



Contents

Highlights	2
Corporate Information	3
Chairman's Report	4
Managing Director's Report	5 - 8
Corporate Governance	9
Contents of Financial Statements	10
Approval of Financial Statements	11
Report of the Independent Auditors	12
Income Statements	13
Balance Sheets	14
Consolidated Statement of Changes in Equity	15
Company Statement of Changes in Equity	16
Cash Flow Statements	17
Accounting Policies	18 - 20
Notes to the Financial Statements	21 - 30
Notice of Annual General Meeting	31

Performance at a Glance

SHARE ANALYSIS

Directors' holding

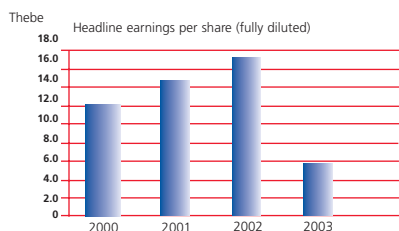
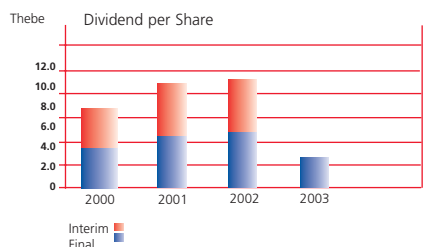
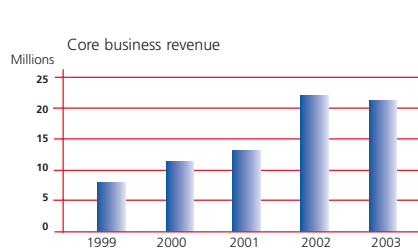
	2000	2001	2002	2003
NW Armstrong	50 000	50 000	50 000	50 000
JR Pool	9 021 468	8 880 380	8 355 380	8 355 380
PD Sunners	3 507 361	3 387 61	3 387 361	3 387 361
PL Paledi	338 241	125 000	125 000	125 000
S Raja Ram	951 515	1 789 929	1 489 929	1 489 929
Total	13 868 585	14 232 670	13 407 670	13 407 670

Range of shareholding

	Shareholders number	Shares held %	Number	%
1 - 1000	214	33%	117 321	0.37%
1001 - 5000	302	47%	800 371	2.54%
5001 - 10000	39	6%	288 551	0.92%
10001 - 50000	24	4%	342 965	1.09%
50001 - 100000	24	4%	715 550	2.27%
over 100000	38	6%	29 218 129	92.81%
Total	641	100%	31 482 887	100.00%

Major Shareholders

Stanbic Nominees Botswana (Pty) Ltd Re-BIFM	11.07%
State Informatics Limited	8.26%



FINANCIAL RESULTS

	1999 BWP	2000 BWP	2001 BWP	2002 BWP	2003 BWP
RPC group					
Revenue	7,899,947	11,321,342	27,198,332	35,759,508	28,767,249
Gross Profit	3,524,474	5,533,093	9,246,169	11,865,462	9,545,961
Profit before tax	2,360,562	3,715,036	4,826,920	5,776,219	1,431,490
Profit after tax	1,833,312	3,123,232	3,749,193	4,584,918	940,320
Year-on year growth %					
Revenue	122%	43%	140%	31%	-20%
Gross Profit	47%	57%	67%	28%	-20%
Profit before tax	223%	57%	30%	20%	-75%
Profit after tax	240%	70%	20%	22%	-79%

Core business

Revenue	7,899,947	11,321,342	16,834,189	22,159,302	21,311,019
Gross Profit	3,524,474	5,533,093	8,226,020	9,024,885	7,716,957
Profit before tax	2,360,562	3,715,036	5,533,093	5,761,557	1,615,791
Profit after tax	1,833,312	3,123,232	4,278,822	4,574,540	1,048,844
Year-on year growth %					
Revenue	122%	43%	49%	32%	-4%
Gross Profit	47%	57%	49%	10%	-14%
Profit before tax	223%	57%	49%	4%	-72%
Profit after tax	240%	70%	37%	7%	-77%

New business

Revenue	-	-	10,364,143	13,600,206	-
Gross Profit	-	-	1,020,149	2,840,578	-
Loss before deferred tax	-	-	(706,172)	(285,896)	-
Loss after deferred tax	-	-	(529,629)	(213,803)	-

New business represents Mid Africa Value Added Distributors which commenced operations in November 2000 and ASC Services (Pty) Ltd which commenced trading in July 2001

MARKET STATISTICS

Profit after tax	1,833,312	3,123,232	3,749,193	4,584,918	940,320
Goodwill amortisation	-	499,261	901,893	801,481	871,481
Headline earnings	1,833,312	3,622,493	4,651,086	5,386,399	1,811,801
Total number of shares in issue	20	29,806,060	31,482,887	31,482,887	31,482,887
Weighted shares in issue	20	18,057,718	31,152,116	31,482,887	31,482,887
Share price in thebe		170.00	140.00	135.00	70.00
Interim dividend		2.90	4.00	4.00	-
Final dividend		3.40	4.44	4.82	2.87
Dividend per share		6.30	8.44	8.82	2.87
Headline earnings per share fully diluted (t)		12.15	14.77	17.11	5.75
Price/Earnings ratio		13.99	9.48	7.89	12.16
Dividend yield %		3.71%	6.03%	6.53%	4.10%

Headline earnings per share has been calculated using the total number of shares in issue at the respective year ends, after adjusting profit after tax for goodwill amortisation.



RPC Data Board Members

(Left to right): Mr. J.R. Pool, Managing Director, Mr P. D. Sunners, Mrs. S. Raja Ram, Mr. P. L. Paledi, Mr. N. W. Armstrong, Chairman, K Naik (not in picture).

Incorporated in the Republic of Botswana
Registration Number 89/1844
Date of Incorporation 19 December 1989

Nature of Business
The company is engaged in software sales, development and implementation.

Physical Address:
Plot 39, Gaborone International Commerce Park
Gaborone West
Gaborone

Company Secretary:
Mr John Robert Pool
Private Bag BR28
Gaborone

Transfer Secretaries:
Corpserve Botswana (Pty) Ltd
Plot 39, Gaborone International Commerce Park
Gaborone West
Gaborone

Registered Office:
Plot 50371 Fairground Office Park
Gaborone
P O Box 294
Gaborone

Independent Auditors:
PricewaterhouseCoopers
Plot 50371 Fairground Office Park
Gaborone

Attorneys/Legal Advisors:
Armstrongs
5th Floor, Barclays House Khama Crescent
Gaborone

Bankers:
Standard Chartered Bank Botswana Limited
Barclays Bank of Botswana Limited



Chairman's Report



Mr. N W Armstrong
Chairman

This year was a difficult one for the RPC Group with the downturn in global IT spending finally catching up with us. I am happy to be able to say however that despite a severe reduction in business, and despite difficulties with some of our new business development projects, we have returned another profit. In addition we have signed contracts for a number of large new projects that will ensure continued profitability for the next few years.

We maintain our dividend policy to pay 50% of headline earnings. The dividend is reduced to 2.87 thebe due to the reduction in earnings compared to previous years, and the need to conserve resources needed to execute new contracts.

Our regional expansion policies have had mixed fortunes, with success in Uganda being offset by a difficult year in Zambia.

In line with our strategic plans, and also in response to this difficult year, we have made some structural changes to the group. The most significant change is to sell a significant shareholding in Mid Africa Value Added Distributors (Pty) Ltd to an international investor, leaving RPC Data with a 20% shareholding. We have also restructured the companies internal administration systems reducing overheads significantly. These actions have been taken because of our assumption, now substantiated, that there would be significantly reduced sales of Oracle software in the Sub Saharan Africa region as Oracle's credit policies tighten.

We are confident of long term success for our Zambia office which has won limited business in its first two years, and our office there remains in operation though we have scaled down the staffing in the short term.

The successes in Uganda revolve around contracts won with HP and Oracle to work as part of the team on the World Bank sponsored Government IFMIS (Integrated Financial Management

Information System) project. As a result of this we are exploring initiatives to obtain more business in this developing market.

