



Annual Report
2007

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Performance at a Glance

FINANCIAL RESULTS

	2003 P	2004 P	2005 P	2006 P	2007 P
RPC group					
Revenue	28,767,249	42,857,636	30,578,675	22,184,445	33,192,045
Gross Profit	9,545,961	9,523,934	4,770,232	7,125,907	9,924,007
Profit after tax	940,320	2,612,923	(2,402,780)	(3,193,310)	1,097,163
Year-on year growth %					
Revenue	(20%)	49%	(29%)	(27%)	50%
Gross Profit	(20%)	0%	(50%)	49%	39%
Profit after tax	(75%)	178%	(192%)	33%	-
RPC Data Botswana					
Revenue	21,719,556	40,338,048	28,292,022	15,116,308	25,143,300
Gross Profit	7,464,910	8,943,143	4,031,171	4,499,313	7,510,729
Profit after tax	352,863	2,500,496	(2,077,872)	(3,305,061)	180,211
Year-on year growth %					
Revenue	29%	89%	(30%)	(46%)	66%
Gross Profit	(7%)	16%	(55%)	12%	67%
Profit after tax	(92%)	138%	(183%)	59%	-
ASC Advancenet					
Revenue	1,305,124	2,641,763	2,286,653	2,860,223	*-
Gross Profit	590,991	795,803	742,866	441,247	-
Profit after tax	(55,070)	78,227	(24,853)	(373,043)	-
Year-on year growth %					
Revenue	48%	102%	(13%)	25%	-
Gross Profit	30%	35%	(7%)	(40%)	-
Profit after tax	(67%)	(242%)	(132%)	1,400%	-
RPC Zambia					
Revenue	-	-	-	248,307	3,042,248
Gross Profit	-	-	-	164,556	1,004,292
Profit after tax	-	-	(68,712)	(272,237)	(82,032)
Year-on year growth %					
Revenue	-	-	-	-	1125%
Gross Profit	-	-	-	-	510%
Loss after tax	-	-	-	(2,96%)	70%
RPC Uganda					
Revenue	-	-	-	4,368,951	3,310,807
Gross Profit	-	-	-	2,021,009	778,736
Profit after tax	-	-	-	103,433	13,539
Year-on year growth %					
Revenue	-	-	-	100%	(24%)
Gross Profit	-	-	-	100%	(61%)
Profit after tax	-	-	-	100%	(87%)

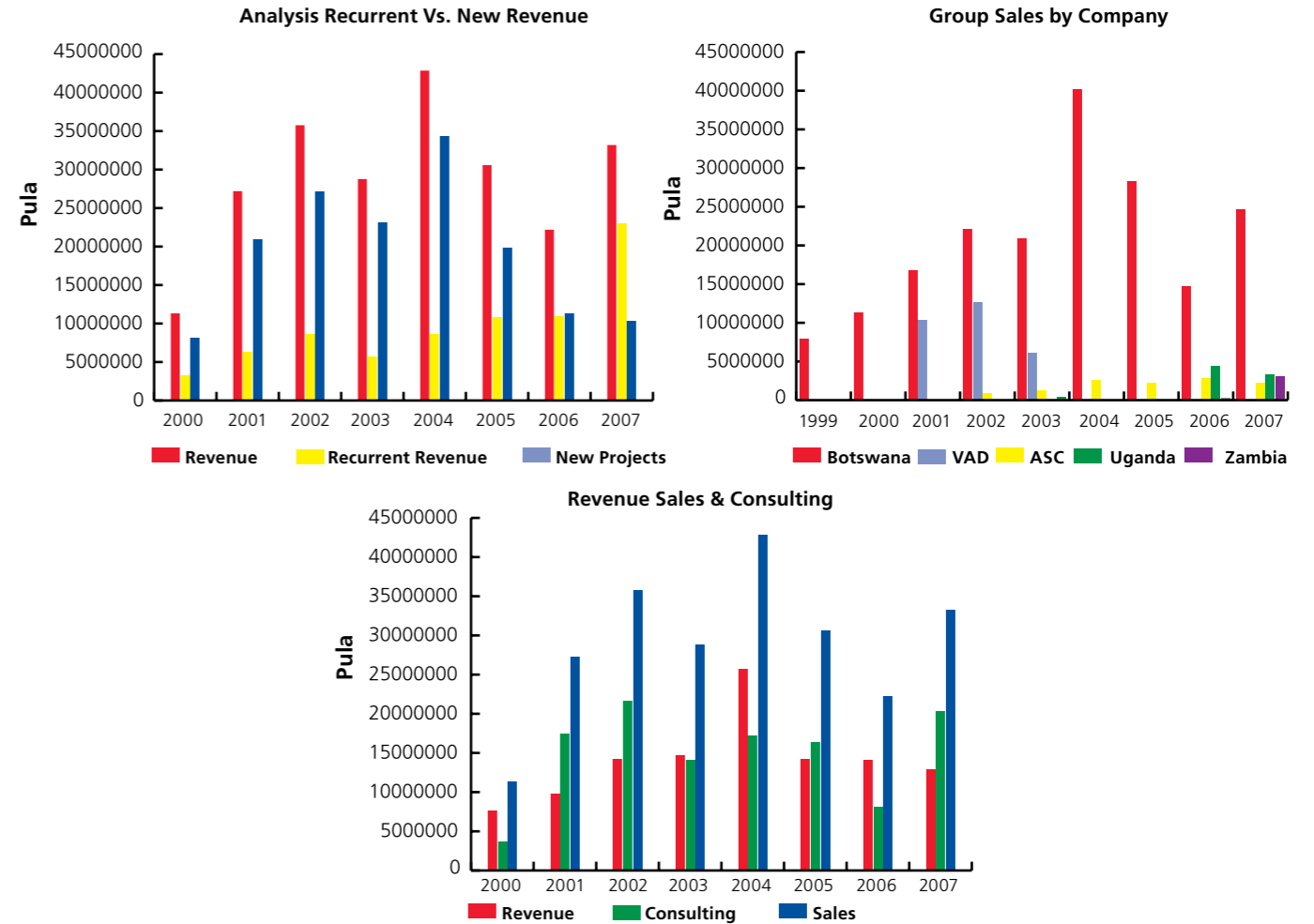
MARKET STATISTICS

Profit after tax	940,320	2,612,923	(2,402,780)	(3,193,310)	1,097,163
Goodwill amortisation/write off	871,481	871,481	2,719,409	2,978,143	-
Headline earnings	1,811,801	3,484,404	316,629	(215,167)	1,97,163
Total number of shares in issue	31,482,887	31,482,887	31,482,887	31,482,887	31,482,887
Weighted shares in issue	31,482,887	31,482,887	31,482,887	31,482,887	31,482,887
Share price in thebe	70.00	60.00	40.00	35.00	61.00
Interim dividend	-	2.87	2.08	-	-
Final dividend	2.87	2.66	3.45	-	-
Dividend per share	2.87	5.53	5.53	-	-
Headline earnings per share					
Fully diluted (t)	5.75	11.07	1.01	-	3.48
Dividend yield %	4.10%	9.22%	13.83%	-	-

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.

