

Financial Statements

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 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 15 1997 and are signed on its behalf by:



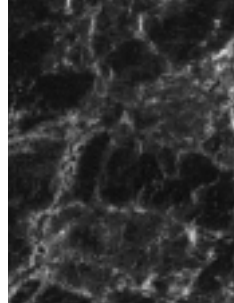
Brian Joffe



Mervyn Chipkin



Report of the Independent Auditors



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To the members of
The Bidvest Group Limited

We have audited the financial statements and Group financial statements set out on pages 40 to 59. These financial statements are the responsibility of the Company's directors. Our responsibility is to report on these financial statements.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the financial statements. The audit included an evaluation of the appropriateness of the accounting policies, an examination, on a test basis, of evidence that supports the amounts and disclosures included in the financial statements, an assessment of the reasonableness of significant estimates and a consideration of the appropriateness of the overall

financial statement presentation. We consider that our auditing procedures were appropriate in the circumstances to enable us to express our opinion presented below.

In our opinion these financial statements fairly present the financial position of the Company and of the Group at June 30 1997, and the results of their operations and cash flow information for the year then ended in conformity with generally accepted accounting practice and in the manner required by the Companies Act.

KPMG

KPMG
Auditors

Johannesburg
August 15 1997

Report of the Directors

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.

Share capital

No changes were made to the authorised share capital during the year.

During the year the Company issued:

- 24 736 824 ordinary shares of 5 cents each at a premium of R1,75 per share arising on the election of certain debenture holders to convert their compulsorily convertible debentures on a 1 for 1 basis into ordinary shares;
- 1 393 905 ordinary shares of 5 cents each at premiums of between R1,75 and R26,95 per share in terms of The Bidvest Incentive Trust;
- 200 000 ordinary shares of 5 cents each at a premium of R24,95 per share for the acquisition of the First Garment Rental business;
- 1 783 046 ordinary shares of 5 cents each at par pursuant to the issue of capitalisation shares to shareholders on the basis of 1,25 shares per 100 shares held;
- 8 874 993 ordinary shares of 5 cents each at a premium of R26,95 in terms of a rights offer made to shareholders and debenture holders;
- 4 000 000 ordinary shares of 5 cents each at a premium of R34,45 for cash.

In addition, the following share issues subsequent to the year end have been accounted for in the annual financial statements as they are considered fundamental to the appreciation of the financial position of the Company and the Group:

- 28 000 000 ordinary shares of 5 cents each at a premium of R34,45 in terms of the Waltons acquisition agreement in August 1997;
- 1 767 410 ordinary shares of 5 cents each at par pursuant to the issue of capitalisation shares to shareholders on the basis of 0,95 shares per 100 shares held, in September 1997.

Compulsorily convertible debentures

During the year the Company issued:

- 243 300 compulsorily convertible debentures of 180 cents each at premiums of between R1,30 and R5,45 in terms of The Bidvest Incentive Trust;
- 490 628 compulsorily convertible debentures of 180 cents each at a premium of R25,20 per debenture, arising out of an offer to debenture holders to utilise part of the debenture interest received for the six months ended June 30 1997 to subscribe for 1,25 new debentures for every 100 debentures held.

All debentures will be converted into ordinary shares on a one-for-one basis on September 26 1997 with effect from July 1 1997 in accordance with the circular issued to debenture holders dated July 31 1997.

Details of the compulsorily convertible debentures in issue are set out in note 12.

Dividends and capitalisation issues

A capitalisation issue of shares in lieu of an interim dividend was awarded to shareholders in February 1997 in the ratio of 1,25 new shares per 100 shares held being equivalent to 33,75 cents per share based on the market value on the date of award (1996 – cash payment at 8,5 cents per share and a capitalisation issue of 0,64 new shares for every 100 held, being the equivalent of 18,6 cents per share based on the market value on the date of the award);

A further capitalisation issue in lieu of the final dividend will be awarded to shareholders in September 1997 in the ratio of 0,95 new shares per 100 shares held, being equivalent to 37,1 cents per share based on the market value on the date of the award (1996 – cash payment of 29,0 cents per share).

Interest on compulsorily convertible debentures

Interest for the period July to December 1996 of 33,2 cents per debenture (1996: 22,1) was paid to debenture holders on December 31 1996.

Interest for the period January to June 1997 of 37,3 cents per debenture (1996: 24,5 cents) was



paid to debenture holders on June 29 1997. Debenture holders were given the right to utilise part of the debenture interest received to subscribe for new debentures at R27,00 per debenture in the ratio of 1,25 new debentures for every 100 debentures held.

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:

- appointment of Ms N J Gcabashe on April 10 1997;
- the appointment of Messrs A J Behrmann, E Ellerine, S Koseff, P F Nhleko and T H Reitman on June 17 1997;
- the appointment of Messrs L I Chimes and F E A Robarts on June 30 1997; and
- the resignation of Mr N P Manettas on June 28 1997.

