



OUR PROMISE

Food is our passion.

Welcoming you our pleasure.

And our greatest reward is
presenting delicious meals.

From our Spur burgers and steaks
to our Panarottis pizza and pasta,
our food is made to please and fulfil.

Big on quantity, big on aroma
and especially big on taste.

When you meet at your home from home
you are treated as family.

We never hold back on our portions,
our laughter, or our welcome.

Nothing satisfies us more than
pleasing you, our customer.

This is our simple philosophy.

We, the people of Spur.

PROUDLY
SOUTH AFRICAN 



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2004

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Chairman's 2004 REPORT

Allen Ambor
Executive Chairman

FINANCIAL REVIEW

I am pleased to report that the past financial year has again been extremely favourable for our group, with all divisions comfortably exceeding their budgets. Revenue for the year ended 30 June 2004 grew 16 % to R181.0 million (2003: R156.1 million), whilst headline earnings advanced 36 % to R37.2 million (2003: R27.4 million), reflecting buoyant market conditions, as well as improved efficiencies.

Distributions to shareholders increased 28 % to 30 cents per share (2003: 23.5 cents per share).

MACRO ECONOMIC ENVIRONMENT

The year under review was characterised by low food inflation and interest rates, continuing the trend of the latter part of the previous financial year. Satisfactory margins are being achieved at store level, which enabled us to contain our menu price increases. Of significance, is the fact that our price increase of under 5% in April 2004 was the first since November 2002, which further endorses our value offering to customers. We are now experiencing the benefits of low interest rates in terms of increased customer spending which has contributed to enlarging our customer base. The Rand continued to strengthen against overseas currencies, albeit to a lesser extent than in the 2003 financial year. We see the currency market being far less volatile in the year ahead.

MARKET CONDITIONS

During the current financial year we opened 10 Spur and 5 Panarottis outlets in South Africa. In addition, 3 Spurs were relocated and a further 33 revamped to current specifications. This process not only revitalises stores with our new décor, but invariably also enlarges the outlet, which contributes towards substantial growth in revenue. On the international front, we

opened new Spur outlets in Maputo, Mozambique, and Dar-es-Salaam, Tanzania. There are now a total of 195 Spurs and 45 Panarottis trading in South Africa, as well as 23 Spurs and 6 Panarottis located overseas.

From a marketing perspective, our “Take me There” brand campaign has been extremely successful and has highlighted the fantasy and adventure our brand embodies. In addition, our value-added promotional campaigns have again increased foot traffic through our stores. Our kids promotions, which featured upmarket toy offerings, have also been highly successful.

PROSPECTS

We believe that the ongoing enhancement of our intellectual property and franchisee base, as well as continuous training throughout the Group, will consolidate the favourable position of our brands in the minds of our consumers. Our international expansion programme, facilitated by the development of existing, as well as the formation of new, strategic partnerships, is expected to deliver the necessary results in terms of new store openings in the year ahead.

We remain focused on our core operations as a mechanism to increase market share and are confident of continued, solid growth.

THANKS

I would like to thank all our hard working and dedicated management and staff, locally and internationally, for their dedication and outstanding efforts towards the Group’s performance this year, under the capable leadership of our Managing Director, Pierre van Tonder, assisted by the executive board.

A vote of thanks is also extended to all our suppliers, shareholders and customers for their ongoing support in ensuring the Group’s success.

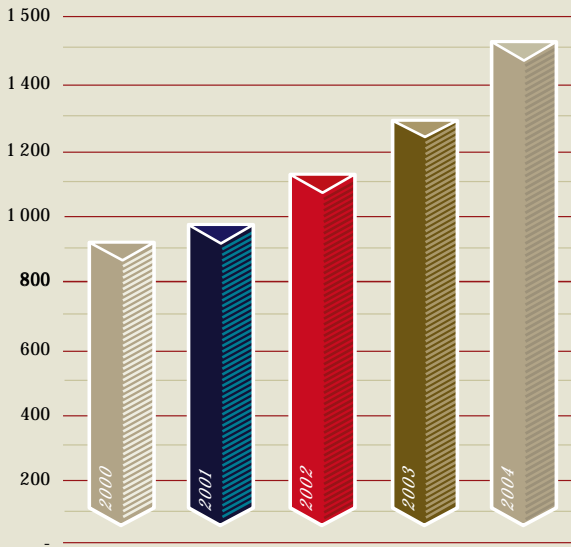


Allen Ambor
Executive Chairman

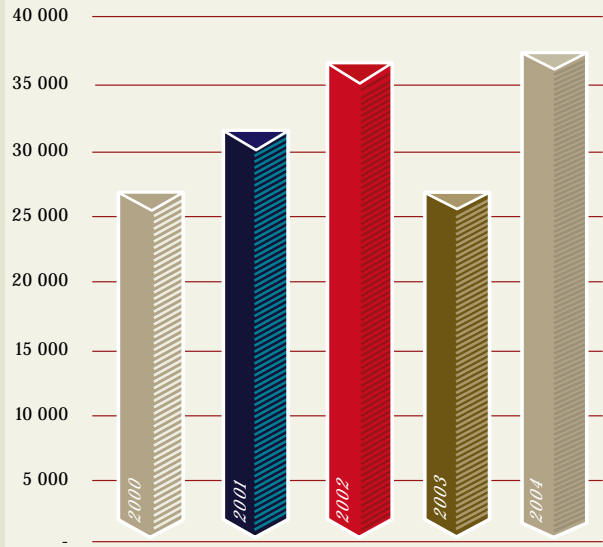
HIGHLIGHTS

	2004	2003	Increase %
Net profit before tax (R'000)	54 979	41 143	34
As a percentage of revenue	30%	26%	
Net profit after tax (R'000)	37 178	27 661	34
As a percentage of revenue	21%	18%	
Return on total assets	24.4%	23.1%	
Return on equity	29.7%	27.3%	
Cash and cash equivalents (R'000)	74 050	50 344	
STATISTICS PER SHARE (cents)			
Headline earnings	39.72	28.95	37
Distributions	30.00	23.50	28
Distribution cover (times)	1.3	1.2	
Market price - 30 June	500	330	52
Price range			
- high	515	340	
- low	330	265	
Headline earnings yield (%)	7.9	8.8	
Distribution yield (%)	6.0	7.1	

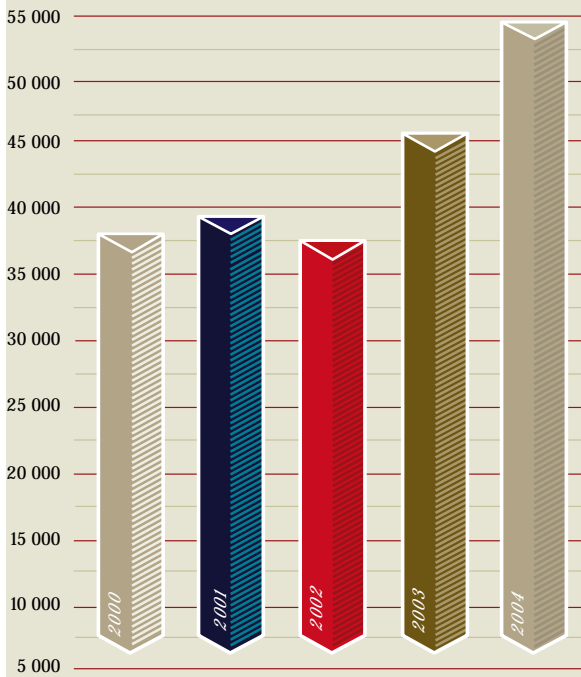
STORE TURNOVERS (R'm)



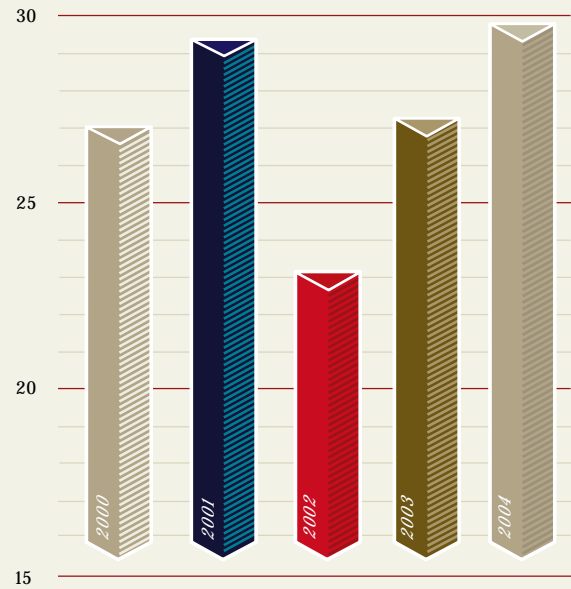
HEADLINE EARNINGS (R'000)



OPERATING PROFIT *(R'000)



RETURN ON EQUITY (%)



* Before headline earnings adjustments and foreign exchange gain/loss.

PROF ILE

CORPORATE

HISTORY

The roots of the Spur Group stretch back to 1967, with the establishment of the Golden Spur Steak Ranch in Newlands, Cape Town. The Spur Group has grown over the past 36 years to the point where it currently trades with 195 Spur Steak Ranches, 45 Panarottis Pizza Pasta restaurants and two Kelseys Grill and Fish outlets within South Africa. Offshore, the Spur Group has to date successfully established 23 Spur and six Panarottis outlets.

By 1986 the franchise had grown to 43 Spur Steak Ranches, and since then that number has more than quadrupled, with approximately 15 new Spur Steak Ranches developed every year. Many outlets have been opened internationally, with plans for further expansion well under way.

In December 1990 the first Panarottis Pizza Pasta restaurant was opened in Tygervalley, Cape Town. Within a decade, over 40 further outlets were opened, and the Panarottis brand is now as instantly recognisable as its "big brother" – Spur Steak Ranches.

The Spur Group first listed on the JSE Stock Exchange in 1986. In 1999 a major restructuring was undertaken, to provide management incentivisation and capital for growth, while allying the Spur Group with black empowerment group Siphumelele Investments. Spur Corporation was born from this alliance, and is forging ahead in taking Spur Steak Ranches and its associated brands to new heights.

VISION AND MISSION

Our vision is to be the best family sit-down restaurant in the markets in which we trade.

Our mission is to be dedicated at all times to our customers and staff – to provide a "taste for life" for our customers and be a "great place to work" for our staff.

OPERATIONS

At the heart of our Group lies Operations. These people tirelessly strive for perfect implementation of our franchise philosophy throughout our 269 Spur and Panarottis outlets worldwide. Regular store visits and ongoing training ensure that our high internal standards, external health and safety regulations and our customers' demands for quality and service are met and maintained.

MARKETING

To ensure that the way is paved for the Spur and Panarottis brands to deepen their market penetration even further, our dedicated marketing team spends day and night coming up with new, innovative marketing ideas. These include smaller projects such as table talkers to communicate value-added promotions, and the design of fliers for local store promotions, to projects of a grander scale, for example the "Take me There" brand advertisement.

PROCUREMENT

This division includes our Johannesburg and Cape Town central kitchens, our Durban and Port Elizabeth distribution centres and our licensed product division. These employees look after wet and dry goods supplies, testing of products, retail sauces and various other procurement opportunities that have the potential to enhance profitability.

INFORMATION TECHNOLOGY

Maintaining effective communication between the various Spur offices, our franchisees and our customers requires the commitment of a dedicated team of technology-minded people.

This group of individuals works hard to maintain our various communication and information-housing tools, such as our Website, Extranet (between Head Office and franchisees), Intranet (internal), databases and e-mail.

C O R P O R A T E P R O F I L E 2 0 0 4

HUMAN RESOURCES AND CUSTOMER RELATIONSHIP MANAGEMENT

Second only to our trademark, our people are our most important asset. To keep our employees and customers happy, we have a small but efficient group of people committed to achieving that goal. They also ensure that we (and our franchisees) are aware of, and comply with, all labour-related legislation.

FINANCE AND ACCOUNTS SERVICES

The individuals from finance ensure that accurate financial records of our operations are maintained. Besides the normal accounting work, they pursue many cost-saving and control-enhancing initiatives. They assist the Board of Directors in their quest for adequate risk management by maintaining a healthy internal control structure.

TRAINING

We recognise the importance of training and preparation when it comes to quality and service. That is why we have a dedicated team of trainers, who make it their business to ensure that our franchisees and their staff, as well as our Head Office staff, are trained in the skills they require to do their jobs to the best of their ability.

Pierre van Tonder
Managing Director

Whereas the first half of the financial year saw the Group produce satisfactory results under difficult trading conditions, the second half of the year was characterised by buoyant market conditions and a strong acceleration in performance. We are pleased to report that, having maximised our opportunities with regard to new store openings, marketing and operations, the Group has once again shown solid growth for the past fiscal.


A detailed review of operations is presented on page 8.

