

# income

## statement

for the year ended 28 February 2001

financials

Group	Notes	Excluding e-business 2001 R'000	Including e-business 2001 R'000	2000 R'000
Revenue		393 836	394 064	248 437
Operating expenses	4	363 213	369 766	228 501
<b>Operating income before depreciation, goodwill amortised, investment written off and finance costs (EBITDA)</b>		<b>30 623</b>	<b>24 298</b>	<b>19 936</b>
Depreciation		1 413	1 467	794
Investment written off		850	850	–
Goodwill amortised		1 700	1 700	–
<b>Operating income before interest and taxation (EBIT)</b>	5	<b>26 660</b>	<b>20 281</b>	<b>19 142</b>
Net interest received	6	1 429	1 699	4 493
<b>Income before taxation</b>		<b>28 089</b>	<b>21 980</b>	<b>23 635</b>
Taxation	7	9 305	7 503	6 101
<b>Net income after taxation</b>		<b>18 784</b>	<b>14 477</b>	<b>17 534</b>
Loss attributable to outside shareholders in subsidiaries		–	1 292	–
Dividends	8	–	–	–
<b>Net income for the year</b>		<b>18 784</b>	<b>15 769</b>	<b>17 534</b>
Headline and diluted headline earnings per ordinary share (cents)	9	13,2	11,3	11,0
Basic and diluted basic earnings per ordinary share (cents)	9	11,6	9,7	11,0

at 28 February 2001

Group	Notes	2001 R'000	2000 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>66 495</b>	<b>33 230</b>
Fixed assets – e-business	10	21 854	19 885
Fixed assets – other business	10	6 696	2 533
Intangible assets	11	21 610	–
Investment	13	2 175	1 717
Deferred taxation	14	6 745	4 698
Loan to share trust	15	7 415	4 397
<b>Current assets</b>		<b>119 906</b>	<b>102 485</b>
Inventories	16	6 467	2 034
Accounts receivable	17	68 350	50 024
Bank balances and cash	18	45 089	50 427
<b>TOTAL ASSETS</b>		<b>186 401</b>	<b>135 715</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>		<b>72 279</b>	<b>47 456</b>
Share capital	19	16	16
Share premium		7 083	1 987
Non-distributable reserve		7 105	706
Acquisition consideration (shares) due to vendors	20	12 249	14 690
Retained income		45 826	30 057
<b>Outside shareholders' interest and loan payable</b>	21	<b>5 749</b>	<b>3 761</b>
<b>Non-current liabilities</b>		<b>9 374</b>	<b>7 223</b>
Acquisition consideration (long-term cash) due to vendors	20	9 125	6 775
Long-term liabilities	22	249	448
<b>Current liabilities</b>		<b>98 999</b>	<b>77 275</b>
Accounts payable – e-business	23	14 566	15 603
Accounts payable – other business	23	66 351	46 254
Provisions	24	3 972	2 439
Acquisition consideration (short-term cash) due to vendors	20	9 300	6 775
Taxation		4 810	6 204
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>186 401</b>	<b>135 715</b>

# income

## statement

for the year ended 28 February 2001

financials

Company	Notes	2001 R'000	2000 R'000
Revenue		-	-
Operating expenses		87	66
<b>Operating loss before finance cost</b>	5	<b>(87)</b>	<b>(66)</b>
Net interest received	6	-	2 216
<b>(Loss)/Income before taxation</b>		<b>(87)</b>	<b>2 150</b>
Taxation	7	2	664
<b>Net (loss)/income after taxation</b>		<b>(89)</b>	<b>1 486</b>
Dividends	8	-	-
<b>Net (loss)/income for the year</b>		<b>(89)</b>	<b>1 486</b>

at 28 February 2001

Company	Notes	2001 R'000	2000 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
		27 734	29 415
Investment in subsidiaries	12	23 806	25 507
Loan to share trust	15	3 928	3 908
<b>Current assets</b>			
		293	382
Accounts receivable	17	287	90
Bank balances and cash	18	6	292
<b>TOTAL ASSETS</b>		<b>28 027</b>	<b>29 797</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
		22 184	17 583
Share capital	19	16	16
Share premium		7 083	1 987
Non-distributable reserve		6 005	-
Acquisition consideration (shares) due to vendors	20	6 429	12 840
Retained income		2 651	2 740
<b>Non-current liabilities</b>			
Acquisition consideration (long-term cash) due to vendors	20	-	5 775
<b>Current liabilities</b>			
		5 843	6 439
Accounts payable	23	68	-
Acquisition consideration (short-term cash) due to vendors	20	5 775	5 775
Taxation		-	664
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28 027</b>	<b>29 797</b>

# statement

## of changes in equity

for the year ended 28 February 2001

financials

Group	Share capital R'000	Share premium R'000	Non-distributable reserve R'000	Acquisition consideration due R'000	Retained income R'000	Total R'000
<b>Balance at 28 February 1999</b>	15	36 813	–	1 500	12 523	50 851
Net income for the year	–	–	–	–	17 534	17 534
Shares issued on achievement of profit warranties	–	1 144	–	(1 144)	–	–
Shares issued on conclusion of acquisitions	1	8 760	–	–	–	8 761
Share issue expenses	–	(38)	–	–	–	(38)
Reduction in share premium	–	(44 692)	–	–	–	(44 692)
Raised on new acquisitions	–	–	–	15 040	–	15 040
Non-achievement of profit warranties	–	–	706	(706)	–	–
<b>Balance at 29 February 2000</b>	16	1 987	706	14 690	30 057	47 456
Net income for the year	–	–	–	–	15 769	15 769
Shares issued on achievement of profit warranties	–	5 221	–	(5 221)	–	–
Share issue expenses	–	(125)	–	–	–	(125)
Raised on new acquisitions	–	–	–	6 149	–	6 149
Non-achievement of profit warranties	–	–	6 399	(3 369)	–	3 030
<b>Balance at 28 February 2001</b>	<b>16</b>	<b>7 083</b>	<b>7 105</b>	<b>12 249</b>	<b>45 826</b>	<b>72 279</b>

Where a profit warranty on acquisition of a subsidiary or division was not achieved, and the related goodwill was charged to share premium, the cash and equity portion of consideration due that is cancelled is charged directly to non-distributable reserves (refer note 20). Refer note 19 for details of shares issued and deemed to be issued included in the above changes. Refer note 11 for details on the reduction of share premium.

