notice of annual general meeting

Time	11.00 am
Date	6 December 2001
Place	2nd Floor, Charter House, Leopold Takawira Avenue/Fort Street, Bulawayo

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members of Radar Holdings Limited will be held in the Board Room of the registered office of the Company to conduct the following business :

1. To receive and consider the audited financial statements for the year ended 30 June 2001 together with the reports of the Directors and Auditors.

2. To re-appoint retiring Directors.

3. To determine the remuneration of the non-executive Directors.

4. To confirm the remuneration of the Auditors for past services and to appoint Auditors for the ensuing year.

5. To consider, and if thought fit, to pass, with or without amendment, the following resolutions as ordinary resolutions :

   a) That the unissued shares remain under the control of the Directors who may issue them on such terms and conditions as they see fit, subject to the limitations of the Companies Act (Chapter 24:03).

   b) That loans granted to senior members of staff, officers and directors of the Company, or its subsidiaries, in the sum of $60 000,00 be and are hereby ratified.

6. To transact such other business as may be transacted at an Annual General Meeting.

In accordance with the requirements of the Companies Act, members of the Company are notified that they are entitled to appoint one or more proxies to attend, speak and vote at the meeting on their behalf. A proxy need not be a member of the Company. Proxies must be lodged with the Secretary not less than forty-eight hours before the meeting.

By order of the Board,
Radar Investments (Private) Limited
Secretaries

Charter House
51-57 Leopold Takawira Avenue/
Fort Street
Bulawayo

Bulawayo
20 September 2001

2001

group financial highlights

		2001 $'000	2000 $'000
Operating results	Turnover	**2 742 384**	1 356 729
	Operating Profit	**361 562**	99 978
	Income/(Loss) before tax	**183 724**	(65 356)
	Attributable Income/(Loss)	**71 786**	(21 507)
Percentages and ratios	Pre-interest return on total assets (%)	**14.5**	6.0
	After tax return on shareholders' funds (%)	**14.5**	(10.4)
	Total interest bearing liabilities to shareholders' funds (%)	**119.7**	303.3
	Current ratio (:1)	**0.9**	0.7
Ordinary share performance (Comparatives adjusted)	Earnings/(Loss) per share (cents) - basic	**129.5**	(38.8)
	Dividends per share (cents)	**-**	13.0
	Dividend cover (times)	**-**	(3.0)
	Net asset value per share (cents)	**894.4**	372.7
	Market price per share at 30 June (cents)	**290**	300

SHAREHOLDERS' CALENDAR in respect of the year to 30 June 2001

Financial reports	Interim results announced - 1 March 2001 Year end results announced - 27 September 2001 Annual report posted to shareholders - 9 November 2001
Annual General Meeting	**6 December 2001**

Shareholders are reminded to notify **Radar Investments (Private) Limited, P O Box 2346, Bulawayo** of any change of address.

directorate

Board	C J L Schofield	Chairman
	P W T Chipudhla	Deputy Chairman
	E T Rusike	
	Z L Rusike	
	K R R Schofield	
	J R Sly	
	B P South	
Secretaries	Radar Investments (Private) Limited	

OPERATING COMPANIES

Radar Investments (Private) Limited		
Directors	P W T Chipudhla	Chairman
	J R Sly	Deputy Chairman
	C J L Schofield	Managing Director
	Z L Rusike	Deputy Managing Director
	B P South	Finance
	J D Andrews	
	A A Bulman	
	J Gadzikwa	
	M J Rowland	
	K R R Schofield	
Border Timbers Limited		
Directors	P W T Chipudhla	Chairman
	K R R Schofield	Deputy Chairman
	J Gadzikwa	Managing Director
	J Anderson	Finance
	Z L Rusike	
	B P South	
	H B A J von Pezold	
	R von Pezold	
Commercial & Industrial Holdings Limited		
Directors	C J L Schofield	Chairman
	M J Rowland	Managing Director
	J S Vaghmaria	Finance
	N J Macdonald	
	J R Sly	
Group Company Secretary	N Lang	

Bankers

Kingdom Merchant Bank Limited
Stanbic Bank Zimbabwe Limited
Syfrets Corporate and Merchant Bank Limited
Trust Merchant Bank Limited
National Merchant Bank of Zimbabwe Limited
Trade & Investment Bank Limited
Century Bank Limited

Transfer Secretaries

Radar Investments (Private) Limited
5th Floor, Charter House
Leopold Takawira Avenue/Fort Street
Bulawayo Telephone (09) 74548/9

Auditors

Ernst & Young

Legal Practitioners

Atherstone & Cook
Calderwood, Bryce Hendrie & Partners
Sansole & Senda
Wintertons

Registered Office
5th Floor, Charter House, Leopold Takawira Avenue/Fort Street, P O Box 2346, Bulawayo
Telephone: (09) 74548. Telefax: (09) 75942. e-mail: radar@radargroup.co.zw

FINANCIAL YEAR END
30 JUNE 2001

board of directors

CHAIRMAN *** -** Chris Schofield - age 62
Appointed to the board in July 1987. Elected Chairman in June 1989. He is Managing director of Radar Investments (Private) Limited, of Radar Properties (Private) Limited, Chairman of CIH Limited, a member of the Border Timbers Limited Audit committee and a director of other Zimbabwean companies outside the Radar group.

DEPUTY CHAIRMAN * - Philip Chipudhla - age 71
Appointed to the board in September 1983 and appointed Deputy Chairman in June 1989. He is Chairman of Radar Investments (Private) Limited and of the Compensation Committee. He is Chairman of Gestetner Zimbabwe Limited and Border Timbers Limited. He serves as a director of Beverley Building Society and several other Zimbabwean companies.

DIRECTOR - Elias Rusike - age 60
Appointed to the board in August 1989. He is Chief Executive of Modus Publications (Private) Limited, publishers of the Financial Gazette and is a member of the boards of a number of other Zimbabwean companies.

DIRECTOR * - Zivanayi ("Zed") Rusike - age 45
Joined the group in April 1983 and was appointed to the board in November 1991. He is Managing Director of the United Builders Merchants division and Deputy Managing Director of Radar Investments (Private) Limited. He is a director of Continental Capital (Private) Limited, a subsidiary of the Finhold group. He is also a director of Border Timbers Limited and past President of the CZI.

DIRECTOR * - Richard Sly - age 66
Appointed to the board in October 1989. He is Chairman of the Audit Committee and Chairman of Haddon & Sly Limited. He is a director of CIH Limited and a member of the Audit Committee. He is a director of Fincor Finance Corporation Limited and several other local companies and institutions. He is past President of the National and the Bulawayo Chambers of Commerce.

DIRECTOR - Kenneth Schofield - age 38
Appointed to the board in November 1994. He is a director of Radar Investments (Private) Limited, Deputy Chairman of Border Timbers Limited and a director of a number of other Zimbabwean companies outside the Radar group.

DIRECTOR - Brett South - age 41
Appointed to the board in March 2000. He is a director of Radar Investments (Private) Limited and Border Timbers Limited.

Executive Director
*** Member of Audit and Compensation Committees**

GROUP SENIOR MANAGEMENT

RADAR METAL INDUSTRIES

Jonathan Rowland	Managing
Alan Soule	General Manager
Vusumuzi Mahaja	Finance

UNITED BUILDERS MERCHANTS

Zed Rusike	Managing
Kennedy Mashava	Finance
Martin Sadambura	
Sylvester Mauni	
Kenneth Schofield	
Richard Gaft	
Malcolm Davidson	

MACDONALD BRICKS

Albert Bulman	Managing
Peter Mutsokoti	Finance
Martinus Barnard	Consultant
Rick Simms	Production (Willsgrove)
Irwin Westermeyer	Production (Montgomery)
Lazarus Ncube	Human Resources
Jonathan Rowland	

RADAR CASTINGS

Kenneth Schofield	Chairman
Tony Havercroft	Managing
Gerry Chigwande	Finance
Elijah Chideme	Production

COMMERCIAL & INDUSTRIAL HOLDINGS
Operational Management

Rob Miller	General Manager, Bulawayo Toyota
Bobby Hall	General Manager, Coronet Buttons & Plastics
William Maroleng	General Manager, Cotton Waste
Richard Pope	General Manager, Home Furnishers
Paul Brown	General Manager, International Hardware
Graham Bryce	General Manager, Hogarths / National Fencing

BORDER TIMBERS
Operational Management

Heinrich von Pezold	Chairman
Kenneth Schofield	Deputy Chairman
John Gadzikwa	Managing
John Anderson	Finance
Dave Robinson	Forestry & Sawmilling
Irvin Kanyemba	Border Timbers International/Paulington
Chris Vengesa	Marketing

chairman's statement to shareholders

Dear Shareholders,

As indicated in the abridged comments on the group's results for year ending June 2001, some progress was made in comparison to prior years. Nonetheless, and however unpalatable this will be, the group faces a very uncertain future. Why so? For one very good reason: the group, busier than ever, is busy going out of business. That is, ladies and gentlemen, the bottom line; shareholders attention, in this respect, is drawn to the comment contained in the Group Financial Director's report which says it all.

"Whilst the Group tried to keep pace with inflation, the various volume declines experienced are of concern. It is pertinent to note that despite the influences of mix and volumes no operating unit achieved a net price increase either equal to or above inflation level."

It will require a sea change in Government's implemented policy, as against the endless gibberish we are currently subjected to, if the forecast contained in the opening paragraph is not to be borne out. In the interim, the salient features of the group's trading are as follows:

	2001 $'000	2000 $'000
Turnover	2 742 384	1 356 729
Income before interest	437 538	108 996
Net interest payable	253 814	174 352
Profit/(loss) for the year	84 701	(28 705)
Shareholders' Funds	495 667	206 530
Net current liabilities	(106 446)	(250 516)

Zed Rusike, John Gadzikwa and Jonathan Rowland cover comment on divisional activities, while Brett South covers the group's financial management performance. Shareholders attention is drawn to the Border annual report and to the inserts accompanying this report.

At a point in time when virtually every aspect of trade is related, directly and indirectly, to the U.S. Dollar, your Board's decision to provide, in addition, U.S. Dollar denominated financial results would appear to be vindicated. Equally, your Board's stance vis-a-vis reporting as per IAS 29 would seem justified ... the points covered by the Group Financial Director in the enclosure to the Annual Report for the year ending June 2000 are every bit as applicable today as they were then.

ORGANISATION, CORPORATE GOVERNANCE AND CORPORATE INVOLVEMENT IN THE PUBLIC SECTOR

Shareholders attention is drawn to the revised structure of the group which has been put in place subsequent to year end. The preamble to the revised Board compositions explains the raison d'etre. Zed Rusike, who took up the Presidency of the CZI for a year, deserves to be commended for keeping the CZI firmly on track while contending with the seemingly endless pressure that goes with the position.

It has been encouraging for all of us at Radar to receive recognition of the fact that every effort is being made to "get it right". In terms of financial reporting it is particularly pleasing to have seen Border Timbers Ltd. and CIH take first and second places (in the category in which the two companies fell) at the recent Zimpapers/ZSE awards. Equally, it was pleasing to see the Radar stand at the Bulawayo Trade Fair carry off first prize in the industrial section, while Bulawayo Toyota was adjudged the second best stand in the automotive sector. Particularly pleasing was Border Timbers award of the "Exporter of the Year" ... following on the devastation that took place in the aftermath of Cyclone Eline, Border put in a truly remarkable performance.

It is perhaps appropriate to mention here the time, and effort, that the Border people devoted - in common with a number of Mutare companies but particularly Zimboard - to rehabilitating the facilities at the Mutare Showgrounds. The group has made a commitment to further assist those involved at the show next year.

LITIGATION

The Board is looking at taking legal action to seek recourse for prejudice the group has suffered both as a result of widespread fraud at Border and with respect to issues related to operation at one of Border's mills.

INDUSTRIAL RELATIONS

As commented on in the 2000 Annual Report, the exodus of specialist skills remains a very major concern. One cannot but compare the approach taken by our southern neighbour, where a concentrated effort is in place not only to bring back home those who have, over recent years left, but also immigrants who have skills not readily available. In our own country the powers-that-be seem hell bent on driving out whatever skills we have ... as about a half-witted, short-sighted an approach as anyone could possibly dream up. As an aside, a recent survey in South Africa came up with an interesting finding: each 'skilled' immigrant to the Republic creates an additional 6 jobs. Here at home, faced with mounting job losses, and a downsizing of our industrial base this might be something to mull over.

OVERVIEW AND FUTURE PROSPECTS

Only a total sceptic is entitled to the view that with no foreign direct investment (FDI), widespread retrenchments, collapsing services - one could go on ad nauseum - Government's approach to "job creation" is to let loose hordes of jobless/landless to careen over the countryside. Regardless of one's viewpoint, the reality is that "the programme" has cost the country countless billions and acquired the cachet of a "pariah state". What next?

One could come up with some corporate mumbo jumbo such as "due to the uncertain economic environment we are unable to provide a forecast"... and so on. Or provide a forecast that for any number of reasons, comes nowhere near close to reality ... but by then little attention is paid other than if a dividend has been promised and not delivered. Alternatively, and here I turn to the singular, I could ask your forbearance and put on paper something that takes me back many years when I was sitting with my Dad, in a sail boat on Kariba, as the sun was going down. I'd remarked on how beautiful it all was and he said, *"Wind and sail is pretty much what life is all about. There are times when one is becalmed (completely still) ... one just has to be patient. At the same time it gives one an opportunity to potter about and do some house cleaning ... sorting things out, making certain that everything is in working order. Then there are times, magical times when the wind caresses the sail ... a gentle tug here, a little push there. These are serene moments in life, a time to stand in awe, a time for loving and being loved. But then there's a change, sometimes almost imperceptible, the senses are heightened, an awareness that one is about to be tested. For some, it will simply be a long haul; for others, reaching for the outer edge, it will be exhilarating. And then of course there are times, thankfully few and far between, when nature - and man for that matter - seems to lose its marbles. Savage, demented gales blow mindlessly, lashing out in mindless destruction. That's a time to batten down the hatches and ride out the storm. Not everything survives ... but that's the way life is. It is in the aftermath, surveying the needless destruction that you will need to remind yourself that what has just taken place is but one part of the matrix of life ... and you will need to get on and pick up the pieces. "Cause that's the way life is".*

Speaking for myself, and looking at what is taking place all around us, what was said then seems so utterly pertinent to today. Wherever you are right now Dad, you'll have a fairly good idea of what it's all about.

And that's about it. Shareholders may well have read some pretty banal comments about "not concentrating on the negatives"... which is pretty much akin to the Captain of the Titanic saying to the passengers *"may I draw your attention to the quality of the bed linen"* ... while all around is gurgle, gurgle.

Midst the ongoing mayhem, group management set about doing

chairman's statement to shareholders

(continued)

what we said we would ... concentrated on asset management and the expansion (or at worst retention) of our export markets. Some headway has been made in reducing the group's borrowings ... certainly the lower interest rates that applied in the last six months of our financial year made an appreciable, positive, difference. This position may well change in the not too distant future - though for all the wrong reasons. The same commentators, who are calling for "realistic" interest rates, ignore the very basis of supply and demand. As of now, with M3 simply rocketing, the country is awash with Zimbabwe dollars ... the Victoria Falls may well be one of the seven wonders of the world, but with the deluge of printed notes flowing from Fidelity Printers, that concern may well be added to the list. Cut the velocity of money supply and market forces will, of themselves, very quickly adjust as borrowers are forced to "cherchez la cash".

A major, negative, difference impacting upon the group has been firstly, the Reserve Bank's diktat that 25% of forex earned (that percentage has now been increased to 40%) be surrendered and secondly, that the official, farcical, rate of conversion be held at 55:1 to the USD. The latter is obviously of greater import.

Shareholders may be interested in an in house model we ran (again Border only) which reflects the following:

Had the Zimbabwe dollar/USD traded down in correlation with the CPI index, then total export proceeds would have amounted to $1385M as against reported export earnings of $1026M ... resulting in proceeds being some 358 million dollars lower than what would have/could have been achieved. Thus in two years, if one accepts the correlation model (in our view better than trying to "guesstimate" the "true" value of the Zim dollar), Border has, alone, been deprived of some 550 million dollars. Repeat: some 550 million dollars. Accepted that a *portion* of those earnings (remembering too that BTI is an EPZ project) would have flowed back to Treasury by way of Company tax, the prejudice is enormous. Over-borrowed ... or overtaxed? Or, simply, short-changed? Take your pick.

If one extrapolates those numbers to total, national, export proceeds then it is not very difficult to determine why we are living on borrowed time in every sense of the word.

The retention of our export markets is becoming increasingly problematic ... exacerbated by the recent events in the U.S. Americans are casting an increasingly jaundiced look at areas where they perceive there to be terrorism, thuggery and an abandonment of the rule of law. The proposed Democracy Bill, if passed by the House, will only serve to increase the negative perceptions that the U.S. has apropos Zimbabwe. Border has seen of late, a fall off in exports to the U.S. ... any major slow down in home building activity can only further impact negatively on sales into this our single largest export market.