MANAGING DIRECTOR'S REPORT

The Board of Directors is committed to the principles of openness, integrity and accountability as advocated in the second King Report on Corporate Governance. Significant progress has been made in this regard during the year under review. The various committees and the contribution made by each, is presented in our Corporate Governance Report on page 17. The Board is also committed to making a meaningful contribution to the upliftment and development of our social community, details of which are presented in our Corporate Social Vision Report on page 19.

During the past year the Spur team again demonstrated their dedication and loyalty through diligent, hard work. I thank each one of them for their firm commitment to the Group and our objectives. I congratulate each one of our people on a job well done.

My thanks also go to the Spur Board of Directors for their guidance, as well as to our shareholders for their continued support. A final word of appreciation is extended to our suppliers, franchisees and customers, for it is only with their support and commitment that we are able to grow stronger.



Pierre van Tonder **MANAGING DIRECTOR**

2014 REVIEW OF OPERATIONS

SPUR

Our Spur division again experienced buoyant market conditions, particularly during the second half of the year, resulting in an exceptional trading performance. At store level, we achieved a turnover of R1,2-billion, which was 15 % ahead of the previous year. Iron disciplines throughout the Group ensured that operating costs increased by only 9 %, which was well below budget, thereby improving our efficiencies and profit margins.

As is the norm, our operational staff spent a considerable time visiting and servicing individual franchised outlets. This strategy ensured consistency of standards in terms of food product, hygiene and general store maintenance. At the same time, a major thrust to ensure that franchisees are focused and committed to overall brand strength, is now bearing fruit.

One of our major operational goals is to focus franchisees' efforts on staff motivation and retention, which we believe, when one considers the dependency of Spur on the human factor, is a project that should further strengthen and entrench our brand as the major sit-down food franchise in South Africa.

During the past financial year, 10 new stores were opened, there were 3 relocations and 33 stores were revamped. The process of revamping stores to Spur's latest specifications is now nearing completion. Of particular note is the fact that stores that were relocated showed substantial increases in turnover. This highlights the importance of relocations as a strategy for growth opportunities in South Africa. The Spur brand, which now comprises 195 outlets in South Africa, is clearly the jewel in our crown, and is the major contributor to Group profits and growth.

PANAROTTIS

This division continues to grow solidly, and during the year, we opened a further 5 outlets, bringing the total number of stores in South Africa to 45. Turnover increase of 16 % was ahead of budget, whilst operating expenses were well controlled. With regard to individual Panarottis outlets, proper financial controls facilitated increased profitability at store level.

During the 2004 financial year, our Panarottis division was managed using the Balanced Scorecard methodology. This strategy was highly successful, resulting in improved focus by all. It is our intention to introduce the same policy at store level in the near future. This innovation is being enthusiastically welcomed by franchisees, as it puts the various elements of our systems into perspective and improves overall operation.

The introduction of our new menu has been well received by our customers. Additional meat and poultry items, as well as an increased pizza range, have further strengthened our value offering.

Significant progress has been made with our store revamp program, which has created a more consistent dining environment. In terms of our family positioning, we have successfully introduced modular play systems, computer play stations, and internal kids activities, such as activity sheets and balloons.

Service levels at Panarottis remain sound and all the intellectual property is in place to ensure that we continuously support franchisees in enhancing our brand equity.

INTERNATIONAL

Our international division has grown to 23 Spur Steak Ranches and 6 Panarottis, situated in the United Kingdom, Australia, Africa and Mauritius.

The agreements giving effect to the restructure of Spur in the United Kingdom were signed in March 2004. The effect of the transaction, which is subject to certain regulatory approvals, is that Trinity Leisure is now the Master Franchisor for the United Kingdom and Ireland. In addition, Trinity has purchased Spur International's 50 % share in the Iowa Spur in Dublin, the Navajo Spur in Limerick and the Arapaho Spur in Staines. A roll-out plan and performance obligation is in place and we look forward to accelerated growth in the number of store openings. We have commenced the building of our third Spur outlet in the United Kingdom, the Mohawk Spur in Wandsworth, and the anticipated opening date is 18 October 2004. This store is located in very close proximity to Central London and we are all positive about this development.

Our Australian stores are trading solidly and we look forward to the opening of a new Panarottis outlet in Paramatta in November 2004. We are in the process of sourcing suitable sites in Campbelltown and Blacktown, areas earmarked for Spur outlets to open in the near future.

The African continent continues to be a major contributor to Spur International's profits and we are pleased to report that we have opened new Spur outlets in Maputo, Mozambique, and Dar-es-Salaam, Tanzania, both of which are trading well. Our ongoing strategy is to focus on increasing the profitability of Spur International, as well as its percentage contribution to overall Group income.

MARKETING

Enhanced efficiencies are being delivered in Group Marketing on a platform of fiscal discipline, strategic consistency and creative energy. The Group Marketing structure and deployment of resource serves as a catalyst for our brands to cross-pollinate.

Our highly successful "Take me There" brand campaign will be followed by the production of a new brand advertisement in the third quarter of 2004. In addition, our value added campaigns will reinforce the quality positioning of our products, whilst enhancing the value offered to our consumers. Our Proudly South African accreditation and continued investment in the kids segment, has consolidated our position at the forefront of the sit-down family restaurant market.

The Group has decided not to renew its SA Rugby sponsorship contract, but rather to focus its rugby association on the communities it serves. FNB Classic Clashes, in association with Spur Steak Ranches and Coca-Cola, commenced in March 2004 and involves 50 high profile rugby schools in all regions. Three rugby festivals, as well as six of the games, were televised on M-Net. Spur displayed branding and provided meals to the players at Craven Rugby Week.

Our Panarottis brand continues to focus on Weekday Special promotions, supported by a radio drip strategy. This initiative gave Panarottis a media presence for nine of the 12 months of the fiscal.

PROCUREMENT

The major issue dealt with during the year was our centralised distribution system. In this regard, extensive work has been done with regard to appointing a central distributor, who will deliver our Central Kitchen basket, as well as other products, in order to provide franchisees with a one-stop delivery. It is our objective that the system be fully functional by March 2005. In addition, all suppliers of licenced products to Spur will in future need to be HACCP compliant, a process already started in the previous financial year.

Extensive work was done on the meat side of our business. Countrywide presentations, educational trips to abattoirs, as well as updated manuals and training videos, have vastly improved the awareness of meat quality and handling procedures. These measures will ultimately ensure total control and tracking of meat in our stores. A supply chain has been instituted to ensure that we no longer have problems in areas such as the Eastern and Western Cape with regards to the consistent and continuous supply of quality meat products.

The implementation of the HACCP system at our Central Kitchens is nearing completion. Construction of our new Gauteng Central Kitchen and Head Office building is well under way, with handover scheduled for November 2004. The installation and commissioning of equipment is expected to be completed by December 2004. Cape Town Central Kitchen is in the process of installing its automated equipment and is on line to change over by October 2004. Our new and upgraded facilities will provide us with the capacity to extend our range of sauces.

INFORMATION TECHNOLOGY

This year, our main investment was the upgrade of all our laptop computers, thereby arming our operational staff with better tools in the field. The rollout of the new version of our Point of Sale system at store level is rapidly showing its mettle and we plan to have all stores convert to the upgraded system during the year ahead.

On the internet side, we launched our sponsorship of the SA Teenz Website, South Africa's only independent website for teenagers. Visitor statistics have doubled in four months and we look forward to further developments in this market. In addition, we have received positive feedback on our competitions and promotions. The Kids Secret Tribe website was also given a new look and feel. We have also promoted the free kiddies e-mail system and feedback has been promising.

With regard to Group systems integration, we have streamlined our reporting system, using the internal Intranet, which has speeded up turnaround time for management reports. Having realised the potential in having this data at management's fingertips, we have started the upgrade of the franchisee Extranet system, and are already providing comparative regional information, crucial to identifying areas of weakness in a franchised outlet.

The management of our kids club database of close to a million members is a vital part of our focus and Customer Relationship Management strategy.

With the added benefit of new cutting edge technology, we are confident our investment in Information Technology will continue to provide cost saving efficiencies at store and corporate levels, as well as present additional marketing opportunities.

HUMAN RESOURCES

The purpose of our Human Resources department is to assist employees to become empowered, self-sufficient, enthusiastic and of greater human value, thereby leveraging innovation, stability and increased profits for the Group.

Our aim is to implement measures which will ensure the removal of barriers for previously disadvantaged employees, giving them access to better jobs. This can only be achieved through co-operation between senior management and employees. Integrated transformation and a process of osmosis will precipitate broad based black economic empowerment. Human Resources' function is to drive, promote and assist the Board of Directors in securing alignment with Employment Equity legislation.

The Human Resources department performs a totally decentralised, supportive and consultative role to all managers and supervisors. Our human capital is our Group's competitive edge and warrants mentoring, coaching, nurturing and continuous involvement.

TRAINING

During the past year 837 delegates attended various courses offered by our training centres in Cape Town, Johannesburg and Bloemfontein. A wide variety of training courses, encompassing all aspects of our business, is available to franchisees and their staff. Head office employees are also encouraged to attend these courses, examples of which are:

- Management Leadership Program
- Keys to Management – Middle Management Program
- Basic Training for New Owners/Management
- Child Minder Workshop
- Workplace Skills Plan and Employment Equity Workshop

Our training video project is well under way and five of the proposed 12 videos have been produced and distributed. Over 3 000 franchisee staff members have already received the benefits on this method of in-house training. In addition, we have noticed a marked improvement in management and staff's knowledge of general operations, hygiene and service.

CO-DIRECTORS

MANAGEMENT

Amil Lahoud - GROUP MARKETING

Amil is 34 years old and joined the Spur Group two years ago. He matriculated in 1988 and completed a National Diploma in Marketing, cum laude, in 1995. Amil's responsibilities include co-ordination of marketing planning, communication strategies and management of the Group marketing department.

Britt Fuller - NATIONAL TRAINING

Britt matriculated in 1986 from Lowveld High School, Nelspruit. Britt is 37 years old and has almost 23 years experience in the restaurant business, starting when she helped out in her mother's restaurant. Britt joined the Spur Group almost ten years ago and is currently responsible for national training, including creation of video-based training material.

Coleen Eva - GAUTENG CENTRAL KITCHEN

Coleen matriculated at Potchefstroom Girls High in 1969. She completed a one year Diploma in bookkeeping and business economics at Modern Methods Business School in Johannesburg. She joined Spur in 1981 and is responsible for running the central kitchen in Gauteng. She is 53 years old.

Duncan Werner - NATIONAL PROCUREMENT AND DEVELOPMENT

Duncan matriculated in 1978 from Lowveld High School, Nelspruit. After completing two years national service, he entered the packaging business. Duncan started his career at Spur as a waiter, no less than 21 years ago. He joined Head Office in 1988. Duncan is 44 years old and is in charge of national procurement and development. He also oversees the central kitchens and Spur Decor.

Heather Needham - WESTERN CAPE CENTRAL KITCHEN

Heather joined Spur in 1984 as a manager at Navaho Spur, Brackenfell. In 1988, she joined Spur Head Office in Cape Town as the manager of Central Kitchens, Cape Town. She has a B.Com degree from UNISA. Her responsibilities are the operations of the central kitchen in Montague Gardens, Cape Town. Heather is 41 years old.

Ian McMahon - GROUP INFORMATION TECHNOLOGY

At the age of 36 Ian has spent almost two decades with Spur, starting as a teenage waiter in the mid-1980's, and has moved progressively through the ranks to the position of Head of Group IT. Ian looks after the Group's technology needs and produces the cutting-edge training videos for the Group.

Johan Erasmus - REGIONAL OPERATIONS

Johan matriculated at the Afrikaanse Hoër Seunskool, Pretoria in 1972 and, after completion of national service, enrolled at the W.C.A.T.E. - Hotel School. In 1987 Johan acquired his first Spur franchise and joined the Spur Group in June 1996 as Area Manager. In 1998 he was promoted to Regional Operations Manager. Johan is 50 years old.

Allen Ambor (Age 63)
EXECUTIVE CHAIRMAN

Allen matriculated in 1961 from Highlands North High in Johannesburg. After a short period overseas and working for two years Allen decided to further his education and attained a BA degree at the University of the Witwatersrand. Shortly thereafter he made the decision to start his own business. The doors of the first Spur Steak Ranch officially opened in Newlands, Cape Town, in 1967.

Keith Madders (Age 56)
DEPUTY CHAIRMAN British

Keith was born in Zimbabwe, studied at the University of Cape Town and trained as an investment analyst before launching himself into the music industry. In 1976 Keith went to live in London, where he lectured and established various businesses as well as a number of successful charitable organisations working to relieve poverty in Southern Africa. Keith was awarded an MBE in the Queen's 2002 Honours List for services to the Zimbabwe Trust.

Pierre van Tonder (Age 45)
MANAGING DIRECTOR

Pierre joined the Spur Group in 1982. His 22-year career with the Spur Group started when he was appointed as a manager of Seven Spur in Sea Point. Pierre was appointed as an Area Manager for Spur Steak Ranches in 1985. The next seven years saw Pierre making fast progress up the management ladder. In 1996 he was appointed Managing Director.