# statement

## of changes in equity

for the year ended 28 February 2001

Company	Share capital R'000	Share premium R'000	Non-distributable reserve R'000	Acquisition consideration due R'000	Retained income R'000	Total R'000
<b>Balance at 28 February 1999</b>	15	36 813	–	–	1 254	38 082
Net income for the year	–	–	–	–	1 486	1 486
Shares issued on achievement of profit warranties	–	1 144	–	–	–	1 144
Shares issued on conclusion of acquisitions	1	8 760	–	–	–	8 761
Share issue expenses	–	(38)	–	–	–	(38)
Reduction in share premium	–	(44 692)	–	–	–	(44 692)
Raised on new acquisition	–	–	–	12 840	–	12 840
<b>Balance at 29 February 2000</b>	16	1 987	–	12 840	2 740	17 583
Net loss for the year	–	–	–	–	(89)	(89)
Shares issued on achievement of profit warranties	–	5 221	–	(3 225)	–	1 996
Share issue expenses	–	(125)	–	–	–	(125)
Non-achievement of profit warranties	–	–	6 005	(3 186)	–	2 819
<b>Balance at 28 February 2001</b>	<b>16</b>	<b>7 083</b>	<b>6 005</b>	<b>6 429</b>	<b>2 651</b>	<b>22 184</b>

Where a profit warranty on acquisition of a subsidiary or division was not achieved, and the related goodwill was charged to share premium, the cash and equity portion of consideration due that is cancelled is charged directly to non-distributable reserves (refer note 20). Refer note 19 for details of shares issued and deemed to be issued included in the above changes. Refer note 11 for details on the reduction of share premium.

for the year ended 28 February 2001

	Notes	Company		Group	
		2001 R'000	2000 R'000	2001 R'000	2000 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash receipts from customers		-	186	375 738	239 359
Cash paid to suppliers and employees		(216)	(199)	(355 275)	(202 436)
<b>Cash (utilised in)/generated from operations</b>	A	<b>(216)</b>	<b>(13)</b>	<b>20 463</b>	<b>36 923</b>
Interest received		-	2 216	2 097	4 600
Interest paid		-	-	(398)	(107)
Taxation paid		(666)	(676)	(10 944)	(6 197)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(882)</b>	<b>1 527</b>	<b>11 218</b>	<b>35 219</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Additions to fixed assets		-	-	(5 750)	(21 652)
Proceeds from sale of fixed assets		-	-	158	16
Increase in loan to share trust		(20)	(417)	(3 018)	(906)
Increase/(Decrease) in investments	B	3 697	(17 348)	(458)	(1 717)
Divisions acquired	C	-	-	(4 505)	(2 261)
Subsidiaries acquired	D	-	(7 700)	(1 983)	(5 347)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>3 677</b>	<b>(25 465)</b>	<b>(15 556)</b>	<b>(31 867)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Share capital issued		-	1	-	1
Share issue expenses		(125)	(38)	(125)	(38)
Acquisition consideration due cash payments	E	(2 956)	-	(3 956)	(1 000)
Decrease in long-term liabilities		-	-	(199)	(262)
Increase in loans payable to outside shareholders		-	-	3 280	3 761
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(3 081)</b>	<b>(37)</b>	<b>(1 000)</b>	<b>2 462</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>					
Cash and cash equivalents at the beginning of the year	F	292	24 267	50 427	44 613
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	F	<b>6</b>	<b>292</b>	<b>45 089</b>	<b>50 427</b>

## to the cash flow statements

for the year ended 28 February 2001

	Company		Group	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
<b>A. RECONCILIATION OF (LOSS)/INCOME BEFORE TAXATION TO CASH (UTILISED IN)/GENERATED FROM OPERATIONS</b>				
(Loss)/Income before taxation	(87)	2 150	21 980	23 635
Adjusted for:				
Profit on disposal of fixed assets	-	-	(24)	(14)
Depreciation	-	-	1 467	794
Amortisation of goodwill	-	-	1 700	-
Interest received	-	(2 216)	(2 097)	(4 600)
Interest paid	-	-	398	107
Operating (loss)/profit before working capital changes	(87)	(66)	23 424	19 922
Working capital changes	(129)	53	(2 961)	17 001
Increase in inventories	-	-	(4 433)	(296)
(Increase)/Decrease in accounts receivable	(197)	186	(18 326)	(2 234)
Increase/(Decrease) in accounts payable	68	(133)	19 798	19 531
Cash (utilised in)/generated from operations	(216)	(13)	20 463	36 923
<b>B. INCREASE/(DECREASE) IN INVESTMENTS</b>				
Movement in investments	1 701	(14 650)	458	1 717
Transfer of acquisition consideration due from subsidiary companies	1 996	3 494	-	-
Purchase price of subsidiary	-	38 500	-	-
Write-off of investments	-	(44 692)	-	-
	3 697	(17 348)	458	1 717
<b>C. DIVISIONS ACQUIRED</b>				
Assets acquired				
Fixed assets	-	-	-	9
Accounts receivable	-	-	-	1
Liabilities assumed				
Accounts payable	-	-	(795)	(248)
Bank overdraft	-	-	-	(161)
Goodwill	-	-	(795)	(399)
Total consideration	-	-	23 310	7 849
Satisfied by:				
Acquisition consideration due after year-end	-	-	18 010	3 500
Shares issued	-	1 850	-	1 850
Transfer of acquisition consideration due from subsidiary companies	-	(1 850)	-	-
Cash consideration paid	-	-	4 505	2 100
Total consideration	-	-	22 515	7 450
Cash effect:				
Cash consideration paid	-	-	(4 505)	(2 100)
Bank overdraft assumed	-	-	-	(161)
	-	-	(4 505)	(2 261)