* Controlling share disposed of with effect from 1st March 2007.

Performance at a Glance



SHARE ANALYSIS

Director's Shareholding

	2003	2004	2005	2006	2007
Direct Holding					
JR Pool	8,355,380	8,355,380	8,105,380	8,105,380	2,577,632
PL Paledi	125,000	125,000	125,000	125,000	125,000
S Raja Ram	1,489,929	1,489,929	1,489,929	1,489,929	970,722

Indirect Holding

MD Nwako	-	-	-	-	1,364,248
P Tafa	-	-	-	-	1,364,248
PL Paledi	-	-	-	-	1,364,248
T Seretse	-	-	-	-	682,124
E Mathe	-	-	-	-	682,124
Total	9,970,309	9,970,309	9,720,309	9,720,309	9,130,347

Range of shareholding

Shareholders number	Shares held %	Shares held number	%	
0-1000	255	39.7	125,833	0.4
1001-5000	276	42.9	721,683	2.3
5001-10000	38	5.9	298,190	0.9
10001-50000	39	6.1	893,962	2.8
50001-100000	10	1.6	717,057	2.3
over 100000	25	3.9	28,726,162	91.2
	643	100.0	31,482,887	100.0

Major shareholders

	Number of shares held	shares held %
Bonsall (Pty) Ltd	4,092,745	13.0
Don Properties	4,092,745	13.0
Stanbic Bank Nominees	3,005,025	9.5
BBN (Pty) Ltd	2,877,089	9.1
Averil E Pool	2,577,632	8.2
State Informatics Limited	1,890,200	6.0



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 Secretaries:

Corporate Services (Pty) Ltd
Unit 5, Kgale Mews
P.O. Box 406
Gaborone, Botswana

Registered Office:

Unit No.5, Plot 39
Gaborone Industrial Commerce Park,
Private Bag BR42
Gaborone
Botswana

Independent Auditors:

PricewaterhouseCoopers
Plot 50371 Fairground Office Park
Gaborone
Botswana

(The financial statements are expressed in Pula, the currency of Botswana)



Mrs. Tebelelo Seretse
Chairperson



Mr. Mompoti D Nwako
Executive



Mr. J Robert Pool
Managing



Mrs. Emeldah Mathe
Member



Mr. Parks Tafa
Member



Mrs. Sheela Raja Ram
Member



Mr. Paul Paledi
Member

Introduction

It is with pleasure that we are able to report the greatly improved performance of the RPC Data Group for the year ended 31 May 2007.

This financial turnaround coincides not only with the Botswana Government's intention to accelerate the rate of economic growth through some major public and private sector projects, but also with the winning of a number of projects both locally and in the region. The company has secured a number of new projects in Botswana during the course of the year and work on these has just commenced in the new financial year. Project consulting revenues in Botswana are expected to rise substantially as a result of these new projects will be bolstered by revenues from existing projects completed in 2007/2008.

RPC's recurrent revenue from consulting continues to grow steadily as a result of its continued support and maintenance contracts in respect of projects delivered successfully over the previous years, such as the Government Accounting and Budgeting System and the Government Payroll, Passages and Pensions system. It is this strong recurrent revenue base that enables the company to sustain its overhead costs even in lean years.

The winning and subsequent signing of a P16 million contract with the Kenyan Government to implement a pensions system in the Ministry of Finance is a positive result of the company's expansion strategy. This comes on the back of the continuing growth in revenue from the Ugandan and Zambian subsidiaries.

RPC is focusing on increasing its strength in depth in the public sector financials arena including taxes and pensions. Great strides have already been made in these areas in Botswana, Uganda and now Kenya, and this is an area of great opportunity.

Training deserves special mention. RPC was voted "Education Partner of the year" for 2006 by Oracle Corporation (African Operations). This achievement paved the way for the company to be considered and appointed an Oracle Certified Education Centre. The award, presented in Egypt at a conference of Oracle Approved Education Partners (OAEP), acknowledges RPC's success in the provision of official courseware that adds value through adherence to strict Oracle standards and business processes. The appointment of the Centre recognises the role that RPC play in the Oracle education process that is expected to be financially beneficial in the short-term. Through this centre it is the company's intention to grow the Oracle skills-base in the country.

RPC Data has now been listed on the Botswana Stock Exchange for eight years and the majority of its shareholders are now citizens. The business expects that it will receive the necessary support from the local market, both public and private. This is in line with current government ideals and objectives of building an innovative economy that will lead to amongst other things,

economic diversification and the reduction of unemployment. RPC Data continues to enjoy Oracle Corporation's Certified Advantage Partner certification. This certification is reviewed annually and requires RPC Data to invest in ongoing training for its entire staff in order to maintain this highest level of partnership. It is RPC's objective through this training to develop, nurture and retain as much as possible, citizen skills within the company. RPC Data has increased the number of permanent citizen staff during the year and in addition employed almost 100 temporary staff on various projects during the period.

Group Financial Performance

Revenue is up 50% or P11 million to P33.2 million with the Ugandan and Zambian subsidiaries both contributing substantially.

Gross profit of P9.9 million is an increase of 39% compared to the previous year, however Gross Profit as a percentage of revenue has dropped slightly from 32% to 30% due to pressure on margins on software sales.

Administration overheads have been managed carefully and as a result have only increased by 7% from P9.1 million to P9.7 million. This is despite substantial inflation in Botswana and the region

Furthermore, the goodwill write-off of P52,497 completes the total diminution on investment that amounted to P3 million and P2.7 million in the previous two years respectively.

In a move to reinvigorate the under performing ASC subsidiary the board decided to sell a controlling stake in the business to a management consortium thus reducing RPC's own interest in ASC to 33%. The initial results of this strategy have been positive with ASC recording its first profits for a number of years in the last quarter of the year. RPC's share of these profits is reflected in the group results.

Overall this has resulted in the RPC Group reporting a profit after tax of just over P 1 million, a vast improvement on the prior two years.

RPC Data Ltd - Company

Total revenue at 25.1 million Pula represents a 10 million Pula or 66.2% increase compared to the previous year. This increase is mainly as a result of increased Oracle licence sales from the continuing rollout of the successful Government Accounting and Budgeting System throughout ministries and departments. Although consulting revenues have not increased during the period it is reported that the sales team have been successful in securing a number of new projects and this will lead to substantially increased consulting revenues in the 2007-2008 financial year. The Kenya pension project will be run out of the Botswana office.

Revenue is up 50% or P11 million to P33.2 million with the Ugandan and Zambian subsidiaries both contributing substantially.

Overheads in Botswana increased by 11% mainly as a result of the restructuring of management and the board and a result the Botswana business was able to report a moderate profit of almost P 200,000 for the year ender review.

RPC Data Zambia

The Zambian business grew its revenue by a massive 1125% from P 250,000 in the prior year to over 3 million pula.

A substantial growth in overheads in line with the revenue growth resulted in a marginal loss being incurred in this fledgling operation. However we are confident that a gross profit of 33% is indicative of a positive outlook. The securing of strong support contracts, such as the one with the Zambian Electricity Supply Commission, has greatly enhanced the reliability of the revenue stream. With Zambia's fast growing economy, an increasing number of larger projects are beginning to come into the market.