Mark Farrelly (Age 41)
DEPUTY MANAGING DIRECTOR

Mark joined Spur Head Office in 1990 as an Area Manager. In 1993 he was transferred to Johannesburg. Mark was promoted to Regional Operations Manager in 1995 and appointed to the Board in 1999. He is also a board director of the Franchise Association of South Africa.

Ludwig Sistenich – GROUP DEVELOPMENT

Ludwig matriculated in 1981 from Clapham High School in Pretoria and then studied at the Capital College in Pretoria. In June 1998, at the age of 25, he joined Spur Steak Ranches. Prior to that he was employed as a manager at the Arkansas Spur in Nelspruit. Ludwig is now 42 years old and in charge of Group Development.

Peter Wright - HUMAN RESOURCES

Peter started as a waiter at Golden Spur in 1975. Over the next five years, Peter opened Central Kitchens, Yankee Kitchens and gained further knowledge from Midnite Grill and Hard Rock Café. Peter left the Spur Group for ten years but rejoined in 1991 and worked on developing Panarottis Pizza Pasta. Peter is 53 years old and is responsible for Human Resources on a Group wide basis.

Raymond Suter - REGIONAL OPERATIONS

Raymond matriculated from Pinelands High in 1982. After completing two years national service in the air force he studied at Cape Technikon for two years. In 1987 he joined Spur as a trainee manager and in 1993 he joined Head Office as an Area Manager. Raymond was promoted to Regional Operations Manager in 2002. Raymond is 39 years old.

Ronel van Dijk - GROUP FINANCE

Ronel matriculated in 1990 from Hoërskool Tygerberg, Cape Town. She qualified as a CA(SA) in December 1997. She spent a year working in the London, UK office of Arthur Andersen & Co. after which she returned to Cape Town as audit manager with the firm. She left the firm, then KPMG Inc., and joined Spur Head Office as Group Financial Manager in January 2003. Ronel is 32 years old.

Steve Ford - NATIONAL PROCUREMENT

Steve matriculated in 1978 from Maritzburg College in Pietermaritzburg. He attended Maritzburg University for one year starting a B.Com degree, but left and started work. In 1990 he opened his first Spur and joined the Spur Group in March 1994 as Area Manager. Steve is in charge of validating products, controlling outsourced products, developing new products and ensuring the timely distribution of all products to our stores. Steve is 44 years old.

Dean Hyde (Age 37) FINANCIAL DIRECTOR

Dean matriculated from Pretoria Boys High in 1984. He studied at the University of the Witwatersrand for a B. Com, which he completed in 1988. He then studied at York University, Toronto, obtaining a CA Canada in 1991. He completed his Articles with Grant Thornton International in 1993. He joined the Spur Group in 1994 as Financial Manager. In 1999 he was appointed Financial Director.

Phillip Joffe (Age 54) DIRECTOR

Phillip matriculated from Sea Point Boys High in 1967 and continued his studies at the University of Cape Town, obtaining his CA (SA) in 1973. Phillip joined the Spur Group in 1976 and has served as a member of the Board since 1986, where he continues his position as an Executive Director.

John Rabb (Age 61) NON-EXECUTIVE DIRECTOR

Having attained a BSc (agriculture) from Natal University, John spent three years in London with Marks & Spencer and then returned to South Africa to join the Wooltru Group where he has served for 35 years. He is currently Managing Director of Wooltru Limited.

Kevin Robertson (Age 38) DIRECTOR

Kevin joined Spur in 1987 as a waiter at the Yellowstone Spur, Carletonville. By 1991 he had become area manager at the Spur regional office in Johannesburg. Two years later, he was promoted to Regional Manager, KwaZulu-Natal. Kevin is Managing Director of the Panarottis Pizza Pasta franchise, and was appointed to the Board in 1999.

Keith Getz (Age 48) NON - EXECUTIVE DIRECTOR

Keith is a practicing attorney, a partner of Bernadt Vukic Potash and Getz, and is a director of a number of companies. Keith practises principally in the fields of corporate and commercial law.

William Rule (Age 54) NON - EXECUTIVE DIRECTOR

A qualified chemist, Billy is currently the MD of Reall Cosmetics & Dytec Garment Overdyeing. He was one of the co-founders of the successful Diskom chain. Billy also sits on the boards of the Saldanha Logistics Company, the PSG Group and PSG Investment Bank.

YEAR

REVIEW

	Footnote	2004 R'000	2003 R'000	2002 R'000	2001 R'000	2000 R'000
Income statement						
Turnover		181 044	156 139	138 024	127 536	126 014
Operating profit	1	50 201	36 455	44 375	39 562	37 945
Net finance income/(expense)		4 778	4 688	2 707	1 571	(1 488)
Net profit before taxation		54 979	41 143	47 082	41 133	36 457
Headline earnings	2	37 223	27 400	36 811	31 432	27 086
Balance sheet						
Property, plant and equipment		9 086	6 769	7 253	7 268	9 437
Other non - current assets		55 733	69 256	81 870	71 642	64 265
Cash and cash equivalents		76 672	53 417	33 680	18 462	20 077
Other current assets		27 433	21 740	30 714	38 360	31 111
Bank overdraft		2 622	3 073	9 148	1 653	-
Other current liabilities		27 695	19 925	20 502	25 441	28 737
Cashflow statement						
Net cash flows from operating activities		26 919	29 025	25 167	10 617	24 744
Share statistics						
Weighted average number of shares (000's)	2	93 729	94 643	93 822	90 354	83 105
Earnings per share (cents)	2	39.67	29.23	39.23	34.79	32.60
Headline earnings per share (cents)	2	39.72	28.95	39.23	34.79	32.60
Cashflow earnings per share	3	52.59	51.0	38.52	41.09	43.80
Operating cash flow per share (cents)	4	28.72	30.67	26.82	11.75	29.78
Net asset value per share (cents)	5	148.30	136.47	130.55	118.03	101.74
Distribution per share (cents)	6	30.0	23.50	20.50	17.50	16.50
Distribution cover (times)	6	1.3	1.2	1.9	2.0	2.0

	Footnote	2004 R'000	2003 R'000	2002 R'000	2001 R'000	2000 R'000
Stock exchange performance						
Number of shares in issue (000's)		97 633	97 633	97 633	90 875	90 875
Number of shares traded (000's)		34 611	19 690	38 915	34 037	19 863
Value of shares traded (R'000)		155 018	63 000	110 000	77 000	45 000
Percentage of issued shares traded (%)		35.45	20.17	39.86	37.45	21.86
Market price per share (cents)						
	- close	500	330	270	220	208
	- high	515	340	320	250	275
	- low	330	265	214	180	200
Headline earnings per share yield (%)	7	7.94	8.77	14.53	15.81	15.97
Distribution yield (%)	8	6.00	7.12	7.59	7.95	7.93
Price earnings ratio		12.59	11.40	6.88	6.32	6.38
Market capitalisation (R'000)		488 165	322 189	263 609	199 925	189 020
Business performance						
Operating profit margin (%)	9	29.92	29.35	27.33	30.79	28.47
Return on equity (%)	10	29.68	27.27	23.00	29.33	27.06
Return on assets (%)	11	24.36	23.13	18.55	22.94	20.03
Liquidity ratio	12	3.43	3.27	2.17	2.10	1.78

Footnotes:

- 1 Includes income from associate companies.
- 2 Refer note 8 to the annual financial statements on page 41.
- 3 Operating profit before working capital changes plus net interest received/(paid) less taxation paid divided by the weighted average number of shares in issue.
- 4 Net cash flows from operating activities divided by the weighted average number of shares in issue.
- 5 Net asset value divided by the number of shares in issue.
- 6 Interim and final distribution for the year to which it relates.
- 7 Headline earnings per share divided by the closing share price.
- 8 Distribution per share divided by the closing share price.
- 9 Operating profit before headline earnings adjustments and foreign exchange gain/loss divided by turnover.
- 10 Profit for the year before headline earnings adjustments and foreign exchange gain/loss divided by capital and reserves.
- 11 Profit for the year before headline earnings adjustments and foreign exchange gain/loss divided by total assets.
- 12 Current assets divided by current liabilities.

REPORT

at 30 June

BUSINESS SEGMENT DATA

	2004 R'000	%	2003 R'000	%
REVENUE				
Wholesale and distribution	101 354	56.0	87 129	55.8
Franchise - Spur	72 705	40.1	62 984	40.3
Franchise - Panarottis	6 985	3.9	6 026	3.9
Group revenue	181 044	100.0	156 139	100.0
TOTAL ASSETS				
Wholesale and distribution	31 645	18.7	23 490	15.5
Franchise	125 854	74.5	115 766	76.6
Other	11 425	6.8	11 926	7.9
Group assets	168 924	100.0	151 182	100.0
PROFIT BEFORE TAXATION				
Wholesale and distribution	18 364	31.2	15 491	30.7
Franchise - Spur	36 675	62.2	31 679	62.7
Franchise - Panarottis	3 897	6.6	3 344	6.6
Group profit before taxation*	58 936	100.0	50 514	100.0
TOTAL LIABILITIES				
Wholesale and distribution	5 308	17.5	5 879	25.6
Franchise	10 538	34.8	10 672	46.4
Other	14 471	47.7	6 447	28.0
Group liabilities	30 317	100.0	22 998	100.0

* Excludes headline earnings adjustments and foreign exchange gain/loss.

GEOGRAPHICAL SEGMENT DATA

	South Africa R'000	Other African Countries R'000	International R'000	Total R'000
2004				
Group revenue	173 352	2 962	4 730	181 044
Group assets	144 682	4 811	19 431	168 924
2003				
Group revenue	150 595	2 531	3 013	156 139
Group assets	123 635	1 917	25 630	151 182

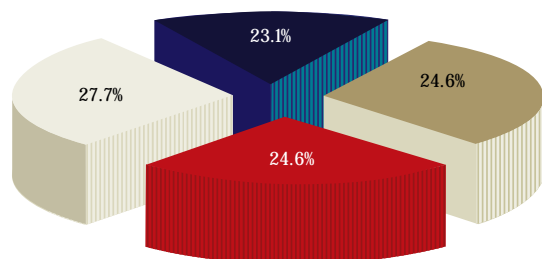
GROUP CASH VALUE ADDED STATEMENT

for the year ended 30 June

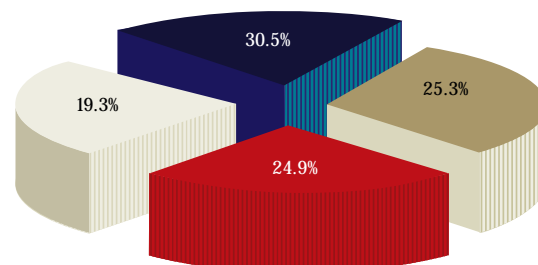
	2004 R'000	%	2003 R'000	%
Cash derived from revenue	176 577		163 458	
Paid to suppliers for materials and services	73 259		73 305	
Cash value added	103 318		90 153	
Interest received	5 137		4 691	
Total wealth created	108 455	100.0	94 844	100.0
Distributed as follows:				
Employees	26 673	24.6	23 985	25.3
Providers of capital				
- Interest paid	-		3	
- Distributions to shareholders	25 821		21 300	
- Shares repurchased	882		2 353	
	26 703	24.6	23 656	24.9
Monetary exchanges with government				
- Taxation	12 421		4 006	
- PAYE	6 858		5 418	
- VAT	10 472		8 737	
- RSC levies	239		173	
	29 990	27.7	18 334	19.3
Retained to develop future growth	25 089	23.1	28 869	30.5
Total wealth distributed	108 455	100.0	94 844	100.0

Value added is a measurement of the wealth that the Group has created in its operations by adding value to the cost of its raw materials and services purchased. The statement above shows how that wealth was created, and also how it was shared between employees and the providers of funds to the Group. The statement takes into account the amounts retained and reinvested in the Group for the replacement of assets and the development of future operations.

2004 Distribution



2003 Distribution



● Monetary exchanges with government
 ● Retained to develop future growth
● Employees
 ● Providers of capital

CORPORATE Governance REPORT

The Directors endorse the Code of Corporate Practice and Conduct contained in the second King Report on Corporate Governance. By supporting the Code, the Directors realise that high standards of Corporate Governance are necessary for the achievement of the goals of the Spur Group. The Directors acknowledge the importance of conducting the Group's affairs with exactness, transparency and in accordance with good corporate practices.

BOARD OF DIRECTORS

The Spur Board of Directors consists of six executive and four non-executive Directors. The non-executive Directors bring with them diversity of experience, insight and independent judgement on issues of strategy, performance, resources and standards of conduct. Non-executive Directors are appointed for one-year terms and have no service contracts with the Company.

