

## AUDITED RESULTS FOR THE YEAR ENDED 31 MAY 2004

	Group	Group	Company	Company
	2004	2003	2004	2003
	BWP	BWP	BWP	BWP
<b>INCOME STATEMENTS</b>				
<b>Turnover</b>	42,857,636	28,767,249	40,338,048	21,311,019
Cost of sales	(33,333,702)	(19,221,288)	(31,394,905)	(13,594,062)
<b>Gross profit</b>	9,523,934	9,545,961	8,943,143	7,716,957
Other operating (expenses) / income	(72,128)	138,435	(28,965)	155,096
Amortisation of goodwill	(871,481)	(871,481)	(801,481)	(801,481)
Profit on disposal of subsidiary	-	118,804	-	-
Provision for loan due from associate company	-	(541,715)	-	(541,715)
Operating expenses	(5,312,452)	(7,281,149)	(5,248,696)	(5,672,800)
<b>Operating profit</b>	3,267,873	1,108,855	2,864,001	856,057
Share of losses in associate company	169,176	(72,005)	-	-
Net finance income	320,368	394,640	723,619	759,734
<b>Profit before taxation</b>	3,757,417	1,431,490	3,587,620	1,615,791
Taxation	(1,144,494)	(491,170)	(1,087,124)	(566,947)
<b>Profit after taxation</b>	2,612,923	940,320	2,500,496	1,048,844

### BALANCE SHEETS

<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3,339,931	3,737,911	1,026,332	1,376,408
Intangible assets	5,767,551	6,627,580	5,557,551	6,347,580
Investment in subsidiary	-	-	3,104	3,104
Investment in associate companies	159,519	35,996	90,000	90,000
Loan due from subsidiary	-	-	2,658,176	2,658,176
Deferred tax assets	179,379	191,095	-	-
<b>Total non-current assets</b>	9,446,380	10,592,582	9,335,163	10,475,268
<b>Current assets</b>				
Work in progress	11,333,335	1,640,645	11,333,335	1,640,645
Receivables and prepayments	8,159,548	10,258,233	8,287,558	10,530,416
Cash and cash equivalents	3,719,506	2,963,948	3,494,630	2,928,124
<b>Total current assets</b>	23,212,389	14,862,826	23,115,523	15,099,185
<b>Total assets</b>	32,658,769	25,455,408	32,450,686	25,574,453
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Share capital	1,574,144	1,574,144	1,574,144	1,574,144
Share premium	12,984,774	12,984,774	12,984,774	12,984,774
Retained earnings	5,306,405	4,435,684	5,821,165	5,062,871
Proposed dividend	839,003	903,559	839,003	903,559
<b>Total capital and reserves</b>	20,704,326	19,898,161	21,219,086	20,525,348
<b>Non-current liabilities</b>				
Deferred taxation	33,015	12,569	33,015	12,569
Long term payable	-	13,177	-	-
<b>Total non-current liabilities</b>	33,015	25,746	33,015	12,569
<b>Current liabilities</b>				
Trade and other payables	11,552,536	5,269,779	10,829,693	4,774,814
Current tax liabilities	368,892	261,722	368,892	261,722
<b>Total current liabilities</b>	11,921,428	5,531,501	11,198,585	5,036,536
<b>Total liabilities</b>	11,954,443	5,557,247	11,231,600	5,049,105
<b>Total equity and liabilities</b>	32,658,769	25,455,408	32,450,686	25,574,453

