

Notes to the Cash Flow Statements

for the year ended 29 February 2004

	Group		Company	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
A. RECONCILIATION OF INCOME BEFORE TAXATION TO CASH GENERATED FROM (UTILISED IN) OPERATIONS				
Income before taxation	50 769	54 986	990	749
Adjusted for:	6 495	3 335	(1 273)	(1 230)
Profit on sale of business	-	(1 383)	-	-
Depreciation and scrapping of property and equipment	7 297	5 589	-	-
Amortisation of goodwill	8 672	7 677	(1 120)	(1 120)
Income from associate	(343)	(1 134)	-	-
Interest received	(10 476)	(7 528)	(153)	(110)
Deemed interest (AC133 fair value adjustment)	1 243	-	-	-
Profit on sale of treasury shares	102	6	-	-
Interest paid	-	108	-	-
Operating profit (loss) before working capital changes	57 264	58 321	(283)	(481)
Working capital changes	(13 709)	12 844	-	34
Inventories	(1 304)	(1 509)	-	-
Accounts receivable	4 792	16 594	-	41
Accounts payable accruals, provision and deferred revenue on contracts	(17 197)	(2 241)	-	(7)
Cash generated from (utilised in) operations	43 555	71 165	(283)	(447)
B. TAXATION (PAID) RECEIVED				
Opening balance	(10 911)	(7 573)	516	549
Income statement charge - current	(19 023)	(18 069)	-	(33)
Share of associate taxation charge	57	340	-	-
Movement in deferred taxation balance	2 043	(2 024)	-	-
Deferred taxation on AC133 fair value adjustment	(399)	-	-	-
Closing balance	2 274	10 911	(8)	(516)
	(25 959)	(16 415)	508	-
C. DECREASE (INCREASE) IN INVESTMENT AND ADVANCE PAYMENTS				
Movements in investment and advance payments	2 447	(2 376)	(6 760)	(30 277)
Acquisition consideration due transferred from subsidiary company	-	-	7 075	12 003
	2 447	(2 376)	315	(18 274)
D. ACQUISITION OF INTANGIBLE ASSETS				
Opening balance	37 191	16 658	(1 120)	(2 240)
Income statement amortisation charge	(8 672)	(7 677)	1 120	1 120
Goodwill on acquisition during the year	4 066	30 256	-	-
Adjustment to goodwill due to non-achievement of profit warranties	-	(2 046)	-	-
Closing balance	(32 585)	(37 191)	-	1 120
	-	-	-	-

	Group		Company	
	2004 R'000	2003 R'000	2004 R'000	2003 R'000
E. BUSINESSES AND SUBSIDIARIES ACQUIRED				
Assets acquired	4 066	48 262	-	-
- property and equipment	-	374	-	-
- bank balances and cash	-	3 216	-	-
- trade receivables	-	13 032	-	-
- other receivables	-	73	-	-
- inventory	-	1 311	-	-
- goodwill	4 066	30 256	-	-
Liabilities assumed	-	(10 988)	-	-
- trade and other payables	-	(10 480)	-	-
- long-term liabilities	-	(508)	-	-
Total consideration	4 066	37 274	-	-
Satisfied by:				
- acquisition consideration due after year-end	-	29 224	-	-
- acquisition consideration paid in shares	2 025	-	-	-
- cash consideration paid	2 041	8 050	-	-
Total consideration	4 066	37 274	-	-
Cash effect:				
Cash consideration paid	(2 041)	(8 050)	-	-
Bank balances and cash acquired	-	3 216	-	-
	(2 041)	(4 834)	-	-
F. SHARE CAPITAL AND PREMIUM MOVEMENTS				
Opening balance	(43 760)	(32 005)	(43 774)	(32 013)
Share issue expenses	86	242	86	242
Profit on sale of treasury shares	(102)	6	-	-
Raised on new acquisitions	(2 025)	-	(2 025)	-
Share issues to vendors on achievement of profit warranties	(5 050)	(12 003)	(5 050)	(12 003)
Closing balance	50 851	43 760	50 763	43 774
	-	-	-	-
G. ACQUISITION CONSIDERATION DUE CASH PAYMENTS				
Opening balance	(26 182)	(13 756)	-	-
New acquisitions	(2 025)	(29 224)	-	-
Shares issued on new acquisitions	2 025	-	2 025	-
Share issues to vendors on achievement of profit warranties	5 050	12 003	5 050	12 003
Transfer of acquisition consideration due from subsidiary companies	-	-	(7 075)	(12 003)
Reduction due to non-achievement of profit warranties:				
- cash	-	1 004	-	-
- shares	-	1 042	-	-
Deemed interest (AC133 fair value adjustment)	87	-	-	-
Closing balance	13 677	26 182	-	-
	(7 368)	(2 749)	-	-
H. CASH AND CASH EQUIVALENTS				
Bank balances and cash	131 022	117 784	647	40