The aggregate interest of the directors in the capital of the Company at June 30 1997 was as follows:

	1997	1996
Shares		
In issue		
Beneficial:		
– Incentive trust	86 989	240 004
– Other	9 209 458	265 923
Non-beneficial	7 072 499	274 996
Options	1 411 865	2 041 800

Debentures

In issue		
Beneficial:		
– Incentive trust	78 000	—
– Other	500	13 000
Non-beneficial	—	5 200
Options	1 137 200	967 400

The significant increase in the directors' interest in the capital of the Company is as a result of the unbundling of Bid Corporation Limited.

A register of the interests of directors in the capital of the Company is available for inspection at the registered office.

Incentive trust

The aggregate interest of staff in the issued ordinary share capital and compulsorily convertible debentures of the Company at June 30 1997 in terms of The Bidvest Incentive Trust was as follows:

	1997	1996
Shares and debentures in issue:		
Held by The Bidvest Incentive Trust		
– Shares	178 207	355 074
– Debentures	78 000	—

Options outstanding:

– Shares			
Year of grant	Average option price	Number of options	
1991	R1,91	326 180	
1992	R2,84	196 874	
1993	R7,18	1 732 323	
1994	R9,04	857 100	
1995	R16,81	620 000	
1996	R22,53	75 000	
1997	R27,61	554 001	
		4 361 478	

Movements for the year

At beginning of year	5 251 708	6 167 408
Granted	180 000	120 000
Rights offer	392 489	—
Lapsed	(68 814)	(319 721)
Exercised	(1 393 905)	(715 979)
At end of year	4 361 478	5 251 708

– Debentures

Year of grant	Average option price	Number of options
1992	R3,10	197 500
1993	R7,10	204 700
1996	R21,86	1 824 700
1997	R28,44	3 869 020
		6 095 920

Movements for the year

At beginning of year	2 577 700	836 600
Granted	3 897 620	1 970 900
Lapsed	(136 100)	(45 600)
Exercised	(243 300)	(184 200)
At end of year	6 095 920	2 577 700

Report of the Directors

(continued)

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 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.

In terms of an ordinary resolution passed by shareholders on August 19 1993 the maximum number of ordinary shares and/or debentures which may be made available by the Company to The Bidvest Incentive Trust may not exceed 10% of the ordinary shares and debentures 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 59 of this report.

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

	1997	1996
	R000	R000
Profits	228 856	171 751
Losses	(395)	(1 381)
	228 461	170 370

Changes in the Group

During the period under review the Group acquired the businesses of, or the shares in: AG Huggett & Co Townsville, Boston Laundries and Dry Cleaning, Businessland, Catering Appliances and Refrigeration Services, Cater Goods, Cecil Nurse, Coastal Foods, Execu-Clean, Execu-Vaal Cleaners, First Edition, Hi-Maur Labelling Systems, International Systems, King-Pac, Kolok Africa, Kolok, Mannic Wholesalers, Metstrap, Minolco, NCP Yeast, Office Mart, Ozalid SA, Roll-a-Pak Converters, Scholes Foodservice Distributors, Seating, Silveray Stationery Company, Statmark, Sunshine Distributors and Waltons Stationery Company.

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 in anticipation of facilitating black empowerment.



Group Accounting Policies

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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 during the year are included from the effective date of acquisition. Where required, in terms of the fair value assessment of the underlying net assets being acquired, appropriate provisions are established as at the date of 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 have not been transferred to non-distributable reserves as they are immaterial.

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 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 is reviewed periodically by the directors and written down where, in their opinion, a permanent decline has occurred.

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 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 on consolidation.

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 the significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue from services is recognised when the service is rendered.

11. Foreign entities

Financial statements of foreign subsidiaries are translated into South African rand as follows.

- Assets and liabilities at rates of exchange ruling at the Group's financial year end.
- Income, expenditure and cash flow items at the weighted average rates of exchange during the financial year.

Differences arising on translation are reflected in non-distributable reserves.

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.

Statements of Income

for the year ended June 30

	Note	GROUP		COMPANY	
		1997	1996	1997	1996
		R000	R000	R000	R000
Turnover		5 069 948	4 166 682		
Cost of sales		4 173 846	3 444 460		
Gross income		896 102	722 222	—	—
Operating expenses		610 572	502 688	10	2 224
Operating income (loss)	1	285 530	219 534	(10)	(2 224)
Net finance income (charges)	2	22 990	(2 703)	—	—
Dividends from subsidiaries				15 209	56 774
Income before taxation		308 520	216 831	15 199	54 550
Taxation	3	76 439	47 840	—	—
Income after taxation		232 081	168 991	15 199	54 550
Attributable to outside shareholders		(3 620)	1 379		
Net income for the year attributable to ordinary shareholders		228 461	170 370	15 199	54 550
Dividends and capitalisation awards	4	178	43 834	178	43 834
Secondary tax on companies	3	—	1 049	—	—
Retained income for the year	11	228 283	125 487	15 021	10 716
Earnings per ordinary share (cents)					
– diluted	5	132,5	105,8		
– undiluted	5	157,0	149,3		
Dividends per ordinary share (cents)		70,8*	56,1*		

* Includes capitalisation issues at market values.