### CASH FLOW STATEMENTS

<b>Operating activities</b>				
Cash generated from/(utilised in) operations	3,438,127	(1,234,500)	2,800,006	(1,648,759)
Net interest received	320,368	394,640	723,619	759,734
Taxation paid	(1,230,522)	(2,232,835)	(1,230,522)	(2,232,835)
<b>Net cash generated from operating activities</b>	2,527,973	(3,072,695)	2,293,103	(3,121,860)
<b>Investing activities</b>				
Purchase of property, plant and equipment	(212,042)	(858,930)	(179,401)	(787,993)
Proceeds from disposal of investments	-	-	-	310
Disposal of plant and equipment with subsidiary	-	267,247	-	-
Loan due from subsidiary	-	-	-	973,147
Intangible assets	(11,452)	(498,973)	(11,452)	(498,973)
Proceeds from sale of property, plant and equipment	-	320,938	-	316,816
<b>Net cash (used in)/from investing activities</b>	(223,494)	(769,718)	(190,853)	3,307
<b>Financing activities</b>				
Net change in long term payables	(13,177)	(12,274)	-	-
Dividends received from subsidiary	-	-	-	-
Dividends paid	(1,535,744)	(1,290,626)	(1,535,744)	(1,290,626)
<b>Net cash (used)/from financing activities</b>	(1,548,921)	(1,302,900)	(1,535,744)	(1,290,626)
<b>Increase in cash and cash equivalents</b>	755,558	(5,145,313)	566,506	(4,409,179)
<b>Movement in cash and cash equivalents</b>				
At the beginning of the year	2,963,948	8,109,261	2,928,124	7,337,303
Decrease	755,558	(5,145,313)	566,506	(4,409,179)
<b>At the end of the year</b>	3,719,506	2,963,948	3,494,630	2,928,124

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital BWP	Share Premium BWP	Retained Earnings BWP	Proposed Dividend BWP	Total BWP
Balance at 1 June 2003	1,574,144	12,984,774	4,435,684	903,559	19,898,161
Net profit for the year	-	-	2,612,923	-	2,612,923
Dividends	-	-	-	-	-
-Prior year paid	-	-	-	(903,559)	(903,559)
-Interim paid	-	-	(903,199)	-	(903,199)
-Final proposed	-	-	(839,003)	839,003	-
<b>Balance at 31 May 2004</b>	<b>1,574,144</b>	<b>12,984,774</b>	<b>5,306,405</b>	<b>839,003</b>	<b>20,704,326</b>

### FINANCIAL PERFORMANCE

#### Revenue

Group revenue increased substantially by more than 49% over the prior year. Revenue in the core business increased by 89% compared to the prior year. The increase in the core business revenue was mainly due to the consulting work on new projects that was forecast in the previous period. Turnover also increased from significant sales of computer hardware and Oracle software related to these projects and other business, though this business inevitably commands lower margins. We have subcontracted specialist consulting companies from within and outside Botswana for specific tasks, and our billing of this work is also conducted with a smaller profit margin. The increase in cost of sales by 73% resulted in the company achieving lower gross profit margins than in prior year.

#### Earnings

The Group has achieved headline earnings of P3 484 404 which is 92% higher than prior year; this had been forecast in prior year. Core business earnings are up 138% from prior year levels of P1 048 844.

Group operating profit has increased by 195%, partly due to the significant reduction in administrative expenses from the restructure in prior year and deliberate cost control measures. Specifically, the reduction of overheads in the Zambia branch has contributed positively to the cost reduction. The associate company Advancenet and the subsidiary ASC Services have contributed positively to group results for the first time as expected.

#### Prospects

The major projects won in the prior year are ongoing. New business opportunities are also forecast from operations in Uganda, and we intend to ensure that existing clients in Botswana are able to exploit their installations fully through extensions and upgrades.

#### Earnings per share

	Group 2004	Group 2003
Net profit for the year (BWP)	2,612,923	940,320
Amortisation of goodwill	871,481	871,481
<b>Headline earnings</b>	<b>3,484,404</b>	<b>1,811,802</b>
- Basic earnings per share(thebe)	8.30	2.99
- headline earnings per share (thebe)	11.07	5.75
- dividend per share (thebe)	5.53	2.87
- shares in issue	31,482,887	31,482,887

#### Dividends

An interim dividend of 2.87 thebe (gross) was paid in March 2004. Notice is hereby given that the directors have proposed a final dividend of 2.66 thebe per share (gross). In terms of the Botswana Income Tax Act, withholding tax at the rate of 15% will be deducted from all dividends. The proposed dividend will be payable to shareholders registered in the books of the company at the close of business on the 10th of September 2004. Dividends will be dispatched on or about 21st of September 2004.



**JR POOL**  
**MANAGING DIRECTOR**  
**Gaborone 18 August 2004**



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