Our domestic joint venture, Authorised Support and Consultancy Services (ASC), a specialist network and systems support company, completed its second year of business. The business has again recorded an operating loss although it operated profitably in the second half of the year. The customer base is growing and the retention of existing customers has been excellent.

However it remains our goal to grow the business by providing a broader range of services without losing focus on core business in the domestic market, and to develop a wider geographical footprint to expand business opportunities in its traditional strength areas of software development and software package implementation.

The RPC Core business has generated almost all of the revenue and earnings for the group and has performed remarkably well under the circumstances. We are happy to report significant success procuring three large new contracts in the face of growing competition. The work from these new contracts alone will ensure that the group far exceeds its 2003 performance in the coming years.

My thanks go to my fellow non-executive Director, Mr. Paledi, and to the executive directors, management and all company employees who have continued to show commitment and dedication to the growth of all of the businesses of RPC Data Ltd during this challenging year.



N W Armstrong
Chairman
26 August 2003



Managing Director's Report



Mr. J R Pool
Managing Director

Introduction

Whilst the year ended 31 May 2003 was a difficult one for the RPC Group we are entering the new Financial Year with full order books as a result of the successes of our Sales Team in Botswana and the region. We also enter the new financial year with a restructured business as a consequence of the varying success from our expansion policies in the region.

The most significant change in this restructuring program has been the decision to reduce the shareholding in Mid Africa from 51% to 20%. This decision was made based on an assessment that sales of Oracle Software in the region were likely to fall over the coming years as a result of reduced product marketing by Oracle and due to changes in pricing, discounting and revenue recognition policies.

The previously reported expansion of the Mid Africa business into a) new territories (specifically Cape Town), b) products and c) services, coupled with the potential downturn in Oracle Sales made additional investment into the business essential. The RPC Data board felt it was not prudent to make that additional investment, so a new investor was sought and found. An analysis of the performance of the business and the restructure is found in the section on Mid Africa.

Another significant action has been the restructure of the Zambia business in order to reduce costs and yet maintain the presence required to allow RPC to be in prime position to bid for the substantial government business expected in the coming year.

In contrast our prospects in Uganda have come to fruition and RPC Data will be involved as part of the team to implement the Integrated Financial Management System (IFMIS) for the Government of Uganda in the financial year 2003/2004. At the date of writing this report, the project had already commenced.

Another prospect reported last year was the potential business that should accrue from the Oracle Payroll Localisation. Although this has taken off slowly we are able to report that the first system has already been installed in Botswana and that a project

commenced in June to implement the system for the Government of Botswana.

Our commitment to the Open Source Initiative and the implementation of Linux and other Open Source software products remains a long-term goal.

Despite the difficulties already mentioned, we have been able to retain all key staff and at the same time contain the growth in overheads.

Trends

The year has been notable for

- ◆ general slowdown in the IT market in the region that has affected sales of Oracle and other software products
- ◆ a reduction in planned Botswana Government spending
- ◆ a reduction in margins on software sales
- ◆ extension of sales cycles for new projects
- ◆ unprecedented appreciation of the Rand and the Pula against the US Dollar
- ◆ a move away from traditional software development techniques and tools
- ◆ a move towards Citizen empowerment in Botswana

Whilst the problems caused by the currency fluctuations cannot be easily predicted, compensated for or managed, RPC has recognised the other trends and has taken significant steps to address them.

Our strategy of developing markets outside of the country continues with a more conservative approach to the investments.

The quiet year has enabled us to focus some of our resources on the implementation new software development standards based around industry best practice.

The recognition of a need to focus on re-usable software has resulted in substantial energy being devoted to developing new software engineering techniques. These have already been used to deliver two systems. Two successful projects have already been delivered to major corporate clients using these techniques, a document imaging system and a student administration system.

In addition we have developed a generic Document Imaging product which is attracting significant interest in all sectors of the Botswana market and in the region. This system is currently been marketed in the region as a Joint Venture with a document management company.

Another key focus is to develop an increased market share in business outside of the Government in Botswana. This will be achieved by reviewing and introducing other software products into our portfolio in the wake of the successful introduction of the Mincom products into the Market.

Other Information

RPC's application for membership status of the International Financial Services Centre (IFSC) has been approved by the IFSC and is currently being finalised with the Bank of Botswana. Once

Managing Director's Report (continued)

this is complete it will mean that earnings from our regional businesses will be taxed at the lower rate of 15% thus ensuring higher earnings for the shareholders.

Group Financial Performance

The Group accounts show a headline earnings of just over P 1.8 million that is almost 66% down on last year.

Direct comparisons of Turnover, Cost of Sales and Gross Profit are meaningless at a Group level because the Mid-Africa results are only consolidated to 30 November 2002.

The decreased earnings are as a result of a small reduction in revenue, increases in costs and a number of one off costs.

Sales Revenue in the business, excluding Mid Africa, has been lower than expected in all sectors, most of which can be attributed to a general slowdown in the IT market, which has affected sales of Oracle and other software products. Another problem however is due to extended sales cycles with projects. The increase in value of the Pula and Rand against the major currencies has also had a significant effect in the Pula value of sales denominated in US\$.

An analysis of the change in Operating expenses is only meaningful after removing the Mid Africa costs from both years and Zambia costs from the current year. This then shows an effective increase in operating costs of only 10%

	Year 2003	Year 2002	Variance	Variance
Operating Expenses per Income Statement	8,575,542	7,596,385	979,157	13%
Zambia Operating Expense	(653,934)			
Loss on writedown of shareholders loan	(541,716)			
Profit on sale of shares in Mid Africa	118,804			
Mid Africa Operating Expense	(1,224,194)	(1,899,916)		
Adjusted Operating Expenses	6,274,502	5,696,469	578,033	10%

More importantly however the reduction in earnings can be further analysed to a number of one off costs as follows

Analysis of reduction in RPC Earnings	Pula
Loss attributable to Zambia	695,963
Profit on Sale of Mid Africa Shares	(118,804)
Loss on writedown of shareholders loan	541,716
Decrease of Other Operating Income	725,488
Decrease in Net Finance Income	248,578
Total	2,096,035

The Zambian office has made an operating loss of P 695,963 during the year and as a result the size of the office has been significantly scaled down and is expected at worst to break even in the new financial year.

The total loss on sale of Mid Africa shares is P 422,912, a combination of the profit on sale of shares and the loss on the writedown of the shareholders loan of P541,716.

Other operating income has largely been as a result of the depreciation of the currency against the major currencies. The

unusual increase in value of the Pula and Rand has meant that this income has decreased by P 725,488 over the previous year. Whilst it is impossible to predict the direction in the coming year it is unlikely that the Pula will continue to revalue.

The reduction of Net Finance income comes as a result of holding US\$ deposits during a period of dollar devaluation. Other operating income has always been a substantial contributor to revenues and largely comes from exchange gains on US\$ deposits and debtors. Such gains have not occurred in the period in question.

Without these essentially one off costs headline earning would have been at a much healthier level of almost P 3.5 M.

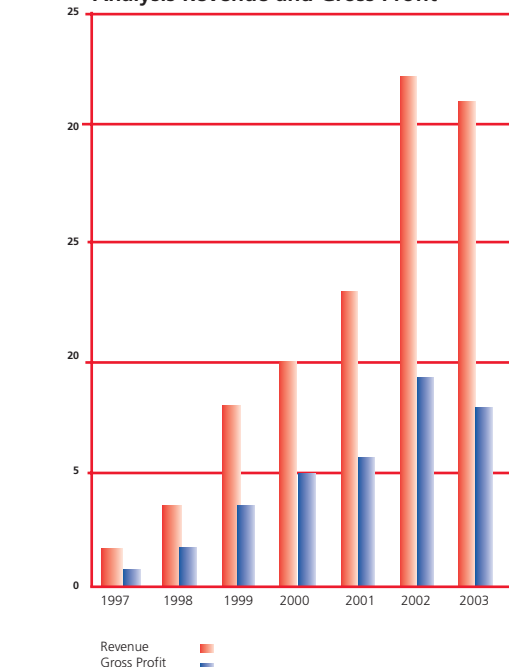
Prospects

Core Business

With the change in the group structure the RPC Core business contributed almost all the revenue to the group. Turnover in this case was only down by 5% in a very difficult year. Cost of Sales remained stable resulting in a 14% reduction in GP from last year.