Zambia now has a permanent staff team of sales staff and consultants.

RPC Data Uganda

The postponement of the final stage of the current roll-out of the Ministry of Finance's IFMIS that the company is currently working on and the reduction in training revenues meant that at 3.3 million pula, RPC Uganda's revenue was down on the previous year. However gross profit of almost 1 million pula and careful management of overheads led to a small profit before tax of just under 20,000 pula in this the second year of operation.

In addition to continuing to support the IFMIS project, it is likely that a major upgrade will be undertaken in the following year. The company also intends to build on the training platform it has developed. There is also an encouraging amount of consultancy work in the pipeline including software licence renewals.

The Uganda permanent staff compliment has been enhanced by an addition to the sales team.

ASC Advancenet

ASC is now an associate company effective from the 1st March 2007, with the majority shareholding now held by a management consortium. The company provides amongst others; IT Networking Support, ICT Consultancy Services, Disaster Recovery Planning, Storage Management Systems, Firewalls and Internet Security. Engineers are certified by popular product vendors such as Microsoft, Cisco, and Novell.

In the year under review ASC Advancenet increased turnover from close to 3 million Pula to 4 million, an improvement of 41% over the previous period. The company made a profit in the final quarter – a significant turnaround probably as a result of a new highly motivated shareholder/management team. RPC has consolidated the ASC results to 28th February 2007 and then as a result of the change of company status unconsolidated ASC from the 1st March 2007 and included its share of the final quarter profits in the group accounts.

Future Prospects

With the Government pressing on with the completion of projects in NDP 9 as well as the approval by Parliament of the National ICT Policy, the way is clear for an exciting phase of ICT development in Botswana. It is important that the company appropriately define the role it plays in the rollout of strategy, skill and products for this ICT development.

There is no doubt that the eminent launching of e-Governance will require partnerships with Government that not only have the expertise but also the commitment to this country.

With the write-off of goodwill, which has in prior years had a substantial effect on headline earnings now complete, the way is clearly paved for a positive trading environment into the future. A mix of over 500 citizens, institutional and foreign shareholders gives the board confidence that RPC is well positioned for major projects coming on stream in this country and the region. Furthermore, the ICT industry, on the back of a continuing upswing in the economy, is already showing signs of significant growth.



**Tebelelo Seretse
Chairperson**



**Rob Pool
Managing Director**

Corporate Governance

Corporate governance is the process by which companies are directed, controlled and risks managed. The concept of Corporate Governance continues to grow as the principles outlined in reports such as the King II Report in South Africa and the Cadbury and Turnbull reports in the United Kingdom are adopted. These reports have as a common goal, the promotion of the highest standards of corporate governance by providing recommendations and principles in line with best practice. Central to all these reports, is the requirement for the Board of Directors to take full responsibility for the Governance of the group at all levels. The shareholders' role is to appoint the Board of Directors and evaluate its performance.

The Board of Directors

The Board is aware of its responsibilities to operate the group with integrity and according to accepted codes of corporate conduct. The Board is responsible for maintaining a system of internal control at an appropriate level and for the preparation and integrity of the annual financial statements and the related financial information in this annual report. The formalising of certain aspects are an important pre-cursor to governance. This is necessary not only because the concept of corporate governance is gaining a larger foothold in Botswana, but also because it is necessary to have a solid governance footing as the group expands its regional operations further into Africa.

The Board includes six non-executive directors (as opposed to three in the past). The Board is chaired by an independent non-executive. The remaining two directors hold executive roles. 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 the performance against the business plan as well as to formulate and implement group policy.

During the year, the Board constituted its Audit and Remuneration sub-committees. The Audit Committee, under the chairmanship of Sheela Raja Ram, met four times during the year to consider, inter alia, financial results, budgets, matters of internal control and reports from the group's external auditors. The Remuneration Committee, under the chairmanship of Parks Tafa, met twice during the year to determine and recommend remuneration for non-executive directors of the Board.

It is the intention of the Board to introduce further governance measures, including Codes of Conduct and Ethics for all directors and staff, as well as a register of directors' interests in the group and in transactions with the group. Where required, the Board is also committed to making the necessary disclosures in the Annual Financial Statements so as to adequately inform stakeholders of governance and related issues.

Group Secretary and Professional Advice

All directors have unlimited access to the services of the group secretary, who is responsible to the Board for ensuring that proper board procedures are followed.

All directors are entitled to seek independent professional advice concerning the affairs of the group, at the group's expense.

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. The external auditors have unrestricted access to the Board of Directors.

Approval of Financial Statements

For the year ended 31 May 2007


The directors of RPC Data Limited are responsible for the company and group annual financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual financial statements in accordance with International Financial Reporting Standards and in the manner required by the Botswana Companies Act (CAP 42:01).

The group maintains systems of internal control which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of the group's assets. The directors are also responsible for the design, implementation, maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of the directors to indicate that any significant breakdown in the functioning of these systems has occurred during the year under review.

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

Our external auditors conduct an examination of the company and group financial statements in conformity with International Standards on Auditing, which include tests of transactions and selective tests of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Board of Directors.

The financial statements set out on pages 11 to 30 were authorised for issue by the Board of Directors on 19 October 2007 and are signed on its behalf by:


.....
Chairperson


.....
Managing Director

PricewaterhouseCoopers

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REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF RPC DATA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of RPC Data Limited and its subsidiaries, set out on pages 11 to 30, which comprise the group and company balance sheets as at 31 May 2007, and the income statements, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the Companies Act in Botswana (Cap 42:01).

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

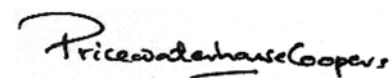
Opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of RPC Data Limited and its subsidiaries as of 31 May 2007, and of their financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with Section 129 of the Companies Act in Botswana (Cap 42:01), we confirm that:

- we have satisfied ourselves as to the existence of securities; and
- in our opinion, the company has kept proper books of account with which the financial statements are in agreement.