Cash Flow Statements

for the year ended June 30

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	Note	GROUP		COMPANY	
		1997 R000	1996 R000	1997 R000	1996 R000
Cash flow from operating activities		242 047	194 880	(18 580)	19 698
Cash generated (utilised) by operations	6	297 814	277 035	157	(2 386)
Finance income		62 313	37 784	29 155	30 708
Finance charges		(39 323)	(40 487)	(29 155)	(30 708)
Taxation paid	7	(44 811)	(44 762)	—	—
Dividends received from subsidiaries				15 209	56 774
Dividends paid	8	(33 946)	(34 690)	(33 946)	(34 690)
Cash effects of investment activities		(1 161 637)	(156 735)	(1 345 280)	(137 312)
Increase in advances to subsidiaries				(1 150 618)	(137 249)
Increase in investment in subsidiaries				(159 717)	(63)
Increase in listed investments and associates		—	—	(34 945)	—
Fixed asset additions		(131 880)	(63 116)	—	—
Proceeds on disposal of fixed assets		22 567	5 999	—	—
Acquisition of businesses	9	(1 052 324)	(99 618)	—	—
Cash effects of financing activities		1 423 270	115 094	1 370 888	115 094
Proceeds from share issues					
– Company		1 401 215	115 022	1 401 215	115 022
– Subsidiary		52 382	—		
Proceeds from compulsorily convertible debenture issues		14 199	3 698	14 199	3 698
Redemption of compulsorily convertible debentures		(44 526)	(3 626)	(44 526)	(3 626)
Cash inflow (outflow)	10	503 680	153 239	7 028	(2 520)

Balance Sheets

at June 30

	Note	GROUP		COMPANY	
		1997 R000	1996 R000	1997 R000	1996 R000
Capital employed					
Ordinary shareholders' interest	11	1 998 060	785 400	1 998 060	753 361
Compulsorily convertible debentures	12	75 571	118 776	75 571	118 776
Total ordinary shareholders' interest		2 073 631	904 176	2 073 631	872 137
Outside shareholders' interest		109 215	59 175		
Total shareholders' interest		2 182 846	963 351	2 073 631	872 137
Deferred taxation		16 829	19 132	—	—
Interest bearing debt	13	112 527	50 000	—	—
		2 312 202	1 032 483	2 073 631	872 137
Employment of capital					
Fixed assets	14	1 045 816	427 705	—	—
Interest in subsidiaries	15			2 015 476	889 744
Investments	16	37 676	3 703	34 945	—
Net current assets (liabilities)		1 228 710	601 075	23 210	(17 607)
Current assets		2 463 299	1 274 777	28 810	21 153
Inventories	17	642 425	280 510	—	—
Accounts receivable	18	948 474	492 003	1 696	1 067
Liquid funds	19	872 400	502 264	27 114	20 086
Current liabilities		1 234 589	673 702	5 600	38 760
Accounts payable		1 036 090	586 109	5 600	4 814
Vendors for acquisition		120 103	20 056	—	—
Taxation		78 396	33 591	—	—
Shareholders for dividend		—	33 946	—	33 946
		2 312 202	1 032 483	2 073 631	872 137



Notes to the Financial Statements

for the year ended June 30

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	GROUP		COMPANY	
	1997 R000	1996 R000	1997 R000	1996 R000
1. Operating income (loss)				
Determined after charging (crediting):				
Auditors' remuneration	2 659	2 544	—	—
Audit fees	2 618	2 169		
Other services	41	375		
Depreciation	49 065	40 325	—	—
Plant and equipment	17 333	14 914		
Office equipment, furniture and fittings	8 318	6 399		
Vehicles	23 305	19 012		
Capitalised leased assets	109	—		
Directors' emoluments	8 873	7 694	—	—
Executive directors				
Basic remuneration	5 321	5 106		
Retirement and medical benefits	473	461		
Other benefits	481	553		
Cash incentives	1 241	1 356		
Restraint of trade	75	89		
Loss of office	1 161	—		
Non-executive directors				
Emoluments for other services	121	129		
Dividend income from listed investments	(14)	(500)	—	—
Fees for administrative, managerial and technical services	2 340	937	—	—
Foreign exchange gains	(10 792)	(8 860)	—	—
Johannesburg Stock Exchange fees	131	151	—	—
Operating lease charges				
Land and buildings	26 106	24 298	—	—
Equipment and vehicles	6 232	4 456	—	—
Surplus on disposal of fixed assets	(564)	(59)	—	—
Write down of investment in subsidiaries			10	2 224

Notes to the Financial Statements

for the year ended June 30 (continued)

	GROUP		COMPANY	
	1997 R000	1996 R000	1997 R000	1996 R000
2. Net finance income (charges)				
Charges	(39 323)	(40 487)	(29 155)	(30 708)
Compulsorily convertible debentures	(29 155)	(30 708)	(29 155)	(30 708)
Other	(10 168)	(9 779)	—	—
Income	62 313	37 784	29 155	30 708
Subsidiaries	9 569	8 451	29 155	30 708
Preference dividends	52 744	29 333	—	—
Other	22 990	(2 703)	—	—
3. Taxation				
South African normal taxation	75 543	47 998	—	—
Current	73 697	45 421	—	—
Deferred	1 846	2 577	—	—
Prior year	(3 602)	45	—	—
Current	(3 810)	24	—	—
Deferred	208	21	—	—
Foreign taxes	4 498	(203)	—	—
Per income statement	76 439	47 840	—	—
Secondary tax on companies	—	1 049	—	—
Total taxation	76 439	48 889	—	—
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	24,8	22,1	—	—
– Dividend and exempt income	3,9	5,5	35,0	35,0
– Patents, trademarks and tradenames	2,0	2,6	—	—
– Foreign tax	2,8	4,1	—	—
– Effect of tax losses	0,8	0,5	—	—
– Other	0,7	0,2	—	—
Rate of South African company tax	35,0	35,0	35,0	35,0
	R000	R000	R000	R000
Unutilised tax losses	6 600	15 800	—	—



