



# C O N T E N T S

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## Highlights

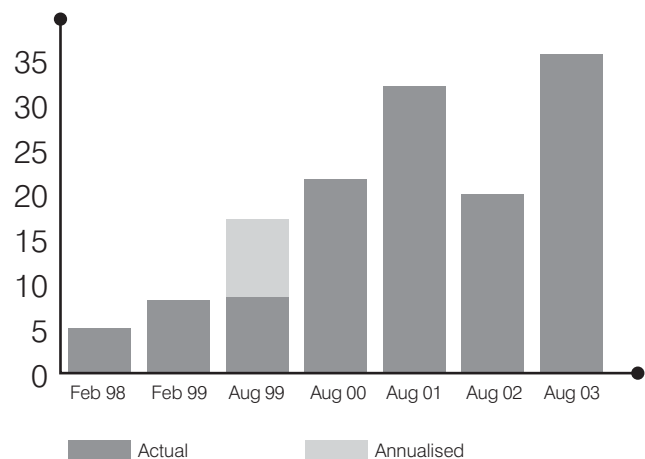
- Revenues increased by 79% to R 35 million
- Operating profit of R 6.4 million achieved (prior to impairment charges)
- The ICC Cricket World Cup 2003 contract for the supply of scoring software, scoreboards and video replay screens, successfully completed

## Synopsis of business

Stella Vista Technologies Ltd, the JSE listed company (symbol: SLL), is a world leader in design of visual mass communications systems, specialising in LED technology that finds its application in large screen video displays, text and graphics messaging displays, advertising, scoreboards, entertainment, video replay screens in sports stadia and flight information displays at airports.

Stella Vista is focused on building its brand based on it being associated with uncompromising quality, application optimised design, low ownership costs, 24/7 reliability and personal after sales service and support.

## TURNOVER (Rm)



# To our shareholders

## General

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The highlight for the financial year was the successful completion of the ICC CWC 2003 contract, which contributed to the significant increase in revenues. The flawless execution of the contract by the Stella Vista team continues to bring opportunities both locally and internationally.

Due to the high value and long product cycles, it is difficult to predict the future for any company in our industry.

Gross profit margins improved year on year, the operating loss was attributable to the impairment of stock.

## Results

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The financial results for the year ended 31 August 2003 reflect an improvement on the previous year however remain disappointing.

Turnover for the year increased by 79%, the major contributor being the ICC CWC 2003 contract.

- The operating loss for the year was reduced to 1.9% of sales from 44.8% of sales in the previous year.
- Stella Vista reflected an operating profit of R6.4m for the year, prior to impairment charges.
- The price decrease and changes in technology required an impairment charge of R7.1m to reflect the net realisable value of inventory on hand.

Sales to the value of R 5,54m to a related party, Powerview (Pty) Ltd, a company owned by the directors, is included in revenue. These transactions were carried out at arm's length prices, based on market related terms and conditions.

## Markets

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In addition to normal business, which included installations at the Johannesburg International's new Domestic Terminal, as well as exports to Botswana, during the year under review Stella Vista completed delivery of the official cricket scoring software, full production software for scoring and statistics display, LED scoreboards and integration of existing scoreboards at the 12 cricket grounds in South Africa that hosted the matches of the ICC Cricket World Cup 2003.

In addition, Stella Vista provided rentals of video replay screens for the duration of the event, including equipment for TV commercial playout, instant replay and match highlights, as well as management and integration services.

## Products and services

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As communicated previously, Stella Vista has made a significant expansion in its products and service offering. A new full colour LED display model, Titan® T14 impressed the officials and spectators at more than 30 matches of the World Cup. The new LB-series model, LB-56, was used for all the new scoreboards. These two of the display models part of Stella Vista's revolutionary faceUp display system that guarantees interchangeability between LED video, LED text and graphics displays and static advertising modules.

In the field of services and integration, Stella Vista's offering is constantly growing. As a result of this, we were able to offer and integrate a total solution system for the UCB SA.

## Prospects

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As communicated in the interim results, Stella Vista has started to market solutions based on the systems used at the ICC CWC 2003.

We have made inroads into the European and Middle Eastern markets, the benefit of which should start materialising during the next financial year.

## The Company

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Stella Vista is a world leader in the design of state-of-the-art multimedia communications systems, providing displays, control equipment and software for a multitude of applications. The complete line of multi-purpose products includes scoreboards, video display screens and combined text and graphic messaging displays with real-time data capabilities.

Stella Vista focuses on designing, producing, integrating and supporting innovative products and services for clients' specific needs. This provides the total solution for sport, business, entertainment and the transportation markets, ensuring complete customer satisfaction, while providing the viewer with a truly remarkable experience.

## Revenue

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Stella Vista's turnover for the current financial year comprises cash income from outright sales, rental, maintenance and contract income.

Contract income relates to long-term contracts that are generally substantial value and complex in nature. The income represents that portion of the contracts completed in the current financial year.

## Inventory

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Due to logistical constraints and to ensure quality and consistency, a significant inventory of LEDs is maintained. Inventory includes a substantial level of finished goods.

Price decreases and changes in technology required an impairment of consumable and finished goods to reflect the inventory on hand at net realisable value.

## Corporate governance

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Stella Vista is committed to upholding good corporate governance in all its business dealings in respect of its shareholders.

The company complies with the code of corporate practices and conduct.

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# Statement of responsibility by the board of directors

for the year ended 31 August 2003

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of Stella Vista Technologies Limited and its subsidiaries. The financial statements are presented on pages 7 to 29 have been prepared in accordance with Statements of Generally Accepted Accounting Practice in South Africa, and include amounts based on judgements and estimates made by management. The directors also prepared the other information included in the annual report and are responsible for both its accuracy and its consistency with the financial statements.

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.

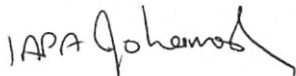
The financial statements have been audited by the independent auditing firm, PricewaterhouseCoopers Incorporated, which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors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

The report of PricewaterhouseCoopers Incorporated is presented on page 6.

# Certificate by company secretary

for the year ended 31 August 2003

In my opinion as Company Secretary, I hereby confirm, in terms of the South African Companies Act, 1973, that for the year ended 31 August 2003, the company has lodged with the Registrar of Companies all such returns as are required of a company in terms of this Act and that all such returns are true, correct and up to date.



**IAPA Johannesburg**

Secretary

# Approval of group financial statements

for the year ended 31 August 2003

The annual financial statements for the year ended 31 August 2003 set out on pages 5 to 29 were approved by the board of directors on 28 January 2004 and are signed on its behalf:



**R Burke**  
Chairman



**M Tabakovic**  
Director

## Report of the independent auditors

for the year ended 31 August 2003

We have audited the annual financial statements and group annual financial statements of Stella Vista Technologies Limited that are set out on pages 7 to 27 for the year ended 31 August 2003. These financial statements are the responsibility of the directors of the company. Our responsibility is to express an opinion on these financial statements based on our audit.

### SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. 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; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

### AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and of the group at 31 August 2003 and the results of its operations, and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the South African Companies Act, 1973.



**PricewaterhouseCoopers Inc.**

Registered Accountants and Auditors

Chartered Accountants (SA)

Johannesburg

28 January 2004

# Directors' report

for the year ended 31 August 2003

The directors present their fifth report, which forms part of the audited annual financial statements of the company and of the group for the year ended 31 August 2003.

## NATURE OF BUSINESS

Stella Vista Technologies Limited is a South African company listed on the development capital sector of the Johannesburg Securities Exchange South Africa. The company is an investment holding company.

The current business operations of the group focus on the research, development, marketing, sales and support of communication and information systems.

## CORPORATE GOVERNANCE

Stella Vista Technologies Limited and its subsidiaries (the group) is fully committed to the principles of accountability, transparency and integrity in accordance with generally accepted corporate practice. Due to the size of the group certain aspects of the King Code of Corporate Practice and Conduct are impractical, but these practices are being monitored to ensure their enactment as soon as is practically possible.

## SHARE CAPITAL

No shares were issued during the year under review (2002: Nil).

## DIVIDENDS

No dividend has been declared or recommended (2002: R Nil).

## FUTURE BUSINESS PROSPECTS

The continued changing technological development throughout the world has created a cash constraint for the group. The group still strives to be the market leader in this ever changing environment .

In light of this , the directors have embarked on discussions with Powerview (Pty) Ltd in order to secure the rental business of the screens which would provide the group with sufficient cash recourses to continue in the foreseeable future.

Pending the successful outcome of these negotiations, and expected revenue growth, the directors believe that the Group will be in a position to meet all its ongoing technology challenges and obligations and remain a going concern.

## EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The directors are not aware of any facts or circumstances arising since the end of the financial year, not otherwise dealt with in the report or group annual financial statements, that would affect the operations of the group or the results of those operations significantly.

## SUBSIDIARIES

Details of the company's interest in its subsidiaries are set out in note 26 to the annual financial statements.

## SHARE INCENTIVE SCHEME

No options were granted during the year under review (2002: Nil).

## DIRECTORS AND SECRETARY

The names of the directors in office at the date of this report, as well as particulars of the secretary appear on page 28 (S Radman resigned on 30 March 2003)

## DIRECTORS' INTERESTS IN CONTRACTS

No material contracts involving directors' interests were entered into during the current year other than the transactions detailed in note 25 of the annual financial statements.

## INTEREST OF DIRECTORS IN SHARE CAPITAL

The interest, direct and indirect, of the directors in office at the date of this report, and non-beneficial interests are set out on page 8.

# Directors' report

for the year ended 31 August 2003

	Ordinary shares		Ordinary shares	
	Direct beneficial 2003	Indirect beneficial 2003	Direct beneficial 2002	Indirect beneficial 2002
At 31 August				
Executive directors:				
- M Tabakovic	1 000	24 431 500	1 000	24 431 500
- D Tabakovic	16 600	12 169 900	16 600	12 169 900
	<b>17 600</b>	<b>36 601 400</b>	<b>17 600</b>	<b>36 601 400</b>
Non-executive directors				
- R Burke	33 500	22 892 400	33 500	22 892 400
- A Coulson	1 000	22 918 800	1 000	22 918 800
- C Livingstone	150 000	10 000	150 000	10 000
	<b>184 500</b>	<b>45 821 200</b>	<b>184 500</b>	<b>45 821 200</b>
Total	<b>202 100</b>	<b>82 422 600</b>	<b>202 100</b>	<b>82 422 600</b>
At 28 January 2004	202 100	82 422 600	-	-
At 28 November 2002	-	-	202 100	82 422 600

## AUDITORS

PricewaterhouseCoopers Incorporated will continue in office in accordance with Section 270(2) of the South African Companies Act, 1973.

# Balance sheets

at 31 August 2003

	Notes	Group 2003 R	Group 2002 R	Company 2003 R	Company 2002 R
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	1	2 055 959	1 586 591	-	-
Interest in subsidiaries	2	-	-	17 867 488	11 231 851
Non-current receivables	3	166 005	1 510 340	-	-
Deferred taxation	4	3 121 770	2 858 710	-	-
		<b>5 343 734</b>	<b>5 955 641</b>	<b>17 867 488</b>	<b>11 231 851</b>
<b>Current assets</b>					
Inventories	5	16 279 834	18 289 552	-	-
Current portion of non-current receivables	3	451 378	568 946	-	-
Receivables and prepayments	6	534 105	3 805 424	-	27 000
Cash and cash equivalents	7	442 641	15 878 064	3 350	7 630 569
		<b>17 707 958</b>	<b>38 541 986</b>	<b>3 350</b>	<b>7 657 569</b>
<b>Total assets</b>		<b>23 051 692</b>	<b>44 497 627</b>	<b>17 870 838</b>	<b>18 889 420</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital	8	1 400 000	1 400 000	1 400 000	1 400 000
Share premium	9	16 650 000	16 650 000	16 650 000	16 650 000
Revaluation and other reserves	10	612 174	(579 007)	-	-
Accumulated losses		(5 968 352)	(3 488 071)	(179 162)	641 706
		<b>12 693 822</b>	<b>13 982 922</b>	<b>17 870 838</b>	<b>18 691 706</b>
<b>Non-current liabilities</b>					
Interest-bearing borrowings	11	2 102 562	9 191 673	-	-
<b>Current liabilities</b>					
Trade and other payables	12	3 773 911	4 404 956	-	34 282
Current portion of interest-bearing borrowings	11	3 062 773	3 800 610	-	-
Other borrowings	13	1 139 077	12 570 178	-	-
Provisions for liabilities and charges	14	206 936	56 054	-	-
Current taxation liabilities		72 611	491 234	-	163 432
		<b>8 255 308</b>	<b>21 323 032</b>	<b>-</b>	<b>197 714</b>
<b>Total liabilities</b>		<b>10 357 870</b>	<b>30 514 705</b>	<b>-</b>	<b>197 714</b>
<b>Total equity and liabilities</b>		<b>23 051 692</b>	<b>44 497 627</b>	<b>17 870 838</b>	<b>18 889 420</b>

