

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 a 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.

Basis of Consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company, its associate 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 on consolidation. 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.

Investment in Associate

An associate is an enterprise over which the group is in a position to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the investee. The results, assets and liabilities of the associate are incorporated in these annual financial statements using the equity method of accounting.

Property and Equipment

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

Buildings	5%
Motor vehicles	25%
Furniture and fittings	16.67%
Computer equipment	33.33%
Office equipment	15 - 33.33%
Software	33.33%
Leasehold improvements	over period of lease

Land is carried at cost and not depreciated.

Assets held under finance leases 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 assets and is recognised in the income statement. Loose tool replacements are written off to income in the year in which the expense is incurred and are shown at a nominal value in the balance sheet.

Finance Leases

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 lease 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.

Operating Leases

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 on investment in subsidiaries and associates, 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. 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.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost comprises invoice value and is determined on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business. Redundant and slow-moving stocks are identified and written down with regard to their estimated economic or realisable values. Spares stock is depreciated over the average period of the underlying long-term contracts.

Financial Instruments

Financial assets and financial liabilities are recognised in the group's balance sheet when the group becomes a party to the contractual provisions of the instrument.

Financial Assets

The group's principal and other financial assets are bank balances and cash, trade and other receivables, loans receivable 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. Other loans receivable are stated at cost. 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.

Financial Liabilities and Equity Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Debt instruments, 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 liabilities include trade and other payables.

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

Off balance Sheet 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. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise. The policy adopted for instruments designed to hedge foreign exchange risks is outlined under "foreign currencies" below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue

Revenue represents the invoiced value of goods and services, excluding value added tax. Where revenue is received in advance in terms of long-term contracts, or revenue streams on these contracts do not match the expense streams or timing of service efforts, an appropriate portion of the revenue is deferred or accrued to achieve an appropriate recognition of revenue.

Goodwill

Goodwill and negative goodwill represents the excess or shortfall of the cost of acquisition of the group's interest over 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 or negative asset and impairment reviews are conducted annually to determine write-offs required, if any. Amortisation is charged so as to write off the cost of goodwill over the estimated useful life of the underlying acquisition, normally between three and ten years, using the straight-line method. Negative goodwill is amortised over the average lifespan of the non-monetary assets from the acquired entity.

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 foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Unrealised differences on monetary assets and liabilities are recognised in the income statement in the period in which they occur.

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 retirement 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.

3. DIRECTORS

The directors in office at year-end were as follows:

Executive:

GKA Morolo (Chairman)
PG Uys
KJ Lammers
FC Joubert
SG Barker

Non-Executive:

J Joffe
SN Nematswerani
CG Botha
N Kuper
IN Mkhize

A Mahomed was an invitee to the board of directors during the reporting period and was appointed to the board as an executive director on 1 March 2003. E Naidoo joined the group in August 2002 as chief financial officer and has occupied a seat on the board as an invitee since her appointment.

Appointments and resignations during the year

There have been no appointments to or resignations from the board of directors during the financial year.

Restraint of trade agreements and long-term employment contracts

All five executive directors, the two invitees on the board of directors as well as most senior staff members are bound by restraint of trade agreements.

3. DIRECTORS (continued)

Directors' Remuneration

<i>Executive Directors</i>	Salaries R'000	Bonuses R'000	Benefits R'000	Retirement	Total
				contributions R'000	2003 R'000
GKA Morolo (Chairman)	1 043	619	28	135	1 825
PG Uys	1 043	619	28	135	1 825
KJ Lammers	1 043	619	28	135	1 825
FC Joubert	511	150	48	81	790
SG Barker	784	300	33	102	1 219
Total	4 424	2 307	165	588	7 484

No current or retired director receives a pension funded by the group.

Non-Executive Directors' - Fees

	2003 R'000	2002 R'000
GKA Morolo (to 31 May 2001)	-	8
J Joffe	37	30
SN Nematswerani	23	30
CG Botha	23	23
N Kuper	28	23
IN Mkhize	23	13
Total	134	127

- SN Nematswerani has an interest in major shareholder Aka Capital (CNI) and accordingly director's fees are paid to this company.
- CG Botha has an interest in shareholder Treacle Venture Partners (Proprietary) Limited and accordingly director's fees are paid to this company.
- N Kuper is a representative of Gensec Bank and accordingly director's fees are paid to this company.