Gaborone
Certified Public Accountants
Date: 29 October 2007

Senior Partner: D K U Corea
Partners: R Binedell, R P De Silva, B D Phirie

Income Statements

For the year ended 31 May 2007

	Notes	Group		Company	
		2007 P	2006 P	2007 P	2006 P
Revenue		33,192,045	22,184,445	25,143,300	15,116,308
Cost of sales		(23,268,038)	(15,058,538)	(17,632,571)	(10,616,995)
Gross profit		9,924,007	7,125,907	7,510,729	4,499,313
Other income	3	520,733	1,544,805	375,046	1,955,419
Impairment of goodwill	7	-	(2,978,143)	-	(2,908,143)
Operating expenses		(9,964,188)	(9,200,966)	(7,718,225)	(6,917,556)
Operating profit / (loss)	1	480,553	(3,508,397)	167,550	(3,370,967)
Share of associated company profit	9	83,275	-	-	-
Write off of Investment in associate company	9	-	-	-	(85,150)
Profit on disposal of shares in subsidiary		542,919	-	(63,405)	-
Finance income	4	78,779	96,966	94,824	100,227
Finance expense	4	(181,937)	(32,543)	(181,937)	(27,004)
Profit/(loss) before taxation		1,003,590	(3,443,974)	17,033	(3,382,894)
Taxation	5	93,573	250,664	163,178	77,833
Profit / (loss) for the year		1,097,163	(3,193,310)	180,211	(3,305,061)
Attributable to					
Equity holders of the company		1,090,529	(3,243,992)	180,211	(3,305,061)
Minority Interest		6,634	50,682	-	-
		1,097,163	(3,193,310)	180,211	(3,305,061)
Basic earnings per share (thebe)	17	3.46	(10.30)	0.57	(10.50)

Balance Sheets

As at 31 May 2007

	Note	Group		Company	
		2007 P	2006 P	2007 P	2006 P
ASSETS					
Non-current assets					
Property, plant and equipment	6	4,006,683	4,192,510	1,012,529	1,136,361
Intangible assets	7	-	70,000	-	-
Investment in subsidiaries	8	-	-	2,383,176	2,618,070
Investment in associated companies	9	236,765	-	153,490	-
Loans due from subsidiary/associate companies	10	212,615	-	755,216	892,601
Deferred income tax asset	11	595,326	580,809	345,285	264,465
		5,051,389	4,843,319	4,649,696	4,911,497
Current assets					
Inventory		-	123,573	-	-
Work in progress	12	1,358,481	176,313	1,358,481	176,313
Receivables and prepayments	13	13,924,168	12,258,216	15,528,699	12,236,851
Income tax refund due		363,134	302,877	363,149	302,877
Cash and cash equivalents	14	5,363,981	5,417,267	2,368,078	4,564,846
		21,009,764	18,278,246	19,618,407	17,280,887
Total assets		26,061,153	23,121,565	24,268,103	22,192,384
EQUITY AND LIABILITIES					
Capital and reserves attributable to equity holders of the company					
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
Revaluation reserve		446,393	446,393	-	-
Foreign currency translation reserve		(201,086)	(28,654)	-	-
Retained earnings		(602,273)	(1,692,801)	(752,528)	(932,739)
		14,201,952	13,283,856	13,806,390	13,626,179
Minority Interest		57,316	50,682	-	-
Total Equity		14,259,268	13,334,538	13,806,390	13,626,179
Non-current liabilities					
Deferred income tax liabilities	11	384,625	425,694	104,665	187,023
		384,625	425,694	104,665	187,023
Current liabilities					
Trade and other payables	18	11,417,260	9,361,333	10,357,048	8,379,182
		11,417,260	9,361,333	10,357,048	8,379,182
Total liabilities		11,801,885	9,787,027	10,461,713	8,566,205
Total equity and liabilities		26,061,153	23,121,565	24,268,103	22,192,384

Statements Of Changes In Equity

For the year ended 31 May 2007

	Note	Share	Share	Revaluation	Other	Minority	Retained	Proposed	Total
		capital	premium	Reserve	Reserves	Interest	earnings	dividend	
		P	P	P	P	P	P	P	P
Group									
Balance at 1 June 2005		1,574,144	12,984,774	92,857	-	-	1,551,191	1,087,977	17,290,943
Loss for the year		-	-	-	-	-	(3,243,992)	-	(3,243,992)
Revaluation Reserve		-	-	353,536	-	-	-	-	353,536
Foreign currency translation differences on consolidation of foreign subsidiaries		-	-	-	(28,654)	-	-	-	(28,654)
Minority interest		-	-	-	-	50,682	-	-	50,682
Dividends									
- Prior year paid	19	-	-	-	-	-	(1,087,977)	(1,087,977)	
Balance at 31 May 2006		1,574,144	12,984,774	446,393	(28,654)	50,682	(1,692,801)	-	13,334,538
Balance at 1 June 2006		1,574,144	12,984,774	446,393	(28,654)	50,682	(1,692,801)	-	13,334,538
Profit for the year		-	-	-	-	-	1,090,529	-	1,090,529
Foreign currency translation differences on consolidation of foreign subsidiaries		-	-	-	(172,432)	-	-	-	(172,432)
Minority interest		-	-	-	-	6,634	-	-	6,634
Balance at 31 May 2007		1,574,144	12,984,774	446,393	(201,086)	57,316	(602,273)	-	14,259,268
Company									
Balance at 1 June 2005		1,574,144	12,984,774	2,372,322	1,087,977	18,019,217			
Loss for the year		-	-	(3,305,061)	-	(3,305,061)			
Dividends									
- prior year paid		-	-		(1,087,977)	(1,087,977)			
Balance at 31 May 2006		1,574,144	12,984,774	(932,739)	-	13,626,179			
Balance at 1 June 2006		1,574,144	12,984,774	(932,739)	-	13,626,179			
Profit for the year		-	-	180,211		180,211			
Balance at 31 May 2007		1,574,144	12,984,774	(752,528)	-	13,806,390			

Cash Flow Statements

For the year ended 31 May 2007

Notes	Group		Company		
	2007 P	2006 P	2007 P	2006 P	
Cash flows from operating activities					
Cash flows from operations	21	468,583	317,748	(2,113,652)	495,121
Net finance income	4	(103,158)	64,423	(87,113)	73,223
Income tax -paid		(206,194)	(250,000)	(206,194)	(250,000)
Income tax -refund received		145,922	415,057	145,922	415,057
Net cash generated from operating activities		305,152	547,228	(2,261,037)	733,401
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(160,368)	(416,970)	(91,115)	(288,910)
Sale/(purchase) of investments		-	-	81,404	(2,612,466)
Impairment of investment in associate		-	-	(63,405)	-
Deposit for property recovered		-	498,707	-	498,707
Disposal of plant and equipment to subsidiary (note 6)		-	-	-	129,360
Loan to associate companies	10	(212,615)	-	-	-
Proceeds from disposal of property, plant and equipment		14,545	313,884	-	300,000
Net cash (used in)/generated from investing activities		(358,438)	395,621	(73,116)	(1,973,309)
Financing activities					
Decrease in shareholders loans		-	-	137,385	1,750,459
Dividends paid- net of withholding tax	19	-	(924,780)	-	(924,780)
Net cash (used in)/ generated from financing activities		-	(924,780)	137,385	825,679
(Decrease) / increase in cash and cash equivalents		(53,286)	18,069	(2,196,768)	(414,229)
Movement in cash and cash equivalents					
At beginning of the year		5,417,267	5,399,198	4,564,846	4,979,075
(decrease)/Increase		(53,286)	18,069	(2,196,768)	(414,229)
At end of the year	14	5,363,981	5,417,267	2,368,078	4,564,846

Accounting Policies

For the year ended 31 May 2007

The following are the principal accounting policies used by the company and the group and which are consistent with those of the prior year unless otherwise stated:

Basis of preparation

The consolidated financial statements of RPC Data Botswana Limited and the group have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Botswana Companies Act (CAP42:01). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available for sale financial assets and financial liabilities at fair value through profit and loss.