# Income statements

for the year ended 31 August 2003

	Notes	Group 2003 R	Group 2002 R	Company 2003 R	Company 2002 R
<b>Revenue</b>		<b>34 991 126</b>	19 588 821	-	-
Cost of sales		<b>(24 330 496)</b>	(18 994 421)	-	-
<b>Gross profit</b>		<b>10 660 630</b>	594 400	-	-
Operating costs		<b>(11 314 734)</b>	(9 378 280)	<b>(1 099 373)</b>	(466 984)
<b>Operating loss</b>	18	<b>(654 104)</b>	(8 783 880)	<b>(1 099 373)</b>	(466 984)
Net finance (cost)/income	20	<b>(2 105 022)</b>	(1 014 025)	<b>278 505</b>	462 639
<b>Loss before taxation</b>		<b>(2 759 126)</b>	(9 797 905)	<b>(820 868)</b>	(4 345)
Taxation	21	<b>278 845</b>	2 226 492	-	-
<b>Net loss for the year</b>		<b>(2 480 281)</b>	(7 571 413)	<b>(820 868)</b>	(4 345)
Loss per share (cents)					
- Basic	22	<b>(1.8)</b>	(5.4)		
Headline loss per share (cents)					
- Basic	22	<b>(1.8)</b>	(5.4)		

# Cash flow statements

for the year ended 31 August 2003

	Notes	2003 R	2002 R	2003 R	2002 R
<b>Cash flows from operating activities</b>					
Cash receipts from customers		38 720 430	16 905 765	-	-
Cash paid to suppliers and employees		(31 245 713)	(12 762 727)	(455 255)	(489 762)
Cash flows from operating activities	23	7 474 717	4 143 038	(455 255)	(489 762)
Interest received		840 861	533 133	282 210	462 639
Interest paid		(1 671 995)	(1 774 460)	(3 705)	-
Net foreign exchange (loss)/gain		(1 273 888)	227 302	-	-
Taxation paid	24	(402 838)	(1 159 367)	(163 432)	-
Net cash flows from operating activities		4 966 857	1 969 646	(340 182)	(27 123)
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(1 278 978)	(903 583)	-	-
Disposal of property, plant and equipment		134 747	150 000	-	-
Net loans repaid by/(made to) subsidiary		-	-	(7 287 037)	2 613 809
Net cash flows from investing activities		(1 144 231)	(753 583)	(7 287 037)	2 613 809
<b>Cash flows from financing activities</b>					
Net repayment of interest-bearing borrowings		(7 787 803)	(1 662 963)	-	-
Net repayment of shareholders' loans		-	(786 883)	-	-
Net (repayment of)/ proceeds from other borrowings		(11 431 101)	11 706 774	-	-
Cash flows from financing activities		(19 218 904)	9 256 928	-	-
Net (decrease)/increase in cash and cash equivalents		(15 396 278)	10 472 991	(7 627 219)	2 586 686
Cash and cash equivalents at beginning of the year		15 838 552	5 365 561	7 630 569	5 043 883
Cash and cash equivalents at end of the year	7	442 274	15 838 552	3 350	7 630 569

# Statement of changes in equity

for the year ended 31 August 2003

	Notes	Group 2003 R	Group 2002 R	Company 2003 R	Company 2002 R
<b>Share capital</b>	8				
Balance at beginning and end of the year		<u>1 400 000</u>	<u>1 400 000</u>	<u>1 400 000</u>	<u>1 400 000</u>
<b>Share premium</b>	9				
Balance at beginning and end of the year		<u>16 650 000</u>	<u>16 650 000</u>	<u>16 650 000</u>	<u>16 650 000</u>
<b>Revaluation and other reserves</b>	10				
Balance at beginning of the year		(579 007)	(157 585)	-	-
Foreign currency translation differences		1 191 181	(421 422)	-	-
<b>Balance at end of the year</b>		<u>612 174</u>	<u>(579 007)</u>	<u>-</u>	<u>-</u>
<b>Accumulated losses</b>					
Balance at beginning of the year		(3 488 071)	4 083 342	641 706	646 051
Net loss for the year		(2 480 281)	(7 571 413)	(820 868)	(4 345)
<b>Balance at end of the year</b>		<u>(5 968 352)</u>	<u>(3 488 071)</u>	<u>(179 162)</u>	<u>641 706</u>
<b>Total capital and reserves</b>		<u>12 693 822</u>	<u>13 982 922</u>	<u>17 870 838</u>	<u>18 691 706</u>

# Summary of the accounting policies

for the year ended 31 August 2003

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and are consistent with those of the previous year, unless otherwise indicated.

## 1. BASIS OF PREPARATION

The consolidated financial statements are prepared in accordance with and comply with South African Statements of Generally Accepted Accounting Practice. The consolidated financial statements are prepared under the historical cost convention. The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates.

## 2. CONSOLIDATION

Subsidiary undertakings, which are those companies in which the group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the group and are no longer consolidated from the date of disposal. All inter-company transactions, balances and unrealised surpluses and deficits on transactions between group companies have been eliminated. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the group. Separate disclosure is made of minority interests.

A listing of the group's principal subsidiaries is set out in note 26 to the annual financial statements. The financial effect of the acquisition and disposal of the subsidiaries are separately disclosed in the notes to the annual financial statements.

## 3. FOREIGN CURRENCIES

Income statements of foreign entities are translated into the group's reporting currency at the average exchange rates for the year and the balance sheets are translated at the year-end exchange rates ruling on 31 August. Exchange differences arising from the retranslating of the net investment in foreign subsidiaries and of borrowings which hedge such investments, are taken to "foreign currency translation reserve" in shareholders' equity.

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

Foreign currency transactions are translated into measurement currency using 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 recognised in the income statement. Such balances are translated at the year-end exchange rates.

## 4. FINANCIAL INSTRUMENTS

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Investments in financial assets are initially recognised at cost. Subsequently financial assets are re-measured at fair value, except for fixed maturity investments such as debt and loans. Financial liabilities are recognised at the original debt less principal repayments and amortisation.

The company and group are also parties to the financial instruments that reduce exposure to fluctuations in foreign currency exchange. These instruments, which mainly comprise foreign currency forward contracts, are not recognised in the financial statements on inception. The purpose of these instruments is to reduce risk.

Foreign currency forward contracts protect the company and group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. Any increase or decrease in the amount required to settle a corresponding movement in the value of the forward exchange contract offsets the asset or liability. The gains and losses are therefore offset for financial reporting purposes and are not recognised in the income statements. The fee incurred in establishing each agreement is amortised over the contract period.

All financial instruments are classified as originated by the enterprise and includes loans to subsidiaries, non current receivables and receivables and prepayments.

## 5. INTERESTS IN SUBSIDIARIES

Interests in subsidiaries are stated at cost and are written down only where there is a permanent impairment in value. Dividends are brought into account as at the last day of registration in respect of listed shares and when declared in respect of unlisted shares.

