets, patents trademarks and tradenames		77 657	22 567	—	—
Acquisition of businesses	9	(251 982)	(1 052 324)	—	—
Cash effects of financing activities		649 083	1 423 270	703 213	1 370 888
Proceeds from share issues					
– Company		778 784	1 401 215	778 784	1 401 215
– Subsidiary		—	52 382	—	—
Proceeds from compulsorily convertible debentures issues		—	14 199	—	14 199
Redemption of compulsorily convertible debentures		(75 571)	(44 526)	(75 571)	(44 526)
Repayment of interest bearing debt		(54 130)	—	—	—
Cash inflow	10	636 263	503 680	18 219	7 028

Balance Sheets

at June 30



	Note	GROUP		COMPANY	
		1998 R000	1997 R000	1998 R000	1997 R000
CAPITAL EMPLOYED					
Ordinary shareholders' interest	11	2 660 920	1 552 358	2 660 920	1 552 358
Compulsorily convertible debentures		—	75 571	—	75 571
Total ordinary shareholders' interest		2 660 920	1 627 929	2 660 920	1 627 929
Outside shareholders' interest		108 712	109 215		
Total shareholders' interest		2 769 632	1 737 144	2 660 920	1 627 929
Deferred taxation		13 646	16 829		
Interest bearing debt	12	60 892	112 527		
		2 844 170	1 866 500	2 660 920	1 627 929
EMPLOYMENT OF CAPITAL					
Fixed assets	13	734 839	600 114	—	—
Interests in subsidiaries	14			2 568 659	1 569 774
Investments	15	87 604	37 676	77 442	34 945
Net current assets		2 021 727	1 228 710	14 819	23 210
Current assets		3 167 728	2 463 299	47 332	28 810
Inventories	16	720 696	642 425	—	—
Accounts receivable	17	964 789	948 474	1 999	1 696
Liquid funds	18	1 482 243	872 400	45 333	27 114
Current liabilities		1 146 001	1 234 589	32 513	5 600
Accounts payable		988 801	1 036 090	4 097	5 600
Vendors for acquisition		2 671	120 103	—	—
Taxation		126 113	78 396	—	—
Shareholders for dividend		28 416	—	28 416	—
		2 844 170	1 866 500	2 660 920	1 627 929

Notes to the Financial Statements

for the year ended June 30

	GROUP		COMPANY	
	1998 R000	1997 R000	1998 R000	1997 R000
1. OPERATING INCOME (LOSS)				
Determined after charging (crediting):				
Auditors' remuneration	5 422	2 659	—	—
Audit fees	5 124	2 618		
Other services	298	41		
Depreciation	120 997	49 065	—	—
Plant and equipment	30 806	17 333		
Office equipment, furniture and fittings	49 374	8 318		
Vehicles	38 934	23 305		
Capitalised leased assets	1 883	109		
Directors' emoluments	8 767	8 873	—	—
Executive directors				
Basic remuneration	5 672	5 321		
Retirement and medical benefits	787	473		
Other benefits	726	481		
Cash incentives	1 341	1 241		
Restraint of trade	75	75		
Loss of office	—	1 161		
Non-executive directors				
Emoluments for other services	166	121		
Dividend income	(1 282)	(14)	(1 277)	—
Listed investments	(5)	(14)	—	—
Associates	(1 277)	—	(1 277)	—
Fees for administrative, managerial and technical services	1 599	2 340	—	—
Foreign exchange gains	(8 297)	(10 792)	—	—
Realised	(2 176)	(10 744)		
Unrealised	(6 121)	(48)		
Johannesburg Stock Exchange fees	98	131	—	—
Operating lease charges				
Land and buildings	50 084	26 106	—	—
Equipment and vehicles	8 586	6 232	—	—
Surplus on disposal of fixed assets	(1 574)	(564)	—	—

Notes to the Financial Statements

for the year ended June 30 (continued)



	GROUP		COMPANY	
	1998	1997	1998	1997
	R000	R000	R000	R000
2. NET FINANCE INCOME				
Charges	(14 723)	(39 323)	—	(29 155)
Compulsorily convertible debentures	—	(29 155)	—	(29 155)
Other	(14 723)	(10 168)	—	—
Income	83 135	62 313	—	29 155
Subsidiaries	—	—	—	29 155
Preference dividends	12 239	9 569	—	—
Other	70 896	52 744	—	—
	<u>68 412</u>	<u>22 990</u>	<u>—</u>	<u>—</u>
3. TAXATION				
South African normal taxation	132 347	75 543	—	—
Current	133 590	73 697	—	—
Deferred	(1 243)	1 846	—	—
Prior year	381	(3 602)	—	—
Current	398	(3 810)	—	—
Deferred	(17)	208	—	—
Foreign taxes	1 980	4 498	—	—
Current	290	4 498	—	—
Deferred	1 690	—	—	—
Total taxation per income statement	<u>134 708</u>	<u>76 439</u>	<u>—</u>	<u>—</u>
48 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	23,6	24,8	—	—
– Dividend and exempt income	1,5	3,9	35,0	35,0
– Patents, trademarks and tradenames	2,7	2,0	—	—
– Foreign tax	2,7	2,8	—	—
– Effect of tax losses	0,2	0,8	—	—
– Income and expenses not taxable or allowed	4,3	0,7	—	—
Rate of South African company tax	<u>35,0</u>	<u>35,0</u>	<u>35,0</u>	<u>35,0</u>
	R000	R000	R000	R000
Unutilised tax losses	<u>1 100</u>	<u>6 600</u>	<u>—</u>	<u>—</u>

	GROUP		COMPANY	
	1998 R000	1997 R000	1998 R000	1997 R000
4. DIVIDENDS AND CAPITALISATION AWARDS				
Dividends paid	28 416	—	28 416	—
Capitalisation awards	227	178	227	178
	<u>28 643</u>	<u>178</u>	<u>28 643</u>	<u>178</u>

5. HEADLINE EARNINGS PER SHARE

The calculation of headline earnings per share is based on income attributable to ordinary shareholders and a weighted average of 234 090 335 shares in issue.