	GROUP		COMPANY	
	1997	1996	1997	1996
	R000	R000	R000	R000

4. Dividends and capitalisation awards

Dividends paid	—	43 797	—	43 797
Capitalisation awards	178	37	178	37
	178	43 834	178	43 834

5. Earnings per ordinary share

Earnings per ordinary share is calculated as follows:

- Undiluted earnings is based on 145 481 912 (1996: 114 093 796) being the weighted average number of ordinary shares in issue during the year.
- Diluted earnings is based on 186 778 866 (1996: 179 894 808) being the weighted average number of ordinary shares in issue after conversion of the compulsorily convertible debentures.

6. Cash generated (utilised) by operations

Operating income (loss)	285 530	219 534	(10)	(2 224)
Adjustment for depreciation and other non-cash items	48 501	40 266	10	2 224
Retained (utilised) to finance working capital	(36 217)	17 235	157	(2 386)
Decrease (increase) in inventories	11 912	(4 209)	—	—
Decrease (increase) in accounts receivable	(69 524)	7 789	(629)	(120)
Increase (decrease) in accounts payable	21 395	13 655	786	(2 266)
Generated (utilised) by operations	297 814	277 035	157	(2 386)

7. Taxation paid

Amount payable at beginning of year	(33 591)	(32 664)		
Per income statement	(74 385)	(45 242)		
Secondary tax on companies	—	(1 049)		
Businesses acquired	(15 956)	602		
Currency adjustment	725	—		
Amount payable at end of year	78 396	33 591		
Amount paid	(44 811)	(44 762)	—	—

Notes to the Financial Statements

for the year ended June 30 (continued)

	GROUP		COMPANY	
	1997	1996	1997	1996
	R000	R000	R000	R000
8. Dividends paid				
Amount payable at beginning of year	(33 946)	(24 839)	(33 946)	(24 839)
Per income statement	—	(43 797)	—	(43 797)
Amount payable at end of year	—	33 946	—	33 946
Amount paid	(33 946)	(34 690)	(33 946)	(34 690)
9. Acquisition of businesses				
Interest bearing debt	62 527	—		
Fixed assets	(558 653)	(78 897)		
Investments	(34 003)	(2 951)		
Inventories	(374 053)	(55 582)		
Accounts receivable	(387 448)	(64 937)		
Accounts payable	429 501	88 406		
Taxation	11 024	(602)		
Bank overdraft	126 185	206		
Net book value	(724 920)	(114 357)		
Goodwill	(425 879)	(43 478)		
Outside shareholders' interest	(1 572)	48 355		
Total value of acquisitions	(1 152 371)	(109 480)		
Vendors for acquisition at beginning of year	(20 056)	(10 194)		
Vendors for acquisition at end of year	120 103	20 056		
	(1 052 324)	(99 618)		
10. Cash inflow (outflow)				
Balance at beginning of year	(502 264)	(348 192)	(20 086)	(22 606)
Businesses acquired	126 185	206	—	—
Currency adjustments	7 359	(1 039)	—	—
Balance at end of year	872 400	502 264	27 114	20 086
Net cash inflow (outflow)	503 680	153 239	7 028	(2 520)