# Summary of the accounting policies

for the year ended 31 August 2003

## 6. GOODWILL

Goodwill 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, division, associate or jointly controlled entity at the date of acquisition.

Goodwill is recognised as an asset and impairment reviews are conducted annually to determine write off's required, if any. Amortisation is charged so as to write off the cost of goodwill over the estimated useful life of the underlying acquisition, normally between five and ten years, using the straight-line method.

## 7. RESEARCH AND DEVELOPMENT

Research and development expenditure is recognised as an expense, except that costs incurred on development projects are recognised as development assets (intangible assets) to the extent that such expenditure is expected to have future benefits. However, development costs initially recognised as an expense are not recognised as an asset in a subsequent period.

Development costs that have been capitalised are amortised from the commencement of the commercial production of the product to which they relate on a straight line basis over the period of their expected benefit, but not exceeding five years. Development costs associated with specific long-term contracts are recognised as expenditure when incurred and forms part of the percentage of completion calculation.

Where technology/products are superseded by more advanced and superior technology/products, any unamortised development costs relating to the superseded technology/product will be written off immediately in the period of the advancement where:

- the advance in the available technology and/or industry is significant;
- the intention of management is to market the new technology/product above all other products; and
- the demand for the new technology/product will in all likelihood replace that for the older technology/product.

## 8. PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment is included at cost. Cost includes all costs directly attributable to bringing the assets into working condition for their intended use.

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful lives as follows:

- Assets for rehire
- Computer equipment
- Leasehold improvements
- Motor vehicles
- Office furniture and equipment
- Workshop equipment

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised).

Gains and losses on the disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. Repairs and maintenance are charged to the income statement during the financial period in which they incurred.

## 9. LEASED ASSETS

Leases of property, property, plant and equipment where the group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charge 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 charge is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the useful lives of the assets.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to income 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 by the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

## 10. INVENTORIES

Inventories are stated at the lower of cost or estimated net realisable value. Cost is determined by the weighted average cost method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

# Summary of the accounting policies

for the year ended 31 August 2003

## 11. TRADE RECEIVABLES

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is an objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers.

## 12. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise of cash on hand, deposits held on call at banks, term deposits and investments in money market instruments, net of current bank borrowings. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.

## 13. 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 of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to annual leave and long-service are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service as a result of services rendered by employees up to the balance sheet date.

## 14. BORROWINGS

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings.

## 15. IMPAIRMENT OF LONG LIVED ASSETS

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for an amount which the carrying amount of the assets exceeds the recoverable amount which is higher of an assets' net selling price and value in use.

## 16. DEFERRED TAXATION

Deferred taxation 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 taxation.

Provision for taxes, mainly withholding taxes, which could arise on the remittance of retained earnings, principally relating to subsidiaries, is only made where there is a current intention to remit such earnings.

The principal temporary differences arise from the provisions and inventory allowances. Deferred taxation assets relating to the carry forward of the unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which unused tax losses can be utilised.

## 17. REVENUE RECOGNITION

Sales are recognised upon the delivery of products and customer acceptance, if any, net of value added taxes (VAT) and discounts, and after eliminating sales within the group.

Sales relating to long-term contracts are accounted for under the percentage of completion method; the stage of completion is measured by reference to the costs incurred to date to estimated total cost for each contract.

Interest is recognised on the time-proportion basis, taking account of the principal amount outstanding and effective rates over the period to maturity.

# Notes to the annual financial statements

for the year ended 31 August 2003

	Leasehold improvements	Motor vehicles	Workshop equipment	Computer equipment	Office furniture and equipment	Total
	R	R	R	R	R	R
<b>1. PROPERTY, PLANT AND EQUIPMENT</b>						
<b>Group</b>						
<b>Year ended 31 August 2003</b>						
Opening carrying amount	139 945	895 290	43 335	228 325	279 696	1 586 591
Foreign currency translation differences	-	-	-	(25 070)	(32 683)	(57 753)
Additions	-	432 691	513 155	296 505	36 627	1 278 978
Disposals	-	(52 209)	-	(3 264)	-	(55 473)
Depreciation charge	(59 833)	(295 501)	(92 781)	(209 142)	(39 127)	(696 384)
Closing carrying amount	80 112	980 271	463 709	287 354	244 513	2 055 959
<b>At 31 August 2003</b>						
Cost	299 163	1 616 052	702 305	1 032 491	388 482	4 038 493
Accumulated depreciation	(219 051)	(635 781)	(238 596)	(745 137)	(143 969)	(1 982 534)
Carrying amount	80 112	980 271	463 709	287 354	244 513	2 055 959
<b>Year ended 31 August 2002</b>						
Opening carrying amount	199 777	464 563	62 530	287 279	284 662	1 298 811
Foreign currency translation differences	-	-	-	51 078	28 614	79 692
Additions	-	782 859	1 900	112 896	5 928	903 583
Disposals	-	(125 000)	-	-	-	(125 000)
Depreciation charge	(59 832)	(227 132)	(21 095)	(222 928)	(39 508)	(570 495)
Closing carrying amount	139 945	895 290	43 335	228 325	279 696	1 586 591
<b>At 31 August 2002</b>						
Cost	299 163	1 421 708	189 150	857 208	397 466	3 164 695
Accumulated depreciation	(159 218)	(526 418)	(145 815)	(628 883)	(117 770)	(1 578 104)
Carrying amount	139 945	895 290	43 335	228 325	279 696	1 586 591

Instalment sale liabilities are secured over motor vehicles with a net book value of R929 741 (2002: R832 457). Further information about instalment sale liabilities is presented in note 11.

# Notes to the annual financial statements

for the year ended 31 August 2003

	Company 2003 R	Company 2002 R
<b>2. INTEREST IN SUBSIDIARIES</b>		
Shares at cost	400	651 800
<b>Indebtedness</b>		
By subsidiaries <sup>(1)</sup>	17 867 388	10 580 351
To subsidiaries	(300)	(300)
	<u>17 867 088</u>	<u>10 580 051</u>
<b>Directors' valuation</b>	<u>17 867 488</u>	<u>11 231 851</u>
<b>Aggregate attributable after taxation profits and losses of subsidiaries</b>		
Profits	-	-
Losses	<u>(2 176 915)</u>	<u>(7 567 068)</u>

*(1) The loan to the subsidiary has been subordinated in favour of the creditors of the subsidiary until the assets, fairly valued, exceed the liabilities.*

Refer to note 26 for details of principal subsidiary undertakings.

	Group 2003 R	Group 2002 R	Company 2003 R	Company 2002 R
<b>3. NON-CURRENT RECEIVABLES</b>				
<b>Non-current</b>				
Trade receivables	166 005	1 510 340	-	-
<b>Current</b>				
Current portion of non-current receivables	451 378	568 946	-	-
	<u>617 383</u>	<u>2 079 286</u>	-	-

Trade receivables to the value of R617 383 (2002: R2 079 286 ) have been ceded to The Standard Bank of South Africa Limited, Stannic Division (note 11).