Use of assumptions and estimates

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying accounting policies. Those areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the "Critical estimates and assumptions" section of the financial statements.

Adoption of new and revised IFRS

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 01 January 2006, were reviewed and found to have no impact on the company's existing accounting policies:

IAS 19 (Amendment), Employee Benefits;

IAS 21 (Amendment), Net Investment in a Foreign Operation;

IAS 39 (Amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions;

IAS 39 (Amendment), The Fair Value Option;

IAS 39 and IFRS 4 (Amendment), Financial Guarantee Contracts;

IFRS 6, Exploration for and Evaluation of Mineral Resources;

IFRS 1 (Amendment), First-time Adoption of International Financial Reporting Standards

IFRS 6 (Amendment), Exploration for and Evaluation of Mineral Resources;

IFRS 7 Financial Instruments (effective date 01/01/07): Disclosures. IFRS 7 will affect the presentation and other disclosures in the financial statements.

IFRIC 6, Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment;

IFRIC 4, Determining whether an Arrangement Contains a Lease; and

IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.

The following interpretation to existing standards is mandatory for accounting periods beginning on or after 01 March 2006, was reviewed and found to have no impact on the company's existing accounting policies:

IFRIC 7, Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies.

The following interpretation to existing standards is mandatory for accounting periods beginning on or after 01 May 2006, was reviewed and found to have no impact on the company's existing accounting policies:

IFRIC 8, Scope of IFRS 2.

The following interpretations to existing standards are not yet effective and are not expected to have an impact on the company's accounts:

IFRIC 9, Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 01 June 2006).

IFRIC 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 01 November 2006);

Basis of consolidation

a) Subsidiaries

The consolidated financial statements include those of RPC Data Limited and its subsidiaries RPC Data Uganda Limited, RPC Data Zambia Limited and RPCDL Properties (Pty) Limited.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured, as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

Accounting Policies

For the year ended 31 May 2007 (continued)

Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary.

c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates post acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency the policies adopted by the Group.

Segment information

Operations of the Group mainly comprise of hardware and software sales, systems development and implementation. These operations are regarded as one business segment. The majority of the operations of the Group are carried out in Botswana.

Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency) The consolidated financial statements are presented in euros, which is the company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the

transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences are recognised in the profit or loss and other changes in carrying amount in equity.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at the fair value through profit or loss are recognised in profit or loss of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in the fair value reserve in equity.

c) Group Companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have functional currency difference from the presentation currency are translated into presentation currency as follows:

- i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- ii) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction); and
- iii) All resulting exchange differences are recognised as a separate component of equity.

On consolidation exchange differences arising from the translation of the net investment in foreign operations and of borrowings and other currency instruments designated as hedges of such investments are taken to shareholders equity. When a foreign operation is sold exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Property, plant and equipment

Land and Buildings are shown at fair value, based on periodic, but at least biannual, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is

Accounting Policies

For the year ended 31 May 2007 (continued)

restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity; all other decreases are charged to the income statement. Each year the differences between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from 'other reserves' to 'retained earnings'. Leasehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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.

Property is the subject of fixed period state grant and is regarded as leasehold property.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised.

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 recognised as follows;

a) Hardware and software sales:

On delivery of the hardware and software

Software development and systems implementation:

Over the period of the contract under the percentage of completion method.

b) Commissions on sale of software:

On delivery of the software

c) Training and maintenance contracts:

Over the period of the contract on a straight line basis.

d) Interest

As it accrues on the effective yield basis.

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 labour costs. Provision is made for any non-recoverable work in progress.

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.

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 settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Income tax

Provision is made for income tax payable on current profits at the applicable rate of tax. Income tax is disclosed at the standard rate less the amount of withholding tax on dividends, utilised against additional company tax. 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.

Provisions

Provisions are recognised 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. No provision is recognised when the possibility of the liability crystallising is uncertain, if it depends on a future contingent event or if the obligation cannot be measured with sufficient reliability. In such cases, a contingent liability is disclosed.

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest methods, less provision for impairment. A provision

Accounting Policies

For the year ended 31 May 2007 (continued)

for impairment of the receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulty of the debtor, probabilities that the debtor will enter bankruptcy or financial re-organisation and default or delinquency in payments are considered indicators that the trade receivables are impaired. The amount of the provision in the differences between the assets carrying amount and present value of the estimated future cash flow discounted at the effective interest rate. The amount of the provision is recognized in income statement

Intangible assets

In accordance with the provisions of IFRS 3, the company and group ceased amortisation of goodwill and other intangible assets from 1 June 2004. Instead, goodwill and other intangible assets are tested annually for impairment, as well as during the year, if there are indications of impairment.

a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net assets acquired at the date of acquisition.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the fair value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the company's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the company at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash-generating unit, or group of cash-generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating unit, or group of cash-generating units, is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit, or group of cash-generating units, and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

b) Networking Contracts

The cost of purchasing networking contracts by a subsidiary company has been recognised as an intangible asset as its economic benefit exceeds one year.

c) 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 have probable economic benefits exceeding the costs beyond one year, are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other in making financial or operating decisions. A number of transactions are entered into with related parties in the normal course of business. These transactions are carried out under normal commercial terms and conditions at market rates, as summarised in the notes to the financial statements.

Inventory

Inventory is stated at the lower of cost and net realisable 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.

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.

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 on the finance 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

Accounting Policies

For the year ended 31 May 2007 (continued)

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.

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.

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a finance department under policies approved by the Board of Directors. The Board provides written principles for overall interest rate risk, credit risk and investment of excess liquidity.

(a) Market Risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign

exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arising from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

(ii) Cash flow and fair value Interest rate risk

As Group has no significant interest – bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. 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.

(b) Credit risk

Credit risk is managed on a group basis. The financial assets of the Group, which are subject to the credit, 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.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Finance Department maintains flexibility in funding by maintaining availability under committed credit lines.

Critical accounting estimates and judgements

For the year ended 31 May 2007

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Income Taxes

The group is subject to income taxes in numerous jurisdictions, significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determinations are uncertain during the ordinary course of business. The group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

b) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy on intangible assets. The recoverable amounts of cash-generating units have been determined based on value –in-use calculations. These calculations require the use of estimates.

c) Property, plant and equipment

The Group tests annually whether useful life and residual value estimates of its property, plant and equipment were appropriate and in accordance with IAS 16 (Revised) requirements, and its accounting policy. In reviewing this, management makes certain assumptions which may make actual results to be different from the estimates of carrying values of property, plant and equipment.