Directors' Shareholding

<i>Executive Directors</i>	Shares held at	Shares held at
	28 Feb 2003	28 Feb 2002
PG Uys	16 053 031	16 053 031
KJ Lammers	14 553 030	14 553 030
FC Joubert	239 524	38 095
SG Barker	152 900	95 800
Total	30 998 485	30 739 956

- GKA Morolo and SN Nematswerani are shareholders in and directors of Aka Capital (CNI).
- FC Joubert has the conditional right to 732 983 shares dependent on profit warranties being achieved over the next two years.

Non-Executive Directors

	Shares held at	Shares held at
	28 Feb 2003	28 Feb 2002
J Joffe	454 545	454 545
CG Botha	665 332	108 334
Total	1 198 877	562 879

3. DIRECTORS (continued)

Executive Directors' Share Options:

	Date of issue	Total	Option price	Conditions
GKA Morolo (Chairman)	March 2001	1 000 000	1.00	None
	March 2002	1 000 000	1.00	None
PG Uys	March 2001	1 000 000	1.00	None
	March 2002	1 000 000	1.00	None
KJ Lammers	March 2001	1 000 000	1.00	None
	March 2002	1 000 000	1.00	None
SG Barker	March 2001	1 000 000	1.00	*
	March 2002	100 000	1.00	*

GKA Morolo, PG Uys and KJ Lammers qualified for their share options on 28 February 2002 and 28 February 2003 in terms of performance targets set by the board. The options were granted at the ruling price on the date of offering the options.

* Conditions are set in the rules of Datacentrix Holdings Limited Share Trust.

Directors' Interests

No director had any interest in material contracts during the year.

4. OPERATING EXPENSES	Group		Company	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Cost of inventories sold	586 605	387 428	-	-
Staff costs	98 419	70 465	-	-
Other operating expenses	27 399	24 310	481	295
	712 423	482 203	481	295

5. ACQUISITIONS, DISPOSALS AND DISCONTINUED OPERATIONS - GROUP ONLY

- In the prior year the board of directors of Commerce Centre of Southern Africa (Proprietary) Limited ("Commerce Centre") decided to discontinue the FMCG business line. Datacentrix also entered into a binding agreement to purchase 30% of Commerce Centre held by Paranet LLC. The following results related to the discontinued operation, which were included in the income statement of the group.

	2003 R'000	2002 R'000
Revenue	-	1 049
Net loss after taxation	-	5 970
Net loss before taxation from closure on business line included above	-	2 220
Items relating to the discontinued operations included in the group's cash flow statement:		
- cash outflow from operating activities	-	(4 109)
- cash inflow investing activities	-	10
- cash outflow from financing activities	-	(2 064)

- The finalisation of the sale of the performance management business resulted in a profit of R1,383 million.
- Effective 1 March 2002, Datacentrix acquired the infrastructure business of Solution Management NetworX (Proprietary) Limited for R33,2 million, which included goodwill of R26,2 million.
- Datacentrix acquired Dezzo Trading (Proprietary) Limited, a Microsoft integration and development business, during the course of the year. Goodwill on this acquisition amounted to R4 million.

Both acquisitions are subject to the achievement of profit warranties. Refer note E to the cash flow statement and note 22 for more information on these acquisitions.

6. OPERATING INCOME (LOSS) BEFORE INTEREST AND TAXATION

Operating income (loss) before interest and taxation is arrived at after taking the following items into account:

	Group		Company	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Auditors' remuneration:				
- audit fees	515	363	-	-
- fees for other services	155	71	-	-
- prior year under provision	165	-	-	-
	835	434	-	-
Depreciation and scrappings:				
- buildings	116	110	-	-
- motor vehicles	231	159	-	-
- furniture and fittings	434	212	-	-
- computer equipment	3 967	6 140	-	-
- office equipment	246	182	-	-
- software	522	4 965	-	-
- leasehold improvements	73	103	-	-
	5 589	11 871	-	-
Net loss (profit) on disposal of assets:				
- motor vehicles	-	(160)	-	-
- furniture and fittings	-	(1)	-	-
- computer equipment	-	288	-	-
- office equipment	-	13	-	-
	-	140	-	-
Operating lease payments:				
- properties	4 790	3 992	-	-
Retirement fund contributions	6 597	4 837	-	-
Foreign exchange losses (gains)	5 187	(7 658)	-	-

The majority of the foreign exchange losses incurred during the year related to losses incurred on foreign denominated currency cash balances held with the strengthening of the Rand.