The executive Directors are involved in the day-to-day running of the business and are responsible for ensuring that Board decisions and strategies are implemented. The roles of chief executive and chairperson do not vest in the same person. Executive Directors are appointed for one-year terms and have no service contracts with the Company which impose any abnormal notice periods on the company.

The Board is responsible for setting the direction of the Company through the establishment of strategies, key policies and the approval of financial objectives and targets. It monitors the implementation of strategies and policies through a structured approach to reporting by executive management. It also assumes responsibility for managing relationships with various stakeholders and, in particular, our shareholders.

Formal Directors' meetings take place at least twice a year. Directors are provided with board papers detailing the Group's results for the period and any other pertinent issues to be considered and discussed at the meetings. This enables them to consider in advance the issues on which they will be requested to make decisions. All the non-executive Directors have access to management and to such information as is needed to carry out their duties and responsibilities comprehensively and effectively. Regular informal meetings with the non-executive Directors take place throughout the year.

Details of the background and responsibilities of each of the Directors can be found on page 11 of this report.

Various committees have been established to assist the Board in the discharge of its duties. Each committee has a pre-determined charter and is accountable to the Board. Details of each committee are provided below.

AUDIT COMMITTEE

The purpose of the Audit Committee is to assist the Board in discharging its duties relating to:

- Compliance with applicable legislation and the requirements of regulatory authorities;
- Matters relating to financial accounting, accounting policies, reporting and disclosure;
- Compliance with the Group's code of ethics;
- External audit policy, and
- Review/approval of external audit plans, findings, problems, reports and fees.

The Audit Committee comprises Keith Madders, Billy Rule and John Rabb, all three non-executive Directors, and it meets twice a year. The Committee is chaired by Keith Madders. Members of executive management are invited to attend the meetings. The external auditors report to the Committee at each meeting on the results of their work. They also have unrestricted access to the chairman and other members of the Committee.

The Audit Committee has reviewed the financial results with management and agrees that the financial statements fairly present the results of operations for the year ended 30 June 2004 and the financial position as at that date, in terms of Generally Accepted Accounting Practice and the South African Companies Act.

The Directors are satisfied that the Committee has discharged its responsibilities for the year under review in compliance with its predetermined charter.

HUMAN RESOURCES PRODUCTIVITY COMMITTEE

The purpose of the Human Resources Productivity Committee is to develop and implement a competitive human resources strategy that will ensure that the company is able to attract, retain and develop the best possible talent to support superior business performance.

The Committee consists of the Executive Board (with the exception of Allen Ambor) and Peter Wright and meets at least twice a year.

REMUNERATION COMMITTEE

Membership of the Remuneration Committee consists of Keith Madders, Keith Getz, Billy Rule and John Rabb, all four non-executive Directors.

The Committee establishes a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual Directors, within agreed terms of reference, to avoid potential conflicts of interest.

NEW BUSINESS DEVELOPMENT COMMITTEE

The New Business Development Committee provides a forum for debate and discussion of new business opportunities, as well as development of relevant recommendations to the Board. The committee consists of the Executive Board, Ludwig Sistenich, Duncan Werner, Ronel van Dijk and Ian McMahon and meets twice a year.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of Keith Madders, Pierre van Tonder, Mark Farrelly, Dean Hyde, Keith Getz, John Rabb, Phillip Joffe and Ronel van Dijk. The Committee is chaired by Keith Madders and meets twice a year. The purpose of the Committee is to assist the Board in discharging its responsibility regarding risk management. The Group is in the process of establishing an Internal Audit function, the activities of which will be overseen by the Risk Management Committee.

The Committee reviews the risk identification and assessment processes undertaken throughout the Group. The Committee also considers the effectiveness of the existing internal controls and the systems and procedures implemented to address the risks identified. The Internal Audit function will test the effectiveness of existing controls. The Internal Audit Function will report directly to the Audit Committee.

CODE OF ETHICS

Spur has adopted a code of ethics whereby all employees are required to maintain high ethical standards in ensuring that the Group conducts its business, both internally and externally, in a proper and professional manner. The principles to which each individual subscribes in accepting the code are:

- Integrity
- Honesty and good faith
- Impartiality
- Transparency and openness
- Accountability and responsibility

The code of ethics ensures that all Directors and employees of the Group conduct themselves with the highest moral and ethical standards to ensure honesty and integrity in all their dealings, with colleagues, shareholders, customers, suppliers and the broader community.

Social Vision

EMPLOYMENT EQUITY

The Group continues to place high importance on all aspects of the Employment Equity Act and is committed to achieving demographic representation in its workforce.

Programmes are in place to ensure there are equal opportunities for employees from disadvantaged backgrounds. The Employment Equity policies and targets have been developed in close consultation with Spur's Human Resources Productivity Committee and are tailored to respond appropriately to the Group's business and markets.

Of the total Spur workforce, 73% are designated individuals.

MALE

Occupational levels	African	Indian	Coloured	White	Total
Top management				6	6
Senior management				18	18
Professionally qualified and experienced specialists and mid-management			4	4	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	8	2	2	16	28
Semi-skilled and discretionary decision making	6		7	1	14
Unskilled and defined decision making	9		2		11
Total permanent	23	2	15	45	85
Non-permanent				2	2
Total	23	2	15	47	87

FEMALE

Occupational levels	African	Indian	Coloured	White	Total
Top management					
Senior management				6	6
Professionally qualified and experienced specialists and mid-management	1		1	10	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1		9	23	33
Semi-skilled and discretionary decision making	11	1	7	7	26
Unskilled and defined decision making	14				14
Total permanent	27	1	17	46	91
Non-permanent				1	1
Total	27	1	17	47	92

SKILLS DEVELOPMENT

Financial assistance is provided and employees are encouraged to develop skills by attending management development courses and part-time studies at universities, technikons or private colleges. Eleven of our employees are currently working on various degrees, diplomas and courses through a number of independent institutions.

Employees are encouraged to attend outside seminars and training courses to further develop the skills required in the day-to-day execution of their duties.

The Group operates its own in-house training facilities, which conduct training and skills development courses for franchisees. Group employees also benefit by being able to attend some of the courses provided.

INCENTIVE SCHEME

In terms of the share incentive scheme that commenced in 1999, management became entitled to a portion of the shares on 30 June 2004. A final tranche of shares will become available to eligible employees on 30 June 2006.

A direct incentive bonus scheme for middle and lower level employees, based on individual performance, is currently in operation. Progress is being made to amend this bonus scheme to one that is more closely linked to the individual's, as well as the Group's performance.

CORPORATE SOCIAL INVESTMENT

Spur is passionately committed to programs and initiatives that support the upliftment of the community at large. The Executive Board approves the annual corporate social investment budget and appropriate projects recommended by our Marketing Department and the Human Resources Productivity Committee, who share the responsibility for the implementation of the approved projects. The Board gives preference to charities, organisations and events that support previously disadvantaged communities, focusing on children and family.

During the year under review, we participated in the following projects and social initiatives:

- We contributed financially to Tikkun, an organisation that focuses on the upliftment of disadvantaged people in South Africa. Tikkun's programs are vehicles for reaching out to the surrounding populations, identifying needs and assisting in ways that can help make a lasting difference in the lives of individuals and the well-being of communities.
- We continued our AIDS Awareness Campaign which we embarked upon during the previous financial year. Our work during the current year included the distribution of videos and free condoms, as well as in-store AIDS workshops.
- The Company is sponsoring the popular Blisters for Bread fundraising walk to raise money for feeding primary school children in the Western Cape, an event organised by the Peninsula School Feeding Association. This initiative is now being rolled out nationally.
- We made various general monthly donations to organisations such as the SPCA, the Society for the Blind, Boys Town and SOS Children's Village.



Financial
STATEMENTS

2024

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FINANCIAL STATEMENTS
2004

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Directors' Approval

The Directors are responsible for monitoring the preparation of and the integrity of the financial statements and related information included in this annual report.

In order for the Board to discharge its responsibilities, management has developed and continues to maintain a system of internal control. The Board has ultimate responsibility for the system of internal control and reviews its operation, primarily through the Audit Committee and various other risk-monitoring committees. The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Group's policies and procedures. These controls are implemented by trained, skilled personnel with an appropriate segregation of duties, are monitored by management and include a comprehensive budgeting and reporting system, operating within strict deadlines and an appropriate control framework.

The financial statements are prepared in accordance with statements of South African Generally Accepted Accounting Practice and in the manner as required by the Companies Act in South Africa and incorporate disclosure in line with the accounting philosophy of the Group. They are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The Directors believe that the Group will be a going concern in the year ahead. For this reason they continue to adopt the going concern basis in preparing the Group annual financial statements.

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

The annual financial statements and Group annual financial statements of Spur Corporation Limited, set out on pages 25 to 53, were approved by the Board of Directors on 1 October 2004 and are signed on its behalf by:



Allen Ambor Executive Chairman



Pierre van Tonder Managing Director



Dean Hyde Financial Director

Declaration by Company Secretary

In my capacity as Company Secretary, I hereby confirm, in terms of section 268 G(d), of the Companies Act, 1973, that for the year ended 30 June 2004, Spur Corporation Limited has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.



Dean Hyde
Secretary
1 October 2004

REPORT OF THE INDEPENDENT AUDITORS

To the members of
SPUR CORPORATION LIMITED

We have audited the annual financial statements and Group annual financial statements of Spur Corporation Limited and its subsidiaries for the year ended 30 June 2004 as set out on pages 25 to 53. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

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

An audit includes:

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

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

AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Company and of the Group as at 30 June 2004 and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa. We have also examined the segment reporting analysis for the year ended 30 June 2004 set out on page 15. In our opinion, this statement has been properly prepared.

KPMG Inc

KPMG Inc.
Registered Accountants and Auditors
Chartered Accountants (SA)

Cape Town
1 October 2004

DIRECTORS'

REPORT

The Directors present their fifth annual report, which forms part of the audited financial statements of the Company and of the Group for the year ended 30 June 2004.

NATURE OF THE BUSINESS

Spur Corporation Limited is a holding company. Through its subsidiaries, primarily Spur Group (Pty) Ltd and Spur International Limited, the Group carries on the business of franchisor in the family sit-down restaurant business. Through subsidiaries, Spur Advertising (Pty) Ltd and Panarottis Advertising (Pty) Ltd, the Group provides marketing and promotional services to franchisees.

FINANCIAL REVIEW

Turnover advanced by 16%, whilst operating profit was 37% ahead of last year, reflecting improved efficiencies as well as the benefit of lower foreign exchange losses, due to the continued strengthening of the Rand. Headline earnings of R37.2million were 36% ahead of 2003 (R27.4million).

Although interest rates declined substantially during the year, net interest received increased to R4.8million, due to the Group's growing cash reserves which now stand at R74million (2003: R50million). The strong cash flow has facilitated a 28% increase in distributions to shareholders to 30.0 cents per share (2003: 23.5 cents per share).

SHARE CAPITAL

The number of authorised shares has remained at 201 000 000 ordinary shares of 0.001 cents each, for the year ended 30 June 2004.

The movement in the number of issued shares, net of the shares repurchased by a wholly-owned subsidiary company during the year, was as follows:

1 July 2003	Ordinary shares	93 929 297
Repurchased during the year by a wholly-owned subsidiary company		(463 790)
30 June 2004		<hr/> <hr/> 93 465 507

INTEREST IN SUBSIDIARY COMPANIES

Details of the share capital and the Company's interest in the subsidiary companies are as follows:

	Issued capital R'000	Loans to subsidiary companies R'000	Interest %
Trading			
- Spur International Ltd	0.1	-	100
- Spur Group (Pty) Ltd	0.1	181 985	100
- Spur Advertising (Pty) Ltd	0.1	-	100
- Panarottis Advertising (Pty) Ltd	0.1	-	100
- Share Buy-Back (Pty) Ltd, previously Panarottis Claremont (Pty) Ltd	0.1	6 432	100
Property			
- Spur Group Properties (Pty) Ltd	0.1	3 266	100
Dormant	0.8	-	100

All subsidiary companies, except for Spur International Ltd, are incorporated in the Republic of South Africa. Spur International Ltd is incorporated in the British Virgin Islands.

The interest of the Company in the aggregate profits and losses after tax of subsidiaries is as follows:

	2004 R'000	2003 R'000
Profits	37 290	34 195
Losses	(169)	(6 847)

DISTRIBUTIONS

A final distribution, in respect of the 2003 financial year, of 12.5 cents per share, by way of a reduction of share premium, was paid to shareholders on 10 November 2003.

An interim distribution of 14.0 cents per share, by way of a reduction of share premium, was paid to shareholders on 5 April 2004.

The Directors have approved a final distribution of 16.0 cents per share, by way of a reduction of share premium, to be paid in cash on 11 October 2004.

SPECIAL RESOLUTIONS

On 25 November 2003, at the Company's annual general meeting, a special resolution was passed in terms of which:

- the Directors were granted the authority to contract the Company, or one of its wholly-owned subsidiaries, to acquire shares in the Company issued by it, should the Company comply with the relevant statutes and authorities applicable thereto.