	GROUP		COMPANY	
	1997 R000	1996 R000	1997 R000	1996 R000
11. Ordinary shareholders' interest				
Share capital				
Authorised				
250 000 000 ordinary shares of 5 cents each	12 500	12 500	12 500	12 500
Issued				
187 810 543 (1996:117 054 365) ordinary shares of 5 cents each	9 391	5 853	9 391	5 853
Share premium	2 133 263	722 530	2 133 263	722 530
At beginning of year	722 530	604 757	722 530	604 757
Arising on share issues	1 355 828	112 312	1 355 828	112 312
Arising on conversion of compulsorily convertible debentures	43 289	3 525	43 289	3 525
Arising on issue of compulsorily convertible debentures	12 878	3 167	12 878	3 167
Share issue expenses	(1 262)	(1 231)	(1 262)	(1 231)
Non-distributable reserves	8 198	19 204	—	6 991
Foreign currency translation reserve	8 198	12 213	—	—
Surplus on disposal of land and buildings	—	6 991	—	6 991
Distributable reserve	(152 792)	37 813	39 999	17 987
At beginning of year	37 813	(44 196)	17 987	7 271
Income for year	228 283	125 487	15 021	10 716
Transfer from non-distributable reserve	6 991	—	6 991	—
Goodwill written off	(425 879)	(43 478)	—	—
	1 998 060	785 400	2 182 653	753 361
Amount set off investment in subsidiaries (note 15)			(184 593)	—
	1 998 060	785 400	1 998 060	753 361
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	
	1997	1996	1997	1996
	R000	R000	R000	R000
12. Compulsorily convertible debentures				
41 983 958 (1996: 65 986 854) unsecured compulsorily convertible debentures of 180 cents each, bearing interest at varying rates, which at no time may be less than the higher of 9% per annum of the par value of each debenture or 40% of the diluted earnings per share.				
All debentures will be converted into ordinary shares on a one-for-one basis on September 26 1997 with effect from July 1 1997 in accordance with the circular issued to debenture holders dated July 31 1997.				
	75 571	118 776	75 571	118 776
13. Interest bearing debt				
Secured				
Capitalised finance lease obligations bearing interest at interest rates of between 16% and 22% repayable in varying instalments over the next 57 months. These liabilities are secured by fixed assets with a net book value of R30 728 503. (Refer note 14.)				
	53 027	—	—	—
Loan bearing interest a 19,1%, repayable on March 11 2003, secured by a mortgage bond over land and buildings with a net book value of R4 100 000. (Refer note 14.)				
	5 500	—	—	—
Loan bearing interest at 19%, repayable on November 29 2006, secured by mortgage bond over land and buildings with a net book value of R3 785 000. (Refer note 14.)				
	4 000	—	—	—
Unsecured				
Loan bearing interest at 16,5%, repayable on seven days notice				
	25 000	25 000	—	—
Loan bearing interest at the higher of 16% or 105% of the prime overdraft rate repayable on August 31 1999				
	25 000	25 000	—	—
	112 527	50 000	—	—



	GROUP		COMPANY	
	1997 R000	1996 R000	1997 R000	1996 R000
14. Fixed assets				
Patents, trademarks and tradenames at cost	445 702	168 772		
Land and buildings at cost	218 661	93 147		
Plant and equipment	127 506	93 551		
Cost	231 029	165 007		
Accumulated depreciation	(103 523)	(71 456)		
Office equipment, furniture and fittings	144 460	17 181		
Cost	187 030	41 110		
Accumulated depreciation	(42 570)	(23 929)		
Vehicles	78 759	55 054		
Cost	154 203	115 122		
Accumulated depreciation	(75 444)	(60 068)		
Capitalised leased assets	30 728	—		
Cost	31 024	—		
Accumulated depreciation	(296)	—		
	1 045 816	427 705	—	—
	Patents, trademarks and tradenames	Land and buildings	Other fixed assets	Total
Movement in fixed assets				
Group				
Net book value at beginning of year	168 772	93 147	165 786	427 705
Additions	34	62 059	69 787	131 880
Disposals	(56)	(8 880)	(13 067)	(22 003)
Acquisition of businesses	276 952	73 533	208 168	558 653
Depreciation	—	—	(49 065)	(49 065)
Currency adjustment	—	(1 198)	(156)	(1 354)
	445 702	218 661	381 453	1 045 816

Notes to the Financial Statements

for the year ended June 30 (continued)

	GROUP		COMPANY	
	1997	1996	1997	1996
	R000	R000	R000	R000

14. Fixed assets *(continued)*

Capitalised leased assets are encumbered by capitalised finance lease obligations of R53 027 000, and land and buildings with a net book value of R7 885 000 are mortgaged as security for loans of R9 500 000. (Refer note 13.)

Land and buildings were revalued by the directors on June 30 1997. 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.

15. Interest in subsidiaries

Shares at cost	289 758		130 051
Due by subsidiaries	1 963 546		812 925
Due to subsidiaries	(53 235)		(53 232)
	2 200 069		889 744
Amount set off against ordinary shareholders' interest (note 11)	(184 593)		—
	2 015 476		889 744