## to the cash flow statements (continued)

for the year ended 28 February 2001

	Company		Group	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
<b>D. SUBSIDIARIES ACQUIRED</b>				
Assets acquired				
Fixed assets	-	-	1 983	833
Accounts receivable	-	-	-	7 604
Bank balances and cash	-	-	17	2 353
Investment in subsidiary	-	38 500	-	-
Liabilities assumed				
Accounts payable	-	-	-	(8 423)
Long-term liability	-	-	-	(710)
	-	38 500	2 000	1 657
Goodwill	-	-	-	36 843
Total consideration	-	38 500	2 000	38 500
Satisfied by:				
Acquisition consideration due after year-end	-	24 390	-	24 390
Shares issued	-	6 410	-	6 410
Cash consideration paid	-	7 700	2 000	7 700
Total consideration	-	38 500	2 000	38 500
Cash effect:				
Cash consideration paid	-	(7 700)	(2 000)	(7 700)
Bank balances and cash acquired	-	-	17	2 353
	-	(7 700)	(1 983)	(5 347)
<b>E. ACQUISITION CONSIDERATION</b>				
<b>DUE CASH PAYMENTS</b>				
Consideration due at the beginning of the year	(24 390)	-	(28 240)	(3 700)
New acquisitions	-	(24 390)	(18 010)	(27 890)
Net share capital issued in lieu of consideration due	5 221	1 644	5 221	1 644
Transfer of acquisition consideration due from subsidiary companies	(1 996)	(1 644)	-	-
Transfer to non-distributable reserve on non-achievement of profit warranties	6 005	-	6 399	706
Consideration due at the end of the year	12 204	24 390	30 674	28 240
	(2 956)	-	(3 956)	(1 000)
<b>F. CASH AND CASH EQUIVALENTS</b>				
Bank balances and cash	6	292	45 089	50 427

**1. PRESENTATION OF FINANCIAL STATEMENTS**

In the current year's financial statements, the classification and presentation of financial statement components are consistent with prior periods.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The annual financial statements are prepared on the historical cost basis, and incorporate the following principal accounting policies, which have been consistently applied in all material respects. The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice.

**Adoption of Statement of South African Generally Accepted Accounting Practice**

In the current year the Group adopted the following South African Statements of Generally Accepted Accounting Practice for the first time:

- AC101 Presentation of financial statements
- AC130 Provisions, contingent liabilities and contingent assets
- AC131 Business combinations
- AC132 Consolidated financial statements and accounting for investments in subsidiaries

Adoption of these Statements has resulted in some changes in the detailed application of the Group's accounting policies and some modifications to financial statements presentation. However, none of these amendments has affected the results for the current or prior periods.

**Basis of consolidation**

The consolidated annual financial statements incorporate the annual financial statements of the company and its subsidiary companies. The operating results of subsidiary companies are included from the effective dates of acquisition up to the effective dates of disposal. All significant inter-company transactions and balances are eliminated.

Premiums that arise on the acquisition of subsidiary companies and any excess of the net assets of a subsidiary company over the cost of acquisition are treated in terms of the accounting policy for goodwill.

**Fixed assets**

All items of fixed assets are stated at cost less accumulated depreciation. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	5%
Motor vehicles	25%
Furniture and fittings	10%
Computer equipment	33,33%
Office equipment	10 - 15%
Software	20%

Assets held under finance leases and operating leases (leasehold improvements) are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

When the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. In determining the recoverable amount of assets, expected cash flows are discounted to their present values.

The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

**Associates**

Associates are those incorporated or unincorporated enterprises in which the company holds a long-term equity interest and over which it has the ability to exercise significant influence and which are neither subsidiaries, nor joint ventures.

Associated companies are accounted for on the equity method in the company financial statements from the date they become investees. Equity accounted income, which is included in the respective carrying values of the investments, represents the company's proportionate share of the associates' retained income after accounting for dividends payable by those associates. The post acquisition share of retained income of associates is included in the consolidated income statement and is transferred to a non-distributable reserve.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Associates (continued)

Provision is made when there has been a permanent impairment in the carrying value of an interest in an associate. Where the equity method results in the company's proportion of an associate's losses being greater than, or equal to, the carrying value of the associate, the associate is carried at nil or at a nominal amount. Additional losses are only provided to the extent that the company has incurred obligations or has made payments on behalf of the associate to satisfy the associate's obligations.

### Taxation

The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising from investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer, substantially, all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

### Operating leases

All other leases are treated as operating leases and the relevant rentals are charged to income in a systematic manner related to the period of use of the assets concerned.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Redundant and slow-moving stocks are identified and written down with regard to their estimated economic or realisable values.

### Financial instruments

#### Financial assets

The Group's principal financial assets are bank balances and cash, trade receivables, a loan to the share trust and equity investments. Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The loan receivable from the share trust is stated at cost less any permanent impairment due to a permanent reduction to the value of the underlying shares. Investments, where the Group is not in a position to exercise significant influence or joint control, are stated at cost less impairment losses recognised, where the investment's carrying amount exceeds its estimated recoverable amount.

## to the annual financial statements (continued)

for the year ended 28 February 2001

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Financial instruments (continued)*****Financial liabilities and equity instruments***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Debt instruments issued which carry a right to convert to equity that is dependent on the outcome of uncertainties beyond the control of both the Group and the holder, are classified as liabilities except where the possibility of non-conversion is remote.

