You're Always Welcome

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 pizzas 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.

Spur CORPORATION

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contents

2003 *Chairman's* REPORT

Allen Ambor
Executive Chairman

FINANCIAL REVIEW

Despite a highly competitive retail environment and pressure on the disposable income of consumers, the Group continued to trade well at store level, which enabled us to produce an encouraging set of results.

The strategies and initiatives applied in all divisions have borne the fruit and whilst turnover grew by 13.1%, operating profit advanced by a solid 21.5%. Net interest income of R4.7million (2002: R2.7million) was 73.2% higher and cash reserves grew to a healthy R50.3million (2002: R24.5million). Notwithstanding the fact that the stronger Rand impacted negatively on headline earnings, distributions to shareholders were increased by 14.6% to 23.5 cents.

MACRO ECONOMIC ENVIRONMENT

The year under review was characterised by a significantly stronger currency and a decline in consumer price inflation. Operating margins at store level, however, were under pressure during the first half of the year due to food price inflation, in particular meat products. There has been a general decline in prices in the latter part of the year and franchisees are achieving satisfactory gross margins. Inflation at present seems to be reasonably well contained and the general sentiment regarding the macro economic climate is positive.

Interest rates remained high for the major portion of the year, but with the recent downward movement the outlook for the year ahead looks positive with prime rates possibly declining further, thereby freeing up more disposable income to our customers. The health and strength of both our brands are evidenced by both trading well locally and internationally.

Internationally it is our company's policy to grow conservatively and soundly, ensuring that every branch that we open is successful and adds to the firm foundation upon which we build. Locally we have grown our market share despite the recent more difficult economic environment. We are proud of our status as "the official restaurant of the South African family" and the country's largest sit-down family restaurant group.

Our Panarottis brand has also strengthened after a period of consolidation and is well poised to grow market share going forward.

MARKET CONDITIONS

The current financial year saw the opening of seven new Spur outlets, five stores were relocated and a further 33 revamped to Spur's current specifications. In addition three new Panarottis were opened and the revamp programme has progressed to the point where there are only six Panarottis revamps outstanding. Revamps are inevitably followed by positive growth within the market place. We continue to endorse our policy of never compromising on quality. The recent tough trading conditions have been counter-balanced by a series of well timed added value promotional campaigns aimed at not only retaining, but enlarging our customer base. The Group's marketing resources have provided invaluable input to ensure that our brand message is communicated through all retail and promotional avenues so as to optimally leverage all revenue producing opportunities. Our recently launched "Take me There" brand campaign, in conjunction with our ongoing retail campaigns, have contributed significantly towards ongoing awareness and support from our consumers. The market responds positively to our advertising and promotional initiatives in both the adult and the kids markets and we believe that our prospects for the coming year are sound. The anticipated improvement in general market sentiment is evidenced by the fact that the planned number of new store openings for the 2004 financial year is notably higher in both brands than was the case in the current reporting period.

PROSPECTS

The general macro economic environment in South Africa at present looks as if it is about to swing upwards. This in turn should impact favourably on the retail sector after the second six months of last year, which were not as buoyant as the previous six months.

The period ahead should see a more stable Rand, lower core inflation, a more acceptable interest rate environment and a simultaneous increase in the disposable income of consumers in our market segment. These factors, together with the high level of motivation and dedication evident in all divisions of our Group, and the underlying strength of all our brands, provides us with confidence that solid growth will continue in future.

THANKS

In conclusion I would like to thank all who work for the Spur Corporation, whether they be at our Head Office in Cape Town, or elsewhere in the country, under the Directorship of our MD, Pierre van Tonder, and our deputy MD, Mark Farrelly, in Gauteng.

Bearing in mind that we are spread around the country, the interaction between our area management and our franchisees is of paramount importance to the success and ongoing growth of our brands. Our area managers are the troops in the trenches at the rock face who, with our franchisees and their staff, make all the difference to the service and quality that is received by the most valued members of our community, our customers.

From the official restaurant of the South African family, which is Proudly South African, I wish all at Spur Corporation, from our area managers, to all at our manufacturing and distribution facilities, from marketing through to accounting and training, our shareholders, suppliers and customers, a wonderful year and well into the future.

Allen Ambor
Executive Chairman

FINANCIAL *Highlights*

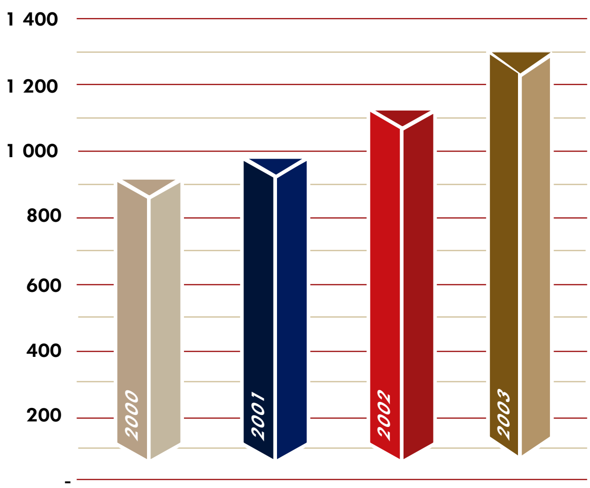
	2003 R'000	2002 R'000	Change %
Net profit before tax*	50 514	40 434	25
As a percentage of revenue	32%	29%	
Net profit after tax*	37 032	30 163	23
As a percentage of revenue	24%	22%	
Working capital			
Inventory	4 020	4 234	
Loans receivable	723	1 934	
Trade and other receivables	16 997	24 546	
Trade and other payables	12 622	18 555	

STATISTICS PER SHARE (cents)

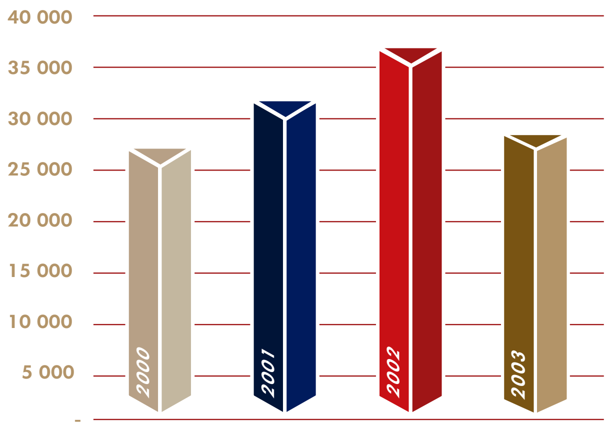
	2003	2002	Change %
Headline earnings	28.95	39.23	-26
Core earnings	36.94	30.36	22
Cashflow earnings	51.04	38.52	33
Distributions	23.50	20.50	15
Distribution cover (times)	1.2	1.9	
Market price - 30 June	330	270	22
Price range			
- high	340	320	
- low	265	214	
Headline earnings yield (%)	8.8	14.5	
Core earnings yield (%)	11.2	11.2	
Distribution yield (%)	7.1	7.6	

* Excludes exceptional items.