The prior period's headline earnings per share is based on income attributable to ordinary shareholders after adjusting for the after tax effect of debenture interest of R18 951 000 and the weighted average of shares in issue after conversion of the compulsorily convertible debentures of 186 778 866.

No reconciliation between earnings per share and headline earnings per share has been given as the difference is considered insignificant.

6. CASH GENERATED (UTILISED) BY OPERATIONS

Operating income (loss)	501 391	285 530	1 277	(10)
Adjustment for depreciation and other non-cash items	119 423	48 501	—	10
Retained (utilised) to finance working capital	(129 687)	(36 217)	(1 806)	157
Decrease (increase) in inventories	(40 607)	11 912	—	—
Decrease (increase) in accounts receivable	31 824	(69 524)	(303)	(629)
Increase (decrease) in accounts payable	(120 904)	21 395	(1 503)	786
Cash generated (utilised) by operations	<u>491 127</u>	<u>297 814</u>	<u>(529)</u>	<u>157</u>

7. TAXATION PAID

Amount payable at beginning of year	(78 396)	(33 591)		
Per income statement	(134 278)	(74 385)		
Businesses acquired	(688)	(15 956)		
Currency adjustment	(368)	725		
Amount payable at end of year	<u>126 113</u>	<u>78 396</u>		
Amount paid	<u>(87 617)</u>	<u>(44 811)</u>	<u>—</u>	<u>—</u>

Notes to the Financial Statements

for the year ended June 30 (continued)



	GROUP		COMPANY	
	1998 R000	1997 R000	1998 R000	1997 R000
8. DIVIDENDS PAID				
Amount payable at beginning of year	—	(33 946)	—	(33 946)
Per income statement	(28 416)	—	(28 416)	—
Amounts paid to outside shareholders by subsidiary company	(1 299)	—	—	—
Amount payable at end of year	<u>28 416</u>	<u>—</u>	<u>28 416</u>	<u>—</u>
Amount paid	<u>(1 299)</u>	<u>(33 946)</u>	<u>—</u>	<u>(33 946)</u>
9. ACQUISITION OF BUSINESSES				
Interest bearing debt	2 333	62 527	—	—
Fixed assets, patents, trademarks and tradenames	(75 642)	(558 653)	—	—
Investments	—	(34 003)	—	—
Inventories	(34 783)	(374 053)	—	—
Accounts receivable	(43 940)	(387 448)	—	—
Accounts payable	68 165	429 501	—	—
Taxation	(3 333)	11 024	—	—
Bank overdraft	33 956	126 185	—	—
Net book value	<u>(53 244)</u>	<u>(724 920)</u>	<u>—</u>	<u>—</u>
Goodwill	(72 155)	(425 879)	—	—
Outside shareholders' interest	(9 151)	(1 572)	—	—
Total value of acquisitions	<u>(134 550)</u>	<u>(1 152 371)</u>	<u>—</u>	<u>—</u>
Vendors for acquisition at beginning of year	(120 103)	(20 056)	—	—
Vendors for acquisition at end of year	2 671	120 103	—	—
	<u>(251 982)</u>	<u>(1 052 324)</u>	<u>—</u>	<u>—</u>
10. CASH INFLOW				
Balance at beginning of year	(872 400)	(502 264)	(27 114)	(20 086)
Businesses acquired	33 956	126 185	—	—
Currency adjustments	(7 536)	7 359	—	—
Balance at end of year	<u>1 482 243</u>	<u>872 400</u>	<u>45 333</u>	<u>27 114</u>
Net cash inflow	<u>636 263</u>	<u>503 680</u>	<u>18 219</u>	<u>7 028</u>

	GROUP		COMPANY	
	1998 R000	1997 R000	1998 R000	1997 R000
11. ORDINARY SHAREHOLDERS' INTEREST				
<i>Share capital</i>				
Authorised				
360 000 000 (1997: 250 000 000) ordinary shares of 5 cents each	18 000	12 500	18 000	12 500
Issued				
249 319 109 (1997: 187 810 543) ordinary shares of 5 cents each	12 466	9 391	12 466	9 391
<i>Share premium</i>	2 909 199	2 133 263	2 909 199	2 133 263
At beginning of year	2 133 263	722 530	2 133 263	722 530
Arising on share issues	579 489	1 355 828	579 489	1 355 828
Arising on conversion of compulsorily convertible debentures	202 468	43 289	202 468	43 289
Arising on issue of compulsorily convertible debentures	—	12 878	—	12 878
Share issue expenses	(6 021)	(1 262)	(6 021)	(1 262)
<i>Non-distributable reserves</i>	19 931	8 198	—	—
Foreign currency translation reserve	16 807	8 198	—	—
Share of retained income of associates	3 124	—	—	—
<i>Distributable reserve</i>	177 670	(152 792)	15 370	39 999
At beginning of year	(152 792)	37 813	39 999	17 987
Income for year	405 741	228 283	(24 629)	15 021
Transfer from/(to) non-distributable reserve	(3 124)	6 991	—	6 991
Goodwill written off	(72 155)	(425 879)	—	—
	3 119 266	1 998 060	2 937 035	2 182 653
Patents, trademarks and tradenames	(458 346)	(445,702)	—	—
Amount set off interests in subsidiaries (note 14)			(276 115)	(630 295)
	2 660 920	1 552 358	2 660 920	1 552 358