7. NET INTEREST RECEIVED

Interest received on bank balances	7 528	1 492	110	22
Interest paid on bank overdrafts	(92)	(386)	-	-
Interest paid on capitalised lease liabilities	(16)	(12)	-	-
	7 420	1 094	110	22

8. TAXATION

	Group		Company	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
South African normal taxation comprising:				
Current taxation	19 753	12 548	33	6
Deferred taxation	(2 024)	(2 327)	-	-
Share of associate companies' tax	340	-	-	-
	18 069	10 221	33	6
	%	%	%	%
South African normal rate of taxation	30.0	30.0	30.0	(30.0)
Increase in rate for the year:				
Expenses not allowed for tax	3.5	2.8	19.3	32.2
Income not taxable	(0.6)	-	(44.9)	-
Current and deferred taxation - effective rate	32.9	32.8	4.4	2.2

9. DIVIDENDS

No dividends have been declared or paid during this year. The board reviews the dividend policy on an ongoing basis. 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 and to fund organic or acquisitive growth in a market of consolidation and industry volatility.

10. EARNINGS PER ORDINARY SHARE

	Group	
	2003 R'000	2002 R'000
Net income for the year (basic earnings)	36 917	20 902
Loss attributable to outside shareholders in subsidiary	-	1 444
Amortisation of goodwill	7 677	3 002
Profit on disposal of business	(1 383)	-
Loss on closure of business	-	2 220
Headline earnings for the year	43 211	27 568
Headline and diluted headline earnings per ordinary share (cents)	21.8	16.7
Basic and diluted basic earnings per ordinary share (cents)	18.6	13.5

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 1 983 626 659 (2002: 1 653 405 75).

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 1 983 626 659 (2002: 1 653 405 75). No dilution has been calculated on shares to be issued in terms of profit warranty periods starting after 28 February 2003.

11. PROPERTY AND EQUIPMENT - GROUP ONLY

	Opening balance R'000	Additions R'000	Scrappings R'000	Closing balance R'000
COST				
Land	463	-	-	463
Buildings	2 437	181	-	2 618
Motor vehicles	476	302	-	778
Furniture and fittings	1 581	873	1	2 453
Computer equipment	13 243	5 281	4 430	14 094
Office equipment	1 175	100	-	1 275
Software	6 632	220	4 943	1 909
Leasehold improvements	382	344	-	726
Total	26 389	7 301	9 374	24 316

	Opening balance R'000	Depreciation R'000	Scrappings R'000	Closing balance R'000
ACCUMULATED DEPRECIATION				
Land	-	-	-	-
Buildings	395	116	-	511
Motor vehicles	194	231	-	425
Furniture and fittings	481	433	-	914
Computer equipment	7 389	3 834	4 297	6 926
Office equipment	365	246	-	611
Software	4 967	522	4 943	546
Leasehold improvements	119	73	-	192
Total	13 910	5 455	9 240	10 125

	2003 R'000	2002 R'000
NET BOOK VALUE		
Land	463	463
Buildings	2 107	2 042
Motor vehicles	353	282
Furniture and fittings	1 539	1 100
Computer equipment	7 168	5 854
Office equipment	664	810
Software	1 363	1 665
Leasehold improvements	534	263
Total	14 191	12 479

Land comprises portion one of stand one, Highveld, Gauteng with buildings thereon at the original costs plus the cost of subsequent additions.

R'000

Buildings

Original cost	1 774
Additions in 2001	532
Additions in 2002	131
Additions in 2003	181
Total	2 618

12. INTANGIBLE ASSETS

	Group		Company	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Goodwill				
Opening carrying value	16 658	21 610	(2 240)	-
Goodwill at acquisition	21 360	23 310	(2 240)	-
Amortised to the beginning of the year	(4 702)	(1 700)	-	-
Negative goodwill on acquisition of outside shareholders' interest in subsidiary	-	(2 240)	-	(2 240)
Goodwill at acquisition	30 256	290	-	-
Non-achievement of profit warranties				
- shares	(1 042)	-	-	-
- cash	(1 004)	-	-	-
Amortisation recognised during the year	(7 677)	(3 002)	1 120	-
Closing carrying value	37 191	16 658	(1 120)	(2 240)
Goodwill at acquisition	49 570	21 360	(2 240)	(2 240)
Amortised to the end of the year	(12 379)	(4 702)	1 120	-

The group acquired Dezzo Trading (Proprietary) Limited and the assets and liabilities of Solution Management NetworX (Proprietary) Limited during the year. Refer note 5.