# Notes to the annual financial statements

for the year ended 31 August 2003

	Group 2003 R	Group 2002 R	Company 2003 R	Company 2002 R
<b>4. DEFERRED TAXATION</b>				
Deferred taxation is calculated on all temporary differences under the liability method using a principal tax rate of 30% (2002: 30%).				
The movement on the deferred taxation account is as follows:				
At beginning of the year	2 858 710	390 845	-	-
Income statement credit (note 21)	263 060	2 467 865	-	-
<b>At end of the year</b>	<b>3 121 770</b>	<b>2 858 710</b>	<b>-</b>	<b>-</b>
<b>The deferred taxation balance comprise:</b>				
Provisions	99 996	44 036	-	-
Amounts received in advance	712 278	120 687	-	-
Deposits	-	8 200	-	-
Assessable loss	2 309 496	2 685 787	-	-
	<b>3 121 770</b>	<b>2 858 710</b>	<b>-</b>	<b>-</b>
<b>5. INVENTORIES</b>				
Raw material components (at net realisable value)	12 175 354	4 956 435	-	-
Finished goods (at cost)	1 134 480	4 662 617	-	-
Finished goods (at net realisable value)	2 970 000	8 670 500	-	-
	<b>16 279 834</b>	<b>18 289 552</b>	<b>-</b>	<b>-</b>
The loans from The Standard Bank of South Africa Limited, Stannic Division, are secured over inventory with a net book value of R5 410 000 (2002: R12 480 777)				
Further information about the loans is presented in note 11.				
<b>6. RECEIVABLES AND PREPAYMENTS</b>				
Trade receivables	205 559	3 666 276	-	-
Rental deposit	10 417	36 785	-	-
Sundry receivables	318 129	102 363	-	27 000
	<b>534 105</b>	<b>3 805 424</b>	<b>-</b>	<b>27 000</b>

# Notes to the annual financial statements

for the year ended 31 August 2003

	Group 2003 R	Group 2002 R	Company 2003 R	Company 2002 R
<b>7. CASH AND CASH EQUIVALENTS</b>				
Cash at bank and on hand	442 641	8 251 997	3 350	4 502
Call deposits	-	7 626 067	-	7 626 067
	<b>442 641</b>	<b>15 878 064</b>	<b>3 350</b>	<b>7 630 569</b>

Bank balances of Nil (2002: R7 000 000) have been pledged as security for the borrowing facilities at The Standard Bank of South Africa Limited, Stannic Division. (note 11).

For the purposes of the cash flow statement, the year-end cash and cash equivalents comprise the following:

Cash and bank balances	442 641	15 878 064	3 350	7 630 569
Bank overdrafts (note 11)	(367)	(39 512)	-	-
	<b>442 274</b>	<b>15 838 552</b>	<b>3 350</b>	<b>7 630 569</b>

Group and Company		Group and Company	
No. of shares	No. of shares	R	R
2003	2002	2003	2002

## 8. SHARE CAPITAL

### Authorised

The total authorised number of ordinary shares is 600 000 000 shares (2002: 600 000 000 shares) with a par value of 1 cent per share.

<b>600 000 000</b>	600 000 000	<b>6 000 000</b>	6 000 000
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### Issued

Balance at beginning and end of the year

<b>140 000 000</b>	140 000 000	<b>1 400 000</b>	1 400 000
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All issued shares are fully paid.

The directors are authorised, until the forthcoming annual general meeting, to dispose of the unissued shares for any purpose and upon such terms and conditions as approved at the annual general meeting.

# Notes to the annual financial statements

for the year ended 31 August 2003

	Group 2003 R	Group 2002 R	Company 2003 R	Company 2002 R
<b>9. SHARE PREMIUM</b>				
Balance at beginning and end of the year	<b>16 650 000</b>	16 650 000	<b>16 650 000</b>	16 650 000

## 10. REVALUATION AND OTHER RESERVES

### Foreign currency translation reserve

<b>612 174</b>	(579 007)	-	-
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The movement on the foreign currency translation reserve account is as follows:

Balance at beginning of the year	<b>(579 007)</b>	(157 585)	-	-
Foreign currency translation differences arising during the year	<b>1 191 181</b>	(421 422)	-	-
<b>Balance at end of the year</b>	<b>612 174</b>	(579 007)	-	-

The revaluation and other reserves are non-distributable.

# Notes to the annual financial statements

for the year ended 31 August 2003

	Group 2003 R	Group 2002 R	Company 2003 R	Company 2002 R
<b>11. INTEREST-BEARING BORROWINGS</b>				
<b>Non-current</b>				
Instalment sale liabilities	466 018	314 768	-	-
Finance lease liabilities	166 005	934 812	-	-
Loans from The Standard Bank of South Africa Ltd, Stannic Division.	1 470 539	7 942 093	-	-
	<b>2 102 562</b>	<b>9 191 673</b>	-	-
<b>Current</b>				
Bank overdrafts	367	39 512	-	-
Instalment sale liabilities	382 054	245 584	-	-
Finance lease liabilities	451 378	568 946	-	-
Loans from The Standard Bank of South Africa Ltd, Stannic Division.	2 228 974	2 946 568	-	-
	<b>3 062 773</b>	<b>3 800 610</b>	-	-
<b>Total borrowings</b>	<b>5 165 335</b>	<b>12 992 283</b>	-	-
The interest rate exposure of the borrowings of the group and the company were as follows:				
- At floating rates	5 165 335	12 992 283	-	-
<b>Maturity of non-current borrowings (excl. finance lease liabilities)</b>				
Not later than one year	1 936 556	3 894 298	-	-
Later than one year and not later then five years	-	4 362 563	-	-
	<b>1 936 556</b>	<b>8 256 861</b>	-	-
<b>Finance lease liabilities - minimum lease payments</b>				
Not later than one year	511 866	875 173	-	-
Later than one year and not later then five years	167 231	897 662	-	-
	<b>679 097</b>	<b>1 772 835</b>	-	-
Future finance charges on finance leases	(61 714)	(269 077)	-	-
<b>Present value of finance lease liabilities</b>	<b>617 383</b>	<b>1 503 758</b>	-	-
<b>The present value of finance lease liabilities may be analysed as follows:</b>				
Not later than one year	451 378	568 946	-	-
Later than one year and not later then five years	166 005	934 812	-	-
	<b>617 383</b>	<b>1 503 758</b>	-	-
<b>Securities</b>				

(1) Instalment sale liabilities are secured over motor vehicles with a net book value of R929 741 (2002: R832 457). These liabilities bear interest at varying rates approximating prime lending rates.