Significant financial liabilities include finance lease obligations and trade and other payables.

The accounting policy adopted for finance lease obligations is outlined above.

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables are stated at their nominal value.

Equity instruments are recorded at the proceeds received, net of direct issue costs.

***Derivative instruments***

Derivative financial instruments, comprising currency forward contracts and options and interest rate swap agreements, are not recognised in the financial statements on inception. The policy adopted for instruments designed to hedge foreign exchange risks is outlined under 'foreign currencies'. Net income or expense associated with interest rate swap agreements is recognised on an accrual basis over the life of the swap agreements as a component of interest.

**Revenue**

Revenue represents the invoiced value of foods and services, excluding value added tax.

**Goodwill**

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a division, subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset and impairment reviews are conducted annually to determine write-off's required, if any. Amortisation is charged so as to write off the cost of goodwill over the estimate useful life of the underlying acquisition, normally between three and ten years, using the straight-line method.

**Foreign currencies**

Transactions in currencies other than South African Rands are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates ruling on the balance sheet date. Profits and losses arising on exchange are dealt with in the income statement.

In order to hedge its exposure to foreign exchange risks, the Group enters into forward contracts and options. If a foreign currency denominated transaction is appropriately hedged with a forward exchange contract, the costs of hedging are included in the measurement of the underlying transaction and the transaction is therefore recorded at the forward rate.

**Investments**

Investments classified as long-term assets are carried in the balance sheet at cost.

Where, in the opinion of the directors, there has been a permanent diminution in the carrying value of an investment, the investment is written down to the anticipated recoverable amount.

**Retirement benefits**

Payments to defined contribution plans are charged as an expense as they fall due.

**Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

for the year ended 28 February 2001

## Group

	2001	2000
	R'000	R'000

**3. DIRECTORS****Directors**

CG Botha resigned as a director on 30 September 2000

The directors in office at the date of this report are as follows:

*Non-executive*G K A Morolo (*Chairman*)

J Joffe

S N Nematswerani

*Executive*

P G Uys

K J Lammers

L Theron

**Directors' remunerations**

No director has a contract with any Group company, or other compensation or benefits that extends beyond the next financial year-end. All three executive directors and several senior staff members are bound by restraint of trade agreements.

**Executive directors**

• Salaries

2 361 1 290

• Benefits

184 70

• Pension fund contributions

133 138

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<b>2 678</b>	<b>1 498</b>
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**Paid by**

• Subsidiaries

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<b>2 678</b>	<b>1 498</b>
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**Non-executive directors**

• Fees

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<b>144</b>	<b>144</b>
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Shares	Shares
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**Directors' shareholding**

Executive directors

32 902 153 32 107 905

Non-executive directors

454 545 454 545

There are no outstanding options granted to any director in terms of the Datacentrix Holdings Share Trust.

**4. OPERATING EXPENSES**

	R'000	R'000
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Changes in inventories of finished goods and work in progress

305 481 191 254

Staff costs

44 272 29 032

Other operating expenses

20 013 8 215

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<b>369 766</b>	<b>228 501</b>
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## to the annual financial statements (continued)

for the year ended 28 February 2001

	Company		Group	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
<b>5. OPERATING INCOME/(LOSS)</b>				
Operating income/(loss) is arrived at after taking the following items into account:				
Auditor's remuneration:				
• Audit fees	-	-	219	147
• Fees for other services	-	-	101	81
• Prior year under provision	-	-	38	-
	-	-	358	228
Depreciation:				
• Buildings	-	-	31	-
• Motor vehicles	-	-	239	185
• Furniture and fittings	-	-	127	54
• Computer equipment	-	-	951	479
• Office equipment	-	-	101	76
• Leasehold improvements	-	-	16	-
• Software	-	-	2	-
	-	-	1 467	794
Net profit on disposal of equipment:				
• Motor vehicles	-	-	19	-
• Furniture and fittings	-	-	1	-
• Computer equipment	-	-	4	14
	-	-	24	14
Operating lease payments:				
• Properties	-	-	2 424	1 306
Retirement fund contributions	-	-	2 178	1 220
Foreign exchange gains	-	-	472	-
Foreign exchange losses	-	-	600	-
<b>6. NET INTEREST RECEIVED</b>				
Interest received:				
• Bank balances	-	2 216	2 097	4 600
Interest paid:				
• Bank overdrafts	-	-	(204)	(2)
• Capitalised lease liabilities	-	-	(66)	(105)
• Net foreign exchange losses	-	-	(128)	-
Net interest received	-	2 216	1 699	4 493

## to the annual financial statements (continued)

for the year ended 28 February 2001

	Company		Group	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
<b>7. TAXATION</b>				
South African normal taxation				
Comprising:				
Current taxation – Current year	2	664	9 508	5 928
– Prior year	–	–	42	38
Deferred taxation – Current year	–	–	(2 047)	193
– Prior year	–	–	–	(58)
	<b>2</b>	<b>664</b>	<b>7 503</b>	<b>6 101</b>
	%	%	%	%
South African normal rate of taxation	<b>30,0</b>	30,0	<b>30,0</b>	30,0
<b>(Decrease)/Increase in rate for the year</b>				
Expenses not allowed for tax	(27,7)	0,9	4,1	0,4
Prior year adjustments	–	–	–	(0,1)
Tax loss utilised	–	–	–	(4,5)
	<b>2,3</b>	<b>30,9</b>	<b>34,1</b>	<b>25,8</b>

**8. DIVIDENDS**

No dividends have been declared or paid during this year. At present the directors believe that the cash resources and positive cash flow can be best employed within the Group to increase returns to shareholders.