The successes of the business are not reflected in the financial results and lie with the business that has been secured for the coming two years. These new contracts primarily with the Botswana Government have already commenced and will result in an increase in Sales Revenue in the core business of at least 100% in the coming year.

P Millions Analysis Revenue and Gross Profit



GP from software sales is however down from the levels enjoyed in previous years by varying percentages depending on the product and the size of the sale.



Managing Director's Report (continued)

The recognition that the only way to ensure that the contribution to GP from software sales stays at current levels is to sell significantly more software has prompted the regional strategy and reinforced the objective stated in last years report to grow the consulting and services division. It is important to recognise that the Group can now achieve these objectives without changing its cost base.

RPC Data continues to hold the coveted status of being the only Oracle Certified Advantage Partner in the region. This partner status has now been renewed for the third year.

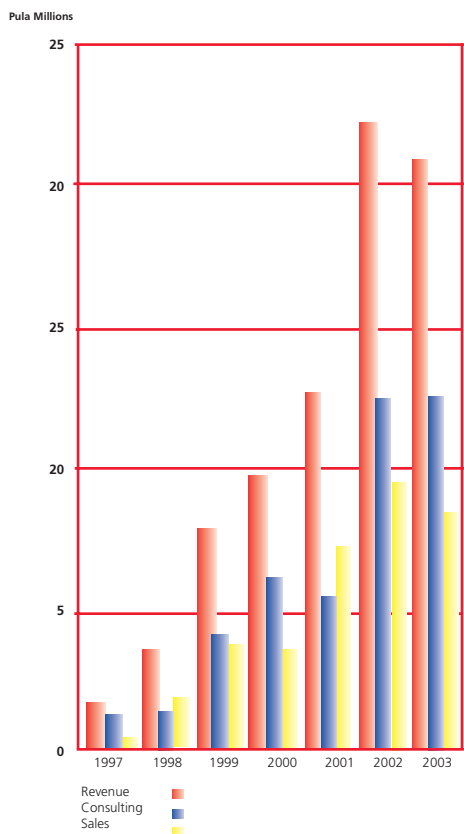
Our relationships with Mincom and iflex remain in place and there is substantial new project work with Mincom in the pipeline for the coming year

Revenue Analysis

One of the factors attributed to reduced revenues has been the reduction in product sales revenues. As can be seen our consulting revenues have in fact remained stable and the reduction in overall revenue is due to a slow down in product sales.

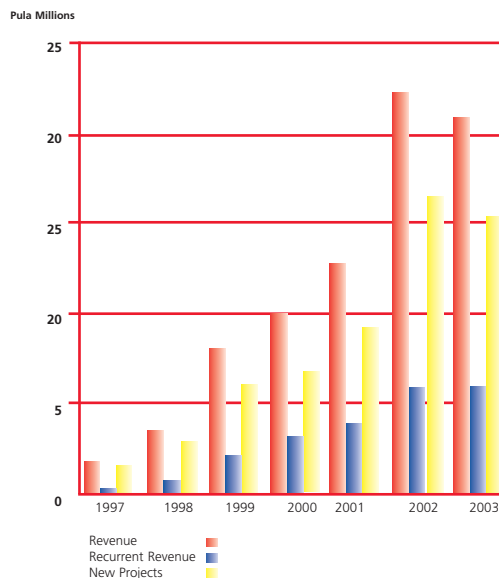
It is anticipated that both Sales and Consulting revenues will rise substantially in 2003/2004 however margins on Sales Revenue will drop.

Revenue Sales and Consulting



An analysis of recurrent revenue versus new project revenue shows that recurrent revenue from maintenance contracts has remained steady against a slight drop in new project revenue. The new financial year promises a significant increase in new project revenue and as these projects are completed they will add to the recurrent revenue in future years through maintenance contracts.

Analysis Recurrent vs. New Revenue



Training

Training revenue rose by 88% and is expected to rise substantially in the new financial year with the training centre already fully booked to the end of July. A more serious focus on training has been achieved with the result that we have been appointed as an Oracle Authorised Education centre. One of the advantages of this will be reduced training costs and increased margins

ASC Services (Pty) Limited

ASC Services, the services arm of the Joint Venture between RTAA (Pty) Ltd Africa and RPC Data, has now completed its second year of operation in Botswana.

The core focus of the joint venture company was to establish a service-based company within the ITC sector of Botswana. The services component of any ITC investment is seen as a significant growth area and more recently the industry has seen a shift with reduced spending on hardware and more annual budget being allocated to software and related services

The transfer of RPC Data's existing service contracts and all related service work from the established customer base of RPC Data significantly boosted the start-up of ASC Services. The key role for Realtime Technology Alliance Africa (RTAA) was to provide the management and technical expertise of the service company since RTAA has done this successfully in Zimbabwe over the last 20 years. RTAA, formerly Realtime Computers, was initially created

Managing Director's Report (continued)

within Zimbabwe in 1980 to address the I.T. needs of Zimbabwean companies through a successful Group of IT sales and service companies.

The majority of customers inherited from RPC were companies in the Private sector. Therefore this segment has been the prime focus of the company however the last year saw some significant work being done for large parastatals. The products on offer to the customers have also been diversified differentiating ASC Services from the more traditional service providers. The investment made in employing high calibre engineers is also fundamental to the continued success of the company.

The main goal for the Management was to make ASC Services self-sustainable and the secondary goal was to expand the Contract customer base to cover the operational costs.

Both goals have been achieved with the customer base has growing by over 30%, turnover up by almost 50% and the business now being profitable on a month by month basis.

Associate Companies

Advancenet

RPC Data is a 30% shareholder in AdvanceNet a Joint Venture with RTAA (Pty) Ltd Africa and Advancenet SA. It has also completed its second year of operation in Botswana.

The core focus of the joint venture company was to establish a retail company within the ITC sector of Botswana.

This business is modelled around the highly successful customer oriented company, AdvanceNet South Africa. The branding of AdvanceNet was first introduced in South Africa over 10 years ago and has become a well-established provider of IT solutions in the region. AdvanceNet stands out from the majority of IT resellers in that it has considerable expertise on all its product ranges and the use of those products. These differentiators are key attributes to have and very important when trading in the very competitive market of IT. Thus it is able to combine the products available only to AdvanceNet with products that are available to the rest of the market and create a niche that the competition find very difficult to penetrate. Identifying market areas not covered by the existing competition and targeting them are pivotal for market penetration.

The expertise of the staff and the access to ASC Services a service provider for IT solutions are also critical for further penetration.

The replication of this business model and introduction of the AdvanceNet brand in Botswana should achieve similar results. Therefore the establishment of AdvanceNet is a strategic and good long-term investment when considering the above.

RTAA (Pty) Ltd Africa has successfully secured the regional SUN Microsystems Reseller status for Botswana, Zimbabwe and Zambia.

Other key brands that AdvanceNet markets and sells include, Microsoft, Cisco, AdvanceNet PCs, Symantic Anti-Virus and Cirrus secure cheque-printing products.

Mid Africa Value Added Distributors

RPC still retains a 20% interest in Mid Africa Value Added Distributors.

Much of the new finance to be introduced by the new investor will be introduced as equity hence providing a solid base from which to grow.

The new investment will be used to assist in re-orientating the business focus by adding more products to the distribution side of the business thus reducing the reliance on sales of the Oracle product set across the region.

The business will also continue to offer Oracle direct to the market in South Africa through its Cape Town office. In addition the Cape Town office offers consulting services and training to the region.



J R Pool
Managing Director
26 August 2003



Corporate Governance

Corporate Governance is the process, by which companies are directed, controlled and risk managed. Directors of the Board are responsible for the governance of the company whereas the shareholders' role is to appoint the directors and external auditors.

The concept of Corporate Governance continues to grow as the principles outlined in reports such as King Report in South Africa and the Cadbury and Turnbull reports in the United Kingdom are adopted.

The Board of Directors

The Board is aware of its responsibilities to operate the company with integrity and according to accepted codes of corporate conduct. It is responsible for maintaining a system of internal control at an appropriate level. The Board is responsible for the preparation and integrity of the annual financial statements and the related financial information in this annual report. The financial statements are prepared in accordance with International Financial Reporting Standards and they incorporate full and responsible disclosure to ensure that the information contained therein is relevant and reliable.