Full details of the special resolution passed will be made available to shareholders on request.

MATERIAL CHANGES

Save as disclosed herein, no material changes in the financial or trading position of the Company or its subsidiaries have taken place to the date of this report.

DIRECTORS AND SECRETARY

The Directors as at the date of this report, together with the name, business and postal address of the Company Secretary, are set out on pages 11 and 58. The secretary, Dean Hyde, has certified that the Company has lodged with the Registrar of Companies all such returns as required by a public company in terms of the Companies Act, and that all such returns are true, correct and up to date.

In terms of the Company's Articles of Association, Mark Farrelly, Kevin Robertson, Keith Getz and John Rabb retire at the forthcoming annual general meeting. These gentlemen, all being eligible, offer themselves for re-election. There are no service agreements with any of the Directors of Spur Corporation at the date hereof which impose any abnormal notice periods on the Company.

Shareholders will be asked to confirm these re-appointments at the forthcoming annual general meeting.

DIRECTORS' INTERESTS

No contracts in which Directors or officers of the Company or Group had an interest and that significantly affected the affairs or business of the Company or any of its subsidiaries, were entered into during the year.

Details of Directors' beneficial direct and indirect interests in the ordinary shares are as follows:

	2004		2003	
	No. of shares	%*	No. of shares	%*
Allen Ambor	8 401 294	9.0	8 401 294	8.9
Pierre van Tonder	800 000		931 252	
Dean Hyde	640 801		712 053	
Mark Farrelly	426 586		691 252	
Kevin Robertson	341 524		568 596	
Keith Getz	2 491		2 491	
Phillip Joffe	150 156		248 915	
Keith Madders	1 112 022		1 232 703	
John Rabb	60 000		60 000	
Total	11 934 874	12.8	12 848 556	13.7

There have been no dealings in the company's securities by the directors during the period from year end (30 June 2004) to the date of this annual report, other than various hedging contracts entered into by four directors in respect of a total of 1 341 524 shares, the first of which put and call options expire on 22 June 2006.

*These percentages are based on shares in issue less shares repurchased by a wholly-owned subsidiary company.

SHAREHOLDERS' INTEREST IN SHARES

Major shareholders

The following are shareholders with the ten highest shareholdings in the issued share capital of the Company at 30 June 2004:

	No. of shares	%*
Allen Ambor	7 249 924	7.8
Old Mutual Life Assurance Company (SA) Ltd	6 791 517	7.3
Allan Gray Balanced Fund	4 881 523	5.2
Public Investment Commissioners	4 881 500	5.2
Ut- Allan Gray	4 881 311	5.2
Allan Gray Stable Fund	4 873 960	5.2
Nedbank Rainmaker Equity Fund	4 210 663	4.5
Momentum Life Assurers Ltd	3 847 360	4.1
Domestic Balanced Portfolio	3 531 651	3.8
Decillion Fund Management	3 248 160	3.5

*These percentages are based on shares in issue less shares repurchased by a wholly-owned subsidiary company.

Analysis of shareholding

An analysis of the spread of shareholding is presented below:

Shareholder spread	No. of shareholders	%	No. of shares	%
1 – 10 000	803	73.6	2 267 529	2.3
10 001 – 25 000	113	10.4	1 872 375	1.9
25 001 – 50 000	61	5.6	2 286 173	2.3
50 001 – 100 000	40	3.7	2 909 143	3.0
100 001 – 500 000	48	4.4	11 120 787	11.4
500 001 – 1 000 000	7	0.6	5 091 044	5.2
> 1 000 000	19	1.7	72 085 782	73.9
	1 091	100.0	97 632 833	100.0

Distribution of shareholders	No. of shareholders	%	No. of shares	%
Individuals	830	76.1	26 081 501	26.7
Banks and nominees	123	11.3	5 125 681	5.2
Investment companies	4	0.4	206 709	0.2
Insurance companies	6	0.5	12 795 191	13.1
Mutual funds	46	4.2	35 858 443	36.8
Pension funds	22	2.0	10 550 226	10.8
Other corporate bodies	60	5.5	7 015 082	7.2
	1 091	100.0	97 632 833	100.0

COMPANY INFORMATION

The Company's registration number and registered address are presented on page 58. Shareholders and members of the public are advised that the register of the interest of Directors, executives, senior management and other shareholders in the shares of the Company is available upon request from the Company Secretary.



PIERRE VAN TONDER
Managing Director

GROUP INCOME STATEMENT

for the year ended 30 June

	Notes	2004 R'000	2003 R'000
Revenue	2	181 044	156 139
Cost of sales		(72 943)	(62 938)
Gross profit for the year		108 101	93 201
Other operating income	3	6 626	6 581
Operating expenses		(64 997)	(63 520)
Profit from operations	4	49 730	36 262
Income from associate companies	5	471	193
Net finance income	6	4 778	4 688
Profit before taxation		54 979	41 143
Taxation	7	(17 801)	(13 482)
Income attributable to shareholders		37 178	27 661
Shares			
- In issue (000's) *	16	93 466	93 929
- Weighted average (000's)	8	93 729	94 643
- Earnings per share (cents)	8	39.67	29.23
- Headline earnings per share (cents)	8	39.72	28.95
- Distributions per share (cents)			
(Including proposed October 2004 distribution)		30.00	23.50
- Distribution cover (times)		1.3	1.2

* Shares in issue less shares repurchased by a wholly-owned subsidiary company.

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GROUP BALANCE SHEET

	Notes	2004 R'000	2003 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	9 086	6 769
Interest in associate companies	5	4 120	20 970
Loans receivable	12	11 930	3 018
Deferred taxation	13	39 683	45 268
		<hr/>	<hr/>
		64 819	76 025
Current assets			
Inventory	14	4 213	4 020
Trade and other receivables	15	21 216	16 997
Loans receivable		2 004	723
Cash and cash equivalents		76 672	53 417
		<hr/>	<hr/>
		104 105	75 157
Total assets		<hr/> <hr/>	<hr/> <hr/>
		168 924	151 182

at 30 June

	Notes	2004 R'000	2003 R'000
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16	1	1
Share premium and shares repurchased		183 294	210 049
Accumulated deficit	17	(44 688)	(81 866)
		<u>138 607</u>	<u>128 184</u>
Current liabilities			
Bank overdraft		2 622	3 073
Trade and other payables	18	14 322	12 622
Loans payable		6 223	-
Taxation		6 906	7 111
Shareholders for distribution		244	192
		<u>30 317</u>	<u>22 998</u>
Total equity and liabilities		<u>168 924</u>	<u>151 182</u>

Statement of Changes in

GROUP EQUITY

for the year ended 30 June

	Note	Share capital R'000	Share premium R'000	Shares repurchased by subsidiary R'000	Accumulated deficit R'000	Total R'000
Balance at 1 July 2002		1	239 793	(6 400)	(109 527)	123 867
Profit for the year					27 661	27 661
Distributions	9		(20 991)			(20 991)
Shares repurchased				(2 353)		(2 353)
Balance at 30 June 2003		1	218 802	(8 753)	(81 866)	128 184
Profit for the year					37 178	37 178
Distributions	9		(25 873)			(25 873)
Shares repurchased				(882)		(882)
Balance at 30 June 2004		1	192 929	(9 635)	(44 688)	138 607

CASHFLOW

Statement
for the year ended 30 June

	Notes	2004 R'000	2003 R'000
Net cash flows from operating activities			
Operating profit before working capital changes	24	56 937	47 623
Working capital changes	25	3 446	2 020
Cash generated by operations		60 383	49 643
Interest received	6	5 137	4 691
Interest paid	6	(359)	(3)
Taxation paid	26	(12 421)	(4 006)
Distributions paid	27	(25 821)	(21 300)
		26 919	29 025
Net cash flows from investing activities			
Purchase of fixed assets		(4 142)	(1 506)
Proceeds from disposal of interest in associate companies		-	6
Proceeds from disposal of company stores	28	259	-
Decrease in loans receivable		2 935	3 697
		(948)	2 197
Net cash flows from financing activities			
Shares repurchased		(882)	(2 353)
		(882)	(2 353)
Net movement in cash and cash equivalents		25 089	28 869
Adjustment for foreign exchange fluctuations		(1 383)	(3 057)
Cash and cash equivalents at beginning of year		50 344	24 532
Cash and cash equivalents at end of year	29	74 050	50 344

STATEMENTS

1. ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis except for financial instruments which are carried at fair value. The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and the requirements of the South African Companies Act. The financial statements incorporate the principal accounting policies set out below, which are consistent with those adopted in the previous financial year.

1.1 BASIS OF CONSOLIDATION**1.1.1 Investments in subsidiaries**

Subsidiaries are those entities over whose financial and operating policies the Group has the power to exercise control, so as to obtain benefits from their activities.

The Group financial statements incorporate the assets, liabilities and results of the operations of the Company and its subsidiaries. The results of subsidiaries acquired and disposed of during a financial year are included from the effective dates of acquisition and to the effective dates of disposal. Where necessary, the accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

1.1.2 Investments in associates

An associate is an enterprise over whose financial and operating policies the Group has the ability to exercise significant influence and which is neither a subsidiary nor a joint venture of the Group.

The equity method of accounting for associates 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 date on which the enterprise became an associate and up to the effective date of disposal.

The share of associated retained earnings is generally determined from the associate's latest audited financial statements but, in some instances, unaudited interim results are used. Dividends received from associates are included in the income from investments.

Where the Group's share of losses of an associate exceeds the carrying amount of the associate, the associate is carried at nil. Additional losses are only recognised to the extent that the Group has incurred obligations or made payments on behalf of the associate.

1.1.3 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the group financial statements. Unrealised gains arising from transactions with associated and jointly controlled entities are eliminated to the extent of the Group's interest in the enterprises. Unrealised gains resulting from transactions with associates are eliminated against the investment in the associates. Unrealised losses on transactions with associates are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

1.2 COMPARATIVE FIGURES

Comparative figures in the income statement have been restated in line with circular 3/2004 issued in March 2004. The restatement comprised the inclusion of amounts previously disclosed as exceptional items in operating expenses.

1.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives at the following rates:

Furniture and fittings	15 %
Plant, equipment and vehicles	20 %
Computer equipment	33 %
Computer software	50 %
Buildings	5 %

Land is not depreciated.

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Surpluses/(deficits) on the disposal of property, plant and equipment are credited/(charged) to income. The surplus or deficit is the difference between the net disposal proceeds and the carrying amount of the asset.

1.4 IMPAIRMENT

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use.

For goodwill or intangible assets amortised over a period exceeding 20 years, the recoverable amount is estimated at each balance sheet date.

In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

For an asset that does not generate cash inflows that are largely independent of those from other assets the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised in the income statement whenever the carrying amount of the cash-generating unit exceeds its recoverable amount. A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years.

1.5 INVENTORY

Inventory is stated at the lower of cost, determined on the first in first out basis, and net realisable value. Cost of manufactured goods includes direct material costs together with appropriate allocations of labour and overheads. Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their estimated net realisable values.

1.6 LEASES

1.6.1 Finance leases

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the Group are classified as finance leases. Finance leases are recognised as assets and liabilities at amounts equal, at the inception of the lease, to the fair value of the leased assets or, if lower, at the present value of the minimum lease payments. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease when it is practicable to determine; otherwise the Group's incremental borrowing rate is used. Initial direct costs incurred are included as part of the cost of the asset. Lease payments are apportioned between finance charges and the reduction of the outstanding liability. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

A finance lease gives rise to a depreciation expense for the asset as well as finance expenses for each accounting period. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned.

1.6.2 Operating leases

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor, are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

1.7 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash.

1.8 TAXATION

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the balance sheet date, and any adjustment of tax payable for previous years.

Deferred tax is provided using the balance sheet liability method, based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred tax of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.9 FOREIGN CURRENCIES

1.9.1 Foreign currency transactions

Foreign currency transactions are recorded at the rate of exchange ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Gains and losses arising on translation are credited to or charged against income.

1.9.2 Integrated foreign operations

Where the operations of a foreign company are integral to the operations of the Company, the translation principles are applied as if the transactions of the foreign operation had been those of the Company, i.e. foreign currency monetary items are translated using the closing rate, and non-monetary items are translated using the historical rate as at the date when the transactions occurred. Income and expenditure are translated at the monthly weighted average rate of exchange for the year. Resulting exchange differences are recognised in the income statement.

1.10 FINANCIAL INSTRUMENTS

1.10.1 Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:

Investments

Investments classified as held-for-trading or available-for-sale financial assets are carried at fair value. Where a market value is readily available, the market value is deemed a reliable measure of the fair value. Where the fair value cannot be reliably determined, the assets are shown at cost less accumulated impairment losses.

Investments that meet the criteria for classification as held-to-maturity financial assets are carried at amortised cost.