Turning very briefly to the local market, the buoyancy that prevails fuelled - a particularly appropriate word - by the torrential money supply - will in all probability continue ... at least to the forthcoming Presidential election. In addition, there is very immediate evidence of the resumption of capital expenditure on a wide range of projects ... this may well necessitate increased Government borrowing with the consequent impact on interest rates. That said, group operations should continue to benefit from the consumer "boom". All of us within the Radar Group remain committed to attaining the objectives we previously set.

The group has sound management, a solid asset base and a track record of adapting to changing circumstances.

APPRECIATION

As always, our thanks go to our customers and to our suppliers - both of goods and services. On behalf of shareholders and members of the Board, may I also express our thanks for the commitment given by so many within the Radar Group at every level.

Elias Rusike has resigned from the RHL Board, having served Radar for some 12 years. During that period of time he was able to provide his colleagues with a penetrating insight with what can best be described as "the greater picture". It is a measure of the man that now he feels he cannot give the time required to enable him to give of his best, he has chosen to step down. Au revoir, Elias and Margaret, and thank you both for your support over the years.

PERSONAL

Having recently been classified, by virtue of the colour of my skin, as a non human being, I might as well close this statement with a Hungarian folk tale. Appropriately, it is not about humans...

There was once a family of Hungarian frogs that went on a hopping holiday in the mountains of Transylvania. The mountains were swarming with wolves and wildcats so that mother frog warned her children to be quiet. Her youngest son boasted, "*I am proud to be a frog, and it is in the nature of a frog to croak*". In due course he became noticed and was killed ... "*I told him not to croak*" the mother frog mourned. "*Do not scold your dead son*," said the father "*he had the courage to be himself*."

Somewhere in there is a message for all of us. We have a wonderful country. We have achieved so much, in so many fields. The last thing in the world we need to do is to pass on to future generations a poisoned chalice.

Sincerely

Chris Schofield
20 September 2001

operational reviews

RADAR

The year under review was very challenging for all Divisions, without exception. In common with all sectors (except financial) the construction industry was not spared from the effects of the negative macro economic environment. Throughout the year, Management and all Staff had to use all of their resources to ensure that their "eyes were not taken off the ball", despite the continuously declining order books within the Divisions. With little confidence in the economy, investment declined, company closures increased and unemployment reached alarming levels. These all led to reduced disposable income and reduced demand for our goods and services. We all hoped that "sanity" would prevail in the nation's decision-making process, resulting in stimulating industrial and export growth. That, unfortunately, did not happen.

Due to the above scenario, Management was faced with a daunting challenge to ensure that their Divisions survived. This they did - admirably.

"RADAR HUBS"

During the year the Group introduced the "hub" concept in Mutare, Harare and, to a lesser extent, Bulawayo.

Aimed at achieving a "one stop shopping" concept within an area, the first hub opened at the Border Timbers' Nyakamete complex. This includes the operations of MacDonald Bricks, Radar Metal Industries and UBM Timbers. After a very slow start, the hub has gained momentum since May 2001. The second opened on Wolverhampton Road in Bulawayo and this includes International Hardware and UBM Timbers. The last and most active is the Harare hub situated on Beatrice Road. This includes MacDonald Bricks, National Fencing, Radar Metal Industries and UBM Timbers. All except UBM Timbers have experienced a surge in trading during the last quarter of the year.

UNITED BUILDERS MERCHANTS

Following an extremely slow start to the year, the Division experienced a surge in trading during the fourth quarter. Turnover to March 2001 was 6.60% up on the previous year whilst for the last three months this was 81.20% up on the last quarter in 2000. The low returns from the money market, resuscitation in mortgage lending and the anticipation of price increases led customers in the domestic housing sector to build new structures or upgrade their places of residence. There were, however, few major "city centre" contracts, greatly reduced investment in the commercial farming sector and fewer international donor funded projects.

As with the two previous years, the three month sales promotion campaign was a success to such an extent that the selected suppliers could not meet demand at prior agreed prices. The campaign is retail based, affording customers the opportunity to purchase selected popular products at extremely competitive prices for cash.

Working Capital Management continued to take centre stage, with the Division concentrating on debtors days, stock turns and increased cash sale levels. I am pleased to report that the Division achieved success, with all three areas reaching record levels by financial year end. The temptation to extend credit to achieve higher sales levels was resisted, as in all likelihood those customers would have been provided for at year end.

The customer service training, run by Margie Jackman of the Co-Ordinators, paid dividends in the improved approach to customers by our Staff. It has also had the effect of enhancing the "UBM Team" concept as all employees attended training sessions.

The marketing and advertising strategy changed during the year to meet the expectations of the changing market. The Group's contracted advertising agency, Brown and Kinloch, were instrumental in conceptualising and leading the revised campaign.

The Division expects another challenging first six months of the new year as evidenced by the trading results for July and August 2001. The focus will, however, be on real growth after factoring out inflation. It is now common to receive supplier price increases without notice and at regular intervals. The purchase of imported raw materials at rapidly changing landed costs is being seen as the major cause. The Division cannot now hold prices firm for imported product not in stock on the date of quoting.

RADAR METAL INDUSTRIES

During the year the Harare factory was re-sited to the Radar "hub" to create a "one-stop" building material supply facility. This was followed by a Management restructuring exercise in Harare during the second half of the year to cater more effectively for the rapid and continuous changes in the market. The two moves have already achieved the anticipated levels of success.

Radar Metal Industries opened at the Nyakamete "hub" to be in more direct contact and thus improve service levels to Manicaland customers.

As with others, the Division experienced a sub-inflationary increase in turnover year on year with a volume drop-off in the local market due largely to the decrease in major construction projects. This decrease, shrinking the already ailing market, negatively impacted on margins. The effect was compounded by the continued heavy discounting by a major competitor and the thriving informal market.

Fortunately, the time spent on developing the external market resulted in a 93% year on year increase in export sales to Botswana and South Africa. Our depreciating currency also assisted in making the product more competitive. Whilst the Division will continue to focus on export sales, the lack of meaningful export incentives and the recent decision by the Reserve Bank to increase its export proceed retention from 25% to 40% has threatened the viability of this crucial market.

Whilst large increases were experienced against selected overheads including advertising, vehicle operating expenses, freight charges and rates, there were massive savings achieved against electricity costs (despite higher unit costs) as a result of tight controls and sound management systems implemented during the previous financial year.

As with UBM, the Division saw an improved volume off-take towards the last quarter of the year, both in the local and export markets. This, coupled with changes in manufacturing systems and product design aimed at improving material utilisation, should have a positive effect on margins.

RADAR CASTINGS

As a result of the diminishing local market, the Division concentrated its efforts on exports. Although turnover was below inflationary levels, the year on year 41% increase was not disastrous. By year end, Radar Castings was sitting with a three-month back order book, auguring well for the future. During the year the Division clinched a niche market for high quality grinding balls (for power stations) and has developed a market for motor vehicle spare parts such as hubs and brake pads.

Despite operating a state of the art foundry, Radar Castings experienced a high incidence of furnace breakdowns, adversely affecting production. The debt carrying costs being borne by the Division and the Group as a whole, also curtailed investment in new equipment which would have improved efficiencies and above the line expenses. The critical shortage and high cost of scrap also contributed to "stop-start" operations.

The shortage of technical skills in the local foundry industry contributed to the increased levels of scrap during production. Whilst product development of steel castings contributed to the high level,

operational reviews

(Continued)

the main reason is that of a lack of skills.

Despite Management's attempt to strictly manage working capital, the cycle was adversely affected by delayed payments by export debtors and a material local mining house. The "Catch 22" scenario was evident as the Division relies heavily on orders emanating from these two customers. Non-supply would have adversely affected sales.

MACDONALD BRICKS

Once the mainstay of the Group, MacDonald Bricks experienced low orders throughout the year particularly as a result of the reduced building activity in the Matabeleland and Manicaland markets. The nature of the product, resulting in high transportation costs, does not lend itself for competing in distant markets. This is particularly true with regard to common bricks, which carry lower profit margins.

The low off-take necessitated the temporary closure of the Willsgrove plant as fixed and variable costs could not be covered by revenue.

Exports into Botswana continued to be strong. These were supported to a lesser extent by those into Zambia and the northern parts of South Africa. Increased external advertising has had a positive effect.

Except for a major kiln refurbishment at Montgomery, there were not any material disruptions to production.

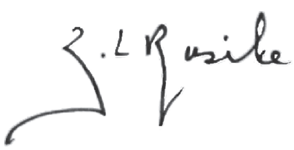
COPPERWARES

The Division was sold to a third party early in the financial year.

APPRECIATION

I am pleased to report that, yet again, the commitment of Management and Employees has remained steadfast throughout the year despite the unfavourable operating environment. The impeccable industrial relations record throughout the year shows that we truly have a "Radar Team" approach.

May I thank the Group for affording me the time to act as the President of the Confederation of Zimbabwe Industries (CZI) for a term. The support was unwavering. The office was an honour and the greatest challenge I have faced. I certainly hope I did justice to it!



"ZED" RUSIKE
Deputy Managing Director
Radar Investments (Private) Limited

BORDER TIMBERS LIMITED

INTRODUCTION

The 12 months under review show a marked improvement in comparison to the previous financial year. This improvement comes against a background of the current harsh macro-economic environment. Your company continues to strive to keep its head above water with the hope that somehow in the near future the economic environment will return to normal.

FORESTRY AND SAWMILLS

Silviculture

The planting program continued relatively smoothly in the course of the year with the backlog that had accumulated in the previous financial year being wiped off. The exception to the planting programme was Sawerombe Estate where continuous destruction of plantation and property has made planting and silvicultural activities difficult. This has continued in the new year and until the national land reform issue is resolved the planting programme in this area may continue at a reduced pace. The weeding programme was also successful while the shortfall in the pruning programme has been carried forward to the new financial year.

Forest Protection

The incidences of fire in the forest were exacerbated by the presence of illegal individuals who, in what can only be described as arson, started fires with the intention of clearing planted forests for the purpose of preparing the land for tillage. The majority of these fires were in the sections of Sawerombe that are listed for acquisition by the government for the resettlement programme. The area of planted trees lost this way totalled approximately 300 hectares.

All these fires were reported to the relevant authorities that have, as in the rest of the country, done nothing to bring the criminals to book.

Shareholders will recall that in the last annual report it was indicated that application had been made to FSC seeking exemption on the use of a banned pesticide, namely brodifacoum, to control baboon damage in the forests. The response from FSC was received at the end of July 2001. Border's application was denied on the basis that pine is not an indigenous species and baboons are. The sustainability of Zimbabwe's timber industry is apparently not a consideration. Management is evaluating the options available in respect of baboon control and will address the problem as a matter of utmost urgency.

A few incidents of eland damage to pine trees were identified during the year. Eland damage is becoming more pronounced as the eland, particularly from the National Parks Eland Sanctuary, came across seeking refuge from what is, reportedly, wide spread poaching. Discussions with various parties are underway with the intention being the capture and relocation of the eland. In the meantime salt licks are being placed at various points to entice the eland away from the plantations.

Harvesting

The thinning programme plan was not met during the year. The budget in the new year reflects a thinning to waste programme which is intended to ignore this year's efforts to find markets for timber with a diameter of less than 15 cm.

Clearfelling sawlog production for the year was 90% of what Border had budgeted for. This was a slight improvement to the 88% achieved in the previous year. In the early part of the year work continued in the cyclone affected areas where sawlog productivity was reduced because of accessibility problems and the state of the logs themselves. In the later months Border experienced machinery availability problems with the worst affected being skidders and teleloggers. This was further worsened by the non-availability of foreign currency to our suppliers of machinery spares. It is encouraging to note, though, that by the end of the year as a result of a stringent, proactive, maintenance programme plant availability improved.

Pulpwood deliveries to our customers were 97% of the budget and Border continues to experience collection problems from the forests by customers.

Demand for telephone and transmission poles continued to improve towards the end of the year with both the local and regional markets calling for more than the dry stock that was available from the forests. It is envisaged that this level of the demand will continue, especially in the local market, for at least six months. Efforts are being directed to those markets in the region, which Border has not dealt with before.

operational reviews

(Continued)

Sawmills

The sawmills production in the year under review was characterised by a number of factors, which adversely affected both input and output. The U71 framesaw at Charter broke down in September 2000 and the nature of this breakdown rendered the machine irreparable. The replacement machine, a Moehringer U71 framesaw was only received on 19 February 2001 and was commissioned on 5 March 2001. Production output was affected in three ways being, firstly, the daily volume throughput was materially reduced, secondly, efficiency of recovery fell due to non-optimal log sizes having to be processed and, thirdly, increased costs of working where large diameter logs had to be re-routed to the Tilbury sawmill.

The shortages of sawlogs experienced at Charter during the year arise from the recognition that if the sawmill had continued cutting at the levels that the mill is capable of then the age of the trees that would have had to be clearfelled would have been reduced substantially thus affecting sustainability of the forest on a rotational basis and the quality of the logs going through the mill. A decision was taken to purchase standing timber from a third party, which will ensure adequate quality logs for the mill for the next five years. This will mean that in five years time the forest plantations will return to a desired rotational period of at least 25 years.

ZESA power outages continued during the year where in some cases full shift production was lost. Again your board took the decision to look for alternative sources of power, which would guarantee continued supply.

The resultant production input for the year was 86% of budget, a slight improvement over the previous year. The production input has, however, continued to improve from the February 2001 levels in the latter part of the year. Grading procedures have continued to place emphasis on the recovery of clear, furniture grade and structural material.

MANUFACTURING

Paulington Factory

The overall performance of the factory was acceptable. The board product production strategy continued emphasis on the maximisation of blockboard and thinply products whose profitability far exceeds that of multiply. The local, regional and overseas markets continue to call for multiply. The door production was also reasonable, however, the demand for the flash panel and double clad doors remained subdued for most of the year, demand started improving in the last two months of the year. These doors are sold mainly in the local market.

As experienced with the sawmilling products Paulington product demand in the local market escalated in the last two months of the year and has continued to do so in the new year.

BORDER TIMBERS INTERNATIONAL

The fall off of demand in the home sector of the US economy is impacting adversely on BTI's exports; equally true is the increasing concern amongst our end users in the U.S. as to the sustainability of supplies from Zimbabwe. Neither of these two factors are likely to see an improvement over the next two quarters.

As stated in the previous annual reports efforts to improve BTI's customer base outside the country were stepped up and sample doors were sent to Europe, Canada, USA and South Korea. The British regard our product as a commodity product where quality status does not necessarily result in a premium price like in Canada or USA. The Canadian and USA markets are concerned at the negative publicity that our country currently has and therefore doubt the sustainability of deliveries from Border, this is inspite of assurances from Border that deliveries would not be affected. Feedback is still awaited from the Asian market.

Machinery for a new product, french door, has been ordered from the USA and delivery is expected early in the new financial year. It is expected that production of this product will commence within the first six months of the new year and will be destined, initially, for the USA market.

CAPITAL EXPENDITURE

Expenditure for the year amounted to $109.6 million compared to $36.3 million in the previous review period. The breakdown of the capex is as follows:

(i) Plantation expenditure of $85.4 million
(ii) Plant, machinery, motor vehicles and other amounted to $24.2 million

LAND INVASIONS AND DESIGNATION

Despite repeated assurances from the country's leadership that the Government policy was not to settle people on forestland that, as far as Government is concerned, constitutes agro-industry, a total of 18 properties were listed for acquisition for the purposes of resettlement. The total area of these listed properties is over 20 thousand hectares, which is close to 50% of Border's total land area. The areas now listed comprise part of Imbeza, Sheba, Charter, Tilbury and Sawerombe estates.

A total of about 300 hectares were burnt by what we presume are illegal settlers, in order to prepare the land for tillage purposes. There has been intensive ploughing in some of the areas in Sawerombe where members of staff residing in company housing have been asked to vacate these premises to make way for the settlers.

The majority of the Sawerombe estate has been pegged into plots by the Agritex officials who together with the District Administration employees have invited people to this area in order that land could be allocated to them. All these illegal activities were reported to the police who, however, have not taken any action to date. Border continues to seek restitution through the legal framework.

HUMAN RESOURCES

The thoroughly hostile environment prevailing in Zimbabwe is placing enormous stress on all employees but particularly at higher levels of management who are continually being called upon to address issues over which they have very limited control. We view with the utmost concern the departure from Border of some of our key people ... a situation we know is not uncommon across the length and breadth of the country.

JOHN GADZIKWA
Managing Director
Border Timbers Limited

COMMERCIAL & INDUSTRIAL HOLDINGS LIMITED

OVERVIEW

The comparison of year on year results is once again difficult and misleading due to the different composition of the group in the comparative periods and the duration of the periods under review. This is the first full financial year for the group since the takeover by Radar Holdings Limited, with the prior results covering the 6 months only for the period ended 30 June 2000.