Details of subsidiaries are reflected on page 57 and 59 of this report

16. Investments

Listed

6 502 730 shares (19,2%) in Lithosaver Systems Limited at cost

	31 538	—	31 538	—
--	---------------	---	---------------	---

Unlisted

Associates at cost

	3 471	427	3 407	—
--	--------------	-----	--------------	---

Fishing quota licences

	2 667	3 276	—	—
--	--------------	-------	---	---

	37 676	3 703	34 945	—
--	---------------	-------	---------------	---

Market value of listed investments

	32 500	—	32 500	—
--	---------------	---	---------------	---

Directors' value of unlisted investments

	6 300	3 800	3 500	—
--	--------------	-------	--------------	---

	38 800	3 800	36 000	—
--	---------------	-------	---------------	---

Details of associates are reflected on page 59 of this report



	GROUP		COMPANY	
	1997 R000	1996 R000	1997 R000	1996 R000
17. Inventories				
Raw materials	90 424	33 526		
Work in progress	21 083	4 845		
Finished goods	508 662	220 754		
Circulating stock	22 256	21 385		
	<u>642 425</u>	<u>280 510</u>	<u>—</u>	<u>—</u>
18. Accounts receivable				
Includes:				
Amount due by The Bidvest Incentive Trust	<u>1 696</u>	<u>1 067</u>	<u>1 696</u>	<u>1 067</u>
The incentive trust finances the purchase, by employees of the Group, of ordinary shares and compulsorily convertible debentures in the Company. The loans are secured by the pledge of the shares and debentures purchased in terms of the trust.				
19. Liquid funds				
Variable rate redeemable cumulative preference shares	95 000	62 000	—	—
Cash at bank	777 400	440 264	27 114	20 086
	<u>872 400</u>	<u>502 264</u>	<u>27 114</u>	<u>20 086</u>
20. Contingent liabilities				
In respect of guarantees of banking and other facilities granted to subsidiaries			<u>398 000</u>	<u>330 000</u>
Of which has been utilised			<u>50 000</u>	<u>50 000</u>
21. Commitments				
Capital expenditure approved by directors:				
Contracted for	14 737	22 113		
Proposed, not contracted for	43 086	71 839		
	<u>57 823</u>	<u>93 952</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	
	1997	1996	1997	1996
	R000	R000	R000	R000
22. Operating lease commitments				
Property	210 700	75 051		
Due within one year	41 922	25 969		
Due thereafter	168 778	49 082		
Plant, equipment and vehicles	9 453	5 197		
Due within one year	4 752	2 159		
Due thereafter	4 701	3 038		
	220 153	80 248	—	—

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

24. Borrowing powers

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



Interest in Subsidiaries and Associates

for the year ended June 30

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SEVEN

	Issued ordinary capital R000	Effective holdings		Company's interests			
				Shares		Indebtedness	
		1997 %	1996 %	1997 R000	1996 R000	1997 R000	1996 R000
Subsidiaries							
Catering supplies, food and allied products							
BMR Foods (Pty) Limited #	*	100	100	—	—	—	—
Burleigh Marr Distributions (Pty) Limited†	27	51	50	—	—	—	—
Carzen (Pty) Limited†	*	51	—	—	—	—	—
Cater Plus (Pty) Limited #	*	100	100	—	—	—	—
Cater Plus (Pty) Limited†	*	51	50	—	—	—	—
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)
Combined Foods (Pty) Limited #	*	100	100	—	—	—	—
Crown Foods (Pty) Limited	200	100	100	—	—	—	—
Crown Mills (Ciskei) (Pty) Limited	*	100	100	—	—	(1 275)	(1 275)
Crown National (Pty) Limited #	10	100	100	10	10	(10)	(10)
Crown National (Namibia) (Pty) Limited°	*	100	100	—	—	—	—
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	51	50	—	—	—	—
Food Service Concepts (Pty) Limited #	*	100	100	—	—	—	—
Frigfreeze (Pty) Limited†	2 502	51	50	—	—	—	—
Gold Crest Foods (Pty) Limited #	*	100	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†	121 791	51	50	—	—	—	—
Mannic Wholesalers (Pty) Limited #	*	100	—	—	—	—	—
Marlin Catering Equipment Manufacturers (Pty) Limited #	*	100	100	—	—	—	—
National Spice Works (Pty) Limited	*	100	100	140	140	(140)	(140)
P Manettas & Co Technical (Pty) Limited†	*	51	50	—	—	—	—
P Manettas Holdings (Pty) Limited†	10 607	51	50	—	—	—	—
Patleys (Pty) Limited #	*	100	100	—	—	—	—
Pyramid Catering Supplies (Pty) Limited #	*	100	100	—	—	—	—
RFS Catering Supplies (Pty) Limited #	*	100	100	—	—	—	—
RM Smith & Son (Pty) Limited†	*	51	50	—	—	—	—
Seaworld Frozen Foods (Pty) Limited #	*	100	100	—	—	3 254	3 499
United Imports & Exports Co. (Pty) Limited†	3	51	50	—	—	—	—
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	51	50	—	—	—	—
Linen rental, laundry and cleaning services							
Bidserv (Pty) Limited #	*	100	100	—	—	—	—
Clockwork Clothing (Pty) Limited	*	100	100	—	—	—	—
Giant Workwear (Pty) Limited #	3	100	100	3	3	(3)	(3)
Jikelele Cleaning Services (Pty) Limited	*	100	100	—	—	—	—
Phadimo Services (Pty) Limited	*	100	100	—	—	—	—
Prestige Automated Timekeeping (Pty) Limited #	*	100	—	—	—	—	—
Prestige Cleaning Services (Pty) Limited #	*	100	100	—	—	—	—
Prestige Overall Hire (Pty) Limited	*	100	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)

Interests in Subsidiaries and Associates

for the year ended June 30 (continued)