Notes to the Financial Statements

For the year ended 31 May 2007

	Group		Company	
	2007	2006	2007	2006
	P	P	P	P
1. Operating profit/(loss)				
The following items have been charged/(credited) in arriving at operating loss:				
Impairment of goodwill (Note 7)	-	2,978,143	-	2,908,143
Audit fees				
- prior year under provision	-	42,974	-	-
- current year	150,900	168,000	86,400	96,000
Amortisation of intangible assets	52,497	70,000	-	-
Depreciation on property, plant and equipment				
- owned assets (Note 6)	260,429	297,397	214,947	224,792
Directors' remuneration (Note 20)				
- for management services	1,167,978	1,012,965	1,134,800	1,012,965
- as directors' fees	80,828	273,300	43,850	223,300
Exchange (gain)/ losses	(304,501)	(6,006)	(129,603)	(61,882)
Operating lease payments – property	-	-	519,165	459,445
(Profit)/loss on sale of property and equipment	11,615	(25,417)	-	(39,125)
2. Staff costs				
Wages and salaries	8,447,314	7,954,700	7,245,601	7,217,240
Termination benefits	319,830	343,495	150,151	259,935
	8,767,144	8,298,195	7,395,752	7,477,175
Average number of employees	55	54	44	42
3. Other income				
Exchange Gains	304,501	6,006	129,603	61,882
Sundry income	227,847	1,513,382	245,443	1,854,412
(Loss)/Profit on sale of property plant and equipment	(11,615)	25,417	-	39,125
	520,733	1,544,805	375,046	1,955,419
4. Net finance income				
Finance income - bank	78,779	96,966	75,833	100,227
Finance income - intra-group	-	-	18,991	-
Finance expense- bank	(181,937)	(32,543)	(181,937)	(27,004)
	(103,158)	64,423	(87,113)	73,223

Notes to the Financial Statements (Continued)

For the year ended 31 May 2007

	Group		Company	
	2007	2006	2007	2006
	P	P	P	P
5. Taxation				
Botswana company taxation				
Basic tax at 15%	19,310	-	-	-
Additional tax at 10%	9,006	-	-	-
	28,316			
Deferred taxation (Note 11)	(93,518)	67,760	(134,807)	85,364
Prior year underprovision	(28,371)	(155,227)	(28,371)	-
Set off of withholding tax on dividends paid	-	(163,197)	-	(163,197)
	(93,573)	(250,664)	(163,178)	(77,833)
Tax reconciliation				
The tax on the profit before taxation differs from the amount that would arise using the basic tax rate of 25% as follows:				
Profit/(Loss) before taxation	1,003,590	(3,443,974)	17,033	(3,382,894)
Tax calculated at 25%	250,897	(860,993)	4,258	(845,723)
Non-tangible amounts/				
Expenses not deductible for tax purposes	(316,099)	928,753	(139,065)	931,087
Prior year under/(over) provision	(28,371)	(155,227)	(28,371)	-
Set off withholding tax on dividends paid	-	(163,197)	-	(163,197)
	(93,573)	(250,664)	(163,178)	(77,833)
Tax charge per the income statement				
Additional Company Taxation				
Balance at 1 June 2006	578,431	741,628	578,431	741,628
Arising during the year	9,006	-	-	-
Set off against current year dividend paid	-	(163,197)	-	(163,197)
	587,437	578,431	578,431	578,431
Balance at 31 May 2007				

Notes to the Financial Statements (Continued)

For the year ended 31 May 2007

6. Property, plant and equipment (Group)

	Leasehold land and buildings P	Computer equipment P	Furniture equipment P	Motor vehicles P	Total P
Year ended 31 May 2007					
Opening net book amount	2,800,001	639,496	287,699	465,314	4,192,510
Additions	-	80,332	37,623	42,413	160,368
Disposals	-	-	-	(26,160)	(26,160)
Deconsolidation of ASC Services (Pty) Ltd	-	(37,616)	(13,300)	(8,690)	(59,606)
Depreciation charge(Note 1)	-	(118,203)	(42,841)	(99,385)	(260,429)
Closing net book amount	2,800,001	564,009	269,181	373,492	4,006,683
As at 31 May 2007					
Cost or valuation	2,800,001	2,179,445	904,029	649,553	6,533,028
Accumulated depreciation	-	(1,615,436)	(634,848)	(276,061)	(2,526,345)
Net book amount	2,800,001	564,009	269,181	373,492	4,006,683
Year ended 31 May 2006					
Opening net book amount	2,589,370	745,130	300,786	254,604	3,889,890
Additions	-	67,192	94,395	255,383	416,970
Disposals	(260,883)	(27,584)	-	-	(288,467)
Revaluation surplus	471,514	-	-	-	471,514
Depreciation charge (Note 1)	-	(145,242)	(107,482)	(44,673)	(297,397)
Closing net book amount	2,800,001	639,496	287,699	465,314	4,192,510
As at 31 May 2006					
Cost or Valuation	2,800,001	2,162,196	908,995	694,192	6,565,384
Accumulated depreciation	-	(1,522,700)	(621,296)	(228,878)	(2,372,874)
Net book amount	2,800,001	639,496	287,699	465,314	4,192,510

Details of leasehold 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.

Leasehold land & buildings have been valued by CB Richard Ellis in June 2005 at a Value of P2 800 000

Notes to the Financial Statements (Continued)

For the year ended 31 May 2007

6. Property, plant and equipment (Company)

Year ended 31 May 2007

	Leasehold land and buildings P	Computer equipment P	Furniture equipment P	Motor vehicles P	Total P
Opening net book amount	-	575,214	194,101	367,046	1,136,361
Additions	-	80,332	10,783	-	91,115
Depreciation charge(Note 1)	-	(106,006)	(26,703)	(82,238)	(214,947)
Closing net book amount	-	549,540	178,181	284,808	1,012,529
As at 31 May 2007					
Cost	-	2,104,975	760,915	512,218	3,378,108
Accumulated depreciation	-	(1,555,435)	(582,734)	(227,410)	(2,365,579)
Net book amount	-	549,540	178,181	284,808	1,012,529

Year ended 31 May 2006

Opening net book amount	260,875	716,770	272,436	212,397	1,462,478
Additions	-	41,992	30,729	216,189	288,910
Disposals	(260,875)	-	-	-	(260,875)
Transfers to Group company	-	(79,390)	(49,970)	-	(129,360)
Depreciation charge (Note 1)	-	(104,158)	(59,094)	(61,540)	(224,792)
Closing net book amount	-	575,214	194,101	367,046	1,136,361
As at 31 May 2006					
Cost	-	2,686,131	750,132	512,218	3,948,481
Accumulated depreciation	-	(2,110,917)	(556,031)	(145,172)	(2,812,120)
Net book amount	-	575,214	194,101	367,046	1,136,361

Notes to the Financial Statements (Continued)

For the year ended 31 May 2007

	Goodwill P	Networking contracts P	Total P
7. Intangible assets			
Group			
Balance as at 1 June 2006	-	70,000	70,000
Amortisation (Note 1)	-	(52,497)	(52,497)
Deconsolidation of ASC Services (Pty) Ltd		(17,503)	(17,503)
Balance at 31 May 2007	-	-	-
Balance as at 1 June 2005	2,908,143	140,000	3,048,143
Amortisation (Note 1)	(2,908,143)	(70,000)	(2,978,143)
Balance as at 31 May 2006	-	70,000	70,000

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

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

At 31 May 2006, the directors reassessed the carrying value of goodwill for impairment in line with IFRS 3 Business Combinations and IAS 36 Impairment of Assets. In the directors' assesment, there were no future benefits to be derived from goodwill and the carrying amount as at 31 May 2006 was fully impaired.