The Board is chaired by an independent non-executive director and includes two other non-executive directors. The remaining directors hold executive roles and all directors have extensive experience, which is brought to bear in the overall governance of the Group. The Board meets on a quarterly basis to monitor performance against business plan as well as to formulate and implement group policy.

Remuneration Committee

The Board has appointed a committee comprising one non-executive and one executive director to administer the Employee Share Option Scheme. The committee has the power to issue up to 1% of the issued share capital of the company to approved participants in the scheme. This is in line with existing company policy and will ensure that members of the executive team are remunerated commensurate with their responsibility and effectiveness, within the context of the surrounding economic environment.

Audit Committee

The Board appointed an Audit Committee during the year. The Audit Committee consists of one non-executive and one executive director and meets at least once a year. The objective of the Audit Committee is to ensure that management has created and maintained an effective control environment within the organisation and that management demonstrates and stimulates the necessary respect of internal control structure among all parties.

Risk Management

The Board is responsible for the total process of risk management and internal control. Management is accountable to the Board for designing, implementing and monitoring the process of risk management. The process is regularly reviewed for effectiveness.

External auditors

The external auditors are responsible for the independent review and the expression of an opinion on the reasonableness of the financial statements based on the audit.



Annual Financial Statements

Contents

Approval of Financial Statements	11
Report of the Independent Auditors	12
Income Statements	13
Balance Sheets	14
Consolidated Statement of Changes in Equity	15
Company Statement of Change in Equity	16
Cash Flow Statements	17
Accounting Policies	18 - 20
Notes to the Financial Statements	21 - 30



Approval of Financial Statements

For the year ended 31 May 2003

Statement of Responsibility

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Botswana Companies Act (CAP 42:01).

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the group or any company within the group will not be going concerns in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the company and the group.

The financial statements have been audited by the independent accounting firm PricewaterhouseCoopers, which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate. PricewaterhouseCoopers' audit report is presented on page 12.

The financial statements set out on pages 13 to 30 were authorised for issue by the board of directors and are signed on their behalf by:

N W Armstrong
Chairman
26 August 2003

J R Pool
Managing Director



Report of the Independent Auditors

To the members of RPC Data Limited

We have audited the annual financial statements and group financial statements of R P C Data Limited set out on pages 13 to 30 for the year ended 31 May 2003. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Botswana Companies Act (CAP 42:01) and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

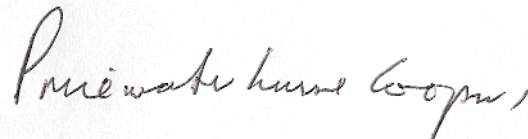
- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.
- assessing the accounting principles used and significant estimates made by management,
- evaluating the overall financial statement presentation.

We have examined the books, accounts and vouchers of the company to the extent we considered necessary and have obtained all the information and explanations which we required. We have satisfied ourselves of the existence of the securities. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- the company has kept proper books of account with which the financial statements are in agreement; and
- the financial statements give a true and fair view of the state of affairs of the company and group as of 31 May 2003 and of the results of their operations, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Botswana Companies Act (CAP 42:01)

Without qualifying our opinion we draw attention to note 30 of the financial statements regarding the pending litigation to which the company is a party.

A handwritten signature in black ink, appearing to read 'Ponéwate hune Cooper', written over a light grey rectangular background.

Gaborone
26 August 2003

Certified Public Accountants

INCOME STATEMENTS

For the year ended 31 May 2003

	Notes	Group		Company	
		2003 BWP	2002 BWP	2003 BWP	2002 BWP
Revenue	1	28 767 249	35 759 508	21 311 019	22 159 302
Cost of sales		(19 221 288)	(23 894 046)	(13 594 062)	(13 134 417)
Gross profit		9 545 961	11 865 462	7 716 957	9 024 885
Other operating income	5	138 435	863 923	155 096	815 319
Dividend income		-	-	-	2 505 322
Impairment of investment on reorganisation		-	-	-	(2 505 322)
Amortisation of goodwill	9	(871 481)	(801 481)	(801 481)	(801 481)
Profit on disposal of subsidiary	2	118 804	-	-	-
Operating expenses		(7 822 864)	(6 794 904)	(6 214 515)	(4 308 059)
Operating profit	3	1 108 855	5 133 000	856 057	4 730 664
Share of associated company losses		(72 005)	-	-	-
Net finance income	6	394 640	643 219	759 734	1 030 893
Profit before taxation		1 431 490	5 776 219	1 615 791	5 761 557
Taxation	7	(491 170)	(1 191 301)	(566 947)	(1 187 017)
Profit after taxation		940 320	4 584 918	1 048 844	4 574 540
Loss attributable to minority		-	98	-	-
Net profit for the year		940 320	4 585 016	1 048 844	4 574 540
Basic earnings per share (thebe)	17	2.99	14.56		
Dividends per share (thebe)	17	2.87	8.82		

BALANCE SHEETS

As at 31 May 2003

	Notes	Group		Company	
		2003 BWP	2002 BWP	2003 BWP	2002 BWP
ASSETS					
Non-current assets					
Property, plant and equipment	8	3 737 911	3 956 752	1 376 408	1 317 369
Intangible assets	9	6 627 580	7 000 088	6 347 580	6 650 088
Investment in subsidiaries	10	-	-	3 104	3 614
Investment in associated companies	11	35 996	90 000	90 000	90 000
Loans due from subsidiaries	12	-	-	2 658 176	3 631 323
Deferred tax assets	19	191 095	172 259	-	-
		10 592 582	11 219 099	10 475 268	11 692 394
Current assets					
Inventories		-	71 816	-	-
Work in progress	20	1 640 645	1 870 193	1 640 645	1 870 193
Receivables and prepayments	13	10 258 233	23 223 885	10 530 416	10 445 094
Cash and cash equivalents	14	2 963 948	8 109 261	2 928 124	7 337 303
		14 862 826	33 275 155	15 099 185	19 652 590
Total assets		25 455 408	44 494 254	25 574 453	31 344 984
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	15	1 574 144	1 574 144	1 574 144	1 574 144
Share premium	16	12 984 774	12 984 774	12 984 774	12 984 774
Retained earnings		4 435 684	4 398 923	5 062 871	4 917 586
Proposed dividend		903 559	1 518 384	903 559	1 518 384
		19 898 161	20 476 225	20 525 348	20 994 888
Non-current liabilities					
Interest bearing borrowings	18	13 177	25 451	-	-
Deferred tax liabilities	19	12 569	12 569	12 569	12 569
		25 746	38 020	12 569	12 569
Current liabilities					
Trade and other payables	21	5 269 779	22 280 157	4 774 814	8 637 675
Current tax liabilities		261 722	1 699 852	261 722	1 699 852
		5 531 501	23 980 009	5 036 536	10 337 527
Total liabilities		5 557 247	24 018 029	5 049 105	10 350 096
Total equity and liabilities		25 455 408	44 494 254	25 574 453	31 344 984

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 May 2003

Group	Share capital BWP	Share premium BWP	Retained earnings BWP	Proposed dividend BWP	Total BWP
Balance at 1 June 2001	1 574 144	12 984 774	2 994 163	1 398 319	18 951 400
Restatement of investment on consolidation	-	-	(402 557)	-	(402 557)
Net profit for the year	-	-	4 585 016	-	4 585 016
Dividends					
- Prior year paid	-	-	-	(1 398 319)	(1 398 319)
- Interim paid	-	-	(1 259 315)	-	(1 259 315)
- Final proposed	-	-	(1 518 384)	1 518 384	-
Balance at 31 May 2002	1 574 144	12 984 774	4 398 923	1 518 384	20 476 225
Balance at 1 June 2002	1 574 144	12 984 774	4 398 923	1 518 384	20 476 225
Net profit for the year	-	-	940 320	-	940 320
Dividends					
- Prior year paid	-	-	-	(1 518 384)	(1 518 384)
- Final proposed	-	-	(903 559)	903 559	-
Balance at 31 May 2003	1 574 144	12 984 774	4 435 684	903 559	19 898 161