The unissued shares are under the control of the directors until the next annual general meeting.

Notes to the Financial Statements

for the year ended June 30 (continued)



	GROUP		COMPANY	
	1998	1997	1998	1997
	R000	R000	R000	R000
12. INTEREST BEARING DEBT				
Secured				
Capitalised finance lease obligations	—	53 027	—	—
Loan bearing interest at 19,1% p.a. repayable on March 11 2003, secured by a mortgage bond over land and buildings with a net book value of R4 100 000 (1997: R4 100 000) (refer note 13)	5 500	5 500	—	—
Loan bearing interest at 18% p.a., repayable on November 29 2006, secured by mortgage bond over land and buildings with a net book value of R3 829 000 (1997: R3 785 000) (refer note 13)	4 000	4 000	—	—
Loan bearing interest at 10,25% p.a., repayable in monthly instalments over the next 83 months, secured by mortgage bond over land and buildings with a net book value of R2 240 000 (1997: Nil) (refer note 13)	1 392	—	—	—
Unsecured				
Loan bearing interest at 16,5% p.a., date of repayment has not yet been determined	25 000	25 000	—	—
Loan bearing interest at the higher of 16% p.a. or 105% of the prime overdraft rate repayable on August 31 1999	25 000	25 000	—	—
	<u>60 892</u>	<u>112 527</u>	<u>—</u>	<u>—</u>
13. FIXED ASSETS				
Land and buildings at cost	279 629	218 661		
Plant and equipment	183 164	127 506	—	—
Cost	317 267	231 029		
Accumulated depreciation	(134 103)	(103 523)		
Office equipment, furniture and fittings	166 617	144 460	—	—
Cost	318 706	187 030		
Accumulated depreciation	(152 089)	(42 570)		
Vehicles	105 429	78 759	—	—
Cost	217 833	154 203		
Accumulated depreciation	(112 404)	(75 444)		
Capitalised leased assets	—	30 728	—	—
Cost	—	31 024	—	—
Accumulated depreciation	—	(296)	—	—
	<u>734 839</u>	<u>600 114</u>	<u>—</u>	<u>—</u>

	Land and buildings R000	Plant and equipment R000	Other fixed assets R000	Total R000
13. FIXED ASSETS (continued)				
Movement in fixed assets (Group)				
Net book value at beginning of year	218 661	127 506	253 947	600 114
Additions	67 220	65 842	128 334	261 396
Disposals	(26 220)	(12 230)	(31 313)	(69 763)
Acquisition of businesses	15 158	32 075	9 928	57 161
Depreciation	—	(30 806)	(90 191)	(120 997)
Currency adjustment	4 810	777	1 341	6 928
	<u>279 629</u>	<u>183 164</u>	<u>272 046</u>	<u>734 839</u>

Land and buildings with a net book value of R10 169 000 (1997: R7 885 000) are mortgaged as security for loans of R10 892 000 (1997: R9 500 000) (Refer note 12).

Land and buildings were revalued by the directors on June 30 1998 on the current market basis at R297 600 000.

A register of land and buildings is available for inspection at the registered office of the Company.

	COMPANY	
	1998 R000	1997 R000
14. INTERESTS IN SUBSIDIARIES		
Shares at cost	251 794	251 643
Due by subsidiaries	2 646 456	2 001 661
Due to subsidiaries	(53 476)	(53 235)
	<u>2 844 774</u>	<u>2 200 069</u>
Amount set off against ordinary shareholders' interest (note 11)	(276 115)	(630 295)
	<u>2 568 659</u>	<u>1 569 774</u>

Details of subsidiaries are reflected on page 57 to 60 of this report.

Notes to the Financial Statements

for the year ended June 30 (continued)



	GROUP		COMPANY	
	1998	1997	1998	1997
	R000	R000	R000	R000
15. INVESTMENTS				
Listed				
Associates – shares at cost	41 646	31 538	41 646	31 538
Unlisted				
Associates – shares at cost	35 865	3 471	35 796	3 407
– net advances	7 128	–	–	–
Fishing quota licences	469	2 667	–	–
	<u>85 108</u>	<u>37 676</u>	<u>77 442</u>	<u>34 945</u>
Attributable share of post-acquisition retained earnings of associates	2 496	–		
For the current year	3 124	–		
Provision against amounts advanced	(628)	–		
	<u>87 604</u>	<u>37 676</u>	<u>77 442</u>	<u>34 945</u>
Market value of listed investments	44 500	32 500	44 500	32 500
Directors' value of unlisted investments	43 100	6 300	35 800	3 500
	<u>87 600</u>	<u>38 800</u>	<u>80 300</u>	<u>36 000</u>
Summarised financial information of associates (aggregated)				
Income statements				
Turnover	443 732	–		
Operating income before interest	36 040	–		
Net interest	(13 551)	–		
Net income before taxation	22 489	–		
Taxation	(7 511)	–		
Net income after taxation	<u>14 978</u>	–		
Balance sheets				
Shareholders' funds	128 283	72 310		
Deferred taxation	6 748	3 585		
Interest bearing debt	69 892	42 532		
Total funds employed	<u>204 923</u>	<u>118 427</u>		
Fixed assets	159 068	76 367		
Investments	1 682	–		
Net current assets	44 173	42 060		
Net assets	<u>204 923</u>	<u>118 427</u>		