**9. EARNINGS PER ORDINARY SHARE**

	2001 Excluding e-business	2001 Including e-business	2000 Including e-business
Headline and diluted headline earnings per ordinary share (cents)	13,2	11,3	11,0
Basic and diluted basic earnings per ordinary share (cents)	11,6	9,7	11,0

The calculation of earnings per ordinary share is based on the net income for the year and the weighted average number of ordinary shares in issue during the year. The weighted average number of ordinary shares in issue for the year under review is 161 764 533 (2000: 159 151 413). The calculation of diluted basic and diluted headline earnings per ordinary share is based on the weighted average number of ordinary shares in issue during the year diluted for profit warranties achieved where the shares are not yet due for issue. The diluted weighted average number of ordinary shares in issue for the year under review is 161 764 533 (2000: 159 385 823). The calculation of headline and diluted headline earnings per ordinary share is based on the net income for the year excluding surplus on disposal of equipment of R24 000, amortisation of goodwill of R1 700 000 and the investment write-off of R850 000. In the prior year, neither the dilution of shares nor the difference between basic and headline earnings were substantial enough to change the result of basic earnings per ordinary share. No dilution has been calculated on shares to be issued in terms of profit warranty periods starting after 28 February 2001 or periods which are in progress but do not show current potential to be issued. Shares so committed are as follows:

	2001 Shares
Supported Software (Proprietary) Limited	3 061 667
Styleprops Services 18 (Proprietary) Limited	2 771 905
	<b>5 833 572</b>

## to the annual financial statements (continued)

for the year ended 28 February 2001

Group	Opening balance R'000	Subsidiary acquired R'000	Additions/ depreciation R'000	Disposals R'000	Closing balance R'000
<b>10. FIXED ASSETS</b>					
<b>Cost</b>					
Total – other business	5 250	2 237	3 725	(281)	10 931
Land	–	463	–	–	463
Buildings	–	1 774	532	–	2 306
Motor vehicles	955	–	219	(165)	1 009
Furniture and fittings	548	–	207	–	755
Computer equipment	3 182	–	2 520	(97)	5 605
Office equipment	565	–	197	(19)	743
Software	–	–	50	–	50
Total – e-business	19 883	–	2 025	–	21 908
Furniture and fittings	144	–	186	–	330
Computer equipment	3 574	–	976	–	4 550
Office equipment	65	–	26	–	91
Leasehold improvements	81	–	–	–	81
Software	16 019	–	837	–	16 856
	25 133	2 237	5 750	(281)	32 839
<b>Accumulated depreciation</b>					
Total – other business	2 715	254	1 413	(147)	4 235
Land	–	–	–	–	–
Buildings	–	254	31	–	285
Motor vehicles	292	–	239	(77)	454
Furniture and fittings	157	–	100	–	257
Computer equipment	2 003	–	947	(57)	2 893
Office equipment	263	–	94	(13)	344
Software	–	–	2	–	2
Total – e-business	–	–	54	–	54
Furniture and fittings	–	–	27	–	27
Computer equipment	–	–	4	–	4
Office equipment	–	–	7	–	7
Leasehold improvements	–	–	16	–	16
Software	–	–	–	–	–
	2 715	254	1 467	(147)	4 289

## to the annual financial statements (continued)

for the year ended 28 February 2001

	2001 R'000	2000 R'000
<b>10. FIXED ASSETS (continued)</b>		
<b>Net book value</b>		
Total – other business	<b>6 696</b>	2 535
Land	<b>463</b>	-
Buildings	<b>2 021</b>	-
Motor vehicles	<b>555</b>	663
Furniture and fittings	<b>498</b>	391
Computer equipment	<b>2 712</b>	1 179
Office equipment	<b>399</b>	302
Software	<b>48</b>	-
Total – e-business	<b>21 854</b>	19 883
Furniture and fittings	<b>303</b>	144
Computer equipment	<b>4 546</b>	3 574
Office equipment	<b>84</b>	65
Leasehold improvements	<b>65</b>	81
Software	<b>16 856</b>	16 019
	<b>28 550</b>	22 418

Included in the schedule above are capitalised leased vehicles with a cost of R507 000 and accumulated depreciation of R209 000. These assets with a total net book value of R298 000 are encumbered as per note 22.

Included in the e-business assets is R21 854 000 (2000: R19 883 000) relating to computer hardware and software acquired by the new subsidiary, Commerce Centre of Southern Africa (Proprietary) Limited. These assets were not depreciated up to year-end. Commerce Centre has started producing revenue which will be reflected in the forthcoming financial year and is expected to return a profit in the 2003 financial year. The Group's total book value investment in net assets of this venture is R16 400 000 after deducting outside shareholder interest. We refer to the public announcement of 26 January 2000 for more details about the venture.

## to the annual financial statements (continued)

for the year ended 28 February 2001

	Company		Group	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
<b>11. INTANGIBLE ASSETS</b>				
Carrying amount at beginning of the year				
Goodwill recognised on Supported Software (Proprietary) Limited, Langraphix Cape (Proprietary) Limited, Network Architects CC and J Peacock (sole proprietor) acquisitions	-	44 692	-	44 692
Goodwill recognised on General Food Industries Limited transaction	-	-	9 075	-
Goodwill recognised on Styleprops Services 18 (Proprietary) Limited acquisition	-	-	14 235	-
Amortisation recognised during the year	-	-	(1 700)	-
Goodwill/investments written off against share premium	-	(44 692)	-	(44 692)
Carrying amount at end of the year	-	-	21 610	-
Goodwill at acquisition	-	-	23 310	-
Amortised to the end of the year	-	-	(1 700)	-

Goodwill was recognised on the acquisition of the IT division of General Food Industries Limited and the acquisition of Styleprops Services 18 (Proprietary) Limited. The acquisition consideration relating to the General Food Industries Limited transaction is payable in five annual instalments of R1 815 000 each that commenced on 31 August 2000. The acquisition consideration on the Styleprops Services 18 (Proprietary) Limited acquisition is payable in five cash and share allotments commencing 31 May 2001. An amount of R2 500 000 was paid on 13 September 2000, the date of accepting the contract.