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 May 2003

Company	Ordinary shares BWP	Share premium BWP	Retained earnings BWP	Proposed dividend BWP	Total BWP
Balance at 1 June 2001	1 574 144	12 984 774	3 120 745	1 398 319	19 077 982
Net profit for the year	-	-	4 574 540	-	4 574 540
Dividends					
- prior year paid	-	-	-	(1 398 319)	(1 398 319)
- interim paid	-	-	(1 259 315)	-	(1 259 315)
- final proposed	-	-	(1 518 384)	1 518 384	-
Balance at 31 May 2002	1 574 144	12 984 774	4 917 586	1 518 384	20 994 888
Balance at 1 June 2002	1 574 144	12 984 774	4 917 586	1 518 384	20 994 888
Net profit for the year	-	-	1 048 844	-	1 048 844
Dividends					
- prior year paid	-	-	-	(1 518 384)	(1 518 384)
- final proposed	-	-	(903 559)	903 559	-
Balance at 31 May 2003	1 574 144	12 984 774	5 062 871	903 559	20 525 348

CASH FLOW STATEMENTS

For the year ended 31 May 2003

	Notes	Group		Company	
		2003 BWP	2002 BWP	2003 BWP	2002 BWP
Operating activities					
Cash generated from operations	24	(1 234 500)	5 036 862	(1 648 759)	1 673 151
Net interest received		394 640	643 219	759 734	1 030 893
Taxation paid		(2 232 835)	(1 941 209)	(2 232 835)	(1 494 445)
Net cash (utilised in)/generated from operating activities		(3 072 695)	3 738 872	(3 121 860)	1 209 599
Investing activities					
Purchase of property, plant and equipment		(858 930)	(888 420)	(787 993)	(1 029 558)
Proceeds from disposal of investments		-	-	310	-
Loan due from subsidiary		-	-	973 147	(163 663)
Disposal of plant and equipment with subsidiary		267 247	-	-	-
Intangible assets		(498 973)	(864 652)	(498 973)	(514 652)
Proceeds from sale of property, plant and equipment		320 938	190 595	316 816	190 595
Minority interest		-	98	-	-
Net cash from/(used in) investing activities		(769 718)	(1 562 379)	3 307	(1 517 278)
Financing activities					
Net change in long term payables		(12 274)	(1 683 281)	-	(1 683 281)
Dividends received from subsidiary		-	-	-	2 505 322
Dividends paid	22	(1 290 626)	(2 258 989)	(1 290 626)	(2 258 989)
Net cash used in financing activities		(1 302 900)	(3 942 270)	(1 290 626)	(1 436 948)
Decrease in cash and cash equivalents		(5 145 313)	(1 765 777)	(4 409 179)	(1 744 627)
Movement in cash and cash equivalents					
At beginning of the year		8 109 261	9 875 038	7 337 303	9 081 930
Decrease		(5 145 313)	(1 765 777)	(4 409 179)	(1 744 627)
At the end of the year	14	2 963 948	8 109 261	2 928 124	7 337 303

Accounting Policies

For the year ended 31 May 2003

The following principal accounting policies which have been adopted by the Company and Group are consistent with previous periods.

1. Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards.

Segment information

Operations of the Group mainly comprise of hardware and software sales, systems development and implementation and property holding. These operations are regarded as one business segment.

Operations of the Group are carried out principally in Botswana.

2. Basis of consolidation

The consolidated financial statements include those of RPC Data Limited and its subsidiaries RPC Data Consulting (Pty) Limited, ASC Services (Pty) Limited and RPCDL Properties (Pty) Ltd. The operations of Mid Africa Value Added Distributors (Pty) Ltd are consolidated up to the date of disposal being 1 December 2002. The operations of RPC Data Consulting (Pty) Limited were merged with those of RPC Data Limited with effect from 1 June 2001 and the company became dormant.

Subsidiary undertakings are those companies in which the Group has an interest of more than one half of the voting rights, or otherwise has the power to exercise control over their operations. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date such control ceases.

Inter-group sales and profits are eliminated on consolidation and all revenue and profit figures relate to external transactions only.

The loss of ASC Services (Pty) Limited, a 51% owned subsidiary, is consolidated in full in these financial statements.

3. Investment in associates

Investments in an associate undertakings are accounted for by the equity method of accounting. These are undertakings over which the group has between 20% and 50% of the voting rights, and over which the group exercises significant influence, but which it does not control. Provisions are recorded for long term impairment in value.

When the Group's share of losses in an associate equals or exceeds its interest in an associate, the Group does not recognise further losses unless the Group has incurred obligations or made payments on behalf of the associate.

4. Property, plant and equipment and depreciation

Property, computer equipment, office furniture and equipment and motor vehicles are included at cost less depreciation. Depreciation is calculated on the straight-line method to write off the cost of each asset over its estimated useful life as follows;

Leasehold land and buildings	40 years
Computer equipment	4 years
Office furniture and equipment	4 years
Motor vehicles	4 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

5. Deferred taxation

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax. The principal temporary differences arise from depreciation on plant and equipment.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

6. Revenue recognition

Revenue comprises income from software sales, software development, systems implementation and commission on sale of software packages, together with related training and maintenance contracts and interest income and is recognized as follows;

Hardware and software sales:

On delivery of the hardware and software

Software development and systems implementation:

At the billing intervals stated in the contracts.

Commissions on sale of software:

On delivery of the software

Training and maintenance contracts:

Over the period of the contract.

Interest:

As it accrues.

7. Work in progress

Work in progress on contracts is valued at direct cost together with a proportion of related overheads. The principal portion of the direct costs comprises of labour costs.



Accounting Policies

For the year ended 31 May 2003 (continued)

8. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks and short term investments, net of any bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

9. Foreign currencies

Assets and liabilities expressed in foreign currencies are translated to Botswana Pula at the rates ruling at the end of the financial year. Foreign currency transactions during the year are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the statement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

10. Taxation

Taxation is provided using the gross method of taxation and is charged on the net income for the year after taking into account income and expenditure which is not subject to taxation and capital allowances on property, plant and equipment. Withholding tax at 15% is payable on the gross amount of dividends and is set off against additional company tax in the year in which the dividends are paid.

11. Provisions

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

12. Trade receivables and prepayments

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

13. Intangible assets

Goodwill

Goodwill comprises purchased goodwill and represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition. Goodwill is amortised using the straight-line method over 10 years.

The cost of purchasing networking contracts by a subsidiary company has been recognised as an intangible asset as its economic benefit exceeds one year. This cost is written off over a period of 5 years, being the expected life of the benefit.

Computer software development costs

Generally costs associated with developing or maintaining

computer software programmes are recognised as an expense as incurred. However, costs that are directly associated with identifiable and unique software products controlled by the group and developed for sale are recognized as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Impairment of intangible assets

When indication of impairment exists, the carrying amount of any intangible asset, including goodwill, is assessed and written down immediately to its recoverable amount.

14. Related party transactions

Transactions with related parties are disclosed within operating profits and balances are disclosed within trade or other receivables and payables respectively. All related party transactions are on an arms length basis.

15. Financial instruments and risk management

The balance sheet includes assets and liabilities, reflected at fair values, which are subject to market risks. The fair value of liabilities approximates their carrying values. Details of these assets and liabilities are set out in the notes to the financial statements. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

16. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first in first out method (FIFO). Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

17. Share Capital

Ordinary shares are classified as equity.

External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction, net of tax, in equity from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of the acquisition.

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

18. Leased assets

Leases of furniture, equipment and motor vehicles where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the present value of underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of return on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest bearing borrowings. The interest element of the finance charges is charged to the income statement over the lease

period. The assets acquired under finance leasing contracts are depreciated over the useful lives of the assets.

Leases of assets under which the lessor effectively retains all the risks and benefits of ownership are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

19. Terminal benefits

For employees who are citizens of Botswana, the company has implemented the requirements of the Botswana Labour Act relating to severance benefits.

Expatriate employees are paid gratuities in terms of their employment contracts.

20. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Notes to the Financial Statements

For the year ended 31 May 2003

1. Revenue

Revenue represents income from and software sales, software development, systems implementation and commissions on sale of software packages, together with related training and maintenance contracts.