Notes to the Financial Statements (Continued)

For the year ended 31 May 2007

8. Investment in subsidiaries

RPC Data Consulting (Pty) Limited
Shares at cost representing 100% of the issued share capital

RPC Data Uganda (Pty) Limited
Shares at cost representing 51% of the issued share capital

RPC Data Zambia (Pty) Limited
Shares at cost representing 51% of the issued share capital

ASC Services (Pty) Ltd
Shares at cost representing 51% of the issued share capital

RPCDL Properties (Pty) Limited
Shares at cost representing 100% of the issued share capital
Share Premium arising on capitalisation of shareholders loan in subsidiary

9. Investment in associate company

ASC Services (Pty) Limited - 33 % shareholding
Shares at cost
Profit of associate company

Snowscape Holdings (Pty) Ltd
t/a Advancenet Botswana
Investment - 30% shareholding
Write off of investment in an associate

10. Loans due from subsidiaries & associate company

Amounts due from Subsidiaries
RPC Data Uganda (Pty) Ltd
RPC Data Zambia (Pty) Ltd

Amounts due from associate companies
ASC Services (Pty) Ltd
Less: Current Portion of Loan

	Group		Company	
	2007 P	2006 P	2007 P	2006 P
RPC Data Consulting (Pty) Limited Shares at cost representing 100% of the issued share capital	-	-	2,900	2,900
RPC Data Uganda (Pty) Limited Shares at cost representing 51% of the issued share capital	-	-	100	100
RPC Data Zambia (Pty) Limited Shares at cost representing 51% of the issued share capital	-	-	2,500	2,500
ASC Services (Pty) Ltd Shares at cost representing 51% of the issued share capital	-	-	-	234,894
RPCDL Properties (Pty) Limited Shares at cost representing 100% of the issued share capital Share Premium arising on capitalisation of shareholders loan in subsidiary	-	-	2,377,576	2,377,576
	-	-	2,383,176	2,618,070
ASC Services (Pty) Limited - 33 % shareholding Shares at cost Profit of associate company	153,490 83,275	- -	153,490 -	- -
	236,765	-	153,490	-
Snowscape Holdings (Pty) Ltd t/a Advancenet Botswana Investment - 30% shareholding Write off of investment in an associate	- - -	- - -	- - -	85,150 (85,150) -
	-	-	-	-
Amounts due from Subsidiaries RPC Data Uganda (Pty) Ltd RPC Data Zambia (Pty) Ltd	- - -	- - -	156,685 385,916 542,601	156,685 385,916 542,601
Amounts due from associate companies ASC Services (Pty) Ltd Less: Current Portion of Loan	282,615 (70,000) 212,615	- - -	282,615 (70,000) 212,615	350,000 - 350,000
	212,615	-	212,615	350,000
	212,615	-	755,216	892,601

The amounts due from the subsidiary companies are unsecured and are not subject to any fixed term of repayment.

The amount due from the associate company is unsecured and is repayable in equal instalments of P70,000 per annum commencing from 01 June 2007.

Notes to the Financial Statements (Continued)

For the year ended 31 May 2007

	Group		Company	
	2007 P	2006 P	2007 P	2006 P
11. Deferred tax				
Deferred income tax asset	595,326	580,809	345,285	264,465
Deferred income tax liabilities	(384,625)	(425,694)	(104,665)	(187,023)
Net deferred income tax asset	210,701	155,115	240,620	77,442
The net deferred income tax asset is made up of the following: Deferred tax liabilities - timing differences on property, plant and equipment:				
Balance at 1 June 2006	425,694	182,766	187,023	147,922
Arising during the year:	(41,069)	-	(82,358)	
- to income statement (Note 5)	-	125,049	-	39,101
- to statement of changes in equity	-	117,879	-	-
Balance at 31 May 2007	384,625	425,694	104,665	187,023
Deferred tax asset timing differences on tax losses: Balance at 1 June 2006	580,809	523,520	264,465	310,728
Assessed losses arising/(utilised) (Note 5)	80,820	57,289	80,820	(46,263)
Deconsolidation adjustment of ASC Services (Pty) Ltd	(66,303)	-	-	-
Balance at 31 May 2007	595,326	580,809	345,285	264,465
Net deferred income asset	210,701	155,115	240,620	77,442
12. Work in progress				
Balance at 31 May	1,358,481	176,313	1,358,481	176,313
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.				
13. Receivables and prepayments				
Trade accounts receivable	11,133,701	9,269,447	9,273,704	6,953,780
Amounts due from subsidiaries (Note 20)	-	-	4,144,979	2,656,469
Amounts due from CDP Africa (Note 20)	1,690,917	1,690,917	1,690,917	1,690,917
Amount due from associate companies	243,523	-	70,000	-
Other receivables and prepaid charges	856,027	1,297,852	349,099	935,685
	13,924,168	12,258,216	15,528,699	12,236,851
Included in trade debtors are the following amounts which have been invoiced in US Dollars and are receivable as at the year end:	9,600,668	1,514,732	7,755,719	1,089,638
14. Cash and cash equivalents				
Cash and cash equivalents comprise the following: Cash at bank and in hand	5,363,981	5,417,267	2,368,078	4,564,846
	5,363,981	5,417,267	2,368,078	4,564,846

Notes to the Financial Statements (Continued)

For the year ended 31 May 2007

	Group		Company	
	2007 P	2006 P	2007 P	2006 P
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	12,984,774	12,984,774	12,984,774	12,984,774
17. Earnings and dividends per share				
The calculation of 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.				
18. Trade and other payables				
Trade accounts payable	9,776,421	6,920,915	8,119,434	6,535,716
Amounts due to subsidiaries (Note 20)	-	-	505,390	11,888
Deferred income	45,984	-	45,984	-
Other payables and accruals	1,594,855	2,440,418	1,686,240	1,831,578
	11,417,260	9,361,333	10,357,048	8,379,182
Included in trade creditors are amounts denominated in foreign currencies as follows:				
United States Dollar	7,707,848	1,012,196	7,059,093	788,956
South African Rand	28,364	122,603	28,364	24,837

Notes to the Financial Statements (Continued)