	Issued ordinary capital R000	Effective holdings		Company's interests			
				Shares		Indebtedness	
		1997 %	1996 %	1997 R000	1996 R000	1997 R000	1996 R000
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	*	51	—	67	—	—	—
G E Hudson (Pty) Limited #	*	100	100	—	—	—	—
Globe Stationery Manufacturers (Pty) Limited #	*	100	—	—	—	—	—
Henry C Stephens (Pty) Limited	60	100	—	—	—	—	—
Hi-Maur Labelling Systems (Pty) Limited #	*	100	—	—	—	—	—
King-Pac Materials (Pty) Limited #	*	100	—	—	—	—	—
Jonrod Manufacturing (Pty) Limited #	*	100	100	—	—	—	—
Markwell (Africa) (Pty) Limited	2	100	100	2	—	(2)	—
Ozalid SA (Pty) Limited #	*	100	—	—	—	—	—
Roll-a-Pak (Pty) Limited #	*	100	—	—	—	—	—
Silveray Files (Pty) Limited	*	100	—	—	—	—	—
Silveray Manufacturers (Pty) Limited	58	100	—	—	—	—	—
Silveray Stationery (Cape) (Pty) Limited	1	100	—	—	—	—	—
Silveray Stationery Company (Pty) Limited	199	100	—	158 325	—	—	—
Silveray Stationery (Natal) (Pty) Limited	1	100	—	—	—	—	—
Silveray Stationery (Transvaal) (Pty) Limited	49	100	—	—	—	—	—
Tension Envelope (Pty) Limited	*	100	—	—	—	—	—
Ti-Strap (Pty) Limited	1	100	100	1	—	(1)	—
Twinlock Manufacturing (Pty) Limited #	*	100	—	—	—	—	—
Whiteboard (Pty) Limited #	*	100	—	—	—	—	—
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	—	—	—	—
Cogo Freight Limited (incorporated in Hong Kong) — managed by Pierson Trust (Asia) Limited	*	100	100	5	5	—	—
Combine Cargo 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	—	—
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	—	—
Businessland (Pty) Limited #	*	100	—	—	—	—	—
Cecil Nurse (Pty) Limited #	*	100	100	—	—	(149)	(149)
Central Office Furniture (Pty) Limited #	*	100	—	—	—	—	—
Challenge Tooling (Pty) Limited #	426	100	100	365	365	(394)	(394)
Dauphin Office Seating SA (Pty) Limited	*	71	—	1 326	—	—	—
First Edition (Pty) Limited #	*	100	100	—	—	—	—
Gala Stationery (Pty) Limited #	40	100	100	40	40	—	—
Hortors Stationery (Pty) Limited #	*	100	100	—	—	—	—
International Office Supplies (Pty) Limited #	*	100	100	—	—	—	—
Kolok (Pty) Limited #	*	100	—	—	—	—	—
Kolok Africa (Pty) Limited #	*	100	—	—	—	—	—



	Issued ordinary capital R000	Effective holdings		Company's interests			
		1997 %	1996 %	Shares		Indebtedness	
				1997 R000	1996 R000	1997 R000	1996 R000
Minolco (Pty) Limited #	*	100	—	—	—	—	—
Minolco (Namibia) (Pty) Limited ^o	*	100	—	—	—	—	—
Nuclear Office Products (Pty) Limited #	*	100	—	—	—	—	—
Office Mart (Pty) Limited #	*	100	—	—	—	—	—
Parcel Force (Pty) Limited #	*	100	—	—	—	—	—
Seating (Pty) Limited #	*	100	100	—	—	—	—
Sigmagraphics (Pty) Limited #	2	100	100	2	2	(2)	(2)
South African Diaries (Pty) Limited #	*	100	—	—	—	—	—
Statmark (Pty) Limited #	*	100	—	—	—	—	—
The Office Shop (Pty) Limited #	*	100	—	—	—	—	—
Palladium Stationers (Pty) Limited #	*	100	100	—	—	—	—
Waltons Stationery Company (Pty) Limited #	31	100	100	31	31	—	—
Waltons Stationery Company (Namibia) (Pty) Limited ^o	*	100	—	—	—	—	—
Group services, investment and property companies							
Afcom Group Limited	343	100	100	65 832	65 832	29 982	29 828
BB Investment Company (Pty) Limited #	*	100	100	—	—	—	—
Bedford Park Industrial Estate (Pty) Limited	*	100	—	—	—	—	—
Bid Corporate Services (Pty) Limited #	*	100	100	—	—	52	52
Bid Financial Services (Pty) Limited #	*	100	100	—	—	—	—
Bid Industrial Holdings (Pty) Limited	*	100	100	—	—	1 612 081	473 210
Bid Property Holdings (Pty) Limited	*	100	100	—	—	—	—
Bidsub (Pty) Limited	40	100	100	40	40	(3 273)	(3 273)
Bidvest Australia Limited†	*	100	100	—	—	—	—
Bidvest Ciskei (Pty) Limited	*	100	100	—	—	—	15 510
Bidvest International Limited (incorporated in Ireland)							
– managed by Stonehage S.A. (Switzerland)	7	100	100	7	13	—	130 850
Caja Investments (Pty) Limited	1	98	—	1	—	9 708	—
Centon Properties (Pty) Limited	2	100	—	—	—	—	—
Chicre Investments (Pty) Limited	1	98	—	1	—	9 708	—
Crown Food Holdings Limited	732	100	100	44 048	44 048	(44 065)	(44 065)
Cuisine Holdings Inc (incorporated in Panama)							
– managed by Moore Stephens (Jersey)	3	100	100	3	3	—	—
Curfin Heriotdale Properties (Pty) Limited	*	100	100	—	—	—	—
Electronic Trading Services (Pty) Limited #	*	100	100	—	—	—	—
Khaya-Kwazi (Pty) Limited	*	100	—	—	—	—	—
Kwazi Villa (Pty) Limited	*	100	—	—	—	—	—
Metropolitan Laundry (Property) Share Block (Pty) Limited	*	100	100	3 636	3 636	1 560	1 560
Pencil Park (Pty) Limited	*	100	—	—	—	—	—
Pirie Appleton & Co Africa (Pty) Limited	185	100	—	—	—	—	—
Primeinvest 5 (Pty) Limited	*	100	100	—	—	295 684	156 899
Prominent Investments (Pty) Limited	*	100	100	—	—	1 055	1 055
Safcor House (Pty) Limited	50	100	100	50	50	—	—
Silveray Properties (Pty) Limited	*	100	—	—	—	—	—
Tavis Properties (Pty) Limited	4	100	—	—	—	—	—
The Stationery Centre (Pty) Limited	*	100	—	—	—	—	—
Waltons Properties (Namibia) (Pty) Limited ^o	1	100	—	—	—	—	—
Aggregate amounts below R1 000				3	13	—	—
Totals (Note 15)				289 758	130 051	1 910 311	759 693
Associates							
Budget Desks & Chairs (Pty) Limited	*	50	—	1 823	—	—	—
Carlfri Investments (Pty) Limited	*	50	—	—	—	—	—
Executive Hot Drink Machines (Pty) Limited	*	50	50	—	—	—	—
Matlafatso Stationery Suppliers (Pty) Limited	*	49	—	—	—	—	—
Offurn Clearance House (Pty) Limited	1	50	—	1 584	—	—	—
Sydney Fish Markets Tenants and Merchants (Pty) Limited†	*	13	13	—	—	—	—
				3 407	—	—	—