A leave pay provision assumed of R795 000 and acquisition expenses of R190 000 are also capitalised against goodwill. Refer to note 20 for the acquisition consideration due on both these transactions.

**12. INVESTMENT IN SUBSIDIARIES**

Shares at cost	21 288	12 514	-	-
Amounts owing by subsidiary companies	2 518	12 993	-	-
	23 806	25 507	-	-

## to the annual financial statements (continued)

for the year ended 28 February 2001

	Issued share capital		Effective percentage company interest		Book value of holding company interest	
	2001	2000	2001 %	2000 %	Shares at cost R'000	Net (payable)/receivable R'000
<b>12. INVESTMENT IN SUBSIDIARIES (continued)</b>						
Datacentrix (Proprietary) Limited Supported Software (Proprietary) Limited	2	2	100	100	10 857	(5 139)
Commerce Centre of Southern Africa (Proprietary) Limited	22 220	22 220	100	100	1 657	-
Datacentrix Properties (Proprietary) Limited	200	200	70	70	8 774	7 657
Styleprops Services 18 (Proprietary) Limited	100	-	100	-		
e-centrix (Proprietary) Limited	100	-	100	-		
					21 288	2 518

The principle activities of subsidiaries are:

Datacentrix (Proprietary) Limited	- IT infrastructure and related services
Supported Software (Proprietary) Limited	- optimisation software and related services
Commerce Centre of Southern Africa (Proprietary) Limited	- e-business solutions
Datacentrix Properties (Proprietary) Limited	- property
Styleprops Services 18 (Proprietary) Limited	- computer services
e-centrix (Proprietary) Limited	- e-business private equity

#### Subsidiary companies

The interest of the Group in the net income/(loss) of its subsidiary companies are:

Datacentrix (Proprietary) Limited	17 287	12 802
Supported Software (Proprietary) Limited	1 617	3 246
Commerce Centre of Southern Africa (Proprietary) Limited	(3 015)	-
Datacentrix Properties (Proprietary) Limited	(31)	-
	15 858	16 048

The following special resolutions have been passed in the current year by Group companies:

#### Datacentrix Holdings Limited

26 June 2000

Resolution 1: Granting of general authority to directors to repurchase shares issued by the company.

## to the annual financial statements (continued)

for the year ended 28 February 2001

	Company		Group	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
<b>13. INVESTMENT</b>				
Datacentrix (Proprietary) Limited purchased e-centrix (Proprietary) Limited during the year to start an e-business private equity fund. The venture was closed during the year and the investment written off				
Share at cost	850	-	850	-
Amount written off	(850)	-	(850)	-
	-	-	-	-

Datacentrix (Proprietary) Limited purchased the remaining issued share capital of Vukani Technologies (Proprietary) Limited on 8 June 1999. This action has led to Vukani being a subsidiary as defined in Section 1 of the Companies Act. On 1 August 2000, 51% of the shares were sold to an empowerment company. As it is the Group's intention to dispose of another 23% of the interest in Vukani to management, the control is seen to be temporary. Accordingly, Vukani has been accounted for as an investment and has not been consolidated in the Group accounts. The information required by paragraphs 62 to 64 of schedule 4 to the Companies Act are disclosed below.

Share at cost less amounts written off	251	251
Net asset value at acquisition	1	1
Share of post acquisition reserves	250	250
Share disposed of during the year	(128)	-
Unsecured liabilities	123	251
	2 052	1 466
Investment	2 175	1 717
Directors' valuation	2 175	1 717

## to the annual financial statements (continued)

for the year ended 28 February 2001

## 13. INVESTMENT (continued)

	Percentage Holding		Carrying Value	Nature of business	Financial year-end
	2001	2000			
Unlisted					
Vukani Technologies (Proprietary) Limited	49%	100%	2 174 379	Computer consumables	28 February 2001
				2001 R'000	2000 R'000
<b>Summarised balance sheet</b>					
Equity				(1 185)	(1 160)
Long-term liabilities				2 052	1 435
				867	275
Investments				160	160
Fixed assets				87	58
Deferred taxation				9	9
Net current assets				611	48
				867	275
<b>Summarised Income Statement</b>					
Net (loss)/income				(25)	88
The prior year profit includes a R250 000 profit on the redemption of preferential shares.					

	Company		Group	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000

## 14. DEFERRED TAXATION

Deferred taxation on trademarks acquired			5 250	5 250
Portion of trademarks written off against share premium, claimed over 10-year period	-	-	(1 575)	(1 050)
Calculated tax loss	-	-	1 751	-
Provisions	-	-	1 302	421
Difference in rates of depreciation of fixed assets	-	-	(90)	(151)
Leases	-	-	107	170
Prior year tax rate adjustment	-	-	-	58
	-	-	6 745	4 698

There has been no setting off of deferred taxation assets or liabilities.

## to the annual financial statements (continued)

for the year ended 28 February 2001

	Company		Group	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
<b>15. LOAN TO SHARE TRUST</b>				
Loan to Datacentrix Holdings Limited Share Trust	<b>3 928</b>	3 908	<b>7 415</b>	4 397
The number of shares:			<b>Shares 2001</b>	<b>Shares 2000</b>
• reserved by Datacentrix Holdings Limited for the trust but remaining unissued on the last day of the financial year			<b>11 606 835</b>	11 344 900
• which were available for allocation or sale by the trustees to participants at the beginning of the year			-	1 612 700
• which have been allotted to, or purchased by, the trustees for the purpose of the trust during the financial year			<b>2 001 500</b>	743 188
• which have been reserved through options for participants by the trustees, during the financial year			<b>(2 001 500)</b>	(2 355 888)
• which are available for allocation or sale by the trustees to participants at the end of the financial year			-	-
• Options reserved for specific participants at the beginning of the year			<b>4 321 900</b>	2 042 400
• Options exercised by participants during the year			-	(76 388)
• New options allocated to participants during the year			<b>2 001 500</b>	2 355 888
• Options reserved for specific participants at the end of the year			<b>6 323 400</b>	4 321 900

The average cost price of shares in the trust is 117 cents. The market value of the shares at year-end was 90 cents and at 20 April 2001, the Friday before the approval of the financial statements, 80 cents. The directors believe the decline in share price to be of a temporary nature.