For the year ended 31 May 2007

	Group		Company	
	2007 P	2006 P	2007 P	2006 P
19. Dividends paid				
Final dividend for prior year	-	1,087,977	-	1,087,977
Withholding tax thereon	-	(163,191)	-	(163,197)
	-	924,780	-	924,780
20. Related party transactions				
The Group is controlled by RPC Data Ltd, a company incorporated in the Republic of Botswana and listed on the Botswana Stock Exchange. Related parties comprise the holding company, entities under common control and Directors. Related parties also include companies owned by Directors.				
Transaction charged (to)/by related parties during the year				
RPC Data Uganda (Pty) Ltd - a 51% subsidiary of RPC Data Ltd				
Management fees	-	-	(37,313)	608,000
Intercompany charges	-	-	(247,919)	(389,567)
			-	-
RPCDL- a 100% subsidiary of RPC Data Ltd				
Operating lease rentals	-	-	459,445	459,445
RPC Data Zambia (Pty) Ltd				
Intercompany charges	-	-	(256,235)	(19,560)
ASC Services- a 33% associate of RPC Data Ltd				
Operating lease rentals	-	-	(110,868)	(95,020)
Year end balances arising from sale/purchase of goods and services with related parties were:				
Receivables from related parties				
ASC Services (Pty) Ltd	243,523	-	243,523	31,850
RPCDL Properties (Pty) Ltd	-	-	145,823	86,021
RPC Data Uganda (Pty) Ltd	-	-	2,226,131	2,155,072
RPC Data Zambia (Pty) Ltd	-	-	1,599,502	383,526
	243,523	-	4,214,979	2,566,469
Receivables from other related parties				
CDP Africa (Pty) Ltd	1,690,917	1,690,917	1,690,917	1,690,917
This represents advances due from CDP Africa (Pty) Ltd. The advance is guaranteed by the Director of CDP Africa (Pty) Ltd who is also the managing director of RPC Data Botswana Ltd and is secured by a pledge of securities owned by the director. Subsequent to year-end, the group has taken possession of the securities as settlement of the loan.				
Payable to subsidiary company				
RPCDL Properties (Pty) Ltd	-	-	505,390	3,002
	-	-	-	-
ASC Services - trade payables	-	-	-	8,886
Directors' remuneration (Note 1)	1,248,806	1,286,265	1,174,850	1,236,265
Dividends paid to directors - gross	-	459,742	-	459,742

Notes to the Financial Statements (Continued)

For the year ended 31 May 2007

	Group		Company	
	2007 P	2006 P	2007 P	2006 P
21. Cash flows from operations				
Reconciliation of profit before taxation to cash generated from operations:				
Profit/(Loss) before taxation	1,003,590	(3,443,974)	17,033	(3,382,894)
Adjustments for:				
Depreciation (Note 6)	260,429	297,397	214,947	224,792
Amortisation of intangible assets (Note 7)	-	2,978,143	-	2,908,143
Investments in associate company	-	-	63,405	85,150
Foreign Currency Translation Reserve(FCTR)	(172,432)	(28,654)	-	-
Loss (profit) on sale of				
plant and equipment (Note 1)	11,615	(25,417)	-	(39,125)
Net finance income (Note 4)	103,158	(64,423)	87,113	(73,223)
Disinvestment of subsidiary:				
deconsolidation adjustment	(69,158)	-	-	-
Changes in working capital				
- (Increase)/decrease in work in progress	(1,182,168)	253,646	(1,182,168)	253,646
- decrease (increase) in inventory	123,574	(123,574)	-	-
- (Increase)/decrease in trade and other receivables	(1,665,952)	7,899,419	(3,291,848)	8,329,426
- Increase/(decrease) in trade and other payables	2,055,927	(7,424,816)	1,977,866	(7,810,794)
Cash generated from operations	468,583	317,748	(2,113,652)	495,121

Notes to the Financial Statements (Continued)

For the year ended 31 May 2007

22. Business segment information

Operations of the Group mainly comprise of hardware and software sales, systems development and implementation.

No primary segmental information has been provided as these operation are regarded as one business segment.

Geographical segment information

The group has subsidiaries operating in Zambia and Uganda. The home country of the company- which is also the main operating company-is Botswana. Geographical segmental information for the year ended 31 May 2007 is presented below.

	Botswana P	Uganda P	Zambia P	Elimination P	Consolidated P
Revenue					
Segment external total revenue	26,838,992	3,310,806	3,042,247	-	33,192,045
Inter-segmental revenue	504,154	-	-	(504,154)	-
	<u>27,343,146</u>	<u>3,310,806</u>	<u>3,042,247</u>	<u>(504,154)</u>	<u>33,192,045</u>
Inter-segment sales are charged on an arms length basis.					
Results					
Segment profit/(loss) after tax	<u>1,172,290</u>	<u>6,905</u>	<u>(82,032)</u>		<u>1,097,163</u>
Balance Sheet					
Total segment assets	<u>20,366,375</u>	<u>2,831,186</u>	<u>2,863,592</u>		<u>26,061,153</u>
Total segment liabilities	<u>5,602,610</u>	<u>2,805,297</u>	<u>3,393,978</u>		<u>11,801,885</u>
Other information					
Additions to property, plant and equipment	91,115	44,710	24,543		160,368
Depreciation	(214,947)	(35,631)	(9851)		(260,429)

23. 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) Limited for an infinite period in respect of office premises at an annual rental currently P 459 455 (2006 - P 459 455). This rental is revised annually in line with market rates.

24. Contingent liabilities

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

- Overdraft facilities amounting to BWP 300 000 from Standard Chartered Bank for working capital requirements.
- Guarantee of BWP 120 000 in favour of Government of Botswana as continuation of guarantee.
Guarantee of US \$ 20 000 in favour of Ministry of Finance, Kenya as bid bond.
Guarantee of US \$ 80 000 in favour of Dimension Data as bid bond on project.

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

Notice of Annual General Meeting

Notice is hereby given that the 8th Annual General Meeting of shareholders of RPC Data Limited, will be held at the office of the company, Plot 39 Commerce Park, Gaborone, Botswana on 07 December 2007 at 3.30 p.m, for the purpose of transacting the following agenda.

AGENDA

- To read the notice convening the meeting.
- To receive and approve the audited group financial statements for the year ended 31 May 2007
- To elect directors of the company in place of Tebelelo Seretse, Parks Tafa and Emeldah Mathe who retire by rotation in terms of Article 54 of the Articles of Association and being eligible offer themselves for re-election.
- To approve the remuneration for the directors for the year ended 31 May 2007.
- To approve the remuneration of the auditors for the past financial year.
- To appoint auditors for the ensuing year and to fix their remuneration.
- 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 their behalf, and such proxy need not be a member of the company. The instrument appointing such a proxy must be deposited at the office of the Company Secretaries 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

Corporate Services (Pty) Limited Company Secretaries

Corporate Services (Pty) Ltd
Unit 5, Kgale Mews
P.O. Box 406
Gaborone, Botswana

I / We _____

of (address) _____

being of member of the RPC Data Limited, hereby appoint

_____ or failing him or her

_____ or failing him or her

_____ or failing him or her

The Chairman of the meeting as my proxy to vote on my behalf at the annual general meeting of the company, to be held on Friday 07 December 2007 at 3.30 p.m, at the offices of the company in Gaborone at Plot 39, Gaborone Industrial Commerce Park.

Note:

1. Each member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to act in the alternative, to attend and vote and speak in his/her stead. A proxy need not be a member of the company.
2. Any alteration or correction made to this form of proxy (including the deletion of the alternatives) must be initialled by the signatory/signatories.
3. This Form of proxy should be signed and returned so as to reach the office of the Company Secretaries not later than 05 December 2007

Signed this _____ day of _____ 2007

Signature _____

Please return this form to:

**Corporate Services (Pty) Ltd
Unit 5, Kgale Mews
P.O. Box 406
Gaborone, Botswana**

CHANGE OF ADDRESS

Please complete in block capitals

Shareholder's name in full: _____

New Address: _____

Shareholder's signature: _____