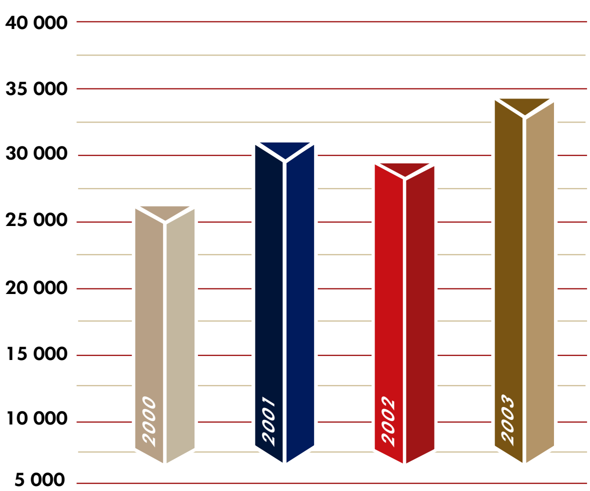
STORE TURNOVERS (R'm)



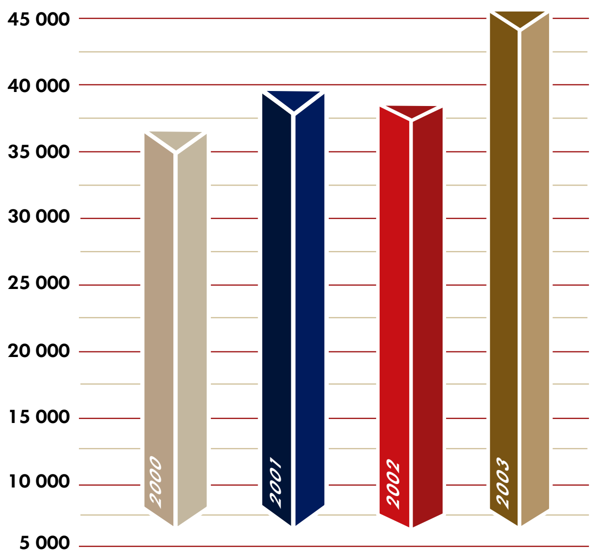
HEADLINE EARNINGS (R'000)



CORE EARNINGS (R'000)



OPERATING PROFIT (R'000)



Corporate PROFILE

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 last 36 years to the point where it currently trades with 185 Spur Steak Ranches, 44 Panarottis Pizza Pasta restaurants and two Kelseys Grill and Fish outlets within South Africa. Offshore, the Spur Group has to date successfully established 20 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 255 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 like table talkers to communicate value-added promotions and the design of fliers for local store promotions, to projects of a grander scale, like the new "Take me There" brand advertisement.

PROCUREMENT

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

HUMAN RESOURCES AND CUSTOMER RELATIONSHIP MANAGEMENT

Second to our trademark only, 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. Financial reporting is another one of finance's priorities.

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 staff, are trained in the skills they require to do their job the best they can.

2003

MANAGING DIRECTOR'S REPORT

Pierre van Tonder
MANAGING DIRECTOR

The year under review has been a challenging but exciting time for Spur. Despite a difficult economic climate, the continued support from our growing customer base ensured our continued success. It is worth noting that we served in excess of 25.9million customers in our Spur Steak Ranches and Panarottis outlets countrywide, which translates into turnover at store level in excess of R1.3billion.

Our Spur division again delivered promising revenue growth, whilst the period of consolidation for Panarottis appears to have ended, positive growth for the brand was achieved and is expected to continue. On the International front, we are experiencing consistent trading conditions and many new and exciting opportunities are in the pipeline.

Our Marketing division has undergone a restructure and the team has done groundbreaking work during the past financial year, including the production of our new "Take me There" brand advertisement. The process of becoming Hazard Analysis Critical Control Point ("HACCP") compliant in our central kitchens has been initiated and the search for a new Gauteng central kitchen site is in progress.

Innovative and original work is being undertaken in the Training division and our Information Technology development plays an invaluable role in providing meaningful and useful communications with franchisees.

A detailed review of operations is presented on page 8.

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

SPUR

Our Spur division again had a phenomenal trading year, growing its turnover by 19.6%, which comfortably exceeded our budgeted growth of 12%. Seven new stores were opened during the year, including locations such as the Sun Coast Casino in Durban and Hartebeespoort Dam. Five stores were relocated and a further 33 revamped during the financial year.

At year-end 185 Spur Steak Ranches were trading in South Africa. At the date of this report, two new stores have already opened and a further ten franchisees have been signed up for the new financial year. Three relocations are in the planning stages.

Much focus has been placed on growing existing store turnover, as opposed to growth from new business. Our aim is to boost foot traffic through our stores by increasing overall customer satisfaction.

- We continued with our store revamp programme. Store revamps provide improved facilities and a more pleasant in-store atmosphere, resulting in increased volumes.
- We sharpened our focus on franchisee compliance with our hygiene and service standards. Our standard service assessments and service reports have been streamlined and are completed during bi-monthly store visits. These assessments and reports include ratings on areas such as hygiene, store appearance, equipment, appearance and stock levels of the various food preparation areas, the availability of kiddies activities, product presentation and staff dress codes.
- Renewed focus has been placed on adequately training our franchisees, store managers and waitron body.
- Our mystery shopper programme has been formalised and mystery shopper visits are undertaken by an independent third party. In addition to these assessment visits, members of senior management also visit stores on an ad hoc basis to experience the service, food and ambience of the individual store.
- Many national and local marketing campaigns have been embarked upon. A number of store-level initiatives are also in progress, such as the “support your team” evenings, during which the local school’s sports teams assist the waitrons. A portion of the store’s turnover is then donated to the school.

PANAROTTIS

Despite a difficult trading year, which saw the closure of two stores, existing store turnover growth increased by an encouraging 13%. There are currently 44 Panarottis operating in South Africa.

Profit before tax increased by 11.8%, despite additional operational staff being employed towards the end of the financial year.

The period of consolidation embarked upon in the previous financial year has borne the necessary fruit and we see good prospects for the brand in the new financial year.

Although we only opened three new stores during the year under review, we have aligned ourselves with a leading property developer, which should enable us to secure new sites in the year ahead. In this regard we anticipate opening a further five new outlets.

From a marketing perspective the brand has managed to grow its market share, and has focused on weekday specials, with a drip strategy on radio.

The energy and efforts of Kevin Robertson and his operational team augurs well for the future of the Panarottis brand and we look forward to sustained growth from this area of our business.

INTERNATIONAL

Our International division comprises 20 Spur Steak Ranches and six Panarottis situated in the United Kingdom, Australia, Africa and Mauritius.

The year under review saw the opening of our first franchised Spur outlet in Basingstoke, United Kingdom. Our existing stores in Dublin, Limerick and Staines continue to trade well and plans are in place to open Spurs in Wandsworth and Birmingham during the forthcoming financial year.

The Silver Spur Steak Ranch and Panarottis, both in Penrith, Australia, are showing positive growth. Cougar Spur, Bathurst, which opened during the previous financial year, is trading reasonably well. With the recent introduction of a new working partner in this business we are hopeful of an increased contribution from this outlet going forward. The second Panarottis in Australia has commenced trading in Mingara and, with the substantial marketing programme that has been implemented on local radio, we expect to see positive impact on this store's results over the coming months.

The African region remains a major contributor to International profits. Although planned store openings did not come to fruition due to delays caused by factors beyond our control, the year ahead will see the long-awaited opening of stores in Maputo, Mozambique, and Dar-es-Salaam, Tanzania. We are also negotiating with principals in the Middle East, Ghana, Nigeria and Zambia.

MARKETING

The growth in our business has led to a proportional growth in demand for the services of our Group Marketing department.
A new structure has been engineered, ensuring a balance of focus on brand development, brand retail and brand measures.

Brand research was conducted on a significant and representative sample across all racial groups, age segments and genders, in order to assess the Spur traditional core brand values. A follow-up brand/promotional campaign and communication plan was developed, ultimately resulting in the new "Take me There" brand television commercial being launched in June 2003.

A brand tracking study will be introduced early in the 2004 financial year and will be carried out bi-annually. This initiative is a crucially important method of measuring the success and strength of our brand.

Eleven Spur value added campaigns cushioned the impact of inflating food prices by continually communicating our core message of value for money food offerings. Additional sites for billboard advertising were identified and secured.