13. INVESTMENT IN SUBSIDIARIES - COMPANY ONLY

Shares at cost		22 313	22 313
Amount owing by subsidiary companies		31 929	1 652
		54 242	23 965

(Refer to Annexure 1)

14. INVESTMENT IN ASSOCIATE - GROUP ONLY

Percentage holding (%)		49	49
Number of shares held (shares)		49	49
Opening carrying value		123	123
Share of associate income - current year (R1 134 000 before taxation)		794	-
		917	123
Loan receivable		-	1 510
Closing carrying value		917	1 633
Directors' valuation of share investment		2 200	1 375

The associated company is Vukani Technologies (Proprietary) Limited ("Vukani"), a computer consumables company, which was established in 1997 as a black empowerment initiative. The company is incorporated in South Africa and the group holds 49% of the shareholding of the company. The shareholding was previously treated as an unlisted investment due to the fact that it was deemed to be a short-term investment. The board has reviewed the situation and resolved that Vukani will be a long-term investment, in which the group will have significant influence. Vukani has been accounted for using the equity method of accounting for associates as dictated by South African Statements of Generally Accepted Accounting Practice AC110 - associated companies, effective 1 March 2002. (Refer to Annexure 1).

15. INVESTMENT AND LOANS - GROUP ONLY

	Carrying Value	
Unlisted investment		
Vukani Technologies (Proprietary) Limited (refer note 14) - shares and loan receivable	-	1 633
Premier Foods Limited - loan receivable	5 527	1 641
	5 527	3 274

The loan to Premier Foods Limited represents an advance for hosted infrastructure in terms of an outsourcing agreement, bears interest at a fixed rate of 16% per annum and is repayable over 35 months until 30 November 2004. The directors believe that the loan will be repaid within the agreed period.

16. DEFERRED TAXATION

	Group		Company	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Trademarks	2 625	3 150	-	-
Provisions	200	1 196	-	-
Difference in rates of depreciation of property and equipment	671	851	-	-
Calculated tax loss	1 801	4 242	-	-
Deferred revenue on long-term contracts	5 799	(367)	-	-
	11 096	9 072	-	-
Movements in Deferred Taxation				
Opening balance	9 072	6 745	-	-
Movements in:				
Trademarks	(525)	(525)	-	-
Provisions	(996)	(106)	-	-
Difference in rates of depreciation of property and equipment	(180)	941	-	-
Leases	-	(107)	-	-
Calculated tax loss	(2 441)	2 491	-	-
Deferred revenue on long-term contracts	6 166	(367)	-	-
Closing balance	11 096	9 072	-	-

There has been no offsetting of deferred taxation assets or liabilities between group companies.

17. LOAN TO SHARE TRUST

Loan to Datacentrix Holdings Limited Share Trust	10 238	10 114	6 627	6 627
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The average cost price of the shares held by the trust is 110 cents (2002: 108 cents) and the market value of the shares at year-end is 130 cents (2002: 90 cents).

18. INVENTORIES

Finished goods	5 795	3 204	-	-
Work in progress	1 415	1 996	-	-
Spares (net of depreciation)	3 193	2 383	-	-
	10 403	7 583	-	-

It was not necessary to adjust inventories to net realisable value.

19. ACCOUNTS RECEIVABLE

Trade receivables	118 891	121 915	-	-
Other receivables	1 993	2 458	516	590
	120 884	124 373	516	590

Accounts receivable are presented net of the allowance for doubtful receivables. There is a low risk with respect to trade receivables. There has historically been very little bad debt due to the spread and quality of customers.

20. BANK BALANCES AND CASH

	Group		Company	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Bank balances and cash	117 755	71 460	40	18 893

The group did not have any overdrawn bank accounts at year-end and therefore no offsetting of bank accounts has occurred on the group balance sheet. All cash resources are placed with reputable bankers.

21. SHARE CAPITAL

Authorised

400 000 000 ordinary shares of R0,0001 each	40	40	40	40
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Issued

198 362 659 (2002: 187 581 280) ordinary shares of R0,0001 each	20	19	20	19
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11 354 236 shares were issued during the year or are deemed to be issued at the end of the year to the following non-public entities as defined by the JSE Securities Exchange listing rules in terms of profit warranties achieved:

- 1 229 047 to the original shareholders of Styleprops Services 18 (Proprietary) Limited at R2.10;
- 500 000 and 1 000 000 to the original shareholders of Dezzo Trading (Proprietary) Limited at R1.00 and R1.50 respectively; and
- 8 625 189 to the original shareholders of Solution Management NetworX (Proprietary) Limited at R1.00.