Trade and other receivables (including loans)

Trade and other receivables (including loans) originated by the Group are stated at cost less provision for doubtful debts or impairment losses as appropriate.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at balance sheet date.

Financial liabilities

Non-derivative financial liabilities are recognised at a mortised cost, comprising original debt less principal payments and amortisations.

Financial liabilities designated as held-for-trading are recognised at fair value.

Derivative instruments

Derivative instruments are measured at fair value.

1.10.2 Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments that are not part of a hedging relationship are included in income in the period in which the change arises. Gains and losses on available - for - sale financial assets are recognised directly in equity.

Gains and losses from remeasuring the hedging instruments relating to a cash flow hedge to fair value are initially recognised directly in equity. If the hedged firm commitment or forecast transaction results in the recognition of an asset or a liability, the cumulative amount recognised in equity up to the transaction date is adjusted against the initial measurement of the asset or liability. For other cash flow hedges, the cumulative amount recognised in equity is included in net profit or loss in the period when the commitment or forecast transaction affects profit or loss.

Where the hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative unrealised gain or loss at that point remains in

equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to occur, the cumulative unrealised gain or loss is recognised in the income statement immediately.

1.10.3 Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.11 REVENUE

Revenue comprises franchise related fees and proceeds from the sale of supplies and promotional items. All revenue is stated exclusive of value added taxation and net of transactions with Group companies.

Sales are recognised when significant risks and rewards of ownership are transferred to the buyer, costs can be measured reliably and receipt of the future economic benefits is probable.

Franchise fees are recognised on the accrual basis as the services are rendered or the rights used in accordance with the substance of the related franchise agreements.

1.12 INVESTMENT INCOME

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 probable that such income will accrue to the Group. Dividends are recognised when the right to receive payment is established.

1.13 RESEARCH AND DEVELOPMENT COSTS

Research costs are recognised as an expense in the period in which they are incurred. Development costs are recognised similarly unless they meet the recognition criteria of an asset.

1.14 EMPLOYEE BENEFITS

1.14.1 Short term employee benefits

The cost of all short term employee benefits is recognised during the period in which the employee renders the related service.

The provisions for employee entitlements to salaries, annual and sick leave represent the amount which the Group has a present obligation to pay as a result of employees' services provided to the balance sheet date. The provisions have been calculated at undiscounted amounts based on current salary rates.

1.14.2 Long term employee benefits

The liability for employees' entitlements to long service leave represents the present value of the estimated future cash outflows resulting from employees' services provided to the balance sheet date.

In determining the liability for employee benefits, consideration is given to future increases in wage and salary rates, and the Group's experience with staff turnover.

Liabilities for employee benefits which are not expected to be settled within 12 months are discounted using the market yields, at the balance sheet date, on high quality bonds with terms which most closely match the terms of maturity of the related liabilities.

1.14.3 Retirement benefits

The Group contributes to a defined contribution plan. Contributions to the defined contribution fund are charged against income as incurred.

1.15 PROVISIONS

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

1.16 DISTRIBUTIONS TO SHAREHOLDERS

Distributions are recognised when declared.

1.17 SEGMENT REPORTING

The Group is a franchisor, wholesaler and distributor of branded goods. On a primary basis, the Group is organised on a worldwide basis into two major operating divisions -

- Wholesale and distribution; and
- Franchise

On a secondary segment basis, the geographical location of the Group's franchising operations has been identified. The basis of segment reporting is representative of the internal structure used for management reporting.

Segment profit includes revenue and expenses directly attributable to a segment and the relevant portion of enterprise revenue and expenses that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets are determined after deducting related allowances that are reported as direct offsets in the Group's balance sheet.

2. REVENUE

	2004 R'000	2003 R'000
Wholesale and distribution	101 354	87 129
Franchise	79 690	69 010
	<u>181 044</u>	<u>156 139</u>

3. OTHER OPERATING INCOME

	2004 R'000	2003 R'000
Advertising administration fee	6 626	6 581

4. PROFIT FROM OPERATIONS

The following items have been taken into account in determining profit from operations:

	2004 R'000	2003 R'000
Administration fees	110	388
Auditors' remuneration		
- Audit fees	276	545
- Other fees	75	549
Consulting fees	1 821	632
Depreciation		
- Buildings	167	167
- Furniture and fittings	364	313
- Plant, equipment and vehicles	516	588
- Computer equipment	668	922
Directors' emoluments (refer note 19)	6 491	5 822
Fair value adjustment - loan receivable	1 413	-
Foreign exchange loss	3 912	7 562
Impairment loss - loans to associate companies	1 708	1 700
Loss on disposal of associate company	499	-
Operating lease charges	2 775	2 542
Pension expenses - defined contribution plan	3 162	2 748
Profit on disposal of company stores	(444)	(261)
Research costs	321	384

5. INTEREST IN ASSOCIATE COMPANIES

	2004 R'000	2003 R'000
5.1 Carrying amount at beginning of year	486	299
Sale of investment	(499)	(6)
Equity accounted earnings of associate companies	471	193
Carrying amount at end of year	458	486
Consisting of:		
Unlisted shares at cost	15	26
Group's share of post acquisition reserves	443	460
	458	486
Loans to associate companies	3 662	20 484
	4 120	20 970

Loans to associate companies are unsecured, interest free and no fixed dates for repayment have been determined. Following the restructure of Spur in the UK, the loan owing by Chinnick Investments BV has been sold and is now classified as a loan receivable (refer note 12.1).

5.2 Analysis of interest in associate companies

	Effective holdings %	Cost of shares R'000	Loans in foreign currency '000	Foreign currency	Loans in rands R'000	Share in post acquisition reserves R'000	Total R'000
Bathspur Holdings (Pty) Ltd (Australia)	40.0	0,5	4	AUSS	17	-	17,5
Bathspur (Pty) Ltd (Australia)*	13.3	-	104	AUSS	450	-	450
Panhold (Pty) Ltd (Australia)	40.0	2	170	AUSS	735	-	737
Pan Pen (Pty) Ltd (Australia)*	13.3	-	-		-	277	277
Spur Group (Pty) Ltd (Australia)	50.0	4	981	AUSS	4 248	77	4 329
Chinnick Investments BV (UK)	50.0	-	-		-	-	-
Golden Spur Limited (Nairobi)	40.0	8	148	US\$	927	-	935
Kelseys Northwharf (Pty) Ltd	20.0	-	-		-	89	89
San Pablo (Pty) Ltd (Dormant)	50.0	-	-		-	-	-
Pangara Holdings (Pty) Ltd (Australia)	70.0	0,5	160	AUSS	693	-	693,5
Pangara (Pty) Ltd (Australia)*	23.3	-	-		-	-	-
Impairment provision					(3 408)		(3 408)
		15			3 662	443	4 120

* Indirect.

All associate companies, except for Chinnick Investments BV, operate as restaurants. Chinnick Investments BV operated as a master franchise company. Following a restructure of the UK operations, Chinnick Investments BV is dormant and in the process of being liquidated. All the above loans are denominated in the foreign currencies indicated above. These loans are all uncovered and are converted into South African Rands at the ruling exchange rates as at 30 June 2004, as follows: - US \$1: R6,275
- AUS \$1: R4,332

6. NET FINANCE INCOME

	2004 R'000	2003 R'000
Interest received	5 137	4 691
Interest paid	(359)	(3)
	4 778	4 688

7. TAXATION

		2004 R'000	2003 R'000
7.1	Normal taxation		
	Current		
	- current year	12 198	7 903
	- prior year	18	(302)
	Deferred		
	- current year	5 702	5 579
	- prior year	(117)	302
		<u>17 801</u>	<u>13 482</u>
7.2	Reconciliation of rate of taxation	%	%
	South African normal tax rate	30.0	30.0
	- Taxation losses utilised	(0.6)	(4.7)
	- Permanent differences	3.0	7.5
	Effective rate	<u>32.4</u>	<u>32.8</u>

8. EARNINGS AND HEADLINE EARNINGS PER SHARE

Earnings per share

The calculation of earnings per share is based on earnings of R37.178million (2003: R27.661million) and a weighted average number of 93 728 683 (2003: 94 542 800) ordinary shares in issue.

Reconciliation of the weighted average number of ordinary shares:

	2004 000's	2003 000's
Shares in issue at beginning of year	97 633	97 633
Shares repurchased at beginning of year	(3 704)	(2 749)
Buy-back of shares (weighted average for the year)	(200)	(241)
	<u>93 729</u>	<u>94 643</u>

8.2 Headline earnings per share

The calculation of headline earnings per share is based on a weighted average number of 93 728 683 (2003: 94 642 800) ordinary shares in issue during the year, and headline earnings are calculated as follows:

	2004 R'000	2003 R'000
Reconciliation between earnings:		
Income attributable to shareholders	37 178	27 661
Loss of disposal of associate	499	-
Profit on disposal of company stores	(444)	(261)
Headline earnings	<u>37 233</u>	<u>27 400</u>

9. DISTRIBUTIONS

	2004 R'000	2003 R'000
Final 2003 - 12.5 cents (2002: 10.5 cents) per share	12 204	10 251
Interim 2004 - 14.0 cents (2003 : 11 cents) per share	13 669	10 740
	<u>25 873</u>	<u>20 991</u>

10. CAPITAL COMMITMENTS

The following capital commitments have been authorised and contracted for:

	2004 R'000	2003 R'000
Completion of the upgrade of the Montague Gardens manufacturing facility to comply with HACCP requirements	974	-
Completion of development of new Spur Head Office and manufacturing facility in Gauteng	13 878	-
	<u>14 852</u>	<u>-</u>

The company will utilise its cash resources to finance the proposed capital expenditure.

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Movement summary 2004

	Land and buildings R'000	Plant, Furniture and fittings R'000	Plant, equipment and vehicles R'000	Computer equipment R'000	Total R'000
COST					
Balance at 1 July 2003	4 040	2 309	2 882	3 199	12 430
Additions	2 182	160	1 095	705	4 142
Disposals	-	-	(629)	-	(629)
Balance at 30 June 2004	<u>6 222</u>	<u>2 469</u>	<u>3 348</u>	<u>3 904</u>	<u>15 943</u>
ACCUMULATED DEPRECIATION					
Balance at 1 July 2003	(649)	(781)	(1 893)	(2 338)	(5 661)
Disposals	-	-	519	-	519
Depreciation	(167)	(364)	(516)	(668)	(1 715)
Balance at 30 June 2004	<u>(816)</u>	<u>(1 145)</u>	<u>(1 890)</u>	<u>(3 006)</u>	<u>(6 857)</u>
NET BOOK VALUE					
Balance at 1 July 2003	3 391	1 528	989	861	6 769
Additions	2 182	160	1 095	705	4 142
Disposals	-	-	(110)	-	(110)
Depreciation	(167)	(364)	(516)	(668)	(1 715)
Balance at 30 June 2004	<u>5 406</u>	<u>1 324</u>	<u>1 458</u>	<u>898</u>	<u>9 086</u>

11.2 Movement summary 2003

	Land and buildings R'000	Furniture and fittings R'000	Plant, equipment and vehicles R'000	Computer equipment R'000	Total R'000
COST					
Balance at 1 July 2002	4 040	1 903	2 458	2 540	10 941
Additions	-	406	441	659	1 506
Disposals	-	-	(17)	-	(17)
Balance at 30 June 2003	<u>4 040</u>	<u>2 309</u>	<u>2 882</u>	<u>3 199</u>	<u>12 430</u>
ACCUMULATED DEPRECIATION					
Balance at 1 July 2003	(482)	(468)	(1 322)	(1 416)	(3 688)
Depreciation	(167)	(313)	(588)	(922)	(1 990)
Disposals	-	-	17	-	17
Balance at 30 June 2003	<u>(649)</u>	<u>(781)</u>	<u>(1 893)</u>	<u>(2 338)</u>	<u>(5 661)</u>
NET BOOK VALUE					
Balance at 1 July 2002	3 558	1 435	1 136	1 124	7 253
Additions	-	406	441	659	1 506
Depreciation	(167)	(313)	(588)	(922)	(1 990)
Balance at 30 June 2003	<u>3 391</u>	<u>1 528</u>	<u>989</u>	<u>861</u>	<u>6 769</u>

	Carrying value 2004 R'000	Cost 2004 R'000	Carrying value 2003 R'000	Cost 2003 R'000
11.3 Land and buildings comprise:				
Portion 1 of stand 165, Chamdor Extention, District of Krugersdorp, Gauteng	1 264	1 590	1 329	1 590
Erf 20661, stand no.8, District of Milnerton, Cape Town	1 351	1 700	1 420	1 700
Sectional title units 7 & 8, Teakfield Park, Durban	609	750	642	750
Erf 864 Kosmodal X11JR, Province of Gauteng - cost to date	2 182	2 182	-	-
	5 406	6 222	3 391	4 040

