Annual Report 2003

MONEYWEB
HOLDINGS LIMITED

CONTENTS

Moneyweb Holdings Limited and its Subsidiaries

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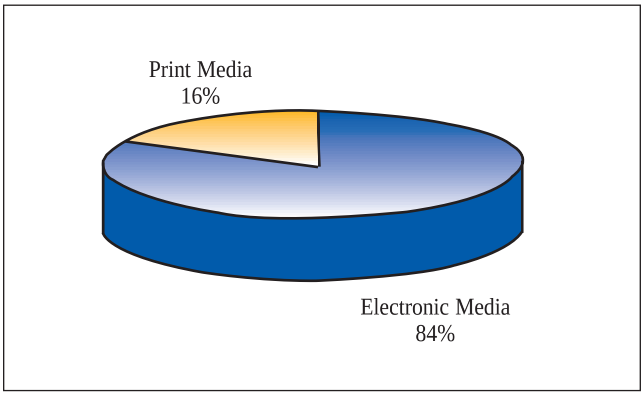
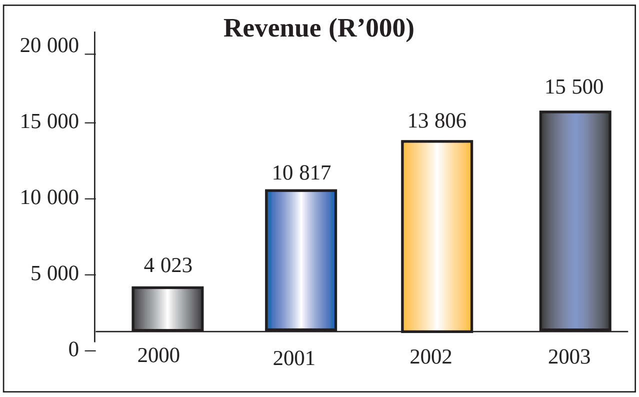
www.moneyweb.co.za

FINANCIAL HIGHLIGHTS

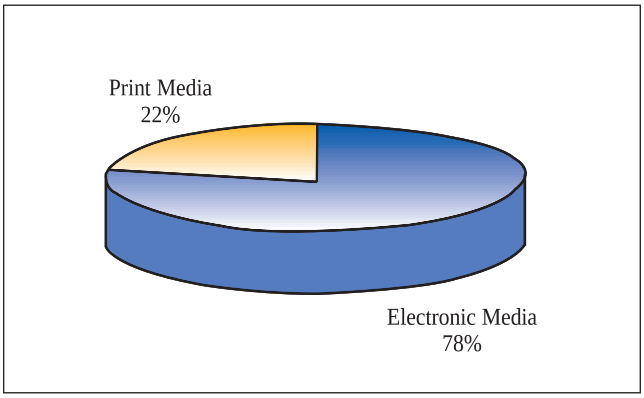
- Media focus – Electronic and Print
- Revenue grows 12%
- Headline earnings up by 23%
- Positive cash flows from operating activities
- Strong balance sheet – positioned for more growth

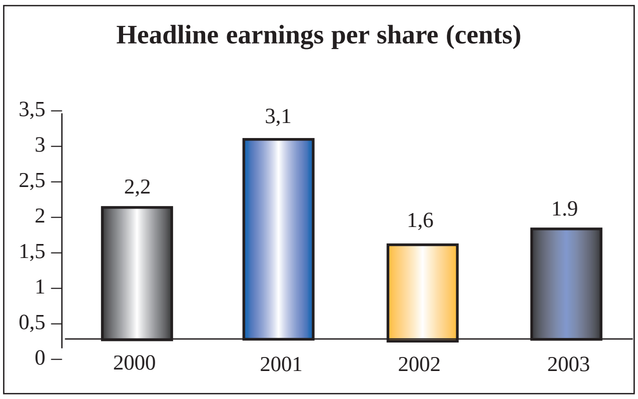
Revenue split by source 2003



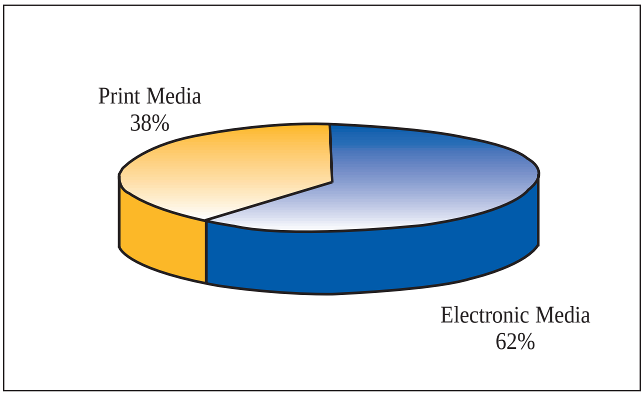


Revenue split by source 2002





Revenue split by source 2001



SHAREHOLDER INFORMATION

Shareholder spread analysis as at 31 March 2003

Type of shareholders	Number of shareholders	% of shareholders	Number of shares held	% of shares in issue
Public	844	98,4	29 359 615	34,5
Non-public	14	1,6	55 640 385	65,5
	858	**100,0**	**85 000 000**	**100,0**

Analysis of non-public shareholders as at 31 March 2003

Type of shareholders	Number of shareholders	% of shareholders	Number of shares held	% of shares in issue
Directors of the Company or any of its subsidiaries	8	0,9	44 736 676	52,7
Any associate of the above	5	0,6	9 442 709	11,1
Trustee of employees' share scheme	1	0,1	1 461 000	1,7
	14	**1,6**	**55 640 385**	**65,5**