This includes 5 281 379 ordinary shares deemed to be issued in terms of profit warranties achieved effective 28 February 2003 and 572 857 that were deemed to be issued on 28 February 2002.

5 098 858 unissued ordinary shares of R0,0001 each are committed to the previous vendors of Styleprops Services 18 (Proprietary) Limited and Solution Management NetworX (Proprietary) Limited.

The balance of the unissued shares is 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. No shares were repurchased during the year.

Shares held by the Share Trust

	2003 Shares	2002 Shares
Opening balance	9 323 400	6 323 400
Shares issued to the trust or acquired by the trustees during the year	-	3 000 000
Closing balance	9 323 400	9 323 400
Share options allocated as detailed below	17 070 650	11 139 858
Shortfall and maximum potential dilution	7 747 250	1 816 458

Share Options

	Opening balance	Net options allocated	Exercised	Closing balance	Average option price
2003	11 139 858	6 042 860	112 068	17 070 650	1.10
2002	6 323 400	4 816 458	-	11 139 858	1.08

Per the Trust deed, the trust may hold a maximum of 10% of the issued share capital of the company. Share options may be exercised by participants to a maximum of 12.5% after one year and thereafter 12.5% every six months. There are no restrictions on trading, after options have been exercised. Options allocated are shown net of options that have lapsed. Options not exercised whilst in the employment of the company lapses upon termination of employment.

22. ACQUISITION CONSIDERATION DUE

	Group		Company	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Styleprops Services 18 (Proprietary) Limited	7 377	9 500	-	-
Supported Software (Proprietary) Limited	-	7 438	-	7 438
Premier Foods Limited	3 630	5 445	-	-
Dezzo Trading (Proprietary) Limited	2 500	-	-	-
Solution Management NetworX (Proprietary) Limited	21 224	-	-	-
Non-achievement of profit warranties				
- shares	(1 042)	-	-	-
- cash	(1 004)	-	-	-
Value of shares deemed to be issued based on profit warranties achieved on 28 February	(6 503)	(1 203)	-	-
Transfer to non-distributable reserve	-	(7 438)	-	(7 438)
Total acquisition consideration due	26 182	13 742	-	-
Long-term cash portion	(12 155)	(6 390)	-	-
Short-term cash portion	(7 231)	(2 735)	-	-
Total acquisition consideration due in form of equity shares to be issued	6 796	4 617	-	-

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 payments 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 three years.

23. ACCOUNTS PAYABLE

Trade payables	82 857	86 484	-	-
Other payables	19 996	17 449	-	7
Total	102 853	103 933	-	7

Included in trade payables is an amount payable to the associate, Vukani Technologies (Proprietary) Limited of R 1 560 000.

24. PROVISIONS - GROUP ONLY

Leave Pay Provision	2003 R'000	2002 R'000
Opening balance	3 291	1 780
Provision made	374	1 874
Provision utilised	(370)	(363)
Closing balance	3 295	3 291

The leave pay provision is based on the number of leave days due to the employees at year-end and their cost to company remuneration.

25. RETIREMENT BENEFIT PLANS

The Orion Fixed Contribution Provident Fund, Supported Software Pension and Provident Funds and Solution Management NetworX Pension and Provident Funds are defined contribution funds of which most of the group's permanent employees are members. These funds have been registered by the Registrar of Pension Funds and are governed by the Pension Funds Act. The group does not provide any post-retirement medical benefits to its employees.

26. RELATED PARTY TRANSACTIONS

Related Party	Nature of relationship	Type of transaction	Transaction R'000	Balance
				outstanding R'000
Vukani Technologies (Proprietary) Limited	Associate company	Computer consumables purchased	19 302	1 560

These transactions occurred under terms which were no less favourable than those arranged with third parties.

27. FINANCIAL INSTRUMENTS

The group and company's financial instruments consist mainly of cash at bank and cash equivalents, loans receivable, accounts receivable, accounts payable, acquisition consideration due and derivative financial instruments.

Fair Values

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
- Loan receivable from Premier Foods Limited - subject to commercial rates

The following financial instrument is interest free and the terms of payment are either not determined or conditional.

The fair value of this asset can therefore not be calculated:

- Loan to share trust

The interest rate applicable to the following liability is not market related:	Group	
	Carrying value R'000	Fair value R'000
Long-term cash portion of acquisition consideration due	12 155	9 900

Foreign Currency Risks

Although frequent purchases are made from foreign entities, foreign exchange contracts are entered into for most transactions and the group owns enough foreign currency to settle creditors at any point in time. On short-term contracts, currency fluctuations are passed onto customers.