We have successfully started to focus on rugby investment. Spur's involvement in Craven Week Rugby and other regional schools events, as well as the appearances of players at stores and improved stadium signage, have all contributed to improved awareness of our brands. Co-sponsorship of Supa Strikas, a comic that is distributed once a month via the Sunday Times, continues to develop a strong Spur footprint in the emerging markets. This contract has been renewed for the new financial year.

Our Spur kids strategy has been streamlined and the Secret Tribe has been re-established. The Sizzling Studies concept, whereby school children are introduced to the world of business through spending a day in a store, has now been successfully incorporated as part of the overall kids strategy.

One of the benefits of the new Group Marketing structure will be an enhanced staff resource in respect of the Panarottis brand. Following consumer market research that was conducted during the year under review, the brand's positioning was re-engineered. Radio will be used as a primary medium to sustain the successful Weekday Specials that were introduced during the year.

PROCUREMENT

Our central kitchens in Cape Town and Johannesburg have enjoyed a successful financial year, exceeding budgets in all areas.
The businesses have recently entered into a new and exciting phase, with the planned implementation of the HACCP system.

From a research and preparation point of view, an enormous amount of work has been done in order to upgrade the manufacturing facilities. We expect this process to be completed in our Cape Town facility over the next twelve months, while Johannesburg's factory upgrade, which includes an entire relocation, may take longer to complete. Our procurement strategy has also been updated and now requires us to purchase from companies that are HACCP compliant or are committed to becoming so over a period of time.

A number of new products were added to the Spur menu during the financial year, including Hake, the Riblet Skewer, Cheezy Taco burger and two desserts, namely, Chocolate Fudge and Hot Sticky Toffee. New dessert menus and tablemats were designed and introduced, incorporating the offerings in a picture format. These innovations have had a huge impact on sales and awareness of product quality. We are looking at further strategies to boost volumes, particularly in the breakfast market.

In addition we have co-branded products with our suppliers; examples include Bar One, Peppermint Crisp and Kahlua Liqueur. Furthermore, a new coffee blend was introduced, along with new machinery, which increased our coffee range, thereby significantly improving quality and off-takes within the Spur and Panarottis environments.

With regard to our dry goods, we will be launching our new packaging range in the new financial year. Significant research has gone into this project and we are proud of this innovative and attractive initiative, which will vastly improve the quality of product reaching the customer.

INFORMATION TECHNOLOGY

Our Pilot Software in-store point-of-sale system has been upgraded to allow for a complete "lock down" of data at store level, enabling complete administration of the system at Head Office. This will mean that changes can be implemented by Head Office and downloaded to each store electronically. This process will standardise software throughout the Group and afford franchisees the opportunity to better utilise the system in order to highlight areas of strength and weakness within their businesses.

Our Spur website has been re-designed with a fresh format, which has led to a 20% increase in visits to more than 5 500 per month. With the ever-increasing use of the Internet as a marketing medium, we are constantly updating our various sites with promotional news, local store information and maps and customer care feedback data.

The frequency of Spur franchisees accessing our internal Extranet website has also increased due to the offering of enhanced features, which give franchisees the tools to compare their performance with similar stores in their region. By comparing food costs and other financial information, we are providing franchisees with the opportunity to benchmark their success and determine areas of growth, with emphasis also being placed on cost-cutting initiatives.

HUMAN RESOURCES AND CUSTOMER RELATIONSHIP MANAGEMENT

Customer Relationship Management ("CRM") is becoming an increasingly important area of our business and work is constantly being carried out to streamline our databases in order to facilitate our CRM strategy. With the kiddies segment (The Secret Tribe) numbering over 600 000 members and our customer care database exceeding 400 000, we now have the opportunity for close one-on-one marketing initiatives. We are confident that by leveraging our ever-increasing database, we have an outstanding opportunity to grow market share.

The main focus of our Human Resources division during the past financial year was twofold: (a) to ensure continued compliance with all labour-related legislation, and (b) to further pursue our mission of making Spur a great place to work. Initiatives included:

- Group-wide employee surveys, through which invaluable feedback was obtained from employees, that will facilitate the process of improving employer/staff relationships;
- A national franchisee wage survey, which will assist Head Office personnel in advising franchisees with regards to acceptable payment structures for all store personnel, as well as addressing and eliminating any inequalities in their wage structures, and
- Upgrading of our Human Resources software programmes, including the introduction of a Web-based tool that allows employees real-time access to their own information and files, as well as enabling processes such as leave applications to be performed online.

TRAINING

The Group continues to provide valuable support to franchisees and their staff at our training centres in Cape Town, Johannesburg and Bloemfontein. This is evidenced by the fact that more than 1 100 individuals completed various training courses presented at these in-house facilities during the year under review. Examples of available courses are:

- Back to Basics;
- Basic Operational Training;
- Management Leadership Programme;
- A to Z of Waitron Training and Coaching;
- Front of House Management, and
- Basic Food Cost and Income Statement Workshop.

A major project was initiated, whereby a series of 12 training videos will be written and produced, partly by Spur employees. These videos will then be distributed to Spur and Panarottis outlets on a staggered basis over the next two years. In addition, a training programme has been formulated to educate all senior store personnel with regard to the effective use of these training aids.

Examinations are conducted on a regular basis, which enables us to monitor efficiency and performance throughout the Group.

Keith Madders (Age 55)
DEPUTY CHAIRMAN British

Keith was born in Zimbabwe, studied at 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.

Allen Ambor (Age 63)
EXECUTIVE CHAIRMAN

Allen matriculated in 1961 from Newlands 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.

Mark Farrelly (Age 40)
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.

Kevin Robertson (Age 37)
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.

Pierre van Tonder (Age 44)
MANAGING DIRECTOR

Pierre joined the Spur Group in 1982. His 21-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.

Phillip Joffe (Age 53)
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.

Dean Hyde (Age 36)
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.

John Rabb (Age 60)
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.

William Rule (Age 53)
NON - EXECUTIVE DIRECTOR

A qualified chemist, Billy is currently the MD of Reall Cosmetics & Dytec Garment Overdying. 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.

Keith Getz (Age 47
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.

Amil Lahoud - **GROUP MARKETING**

Amil is 33 years old and joined the Spur Group one year ago. He matriculated in 1988 and completed a National Diploma, cum laude, in Marketing 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 36 years old and has almost 22 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 where she was appointed to set up the central kitchen in Gauteng. She is 52 years old.

Duncan Werner - **NATIONAL PROCUREMENT**

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 20 years ago. He joined Head Office in 1988. Duncan is 43 years old and is in charge of national procurement and development. He also oversees the central kitchens and Spur Décor.

Ian McMahon - **GROUP INFORMATION TECHNOLOGY**

At the age of 35 Ian has spent almost two decades with Spur starting as a teenaged 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 he produces the cutting-edge training videos for the Group.

Johan Erasmus - **REGIONAL OPERATIONS**

Johan matriculated at the Afrikaanse Hoër Seuns Skool, 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 49 years old.

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 manufacturing arm of the central kitchen in Montague Gardens, Cape Town. Heather is 40 years old.

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 52 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.

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 one 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., in 2002 to join Spur Head Office as Group Financial Manager in January 2003. Ronel is 31 years old.

Steve Ford - **NATIONAL PRODUCT DEVELOPMENT**

Steve matriculated in 1978 from Maritzburg College in Pietermartizburg. 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 43 years old.