Details of associates are reflected on page 60 of this report.

	GROUP		COMPANY	
	1998 R000	1997 R000	1998 R000	1997 R000
16. INVENTORIES				
Raw materials	86 959	90 424		
Work in progress	17 413	21 083		
Finished goods	594 085	508 662		
Circulating stock	22 239	22 256		
	<u>720 696</u>	<u>642 425</u>	<u>—</u>	<u>—</u>

17. ACCOUNTS RECEIVABLE

Includes:

Amount due by The Bidvest Incentive Trust	<u>1 999</u>	<u>1 696</u>	<u>1 999</u>	<u>1 696</u>
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The incentive trust finances the purchase, by employees of the Group, of ordinary shares in the Company. The loans are secured by the pledge of the shares purchased in terms of the trust.

18. LIQUID FUNDS

Variable rate redeemable cumulative preference shares	95 000	95 000	—	—
Cash at bank	<u>1 387 243</u>	<u>777 400</u>	<u>45 333</u>	<u>27 114</u>
	<u>1 482 243</u>	<u>872 400</u>	<u>45 333</u>	<u>27 114</u>

19. CONTINGENT LIABILITIES

In respect of guarantees of banking and other facilities granted to subsidiaries

644 000 398 000

Of which has been utilised

50 000 50 000

20. COMMITMENTS

Capital expenditure approved by directors:

Contracted for	26 119	14 737		
Proposed, not contracted for	<u>40 594</u>	<u>43 086</u>		
	<u>66 713</u>	<u>57 823</u>	<u>—</u>	<u>—</u>

It is anticipated that capital expenditure will be financed out of existing cash resources or retained earnings.

Notes to the Financial Statements

for the year ended June 30 (continued)



	GROUP		COMPANY	
	1998 R000	1997 R000	1998 R000	1997 R000
21. OPERATING LEASE COMMITMENTS				
Property	206 548	210 700		
Due within one year	44 390	41 922		
Due thereafter	162 158	168 778		
Plant, equipment and vehicles	19 182	9 453		
Due within one year	10 244	4 752		
Due thereafter	8 938	4 701		
	<u>225 730</u>	<u>220 153</u>	<u>—</u>	<u>—</u>

22. RETIREMENT BENEFITS

The Group provides retirement benefits for all its permanent employees through a defined benefit pension scheme, the Bidcorp Pension Fund, defined contribution schemes, the Bidcorp Provident Fund, the Waltons Retirement Fund and the Silveray Retirement Fund, or the appropriate industry pension funds. These funds are administered independently of the Group and are subject to the Pension Funds Act.

The Bidcorp Pension Fund is actuarially valued every three years and Company contributions, which are charged against income, reassessed based on the results of these valuations. The Fund was last valued as at July 1 1996 and found to be in a sound financial position by an independent actuary.

The Group's contribution to retirement funds during the year were as follows:

Pension funds	7 909	3 063		
Provident funds	12 930	14 792		
	<u>20 639</u>	<u>17 855</u>	<u>—</u>	<u>—</u>

The Group has no obligations for post-retirement medical benefits which have not been provided for.

23. BORROWING POWERS

Borrowing powers, in terms of the articles of association, are unlimited.