2. Profit on disposal of subsidiary

On 1 December 2002 RPC Data Limited disposed of 31% of the holding in Mid Africa Value Added Distributors (Pty) Limited reducing the holding to 20%. The results of Mid Africa Value Added Distributors (Pty) Limited have been consolidated up to 30 November 2002 and treated as an associate company for the purpose of the Group financial statements at 31 May 2003. The details of the disposal are as follows:

	2003 BWP	Group 2002 BWP	2003 BWP	Company 2002 BWP
Cost of shares sold	(310)	-	(310)	-
Sales proceeds from disposal	310	-	310	-
Retained losses eliminated	118 804	-	-	-
Profit on disposal	<u>118 804</u>	<u>-</u>	<u>-</u>	<u>-</u>

3. Operating profit

The following items have been charged/(credited) in arriving at operating profit:

Depreciation on property, plant and equipment				
- owned assets (note 8)	605 439	605 939	539 315	545 801
- leased assets (note 8)	10 863	-	-	-
Operating lease payments- property (note 26)	-	-	240 000	125 100
(Profit)/loss on sale of property and equipment	(126 716)	10 269	(127 177)	10 269
Amortisation of goodwill	871 481	801 481	801 481	801 481
Profit on disposal of subsidiary (note 2)	(118 804)	-	-	-
Provision for loan due from associate company	541 716	-	541 716	-
Exchange losses/(gains)	11 929	(315 798)	11 929	(267 567)
Directors' remuneration				
- for management services	1 230 506	1 553 500	1 230 506	1 313 500
- as directors fees	61 050	48 000	61 050	48 000
Audit fees				
- prior year under provision	15 700	-	15 700	-
- current year	86 500	82 500	68 000	72 000

4. Staff costs

Wages and salaries	7 366 151	6 610 525	7 017 481	6 134 691
Termination benefits	116 714	144 519	116 714	144 519
	<u>7 482 865</u>	<u>6 755 044</u>	<u>7 134 195</u>	<u>6 279 210</u>

Average number of employees	65	60	58	54
-----------------------------	----	----	----	----

5. Other operating income

Exchange (losses)/gains	(11 929)	315 798	(11 929)	267 567
Sundry income	23 648	558 394	39 848	558 021
Profit/(loss) on sale of fixed assets	126 716	(10 269)	127 177	(10 269)

	<u>138 435</u>	<u>863 923</u>	<u>155 096</u>	<u>815 319</u>
--	----------------	----------------	----------------	----------------

Notes to the Financial Statements

For the year ended 31 May 2003

	Group		Company	
	2003 BWP	2002 BWP	2003 BWP	2002 BWP
6. Net finance income				
Interest income	410 451	643 592	759 734	1 030 893
Interest expense				
- bank borrowings	-	373	-	-
- finance leases	15 811	-	-	-
Interest expense	15 811	373	-	-
	394 640	643 219	759 734	1 030 893
7. Taxation				
Botswana company tax				
Basic tax at 15%	482 329	1 020 004	476 823	1 020 004
Additional tax at 10%	321 553	680 003	317 882	680 003
	803 882	1 700 007	794 705	1 700 007
Share of associated company tax	(18 001)	-	-	-
Deferred taxation	(66 953)	4 284	-	-
	718 928	1 704 291	794 705	1 700 007
Prior year overprovision	-	(114 345)	-	(114 345)
Set off of withholding tax on dividends paid	(227 758)	(398 645)	(227 758)	(398 645)
	491 170	1 191 301	566 947	1 187 017
The tax on the profit before tax differs from the amount that would arise using the basic tax rate of 25% (2002: 25%) as follows:				
Profit before tax	1 431 490	5 776 219	1 615 791	5 761 557
Tax calculated at 25%	357 873	1 444 055	403 948	1 440 389
Expenses not deductible for tax purposes	405 328	200 370	387 828	200 370
Share of associated company tax	(18 001)	-	-	-
Timing differences	(26 272)	59 866	2 929	50 248
Prior year overprovision	-	(114 345)	-	(114 345)
Set off withholding tax on dividends paid	(227 758)	(398 645)	(227 758)	(389 645)
Tax charge per income statement	491 170	1 191 301	566 947	1 187 017

Notes to the Financial Statements

For the year ended 31 May 2003

8. Property, plant and equipment (Group)

	Leasehold land and buildings BWP	Computer equipment BWP	Furniture & equipment BWP	Motor vehicles BWP	Total BWP
Year ended 31 May 2003					
Opening net book amount	2 558 421	851 144	411 039	136 148	3 956 752
Assets in subsidiary sold	-	(178 840)	(71 512)	(16 895)	(267 247)
Additions	58 557	385 673	152 119	262 581	858 930
Disposals	-	(46 498)	(8 826)	(138 898)	(194 222)
Depreciation charge	(61 728)	(315 809)	(156 239)	(82 526)	(616 302)
Closing net book amount	2 555 250	695 670	326 581	160 410	3 737 911
At 31 May 2003					
Cost	2 679 579	1 792 191	793 830	268 082	5 533 682
Accumulated depreciation	(124 329)	(1 096 521)	(467 249)	(107 672)	(1 795 771)
Net book amount	2 555 250	695 670	326 581	160 410	3 737 911
Year ended 31 May 2002					
Opening net book amount	2 401 547	893 997	373 448	206 143	3 875 135
Additions	206 051	386 708	151 179	144 482	888 420
Disposals	-	(58 469)	-	(142 395)	(200 864)
Depreciation charge	(49 177)	(371 092)	(113 588)	(72 082)	(605 939)
Closing net book amount	2 558 421	851 144	411 039	136 148	3 956 752
At 31 May 2002					
Cost	2 607 598	1 824 421	740 217	230 025	5 402 261
Accumulated depreciation	(49 177)	(973 277)	(329 178)	(93 877)	(1 445 509)
Net book amount	2 558 421	851 144	411 039	136 148	3 956 752

Leased assets which are secured as per note 18 and included above comprise:

	Motor vehicles BWP	Total BWP
Year ended 31 May 2002		
Cost and net book value	43 451	43 451
Year ended 31 May 2003		
Opening net book amount	43 451	43 451
Depreciation	(10 863)	(10 863)
Closing net book amount	32 588	32 588
Year ended 31 May 2003		
Cost	43 451	43 451
Accumulated depreciation	(10 863)	(10 863)
Net book value	32 588	32 588

Details of land and buildings are as follows:

- Section LA591/KO, Plot 30 Farm Forest Hill (Commerce Park), Number 9-LO, held under deed number MA184/99 for 99 years from August 1999 for RPCDL Properties (Pty) Ltd.

-Plot 39325 Block 6, Gaborone, held under Fixed Period State Grant Number 1251/2001 for 99 years from May 2001 for RPC Data Limited.

Notes to the Financial Statements

For the year ended 31 May 2003

8. Property, plant and equipment (Company)

	Leasehold land and buildings BWP	Computer equipment BWP	Furniture & equipment BWP	Motor vehicles BWP	Total BWP
Year ended 31 May 2003					
Opening net book amount	282 169	672 101	270 403	92 696	1 317 369
Additions	-	380 083	145 330	262 580	787 993
Disposals	-	(41 917)	(8 824)	(138 898)	(189 639)
Depreciation charge	(7 098)	(309 555)	(150 999)	(71 663)	(539 315)
Closing net book amount	275 071	700 712	255 910	144 715	1 376 408
As at 31 May 2003					
Cost	283 920	1 767 029	771 795	224 631	3 047 375
Accumulated depreciation	(8 849)	(1 066 317)	(515 885)	(79 916)	(1 670 967)
Net book value	275 071	700 712	255 910	144 715	1 376 408
Year ended 31 May 2002					
Opening net book amount	87 163	571 794	272 368	103 151	1 034 476
Additions	196 757	343 546	47 524	101 030	688 857
Assets taken over from RPC Consulting (Pty) Limited	-	136 629	101 080	102 992	340 701
Disposals	-	(58 469)	-	(142 395)	(200 864)
Depreciation charge	(1 751)	(321 399)	(150 569)	(72 082)	(545 801)
Closing net book amount	282 169	672 101	270 403	92 696	1 317 369
As at 31 May 2002					
Cost	283 920	1 583 029	636 561	199 230	2 702 740
Accumulated depreciation	(1 751)	(910 928)	(366 158)	(106 534)	(1 385 371)
Net book value	282 169	672 101	270 403	92 696	1 317 369

9. Intangible assets

Group	Goodwill BWP	Software Development BWP	Networking contracts BWP	Total BWP
Balance as at 1 June 2002	6 011 105	638 983	350 000	7 000 088
Additions	-	498 973	-	498 973
Amortisation during the year	(801 481)	-	(70 000)	(871 481)
Balance as at 31 May 2003	5 209 624	1 137 956	280 000	6 627 580
Balance as at 1 June 2001	7 215 143	124 331	-	7 339 474
Additions	-	514 652	350 000	864 652
Restatement of investment on consolidation	(402 557)	-	-	(402 557)
Amortisation during the year	(801 481)	-	-	(801 481)
Balance at 31 May 2002	6 011 105	638 983	350 000	7 000 088

Goodwill comprises purchased goodwill arising from reorganisation of RPC Data Limited and RPC Data Consulting (Pty) Ltd.