Market instability, compounded by delays in restructuring the group, impacted adversely on overall performance, with an operating profit of Z$28,5 million generated from sales of Z$596.6 million. Interest

operational reviews

(Continued)

income of Z$7.8 million for the year was considerably reduced on prior periods following the reduction in interest rates and cash reserves with the extensive investment in the new operations by way of restructuring. Resultant pre-tax profit amounted to Z$36.3 million, with taxation relatively low due to the effects of the restructuring. A post-tax profit of Z$30.4 million was thus realised for the year. An amount of Z$12.9 million was realised from capital reserves from the sale of fixed assets. The net result was basic earnings per share of 43,9 cents and headline earnings per share of 16.7 cents.

Capital employed increased significantly from Z$148.1 million at the end of June 2000 to Z$257.2 million at the end of June 2001 with increased borrowings largely as a result of the acquisitions made during the period. As would be expected under the circumstances, current assets rose from Z$128.0 million to Z$238.6 million, while current liabilities increased from Z$49.8 million to Z$165.6 million during the same period. Resultant asset value per share rose to 241 cents by the end of June 2001 from the 188 cents at the end of the previous year.

Divisional performance varied considerably, with the steel and engineering divisions battling due to lack of contract work and a general decrease in the number of meaningful projects being undertaken throughout the country largely resulting from lack of investor confidence. Conversely, this situation had a positive impact on a number of the remaining divisions where a hyperinflation mentality, synonymous of Brazil in its crisis years, was evident in the market place viz buy now because tomorrow the price will have doubled. In addition, the weak Zimbabwe dollar in relation to neighbouring currencies gave rise to considerable cross-border trading with foreign buyers taking advantage of the comparatively low prices locally. Throughout much of the year operations were dogged by the uncertainty brought about by political strife and the down stream effects of the collapse of law and order. Some customers discontinued operations as the market, in general, imploded and alternate outlets had to be secured. Politically driven factory stoppages were more frequent than ever before and management, in some instances, had to contend with self-styled “union representatives” who were strongly supported by government. Against this backdrop, divisional management flexed their operations to meet the changes in the market, and the restructuring of the group proceeded to create the desired base to secure future stability and intended growth.

Of note, the impact of the overall Radar Group synergies on performance was considerable. Overall export income met the group’s import needs without which a number of divisions would have floundered. The consolidation of select units created a more diverse base in specific markets increasing the potential to secure work and, equally if not more important, the pooling of skills and resources in such instances bolstered units that otherwise would have struggled badly under the trying market conditions.

The year under review represented a period of ongoing change and evolution of the group towards objectives stated on previous occasions both publicly and by way of notices to shareholders. Internally, the objective of consolidating the steel and related manufacturing operations within the Radar Group at large into a cohesive unit with the desired critical mass and capability to offer product and services regionally remained key. Subsequent to the acquisition of the Anglo American shares in CIH, Radar Holdings Limited was required to make an equivalent offer to minority shareholders. It was not Radar’s intention to increase their shareholding beyond the level then held of approximately 65% of the issued share capital, but restrictive Zimbabwe Stock Exchange regulations in respect of both the disposal and acquisition of assets necessitated the purchase of as many of the shares held in the market as possible to allow the desired restructuring of the group to proceed relatively unhinderd. As a result Radar increased its holding to 97% of the issued capital and, as the group thus no longer complied with listing regulations, CIH was delisted in May of this year. Further delay in restructuring resulted from the general instability in the local market where prospective buyers of non-core operations were hesitant to increase their levels of investment in manufacturing businesses within Zimbabwe.

As the restructuring occurred progressively throughout the financial year there will be duplication in reporting between the Radar and CIH reports. In such instances this report should be read in conjunction with the Radar Holdings Limited report.

In summary, the following changes were effected during the year ended 30 June 2001:

- The assets and liabilities of Automation Business Forms were sold to a consortium of private buyers, including management, in October 2000. CIH retained a minor holding by way of an investment.
- Hogarths was purchased from Radar Investments (Private) Limited in July 2000 and consolidated into the National Fencing operation.
- Radar Metal Industries and Radar Castings were purchased from Radar Investments (Private) Limited with effect from January 2001.
- A number of properties including the old CIH head office, the premises occupied by Automation Business Forms, the premises occupied by National Fencing in Harare and a Bulawayo premises sublet to a third party were sold during the period.

Despite considerable downsizing in the engineering operations and the disposal of some non-core operations, employee levels increased with the acquisitions from 811 to 1349.

SEGMENTAL PERFORMANCE

MANUFACTURING SEGMENT

Automation Business Forms
Coronet Buttons and Plastics
The Cotton Waste Company
Home Furnishers
National Fencing (including Hogarths)
Radar Metal Industries
Radar Castings

Profits generated in Automation Business Forms, Home Furnishers, Bulawayo Toyota and Coronet offset the losses incurred in the engineering and steel related divisions and Cotton Waste, with this segment breaking even for the year under review. Majority interests in Automation Business Forms were disposed of in October 2000 with CIH retaining an investment interest only. It is pleasing to note the continued growth and profitability of this business under the new ownership. Hogarths was purchased and consolidated into National Fencing in July 2000. Lack of capital projects and a general decline in the overall level of contracting work in the local market impacted adversely on the engineering and steel units, with operational structure revised accordingly. Radar Metal Industries increased their export base in Botswana while Home Furnishers and Coronet expanded their control in the local market, both taking share from competitors.

TRADING SEGMENT

Bulawayo Toyota
International Hardware

These divisions generated modest profits despite the fuel crisis in the country and the downstream effects of currency constraints on both suppliers and customers. With the increasing overall age of the national fleet, the sale of vehicle spares continued to rise in Bulawayo Toyota. Those vehicle sales achieved were mainly to returning residents and non-profit organisations and NGO’s with external funds. The erratic supply of fuel gave rise to a new modus operandi on the forecourt, whilst the quantum of fuel sales actually increased significantly driven by the large price increases implemented during the year. International Hardware increased their level of imported goods to compensate for the decline in the supply of locally manufactured equivalents due to those suppliers being unable to

operational reviews

(Continued)

source currency to meet their material needs. Intergroup synergies, mainly with UBM, once again played to advantage particularly in the area of local procurement.

SERVICES SEGMENT
Finance and Management Services Division
Commercial and Industrial Holdings Limited (property)
CIH Trading & Finance (Private) Limited (property)
Ingwe Property Holdings (Private) Limited
Masterbuild (Private) Limited
Regent Invicta (Private) Limited

Investment income decreased year on year due to reduced cash reserves with the acquisitions detailed above. Profit was realised on the sale of Ingwe Property Holdings (Private) Limited and other assets during the course of the year with this income comprising a significant source of profit. The services segment was further bolstered in the internal audit section ensuring that group internal controls remain within acceptable norms in this tumultuous market where the ongoing skills drain is becoming evident within the operating divisions.

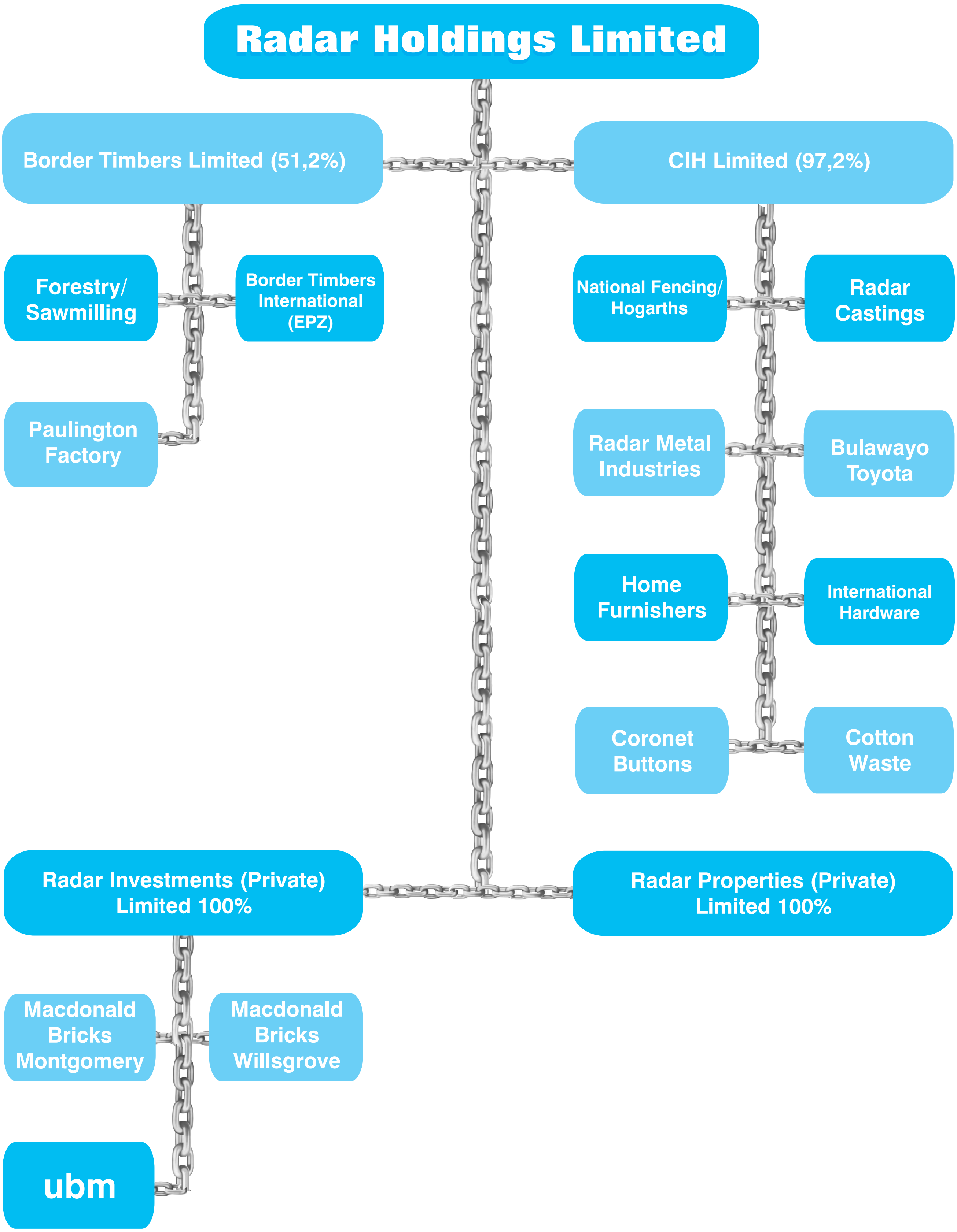
OUTLOOK

Subsequent to the financial year-end, restructuring continued with the disposal of International Hardware to Border Timbers Limited in July and The Cotton Waste Company to private buyers in September.

Political uncertainty continues unabated with the ongoing detrimental impact affecting group operations and the country as a whole. The urgency to effectively implement full regional operational capability is even more pronounced to reduce the dependence on the withering local market and to simultaneously generate foreign currency. The effect of central bank regulations in respect of exchange rates and the handling of export proceeds is self-destructive and, if not addressed in the short term, will be the death knell of those locally based operations that are unable to generate their own currency needs via export sales. Unless government face up to the reality of the problems facing the country and then actively and urgently address them in accordance with accepted international norms, the future of the group will be at best mediocre. If, however, a responsible and committed stance is adopted by the country's leadership, CIH is well placed to benefit immediately from the type of reconstruction that will be essential to return the Zimbabwean economy to a state of viability.

M J ROWLAND
Managing Director
CIH

Radar Holdings Limited
Group Operating Structure



financial commentary

In keeping with the last few years, the group's results make for interesting review as a result of the significant changes the Group has undergone. The issue of the high level of stagflation will be covered later in this commentary but its existence certainly makes interpretation even more fraught with difficulty.

Comment will, unless appropriateness dictates otherwise, be largely confined to your Group's overall performance and shareholders' attention is drawn to the inserts in this annual report as regards the specific performance of CIH Limited and Border Timbers Limited.

Operating Results

At first glance, the operating results for the year, when compared with those for June 2000, are pleasing, however, such initial response must be tempered with recognition of the following factors which distort pure year-on-year review:

a) the comparative period reflects only six months of trading for CIH and Border Timbers and, in Border's case, the six months to June 2000 were exceptionally severe following Cyclone Eline
b) the Group has undergone restructuring during the year and comparatives, inter alia, reflect the disposal from the Group of the majority shareholding in ABF and a number of properties
c) trading conditions have continued to deteriorate
d) inflationary input cost pressures continue to undermine performance - on a rapidly accelerating basis.

Review of the Income Statement and Segmental Analysis set out in the report reflects significant year-on-year improvement (“inequalities” of reported results aside) for the year ended 30 June 2001.

Reported turnover and operating profit have increased by 102% and 262% respectively and such has resulted in the operating margin improving to 13% from 7% at June 2000.

In monetary terms average monthly group turnover value increased, however such increase was below inflation levels. Whilst the Group tried to keep pace with inflation, the various volume declines experienced are of concern. It is pertinent to note that despite the influences of mix and volumes no operating unit achieved a net price increase either equal to or above the inflation level.

The impact of the improved results from Border, where a one third average increase in volume sold was achieved, has made the largest impact upon Group results. Equally important to Border have been the effects of management-negotiated improvement in certain export prices (despite the prevailing flat marketplace) and much closer attention to operating expenditure.

It must be stressed that such reported and improved results at Border are partly a factor of the forest valuation policy where, historically, three-year average costs were employed in the computation of standing timber. This methodology resulted in depletion rates lagging far behind inflation hence improving reported results. This policy is being reviewed.

Whilst the Group's engineering operations had an extremely difficult year primarily due to paucity of work coupled with high inflationary pressures, of more concern has been the drop in volumes experienced by both Macdonald Bricks and UBM - albeit the latter operation having recently shown some improvement - where average unit volumes were, respectively, 25% and 22% below prior year averages; pricing to a large extent offset the full effect of these drops.

Of particular note is the Group's interest charge for the year. At some $253,8M it is material; nevertheless interest cover for the Group has increased year-on-year to 1,4 times (June 2000 0,6 times). Of import is the fact that the charge for the six months to June 2001 is only 43% of the charge for the previous six months and such reflects both the reduction in interest rates as well as the reduction in the Group's borrowing levels.

In reverse order, any failure to reign in inflation without providing exporters - and your Group is a significant exporter - a realistic return is a recipe for disaster and will reduce the rate of, if not entirely suppress, debt reduction through trade, let alone creating viability problems. Attention is drawn to the comments on exchange rates made under IAS29 below and the enclosed USD comparatives.

An added burden carried by exporters is the compulsory sale of, presently, 40%, of export proceeds at absolutely unrealistic rates of exchange; such loss in revenue can only be regarded as an indirect form of taxation that is counter-export productive and which will continue to create viability problems for all concerned. However, it is very interesting to note, from our own analysis, that there is a high degree of correlation between the increase in M3 money supply and the CPI for the period January 1999 to date. This correlation suggests that money supply is the real issue and not the cost of money. In this regard we would query why some economic commentators continue to call for an increase in interest rates rather than address the over-supply of money - the only basis supporting an increase in interest rates would be a return to a command economy.

Shareholder attention is drawn to the taxation charge for the year, and related notes, in that the bulk of the $34,6M relates to deferred tax. In fact, the Group's normal tax liability for the year amounts to $2,3M and a capital gains tax liability for the year of only $1,6M. Such low levels of current tax relate closely to the strained trading conditions experienced by your Group over the past few years.

Group Working Capital

Group inventories increased in value by about 32% over the year (an increase well below the average inflation level) as a result of increased efforts in inventory management with the result that average inventory days dropped from 111 at June 2000 to 75 as at June 2001.

Trade receivables followed a similar increase in value terms, although the impact of decreased activity levels by June this year played their part, however average days receivables also reduced from 72 last year to 49 by end June 2001 without any significant provisions for doubtful debts being required.

Trade payables, at first glance, reflect an increase of some 57% year-on-year and whilst there is a significant inflation effect therein, some of the increase may be ascribed to period end timing. That said, of significance is that the days payables outstanding have reduced from 78 days last year to 63 days by end June 2001. It has long been Group policy to pay creditors within agreed terms in order to avoid placing undue strain on suppliers who may be experiencing financial pressure.

Overall, the status of the working capital for the year ended June 2001 is commendable and reflects the attention being paid to working capital. Shareholders should take particular note of the net increase in cash resources, as shown in the Cash Flow Statement, over the last year.

Fixed Assets

There has been no material expenditure on fixed assets during the year, save in areas where maintenance of capital base mandated such expenditure; the impact of inflation inflates the acquisition cost beyond historical norms resulting in comparatively minor expenditure becoming major in nominal terms. Your Board continues to hold the view that present trading conditions characterised by no free-market adjustment mechanisms makes the issue of revaluation, and any related impairment, inappropriate.

Biological or Non-current Assets

This year sees the separation of plantations from fixed assets. Your

financial commentary

(Continued)

Board has for some while now felt that the inclusion of forests with other fixed assets is inappropriate. Coincidentally, the new Standard on agriculture, IAS 41, clearly sets out a new asset class and it is in keeping with this that separate disclosure has been made.