Interest in Subsidiaries and Associates

	Issued ordinary capital R000	Effective holdings		Company's interests			
		1998 %	1997 %	Shares		Indebtedness	
				1998 R000	1997 R000	1998 R000	1997 R000
SUBSIDIARIES							
Catering supplies, food and allied products							
BMR Foods (Pty) Limited#	*	100	100	—	—	—	—
Bidvest Australia Limited†	121 791	54	51	—	—	—	—
Burleigh Marr Distributions (Pty) Limited†	27	54	51	—	—	—	—
Carzen (Pty) Limited†	*	54	51	—	—	—	—
Catering Appliances and Refrigeration Services (Pty) Limited#	*	100	—	—	—	—	—
Cater Plus (Pty) Limited#	*	100	100	—	—	—	—
Cater Plus (Pty) Limited†	*	54	51	—	—	—	—
Catersales (Pty) Limited#	*	100	100	—	—	—	—
Chipkins Bakery Supplies (Namibia) (Pty) Limited°	*	100	100	—	—	—	—
Chipkins Bakery Supplies (Pty) Limited#	*	100	100	—	—	—	—
Chipkins Catering Supplies (Pty) Limited#	*	100	100	—	—	—	—
Coinpak (Pty) Limited	18 853	100	100	—	—	(70)	(70)
Colfoods (Pty) Limited#	*	100	—	—	—	—	—
Combined Foods (Pty) Limited#	*	100	100	—	—	—	—
Combined Spice (Pty) Limited	200	100	100	—	—	—	—
Crown Mills (Ciskei) (Pty) Limited	*	100	100	—	—	(1 275)	(1 275)
Crown National (Namibia) (Pty) Limited°	*	100	100	—	—	—	—
Crown National (Pty) Limited#	10	100	100	10	10	(10)	(10)
D & R Lowe Catering Supplies (Pty) Limited#	*	100	100	—	—	(324)	(324)
Dennis Lowen (Pty) Limited	*	100	100	15	15	(1 742)	(1 742)
Felans Fisheries (Pty) Limited†	27	54	51	—	—	—	—
First Food Distributors (Pty) Limited#	*	100	—	—	—	—	—
Food Service Concepts (Pty) Limited#	*	100	100	—	—	—	—
Frigfreeze (Pty) Limited†	2 502	54	51	—	—	—	—
Gold Crest Foods (Pty) Limited#	*	100	100	—	—	—	—
La Chef Manufacturing (Pty) Limited#	*	100	—	—	—	—	—
Lou's Wholesalers (Pty) Limited#	*	100	100	—	—	—	—
Lusitania Sea Products (OFS) (Pty) Limited	2	100	100	17	17	(1 761)	(1 761)
Manettas Limited†	*	54	—	—	—	—	—
Mannic Wholesalers (Pty) Limited#	*	100	100	—	—	—	—
Marjo Holdings (Pty) Limited#	*	100	—	—	—	—	—
Modern Packaging (Benoni) (Pty) Limited#	*	100	—	—	—	—	—
National Spice Works (Pty) Limited	*	100	100	140	140	(140)	(140)
NCP Yeast (Pty) Limited#	*	100	100	—	—	—	—
Nelpack (Pty) Limited#	*	100	—	—	—	—	—
N Stephenson (Pty) Limited†	*	54	—	—	—	—	—
P Manettas & Co Technical (Pty) Limited†	*	54	51	—	—	—	—
P Manettas Holdings (Pty) Limited†	10 607	54	51	—	—	—	—
Patleys (Pty) Limited#	*	100	100	—	—	—	—
Pyramid Catering Supplies (Pty) Limited#	*	100	100	—	—	—	—
Pymont Cold Stores (Pty) Limited†	*	54	—	—	—	—	—
Pymont Management Services (Pty) Limited†	*	54	—	—	—	—	—
RFS Catering Supplies (Pty) Limited#	*	100	100	—	—	—	—
RM Smith & Son (Pty) Limited†	*	54	51	—	—	—	—
Seaworld Frozen Foods (Pty) Limited#	*	100	100	—	—	3 005	3 254
United Imports & Exports Co. (Pty) Limited†	3	54	51	—	—	—	—
Vulcan Food Service Equipment (Pty) Limited#	20	100	100	20	20	(20)	(20)
Vulcan President (Pty) Limited#	*	100	100	—	—	—	—
Walter A Chipkin (Pty) Limited	*	100	100	—	—	462	462
Watson & Son (Pty) Limited†	272	54	51	—	—	—	—

Interest in Subsidiaries and Associates

(continued)



	Issued ordinary capital R000	Effective holdings		Company's interests			
				Shares		Indebtedness	
		1998 %	1997 %	1998 R000	1997 R000	1998 R000	1997 R000
SUBSIDIARIES (continued)							
Linen rental, laundry and cleaning services							
Bidserv (Pty) Limited #	*	100	100	—	—	—	—
Boston Laundry and Dry Cleaners (Pty) Limited #	*	100	100	—	—	—	—
Clockwork Clothing (Pty) Limited	*	100	100	—	—	—	—
Execu-Clean (Pty) Limited #	*	100	—	—	—	—	—
First Garment Rental (Pty) Limited #	*	100	100	—	—	—	—
Giant Workwear (Pty) Limited #	3	100	100	3	3	(3)	(3)
Hebco Waterproofing (Pty) Limited #	*	100	—	—	—	—	—
Hi-Tech Cleaning Services (Pty) Limited (incorporated in Botswana)	152	100	—	—	—	—	—
Jikelele Cleaning Services (Pty) Limited	*	100	100	—	—	—	—
Phadimo Services (Pty) Limited	*	100	100	—	—	—	—
Prestige Automated Timekeeping (Pty) Limited #	*	100	100	—	—	—	—
Prestige Cleaning Services (Pty) Limited #	*	100	100	—	—	—	—
Prestige Overall Hire (Pty) Limited	*	100	100	—	—	—	—
QMS Consulting (Pty) Limited #	*	100	—	—	—	—	—
Regent Pro-Serve Cleaning (Pty) Limited #	*	100	100	—	—	—	—
Sanitary Hygiene Equipment (Pty) Limited	*	100	100	—	—	—	—
Setsebi Cleaning Services (Pty) Limited	*	100	100	—	—	—	—
Sneller Dienste (Pty) Limited #	4	100	100	4	4	—	—
Steiner Hygiene (Pty) Limited #	*	100	100	—	—	—	—
Steiner Services (Ciskei) (Pty) Limited	*	100	100	—	—	—	—
Steiner Services (Pty) Limited #	*	100	100	—	—	—	—
Steiner Trading (Pty) Limited #	*	100	100	—	—	—	—
Towelmaster Services (Pty) Limited	4	100	100	4	4	(4)	(4)
Validtrade 69 (Pty) Limited	*	100	—	—	—	—	—
Packaging closures, fastening systems and stationery products							
African Commerce Developing Company (Pty) Limited #	152	100	100	—	—	—	—
Bidpac (Pty) Limited #	*	100	100	—	—	—	—
Buffalo Tapes (Pty) Limited #	*	100	100	—	—	—	—
Contact Labels (Pty) Limited ^o	*	90	51	218	67	(152)	—
G E Hudson (Pty) Limited #	*	100	100	—	—	—	—
Globe Stationery Manufacturers (Pty) Limited #	*	100	100	—	—	—	—
Henry C Stephens (Pty) Limited	60	100	100	—	—	—	—
Hi-Maur Labelling Systems (Pty) Limited #	*	100	100	—	—	—	—
Jonrod Manufacturing (Pty) Limited #	*	100	100	—	—	—	—
King-Pac Materials (Pty) Limited #	*	100	100	—	—	—	—
Markwell (Africa) (Pty) Limited	2	100	100	2	2	(2)	(2)
Ozalid SA (Pty) Limited #	*	100	100	—	—	—	—
Roll-a-Pak (Pty) Limited #	*	100	100	—	—	—	—
Silveray Files (Pty) Limited	*	100	100	—	—	—	—
Silveray Stationery (Cape) (Pty) Limited	1	100	100	—	—	—	—
Silveray Stationery (Natal) (Pty) Limited	1	100	100	—	—	—	—
Silveray Stationery (Transvaal) (Pty) Limited	49	100	100	—	—	—	—
Silveray Stationery Company (Pty) Limited	11	100	100	105 545	105 545	—	—
Silveray Manufacturers (Pty) Limited	58	100	100	—	—	—	—
Tension Envelope (Pty) Limited	*	100	100	—	—	—	—
Ti-Strap (Pty) Limited	1	100	100	1	1	(1)	(1)
Whiteboard (Pty) Limited #	*	100	100	—	—	—	—