12. LOANS RECEIVABLE

	2004 R'000	2003 R'000
12.1 Amount receivable at year-end	12 646	-
Fair value adjustment	(1 413)	-
	11 233	-
Repayable within 12 months	(1 276)	-
	9 957	-
<p>The loan is denominated in Pounds Sterling and converted into South African Rands using an exchange rate of £1:R11,341. At year-end the uncovered foreign currency amount outstanding, before any fair value adjustments, amounted to £1 115 000.</p> <p>The loan is secured by shares in the borrower's business and is interest free to 30 June 2008, whereafter it is interest bearing at a rate equal to the UK base rate plus 2 percentage points. The loan is repayable in monthly instalments of at least £10 000, payable on the last day of each month until the loan is repaid in full. The first repayment was received on 30 June 2004 with the last payment expected on 30 September 2013.</p>		
12.2 Panarottis Advertising Marketing Fund	2 453	3 438
Repayable within 12 months	(480)	(420)
	1 973	3 018
<p>The loan is unsecured, interest free and is repayable in monthly instalments of R40 000.</p>		
Total loans receivable	11 930	3 018

13. DEFERRED TAXATION

	2004 R'000	2003 R'000
Balance at 1 July	45 268	51 149
Charged to income statement	(5 585)	(5 881)
Balance at 30 June	39 683	45 268
<p>The deferred tax asset comprises:</p>		
Trademark	39 290	44 903
Leave pay	443	364
Other	(50)	1
	39 683	45 268

14. INVENTORY

	2004 R'000	2003 R'000
Raw materials	418	349
Merchandising and packaging	2 925	2 589
Promotional and advertising	521	457
Finished goods	349	625
	4 213	4 020

15. **TRADE AND OTHER RECEIVABLES**

	2004 R'000	2003 R'000
Trade debtors	19 787	16 461
Prepayments	767	224
Staff loans	80	53
Other	582	259
	<u>21 216</u>	<u>16 997</u>

16. **SHARE CAPITAL**

	Number of shares		2004 R'000	2003 R'000
	2004 '000	2003 '000		
Authorised				
Ordinary shares of 0.001 cents each	201 000	201 000	2	2
Issued				
Ordinary shares of 0.001 cents each	97 633	97 633	1	1
Shares repurchased by a wholly-owned subsidiary company	(4 167)	(3 704)	-	-
	<u>93 466</u>	<u>93 929</u>	<u>1</u>	<u>1</u>

17. **ACCUMULATED DEFICIT**

	2004 R'000	2003 R'000
(Accumulated deficit)/retained earnings		
- Holding company	(443)	(500)
- Subsidiary companies	(44 688)	(81 826)
- Associate companies	443	460
	<u>(44 688)</u>	<u>(81 866)</u>

18. **TRADE AND OTHER PAYABLES**

	2004 R'000	2003 R'000
Trade creditors	9 283	9 509
Accruals	1 691	1 115
Provision for leave pay	1 475	1 261
Other	1 873	737
	<u>14 322</u>	<u>12 622</u>

19. DIRECTORS' EMOLUMENTS

The following emoluments were paid by a subsidiary company:

	Fees	Cash remuneration	2004 Other benefits**	Performance* bonus	Total cost to company	2003 Total cost to company
	R'000	R'000	R'000	R'000	R'000	R'000
Executive						
Allen Ambor	-	1 039	358	82	1 479	1 361
Pierre van Tonder	-	1 162	375	92	1 629	1 486
Mark Farrelly	-	729	272	59	1 060	916
Dean Hyde	-	735	252	58	1 045	887
Kevin Robertson	-	542	243	44	829	737
Phillip Joffe	-	283	138	28	449	405
Total	-	4 490	1 638	363	6 491	5 792
Non-executive						
John Rabb	-	-	-	-	-	10
Keith Getz	-	-	-	-	-	10
Keith Madders	-	-	-	-	-	-
Billy Rule	-	-	-	-	-	10
Total	-	-	-	-	-	30
Total remuneration	-	4 490	1 638	363	6 491	5 822

* The performance bonus is in respect of the year ended 30 June 2003.

** Other benefits include provident fund, medical aid, group life cover and travel allowance.

20. MARKETING FUNDS

In terms of signed franchise agreements, the Group receives marketing contributions from franchisees which are kept and accounted for in marketing funds. These funds are utilised in the procurement of marketing and advertising services for the benefit of the franchisees. During the year, the marketing funds received R49.3million (2003: R41.6million) in advertising contributions.

21. OPERATING LEASES

Future minimum lease payments under non-cancellable operating leases are as follows:

	2004 R'000	2003 R'000
Next year	3 399	2 523
Year two through to year five	3 067	4 643
	6 466	7 166

22.1 Identity of related parties

The subsidiaries of the Group are identified on page 26 and the associate companies in note 5 on page 40. The Directors are listed on page 11.

22.2 Transactions between fellow subsidiaries

During the year, in the ordinary course of business, certain companies within the Group entered into arm's length transactions. These intra-group transactions have been eliminated on consolidation.

22.3 Directors

A number of the Group's Directors hold positions in other entities, where they may have significant influence over the financial or operating policies of these entities. Accordingly, the following are considered to be such entities:

Director	Entity	Position held in entity
Allen Ambor	The Ambor Family Trust	Trustee
	900 Bulk Property Investments CC	Member
	Yankee Products (Pty) Ltd	Shareholder
Pierre van Tonder	Sea Point Steakhouse (Pty) Ltd*	Shareholder
	Utah Steakhouse (Pty) Ltd*	Shareholder
	Malibu Steakhouse (Pty) Ltd*	Shareholder
Dean Hyde	Sea Point Steakhouse (Pty) Ltd*	Shareholder
	Utah Steakhouse (Pty) Ltd*	Shareholder
	Malibu Steakhouse (Pty) Ltd*	Shareholder
Keith Getz	Bernadt Vukic Potash & Getz	Partner
Phillip Joffe	Claremont Steak Ranch (Pty) Ltd*	Shareholder
	Strand Steak Ranch (Pty) Ltd*	Shareholder
	900 Bulk Property Investments CC	Member

Transactions between the Group and these entities have occurred under terms and conditions that are no more favourable than those entered into with third parties in arm's length transactions.

Material related party transactions are:

- i) Bernadt Vukic Potash & Getz serve as the Group's principal legal counsel and have provided legal services on various matters in the ordinary course of business to the value of R934 096 in 2004 (R806 306 in 2003).
- ii) A subsidiary company within the Group has entered into property lease transactions with entities controlled by Allen Ambor. These transactions have been conducted on a market-related, arm's length basis. Rental paid to these entities totalled R1 053 240 in 2004 (R918 124 in 2003).
- iii) A subsidiary company within the Group has entered into a property lease transaction with an entity controlled by Allen Ambor and Phillip Joffe. This transaction has been conducted on a market-related, arm's length basis. Rental paid to this entity totalled R886 579 in 2004 (R743 410 in 2003).
- iv) A subsidiary company within the Group has entered into franchise agreements with entities in which Pierre van Tonder, Dean Hyde and Phillip Joffe have an interest.

*These entities are franchisees.

23. FINANCIAL INSTRUMENTS

23.1 Liquidity risk
The Group has sufficient cash resources and credit facilities available to it to ensure that its liquidity requirements are met.

23.2 Credit risk
Credit risk arises from the possibility that franchisees may not be able to settle obligations to the Group within the normal terms of trade. A further credit risk arises in respect of loans receivable. To manage this risk, the Group periodically assesses the financial viability of the franchisees and loan debtors. The risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. The maximum exposure to credit risk is represented by the carrying values of financial assets on the balance sheet.

23.3 Currency risk
The Group incurs currency risk as a result of franchise fees received, purchases, sales and loans in foreign currencies. The currencies in which the Group primarily deals are Pounds Sterling, Euros, US Dollars and Australian Dollars.

To manage currency risk, the Group periodically assesses exposure to foreign currencies and hedges transactions and/or balances where appropriate. Refer notes 5 and 12 for currency exposure relating to loans receivable.

23.4 Interest rate risk
The Group generally adopts a policy of ensuring that its exposure to changes in the interest rates is on a floating rate basis.

23.5 Fair value of financial instruments
At the balance sheet date the carrying values of the Group's financial instruments on the balance sheet approximate their fair value.

	0 - 1 year R'000	1 - 3 years R'000	> 3 years R'000	Total R'000
Assets				
Cash and bank	76 672	-	-	76 672
Trade and other receivables	21 216	-	-	21 216
Long-term loans receivable	-	2 893	12 699	15 592
Current loans receivable	2 004	-	-	2 004
Total financial assets	99 892	2 893	12 699	115 484
Liabilities				
Bank overdraft	2 622	-	-	2 622
Trade and other payables	14 322	-	-	14 322
Shareholders for distribution	244	-	-	244
Taxation payable	6 906	-	-	6 906
Loans payable	6 223	-	-	6 223
Total financial liabilities	30 317	-	-	30 317
Net financial assets	69 575	2 893	12 699	85 167

24. OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

	2004 R'000	2003 R'000
Profit before taxation	54 979	41 143
Adjusted for:		
Depreciation	1 715	1 990
Income from associate companies	(471)	(193)
Foreign exchange loss	3 912	7 562
Loss on disposal of associate company	499	-
Profit on disposal of company stores	(444)	(261)
Impairment loss	1 708	1 700
Movement in provisions	(183)	370
Interest received	(5 137)	(4 691)
Interest paid	359	3
	56 937	47 623

25. WORKING CAPITAL CHANGES

	2004 R'000	2003 R'000
(Increase)/decrease in inventory	(193)	214
(Increase)/decrease in trade and other receivables	(4 467)	7 319
Increase/ (decrease) in trade and other payables	1 828	(5 513)
Decrease in loans receivable	55	-
Increase in loans payable	6 223	-
	<u>3 446</u>	<u>2 020</u>

26. TAXATION PAID

	2004 R'000	2003 R'000
Taxation paid is reconciled to the amount disclosed in the income statement as follows:		
Amount payable at beginning of year	(7 111)	(1 446)
Amount charged to income statement	(17 801)	(13 482)
Deferred taxation	5 585	5 881
Receivable written off	-	(2 070)
Amount payable at end of year	6 906	7 111
	<u>(12 421)</u>	<u>(4 006)</u>

27. DISTRIBUTIONS PAID

	2004 R'000	2003 R'000
Distributions paid are reconciled to the amount disclosed as follows:		
Amount unpaid at beginning of year	(192)	(501)
Reduction in share premium	(25 873)	(20 991)
Amount unpaid at end of year	244	192
	<u>(25 821)</u>	<u>(21 300)</u>

28. PROCEEDS FROM DISPOSAL OF COMPANY STORES

	2004 R'000	2003 R'000
Fixed assets	110	-
Accounts receivable	34	159
Accounts payable	(329)	(420)
Net book value of stores disposed of	<u>(185)</u>	<u>(261)</u>
Profit from disposal of company stores	444	261
Proceeds from disposal	<u>259</u>	<u>-</u>

29. CASH AND CASH EQUIVALENTS

	2004 R'000	2003 R'000
Cash and bank	76 672	53 417
Bank overdraft	(2 622)	(3 073)
	<u>74 050</u>	<u>50 344</u>

COMPANY

BALANCE SHEET

at 30 June

	Notes	2004 R'000	2003 R'000
ASSETS			
Non-current assets			
Interest in subsidiary companies	1	191 683	217 353
		<u>191 683</u>	<u>217 353</u>
Current assets			
Taxation		95	67
Trade and other receivables		-	5
Cash and cash equivalents		953	1 070
		<u>1 048</u>	<u>1 142</u>
Total assets		<u><u>192 731</u></u>	<u><u>218 495</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	2	1	1
Share premium		192 929	218 802
Accumulated deficit		(443)	(500)
		<u>192 487</u>	<u>218 303</u>
Current liabilities			
Shareholders for distribution		244	192
		<u>244</u>	<u>192</u>
Total equity and liabilities		<u><u>192 731</u></u>	<u><u>218 495</u></u>

COMPANY

INCOME

STATEMENT for the year ended 30 June

	2004 R'000	2003 R'000
Interest received	92	171
Operating expenses	(7)	-
Profit before taxation	85	171
Taxation	(28)	(51)
Net profit for the year	57	120

STATEMENT OF CHANGES IN COMPANY EQUITY

for the year ended
30 June

	Share capital R'000	Share premium R'000	Accumulated deficit R'000	Total R'000
Balance at 1 July 2002	1	239 793	(620)	239 174
Net profit for the year			120	120
Distributions		(20 991)		(20 991)
Balance at 30 June 2003	1	218 802	(500)	218 303
Net profit for the year			57	57
Distributions		(25 873)		(25 873)
Balance at 30 June 2004	1	192 929	(443)	192 487

Company
CASHFLOW
 STATEMENT
 for the year ended 30 June

	Notes	2004 R'000	2003 R'000
Net cash flows from operating activities			
Operating expenses		(7)	-
Working capital changes	3	5	(5)
Interest received		92	171
Taxation paid	4	(56)	(48)
Distributions paid	5	(25 821)	(21 300)
		<hr/>	<hr/>
		(25 787)	(21 182)
Net cash flows from investing activities			
Decrease in amounts due by subsidiary companies		25 670	5 251
		<hr/>	<hr/>
		25 670	5 251
Net cash flows from financing activities			
Increase in amounts due to subsidiary companies		-	16 500
		<hr/>	<hr/>
		-	16 500
Net movement in cash and cash equivalents		(117)	569
Cash and cash equivalents at beginning of year		1 070	501
Cash and equivalents at end of year		<hr/> <hr/>	<hr/> <hr/>
		953	1 070

FINANCIAL STATEMENTS

1. INTEREST IN SUBSIDIARY COMPANIES

	2004 R'000	2003 R'000
Shares at cost less provisions and amounts written off	1	1
Loans to subsidiary companies	191 682	217 352
	<u>191 683</u>	<u>217 353</u>

Loans due to and from subsidiary companies are unsecured, interest free and no fixed dates of repayment have been determined. Refer directors' report for details of subsidiary companies and loans.