Four Year REVIEW

	Footnote	2003 R'000	2002 R'000	2001 R'000	2000 R'000
Income statement					
Turnover		156 139	138 024	127 536	126 014
Operating profit	1	45 826	37 727	39 269	35 880
Net finance income/(expense)		4 688	2 707	1 571	(1 488)
Exceptional item - foreign exchange (loss)/gain		(7 562)	8 327	293	2 065
Exceptional item - other		(1 809)	(1 679)	-	-
Net profit before taxation		41 143	47 082	41 133	36 457
Headline earnings	2	27 400	36 811	31 432	27 086
Core earnings	2	34 962	28 484	31 139	25 021
Balance sheet					
Property, plant and equipment		6 769	7 253	7 268	9 437
Other non - current assets		69 256	81 870	71 642	64 265
Cash and bank		53 417	33 680	18 462	20 077
Other current assets		21 740	30 714	38 360	31 111
Bank overdraft		3 073	9 148	1 653	-
Other current liabilities		19 925	20 502	25 441	28 737
Cashflow statement					
Net cash flows from operating activities		29 025	25 167	10 617	24 747
Share statistics					
Weighted average number of shares (000's)	2	94 643	93 822	90 354	83 105
Earnings per share (cents)	2	29.23	39.23	34.79	32.60
Headline earnings per share (cents)	2	28.95	39.23	34.79	32.60
Core earnings per share (cents)	2	36.94	30.36	34.46	30.11
Cashflow earnings per share	3	51.04	38.52	41.09	43.80
Operating cash flow per share (cents)	4	30.67	26.82	11.75	29.78
Net asset value per share (cents)	5	136.47	130.55	118.03	101.74
Distribution per share (cents)	6	23.50	20.50	17.50	16.50
Distribution cover (times)	6	1.2	1.9	2.0	2.0

	Footnote	2003	2002	2001	2000
Stock exchange performance					
Number of shares in issue (000's)		97 633	97 633	90 875	90 875
Number of shares traded (000's)		19 690	38 915	34 037	19 863
Value of shares traded (R'000)		63 000	110 000	77 000	45 000
Percentage of issued shares traded (%)		20.17	39.86	37.45	21.86
Market price per share (cents)					
- close		330	270	220	208
- high		340	320	250	275
- low		265	214	180	200
Headline earnings per share yield (%)	7	8.77	14.53	15.81	15.67
Distribution yield (%)	8	7.12	7.59	7.95	7.93
Price earnings ratio		11.40	6.88	6.32	6.38
Market capitalisation (R'000)		322 189	263 609	199 925	189 020
Business performance					
Operating profit margin (%)	9	29.35	27.33	30.79	28.47
Return on equity (%)	10	27.27	23.00	29.33	27.06
Return on assets (%)	11	23.13	18.55	22.94	20.03
Liquidity ratio	12	3.27	2.17	2.10	1.78

Footnotes:

1 Includes income from associate companies and excludes foreign exchange losses and gains.

2 Refer note 9 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 divided by turnover.

10 Core earnings divided by capital and reserves.

11 Core earnings divided by total assets.

12 Current assets divided by current liabilities.

Group SEGMENT REPORT

at **30 June**

BUSINESS SEGMENT DATA

	2003 R'000	%	2002 R'000	%
REVENUE				
Wholesale and distribution	87 129	55.8	80 549	58.4
Franchise - Spur	62 984	40.3	51 808	37.5
Franchise - Panarottis	6 026	3.9	5 667	4.1
Group revenue	156 139	100.0	138 024	100.0
TOTAL ASSETS				
Wholesale and distribution	23 490	15.5	25 668	16.7
Franchise	115 766	76.6	112 785	73.5
Other	11 926	7.9	15 064	9.8
Group assets	151 182	100.0	153 517	100.0
PROFIT BEFORE TAXATION				
Wholesale and distribution	15 491	30.7	12 874	31.8
Franchise - Spur	31 679	62.7	24 568	60.8
Franchise - Panarottis	3 344	6.6	2 992	7.4
Group profit before taxation*	50 514	100.0	40 434	100.0
TOTAL LIABILITIES				
Wholesale and distribution	5 879	25.6	6 529	22.0
Franchise	10 672	46.4	10 448	35.2
Other	6 447	28.0	12 673	42.8
Group liabilities	22 998	100.0	29 650	100.0

* Excludes exceptional items.

GEOGRAPHICAL SEGMENT DATA

	South Africa R'000	Other African Countries R'000	International R'000	Total R'000
2003				
Group revenue	150 595	2 531	3 013	156 139
Group assets	123 635	1 917	25 630	151 182
2002				
Group revenue	132 954	2 030	3 040	138 024
Group assets	114 195	7 446	31 876	153 517

Group

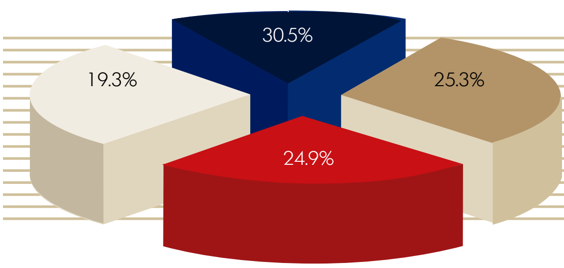
CASH VALUE ADDED STATEMENT

for the year ended **30 June**

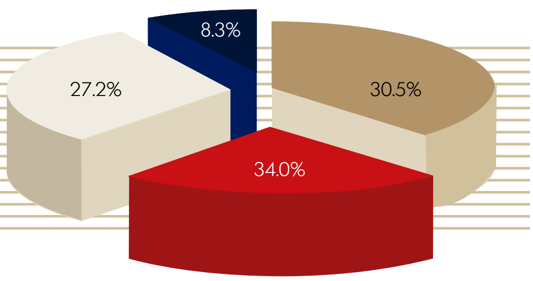
	2003 R'000	%	2002 R'000	%
Cash derived from revenue	163 458		146 542	
Paid to suppliers for materials and services	73 305		83 063	
Cash value added	90 153		63 479	
Interest received	4 691		3 107	
Total wealth created	94 844	100.0	66 586	100.0
Distributed as follows:				
Employees	23 985	25.3	20 300	30.5
Providers of capital				
- Interest paid	3		400	
- Distributions to shareholders	21 300		17 708	
- Shares repurchased	2 353		4 514	
	23 656	24.9	22 622	34.0
Monetary exchanges with government				
- Taxation	4 006		6 038	
- PAYE	5 418		4 828	
- VAT	8 737		7 098	
- RSC levies	173		167	
	18 334	19.3	18 131	27.2
Retained to develop future growth	28 869	30.5	5 533	8.3
Total wealth distributed	94 844	100.0	66 586	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.

2003 Distribution



2002 Distribution



- **Monetary exchanges with government**
- **Employees**
- **Retained to develop future growth**
- **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 2003 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 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 these risks identified. The Internal Audit function will test the effectiveness of existing controls. The Internal Audit Function will report directly to the Risk Management 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.

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% consists of designated individuals.

MALE

Occupational levels	African	Indian	Coloured	White	Total
Top management				7	7
Senior management				6	6
Professionally qualified and experienced specialists and mid-management			2	8	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	1	2	25	33
Semi-skilled and discretionary decision making	8		8	2	18
Unskilled and defined decision making	12		2		14
Total permanent	25	1	14	48	88
Non-permanent	1		1		2
Total	26	1	15	48	90

FEMALE

Occupational levels	African	Indian	Coloured	White	Total
Top management					
Senior management				2	2
Professionally qualified and experienced specialists and mid-management				5	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	2		1	15	18
Semi-skilled and discretionary decision making	15	1	15	23	54
Unskilled and defined decision making	10		1		11
Total permanent	27	1	17	45	90
Non-permanent				1	1
Total	27	1	17	46	91

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 their 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

Management currently owns 13.5% of the issued share capital of the Company. In terms of the existing share incentive scheme, entitlement to these shares will vest on 30 June 2004. The Board is in the process of finalising a new incentive scheme, which will commence on the expiration of the current scheme and will continue until 30 June 2009.