	Issued ordinary capital R000	Effective holdings		Company's interests			
		1998 %	1997 %	Shares		Indebtedness	
				1998 R000	1997 R000	1998 R000	1997 R000
SUBSIDIARIES (continued)							
Freight forwarding, clearing, distribution warehousing and allied activities							
African Shipping Limited	8 500	100	100	8 997	8 997	—	—
Alex Cartage (Pty) Limited	4	100	100	4	4	—	—
Bidfreight (Pty) Limited #	*	100	100	—	—	—	—
Combine Cargo (Pty) Limited	510	100	100	510	510	—	—
Inter City Express (Pty) Limited	*	100	100	—	—	—	—
Oceanair Freight (Pty) Limited	*	100	100	—	—	—	—
Safcon (Pty) Limited #	*	100	100	—	—	—	—
Safcor Aircargo (Pty) Limited	4	100	100	4	4	—	—
Safcor Forwarding (Johannesburg) (Pty) Limited	2	100	100	2	2	—	—
Safcor Freight (Pty) Limited	*	100	100	6 181	6 181	—	—
Safcor Freight Projects (Pty) Limited	*	100	100	—	—	—	—
Safcor Hutton Forwarding (Pty) Limited	16	100	100	16	16	—	—
Safcor Logistics (Pty) Limited #	*	100	—	—	—	—	—
South African Domestic Freight (Pty) Limited	*	100	100	—	—	—	—
South African Freight Corporation (Pty) Limited	10	100	100	10	10	—	—
Swazi Freight Corporation (Pty) Limited (incorporated in Swaziland)	*	100	100	—	—	—	—
Office furniture, supplies and related products							
Atomic Office Equipment (Pty) Limited #	*	100	100	—	—	—	—
Back-To-School (Pty) Limited #	36	100	100	36	36	(36)	—
Bidoffice (Pty) Limited	*	100	100	—	—	—	—
Businessland (Pty) Limited #	*	100	100	—	—	—	—
Cecil Nurse (Pty) Limited #	*	100	100	—	—	(149)	(149)
Cecil Nurse Office Centre (Pty) Limited #	*	100	100	—	—	—	—
Central Office Furnishers (Pty) Limited #	*	100	100	—	—	—	—
Contract Office Products (Pty) Limited #	*	100	—	—	—	—	—
Dauphin Office Seating SA (Pty) Limited	*	71	71	1 329	1 326	—	—
Gala Stationery (Pty) Limited #	40	100	100	40	40	—	—
Hortors Stationery (Pty) Limited #	*	100	100	—	—	—	—
International Systems 1998 (Pty) Limited #	*	100	100	—	—	—	—
Kolok (Pty) Limited #	*	100	100	—	—	—	—
Kolok Africa (Pty) Limited #	*	100	100	—	—	—	—
Krost Office Furniture (Pty) Limited #	*	100	100	—	—	—	—
Minolco (Namibia) (Pty) Limited °	*	100	100	—	—	—	—
Minolco (Pty) Limited #	*	100	100	—	—	—	—
Nuclear Corporate Furniture (Pty) Limited #	*	100	100	—	—	—	—
Office Mart (Pty) Limited #	*	100	100	—	—	—	—
Palladium Stationers (Pty) Limited#	*	100	100	—	—	—	—
Parcel Force (Pty) Limited #	*	100	100	—	—	—	—
Quantum (Pty) Limited (incorporated in Botswana)	4	100	—	—	—	—	—
Seating (Pty) Limited #	*	100	100	—	—	—	—
Sigmagraphics (Pty) Limited #	2	100	100	2	2	(2)	(2)
South African Diaries (Pty) Limited #	*	100	100	—	—	—	—
Statmark (Pty) Limited #	*	100	100	—	—	—	—
Table and Chair Company Limited (incorporated in United Kingdom)	8	50	—	—	—	—	—
Waltons Paper Supplies (Pty) Limited #	*	100	100	—	—	—	—
Waltons Stationery Company (Namibia) (Pty) Limited°	*	100	100	—	—	—	—
Waltons Stationery Company (Pty) Limited #	31	100	100	31	31	—	—