* Less than R1 000

Trading as agent

† Incorporated in Australia

^oIncorporated in Namibia

Notice to Shareholders

Notice is hereby given that the 51st annual general meeting of members of The Bidvest Group Limited will be held at Milner Place, Sunnyside Office Park, Parktown at 9:00 on October 31 1997 for the following purposes:

1. To receive and adopt the audited financial statements for the year ended June 30 1997.
2. To approve the directors' remuneration for the year ended June 30 1997.
3. To confirm the reappointment of the auditors.
4. To consider and, if deemed fit, to pass, with or without modification, the following special and ordinary resolutions:

Special Resolution Number One

"Resolved that the Company's authorised share capital of R12 500 000 divided into 250 000 000 ordinary shares of a nominal value of 5 cents each be and is hereby increased by the creation of an additional 110 000 000 ordinary shares of a nominal value of 5 cents each resulting in the Company's authorised share capital being R18 000 000 divided into 360 000 000 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. The effect thereof 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.

Special Resolution Number Two

"Resolved that articles 33 and 34 of the Articles of Association be amended to read as follows:

33. Subject to the provisions of the Act, unless otherwise determined by a general meeting, the number of directors shall be not less than four.
34. A general meeting or the directors shall have the power, from time to time, to appoint anyone as a director, either to fill a vacancy in the directors or as an additional director and the appointment of any director so appointed shall cease at the conclusion of the next annual general meeting, unless it is confirmed at that annual general meeting"

The reason for the special resolution is to eliminate the restriction on the maximum number of directors and the effect thereof will be that the Company may appoint more than twenty directors to the Board at any one time.

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 (including the additional shares created in terms of special resolution number one to be proposed at this meeting) 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;
- 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.

5. To re-elect Ms N J Gcabashe, Messrs I A Berman, L I Chimes, S Koseff, C H Kretzmann, P Nhleko, L P Ralphs, T H Reitman, F E A Robarts, D K Rosevear and C E Singer as directors who retire by rotation or require re-election in accordance with the Articles of Association of the Company.
6. 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, 94 President Street, Johannesburg, not less than 24 hours before the meeting.

By order of the board



M S Viljoen
Secretary

September 30 1997

Shareholders' Diary

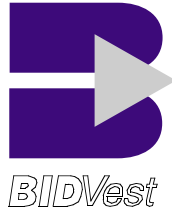
Financial year-end	June 30	
Annual general meeting	October	
<hr/>		
Report and accounts		
Interim report for the half-year ending December 31	February	
Preliminary announcement of annual results	August	
Annual report	September	
<hr/>		
Dividends	Declaration	Payment
Interim dividend	February	February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

Analysis of Shareholders

as at June 30 1997

	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
Companies	149	5,39	17 660 933	9,40
Nominee companies	107	3,87	134 888 036	71,82
Financial institutions	89	3,22	22 684 065	12,08
Individuals	2 421	87,52	12 577 509	6,70
	2 766	100,00	187 810 543	100,00
1 – 1 000	1 792	64,79	381 307	0,20
1 001 – 5 000	593	21,44	1 145 168	0,61
5 001 – 10 000	123	4,45	803 062	0,43
10 001 – 50 000	135	4,88	2 970 472	1,58
50 001 – 100 000	43	1,55	3 084 396	1,64
Above 100 001	80	2,89	179 426 138	95,54
	2 766	100,00	187 810 543	100,00





(Registration No. 05/21180/06)

FORM OF PROXY

FOR THE 51ST 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 October 30 1997 or at any adjournment thereof, as follows:

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

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

Signed at _____ on _____ 1997

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, 6th Floor, 94 President Street, 2001 Johannesburg (PO Box 1053, 2000 Johannesburg) to reach Mercantile Registrars at least 24 hours before the meeting.