A direct incentive bonus scheme for middle and lower level employees, based on individual performance, is currently in operation. Plans are afoot 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 programmes 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 programmes are vehicles for reaching out to the surrounding populations, identifying needs and assisting in ways that can help to make a lasting difference both 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 employees of Spur Head Office in Cape Town participated in Habitat for Humanity's Cape Corporate Blitz Build and managed to build a house for a Guguletu woman and her daughters in only five days. The Company sponsored the building materials and the employees did all the hard work.
- 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. The staging of the 2003 event was in doubt until Spur stepped in as sponsor.
- We made various general monthly donations to organisations such as the SPCA, the Society for the Blind, Boys Town and SOS Children's Village.

Spur CORPORATION

Spur Steak Ranches A taste for life

Panarottis Pizza Pasta

Financial STATEMENTS

2003

contents

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 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 annual financial statements and Group annual financial statements of Spur Corporation Limited, set out on pages 25 to 53, which have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, were approved by the Board of Directors on 6 October 2003 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 2003, 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
6 October 2003

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 2003 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 the Group at 30 June 2003 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 South African Companies Act.

KPMG Inc.

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

Cape Town
6 October 2003

Directors' REPORT

The Directors present their fourth annual report, which forms part of the audited financial statements of the Company and of the Group for the year ended 30 June 2003.

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

Revenue increased from R138million in 2002 to R156million in 2003. This represents an increase of 13.1%, with wholesale and distribution contributing R87million and franchise revenue contributing R69million towards turnover.

Profit from operations, up 20.8% from R37.8million in 2002, amounted to R45.6million. Healthy cash balances resulted in a significant growth in interest earnings, from R2.7million in 2002 to R4.7million in 2003. The volatility of the Rand over the past two years resulted in an unrealised foreign exchange loss of R7.5million in 2003, compared to an unrealised foreign exchange gain of R8.3million in 2002.

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 2003.

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:

	Ordinary shares
1 July 2002	94 883 809
Repurchased during the year by a wholly-owned subsidiary company	(954 512)
30 June 2003	93 929 297

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	208 154	100
- Spur Advertising (Pty) Ltd	0.1	-	100
- Panarottis Advertising (Pty) Ltd	0.1	-	100
- Panarottis Claremont (Pty) Ltd	0.1	5 932	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:

	2003 R'000	2002 R'000
Profits	34 195	36 698
Losses	(6 847)	-

DISTRIBUTIONS

A final distribution, in respect of the 2002 financial year, of 10.5 cents per share, by way of a reduction of share premium, was paid to shareholders on 11 November 2002.

An interim distribution of 11.0 cents per share, by way of a reduction of share premium, was paid to shareholders on 29 April 2003.

The Directors have approved a final distribution of 12.5 cents per share, by way of a reduction of share premium, to be paid in cash on 10 November 2003.

SPECIAL RESOLUTIONS

On 5 December 2002 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, Allen Ambor, Pierre van Tonder, Dean Hyde and Phillip Joffe 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:

	No. of shares	%*
Allen Ambor	8 401 294	8.9
Pierre van Tonder	931 252	
Dean Hyde	712 053	
Mark Farrelly	691 252	
Kevin Robertson	568 596	
Keith Getz	2 491	
Phillip Joffe	248 915	
Keith Madders	1 232 703	
John Rabb	60 000	
Total	12 848 556	13.7

Subsequent to year-end and to the date of this report, the Directors acquired the following number of shares:

	No. of shares
Pierre van Tonder	400 000
Dean Hyde	300 000
Mark Farrelly	300 000
Kevin Robertson	225 000
Phillip Joffe	100 000
Total	1 325 000

*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 2003:

	No. of shares	%*
Spur Investment Services (Pty) Ltd	13 849 518	14.7
Public Investment Commissioners	9 431 500	10.0
Allen Ambor	7 249 924	7.7
Allan Gray Balanced Fund	4 881 523	5.2
Ut- Allan Gray	3 439 311	3.7
Old Mutual Profile Clients	3 420 919	3.6
African Harvest Rainmaker	3 100 663	3.3
Old Mutual Life Main Account	2 925 855	3.1
Capital Alliance Absolute Return (IAM)	2 287 300	2.4
Allan Gray Stable Fund	2 263 960	2.4

*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	654	69.7	1 747 683	1.8
10 001 – 25 000	104	11.1	1 651 748	1.7
25 001 – 50 000	58	6.2	2 119 935	2.2
50 001 – 100 000	46	4.9	3 500 724	3.6
100 001 – 500 000	47	5.0	9 992 897	10.2
500 001 – 1 000 000	9	1.0	6 231 577	6.4
› 1 000 000	20	2.1	72 388 269	74.1
	938	**100.0**	**97 632 833**	**100.0**

Distribution of shareholders	No. of shareholders	%	No. of shares	%
Individuals	858	91.5	55 654 070	57.0
Banks and nominees	14	1.5	8 477 176	8.7
Investment companies	22	2.3	15 533 266	15.9
Insurance companies	8	0.9	8 364 449	8.6
Other corporate bodies	36	3.8	9 603 872	9.8
	938	**100.0**	**97 632 833**	**100.0**

AUDITORS

KPMG Inc. will continue in office in accordance with section 270(2) of the Companies Act.

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	2003 R'000	2002 R'000
Revenue	2	156 139	138 024
Cost of sales		(62 938)	(55 459)
Gross profit for the year		93 201	82 565
Other operating income	3	6 581	5 814
Operating expenses		(54 149)	(50 593)
Profit from operations	4	45 633	37 786
Income/(loss) from associate companies	5	193	(59)
Net finance income	6	4 688	2 707
Exceptional items	7	(9 371)	6 648
Profit before taxation		41 143	47 082
Taxation	8	(13 482)	(10 271)
Profit for the year		**27 661**	**36 811**
Shares			
- In issue (000's) *	15	93 929	94 884
- Weighted average (000's)	9	94 643	93 822
- Earnings per share (cents)	9	29.23	39.23
- Headline earnings per share (cents)	9	28.95	39.23
- Core earnings per share (cents)	9	36.94	30.36
- Cashflow earnings per share (cents)		51.04	38.52
- Distributions per share (cents)			
(Including proposed November 2003 distribution)		23.50	20.50
- Distribution cover (times)		1.2	1.9

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

Group

BALANCE SHEET

at **30 June**

	Notes	2003 R'000	2002 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	6 769	7 253
Interest in associate companies	5	20 970	27 148
Loans receivable		3 018	3 573
Deferred taxation	12	45 268	51 149
		76 025	89 123
Current assets			
Inventory	13	4 020	4 234
Trade and other receivables	14	16 997	24 546
Loans receivable		723	1 934
Cash and bank		53 417	33 680
		75 157	64 394
Total assets		**151 182**	**153 517**

	Notes	2003 R'000	2002 R'000
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	15	1	1
Share premium and shares repurchased		210 049	233 393
Accumulated deficit	16	(81 866)	(109 527)
		128 184	123 867
Current liabilities			
Bank overdraft		3 073	9 148
Trade and other payables	17	12 622	18 555
Taxation		7 111	1 446
Shareholders for distribution		192	501
		22 998	29 650
Total equity and liabilities		**151 182**	**153 517**

Statement of Changes in

GROUP EQUITY

for the year ended **30 June**

	Share capital R'000	Share premium R'000	Shares repurchased by subsidiary R'000	Accumulated deficit R'000	Unissued shares R'000	Total R'000
Balance at 1 July 2001	1	245 880	(1 886)	(145 181)	7 360	106 174
Profit for the year				36 811		36 811
Distributions		(17 487)				(17 487)
Shares issued		11 400		(1 157)	(7 360)	2 883
Shares repurchased			(4 514)			(4 514)
Balance at 30 June 2002	1	239 793	(6 400)	(109 527)	-	123 867
Profit for the year				27 661		27 661
Distributions		(20 991)				(20 991)
Shares repurchased			(2 353)			(2 353)
Balance at 30 June 2003	1	218 802	(8 753)	(81 866)	-	128 184