Software development costs principally comprise internally generated expenditure on major development projects where it is probable that the costs will be recovered through future commercial activity.

The cost of purchasing networking contracts by ASC Services (Pty) Ltd has been recognised as an intangible asset as its economic benefit exceeds one year. This cost amounting to P350 000 is being written off from 1 June 2002 over a period of 5 years being the expected life of the benefit.

Notes to the Financial Statements

For the year ended 31 May 2003

9. Intangible assets

Company	Software		Total BWP
	Goodwill BWP	Development BWP	
Balance as at 1 June 2002	6 011 105	638 983	6 650 088
Additions	-	498 973	498 973
Amortisation during the year	(801 481)	-	(801 481)
Balance as at 31 May 2003	5 209 624	1 137 956	6 347 580
Balance as at 1 June 2001	-	124 331	124 331
Goodwill arising on reorganisation	6 812 586	-	6 812 586
Additions	-	514 652	514 652
Amortisation during the year	(801 481)	-	(801 481)
Balance at 31 May 2002	6 011 105	638 983	6 650 088

On 1 June 2001, the operations of RPC Data Consulting (Pty) Limited were merged with those of RPC Data Limited. The goodwill on consolidation was replaced by purchased goodwill in the company due to this reorganisation.

10. Investment in subsidiaries

	2003 BWP	Group 2002 BWP	2003 BWP	Company 2002 BWP
RPC Data Consulting (Pty) Limited Shares at cost representing 100% of the issued share capital	-	-	3 000	3 000
ASC Services (Proprietary) Limited Shares at cost representing 51% of the issued share capital	-	-	102	102
RPCDL Properties (Proprietary) Limited Shares at cost representing 100% of the issued share capital	-	-	2	2
Mid Africa Value Added Distributors (Pty) Ltd Shares at cost representing 51% of the issued share capital	-	-	-	510
	-	-	3 104	3 614
All subsidiaries are incorporated in Botswana				

11. Investment in associate companies

Knowledge Systems Botswana (Pty) Limited Investment at cost- 50% shareholding of issued capital	50	50	50	50
Provision for diminution in value	(50)	(50)	(50)	(50)
Balance carried forward	-	-	-	-
Mid Africa Value Added Distributors (Pty) Ltd Investment at cost – 20% shareholding	200	-	200	-
Share of losses after tax	(200)	-	(200)	-
	-	-	-	-
Advancenet Botswana (Pty) Ltd Investment at cost- 30% shareholding	90 000	90 000	90 000	90 000
Share of losses after tax	(54 004)	-	-	-
	35 996	-	-	-
	35 996	90 000	90 000	90 000

Notes to the Financial Statements

For the year ended 31 May 2003

	Group		Company	
	2003 BWP	2002 BWP	2003 BWP	2002 BWP
12. Loans due from subsidiaries				
Amount due from				
RPCDL Properties (Pty) Limited	-	-	2 377 676	2 328 047
ASC Services (Pty) Limited	-	-	280 500	150 000
Mid Africa Value Added Added Distributors (Pty) Limited	-	-	-	1 153 276
	-	-	2 658 176	3 631 323
The amounts due from the subsidiary companies are unsecured, bear interest at 14.5% and are not subject to any fixed terms of repayment. The amounts are denominated in Pula.				
13. Receivables and prepayments				
Trade accounts receivable	8 517 472	21 719 231	8 089 927	8 835 361
Advances due from associate companies	906 089	-	906 089	-
Amounts due from subsidiaries	-	-	758 425	552 034
Amount due from associate company	407 894	-	407 894	-
Other receivables and prepaid charges	426 778	1 504 654	368 081	1 057 699
	10 258 233	23 223 885	10 530 416	10 445 094
Included in trade debtors are the following amounts which have been invoiced in US Dollars and are receivable as at year end:				
	\$965 173	\$2 905 387	\$965 173	\$831 414
14. Cash and cash equivalents				
Cash and cash equivalents comprise the following:				
Cash at bank and in hand	914 190	6 041 925	878 366	5 269 967
Short term investments	2 049 758	2 067 336	2 049 758	2 067 336
	2 963 948	8 109 261	2 928 124	7 337 303
Short term investments comprise Bank of Botswana Certificates. The effective interest rate on Bank of Botswana Certificates was 13%(2002:12%)				

Notes to the Financial Statements

For the year ended 31 May 2003

	Group		Company	
	2003 BWP	2002 BWP	2003 BWP	2002 BWP
15. Share capital				
Authorised:				
100 000 000 ordinary shares of P0.05 each	5 000 000	5 000 000	5 000 000	5 000 000
Issued and fully paid				
31 482 887 ordinary shares of P0.05 each	1 574 144	1 574 144	1 574 144	1 574 144
16. Share premium				
At 31 May 2003	12 984 774	12 984 774	12 984 774	12 984 774
17. Earnings per share				
The calculation of basic earnings and dividends per share is based on the net profit for the year and the weighted average number of 31 482 887 shares in issue. No calculation of diluted earnings per share has been made as the exercise price of the employee share options exceeds the current market price (refer note 29).				
18. Interest bearing borrowings				
Finance lease agreements	25 177	43 451	-	-
Less:				
current portion transferred to current liabilities	(12 000)	(18 000)	-	-
	13 177	25 451	-	-
Finance lease obligations bear interest at 18.75% per annum and are repayable over a period of four years commencing August 2001. These liabilities are secured over motor vehicles which have a book value of P32 588 (refer note 8)				
The present value of interest bearing borrowings may be analysed as follows:				
Not later than one year	12 000	18 000	-	-
Later than 1 year but less than 5 years	13 177	25 451	-	-
	25 177	43 451	-	-
Finance lease liabilities - minimum lease repayments				
Not later than one year	16 902	16 902	-	-
Later than one year but not later than five years	11 128	38 402	-	-
Future finance charges on finance leases	(2 853)	(11 853)	-	-
Present value of finance lease liabilities	25 177	43 451	-	-
19. Deferred taxation				
Deferred tax liabilities:				
Timing differences				
property, plant and equipment	12 569	12 569	12 569	12 569
Deferred tax asset:				
Timing differences on tax losses				
Balance at 1 June 2002	172 259	176 543	-	-
Mid Africa Value Added Distributors (Pty) Ltd	(48 117)	-	-	-
Assessed losses arising/(utilised)	66 953	(4 284)	-	-
Balance at 31 May 2003	191 095	172 259	-	-
Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable.				
20. Work in progress				
Balance at 31 May	1 640 645	1 870 193	1 640 645	1 870 193
Work in progress on contracts is valued at direct cost together with a proportion of related overheads. The principal portion of the direct costs comprises labour costs.				