Whilst the basis for valuing forest plantations has not yet been changed - IAS41 is still being evaluated - historically the computation was based on three-year average costs. Given prevailing inflation rates this, in the opinion of your Board, has resulted in the balance sheet not reflecting a fair value of the prime "productive" asset at Border Timbers in addition to insufficiently matching costs and revenues in the income statement. Accordingly, the value of plantations has been restated over a shorter cost horizon that is considered to be more appropriate under present conditions whilst the new accounting standard is fully explored.

International Accounting Standards

IAS29 (Hyperinflation)

In last year's Annual Report comment was made as regards your Group's position on IAS29 (Hyperinflation). Since that date your Group's position has not altered and shareholders attention is drawn to the insert containing recent statements made by various listed companies as regards the Standard.

Whilst it is not this writer's intention to enter debate as regards the economic definition of *hyperinflation*, the real cost, worth and usefulness of the Standard in terms of both its intrinsic integrity and applicability in a high/hyper/stag-flationary and recessive economy remains questionable. Equally the ability to apply it as an effective inflationary-management tool remains unproven.

That said, your Board is acutely aware of the devastating effects of inflation on real worth and has, again, presented US Dollar denominated accounts based on a trade-weighted realistic rate of exchange computed by the indexing, on a compound basis, of the Zimbabwe Dollar since January 1999 by the CPI (1995=100). The rate used in the income statement is ZW$99.53:US$1 (2000: ZW$64.81:US$1) and in the balance sheet a rate of ZW$127.99:US$1 (2000: ZW$77.88:US$1) has been applied.

As regards the computation of a realistic exchange rate, it is interesting to note that if the principle of inverse-doubling (where money supply doubles the exchange rate halves in value) is applied to the exchange rate ruling at January 1999, being the rate after the last free market adjustment, (using the M3 money supply over the same period) returns to date - as would be expected - an almost identical rate to that computed from the CPI.

IAS41 (Agriculture)

During the course of the year the International Accounting Standards Committee (IASC) issued a standard relating to agriculture - IAS 41 (Agriculture) - at the same time as your Board was reviewing the Group's accounting policy relating to forest plantations.

Thus far the new Standard, which only becomes mandatory in 2003, is receiving very detailed and active consideration as regards its adoption by 2003 if not earlier. Your Board believes that there is a high degree of worth in the Standard but a number of issues still need to be fully examined and clarified - these generally relate to the methodology of determining a satisfactory market value and the present treatment of gains and losses, especially those arising on initial adoption of the Standard, being taken directly to profit in the year of adoption.

As part of this review process, discussions have been held with other major forestry operations in the region; indications are that the major players are likely to adopt the Standard by mandatory date and such adoption is considered to be important if forestry operations in the region are to be able to provide comparability of performance.

Staffing & Skills

Over the past year your Group has managed to retain an acceptable level of financial skills against a very unsettled national environment. Sadly, this situation is not stable and there are a number of regrettable losses from emigration being experienced throughout the Group since the year-end. Whilst it is not policy or intention to reduce expertise levels the ability to recruit equivalent experience and capability is being sorely tested with the increasing loss of skills from the country.

Despite all the negatives, I am pleased to advise that major improvements in audit quality have been achieved throughout the Group - the most noteworthy being the improvements at Border Timbers where audit hours have been reduced by an amount in excess of 40%. Equally it would be remiss if I did not express my sincere appreciation to all the Group Finance Staff for meeting, and successfully meeting, an extremely challenging audit timetable thus keeping actual hours in line with budget.

Brett South
Group Financial Director
20 September 2001

audit and compensation committees

These two committees which comprise two non-executive directors and the Chairman, have carried out their normal functions during the past year.

The Audit Committee is responsible for monitoring the Group's financial reporting, compliance with accounting policies and the requirements of regulatory bodies. The Committee also reviews the annual audit plan and reports from the external auditors and managements' responses.

During the past year greater emphasis has been placed on the internal audit function, whose team, together with the external auditors, have unrestricted access to the Audit Committee.

Specific comment has been made elsewhere in the annual report regarding I.A.S. 29 (Hyperinflation) and our reasons for non compliance. In order to better illustrate the effects of inflation we have also produced U.S. Dollar denominated accounts.

J.R. Sly
Director
20 September 2001

directors' report

for the year ended 30 June 2001

Your Directors have pleasure in submitting their report and consolidated financial statements for the year ended 30 June 2001.

Results

The results as set out below show retained income/(loss) for the year of $84 701 000 [2000 - ($28 705 000)], made up as follows:-

	2001 $'000	2000 $'000
Turnover	**2 742 384**	1 356 729
Income before interest and taxation	**437 538**	108 996
Net interest payable	**253 814**	174 352
Income/(loss) before taxation	**183 724**	(65 356)
Taxation	**34 638**	(27 883)
Income/(loss) after taxation	**149 086**	(37 473)
Extraordinary item	**-**	(6 892)
Income after taxation and extraordinary item	**149 086**	(44 365)
Minority interest	**(77 300)**	22 858
Dividends		
- Final year ended 30 June 1999	**-**	(7 204)
Transfer from Capital Reserve	**12 915**	6
Retained income/(loss) for the year	**84 701**	(28 705)

Non Distributable Reserves

Details of movements in reserves are shown in note 12 to the financial statements.

Directors

Messrs. P W T Chipudhla and C J L Schofield retire by rotation and, being eligible, offer themselves for re-election.

Directors' Emoluments

Members will be asked to determine the remuneration of the non-executive Directors for the year to 30 June 2002. An amount of $402 500,00 has been recommended by your Directors.

Auditors

Members will be asked to approve the Auditors' remuneration for the past audit and to confirm the re-appointment of Messrs. Ernst & Young as Auditors to the Company for the ensuing year, they having signified their willingness to continue in office.

On behalf of the Board

C J L Schofield
Director

P W T Chipudhla
Director

Bulawayo
20 September 2001

report of the independent external auditors

to the members of Radar Holdings Limited

We have audited the Zimbabwe currency denominated annual financial statements set out on pages 18 to 42 for the year ended 30 June 2001.

Respective responsibilities of Directors and Auditors

The financial statements are the responsibility of the Directors of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with approved International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures included in the financial statements.
- Assessing the accounting principles used and significant estimates made by management, and
- Evaluating the overall financial statement presentation.

The Zimbabwean economy is recognised as being hyperinflationary for purposes of financial reporting. These financial statements have not been prepared in conformity with International Accounting Standards in that the requirements of IAS 29 (Financial Reporting in Hyperinflationary Economies) have not been complied with. The Standard requires that financial statements that report in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the balance sheet date. The requirements of all other International Accounting Standards have been complied with under the historical cost convention.

The financial effect of non-compliance with IAS 29 has not been formally established for the reasons given in Note 26.

Disclaimer of opinion

In view of the material effect of the matter referred to in the previous paragraph on the overall financial statement presentation, and the effective limitation of the scope imposed on our work, as a result of the absence of the information that should have been extracted from the Group's records, necessary to assess the materiality of that non-compliance, we are unable to express an opinion on the financial statements as regards conformity with International Accounting Standards.

Opinion

The attached financial statements have been prepared under the historical cost convention (modified by the revaluation of certain assets) and would form the basis for the restatement in terms of IAS 29.

In our opinion the historical cost financial statements give a true and fair view, in all material respects, of the financial position of the Company and the Group at 30 June 2001 and of the results of their operations and Group cash flows for the year then ended, as measured by that convention, in conformity with International Accounting Standards as adopted for use in Zimbabwe, and in compliance with the Companies Act (Chapter 24:03) and the relevant Regulations made thereunder except for those included in Note 16.5.

ERNST & YOUNG
CHARTERED ACCOUNTANTS (ZIMBABWE)

Bulawayo
20 September 2001

ERNST & YOUNG
Chartered Accountants (Zimbabwe)

accounting policies

1. **ACCOUNTING CONVENTION**
The financial statements are prepared under the historical cost convention, with the exception of freehold land, buildings, plantations and certain plant and machinery which are included at valuation as stated in policy notes 5 and 6 below. No other procedures have been adopted to reflect the impact of specific price changes or changes in the general level of prices.

2. **BASIS OF CONSOLIDATION**
The assets, liabilities, income and losses of the subsidiaries are consolidated on the basis of audited financial statements for the year ended 30 June 2001. Results are included from the effective dates of acquisition.

3. **INTERESTS IN SUBSIDIARY COMPANIES AND INVESTMENTS**
Interests in subsidiary companies and investments are stated at cost to the Group. Provision is made only for any material and permanent diminution in the value of these investments.

4. **REVENUE RECOGNITION**
Turnover from the sale of goods is recognised when the goods are delivered.

5. **VALUATION OF FIXED ASSETS**
Land, buildings and certain plant, machinery and motor vehicles are shown at valuation with subsequent additions at cost. Revaluations are carried out at the discretion of the directors normally within a 3-5 year period, but within shorter periods where there has been a substantial change.

   Surpluses on revaluation of all relevant fixed assets are transferred to non-distributable reserves. On realisation, the appropriate portion of the non-distributable reserves is transferred to distributable reserves. Details of such revaluations are stated in Note 16.4 to the financial statements.

6. **VALUATION OF PLANTATIONS**
Plantations comprise forests owned by a subsidiary company. They are stated at the lower of valuation less depletions, and estimated market value. Plantations are revalued annually based on average annual costs incurred in that year. In periods of low inflation, revaluation intervals are normally three years. The financial effect of this policy is set out in Note 17 to the financial statements.

   Surpluses on revaluation are transferred to non-distributable reserves.

7. **LEASED ASSETS**
Fixed assets acquired under finance leases are capitalised at their cash cost equivalent and the corresponding liabilities raised. Such assets are depreciated on a basis consistent with other Group fixed assets. The interest element of the lease rental obligations is accrued and expensed annually, based on the effective rate of interest applied to the remaining balance of the liability and is included in that related liability. Such liabilities are reduced as and when payments are made in terms of the agreements. Operating leases are not capitalised and rentals are expensed when incurred.

8. **GOODWILL**
On acquisition, the difference between the price paid for new interests and the fair value of identifiable net assets acquired is capitalised and amortised at 20% per annum.

9. **DEPRECIATION**
   a) With the exception of Border Timbers Limited which does no provide, no depreciation has been provided in respect of freehold buildings. This policy, insofar as it is applied to buildings, is contrary to International Accounting Standards. The notional depreciation on buildings is stated in Note 16.5 to the financial statements.

   b) Other fixed assets are depreciated over their expected useful lives on a straight line basis as follows:-

Plant and machinery	5 to 30 years
Motor vehicles	5 to 7 years
Furniture and fittings	4 to 15 years

accounting policies

10. **STOCK**
    a) Raw materials are valued at cost on a first in-first out basis.
    b) Finished goods and work in progress are valued at cost. Cost includes materials, direct labour and a proportion of direct expenses.
    c) Merchandise is valued at cost on a first in-first out basis.
    d) The values of obsolete and slow moving inventories are reduced, where necessary, to estimated net realisable values.

11. **TAXATION**
    a) **Normal :**
    Provision is made for normal taxation at 30,9 (2000 - 36,05) cents in the dollar on taxable income for the year.
    b) **Residents' tax on interest :**
    Provision is made fortaxation on local bankinterest at 30 cents in the dollarto 31 December 2000 and 20 centsin the dollar from 1 January 2001.
    c) **Deferred :**
    In accordance with International Accounting Standard 12 provision is made for all temporary differences arising between the tax bases of assets and liabilities and their carrying values at 30,9 cents in the dollar.
    d) **Capital Gains :**
    Provision is made for capital gains taxation calculated at 10 and 20 cents in the dollar on the attributable gain for the year. Pro vis ion is also made for the potential liability arising from the revaluation of qualifying assets.

12. **FOREIGN CURRENCIES**
Transactions during the year are translated at rates ruling at the relevant dates. Assets and liabilities are translated at the rates ruling at the financial year end. Differences arising from the realignment of currencies are included in the trading results for the year.

13. **PENSION FUNDS**
    a) All Group Companies are members of an approved pension fund which is administered by a life assurance society as an insurance scheme on a defined contribution funding basis.
    b) Group Companies and all employees contribute to the National Social Security Authority Pension and Other Benefits Scheme.

14. **FINANCIAL INSTRUMENTS**
Financial instruments carried on the balance sheet include cash, trade debtors, trade creditors, leases and borrowings. The particular recognition methods adopted are disclosed in Note 24.

2001

group income statement

for the year ended 30 June 2001

	Notes	2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
TURNOVER	2	2 742 384	1 356 729	27 553	20 934
Cost of Sales		1 752 471	897 283	17 607	13 845
GROSS PROFIT		989 913	459 446	9 946	7 089
Other operating income		90 575	32 097	910	495
Distribution and selling expenses		(449 875)	(190 602)	(4 520)	(2 941)
Administration expenses		(268 959)	(200 963)	(2 831)	(3 197)
Other operating expenses		(92)	-	(1)	-
OPERATING INCOME BEFORE EXCEPTIONAL ITEMS AND GOODWILL AMORTISATION		361 562	99 978	3 504	1 446
Operating exceptional items		48 453	(4 173)	487	(64)
- Profit on sale of investments		-	18 340	-	283
- Fraud		-	(10 110)	-	(156)
- Rationalisation expenses		-	(12 403)	-	(191)
- Cyclone Eline insurance claim proceeds		48 453	-	487	-
OPERATING INCOME BEFORE GOODWILL AMORTISATION		410 015	95 805	3 991	1 382
Goodwill amortisation		27 523	13 191	215	169
INCOME ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		437 538	108 996	4 206	1 551
Net interest payable	3	253 814	174 352	2 550	2 690
INCOME/(LOSS) BEFORE TAXATION	4	183 724	(65 356)	1 656	(1 139)
Taxation	6	34 638	(27 883)	272	(359)
INCOME/(LOSS) AFTER TAXATION		149 086	(37 473)	1 384	(780)
Extraordinary item	7	-	(6 892)	-	(107)
INCOME/(LOSS) FOR THE PERIOD		149 086	(44 365)	1 384	(887)
Minority Interests	13	(77 300)	22 858	(777)	353
INCOME/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS		71 786	(21 507)	607	(534)
Dividends	8	-	(7 204)	-	(93)
Transfer from Capital Reserve	12	12 915	6	101	-
RETAINED INCOME FOR THE YEAR		84 701	(28 705)	708	(627)
RETAINED INCOME AT 30 JUNE 2000		63 861	92 566	642	1 428
Balance at 30 June 2000		-	-	801	1 428
Restatement of opening balance		-	-	(159)	-
RETAINED INCOME AT 30 JUNE 2001		148 562	63 861	1 350	801
Retained by - holding company		50 910	52 141	512	822
- subsidiaries		97 652	11 720	838	(21)
		148 562	63 861	1 350	801
EARNINGS/(LOSS) PER SHARE (BASIC)	9	129.5	(38.8)	1.1	(1.0)
EARNINGS/(LOSS) PER SHARE (HEADLINE)	9	16.5	(65.3)	0.1	(1.1)

group balance sheet

at 30 June 2001

	Notes	2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
FUNDS EMPLOYED					
Share capital	11	**27 709**	27 709	**216**	356
Capital reserve	12	**319 396**	114 960	**2 160**	1 586
Retained income		**148 562**	63 861	**1 350**	801
SHAREHOLDERS' FUNDS		**495 667**	206 530	**3 726**	2 743
MINORITY INTERESTS	13	**540 906**	296 628	**4 371**	3 734
DEFERRED TAXATION	14	**401 055**	239 732	**3 133**	3 060
LONG AND MEDIUM TERM LIABILITIES	15	**20 105**	27 591	**158**	355
		1 457 733	770 481	**11 388**	9 892
EMPLOYMENT OF FUNDS					
FIXED ASSETS	16	**680 695**	725 983	**5 318**	9 321
PLANTATIONS	17	**960 641**	394 390	**7 506**	5 065
GOODWILL	18	**(96 902)**	(118 719)	**(758)**	(1 525)
INVESTMENTS AND LOANS	19	**19 745**	19 343	**154**	249
CURRENT ASSETS	20	**928 384**	651 204	**7 253**	8 361
CURRENT LIABILITIES	21	**1 034 830**	901 720	**8 085**	11 579
NET CURRENT LIABILITIES		**(106 446)**	(250 516)	**(832)**	(3 218)
		1 457 733	770 481	**11 388**	9 892

The financial statements on pages 18 to 42 were approved by the Board of Directors and authorised for issue on 20 September 2001 and are signed on its behalf by:

C.J.L. SCHOFIELD
DIRECTOR

P.W.T. CHIPUDHLA
DIRECTOR

BULAWAYO
20 September 2001

2001

group statement of changes in equity

for the year ended 30 June 2001

	Share capital $'000	Capital reserves $'000	Revenue reserves $'000	Total $'000
Balance at 1 July 1999	27 709	54 918	92 566	175 193
Transfer (to)/from deferred taxation		(34 458)		(34 458)
Transfer (to)/from deferred capital gains tax		1 153		1 153
Revaluation - plantations		93 353		93 353
Net adjustment on sale of land and buildings		(6)	6	-
Income for the year after taxation attributable to shareholders			(37 473)	(37 473)
Minority interests in current year's loss			22 858	22 858
Extraordinary item - cyclone Eline costs			(6 892)	(6 892)
Dividends			(7 204)	(7 204)
Balance at 30 June 2000	27 709	114 960	63 861	206 530
Balance at 1 July 2000	**27 709**	**114 960**	**63 861**	**206 530**
Transfer (to)/from deferred taxation		**(64 973)**		**(64 973)**
Transfer (to)/from deferred capital gains tax		**1 625**	**12 915**	**14 540**
Revaluation - fixed assets and plantations		**280 336**		**280 336**
Net adjustment on sale of land and buildings		**(12 552)**		**(12 552)**
Income for the year after taxation attributable to shareholders			**149 086**	**149 086**
Minority interests in current year's profit			**(77 300)**	**(77 300)**
Balance at 30 June 2001	**27 709**	**319 396**	**148 562**	**495 667**

	Share capital US$'000	Capital reserves US$'000	Revenue reserves US$'000	Total US$'000
Balance at 1 July 1999	356	705	1 428	2 489
Transfer (to)/from deferred taxation		(442)		(442)
Transfer (to)/from deferred capital gains tax		15		15
Revaluations - plantations		1 199		1 199
Net adjustment on sale of land and buildings		-	-	-
Income for the year after taxation attributable to shareholders			(780)	(780)
Minority interests in current year's loss			353	353
Extraordinary item - cyclone Eline costs			(107)	(107)
Dividends			(93)	(93)
Exchange rate translation differences		109		109
Balance at 30 June 2000	356	1 586	801	2 743
Balance at 1 July 2000	**356**	**1 586**	**801**	**2 743**
Transfer (to)/from deferred taxation		**(508)**		**(508)**
Transfer (to)/from deferred capital gains tax		**13**	**101**	**114**
Revaluation fixed assets and plantations		**2 190**		**2 190**
Net adjustment on sale of land and buildings		**(98)**		**(98)**
Income for the year after taxation attributable to shareholders			**1 384**	**1 384**
Minority interests in current year's profit			**(777)**	**(777)**
Exchange rate translation/restatement differences	**(140)**	**(1 023)**	**(159)**	**(1 322)**
Balance at 30 June 2001	**216**	**2 160**	**1 350**	**3 726**

group cash flow statement

for the year ended 30 June 2001

	Notes	2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before interest		**437 538**	108 996	**4 206**	1551
Non-cash items and separate disclosures	25.1	**59 351**	37 804	**464**	496
OPERATING INCOME BEFORE WORKING CAPITAL CHANGES		**496 889**	146 800	**4 670**	2 047
(Increase)/decrease in working capital	25.2	**(11 809)**	(10 354)	**1 503**	(133)
Cash generated from operating activities		**485 080**	136 446	**6 173**	1 914
Net interest paid	3	**(253 814)**	(174 352)	**(2 550)**	(2 690)
Net cash generated after servicing finance costs		**231 266**	(37 906)	**3 623**	(776)
Taxation paid	25.3	**(24 721)**	(27 755)	**(345)**	(355)
Net cash generated from/(utilised in) operating activities		**206 545**	(65 661)	**3 278**	(1 131)
Dividends paid	25.4	**-**	(7 204)	**-**	(93)
Net cash retained/(utilised)		**206 545**	(72 865)	**3 278**	(1 224)
Investing activities					
Investment in subsidiary companies	25.5	**(20 409)**	(220 416)	**(174)**	(2 830)
Purchase of fixed assets		**(69 897)**	(35 382)	**(546)**	(454)
Plantation expenditure		**(85 361)**	(356)	**(667)**	(3)
(Increase)/decrease in capital work-in-progress		**(8 506)**	5 579	**(67)**	72
Plantation redemption costs		**-**	(12 122)	**-**	(156)
Proceeds on disposal of fixed assets		**97 363**	3 978	**761**	51
Net increase/(decrease) in investments and loans	25.6	**(402)**	13 515	**(3)**	173
Proceeds on disposal of investments	25.7	**-**	72 650	**-**	980
Extraordinary item cyclone-damanged timber and related costs		**-**	(19 835)	**-**	(306)
Net cash utilised in investing activities		**(87 212)**	(192 389)	**(696)**	(2 473)
Non-recurring expenditure					
Fraud		**-**	(10 110)	**-**	(156)
Rationalisation expenses		**-**	(12 403)	**-**	(191)
Financing					
Interest bearing liabilities	25.8	**57 737**	276 143	**(1 047)**	3 894
Increase/(decrease) in cash and cash equivalents		**177 070**	(11 624)	**1 535**	(150)
Movement in cash and cash equivalents	25.9	**177 070**	(11 624)	**1 535**	(150)

notes to the group financial statements

for the year ended 30 June 2001

1. SEGMENT INFORMATION

Year ended 30 June 2001

	Forestry $'000	Manufacturing $'000	Trading $'000	Services $'000	Unallocated $'000	Group $'000	Forestry US$'000	Manufacturing US$'000	Trading US$'000	Services US$'000	Unallocated US$'000	Group US$'000
Revenue												
Turnover	726 934	1 445 481	567 220	2 749		2 742 384	7 304	14 523	5 699	27	-	27 553
Results												
Operating profit before goodwill amortisation	133 166	252 123	29 574	(4 848)		410 015	1 296	2 454	288	(47)		3 991
Goodwill amortisation					27 523	27 523					215	215
Net interest payable		(32 899)	(5 810)	(215 105)		(253 814)		(331)	(58)	(2 161)		(2 550)
Taxation					(34 638)	(34 638)					(272)	(272)
Minority interests					(77 300)	(77 300)					(777)	(777)
Income attributable to ordinary shareholders	133 166	219 224	23 764	(219 953)	(84 415)	71 786	1 296	2 123	230	(2 208)	(834)	607
Balance sheet												
Assets	1 323 823	694 997	150 757	419 888	(96 902)	2 492 563	10 342	5 430	1 178	3 280	(757)	19 473
Liabilities	111 594	271 168	79 248	592 924	941 962	1 996 896	880	2 138	625	4 676	7 428	15 747
Other Information												
Capital expenditure	18 405	37 619	4 392	9 481	-	69 897	144	294	34	74	-	546
Depreciation	19 642	21 616	3 840	12 828	-	57 926	154	169	30	100	-	453
Employees	2 393	2 177	362	62	-	4 994	2 393	2 177	362	62	-	4 994

Year ended 30 June 2000

	Forestry $'000	Manufacturing $'000	Trading $'000	Services $'000	Unallocated $'000	Group $'000	Forestry US$'000	Manufacturing US$'000	Trading US$'000	Services US$'000	Unallocated US$'000	Group US$'000
Revenue												
Turnover	203 367	759 946	391 051	2 365	-	1 356 729	3 138	11 726	6 034	36	-	20 934
Results												
Operating profit before goodwill amortisation	35 628	89 961	24 820	(54 604)		95 805	514	1 297	358	(787)		1 382
Goodwill amortisation					13 191	13 191					169	169
Net interest payable		(22 901)	(6 721)	(144 730)		(174 352)		(353)	(104)	(2 233)		(2 690)
Taxation					27 883	27 883					359	359
Minority interests					22 858	22 858					353	353
Extraordinary items	(6 892)					(6 892)	(107)					(107)
Income attributable to ordinary shareholders	28 736	67 060	18 099	(199 334)	63 932	(21 507)	407	944	254	(3 020)	881	(534)
Balance sheet												
Assets	798 936	696 333	105 469	190 182	(118 719)	1 672 201	10 259	8 941	1 354	2 442	(1 525)	21 471
Liabilities	47 976	138 869	41 480	700 985	536 361	1 465 671	613	1 774	530	8 957	6 854	18 728
Other information												
Capital expenditure	4 976	19 092	3 628	8 042	-	35 738	64	245	47	103	-	459
Depreciation	9 193	18 509	3 456	6 002	-	37 160	118	238	44	77	-	477
Employees	2 525	2 612	362	65	-	5 564	2 525	2 612	362	65	-	5 564

The Group is organised into four main business segments:
- Forestry : growing and milling of hardwood and softwood timber.
- Manufacturing : manufacture and supply of product to the agricultural, mining, engineering and building sectors; and clothing/textile industries.
- Trading : supplying product and services to the retail trade.
- Services : Property holdings and corporate office activities.

All business segments operate in Zimbabwe.

notes to the group financial statements

for the year ended 30 June 2001

		2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
2.	**TURNOVER**				
	Turnover comprises net sales to customers, group companies and divisions. Consolidated turnover excludes sales to group companies and divisions.	**2 742 384**	1 356 729	**27 553**	20 934
3.	**NET INTEREST**				
	Long and medium term liabilities	**6 199**	7 276	**62**	112
	- paid	**6 199**	7 278	**62**	112
	- received	**-**	(2)	**-**	-
	Short term liabilities	**247 615**	167 076	**2 488**	2 578
	- paid	**266 013**	190 285	**2 673**	2 936
	- received	**(18 398)**	(23 209)	**(185)**	(358)
		253 814	174 352	**2 550**	2 690
4.	**INCOME BEFORE TAXATION**				
	Income before taxation is stated after				
	- charging:				
	Auditors' remuneration	**11 917**	8 510	**120**	131
	- current	**9 905**	6 577	**100**	101
	- prior year under provision	**2 012**	1 933	**20**	30
	Directors' emoluments	**21 969**	16 813	**221**	259
	- as directors	**350**	280	**4**	4
	- for management	**21 619**	16 533	**217**	255
	Exchange loss	**-**	445	**-**	7
	Plantation redemption	**54 227**	12 122	**424**	156
	Provisions:	**57 582**	59 518	**310**	822
	- depreciation	**57 926**	37 160	**453**	477
	- provision for stock obsolescence charge/(reversal)	**51**	12	**(3)**	-
	- provision for doubtful debts (reversal)/charge	**(395)**	22 346	**(140)**	345
	Staff costs (note 5)	**592 141**	324 056	**5 949**	5 000
	- crediting:				
	Dividends received	**-**	9 464	**-**	146
	Exchange profit	**81 813**	4 734	**822**	73
	Profit on sale of fixed assets	**25 279**	2 460	**198**	32
5.	**STAFF COSTS**				
	Salaries and wages	**543 577**	291 132	**5 461**	4 492
	Pension costs	**38 884**	27 811	**391**	429
	Medical aid contributions	**9 680**	5 113	**97**	79
		592 141	324 056	**5 949**	5 000
	Group manning levels at 30 June 2001	**Nos.**	Nos.	**Nos.**	Nos.
	Permanent	**3 724**	4 264	**3 724**	4 264
	Contract	**1 270**	1 300	**1 270**	1 300
		4 994	5 564	**4 994**	5 564

notes to the group financial statements

for the year ended 30 June 2001

	2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
6. TAXATION				
Normal	**2 246**	22 081	**18**	283
- current	**2 248**	21 528	**18**	276
- prior year	**(2)**	553	**-**	7
Deferred	**30 671**	(49 238)	**240**	(632)
- current	**33 036**	(49 238)	**258**	(632)
- prior year	**(2 365)**	-	**(18)**	-
Capital Gains	**1 721**	(726)	**14**	(10)
- current	**1 600**	192	**13**	2
- prior year	**121**	-	**1**	-
- deferred	**-**	(918)	**-**	(12)
	34 638	(27 883)	**272**	(359)

The Group's effective rate of taxation is below the current rate of 30.90% (2000 - 36.05%) and is reconciled as follows:

	%	$'000	%	$'000	%	US$'000	%	US$'000
Taxation at normal rate	30.90	**56 771**	(36.05)	(28 316)	30.90	**444**	(36.05)	(364)
Permanent timing differences	(3.76)	**(6 907)**	(10.85)	(8 525)	(3.76)	**(54)**	(10.85)	(109)
Taxation allowances and timing differences	13.91	**25 551**	(99.62)	(78 248)	13.91	**200**	(99.62)	(1 005)
Taxation on interest at rates below normal rate	(1.42)	**(2 600)**	(7.04)	(5 530)	(1.42)	**(20)**	(7.04)	(71)
Unproductive interest	9.25	**16 986**	37.42	29 396	9.25	**133**	37.42	377
Prior year	-	**(2)**	0.70	553	-	**-**	0.70	7
Capital Gains taxation	0.94	**1 721**	(0.93)	(726)	0.94	**13**	(0.93)	(9)
Taxation losses	(30.97)	**(56 882)**	80.86	63 513	(30.97)	**(444)**	80.86	815
	18.85	**34 638**	(35.51)	(27 883)	18.85	**272**	(35.51)	(359)

	2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
7. EXTRAORDINARY ITEM				
Cyclone-damaged timber/related costs	**-**	(19 835)	**-**	(306)
Taxation thereon	**-**	7 150	**-**	110
	-	(12 685)	**-**	(196)
Less: minority interests	**-**	5 793	**-**	89
	-	(6 892)	**-**	(107)
8. DIVIDENDS				
- Final i.r.o. financial year ended 30 June 1999	**-**	7 204	**-**	93

notes to the group financial statements

for the year ended 30 June 2001

9. HEADLINE EARNINGS PER SHARE

Headline earnings per share is based on the Group's headline earnings divided by the number of shares or, where applicable the weighted average number of shares, in issue during the year. 55 419 042 shares were in issue for both years.

Reconciliation between earnings and headline earnings:

	2001 Net income $'000	**2001 Per share cents**	2000 Net income $'000	2000 Per share cents	**2001 Net income US$'000**	**2001 Per share cents**	2000 Net income US$'000	2000 Per share cents
Earnings as reported (Basic)	**71 786**	**129.5**	(21 507)	(38.8)	**607**	**1.1**	(534)	(1.0)
Adjustments:								
Profit on sale of fixed assets	**(25 279)**		(2 460)		**(198)**		(32)	
Operating exceptional items	**(48 453)**		4 173		**(487)**		64	
- Profit on sale of investments	**-**		(18 340)		**-**		(283)	
- Fraud	**-**		10 110		**-**		156	
- Rationalisation expenses	**-**		12 403		**-**		191	
- Cyclone Eline insurance proceeds	**(48 453)**		-		**(487)**		-	
Goodwill amortisation	**(27 523)**		(13 191)		**(215)**		(169)	
Extraordinary item - gross	**-**		19 835		**-**		306	
Total tax effect on exceptionals and extraordinary item	**14 972**		(6 958)		**117**		(110)	
Total minority interest on exceptionals and extraordinary item	**23 626**		(16 075)		**237**		(158)	
Headline Earnings	**9 129**	**16.5**	(36 183)	(65.3)	**61**	**0.1**	(633)	(1.1)

	Number of Shares	**2001 $'000**	2000 $'000	**2001 US$000**	2000 US$000
10. INCOME AFTER TAXATION					
The income after taxation in the accounts of the Holding Company amounts to		**(1 231)**	5 483	**(12)**	84
11. SHARE CAPITAL					
Ordinary shares of 50 cents each					
- authorised	300 000 000	**150 000**	150 000	**1 926**	1 926
- unissued	244 580 958	**122 291**	122 291	**1 570**	1 570
Issue and fully paid	55 419 042	**27 709**	27 709	**356**	356
Restatement of opening balance				**(140)**	-
	55 419 042	**27 709**	27 709	**216**	356

On 14 January 2000 the company increased its authorised share capital from 65 million to 300 million ordinary shares of 50 cents each.