(2) Finance lease liabilities are secured over non-current receivables with a net book value of R617 383 (2002: R2 079 286). These liabilities bear interest at varying rates approximating prime lending rates.

(3) The loans from The Standard Bank of South Africa Limited, Stannic Division are secured over inventory with a net book value of R5 410 000 (2002: R12 480 777). These loans bear interest at varying rates approximating prime lending rates.

## Borrowing facilities and borrowing powers

The group and company have no committed borrowing facilities. The articles of association of the company state that the extent of the borrowings of the company are at the discretion of the directors.

# Notes to the annual financial statements

for the year ended 31 August 2003

	Group 2003 R	Group 2002 R	Company 2003 R	Company 2002 R
<b>12. TRADE AND OTHER PAYABLES</b>				
Trade payables	349 888	1 944 922	-	34 282
Deposits	2 364 523	1 719 250	-	-
Accrued expenses	684 287	559 162	-	-
Other payables	375 213	181 622	-	-
	<b>3 773 911</b>	<b>4 404 956</b>	<b>-</b>	<b>34 282</b>

## 13. OTHER BORROWINGS

Loan from third party	500 000	319 428	-	-
Loan from Powerview (Proprietary) Limited	592 510	1 200 000	-	-
Loan from Powerview (Proprietary) Limited	46 567	-	-	-
Loan from the ICC World Cup 2003	-	11 050 750	-	-
Shareholders' loans (note 25)	-	-	-	-
	<b>1 139 077</b>	<b>12 570 178</b>	<b>-</b>	<b>-</b>

The above loans are unsecured, interest-free and have no fixed terms of repayment.

## 14. PROVISIONS FOR LIABILITIES AND CHARGES

### Provision for leave pay

At beginning of the year	56 054	46 791	-	-
Additional provisions	198 239	9 263	-	-
Utilised during the year	(47 357)	-	-	-
<b>At end of the year</b>	<b>206 936</b>	<b>56 054</b>	<b>-</b>	<b>-</b>

## 15. CONTINGENCIES

### Contingent liabilities

At 31 August 2003, the group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material unrecorded liabilities will arise.

## 16. COMMITMENTS

### Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

Not later than one year	352 440	337 183	-	-
Later than one year and not later than five years	387 684	377 645	-	-
	<b>740 124</b>	<b>714 828</b>	<b>-</b>	<b>-</b>

# Notes to the annual financial statements

for the year ended 31 August 2003

	Group 2003 R	Group 2002 R	Company 2003 R	Company 2002 R
<b>17. SEGMENT INFORMATION</b>				
No segment information is presented as the American operation is not fully operational and the main business unit is the South African operation. During the year ended 31 August 2003 costs amounting to R 706 773 (2002: R1 207 974) was incurred to develop the American business unit.				
<b>18. OPERATING LOSS</b>				
The following items have been charged/(credited) in arriving at operating loss:				
Depreciation on property, plant and equipment (note 1)	696 384	570 495	-	-
Profit on disposal of property, plant and equipment	(79 274)	(25 000)	-	-
<b>Operating lease rentals</b>				
Property	305 316	898 351	-	-
Motor vehicles	32 860	87 420	-	-
Equipment	1 379	6 806	-	-
	<b>339 555</b>	<b>992 577</b>	-	-
<b>Auditors' remuneration</b>				
Audit fees	190 000	146 681	60 000	80 000
Prior year under provision	-	361	-	-
Other services	23 249	-	-	-
	<b>213 249</b>	<b>147 042</b>	<b>60 000</b>	<b>80 000</b>
<b>Fees relating to non-employees</b>				
Consulting services	370 259	466 101	-	-
<b>19. STAFF COSTS</b>				
Salaries and wages	6 179 999	3 710 960	150 000	150 000
Average weekly number of persons employed by the group and company during the year:				
- Full time	32	26		
- Part time	-	-		

# Notes to the annual financial statements

for the year ended 31 August 2003

	Group 2003 R	Group 2002 R	Company 2003 R	Company 2002 R
<b>20. NET FINANCE (COST)/INCOME</b>				
Interest received				
Bank balances	<b>840 861</b>	533 133	<b>282 210</b>	462 639
Interest paid				
- Instalment sale liabilities	<b>(166 581)</b>	(1 033)	-	-
- Loans from The Standard Bank of South Africa Limited, Stannic Division	<b>(1 375 848)</b>	(1 479 142)	-	-
- Other	<b>(129 566)</b>	(294 285)	<b>(3 705)</b>	-
	<b>(1 671 995)</b>	(1 774 460)	<b>(3 705)</b>	-
Net foreign currency exchange gain/(loss)	<b>(1 273 888)</b>	227 302	-	-
Net finance (cost)/income	<b>(2 105 022)</b>	(1 014 025)	<b>278 505</b>	462 639
<b>21. TAXATION</b>				
South African Normal Taxation				
Current taxation				
Current year	-	-	-	-
Prior year (over)/under provision	<b>(15 785)</b>	241 373	-	-
	<b>(15 785)</b>	241 373	-	-
Deferred taxation				
Current year	<b>(264 716)</b>	(2 780 112)	-	-
Prior year under provision	<b>1 656</b>	312 247	-	-
	<b>(263 060)</b>	(2 467 865)	-	-
	<b>(278 845)</b>	(2 226 492)	-	-
The taxation on the group and company's (loss)/profit before taxation differs from the theoretical amount that would arise using the basic tax rate as follows:				
(Loss)/profit before taxation	<b>(2 759 126)</b>	(9 797 905)	<b>(820 868)</b>	(4 345)
Tax calculated at a tax rate of 30%	<b>(827 738)</b>	(2 939 372)	<b>(246 260)</b>	(1 304)
Effect of different tax rates in other countries	-	-	-	-
Expenses not deductible for tax purposes	<b>(220 871)</b>	36 815	-	-
Unrecognised tax losses	<b>768 108</b>	363 818	<b>246 260</b>	1 304
Prior year under provision	<b>1 656</b>	312 247	-	-
Taxation	<b>(278 845)</b>	(2 226 492)	-	-

# Notes to the financial statements

for the year ended 31 August 2003

	Group 2003	Group 2002
<b>22. BASIC AND HEADLINE LOSS PER SHARE</b>		
Basis loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of ordinary shares in issue during the year (note 8).		
Net loss attributable to shareholders (R)	(2 480 281)	(7 571 413)
Profit on disposal of property, plant and equipment	79274	25000
Headline loss (R)	(2 559 555)	(7 596 413)
Weighted average number of shares in issue	140 000 000	140 000 000
Basic loss per share (cents)	(1.8)	(5.4)
Headline loss per share (cents)	(1.8)	(5.4)