Group CASHFLOW STATEMENT

for the year ended **30 June**

	Notes	2003 R'000	2002 R'000
Net cash flows from operating activities			
Operating profit before working capital changes	23	47 623	39 471
Working capital changes	24	2 020	6 735
Cash generated by operations		49 643	46 206
Interest received	6	4 691	3 107
Interest paid	6	(3)	(400)
Taxation paid	25	(4 006)	(6 038)
Distributions paid	26	(21 300)	(17 708)
		29 025	**25 167**
Net cash flows from investing activities			
Purchase of fixed assets		(1 506)	(1 670)
Proceeds from disposal of interest in associate companies		6	763
Decrease/(increase) in loans receivable		3 697	(13 735)
		2 197	**(14 642)**
Net cash flows from financing activities			
Decrease in liability portion of convertible debentures		-	(3 048)
Decrease in long-term liabilities		-	(174)
Increase in short-term portion of long-term liabilities		-	(139)
Proceeds from issue of shares (net of preliminary expenses)		-	10 243
Conversion of debentures		-	(7 360)
Shares repurchased		(2 353)	(4 514)
		(2 353)	**(4 992)**
Net movement in cash and cash equivalents		28 869	5 533
Adjustment for foreign exchange fluctuations		(3 057)	2 190
Cash and cash equivalents at beginning of year		24 532	16 809
Cash and cash equivalents at end of year	28	**50 344**	**24 532**

1. ACCOUNTING POLICIES

The financial statements are prepared on the historical cost basis and 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. Goodwill arising on the acquisition of associates is included in the carrying amount of the associate and is treated in accordance with the Group's accounting policy for goodwill.

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.

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 Investments in joint ventures

Joint ventures are those enterprises over which the Group exercises joint control in terms of a contractual agreement. The equity method of accounting for joint ventures 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 a joint venture and up to the effective date of disposal. Adjustments are made to bring the accounting policies of jointly controlled entities in line with those of the Group, where appropriate.

1.1.4 Goodwill and negative goodwill

Goodwill is any excess of the cost of an acquisition over the Group's interest in the fair value of the identifiable assets and liabilities acquired.

Goodwill is carried at cost, less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis over its estimated useful life. Where the estimated useful life exceeds twenty years, annual impairment reviews are conducted to determine any impairment loss. The calculation of the gain or loss on disposal of an entity includes the unamortised balance of the goodwill relating to the entity disposed of.

Negative goodwill arising on an acquisition represents any excess of the fair value of the Group's share of the identifiable net assets acquired over the cost of the acquisition. To the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which do not represent identifiable liabilities at the date of acquisition, it is recognised in the income statement when the future losses and expenses are recognised. Any remaining negative goodwill, not exceeding the fair values of the non-monetary assets acquired, is recognised in the income statement over the weighted average useful life of those assets. The balance of negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the income statement.

1.1.5 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 are restated to accord with current year classifications.

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 %
Buildings	5 %

Land is not depreciated.

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, net of bank overdraft.

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 in the reporting currency by applying to the foreign currency the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Exchange rate differences arising on the settlement of monetary items at rates different from those at which initially recorded during the period, are recognised in the income statement. Unrealised differences are recognised in the income statement in the period in which they occur.

1.9.2 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 of acquisition. 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.

1.9.3 Foreign entities

The financial statements of foreign entities are translated into the reporting currency as follows:

- Assets and liabilities are translated at rates of exchange ruling at the financial year-end and
- Income and expenditure and cash flow items are translated at rates of exchange at the date of the transaction.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate at the balance sheet date.

Exchange differences arising from the translation of foreign entities are taken directly to a foreign currency translation reserve.

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 amortised 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 net profit or loss in the period in which the change arises.

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 RESEARCH AND DEVELOPMENT COSTS

Expenditures for research and development are charged against income in the period incurred.

1.13 RETIREMENT BENEFITS

1.13.1 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.

1.13.2 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.

1.13.3 Retirement benefits
The Company and its subsidiaries contribute to a defined contribution plan. Contributions to the defined contribution fund are charged against income as incurred.

The Group has no material liability in respect of post-retirement benefits.

1.14 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 then the unavoidable cost of meeting the obligations under the contract.

1.15 EXCEPTIONAL ITEMS

Exceptional items are items of a non-trading nature.

1.16 DISTRIBUTIONS TO SHAREHOLDERS

Distributions are recognised when declared.

1.17 SEGMENT REPORTING

The Group is a franchisor and 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
- Franchise

On a secondary segment basis, the geographical location of the Group's franchising operations have 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

	2003 R'000	2002 R'000
Wholesale and distribution	87 129	80 549
Franchise	69 010	57 475
	156 139	138 024

3. OTHER OPERATING INCOME

	2003 R'000	2002 R'000
Advertising administration fee	6 581	5 814
	6 581	5 814

4. PROFIT FROM OPERATIONS

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

	2003 R'000	2002 R'000
Administration fees	388	28
Auditors' remuneration		
- Audit fees	545	385
- Other fees	549	82
Consulting fees	632	877
Depreciation		
- Buildings	167	166
- Furniture and fittings	313	233
- Plant, equipment and vehicles	588	477
- Computer equipment	922	809
Impairment loss	1 700	-
Operating lease charges	2 542	2 230
Pension expenses - defined contribution plan	2 748	2 458
Research costs	384	560

5. INTEREST IN ASSOCIATE COMPANIES

Carrying amount of associate companies	2003 R'000	2002 R'000
5.1 Carrying amount at beginning of year	299	1 121
Sale of investment	(6)	(763)
Equity accounted earnings of associate companies	193	(59)
Carrying amount at end of year	486	299
Consisting of:		
Unlisted shares at cost	26	32
Group's shares of post acquisition reserves	460	267
	486	299
Loans to associate companies	20 484	26 849
	20 970	27 148

Loans to associate companies are unsecured, interest free and no fixed dates for repayment have been determined.

5.2 Analysis of investment in associate companies

	Effective holdings %	Cost of shares R'000	Loans to associate companies R'000	Share in post acquisition reserves R'000	Total R'000
Bathspur Holdings (Pty) Ltd (Australia)	40.0	0,5	20	-	20,5
Bathspur (Pty) Ltd (Australia)*	13.3	-	531	-	531
Panhold (Pty) Ltd (Australia)	40.0	2	920	-	922
Pan Pen (Pty) Ltd (Australia)*	13.3	-	-	243	243
Spur Group (Pty) Ltd (Australia)	50.0	4	5 413	-	5 417
Chinnik Investments BV (UK)	50.0	11	13 200	-	13 211
Arapaho Spur Limited (UK)*	40.0	-	-	-	-
Cherokee Spur Teoranta Limited (Ireland)*	45.0	-	-	-	-
Spur (Liffey Valley) Restaurants Limited (Ireland)*	47.5	-	-	835	835
Golden Spur Limited (Nairobi)	40.0	8	1 104	-	1 112
Kelseys Northwharf (Pty) Ltd	20.0	-	-	82	82
San Pablo (Pty) Ltd (Dormant)	50.0	-	-	-	-
Pangara Holdings (Pty) Ltd (Australia)	70.0	0,5	797	-	797,5
Pangara (Pty) Ltd (Australia)*	23.3	-	199	-	199
Previous years' losses				(700)	(700)
Impairment loss			(1 700)		(1 700)
		26	20 484	460	20 970

* Indirect.

All associate companies, except for Chinnik Investments BV, operate as restaurants. Chinnik Investments BV operates as a master franchise company.