The unissued shares are under the control of the Directors who may issue them on such terms and conditions as they see fit, subject to the limitation of the Companies Act (Chapter 24:03). The period of this authority is unlimited.

notes to the group financial statements

for the year ended 30 June 2001

		2001 $'000	2000 $'000	2001 US$000	2000 US$000
12.	**CAPITAL RESERVE**				
	At 30 June 2000	114 960	54 918	1 477	705
	Restatement of opening balance			(579)	
	Surplus arising on revaluation of:				
	- land and buildings	6 142	-	48	-
	- plantations	274 194	93 353	2 142	1 199
	Transfer to Deferred Taxation	(64 973)	(34 458)	(508)	(442)
	Transfer from Deferred Capital Gains	1 625	1 153	13	15
	Adjustment on sale of land and buildings - net of minority interests	(12 552)	(6)	(98)	-
	At 30 June 2001	319 396	114 960	2 495	1 477
	Non-distributable reserve arising on currency translation				
	At 30 June 2000	-	-	109	-
	Current year's movement	-	-	(444)	109
	At 30 June 2001	-	-	(335)	109
		319 396	114 960	2 160	1 586
	Analysis				
	Surpluses on revaluation				
	- land, buildings and plantations	278 791	88 926	2 178	1 143
	- plant and machinery	40 605	26 034	317	334
	Non-distributable reserve arising on currency translation	-	-	(335)	109
		319 396	114 960	2 160	1 586

		2000 $'000	Acquisition	2001 $'000	2000 US$'000	Restatement of opening balances	Acquisition	2001 US$'000
13.	**MINORITY INTERESTS**							
	Share of capital and revenue reserves at acquisition	274 792	(22 689)	252 103	3 528	(1 381)	(177)	1 970
	Post acquisition:							
	- Share of movements in capital reserves	50 483	3 376	53 859	648	(254)	26	420
	- Share of retained profit	(22 858)	(6 409)	(29 267)	(353)	174	(64)	(243)
	- Share of extraordinary item	(5 793)	(390)	(6 183)	(89)	31	(4)	(62)
	- Share of transfer ex capital reserves	4	(3)	1	-	-	-	-
	Current year:							
	- Share of movements in capital reserves			193 093				1 509
	- Share of current year's net profit			77 300				777
		296 628	(26 115)	540 906	3 734	(1 430)	(219)	4 371

notes to the group financial statements

for the year ended 30 June 2001

	2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
14. DEFERRED TAXATION				
Timing Differences				
At 30 June 2000	230 083	28 993	2 936	372
Restatement of opening balance			(1 138)	
Acquisition of subsidiaries	-	194 763	-	2 501
Sale of subsidiary adjustment	(340)	-	(3)	-
Transfer ex Capital Reserve	132 907	62 715	1 038	805
Current year change	30 671	(56 388)	240	(742)
At 30 June 2001	393 321	230 083	3 073	2 936
Capital Gains				
At 30 June 2000	9 649	4 898	124	63
Restatement of opening balance			(49)	
Acquisition of subsidiaries	-	7 095	-	91
Transfer ex Capital Reserve	(1 915)	(1 426)	(15)	(18)
Current year change	-	(918)	-	(12)
At 30 June 2001	7 734	9 649	60	124
	401 055	239 732	3 133	3 060

	2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
15. LONG AND MEDIUM TERM LIABILITIES				
Interest Bearing				
At 30 June 2000	22 209	16 827	286	217
Restatement of opening balance			(112)	
Movement	(3 557)	5 382	(28)	69
At 30 June 2001	18 652	22 209	146	286

Analysis

	Rate of interest	Repayable	Note	2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
Loans secured:							
	24%	1999/13	(a)	10 324	3 846	81	49
	22%	1999/02	(a)	4 680	2 503	37	32
	32.35%	2000/05	(b)	-	6 636	-	85
	59.5%	2000/05	(b)	-	2 000	-	26
	39.75%	2000/05	(c)	1 160	-	15	
	40.0%	2000/20	(a)	1 129	1 184	9	15
Hire Purchase Agreements				-	1 190	-	15
Lease Hire Agreements				24	595	-	8
AAC Management Motor Vehicle Loan				5 250	7 875	41	102
				21 407	26 989	168	347
Deduct:							
Transfer to short term liabilities (Note 21)				2 755	4 780	22	61
				18 652	22 209	146	286

Notes:

a) Secured by mortgage bonds over land and buildings having a book value of $8 948 057 (2000 - $8 948 057)

b) Secured by mortgage bonds over land and buildings having a book value of $7 400 000 (2000 - $7 400 000)

c) Secured by mortgage bonds over land and buildings having a book value Of $7 800 000 (2000 - $7 800 000)

	2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
Interest Free				
Total taxation payable	9 541	29 955	75	385
Deduct:				
Taxation due within one year (Note 21)	8 088	24 573	63	316
	1 453	5 382	12	69
	20 105	27 591	158	355

16. **FIXED ASSETS**

16.1 Fixed Assets Reconciliation

	LAND AND BUILDINGS		PLANT AND MACHINERY		MOTOR VEHICLES		FURN. & FITTINGS	LOOSE TOOLS	ELECT. CONNEC.	
COST	COST $'000	REVAL $'000	COST $'000	REVAL $'000	COST $'000	REVAL $'000	COST $'000	COST $'000	COST $'000	TOTAL $'000
OPENING BALANCE 1.7.2000	40 495	292 687	71 485	342 273	145 142	803	68 364	415	12 375	974 039
RE-ALLOCATIONS			(70)					70		-
ADDITIONS	3 809		38 698		20 498		6 796	96		69 897
DISPOSALS	(5 723)	(23 027)	(14 960)	(36 330)	(11 130)		(4 069)	(35)		(95 274)
TRANSFERS:										
IN	250	34 800	1 256	6 118	2 332		1 053	129		45 938
(OUT)	(250)	(34 800)	(1 256)	(6 118)	(2 332)		(1 053)	(129)		(45 938)
C.W.I.P.										
(OPENING BALANCE)	(1 721)		(3 979)				(82)			(5 782)
CLOSING BALANCE	2 143		7 252		4 653		240			14 288
REVALUATION		6 319								6 319
CLOSING BALANCE 30.6.2001	39 003	275 979	98 426	305 943	159 163	803	71 249	546	12 375	963 487

	LAND AND BUILDINGS		PLANT AND MACHINERY		MOTOR VEHICLES		FURN. & FITTINGS	LOOSE TOOLS	ELECT. CONNEC.	
DEPRECIATION	COST $'000	REVAL $'000	COST $'000	REVAL $'000	COST $'000	REVAL $'000	COST $'000	COST $'000	COST $'000	TOTAL $'000
OPENING BALANCE 1.7.2000	343	36 338	14 080	80 038	92 897	803	23 557			248 056
CURRENT YEAR'S CHARGE	272	8 311	3 955	16 080	17 228		12 080			57 926
DISPOSALS			(2 740)	(9 960)	(8 320)		(2 170)			(23 190)
TRANSFERS:										
IN			486	3 414	1 729		676			6 305
(OUT)			(486)	(3 414)	(1 729)		(676)			(6 305)
CLOSING BALANCE 30.6.2001	615	44 649	15 295	86 158	101 805	803	33 467	-	-	282 792
N.B.V. AT 30.6.2001	38 388	231 330	83 131	219 785	57 358	-	37 782	546	12 375	680 695
N.B.V. AT 30.6.2000	40 152	256 349	57 405	262 235	52 245	-	44 807	415	12 375	725 983

notes to the group financial statements

for the year ended 30 June 2001

16. **FIXED ASSETS (continued)**

16.1 Fixed Assets Reconciliation

	LAND AND BUILDINGS		PLANT AND MACHINERY		MOTOR VEHICLES		FURN. & FITTINGS	LOOSE TOOLS	ELECT. CONNEC.	
COST	COST US$'000	REVAL US$'000	COST US$'000	REVAL US$'000	COST US$'000	REVAL US$'000	COST US$'000	COST US$'000	COST US$'000	TOTAL US$'000
OPENING BALANCE 1.7.2000	520	3 758	918	4 395	1 864	10	878	5	158	12 506
RESTATEMENT OF OPENING BALANCES	(204)	(1 471)	(359)	(1 721)	(730)	(4)	(344)	(2)	(61)	(4 896)
RE-ALLOCATIONS			(1)					1		-
ADDITIONS	30		302		160		53	1		546
DISPOSALS	(45)	(180)	(117)	(284)	(87)		(31)			(744)
TRANSFERS:										
IN	2	272	10	48	18		8	1		359
(OUT)	(2)	(272)	(10)	(48)	(18)		(8)	(1)		(359)
C.W.I.P. (OPENING BALANCE)	(13)		(31)				(1)			(45)
CLOSING BALANCE	17		57		36		2			112
REVALUATION		49								49
CLOSING BALANCE 30.6.2001	305	2 156	769	2 390	1 243	6	557	5	97	7 528

	LAND AND BUILDINGS		PLANT AND MACHINERY		MOTOR VEHICLES		FURN. & FITTINGS	LOOSE TOOLS	ELECT. CONNEC.	
DEPRECIATION	COST US$'000	REVAL US$'000	COST US$'000	REVAL US$'000	COST US$'000	REVAL US$'000	COST US$'000	COST US$'000	COST US$'000	TOTAL US$'000
OPENING BALANCE 1.7.2000	4	467	181	1 028	1 193	10	302			3 185
RESTATEMENT OF OPENING BALANCES	(1)	(183)	(71)	(403)	(466)	(4)	(119)			(1 247)
CURRENT YEAR'S CHARGE	2	65	31	126	135		94			453
DISPOSALS			(21)	(78)	(65)		(17)			(181)
TRANSFERS:										
IN			4	27	14		5			50
(OUT)			(4)	(27)	(14)		(5)			(50)
CLOSING BALANCE 30.6.2001	5	349	120	673	797	6	260	-	-	2 210
N.B.V. AT 30.6.2001	300	1 807	649	1 717	446	-	297	5	97	5 318
N.B.V. AT 30.6.2000	516	3 291	737	3 367	671	-	576	5	158	9 321

notes to the group financial statements

for the year ended 30 June 2001

16. **FIXED ASSETS (continued)**

16.2 **Encumbered Assets**

Details of fixed assets encumbered are included in Note 15.

16.3 **Capital Commitments**

Capital expenditure approved 30 June 2001

Contracted	**$12 212 003**	**US$ 95 414**
Not contracted	**$ 5 538 553**	**US$ 43 273**

16.4 **Revaluation of Fixed Assets**

Independent professional valuations were conducted as follows:

(i) Land and buildings - open market value:

Original Radar Group	-	30 June 1997
Border	-	31 December 1997
C.I.H.	-	31 December 1993

(ii) Plant and machinery - depreciated replacement value according to age, obsolescence, use and condition:

Original Radar Group	-	30 June 1996
Border	-	31 December 1997
C.I.H.	-	31 December 1993

16.5 **Notional Depreciation**

If a life of forty years is assumed, the notional depreciation charge for the year on buildings, calculated on a straight line basis, would have amounted to:

June 2001	**$2 045 732**	**US$ 15 984**
June 2000	$ 1 872 759	US$ 14 632

The policy of not providing depreciation on buildings is contrary to International Accounting Standards.

			2001 $'000	2000 $'000	**2001 US$'000**	2000 US$'000
16.6 **Leased Assets**						
Included in the net book value of motor vehicles are leased assets in aggregate of:						
Cost			**353**	7 265	**3**	93
Aggregate depreciation			**139**	4 092	**1**	53
Net Book Value			**214**	3 173	**2**	40
17. **PLANTATIONS**						
Valuation at 30 June 2000			**394 390**	222 207	**5 065**	2 856
Restatement of opening balance					**(1 983)**	
Expenditure for the period			**85 361**	29 812	**667**	383
Revaluation surplus			**535 117**	171 827	**4 181**	2 206
			1 014 868	423 846	**7 930**	5 445
Deduct:						
Plantation redemption			**(54 227)**	(12 122)	**(424)**	(156)
Extraordinary item cyclone-damaged timber				(17 334)		(224)
Valuation at 30 June 2001			**960 641**	394 390	**7 506**	5 065
Comprising	**2001 Hectares**	2000 Hectares				
1 - 6 years	**11 189**	11 827	**148 994**	56 248	**1 164**	724
7 - 12 years	**6 769**	6 237	**190 193**	70 722	**1 486**	908
13 - 18 years	**3 282**	2 939	**157 531**	57 208	**1 231**	735
19 - 24 years	**2 919**	2 780	**186 109**	70 854	**1 454**	910
25 - 40 years	**512**	733	**42 789**	24 235	**334**	311
Over 30 years	**1 955**	2 530	**235 025**	115 123	**1 837**	1 477
	26 626	27 046	**960 641**	394 390	**7 506**	5 065

Revaluation of plantations

Revaluations were carried out at 30 June 2001 and 30 June 2000. This is a change from the previous practice of revaluing every three years and has been necessitated by sustained high inflation and cognisance of the risks attached to understating the value of commercial assets. The effect of this change is to increase the balance sheet value of plantations at 30 June 2001 by $535 117 000 (US$4 180 928).

notes to the group financial statements

for the year ended 30 June 2001

	2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
18. GOODWILL				
Balance at acquisition	**(131 910)**	(131 910)	**(1 694)**	(1 694)
Restatement of opening balance			**663**	
Adjustment on change in shareholding	**(5 706)**	-	**(45)**	-
Amortisation:	**40 714**	13 191	**318**	169
- At 30 June 2000	**13 191**	-	**169**	-
- Restatement of opening balance			**(66)**	
- Current year's credit	**27 523**	13 191	**215**	169
Balance at 30 June 2001	**(96 902)**	(118 719)	**(758)**	(1 525)

The negative goodwill arising on the acquisition of Border Timbers Limited and Commercial & Industrial Holdings Limited is amortised on a straight line basis at 20% per annum.
Acquisition by the holding company of minority shareholdings in both subsidiaries has given rise to the current year adjustment to goodwill.
Current year amortisation reflects a full year's credit while prior year has been pro-rated from the effective date of acquisition of the subsidiaries.

	2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
19. INVESTMENTS AND LOANS				
Shares at cost	**9 198**	4 448	**72**	57
- unquoted (Directors' valuation $4 929 166)	**4 929**	179	**39**	2
- Balance at 30 June 2000	**179**	179	**2**	2
- Restatement of opening balance			**1**	
- Purchases	**4 750**	-	**36**	-
- quoted (market value $184 150 583)	**4 269**	4 269	**33**	55
- Balance at 30 June 2000	**4 269**	4 269	**55**	55
- Restatement of opening balance			**(22)**	
Loans	**10 547**	14 895	**82**	192
- Housing Scheme (note a):				
Directors	**3 961**	4 100	**31**	52
Staff	**3 319**	3 624	**26**	47
Balance at 30 June 2000	**3 624**	1 200	**47**	15
Restatement of opening balance			**(19)**	
Net movement	**(305)**	2 424	**(2)**	32
- Vehicle Purchase scheme (note b):				
Directors	**-**	-	**-**	-
Staff	**3 226**	7 130	**25**	92
Balance at 30 June 2000	**7 130**	814	**92**	10
Restatement of opening balance			**(36)**	
Net movement	**(3 904)**	6 316	**(31)**	82
- Other	**41**	41	**-**	1
Balance at 30 June 2000	**41**	41	**1**	1
Restatement of opening balance			**(1)**	
	19 745	19 343	**154**	249

Notes
a) Comprises loans made under a group housing scheme.
b) Comprises loans made under a group vehicle purchase scheme.

notes to the group financial statements

for the year ended 30 June 2001

	2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
19. INVESTMENTS AND LOANS (continued)				
Analysis of Directors' loans				
- Housing Scheme				
Balance at 30 June 2000	4 100	3 047	52	39
Restatement of opening balance			(20)	
Advances	60	5 236	-	67
Repayments	(793)	(4 591)	(6)	(59)
Interest	594	408	5	5
Balance at 30 June 2001	3 961	4 100	31	52
- Vehicle Purchase Scheme				
Balance at 30 June 2000	-	102	-	1
Restatement of opening balance			-	
Repayments	-	(110)	-	(1)
Interest	-	8	-	-
Balance at 30 June 2001	-	-	-	-
20. CURRENT ASSETS				
Inventories	360 064	272 145	2 813	3 494
- raw materials	127 254	90 647	994	1 164
- work-in-progress	28 516	34 036	223	437
- finished goods	107 263	77 426	838	994
- merchandise	97 031	70 036	758	899
Trade debtors	364 885	267 345	2 851	3 433
Other debtors and prepayments	56 362	50 860	440	653
Cash resources	147 073	60 854	1 149	781
	928 384	651 204	7 253	8 361
Stocks are shown after deducting a provision for obsolescence of	852	801	7	10
Trade debtors are shown after deducting a provision for doubtful debts of	26 770	27 165	209	349
21. SHORT TERM LIABILITIES				
Interest Bearing	574 636	604 193	4 490	7 758
Bank overdraft	-	90 851	-	1 167
Local bank loans	1 173	-	9	-
Acceptance credits	570 708	508 562	4 459	6 530
Current portion of long and medium term liabilities (Note 15)	2 755	4 780	22	61
Interest Free	460 194	297 527	3 595	3 821
Trade creditors	300 253	191 120	2 346	2 454
Other creditors and accruals	151 853	81 834	1 186	1 051
Taxation (Note 15)	8 088	24 573	63	316
	1 034 830	901 720	8 085	11 579

notes to the group financial statements

for the year ended 30 June 2001

22. **BORROWING POWERS**

The company's Articles of Association limit the borrowing powers of the company, without prior sanction of a general meeting, to a ceiling of $1 billion (2000 - $600 million).
The level of borrowings of the Company and its subsidiaries at 30 June 2001 did not exceed said limit.

23. **PENSION FUND**

23.1 **The Radar Group Pension Fund**

The Fund was converted to a defined contribution scheme with effect from 1 July 2000 and as such is not subject to Actuarial valuation. Preliminary valuation of the Fund at the time of conversion indicates that there are no under funded liabilities in respect of past service obligations. Employer/employee contribution rates are 10,0% and 5,0%, exclusive of N.S.S.A. contributions, respectively.

23.2 **Border Timbers Limited**

The transfer of Border employees' pension benefits to the overall Radar Holdings Pension Fund is in progress and indications have been received from the Anglo American Actuaries that past service obligations are fully met in terms of the value of funds transferred. The Fund contribution rates following transfer are in accordance with the Radar Holdings Pension Fund rules.