2. SHARE CAPITAL

	2004 R'000	2003 R'000
Authorised 201 000 000 ordinary shares of 0.001 cents each	2	2
Issued 97 632 833 ordinary shares of 0.001 cents each	1	1

3. WORKING CAPITAL CHANGES

	2004 R'000	2003 R'000
Decrease/(increase) in trade and other receivables	5	(5)

4. TAXATION PAID

	2004 R'000	2003 R'000
Taxation paid is reconciled to the amount disclosed in the income statement as follows:		
Amount receivable at beginning of year	67	70
Amount charged to income statement	(28)	(51)
Amount receivable at end of year	(95)	(67)
	<u>(56)</u>	<u>(48)</u>

5. DISTRIBUTIONS PAID

	2004 R'000	2003 R'000
Distributions paid are reconciled to the amount disclosed as follows:		
Amount payable at beginning of year	(192)	(501)
Reduction in share premium	(25 873)	(20 991)
Amount payable at end of year	244	192
	<u>(25 821)</u>	<u>(21 300)</u>

6. GUARANTEES

The company has provided guarantees to the value of R12,5 million (2003: R12,5 million) to financial institutions on behalf of its subsidiaries.

Notice of ANNUAL GENERAL MEETING

Spur Corporation Limited
 (Incorporated in the Republic of South Africa)
 (Registration number 1998/000828/06)
 Share code: SUR ISIN: ZAE 000022653
 ("the Company")

"NOTICE IS HEREBY GIVEN that the next annual general meeting of the shareholders of the Company will be held at 10:00 on Thursday, 25 November 2004 at 57 Selkirk Street, Woodstock, Cape Town to conduct the following business:

1. Ordinary Resolution Number 1: The adoption of the Annual Financial Statements

"To receive and adopt the Annual Financial Statements for the financial year ended 30 June 2004, including the Directors' Report and the Report of the Auditors therein."

2. Ordinary Resolution Number 2: The re-appointment of Directors

"To re-elect the following Directors who, in terms of the Company's articles of association retire at the annual general meeting, but, being eligible, offer themselves for re-election: Mark Farrelly, Kevin Robertson, Keith Getz and John Rabb. Such re-elections are to be voted on individually unless a resolution is agreed to by the meeting (without any vote against it) that a single resolution be used."

3. Ordinary Resolution Number 3: The re-appointment of the auditors

"To reappoint the firm KPMG Inc. as auditors of the Company for the ensuing period terminating on the conclusion of the next annual general meeting of the Company and to authorise the Directors to fix the auditors' remuneration for the past year."

4. Ordinary Resolution Number 4: General authority to make payments to shareholders

"Resolved that the Directors, subject to Section 90 of the Companies Act (Act 61 of 1973), as amended, and the Listings Requirements of the JSE Securities Exchange South Africa ("JSE") and to any other restrictions set out in the mandate, be and are hereby authorised to make payments to shareholders, subject to the following limitations:

4.1 that this authority shall not extend beyond 15 months from the date of this resolution, or the date of the next annual general meeting, whichever is the earlier date; and

4.2 that any general repayment(s) may not exceed 20% of the Company's issued share capital, including reserves, but excluding minority interests, and revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, in any one financial year, measured as at the beginning of such financial year."

The purpose of this general authority is to enable the Company's Directors to return certain excess cash resources to shareholders on a pro rata basis.

5. Special Resolution: The authority to repurchase shares

"Resolved that the Company (or one of its wholly owned subsidiaries) may, subject to the Companies Act (Act 61 of 1973), as amended, and the Listings Requirements of the JSE Securities Exchange South Africa ("JSE"), acquire shares issued by itself or shares in its holding company, as and when deemed appropriate, subject to the following limitations:

5.1 that the repurchase of shares be effected through the order book operated by the JSE trading system and be done without any prior understanding or arrangement between the Company and the counterparty;

5.2 that this authority shall not extend beyond 15 months from the date of this resolution or the date of the next annual general meeting, whichever is the earlier date;

- 5.3 that an announcement be made giving such details as may be required in terms of the Listing Requirements of the JSE when the Company has cumulatively repurchased 3% of the initial number (the number of that class of share in issue at the time that the general authority is granted) of the relevant class of securities and for each 3% in aggregate of the initial number of that class acquired thereafter;
- 5.4 at any one time, the Company may only appoint one agent to effect any repurchase;
- 5.5 the repurchase of shares will not take place during a prohibited period and will not affect compliance with the shareholders spread requirements as laid down by the JSE;
- 5.6 the repurchase of shares shall not, in the aggregate, in any one financial year, exceed 20% of the Company's issued share capital at the time this authority is given only, and
- 5.7 the repurchase of shares may not be made at a price greater than 10% above the weighted average traded price of the market value of the shares as determined over the five business days immediately preceding the date on which the transaction was effected."

The reason for this special resolution is, and the effect thereof will be to grant, in terms of the provisions of the Act and the Listings Requirements of the JSE, and subject to the terms and conditions embodied in the said special resolution, a general authority to the Directors to approve the acquisition by the Company of its own shares, or by a subsidiary of the Company of the Company's shares, which authority shall be used by the Directors at their discretion during the course of the period so authorised.

DISCLOSURES REQUIRED IN TERMS OF THE LISTINGS REQUIREMENTS OF THE JSE SECURITIES EXCHANGE SOUTH AFRICA ("JSE")

In terms of the Listings Requirements of the JSE, the following disclosures are required with reference to the repurchase of the Company's shares and the general authority to make payments to shareholders and as set out in ordinary resolution number 4 and the Special Resolution above:

Working capital statement

The Directors are of the opinion that, after considering the effect of the maximum repurchase permitted and the maximum general payments to shareholders, for a period of 12 months after the date of this notice of annual general meeting:

- the Company and the Group will be able, in the ordinary course of business, to pay its debts;
- the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group, recognised and measured in accordance with the accounting policies used in the latest annual financial statements;
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes; and
- the working capital resources of the Company and the Group will be adequate for ordinary business purposes.

Litigation statement

Other than disclosed or accounted for in this Annual Report, the Directors of the Company, whose names are given on page 11 of this Annual Report, are not aware of any legal or arbitration proceedings, pending or threatened against the Group, which may have or have had, in the 12 months preceding the date of this notice of annual general meeting, a material effect on the Group's financial position.

Directors' responsibility statement

The Directors, whose names are given on page 11 of this Annual Report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above special resolution and the ordinary resolution to authorise payments to shareholders and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above special resolution and the ordinary resolution to authorise payments to shareholders contain all information required.

Material changes

Other than the facts and developments reported on in this Annual Report, there have been no material changes in the affairs, financial or trading position of the Group since the signature date of this Annual Report and the posting date thereof.

The following further disclosures required in terms of the Listings Requirements of the JSE are set out in accordance with the reference pages in the Annual Report of which this notice forms part:

Directors and management (Refer to pages 11 and 12)

Major shareholders of the Company (Refer to page 27)

Directors' interests in the Company's shares (Refer to page 27) Share capital (Refer to pages 25 and 44)

VOTING AND PROXIES

On a show of hands every shareholder present in person or by proxy and if a member is a body corporate, its representative, shall have one vote and on a poll every shareholder present in person or by proxy and if the person is a body corporate, its representative, shall have one vote for every share held or represented by him.

A form of proxy is attached for completion by registered certificated shareholders and dematerialised shareholders with own name registration who are unable to attend the annual general meeting in person. Forms of proxy must be completed and received at the Company's transfer secretaries, Computershare Investor Services 2004 (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (Postal Address: P O Box 61051, Marshalltown, 2107) by no later than 10:00 on Wednesday, 24 November 2004. Registered certificated shareholders and dematerialised shareholders with own name registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting to the exclusion of their appointed proxy/(ies) should such member wish to so do. Dematerialised shareholders, other than with own name registrations, must inform their CSDP or broker of their intention to attend the annual general meeting and obtain the necessary authorisation from their CSDP or broker to attend the annual general meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the annual general meeting in person but wish to be represented thereat. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in his/her stead.

By order of the board
Dean Hyde
Secretary
Cape Town
1 October 2004



F I N A N C I A L
C A L E N D A R

2004



DISTRIBUTIONS

Interim distribution
Record date
Payment date

14 cents per share
2 April 2004
5 April 2004

Final distribution
Record date
Payment date

16 cents per share
8 October 2004
11 October 2004

Reports 2005

Interim for six months ending 31 December 2004
published March 2005
Preliminary announcement for year ending June 2005
published September 2005
Annual for year ending 30 June 2005
published October 2005

ADMINISTRATION

Registered office

1 Waterford Mews
Century City Boulevard
Century City
7441

Registration number
Postal address
Telephone
Fax
E-mail
Internet

1998/000828/06
P O Box 13034, Woodstock 7915
27-21-4668200
27-21-4616857
hydout@spur.co.za
<http://www.spur.co.za>

Transfer secretaries

Computershare Investor Services 2004 (Pty) Ltd
70 Marshall Street
Johannesburg
2001

P O Box 1053
Johannesburg
2000
Telephone: 27-11-3705000

Auditors

KPMG Inc.

Attorneys

Bernadt Vukic Potash & Getz

Secretary and
registered address

Dean Hyde
1 Waterford Mews
Century City Boulevard
Century City
7441

Spur Corporation Limited Proxy Form

Spur Corporation Limited

(Incorporated in the Republic of South Africa)
 (Incorporated in the Republic of South Africa)
 (Registration number 1998/000828/06)
 Share code: SUR ISIN: ZAE 000022653
 ("the Company")

FORM OF PROXY

To be completed by certificated shareholders and dematerialised shareholders with own name registration only
 For use in respect of the annual general meeting to be held at 10:00 on 25 November 2004

Shareholders who have dematerialised their shares with a CSDP or broker, other than with own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the annual general meeting or the shareholders concerned must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

Forms of proxy must be completed and delivered/posted to the Company's transfer secretaries, Computershare Investor Services 2004 (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (Postal Address: P O Box 61051, Marshalltown, 2107) to be received by no later than 10:00 on Wednesday, 24 November 2004.

I/We _____

of _____

being a member of the Company and holding _____ ordinary shares, appoint

1. _____ or failing him _____

2. _____ or failing him _____

the chairman of the annual general meeting as my/our proxy to attend and speak and, on a poll, vote for me/us on my/our behalf at the annual general meeting of the Company held for the purpose of considering, and if deemed fit, passing with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against such resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name/s in accordance with the following instructions (see note 3):

	For	Against	Abstain
Special resolution			
Ordinary resolution number 1			
Ordinary resolution number 2			
Ordinary resolution number 3			
Ordinary resolution number 4			

(Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable).

A member entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak and vote in his stead. A proxy so appointed need not be a member of the Company.

SIGNED THIS _____ DAY OF _____ 2004.

SIGNATURE _____

CAPACITY AND AUTHORISATION (see note 6)

Please read the notes on the reverse side of this form of proxy.

Notes

1. Shareholders who have dematerialised their shares with a CSDP or broker, other than with own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the annual general meeting or the shareholders concerned must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.
 2. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration must be signed, not initialled.
 3. A shareholder may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the annual general meeting". The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
 4. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or his proxy.
 5. Where there are joint holders of shares and if more than one of such joint holders is present or represented, then the person whose name appears first in the register in respect of such shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
 6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form, unless previously recorded by the transfer secretaries of the Company or waived by the chairman of the annual general meeting.
 7. The completion and lodging of this form of proxy will not preclude the signatory from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such signatory wish to do so.
 8. The chairman of the annual general meeting may reject or, provided that he is satisfied as to the manner in which a member wishes to vote, accept any form of proxy which is completed other than in accordance with these instructions.
 9. Proxies will only be valid for the purpose of the annual general meeting if received by the Company's transfer secretaries, Computershare Investor Services 2004 (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (Postal Address: P O Box 61051, Marshalltown, 2107) by no later than 10:00 on Wednesday, 24 November 2004.
-