6. NET FINANCE INCOME

	2003 R'000	2002 R'000
Interest received	4 691	3 107
Interest paid	(3)	(400)
	4 688	2 707

7. EXCEPTIONAL ITEMS

	2003 R'000	2002 R'000
Unrealised foreign exchange loss/(gain)	7 562	(8 327)
Profit from disposal of company stores	(261)	-
Receivables written off	2 070	1 679
	9 371	(6 648)

8. TAXATION

			2003 R'000	2002 R'000
8.1	**South African normal taxation**			
	Current	- current year	7 903	4 906
		- prior year	(302)	-
	Deferred	- current year	5 579	5 365
		- prior year	302	-
			13 482	10 271

		2003	2002
8.2	**Reconciliation of rate of taxation**	**%**	**%**
	South African normal tax rate	30.0	30.0
	- Taxation losses utilised	(4.7)	(3.2)
	- Permanent differences	7.5	(5.0)
	Effective rate	32.8	21.8

9. EARNINGS, HEADLINE EARNINGS AND CORE EARNINGS PER SHARE

Earnings per share

The calculation of earnings per share is based on earnings of R27.661million (2002: R36.811million) and a weighted average number of 94 642 800 equity shares in issue (2002: 93 821 990).

Reconciliation of the weighted average number of ordinary shares:	**2003 000's**	**2002 000's**
Shares in issue at beginning of year	97 633	90 875
Shares repurchased at beginning of year	(2 749)	(923)
Buy-back of shares (weighted average for the year)	(241)	(1 185)
Conversion of debentures on 30 September 2001	-	5 055
	94 643	93 822

9.2 Headline and core earnings per share

The calculation of headline and core earnings per ordinary share is based on a weighted average of 94 642 800 (2002: 93 821 990) ordinary shares in issue during the year, and headline and core earnings calculated as follows:

Reconciliation between earnings:	**2003 R'000**	**2002 R'000**
Income attributable to ordinary shareholders	27 661	36 811
Profit from disposal of company stores	(261)	-
Headline earnings	27 400	36 811
Unrealised foreign exchange loss/(gain)	7 562	(8 327)
Core earnings	34 962	28 484

10. DISTRIBUTIONS

	2003 R'000	**2002 R'000**
Final 2002 - 10.5 cents (2001: 8.5 cents) per share	10 251	7 724
Interim 2003 - 11.0 cents (2002 : 10 cents) per share	10 740	9 763
	20 991	17 487

11. PROPERTY, PLANT AND EQUIPMENT

11.1 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	4 040	2 309	2 882	3 199	12 430
ACCUMULATED DEPRECIATION					
Balance at 1 July 2002	(482)	(468)	(1 322)	(1 416)	(3 688)
Disposals	-	-	17	-	17
Depreciation	(167)	(313)	(588)	(922)	(1 990)
Balance at 30 June 2003	(649)	(781)	(1 893)	(2 338)	(5 661)
NET BOOK VALUE					
Balance at 1 July 2002	3 558	1 435	1 136	1 124	7 253
Additions	-	406	441	659	1 506
Disposals	-	-	-	-	-
Depreciation	(167)	(313)	(588)	(922)	(1 990)
Balance at 30 June 2003	3 391	1 528	989	861	6 769

11.2 Movement summary 2002

	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 2001	4 040	1 037	2 348	1 846	9 271
Additions	-	866	110	694	1 670
Balance at 30 June 2002	4 040	1 903	2 458	2 540	10 941
ACCUMULATED DEPRECIATION					
Balance at 1 July 2001	(316)	(235)	(845)	(607)	(2 003)
Depreciation	(166)	(233)	(477)	(809)	(1 685)
Balance at 30 June 2002	(482)	(468)	(1 322)	(1 416)	(3 688)
NET BOOK VALUE					
Balance at 1 July 2001	3 724	802	1 503	1 239	7 268
Additions	-	866	110	694	1 670
Depreciation	(166)	(233)	(477)	(809)	(1 685)
Balance at 30 June 2002	3 558	1 435	1 136	1 124	7 253

	Carrying value 2003 R'000	Cost 2003 R'000	Carrying value 2002 R'000	Cost 2002 R'000
11.3 Land and buildings comprise:				
Portion 1 of stand 165, Chamdon Extention, District of Krugersdorp, Gauteng	1 329	1 590	1395	1 590
Erf 20661, stand no.8, District of Milnerton, Cape Town	1 420	1 700	1 490	1 700
Sectional title units 7 & 8, Teakfield Park, Durban	642	750	673	750
	3 391	4 040	3 558	4 040

12. DEFERRED TAXATION

	2003 R'000	2002 R'000
Opening balance at 1 July	51 149	56 514
Charged to income statement	(5 881)	(5 365)
Closing balance at 30 June	45 268	51 149

The deferred tax assets comprises:

Trademark	44 903	50 516
Leave pay	364	306
Other	1	327
	45 268	51 149

13. INVENTORY

	2003 R'000	2002 R'000
Raw materials	349	300
Merchandising and packaging	2 589	2 596
Promotional and advertising	457	540
Finished goods	625	798
	4 020	4 234

14. TRADE AND OTHER RECEIVABLES

	2003 R'000	2002 R'000
Trade debtors	16 461	24 239
Prepayments	224	204
Staff loans	53	98
Other	259	5
	16 997	24 546

15. SHARE CAPITAL

	Number of shares 2003 '000	Number of shares 2002 '000	2003 R'000	2002 R'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	(3 704)	(2 749)	-	-
	93 929	94 884	1	1

16. ACCUMULATED DEFICIT

	2003 R'000	2002 R'000
(Accumulated deficit)/retained earnings		
- Holding company	(500)	(620)
- Subsidiary companies	(81 826)	(109 174)
- Associate companies	460	267
	(81 866)	(109 527)

17. TRADE AND OTHER PAYABLES

	2003 R'000	2002 R'000
Trade creditors	9 509	13 386
Accruals	1 115	3 010
Provision for leave pay	1 261	1 104
Other	737	1 055
	12 622	18 555

18. DIRECTORS' EMOLUMENTS

The following emoluments were paid by a subsidiary company:

	Fees	Cash remuneration	2003 Other benefits**	Performance* bonus	Total cost to company	2002 Total cost to company
	R'000	R'000	R'000	R'000	R'000	R'000
Executive						
Allen Ambor	-	942	340	79	1 361	1 227
Pierre van Tonder	-	1 079	322	85	1 486	1 302
Mark Farrelly	-	620	244	52	916	823
Dean Hyde	-	627	210	50	887	788
Kevin Robertson	-	508	189	40	737	664
Phillip Joffe	-	256	128	21	405	323
Total	-	4 032	1 433	327	5 792	5 127
Non-executive						
John Rabb	10				10	10
Keith Getz	10				10	10
Keith Madders	-				-	10
Billy Rule	10				10	10
Total	30	-	-	-	30	40
Total remuneration	**30**	**4 032**	**1 433**	**327**	**5 822**	**5 167**

* The performance bonus is in respect of the year ended 30 June 2002.
** Other benefits include provident fund, medical aid, group life cover and travel allowance.

19. 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. Accordingly, the funds represented by these marketing funds do not constitute funds of the Group, and are therefore not brought into account in these financial statements. During the accounting year, the marketing funds received R41.6million (2002: R35.4million) in advertising contributions.

20. OPERATING LEASES

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

	2003 R'000	2002 R'000
Next year	2 523	2 452
Year two through to year five	4 643	6 755
	7 166	9 207

21. RELATED PARTY DISCLOSURES

21.1 Identity of related parties

The subsidiaries of the Group are identified on page 26 and the associate companies in note 5 on page 39. The Directors are listed on page 11.

21.2 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.

21.3 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 R806 306 in 2003 (R598 146 in 2002).

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 R918 124 in 2003 (R783 581 in 2002).

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 R743 410 in 2003 (R667 660 in 2002).

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.

22. FINANCIAL INSTRUMENTS

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

22.2 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. To manage this risk, the Group periodically assesses the financial viability of the franchisees. 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.