Interest in Subsidiaries and Associates

(continued)



	Issued ordinary capital R000	Effective holdings		Company's interests			
				Shares		Indebtedness	
		1998 %	1997 %	1998 R000	1997 R000	1998 R000	1997 R000
SUBSIDIARIES (continued)							
Group services, investment and property companies							
Afcom Group Limited	343	100	100	65 832	65 832	29 982	29 982
BB Investment Company (Pty) Limited #	*	100	100	—	—	—	—
Bedford Park Industrial Estate (Pty) Limited	*	100	100	—	—	—	—
Bid Africa (Pty) Limited #	*	100	—	—	—	—	—
Bidcorp Investments (Pty) Limited	*	100	100	—	—	—	—
Bid Corporate Services (Pty) Limited #	*	100	100	—	—	52	52
Bid Financial Services (Pty) Limited #	*	100	100	—	—	—	—
Bid Industrial Holdings (Pty) Limited	*	100	100	—	—	1 591 447	1 650 196
Bid Property Holdings (Pty) Limited	*	100	100	—	—	—	—
Bidsub (Pty) Limited	40	100	100	40	40	(3 273)	(3 273)
Bidcorp Australia Limited†	*	100	100	—	—	—	—
Bidvest Ciskei (Pty) Limited	*	100	100	—	—	—	—
Bidvest International Limited (incorporated in Ireland) – managed by Maitland Services Limited – Isle of Man	7	100	100	7	7	—	—
Caja Investments (Pty) Limited	1	98	98	1	1	9 999	9 708
Centon Properties (Pty) Limited	2	100	100	3 945	3 945	—	—
Chicre Investments (Pty) Limited	1	98	98	1	1	9 999	9 708
Crown Food Holdings Limited	732	100	100	44 048	44 048	(44 065)	(44 065)
Electronic Trading Services (Pty) Limited #	*	100	100	—	—	—	—
First Edition (Pty) Limited #	*	100	100	—	—	—	—
Khaya-Kwazi (Pty) Limited	*	100	100	—	—	—	—
Kwazi Villa (Pty) Limited	*	100	100	—	—	—	—
MA Products (Pty) Limited	426	100	100	365	365	(394)	(394)
Metropolitan Laundry (Property) Share Block (Pty) Limited	*	100	100	3 636	3 636	1 560	1 560
Pencil Park (Pty) Limited	*	100	100	—	—	—	—
Pirie Appleton & Co Africa (Pty) Limited	185	100	100	1 886	1 886	—	—
Primeinvest 5 (Pty) Limited	*	100	100	—	—	998 896	295 684
Prominent Investments (Pty) Limited	*	100	100	—	—	1 055	1 055
Safcor House (Pty) Limited	50	100	100	50	50	(50)	—
Silveray Properties (Pty) Limited	*	100	100	8 833	8 833	—	—
Tavis Properties (Pty) Limited	4	100	100	—	—	—	—
The Stationery Centre (Pty) Limited	*	100	100	—	—	—	—
Walter A Chipkin (Natal) (Pty) Limited	10	100	100	—	—	—	—
Waltons Properties (Namibia) (Pty) Limited*	1	100	100	1	1	—	—
Aggregate amounts below R1 000				8	11	(4)	—
Totals (Note 14)				251 794	251 643	2 592 980	1 948 426
ASSOCIATES							
Budget Desks & Chairs (Pty) Limited	*	50	50	1 828	1 823	—	—
Carlfri Investments (Pty) Limited	*	50	50	—	—	—	—
Lithotech Limited (financial year-end February 28)	394	23	19	41 646	31 538	—	—
Matlafatso Stationery Suppliers (Pty) Limited	*	49	49	—	—	—	—
Offurn Clearance House (Pty) Limited	1	50	50	1 588	1 584	—	—
Yeastpro (Pty) Limited (financial year-end April 30)	100	25	—	32 380	—	—	—
Sydney Fish Markets Tenants and Merchants (Pty) Limited†	*	13	13	—	—	—	—
Totals (Note 15)				77 442	34 945	—	—

*Less than R1 000

#Trading as agent

†Incorporated in Australia

*Incorporated in Namibia

Notice to Shareholders

Notice is hereby given that the 52nd annual general meeting of members of The Bidvest Group Limited will be held at Milner Place, Sunnyside Office Park, Parktown at 9:00 on November 12 1998 for the following purposes:

1. To receive and adopt the audited financial statements for the year ended June 30 1998.
2. To approve the directors' remuneration for the year ended June 30 1998.
3. To confirm the reappointment of the auditors.
4. To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

Special Resolution Number One

"That a new Article 48.3 be inserted in the Articles of Association of the Company reading as follows:

48.3 directors may participate in a meeting of the directors or any committee of directors by means of telephonic or similar communications whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting. The location of such a telephonic meeting shall be deemed to be the place at which the Chairman of the meeting was located at the time of the meeting;

The reason for and effect of this resolution is to enhance the ability for every director or any committee of directors to participate in and vote at meetings in which they would otherwise be unable to participate in.