Notes to the Financial Statements

For the year ended 31 May 2003

	Group		Company	
	2003 BWP	2002 BWP	2003 BWP	2002 BWP
21. Trade and other payables				
Trade accounts payable	3 542 413	17 532 642	3 466 848	4 349 640
Deferred income	278 903	3 225 558	197 403	3 225 558
Related party loan	-	198 049	-	-
Other payables and accruals	1 448 463	1 323 908	1 110 563	1 062 477
	5 269 779	22 280 157	4 774 814	8 637 675
Interest is charged on the related party loan at a rate equal to the average 6 month US Dollar deposit rate prevailing at the commencement of the year of 0.75% (2002 - 1.6%).				
Included in trade creditors are amounts denominated in foreign currencies as follows:				
US Dollar	616 310	2 822 525	616 310	595 342
South African Rand	346 372	990 878	342 162	990 878
22. Dividends paid				
Final dividend for prior year	1 518 384	1 398 319	1 518 384	1 398 319
Withholding tax thereon	(227 758)	(209 748)	(227 758)	(209 748)
Gross interim dividend for the year	-	1 259 315	-	1 259 315
Withholding tax thereon	-	(188 897)	-	(188 897)
Total dividends paid during the year	1 290 626	2 258 989	1 290 626	2 258 989
23. Related party transactions				
ASC Services (Pty) Ltd is a 51% owned subsidiary of RPC Data Limited. Transactions entered into between the two companies are as follows:				
Sale of goods and services	-	-	35 800	-
Purchases of goods and services	-	-	19 800	9 900
Balance receivable at year end	-	-	378 632	404 098
Loan balance	-	-	280 500	150 000
Advancenet (Pty) Ltd is a 30% owned associate company of RPC Data Limited. Transactions entered into between the two companies are as follows:				
Sale of goods and services	-	-	16 500	-
Purchases of goods and services	45 800	-	45 800	-
Loan balance	90 000	-	90 000	-
RPCDL Properties (Pty) Ltd is a 100% owned subsidiary of RPC Data Limited. Transactions entered into between the two companies are as follows:				
Rent paid	-	-	240 000	125 100
Balance receivable at year end	-	-	379 632	231 357
Loan balance	-	-	2 377 676	2 328 047
Mid Africa Value Added Distributors (Pty) Ltd was a 51% owned subsidiary of RPC Data Limited up to 30 November 2002. On 1 December 2002 RPC Data Limited sold 31% of its shareholding to an external shareholder. Transactions entered into between the two companies are as follows:				
Purchases of goods and services	474 676	-	474 676	655 416
Balance receivable at year end	1 313 983	-	1 313 983	1 153 276
The receivable from Mid Africa Value Added Distributors (Pty) Ltd includes the equivalent of US\$168 900 and is secured against that company's trade debtors of US\$879 540.				
Directors' remuneration	1 291 556	1 601 500	1 291 556	1 361 500
Employee share option scheme (refer note 29)				

Notes to the Financial Statements

For the year ended 31 May 2003

	Group		Company	
	2003 BWP	2002 BWP	2003 BWP	2002 BWP
24. Cash generated from operations				
Reconciliation of profit before tax to cash generated from operations:				
Profit before tax	1 431 490	5 776 219	1 615 791	5 761 557
Adjustments for:				
Depreciation	616 302	605 939	539 315	545 801
Amortisation of goodwill	871 481	801 481	801 481	801 481
Provision for diminution in value of investment in subsidiary	-	-	200	-
Cashflow adjustment on sale of subsidiary	38 940	-	-	-
Profit on sale of property, plant and equipment	(126 716)	10 269	(127 177)	10 269
Net interest income	(394 640)	(643 219)	(759 734)	(1 030 893)
Share of associate company losses	72 005	-	-	-
Changes in working capital				
- work in progress	229 548	(1 605 109)	229 548	(1 715 248)
- trade and other receivables	12 965 652	(7 223 205)	(85 322)	(5 065 935)
- inventories	71 816	(63 108)	-	8 708
- trade and other payables	(17 010 378)	7 377 595	(3 862 861)	2 357 411
Cash generated from operations	(1 234 500)	5 036 862	(1 648 759)	1 673 151

25. Financial instruments

The balance sheet includes assets and liabilities, reflected at fair values, which are subject to market risks. The fair value of liabilities approximates their carrying values. Details of these assets and liabilities are set out in the notes to the financial statements. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group.

Interest rate risk

Fluctuations in interest rate impact on the value of short term cash investment and financing activities, giving rise to interest rate risk. The cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risks.

Credit risk

The financial assets of the Group which are subject to the credit risk consist mainly of cash resources and debtors. The cash resources are placed with reputable financial institutions and group companies, which are in a sound financial position. Trade debtors are monitored on a regular basis.

Foreign currency risk

In the normal course of business, the Group enters into transactions denominated in foreign currencies. In addition, the Group has liabilities in foreign currencies, which exposes it to fluctuations in foreign currency exchange rates.

Fair value

At 31 May 2003 and 2002, the carrying value of financial instruments reported in the financial statements approximate their fair value due to their short term maturity. The financial instruments are held in the ordinary course of business.

26. Commitments

Capital commitments

There are no capital commitments at year end.

Operating lease commitments

The company has entered into a lease agreement with a subsidiary company, RPCDL Properties (Pty) Ltd for an indefinite period in respect of office premises at an annual rental currently P240 000 (2002 - P125 100). This rental is revised annually in line with market rates.

Notes to the Financial Statements

For the year ended 31 May 2003

27. Post balance sheet events

The shareholders loan due from Mid Africa Value Added Distributors (Pty) Ltd of US\$180 367 (P949 300) at 31 May 2003 was ceded to an external investor in August 2003 for a consideration of US\$77 500. Full provision has been made for this loss at 31 May 2003. There are no other significant post balance sheet events which would affect the financial statements.

28. Contingent liabilities

The company has given the following guarantees to customers and suppliers at year end;

a) Performance guarantee of P1 427 000 to the Government of Botswana in terms of a contract awarded to the company during the year. This guarantee will remain in force until the warranty period of the final deliverable in terms of this contract.

b) Government of Botswana - Department of Customs P20 000.

c) Bid bond guarantee to Government of Zambia US\$100 000 for a tender. This bond expires on 18 July 2003.

There are no other known contingent liabilities at the balance sheet date.

29. Employee share option scheme

The RPC Data employee option scheme makes provision for the grant of options to approved employees to subscribe for shares in the company. The employee option scheme is limited to 10% of the issued share capital of the company.

Movements in the number of share options held by employees are as follows:

	31 May 2003	31 May 2002
Options issued	275 000	375 000
Exercised	-	-
Lapsed	-	(100 000)
Outstanding at 31 May	275 000	275 000

The exercise price of the options is P1.16 per share and they expire on 1 November 2004.

30. Pending litigation

Included in trade receivables are amounts of P197 796 and P382 239 (equivalent of US\$73 005) which are overdue for payment and are subject to legal proceedings for collection. The debts are disputed and the proceedings are being defended. The ultimate outcome of the matter cannot presently be determined and no provision has been made in the financial statements for any loss that may arise.



Notice of Annual General Meeting

Notice is hereby given that the 4th Annual General Meeting of shareholders of RPC Data Limited, will be held at RPC Data Limited, Plot 39, Gaborone International Commerce Park on 17 October 2003 at 17h00 for the purposes of transacting the business of the following agenda.

AGENDA

1. To receive and adopt the financial statements for the year ended 31 May 2003 together with the Directors' and Independent Auditors' reports thereon.
2. To ratify the final net dividend proposed on 30 July 2003 of 2.44 thebe (2.87 thebe gross) per share.
3. To re-elect all directors of the company including:

Paul Douglas Sunners
Kushan Naik

who retire by rotation in terms of Article 54 of the Articles of Association and being eligible offer themselves for re-election.
4. To approve the remuneration of the Directors for the past financial year.
5. To approve the remuneration of the Auditors for the past financial year.
6. To appoint PricewaterhouseCoopers as auditors for the ensuing year.
7. To transact other such business as may be transacted at an Annual General Meeting.

PROXIES

A member entitled to attend and vote may appoint a proxy to attend and vote on his behalf, and such proxy need not be a member of the Company. The instruments appointing such a proxy must be deposited at the registered office of the Company not more than 48 hours and not less than 24 hours before the meeting. A proxy form is enclosed with this notice.

By order of the Board

Mr J R Pool

Company Secretary
26 August 2003

Registered Office

Plot 50371, Fairgrounds Office Park
P O Box 294, Gaborone