At balance sheet date, the group held the following foreign denominated currency cash balances, which were not covered:

	Foreign currency amount '000	Spot rate	2003 R'000	2002 R'000
US Dollars	1 265	8.14	10 297	9 994
Euro	203	8.72	1 770	715
			12 067	10 709

Other Risks

The credit risks attached to accounts and loans receivable and bank and cash are discussed in notes 15, 17, 19 and 20. Due to the nature and extent of the group's financial instruments, it is not unduly exposed to price risks, interest rate risks, cash flow risks and liquidity risks.

Derivative Financial Instruments

The group utilises currency derivatives to hedge future foreign currency transactions and cash flows. As a matter of policy, the group does not enter into derivative contracts for speculative purposes. All forward exchange contracts were fair-valued at year-end.

27. FINANCIAL INSTRUMENTS (continued)

Derivative Financial Instruments (continued)

At balance sheet date, the group had contracted to buy the following amounts under forward contracts:

	Foreign currency amount '000	Spot rate	2003 R'000	2002 R'000
US Dollars	1 846	8.22	15 174	47 166
Euro	97	8.97	870	407
			16 044	47 573

At 28 February 2003, the fair value of the group's currency derivatives were estimated to be approximately R268 000 (2002: R1 67 000), based on market values of equivalent instruments at the balance sheet date.

28. SHAREHOLDERS' ANALYSIS

The analysis excludes shares deemed to be issued (refer note 21).

Major Shareholders (over 5% holding)	2003		2002	
	Number of shares	%	Number of shares	%
Aka Capital (CNI)	91 152 467	47	91 152 467	49
Treacle Fund I	27 056 817	14	26 325 168	14
PG Uys	16 053 031	8	16 053 031	8
KJ Lammers	14 553 030	8	14 553 030	8
Other directors, management and staff	15 420 304	8	9 347 447	5
Datacentrix Holdings Share Trust	9 323 400	5	9 323 400	5
General public and corporate investors	19 522 231	10	20 253 880	11
Total	193 081 280	100	187 008 423	100

2003	Number of shareholders	%	Number of shares	%
1 to 10 000	396	73	1 287 213	1
10 001 to 50 000	84	15	1 975 798	1
50 001 to 100 000	11	2	904 721	-
100 001 to 500 000	30	6	7 072 995	4
500 001 to 1 000 000	9	2	6 535 825	3
Over 1 000 000	13	2	1 75 304 728	91
Total	543	100	193 081 280	100

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 are governed by an approval framework, which is renewed by the Datacentrix Holdings Limited board from time to time.

30. SEGMENTAL ANALYSIS

All the group's activities occur within South Africa. For reporting purposes, the group was organised into two operating divisions. These divisions are the basis on which the group reports its primary segment information. Principal activities are as follows:

- Infrastructure and Services - supply of IT infrastructure and related services
- Solutions - supply of business solutions

30. SEGMENTAL ANALYSIS (continued)

The business segments' information is presented below:

2003	Infrastructure R'000	**E-business R'000	Solutions R'000	Head office R'000	Group R'000
Revenue	726 661	-	44 077	-	770 738
Net income after taxation	27 442	-	8 759	716	36 917
Capital expenditure	3 490	-	3 603	208	7 301
Depreciation, scrapping and impairment of assets	3 069	-	2 435	85	5 589
Amortisation of goodwill	3 937	-	3 740	-	7 677
Assets	284 012	-	16 750	27 440	328 202
Liabilities	151 104	-	6 896	-	158 000

2002	Infrastructure R'000	**E-business R'000	Solutions R'000	Head office R'000	Group R'000
Revenue	485 685	1 553	34 343	-	521 581
Net income (loss) after taxation	24 191	(7 109)	4 099	(279)	20 902
Capital expenditure	3 590	327	4 448	-	8 365
Depreciation, scrapping and impairment of assets	2 839	8 938	94	-	11 871
Amortisation of goodwill	-	-	3 002	-	3 002
Assets	211 831	9 181	10 131	23 870	255 013
Liabilities	118 731	10 898	6 032	7	135 668

** The e-business segment was discontinued in 2002.

31. LEASE COMMITMENTS - GROUP ONLY

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:

	2003 R'000	2002 R'000
Within one year	5 762	3 426
In the second to fifth year	7 543	5 482
	13 305	8 908

The group has no capital commitments outstanding at year-end.

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 required disclosure in, or adjustments to the annual financial statements.