22.3 Currency risk
The Group incurs currency risk as a result of franchise fees received, purchases, sales and borrowings in foreign currencies. The currencies in which the Group primarily deals are UK Pounds, 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.

22.4 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.

22.5 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 - 5 years R'000	Total R'000
Assets				
Cash and bank	53 417	-	-	53 417
Trade and other receivables	16 997	-	-	16 997
Long-term loans receivable	-	-	23 502	23 502
Current loans receivable	723	-	-	723
Total financial assets	71 137	-	23 502	94 639
Liabilities				
Bank overdraft	3 073	-	-	3 073
Trade and other payables	19 733	-	-	19 733
Shareholders for distribution	192	-	-	192
Total financial liabilities	22 998	-	-	22 998

23. OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

	2003 R'000	2002 R'000
Profit before taxation	41 143	47 082
Adjusted for:		
Depreciation	1 990	1 685
(Income)/loss from associate companies	(193)	59
Exceptional items	9 371	(6 648)
Interest received	(4 691)	(3 107)
Interest paid	3	400
	47 623	39 471

24. WORKING CAPITAL CHANGES

	2003 R'000	2002 R'000
Decrease in inventory	214	906
Decrease in trade and other receivables	7 319	8 518
Decrease in trade and other payables	(5 513)	(2 689)
	2 020	6 735

25. TAXATION PAID

Taxation paid is reconciled to the amount disclosed in the income statement as follows:

	2003 R'000	2002 R'000
Amount payable at beginning of year	(1 446)	(2 578)
Amount charged to income statement	(13 482)	(10 271)
Deferred taxation	5 881	5 365
Receivable written off	(2 070)	-
Amount payable at end of year	7 111	1 446
	(4 006)	(6 038)

26. DISTRIBUTIONS PAID

Distributions paid are reconciled to the amount disclosed as follows:

	2003 R'000	2002 R'000
Amount unpaid at beginning of year	(501)	(722)
Reduction in share premium	(20 991)	(17 487)
Amount unpaid at end of year	192	501
	(21 300)	(17 708)

27. PROCEEDS FROM DISPOSAL OF COMPANY STORES

	2003 R'000	2002 R'000
Accounts receivable	159	-
Accounts payable	(420)	-
Net book value of stores disposed of	(261)	-
Profit from disposal of company stores	261	-
Proceeds from disposale	-	-

28. CASH AND CASH EQUIVALENTS

	2003 R'000	2002 R'000
Cash and bank	53 417	33 680
Bank overdraft	(3 073)	(9 148)
	50 344	24 532

Company

BALANCE SHEET

at **30 June**

	Notes	2003 R'000	2002 R'000
ASSETS			
Non-current assets			
Interest in subsidiary companies	1	217 353	239 104
		217 353	239 104
Current assets			
Taxation		67	70
Trade and other receivables		5	-
Cash and bank		1 070	501
		1 142	571
Total assets		**218 495**	**239 675**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	2	1	1
Share premium		218 802	239 793
Accumulated deficit		(500)	(620)
		218 303	239 174
Current liabilities			
Shareholders for distribution		192	501
		192	501
Total equity and liabilities		**218 495**	**239 675**

Company

INCOME
STATEMENT

for the year ended **30 June**

	2003 R'000	**2002 R'000**
Interest received	171	266
Interest paid	-	(104)
Profit before taxation	171	162
Taxation	(51)	(49)
Net profit for the year	120	113

STATEMENT OF CHANGES IN COMPANY EQUITY

for the year ended **30 June**

	Share capital R'000	**Share premium R'000**	**Distributable reserves (Accumulated deficit) R'000**	**Unissued shares R'000**	**Total R'000**
Balance at 1 July 2001	1	245 880	424	7 360	253 665
Net profit for the year			113		113
Distributions		(17 487)			(17 487)
Shares issued		11 400	(1 157)	(7 360)	2 883
Balance at 30 June 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

Company CASHFLOW STATEMENT

for the year ended **30 June**

	Notes	2003 R'000	2002 R'000
Net cash flows from operating activities			
Working capital changes	3	(5)	(12)
Interest received		171	266
Interest paid		-	(104)
Taxation paid	4	(48)	(228)
Distributions paid	5	(21 300)	(17 708)
		(21 182)	(17 786)
Net cash flows from investing activities			
Decrease in amounts due by subsidiary companies		5 251	2 870
Proceeds from disposal of interest in associate companies		-	763
		5 251	3 633
Net cash flows from financing activities			
Conversion of debentures		-	(7 360)
Decrease in liability portion of convertible debentures		-	(3 048)
Increase in amounts due to subsidiary companies		16 500	13 432
Proceeds from shares issued (net of preliminary expenses)		-	10 243
		16 500	13 267
Net movement in cash and cash equivalents		569	(886)
Cash and cash equivalents at beginning of year		501	1 387
Cash and equivalents at end of year		1 070	501

FINANCIAL STATEMENTS

1. INTEREST IN SUBSIDIARY COMPANIES

	2003 R'000	2002 R'000
1.1 Shares at cost less provisions and amounts written off	1	1
Loans to subsidiary companies	217 352	239 103
	217 353	239 104

1.2 Loans due to and from subsidiary companies are unsecured, interest free and no fixed dates of repayment have been determined.

2. SHARE CAPITAL

	2003 R'000	2002 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

	2003 R'000	2002 R'000
(Increase)/decrease in trade and other receivables	(5)	2
Decrease in trade and other payables	-	(14)
	(5)	(12)

4. TAXATION PAID

	2003 R'000	2002 R'000
Taxation paid is reconciled to the amount disclosed in the income statement as follows:		
Amount prepaid/(payable) at beginning of year	70	(109)
Amount charged to income statement	(51)	(49)
Amount prepaid at end of year	(67)	(70)
	(48)	(228)

5. DISTRIBUTIONS PAID

	2003 R'000	2002 R'000
Distributions paid are reconciled to the amount disclosed as follows:		
Amount payable at beginning of year	(501)	(722)
Reduction in share premium	(20 991)	(17 487)
Amount payable at end of year	192	501
	(21 300)	(17 708)

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 Wednesday, 26 November 2003 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 2003, 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: Allen Ambor, Pierre van Tonder, Dean Hyde and Phillip Joffe. 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 11of 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 Limited, 70 Marshall Street, Johannesburg, 2001 (Postal Address: P O Box 61051, Marshalltown, 2107) by no later than 10:00 on Tuesday, 25 November 2003. 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. 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 to vote in his/her stead.

By order of the board
Dean Hyde
Secretary
Cape Town
6 October 2003

Financial Calendar 2003

DISTRIBUTIONS

Interim distribution	11 cents per share
Record date	25 April 2003
Payment date	29 April 2003
Final distribution	12.5 cents per share
Record date	7 November 2003
Payment date	10 November 2003
Reports 2004	Interim for six months ending 31 December 2003 published March 2004
	Preliminary announcement for year ending June 2004 published September 2004
	Annual for year ending 30 June 2004 published October 2004

ADMINISTRATION

Registered office	1 Waterford Mews Century City Boulevard Century City 7441
Registration number	1998/000828/06
Postal address	P O Box 13034, Woodstock 7915
Telephone	27-21-4621293
Fax	27-21-4616857
E-mail	hydout@spur.co.za
Internet	http://www.spur.co.za
Transfer secretaries	Computershare 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

(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 26 November 2003

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 to the Company's transfer secretaries, Computershare Limited, 70 Marshall Street, Johannesburg, 2001 (Postal Address: P O Box 61051, Marshalltown, 2107) by no later than 10:00 on Tuesday, 25 November 2003.

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 ____________________ 2003.

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 delivered to the Company's transfer secretaries, Computershare Limited, 70 Marshall Street, Johannesburg, 2001 (Postal Address: P O Box 61051, Marshalltown, 2107) by no later than 10:00 on Tuesday, 25 November 2003.