	Group 2003 R	Group 2002 R	Company 2003 R	Company 2002 R
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## 23. CASH FLOWS FROM OPERATING ACTIVITIES

Reconciliation of operating (loss)/profit to cash flows from operating activities:

Operating (loss)/profit	(654 104)	(8 783 880)	(1 099 373)	(466 984)
Adjusted for:				
- Depreciation of property, plant and equipment	696 384	570 495	-	-
- Property, plant and equipment transferred to inventory	-	-	-	-
- Profit on disposal of property, plant and equipment	(79 274)	(25 000)	-	-
- Impairment Loss - Investment in fellow subsidiary	-	-	651 400	-
- Translation reserve	1 248 934	(501 114)	-	-
Changes in working capital:				
- Decrease/(increase) in inventories	2 009 718	7 656 524	-	-
- Increase in receivables and prepayments	4 733 222	2 626 275	27 000	(27 000)
- Increase/(decrease) in trade and other payables	(631 045)	2 590 475	(34 282)	4 222
- increase/(decrease) in provisions for liabilities and charges	150 882	9 263	-	-
<b>Cash flows from operating activities</b>	<b>7 474 717</b>	<b>4 143 038</b>	<b>(455 255)</b>	<b>(489 762)</b>

# Notes to the annual financial statements

for the year ended 31 August 2003

	Group 2003 R	Group 2002 R	Company 2003 R	Company 2002 R
<b>24. TAXATION PAID</b>				
Balance payable at beginning of the year	(491 234)	(1 409 228)	(163 432)	(163 432)
Income statement charge	15 785	(241 373)	-	-
Balance payable at end of the year	72 611	491 234	-	163 432
<b>Taxation paid</b>	<b>(402 838)</b>	<b>(1 159 367)</b>	<b>(163 432)</b>	<b>-</b>
<b>25. RELATED PARTY TRANSACTIONS</b>				
<b>Sales of inventory</b>				
Powerview (Proprietary) Limited	3 375 581	7 582 575		
<b>Rental of inventory</b>				
Powerview (Proprietary) Limited	2 162 500	247 491		
Powerview (Proprietary) Limited is a company owned by the directors of the Stella Vista Technologies Limited. The above transactions were carried out at market related terms and conditions				
<b>Property rental</b>				
Side Road Properties (Proprietary) Limited	279 700	252 000		
Side Road Properties (Proprietary) Limited is a company owned by A Coulson and R Burke, who are directors of the Stella Vista Technologies Limited. The above transactions were carried out at market related terms and conditions				
<b>Outstanding balances arising from related party transactions</b>				
Side Road Properties (Proprietary) Limited	115 150	66 000		
<b>Shareholders' loans</b>				
At beginning of the year	-	1 013 651		
Advances during the year	-	4 358 525		
Repayments during the year	-	(5 372 176)		
<b>At end of the year</b>	<b>-</b>	<b>-</b>		
<b>Directors' remuneration</b>				
<b>Executive - Gross salaries</b>				
M Tabakovic			583 809	442 582
S Radman - Resigned 30 March 2003			363 617	328 433
D Tabakovic			573 367	544 619
			<b>1 520 793</b>	<b>1 315 634</b>
<b>Paid by subsidiaries</b>			<b>(1 370 793)</b>	<b>(1 165 634)</b>
			<b>150 000</b>	<b>150 000</b>

# Notes to the annual financial statements

for the year ended 31 August 2003

	Country of incorporation	Issued ordinary shares	Group Percentage held	Shares at cost R	Loans R
<b>26. PRINCIPAL SUBSIDIARY UNDERTAKINGS</b>					
Details of companies are reflected below:					
<b>Directly held</b>					
Subsidiaries of:					
<b>Stella Vista Technologies Limited</b>					
Stella Vista Asset Finance (Proprietary) Limited	South Africa	300	100%	100	(300)
Stella Vista South Africa (Proprietary) Limited	South Africa	100	100%	300	17 867 388
Stella Vista America Incorporated	USA	100 000	100%	651 400	0
				<u>651 800</u>	<u>17 867 088</u>

## 27. FINANCIAL INSTRUMENTS

### Objectives and significant terms and conditions

The company's and group's objective in using financial instruments is to reduce the uncertainty over future cash flows arising from movements in interest rates. Interest rate exposure is managed within management approved policies and guidelines.

### Interest rate risk

The company is exposed to interest rate risk as it places funds at floating rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings and placings within market expectations

### Net fair values

At 31 August 2003, the carrying amounts of cash and cash equivalents, trade receivables, trade payables and current borrowings approximate their fair values due to short-term maturities of these assets and liabilities.

### Credit risk

Potential concentrations of credit risk consist principally of cash investments and trade debtors. The company and group only deposits short-term cash surpluses with banks of a high credit standing. Trade debtors comprise of a large, widespread customer base, and ongoing credit evaluations are performed on the financial condition of customers and where appropriate, specific provisions for doubtful receivables are made. At 31 August 2003, the company and group did not consider there to be any significant concentration of credit risk which had not been adequately provided for.

### Liquidity risk

The group has adequate cash resources on hand to meet its current and future commitments.

## 28. PENSION AND OTHER POST-RETIREMENT BENEFITS

The group has no post-retirement plans and does not have any post-retirement pension or medical aid liability.

# Group administration

for the year ended 31 August 2003

	Company 2 003 c	Company 2 002 c
<hr/>		
JSE Securities Exchange South Africa statistics		
Market price (cents per ordinary share)		
- Closing at 31 August	2	5
- High for the year	11	20
- Low for the year	1	4
<hr/>		
Volume of units traded during the year (m)	5 586	9 865
<hr/>		

## Directorate and administration

### REGISTRATION NUMBER

1998/000172/06

### EXECUTIVE DIRECTORS

M Tabakovic (Chief Executive Officer)

D Tabakovic

### NON-EXECUTIVE DIRECTORS

R Burke (Chairman)

A Coulson

C Livingstone

### REGISTERED OFFICE

Ground Floor

Autoparks House

13 Park Crescent

Glenhazel

2192

### POSTAL ADDRESS

PO Box 786475

Sandton

2146

### SECRETARY

IAPA Chartered Accountants (SA)

Johannesburg

Ground Floor

Autoparks House

Cnr Cross Road and Park Crescent

Glenhazel

Johannesburg

2192

(PO Box 787, Highlands North, 2027)

### ATTORNEYS

Du Toit McDonald Inc

### BANKERS

The Standard Bank of South Africa Limited

### AUDITORS

PricewaterhouseCoopers Inc.