5. To consider and, if approved, to pass, with or without modification, the following ordinary resolutions:

Ordinary Resolution Number One

"Resolved that, subject to the provisions of the Companies Act, 1973, as amended and the rules and regulations of the Johannesburg Stock Exchange, 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."

Ordinary Resolution Number Two

"That subject to the passing of Ordinary Resolution Number One and in terms of the requirements of the Johannesburg Stock Exchange, 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, 5 per cent or more of the number of shares in issue prior to the issue/s;

Notice to Shareholders

(continued)



- that issues in the aggregate in any one year shall not exceed 10 per cent of the number of shares of the Company's issued ordinary share capital, provided further that such issues shall not in aggregate in any three-year period exceed 15 per cent 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 10 per cent of the weighted average traded price of the shares over the 30 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 30 day period a ruling will be obtained from the Committee of the Johannesburg Stock Exchange."
- As more than 35 per cent of the Company's issued share capital is in the hands of the public, as defined by the Johannesburg Stock Exchange, the approval of 75 per cent majority of the votes cast by shareholders present or represented by proxy at the meeting is required for Ordinary Resolution Number Two to become effective.
6. To re-elect by a single resolution or otherwise, the following directors who retire by rotation or require re-election in accordance with the Articles of Association: Messrs A J Behrmann, M Chipkin, E Ellerine, D Masson, P Nyman, J L Pamensky, C E Watt; and in

terms of Article 55,3 of the Articles of Association, to confirm the appointment of Messers A M Griffith and P D Womersley appointed to the Board since the last annual general meeting.

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.

Proxy forms must be deposited at the registered office of the Company or at Mercantile Registrars Limited, 11 Diagonal Street, Johannesburg, not less than 24 hours before the meeting.

By order of the board

M S Viljoen
Secretary

September 30 1998

Shareholders' Diary

for the year ended June 30

Financial year-end	June 30	
Annual general meeting	November	
Report and accounts		
Interim report for the half-year ending December 31	February	
Preliminary announcement of annual results	August	
Annual report	September	
Dividends	Declaration	Payment
Interim dividend	February	February
Final dividend	August	September

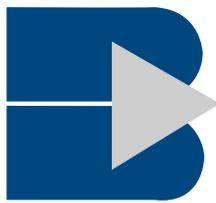
Analysis of Shareholders

	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
Companies	214	4,62	34 625 627	13,89
Nominee companies	134	2,90	192 878 306	77,36
Financial institutions	108	2,33	7 457 831	2,99
Individuals	4 172	90,15	14 357 345	5,76
	4 628	100,00	249 319 109	100,00
1 – 1 000	3 471	75,00	730 556	0,29
1 001 – 5 000	705	15,23	1 423 840	0,57
5 001 – 10 000	142	3,07	957 504	0,38
10 001 – 50 000	180	3,89	3 954 119	1,59
50 001 – 100 000	48	1,04	3 520 983	1,41
Above 100 001	82	1,77	238 732 107	95,76
	4 628	100,00	249 319 109	100,00

Major Shareholders

Shareholders who hold in excess of 5% of the issued share capital per the register of shareholders as at June 30

	1998		1997	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%
Standard Bank Nominees Transvaal (Pty) Limited	56 853 393	22,80	27 925 718	14,87
Old Mutual Nominees (Pty) Limited	23 824 483	9,56	—	—
CMB Nominees (Pty) Limited	22 369 003	8,97	13 443 332	7,16
Eighty One Main Street Nominees (Pty) Limited	21 404 628	8,59	25 377 047	13,51
First National Nominees (Pty) Limited	16 452 751	6,60	10 997 315	5,86
South African Mutual Life Assurance Society	6 460 129	2,59	13 332 723	7,10



BIDVest

THE BIDVEST GROUP LIMITED

(Registration No. 05/21180/06)

FORM OF PROXY

FOR THE 52ND ANNUAL GENERAL MEETING

I/We _____
of _____
being a member/members of The Bidvest Group Limited and entitled to _____ votes,
hereby appoint: _____
of _____
or failing him: _____
of _____
or failing him, 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 November 12 1998 or at any adjournment thereof, as follows:

	For	Against	Abstain
*Resolution 1			
*Resolution 2			
*Resolution 3			
*Resolution 4 –			
*Special resolution number one			
*Resolution 5 –			
*Ordinary resolution number one			
*Ordinary resolution number two			
*Resolution 6			

**Mark with an "X" whichever is applicable. Unless otherwise directed the proxy will vote as he thinks fit.*

Signed at _____ on _____ 1998

Signature(s) _____

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 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 or posted to Mercantile Registrars Limited, 11 Diagonal Street, 2001 Johannesburg (PO Box 1053, 2000 Johannesburg) to reach the Company at least 24 hours before the meeting.