	Company		Group	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
<b>16. INVENTORIES</b>				
Finished goods	-	-	<b>1 047</b>	317
Work in progress	-	-	<b>5 420</b>	1 717
	-	-	<b>6 467</b>	2 034
<b>17. ACCOUNTS RECEIVABLE</b>				
Trade receivables	-	-	<b>67 047</b>	48 507
Other receivables	<b>287</b>	90	<b>1 303</b>	1 517
	<b>287</b>	90	<b>68 350</b>	50 024

**18. BANK BALANCES AND CASH**

The Group did not have any overdrawn bank accounts and therefore no offsetting of bank accounts has occurred on the Group balance sheet.

for the year ended 28 February 2001

	Company		Group	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
<b>19. SHARE CAPITAL</b>				
<b>Authorised</b>				
400 000 000 ordinary shares of R0,0001 each	40	40	40	40
<b>Issued</b>				
161 830 224 (2000: 159 287 353) ordinary shares of R0,0001 each	16	16	16	16
Included in issued ordinary shares are 1 006 953 (2000: 616 156) ordinary shares deemed to be issued in terms of profit warranties achieved effective 28 February 2001 (refer note 22).				
Shares were issued during the current year with a total premium of R5 221 000. Unissued 17 440 407 ordinary shares of R0,0001 each are committed for future issue to the Datacentrix Holdings Limited Share Trust (refer note 15) and to the previous owners of Supported Software (Proprietary) Limited and Styleprops Services 18 (Proprietary) Limited (refer note 9). The balance of the unissued shares are under the control of the directors until the next annual general meeting of shareholders. The directors also have authority until the next annual general meeting of shareholders to repurchase issued shares of the company on the open market.				
2 542 871 shares were issued during the year or are deemed to be issued during the year to the following non-public entities as defined by the JSE listing rules as consideration for acquisitions and in connection with profit warranties achieved by subsidiaries and divisions.				
These share issues were made as follows:				
1 535 918	to the original shareholders of Supported Software (Proprietary) Limited;			
316 457	to the original shareholders of Langraphix Cape (Proprietary) Limited;			
78 808	to the original members of Network Architects Close Corporation;			
454 545	to J Peacock sole proprietor; and			
157 143	to Styleprops Services 18 (Proprietary) Limited.			
The Datacentrix Holdings Limited Share Trust purchased an additional 2 001 500 shares on the open market by year-end.				
<b>20. ACQUISITION CONSIDERATION DUE</b>				
Langraphix Cape (Proprietary) Limited	-	-	1 100	2 200
Network Architects Close Corporation	-	-	750	1 500
J Peacock sole proprietor	-	-	1 000	2 000
Styleprops Services 18 (Proprietary) Limited	-	-	10 750	-
Supported Software (Proprietary) Limited	18 209	24 390	18 209	24 390
General Food Industries Limited	-	-	7 260	-
Value of shares deemed to be issued based on profit targets achieved on 28 February 2001	-	-	(1 996)	(1 144)
Transfer to non-distributable reserve	(6 005)	-	(6 399)	(706)
Total acquisition consideration due	12 204	24 390	30 674	28 240
Long-term cash portion	-	(5 775)	(9 125)	(6 775)
Short-term cash portion	(5 775)	(5 775)	(9 300)	(6 775)
Total acquisition consideration due in form of equity shares to be issued	6 429	12 840	12 249	14 690

Acquisition consideration due represents amounts owing to the original shareholders, members or owners in respect of acquisitions of subsidiaries and businesses and will be settled through the issue of fixed quantities of shares and the payment of fixed amounts of cash contingent on the fulfilment of profit warranties. The amounts owing are interest-free, unsecured and will be settled within the next four to five years.

## to the annual financial statements (continued)

for the year ended 28 February 2001

	Company		Group	
	2001 R'000	2000 R'000	2001 R'000	2000 R'000
<b>21. OUTSIDE SHAREHOLDERS' INTEREST AND LOAN PAYABLE</b>				
Outside shareholders' interest	-	-	2 469	-
Outside shareholders' loan	-	-	3 280	3 761
	-	-	5 749	3 761

Outside shareholders' interest was R30 in the prior year. The loan is interest-free and no terms of repayment have been set.

**22. LONG-TERM LIABILITIES****Secured**

Capitalised lease obligations	-	-	355	568
Short-term portion included in accounts payable (refer note 23)	-	-	(106)	(120)
	-	-	249	448

Secured by finance lease agreements over certain fixed assets having a book value of R298 000 (refer note 10). Weighted average interest rate payable on the leases is 16%. The loans are repayable in monthly instalments of R14 680, inclusive of interest.

**23. ACCOUNTS PAYABLE**

Trade payables	-	-	52 907	40 947
Other payables	68	-	13 444	5 307
Total – other business	68	-	66 351	46 254
Trade payables	-	-	14 026	15 603
Other payables	-	-	540	-
Total – e-business	-	-	14 566	15 603

	Opening balance	Provision made	Provision utilised	Closing balance
<b>24. PROVISIONS</b>				
Leave pay and annual bonus provisions	625	1 555	(5)	2 175
Service contracts provisions	1 814	174	(191)	1 797
	2 439	1 729	(196)	3 972

The leave pay and bonus provision is based on the number of leave days due to the employees at year-end, annual bonus entitlement and their remuneration. As it is not company policy that the leave is taken within a year, the timing of the outflow of economic benefits is uncertain.