23.3 **Commercial & Industrial Holdings Limited Pension Fund**

This fund is a defined contribution fund and is not subject to Actuarial valuation.
Employer/employee contribution rates are 12,5% and 5,0%, inclusive of N.S.S.A. contributions, respectively.

23.4 **National Social Security Authority Scheme (NSSA)**

This scheme was promulgated under the National Social Security Act (Chapter 17:04) 1989. Group employer/employee contributions under the scheme are limited to specific contributions as legislated from time to time and which at 30 June 2001 were 3% of pensionable emoluments up to a maximum of $120 per month per employee.

24. **FINANCIAL RISK MANAGEMENT**

24.1 Derivative financial instruments are not used by the Group in its management of foreign currency nor are they held for trading purposes.

24.2 The Board executive meets regularly to consider and to adopt effective strategies to manage the following risks:

- exposure to exchange rate fluctuations;
- borrowing facilities in the form of bank overdrafts and acceptance credits are negotiated with approved registered financial institutions at acceptable interest rates;
- investment of surplus funds in the form of treasury bills, bank acceptances and money at call are placed with approved registered financial institutions and building societies at favourable rates on a short term basis;
- credit risk in the form of trade debtors which consist of a large, wide-spread approved customer base. Specific provisions for doubtful debts are regularly adjusted. Where appropriate, credit guarantee insurance is purchased;
- insurance of group assets with the exception of Border's plantation forests which are not insured.

24.3 The estimated net fair values of all financial instruments approximate the carrying amounts shown in the balance sheet.

notes to the group financial statements

for the year ended 30 June 2001

	2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
25. CASH FLOW INFORMATION				
25.1 Non cash items and separate disclosures				
Depreciation	**57 926**	37 160	**453**	477
Plantation redemption costs	**54 227**	12 122	**424**	156
Profit on sale of fixed assets	**(25 279)**	(2 460)	**(198)**	(32)
Profit on sale of investments	**-**	(18 340)	**-**	(283)
Goodwill amortisation	**(27 523)**	(13 191)	**(215)**	(169)
Fraud costs	**-**	10 110	**-**	156
Rationalisation costs	**-**	12 403	**-**	191
	59 351	37 804	**464**	496
25.2 Movement in working capital				
Inventories	**(87 919)**	(51 854)	**681**	(666)
Debtors	**(103 042)**	37 314	**795**	479
Short term interest free liabilities	**179 152**	4 186	**27**	54
	(11 809)	(10 354)	**1 503**	(133)
25.3 Taxation paid				
Taxation movement	**(20 414)**	(5 482)	**(310)**	(70)
Current taxation provision	**(4 307)**	(22 273)	**(35)**	(285)
	(24 721)	(27 755)	**(345)**	(355)
25.4 Dividends paid				
Dividends current year	**-**	(7 204)	**-**	(93)
25.5 Analysis of acquisition of subsidiary undertakings				
Fixed assets	**-**	(792 568)	**-**	(10 177)
Investments	**-**	(7 801)	**-**	(100)
Inventories	**-**	(121 537)	**-**	(1 561)
Debtors	**-**	(273 431)	**-**	(3 511)
Short term liabilities	**-**	185 108	**-**	2 377
Taxation	**-**	17 085	**-**	219
Deferred taxation	**-**	201 859	**-**	2 592
Long and medium term liabilities	**-**	9 783	**-**	126
Short term interest bearing liabilities	**-**	134 233	**-**	1 724
Net cash acquired with subsidiary undertakings	**-**	20 151	**-**	259
Acquisition of additional shareholding in existing subsidiaries	**(20 409)**	-	**(174)**	-
	(20 409)	(627 118)	**(174)**	(8 052)
Interest of minority shareholders	**-**	274 792	**-**	3 528
	(20 409)	(352 326)	**(174)**	(4 524)
Capital reserve on acquisition of subsidiary undertakings	**-**	131 910	**-**	1 694
Purchase of subsidiary undertakings	**(20 409)**	(220 416)	**(174)**	(2 830)
25.6 Investments and loans				
Quoted investments				
- Purchases	**(4 750)**	(204 981)	**(37)**	(2 632)
- Re-allocation to investment in subsidiary undertakings	**-**	220 416	**-**	2 830
	(4 750)	15 435	**(37)**	198
Directors' loans	**4 348**	(1 920)	**34**	(25)
	(402)	13 515	**(3)**	173

notes to the group financial statements

for the year ended 30 June 2001

		2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
25	**CASH FLOW INFORMATION (continued)**				
25.7	**Proceeds on sale of investments**				
	Cost of investments sold	-	54 310	-	697
	Profit thereon	-	18 340	-	283
	Proceeds	-	72 650	-	980
25.8	**Financing**				
	Interest bearing liabilities				
	- long & medium term	(3 557)	(4 401)	(140)	(56)
	- short term	61 294	280 544	(2 101)	3 602
	Effect of exchange rate movement on opening balances			1 194	348
		57 737	276 143	(1 047)	3 894
25.9	**Liquid resources**				
	Cash resources	86 219	20 617	368	264
	Bank overdrafts	90 851	(32 241)	1 167	(414)
		177 070	(11 624)	1 535	(150)

26 **NON-COMPLIANCE WITH IAS 29**

These financial statements have not been prepared in conformity with International Accounting Standard 29, "Financial Reporting in Hyperinflationary Economies", as the directors are of the view that the current method and principles of preparing inflation adjusted financial statements are still subjective and under discussion. In monitoring and assessing the performance of the group and company based on the historical cost financial statements and other relevant factors, the directors do consider the effects of the high rate of inflation in Zimbabwe. The directors also believe that the cost of preparing inflation adjusted financial statements would be out of proportion to the perceived benefits to the members.

The financial effects of non-compliance with IAS 29 have, accordingly, not been formally established. Consideration will, however, be given to full compliance with the requirements of IAS 29 once wider acceptance of the principles involved is established and the resultant costs can be justified in relation to the benefits to members.

27. **CONTINGENT LIABILITIES**

Offers to Minorities

The company has a contingent liability arising from an offer to minorities to purchase their respective shareholdings in Border the quantum being:

At 30 June 2001		
Border minority shareholders	**$8 589 672**	**US$67 112**

In terms of Section 194(2)(b) of the Companies Act (Chapter 24:03) the three month compulsory acquisition period effective in terms of said Offer to Minorities expired on 20 July 2001.

28. **POST BALANCE SHEET EVENTS**

28.1 **Transfer of Division**

With effect from 1 July 2001 as part of the Board's ongoing reorganisation of the Radar Group:

a) Bulawayo Toyota, a division of C.I.H. Limited was transferred to Radar Investments (Private) Limited at net asset values.

b) International Hardware, a division of C.I.H. Limited was transferred to Border Timbers International (Private) Limited at net asset values.

28.2 **Sale of Division**

With effect from 1 July 2001 the net assets of Cotton Waste, a division of C.I.H., were sold to a third party for a cash consideration of $12,8 million.

28.3 **Land Acquisition**

Significant tracts of Border Timbers' estates have been listed for compulsory acquisition. In that this is at odds with statements made by Government that agro-industrial enterprises were not subject to this procedure, and that all objections to listing have been lodged, it is considered impossible to provide a meaningful statement of affairs and accordingly no financial effect of this has been recognised in the financial statements.

company balance sheet

at 30 June 2001

	Notes	2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
FUNDS EMPLOYED					
Share capital	C3	**27 709**	27 709	**216**	356
Capital reserve	C4	**36 666**	36 666	**504**	319
Retained income		**50 910**	52 141	**512**	822
		115 285	116 516	**1 232**	1 497
EMPLOYMENT OF FUNDS					
INVESTMENTS AND LOANS	C6	**4 459**	4 459	**34**	58
INTERESTS IN SUBSIDIARY COMPANIES	C7	**111 194**	112 632	**1 202**	1 446
CURRENT ASSETS	C8	**61**	140	**-**	2
CURRENT LIABILITIES	C9	**429**	715	**4**	9
NET CURRENT LIABILITIES		**(368)**	(575)	**(4)**	(7)
		115 285	116 516	**1 232**	1 497

company statement of changes in equity

for the year ended 30 June 2001

	Share capital $'000	Capital reserves $'000	Revenue reserves $'000	Total $'000
Balance at 1 July 1999	27 709	36 666	53 862	118 237
Income for the year after taxation attributable to shareholders			5 483	5 483
Dividends			(7 204)	(7 204)
Balance at 30 June 2000	27 709	36 666	52 141	116 516
Balance at 1 July 2000	**27 709**	**36 666**	**52 141**	**116 516**
Income for the year after taxation attributable to shareholders			**(1 231)**	**(1 231)**
Balance at 30 June 2001	**27 709**	**36 666**	**50 910**	**115 285**

	Share capital US$'000	Capital reserves US$'000	Revenue reserves US$'000	Total US$'000
Balance at 1 July 1999	356	471	831	1 658
Income for the year after taxation attributable to shareholders			84	84
Dividends			(93)	(93)
Exchange rate translation differences		(152)		(152)
Balance at 30 June 2000	356	319	822	1 497
Balance at 1 July 2000	**356**	**319**	**822**	1 497
Income for the year after taxation attributable to shareholders			**(12)**	**(12)**
Exchange rate translation/restatement differences	**(140)**	**185**	**(298)**	**(253)**
Balance at 30 June 2001	**216**	**504**	**512**	**1 232**

notes to the company financial statements

for the year ended 30 June 2001

		Number Of shares	2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
C1	**TURNOVER**					
	Turnover comprises dividends received		-	6 697	-	103
C2	**DIVIDENDS**					
	- Final i.r.o. financial year ended 30 June 1999		-	7 204	-	93
C3	**SHARE CAPITAL**					
	Ordinary shares of 50 cents each					
	- authorised	300 000 000	150 000	150 000	1 926	1 926
	- unissued	244 580 958	122 291	122 291	1 570	1 570
	Issued and fully paid	55 419 042	27 709	27 709	356	356
	Restatement of opening balance				(140)	-
		55 419 042	27 709	27 709	216	356

On 14 January 2000 the company increased its authorised share capital from 65 million to 300 million ordinary shares of 50 cents each.

The unissued shares are under the control of the Directors who may issue them on such terms and conditions as they see fit, subject to the limitation of the Companies Act (Chapter 24:03). The period of this authority is unlimited.

		2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
C4	**CAPITAL RESERVE**				
	At 30 June 2000	36 666	36 666	471	471
	Restatement of opening balance			(185)	
	At 30 June 2001	36 666	36 666	286	471
	Non-distributable reserve arising on currency translation				
	At 30 June 2000			(152)	
	Current year's movement			370	(152)
	At 30 June 20001	-	-	218	(152)
		36 666	36 666	504	319
	Analysis				
	Capital reserves in former subsidiaries	36 666	36 666	286	471
	Non-distributable reserve arising on currency translation	-	-	218	(152)
		36 666	36 666	504	319
C5	**LONG AND MEDIUM TERM LIABILITIES**				
	Interest Free				
	Total taxation payable	220	220	2	3
	Deduct:				
	Taxation due within one year (Note C9)	220	220	2	3
		-	-	-	-

notes to the company financial statements

for the year ended 30 June 2001

		2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
C6	**INVESTMENTS AND LOANS**				
	Shares at cost	**4 418**	4 418	**34**	57
	- unquoted (Directors' valuation $149 000)	**149**	149	**1**	2
	- Balance at 30 June 2000	**149**	149	**2**	2
	- Restatement of opening balance			**(1)**	
	- quoted (market value $184 150 583)	**4 269**	4 269	**33**	55
	- Balance at 30 June 2000	**4 269**	4 269	**55**	55
	- Restatement of opening balance			**(22)**	
	Loans - other	**41**	41	**-**	1
	- Balance at 30 June 2000	**41**	41	**1**	1
	- Restatement of opening balance			**(1)**	-
		4 459	4 459	**34**	58
C7	**INTERESTS IN SUBSIDIARY COMPANIES**				
	(All subsidiaries wholly owned)				
	Shares at cost	**240 825**	220 416	**2 215**	2 830
	Balance at 30 June 2000	**220 416**	220 416	**2 830**	2 830
	Restatement of opening balance			**(789)**	
	Movement	**20 409**	-	**174**	-
	Current Accounts	**(129 631)**	(107 784)	**(1 013)**	(1 384)
		111 194	112 632	**1 202**	1 446
	Market value of quoted subsidiary undertakings	**88 020**	196 366	**688**	2 521

Notes:

1 On 1 March 2000, Radar Holdings Limited acquired from Anglo American Corporation, 54,08% and 39,32% of the issued share capital of Border Timbers Limited and Commercial & Industrial Holdings Limited respectively for a total cash consideration of $220 415 832. This acquisition gave Radar an effective controlling interest at that time of 54,32% in Border and 64,28% in C.I.H. Results of both subsidiaries were incorporated in the consolidated financial statements as from 1 January 2000, the effective date of acquisition.
Following Offers to Minorities, and rationalisation of shareholding levels in C.I.H. and Border, Radar's effective controlling interest at 30 June 2001 is 51,24% in Border and 97,19% in C.I.H.

2 C.I.H. was de-listed from the Zimbabwe Stock Exchange on 23 May 2001 following the completion of the Offer to Minorities.

3 At 30 June 2001 no shares were under pledge to Group Bankers. At 30 June 2000 23 225 108 shares in Border and 44 723 325 shares in C.I.H. having an aggregate market value at 30 June 2000 of $195 686 527 were pledged to the Group's Bankers as security for investment loan facilities of $170 000 000.

notes to the company financial statements

for the year ended 30 June 2001

		2001 $'000	2000 $'000	2001 US$'000	2000 US$'000
C8	**CURRENT ASSETS**				
	Other debtors and prepayments	**61**	12	**-**	-
	Cash resources	**-**	128	**-**	2
		61	140	**-**	2
C9	**SHORT TERM LIABILITIES**				
	Interest Free				
	Other creditors and accruals	**209**	495	**2**	6
	Taxation (Note C5)	**220**	220	**2**	3
		429	715	**4**	9

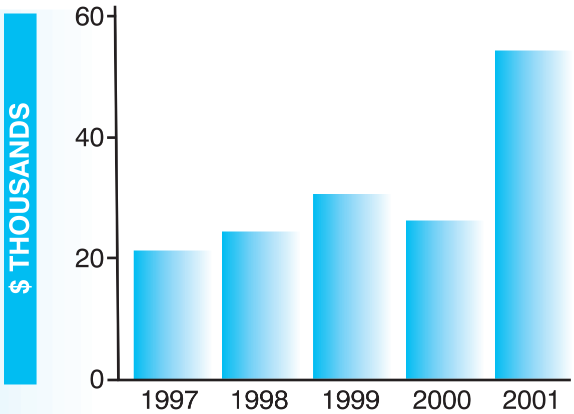
analysis of performance over past five years