Chartered Accountants (SA)

Registered Accountants and Auditors

2 Eglin Road

Sunninghill

2157

(Private Bag X36, Sunninghill, 2157)

### TRANSFER SECRETARIES

Computershare Services Limited

PO Box 61051

Marshalltown

2107

# Analysis of shareholders

for the year ended 31 August 2003

	Number of ordinary shareholders	%	Number of ordinary shares	%
Major holders (over 10 000 000 shares)	1	0.36	10 000 000	7.14
Directors and related parties	26	5.25	82 624 700	59.02
Other individuals	442	82.97	9 022 555	6.44
Institutions and other companies	62	11.42	38 352 745	27.39
Total	531	100.00	140 000 000	100.00
1 - 1,000	175	32.96	43 505	0.03
1,001 - 10,000	197	37.10	1 074 250	0.77
10,001 - 100,000	112	21.09	3 733 400	2.67
100,001 - 1,000,000	33	6.21	11 885 500	8.49
1,000,001 shares and over	14	2.64	123 263 345	88.05
Total	531	100.00	140 000 000	100.00

The following are the shareholders holding 1% or more of the listed ordinary shares in the company at 31 August 2003:

	Number of ordinary shares	%
Directors (direct and indirect beneficial)	82 624 700	59.02
Centurion Nominees Limited	10 000 000	7.14
S Radman (resigned as Director 30 March 2003)	9 152 300	6.54
Peregrine PNF Performance Fund	8 253 700	5.90
Finsettle Services (Pty) Ltd	3 936 800	2.81
Elcor Holdings Limited	2 784 695	1.99
Mr Oftebro Odmund Garry	2 675 700	1.91
Furzedown Holdings Limited	2 000 000	1.43
Citibank N.A. Jersey	2 000 000	1.43
Total	123 427 895	88.17

# Notice of annual general meeting

Notice is hereby given that the annual general meeting of shareholders of Stella Vista Technologies Limited will be held at 10:00 on 27 February 2004 at 134 Side Road, West Turffontein, Johannesburg.

The following business will be dealt with at the annual general meeting of shareholders:

- to receive and consider the annual financial statements for the year ended 31 August 2003;
- to transact such other business as may be transacted at any ordinary general meeting;
- to consider and, if deemed fit, pass the following two ordinary resolutions:

## **Ordinary resolution number 1**

"Resolved that, in terms of this ordinary resolution number 1, all of the unissued ordinary shares in the capital of the company are hereby placed under the control of the directors of the company as a general authority, in terms of section 221(2) of the Companies Act, 1973 (Act 61 of 1973), as amended ("the Act"), for allotment and issue from time to time to such persons and in such manner as the directors of the company may determine in accordance with the provisions of the Act, the company's articles of association and the listing requirements of the JSE, until such time as the authority lapses in terms of the Act."

## **Ordinary resolution number 2**

"Resolved that the directors be given the general authority to issue new ordinary shares of 1 cent each for cash when suitable situations arise, subject to the listing requirements of the JSE and to the following limitations that:

- this authority shall be valid until the next annual general meeting of the company (provided it shall not extend beyond 15 months);
- a paid press announcement giving full details, including the impact on net asset value and earnings per share, be published at the time of any issue representing, on a cumulative basis within one year, 5% or more of the number of ordinary shares in issue prior to the issues;
- issues in the aggregate in any one year will not exceed 10% of the number of ordinary shares in the company's issued share capital and provided further that such issues shall not in aggregate in any three-year period exceed 15% of the company's issued share capital;
- the issue must be made to public shareholders as defined by the JSE;
- in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price as determined over the 30 days prior to the date that the price of the issue is determined or agreed to by the directors of the company."

As less than 35% of the company's issued shares are in the hands of the public, as defined by the JSE, the approval of a 90% majority of the votes cast by shareholders present or represented by proxy at this general meeting is required for this ordinary resolution number 2 to become effective.

A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more persons as his/her proxy to attend, vote and speak in his/her stead. A proxy need not be a member of the company. Forms of proxy must be deposited at the registered office of the company or posted to IAPA Johannesburg Chartered Accountant (SA), Ground Floor, Autoparks House, Cnr Cross Road and Park Crescent, Glenhazel, Johannesburg, 2192; PO Box 787, Highlands North, 2037, so as to arrive not less than 48 hours before the time of holding the meeting.

By order of the board

**IAPA Johannesburg**  
Company Secretary

# Proxy form

## stellavista

Stella Vista Technologies Limited  
(Registration number 1996/000172/06)

For use by the members at the annual general meeting of shareholders of the company to be held at 10:00 on 27 February 2004 or any adjournment thereof ("the annual general meeting") in the boardroom of the company, 134 Side Road, West Turffontein, Johannesburg.

I/We (name in full) \_\_\_\_\_

of \_\_\_\_\_

being the holder(s) of \_\_\_\_\_ ordinary shares in the company, hereby appoint

1. \_\_\_\_\_ or failing him/her,

2. \_\_\_\_\_ or failing him/her,

3. \_\_\_\_\_ the chairman of the annual general meeting,

as my/our proxy to act for me/us on my/our behalf at the first annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof; and to vote for and against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name(s), in accordance with the following instructions (see note 2):

Number of votes (one vote per ordinary share)

	In favour of	Against	Abstain
1. Approval of financial statements			
2. Ordinary resolution number 1			
3. Ordinary resolution number 2			
4. Other business			

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2004

Signature \_\_\_\_\_

Assisted by me (where applicable) \_\_\_\_\_

Each member is entitled to appoint one or more proxies (who need not be a member of the company) to attend, speak and, on a poll, vote in place of that member at the annual general meeting.

**Please read the notes on the reverse side hereof.**

# Notes to the proxy form

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space(s) provided, with or without deleting "the chairman of the annual general meeting". The person whose name appears first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy, to the exclusion of those whose names follow.
2. A member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that member in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if he is the authorised proxy, to vote in favour of the resolution at the annual general meeting, or any other proxy to vote or abstain from voting at the annual general meeting as he/she deems fit in respect of all the member's votes exercisable at that meeting.
3. A member or his/her proxy is not obliged to vote in respect of all the ordinary shares held or represented by him/her but the total number of votes for or against the resolution and in respect of which any abstention is recorded may not exceed the total number of votes to which the member or his/her proxy is entitled.
4. Forms of proxy must be lodged with or posted to the Company's Secretary, IAPA Johannesburg, Ground Floor, Autoparks House, 13 Park Crescent, Glenhazel, 2192, PO Box 787, Highlands North, 2037, to be received by them not later than 10:00 on 26 February 2004.
5. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person at the meeting to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
6. Any alterations or corrections made to this form of proxy must be initialled by the signatory(ies).
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's secretary or waived by the chairman of the annual general meeting.
8. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a member wishes to vote.



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