The service contracts provision is based on the number of service contracts outstanding at year-end and the estimated service fees per contract.

for the year ended 28 February 2001

**25. PENSIONS**

The Orion Fixed Contribution Provident Fund is a defined contribution fund of which most of the company's permanent employees are members. The fund has been registered by the Registrar of Pension Funds and is governed by the Pension Funds Act.

**26. RELATED PARTY TRANSACTIONS**

Related party	Nature of relationship	Type of transactions	Balance outstanding R'000		
ParaNet LLC	30% shareholder Commerce Centre SA (Pty) Limited	Sale of software license by shareholders of ParaNet LLC	13 821		
				Group Carrying value	Fair value

**27. FINANCIAL INSTRUMENTS**

The Group and company's financial instruments consist mainly of cash at bank and cash equivalents, a loan receivable from the share trust, accounts receivable, accounts payable, acquisition consideration due and long-term liabilities.

**Fair values**

Cash portion of acquisition consideration due	(9 125)	(6 832)
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The carrying amounts of the following financial instruments approximate their fair values:

- Cash at bank – deposits with commercial interest rates
- Accounts receivable – subject to normal trade credit terms and provision is made for long outstanding debts
- Accounts payable – subject to normal trade credit terms and a relatively short payment cycle
- Lease liabilities – bears interest at commercial rates
- Receiver of Revenue – normal taxation terms

The following financial instruments are all interest-free and the terms of payment is either not determined or conditional. The fair value of these assets can therefore not be calculated.

- Loan to share trust
- Loans to subsidiaries

**Credit risk****Accounts receivable**

Accounts receivable are presented net of the allowance for doubtful receivables. There is a low risk with respect to trade receivables due to the concentration of the business in the government sector and very few bad debts are incurred. The company does not have significant exposure to any individual customer or counter party.

**Loan to share trust**

Shares are held in the share trust at an average cost price currently higher than the value of the loan receivable. The directors are of the opinion that the current share price is not reflecting the performance of the Group and will recover to more favourable levels and did not provide against the loan receivable.

**Cash at bank and deposits**

The company's cash resources are placed with reputable bankers.

**Other risks**

Due to the nature and extent of the company's financial instruments, the company is not unduly exposed to price risks, interest rate risks, cash flow risks and liquidity risks. Although frequent purchases are made from foreign entities, foreign exchange contracts are entered into for most transactions and the company owns enough foreign currency to settle creditors at any point in time. Exposure to foreign currency risk is therefore limited.

## to the annual financial statements (continued)

for the year ended 28 February 2001

**28. SHAREHOLDERS' ANALYSIS**

Co-ordinated Network Investments (Proprietary) Limited	38%
Executive directors, management, staff and share trust	30%
Gensec (Proprietary) Limited	11%
Other financial institutions	19%
General public	2%

The analysis excludes shares deemed to be issued (refer note 19).

**29. BORROWING POWERS OF THE COMPANY AND ITS SUBSIDIARIES**

The borrowing powers of Datacentrix Holdings Limited's directors are unlimited.

The directors of the subsidiaries, Datacentrix (Proprietary) Limited, Supported Software (Proprietary) Limited, Commerce Centre of Southern Africa (Proprietary) Limited, Styleprops Services 18 (Proprietary) Limited, Datacentrix Properties (Proprietary) Limited and e-centrix (Proprietary) Limited may in their discretion, from time to time, borrow for the purposes of the company subject to such limitations as may be imposed from time to time by its holding company. No such limitation is currently in existence.

**30. BUSINESS AND GEOGRAPHICAL SEGMENTS****Business segments**

Principal activities are as follows:

IT infrastructure and optimisation	-	supply of IT infrastructure and related services
Business solutions	-	supply of business solutions
e-business	-	supply of e-business infrastructure and solutions

	2001 IT infrastructure and optimisation R'000	2001 Business solutions R'000	2001 e-business R'000	2001 Head office R'000	2001 Group R'000
Revenue	379 895	13 941	228	-	394 064
Net income after taxation	16 285	2 565	(4 284)	(89)	14 477
Capital expenditure	3 662	63	2 025	-	5 750
Depreciation	1 408	5	54	-	1 467
Amortisation	1 700	-	-	-	1 700
Assets	144 840	3 002	34 338	4 221	186 401
Liabilities	90 880	2 307	15 092	5 843	114 122

## to the annual financial statements (continued)

for the year ended 28 February 2001

	2000 IT infrastructure and optimisation R'000	2000 Business Solutions R'000	2000 e-business R'000	2000 Head office R'000	2000 Group R'000
<b>30. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)</b>					
Revenue	248 437	–	–	–	248 437
Net income after taxation	16 049	–	–	1 485	17 534
Capital expenditure	1 767	–	19 885		21 652
Depreciation and amortisation	794	–	–	–	794
Assets	99 288	–	32 137	4 290	135 715
Liabilities	56 682	–	19 363	12 214	88 259

**Geographical segments**

All the Group's activities are conducted within South Africa.

**31. LEASE COMMITMENTS**

At the balance sheet date, the Group had outstanding commitments under non-cancellable operating leases with a term of more than one year, which fall due as follows:

	2001 R'000	2000 R'000
Within one year	2 975	2 079
In the second to fifth year inclusive	3 595	3 672
	<b>6 570</b>	<b>5 751</b>

**32. CONTINGENT LIABILITIES**

The Group has no material contingent liabilities.

**33. SUBSEQUENT EVENTS**

No material event occurred between the end of the financial year and the date of this report which require disclosure in, or adjustments to, the annual financial statements.