* comparatives adjusted

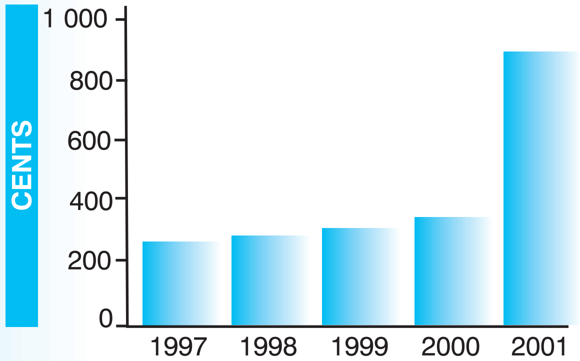
	2001	2000	1999	1998	1997
Ordinary Share Performance					
Shares in issue at 30 June ('000)	**55 419**	55 419	55 419	9 237	9 237
Weighted shares in issue at 30 June ('000)	**55 419**	55 419	55 419	55 419	55 419
*Basic earnings per share (cents)	**130**	(39)	73	32	17
*Dividends per share (cents)	**-**	13	9	6	4
Dividend cover (times)	**-**	(3.0)	7.9	3.4	3.0
*Net asset value per share (cents)	**894.4**	372.7	316.1	276.6	254.2
*Market price per share at 30 June (cents)	**290**	300	275	127	73
Stock Market Ratios					
*Equity value per share ($)	**8.94**	3.73	3.16	2.77	2.54
*Capital employed value per share ($)	**28.83**	13.90	4.17	3.39	3.04
*Sales per share ($)	**49.48**	24.48	10.47	6.88	5.23
Long term debt to equity (%)	**4.86**	13.36	12.63	12.49	9.58
Price to earnings (times)	**2.24**	(7.73)	3.75	3.97	4.27
Price to equity value (%)	**32.42**	80.50	86.99	45.80	28.85
Market price/sales per share (%)	**5.86**	12.25	26.27	18.42	14.02
Return on equity (%)	**14.48**	(10.42)	23.23	11.52	6.75
Sales to total assets (times)	**1.10**	0.81	1.36	1.31	1.21
Profitability and Asset Management					
Operating margin (%)	**13.2**	7.4	14.4	11.5	9.1
Attributable return on shareholders' funds(%)	**14.5**	(10.4)	23.2	11.5	6.8
Operating income as % of net funds employed (%)	**24.4**	9.9	26.0	19.1	12.6
Operating income as % of total assets (%)	**14.5**	6.0	19.6	15.1	11.0
Attributable income as % of turnover (%)	**2.6**	(1.6)	7.0	4.6	3.3
Net funds employed (times)	**1.8**	1.3	1.8	1.7	1.4
Times stock turned	**7.6**	5.0	5.9	4.8	5.6
Liquidity and Leverage					
Cash flow ($'000)	**129 712**	8 445	47 761	23 164	16 487
Interest cover (times)	**1.42**	0.57	3.42	2.69	2.31
Total interest bearing liabilities to shareholders' funds (%)	**119.69**	303.30	65.87	40.80	37.32
Shareholders' funds to total assets (%)	**19.89**	12.35	41.08	52.55	58.91
Fixed capital ratio (:1)	**0.64**	0.42	1.44	1.23	1.19
Cash flow to total interest bearing liabilities (:1)	**0.22**	0.01	0.41	0.37	0.31
Cash flow to current liabilities (:1)	**0.13**	0.01	0.24	0.22	0.23
Current ratio (:1)	**0.90**	0.72	0.94	1.29	1.34
Acid test ratio (:1)	**0.55**	0.42	0.43	0.52	0.60
Effectiveness					
Number of employees	**4 994**	5 564	1 680	1 795	1 441
Total value added ($'000)	**1 010 305**	486 174	192 130	128 107	86 942
Total employment costs ($'000)	**592 141**	324 056	93 928	73 353	50 596
Employment costs per head ($)	**118 570**	58 242	55 910	40 865	35 112
Sales per employee ($)	**549 136**	243 841	345 274	212 313	201 108
Attributable income per employee ($)	**14 374**	(3 865)	24 220	9 841	6 602
Value added per employee ($)	**202 304**	87 379	114 363	71 369	60 334
Total value added/total employment costs (times)	**1.71**	1.50	2.05	1.75	1.72
Total assets per employee ($)	**499 112**	300 539	253 861	162 506	165 940
Shareholders' funds per employee ($)	**99 253**	37 119	104 282	85 391	97 763

2001

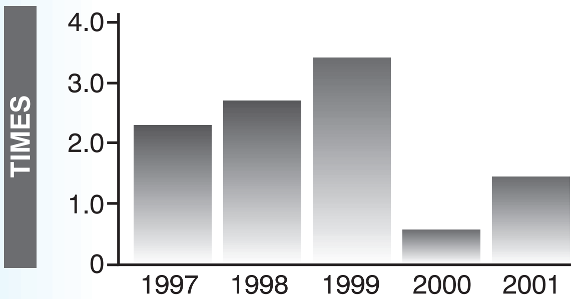
financials



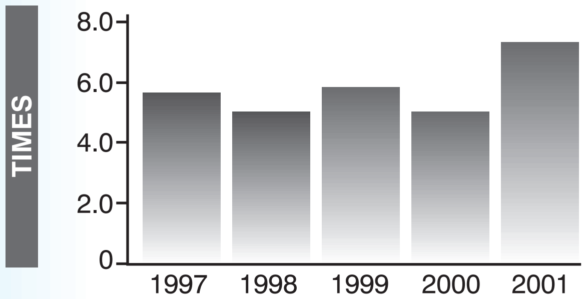
SALES PER EMPLOYEE



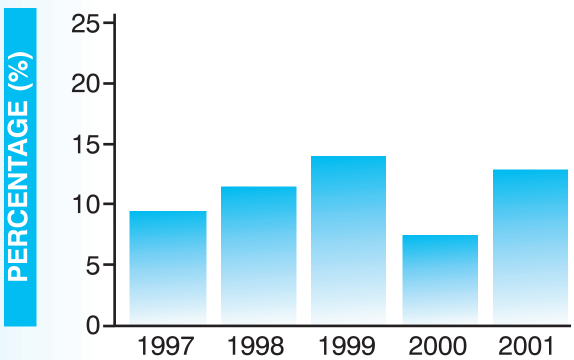
NET ASSETS PER SHARE



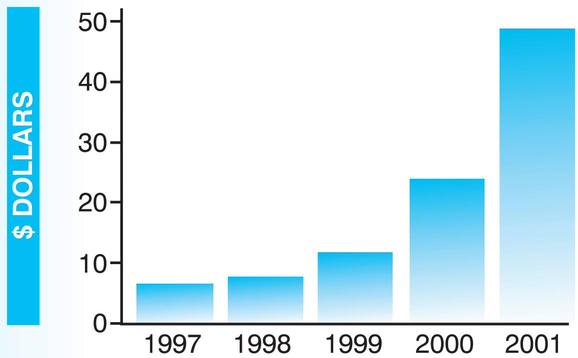
INTEREST COVER



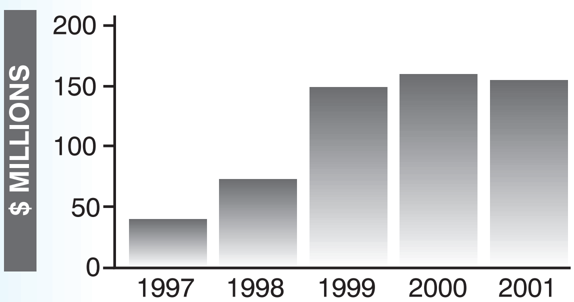
STOCK TURN



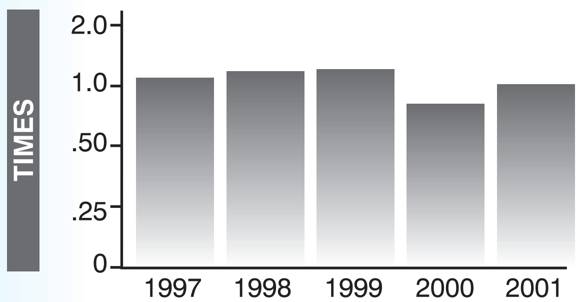
OPERATING MARGIN



SALES PER SHARE



MARKET CAPITALISATION



SALES TO TOTAL ASSETS

definitions

of certain accounting terms and ratios used in this report:

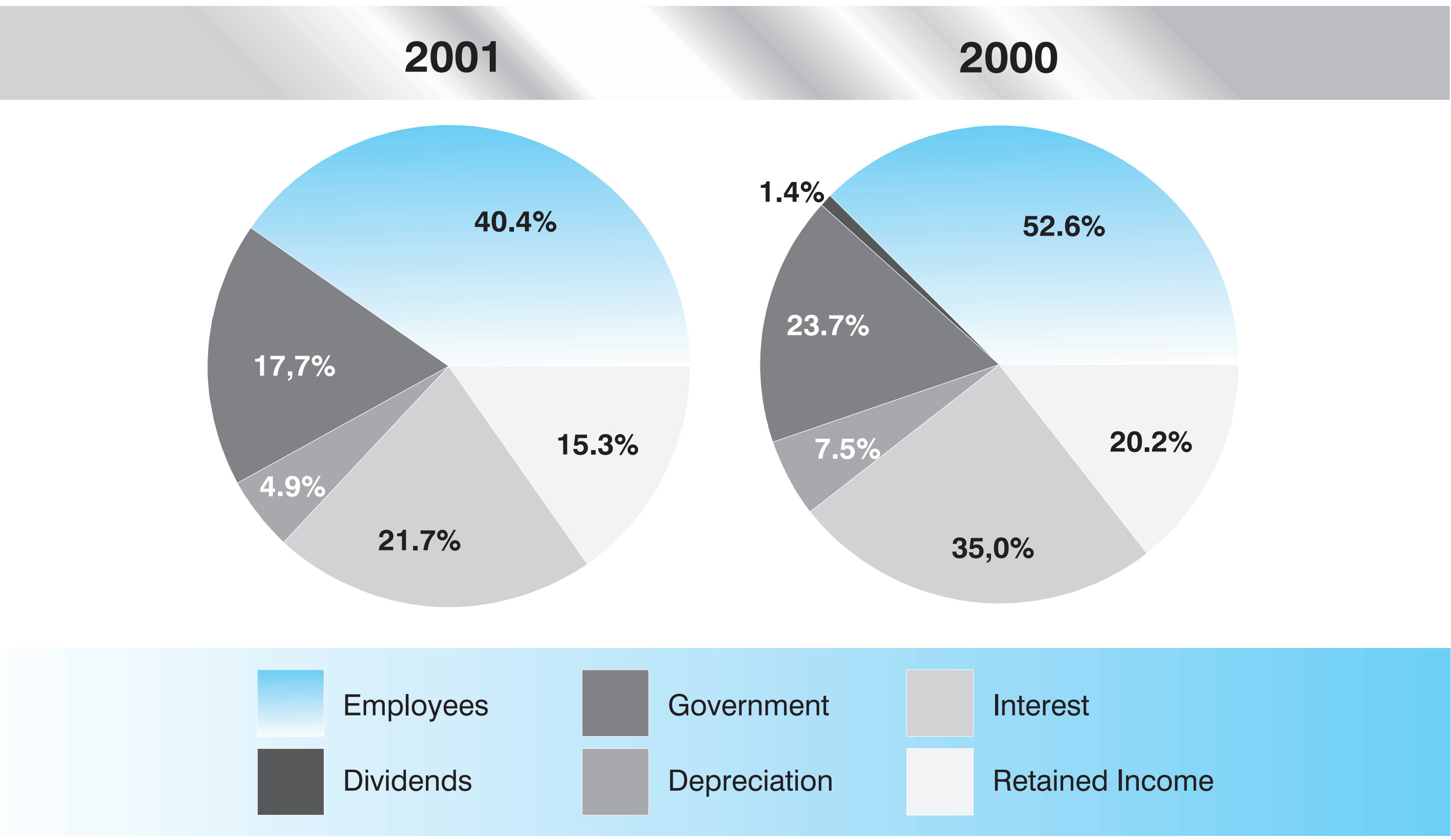
Acid test ratio	. . . .	Ratio of current assets, less stock, to current liabilities.
Cash flow	. . . .	Income after taxation less dividends plus depreciation.
Current ratio	. . . .	Ratio of current assets to current liabilities.
Dividend cover	. . . .	Income after taxation and extraordinary items divided by dividends.
Fixed capital ratio	. . . .	Total long and medium term liabilities plus shareholders' funds and deferred tax to fixed assets.
Interest cover	. . . .	Income before interest divided by net interest paid.
Net asset value/equity value per share	. . . .	Shareholders' funds divided by the number of shares in issue at the year end.
Net funds employed	. . . .	Total shareholders' funds, deferred tax, interest bearing liabilities, less positive cash balance.
Net funds employed turn (times)	. . . .	Turnover divided by net funds employed.
Operating margin	. . . .	Income before interest as percentage of turnover.
Times stock turned	. . . .	Turnover divided by stock-on-hand at the year end.
Total assets	. . . .	Fixed assets, investments and current assets.
Capital employed value	. . . .	Total funds employed divided by shares in issue.
Free cash flow per share	. . . .	Free cash flow divided by shares in issue.
Sales per share	. . . .	Turnover divided by shares in issue.
Long term debt to equity	. . . .	Ratio of long term debt to shareholders' funds.
Price to earnings (times)	. . . .	Ratio of the market price per share to earnings per share.
Price to equity value	. . . .	Ratio of the market price per share to shareholders' funds value per share.
Price to sales	. . . .	Ratio of the market price per share to the sales value per share in issue.
Return on net assets	. . . .	Ratio of profit after tax to employment of funds.
Return on equity	. . . .	Ratio of profit after tax to total funds employed.
Sales to total assets (times)	. . . .	Turnover divided by gross assets.

2001

group value added statement

for the year ended 30 June 2001

		2001 $'000	2001 %		2000 $'000	2000 %
Gross sales inclusive of sales tax paid		**2 828 465**	**100,0**		1 390 907	100,0
Deduct: Bought-in materials and services		**1 656 500**	**58,6**		892 683	64,2
Total value added		**1 171 965**	**41,4**		498 224	35,8
Distributed to:-						
Employees						
- net salaries, wages, benefits and other staff costs		**473 412**	**40,4**		262 088	52,6
Government and related parties		**207 056**			118 227	
- PAYE	**105 998**		**9,0**	57 053		11,5
- Sales tax	**86 081**		**7,3**	34 178		6,9
- Normal tax for the year	**2 246**		**0,2**	22 081		4,4
- NSSA	**12 731**		**1,1**	4 915		1,0
Providers of capital		**331 114**			158 698	
- interest on loans and other facilities	**253 814**		**21,7**	174 352		35,0
- minority share of profits	**77 300**		**6,6**	(22 858)		(4,6)
- dividends to shareholders	**-**			7 204		1,4
Re-investment in the group:		**160 383**			(40 789)	
- depreciation	**57 926**		**4,9**	37 160		7,5
- deferred tax	**30 671**		**2,6**	(49 238)		(9,9)
- retained income	**71 786**		**6,2**	(28 711)		(5,8)
		1 171 965	**100,0**		498 224	100,0



analysis of shareholders

30 June 2001

	2001				2000			
	Holders	**% of Total**	**Shares**	**% of Total**	Holders	% of Total	Shares (000's)	% of Total
0 - 5 000	**266**	**57,4**	**1 492**	**2,8**	265	55,3	479	0,9
5 001 - 50 000	**143**	**30,9**	**2 162**	**3,9**	155	32,4	2 457	4,4
50 001 - 500 000	**34**	**7,3**	**4 402**	**7,9**	37	7,7	5 664	10,2
500 000 - 1 000 000	**8**	**1,7**	**5 029**	**9,0**	10	2,1	6 759	12,2
Over 1 000 000	**12**	**2,7**	**42 334**	**76,4**	12	2,5	40 060	72,3
	463	**100,0**	**55 419**	**100,00**	479	100,0	55 419	100,0

CLASSIFICATION

	2001				2000			
	Holders	**% of Total**	**Shares (000's)**	**% of Total**	Holders	% of Total	Shares (000's)	% of Total
Resident:								
Banks & Nominee Companies	**17**	**3,67**	**5 067**	**9,14**	19	4,0	4 123	7,4
Insurance Companies	**3**	**0,65**	**10 806**	**19,50**	3	0,6	10 206	18,4
Investment, Trust & Property Companies	**43**	**9,29**	**8 282**	**14,95**	51	10,6	6 722	12,1
Pension Funds	**3**	**0,65**	**3 615**	**6,52**	5	1,0	3 927	7,1
Other Corporate	**47**	**10,15**	**15 157**	**27,35**	52	10,9	19 964	36,0
Individuals	**304**	**65,65**	**7 709**	**13,91**	303	63,3	5 875	10,7
	417	**90,06**	**50 636**	**91,37**	433	90,4	50 817	91,7
Non-Resident:								
Other Corporate	**3**	**0,65**	**4 074**	**7,35**	3	0,6	4 074	7,4
Individuals	**43**	**9,29**	**709**	**1,28**	43	9,0	528	0,9
	463	**100,0**	**55 419**	**100,0**	479	100,0	55 419	100,0

MAJOR SHAREHOLDERS

	2001 Shares	**% of Total**	2000 Shares	% of Total
Old Mutual Investment Corporation (Private) Limited	**9 606 174**	**17,3**	9 606 174	17,3
LTA Trading (Private) Limited	**7 703 314**	**13,9**	7 703 314	13,9
Monomatapa Development Company (Private) Limited	**4 978 520**	**9,0**	4 978 520	9,0
Tradecorp (Private) Limited	**4 188 810**	**7,7**	4 833 552	8,7
Alpha Omega Investments (Private) Limited	**3 000 000**	**5,4**	3 000 000	5,4
Radar Holdings Pension Fund	**2 714 562**	**4,9**	2 714 562	4,9
Regent Trust	**2 178 000**	**3,9**	-	-
Roy Turner	**2 099 479**	**3,8**	-	-
Est Bagneaux	**1 896 000**	**3,4**	-	-
Tonly Investments	**1 627 200**	**2,9**	-	-
Plus Nominees (Private) Limited	**-**	**-**	27 689	0,1
Bard Nominees (Private) Limited	**-**	**-**	2 255 629	4,1
	39 992 059	**72,2**	35 119 440	63,4

DIRECTORS' INTERESTS

At 30 June, the Directors held, directly and indirectly, the following ordinary shares in the Company :

	2001 Shares	2000 Shares	**Change**
P W T Chipudhla	**1 200**	1 200	**-**
Z L Rusike	**20 000**	20 000	**-**
C.J.L. Schofield	**15 681 834**	15 681 834	**-**
K R R Schofield	**5 876 816**	4 833 552	**1 043 264**
J R Sly	**209 200**	189 200	**20 000**
B P South	**1 000**	1 000	**-**
	21 790 050	20 726 786	**1 063 264**

There were no changes in any of the above Directors' holdings between the year end and one month before publication of results.