Size of registered shareholding

	Number of shareholders	% of shareholders	Number of shares held	% of shares in issue
1 - 1 000	587	68,4	382 650	0,4
1 001 - 5 000	101	11,8	338 956	0,4
5 001 - 10 000	53	6,2	468 965	0,6
10 001 - 50 000	59	6,9	1 591 100	1,9
50 001 - 100 000	21	2,4	1 861 900	2,2
100 001 - 500 000	20	2,3	4 960 976	5,8
500 001 - 1 000 000	4	0,5	2 977 951	3,5
1 000 001 and above	13	1,5	72 417 502	85,2
	858	**100,0**	**85 000 000**	**100,0**

Shareholders with a holding of greater than 5% of the issued capital of the Company at 31 March 2003

	Number of shares held	**% of shares in issue**
AB Hogg and LM Hogg	42 438 776	49,9
Liberty Group Limited	5 000 000	5,9
Pharoah Limited	4 595 475	5,4

Directors' shareholding

The following directors have a direct or indirect beneficial holding in the Company:

As at 31 March 2003

	Aggregate number of shares held	% of shares in issue	Nature of interest Beneficial	Nature of interest Non-beneficial
Direct				
AB Hogg and LM Hogg	42 438 776	49,93	42 438 776	-
DA McKay (Appointed 2 May 2002)	325 000	0,38	325 000	-
EA Jay	20 000	0,02	20 000	-
	42 783 776	50,33	42 783 776	-

	Effective holding of shares	% of shares in issue	Nature of interest Beneficial	Nature of interest Non-beneficial
Indirect				
AB Hogg - 43% interest in Pacer Investments CC	303 795	0,36	303 795	-
EA Jay - 14% interest in Pacer Investments CC	98 910	0,12	98 910	-
P Desmidt* - 100% interest in Llandudno Securities (Pty) Ltd (Appointed 3 February 2003)	3 626 300	4,27	3 626 300	-
	4 029 005	4,75	4 029 005	-

As at 31 March 2002

	Aggregate number of shares held	% of shares in issue	Nature of interest Beneficial	Nature of interest Non-beneficial
Direct				
AB Hogg and LM Hogg	42 438 776	49,93	42 438 776	-
TJ Wood (Resigned 21 February 2003)	1 575 000	1,85	1 575 000	-
DF da Silva* (Resigned 1 February 2003)	179 876	0,21	179 876	-
EA Jay*	20 000	0,02	20 000	-
	44 213 652	52,01	44 213 652	

*Non-executive

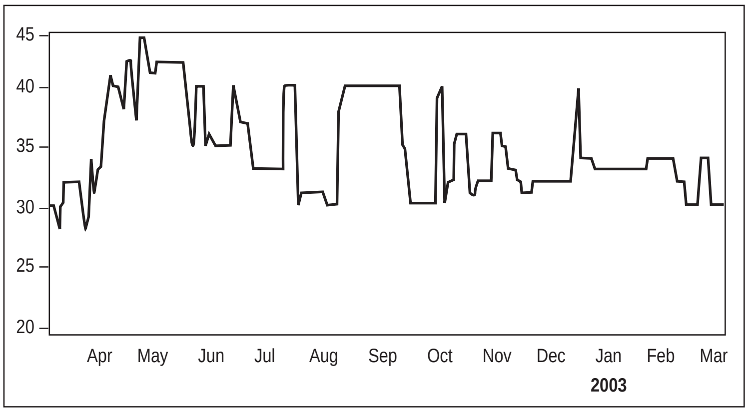
There has been no change in the directors' interest in the share capital of the Company from the end of the financial year to the date of this report. At the date of his appointment, being 7 May 2003, A Smith held 58 900 shares.

Shareholders' diary

Financial Year End	31 March 2003
Annual General Meeting	28 July 2003

Stock exchange performance

Share price

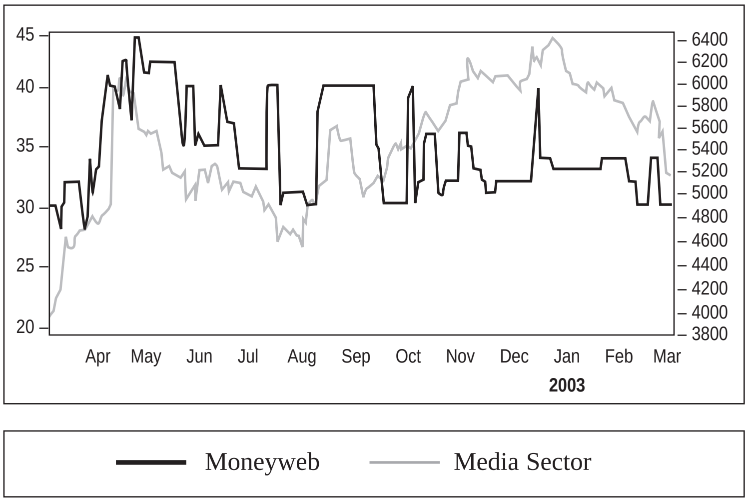


Share Price Data

Period 1 April 2002 to 31 March 2003

Opening Price as at 1 April 2002	30c
12 Month High	44c
12 Month Low	28c
Closing Price as at 31 March 2003	30c

Share price performance versus sector performance



CHAIRMAN'S STATEMENT

Fellow shareholders,

Looking back over the 12 months to end March leaves little doubt this has been another year of great progress. It has also been something of a watershed, a year of "growing up". The Company's operations were transformed from those typical of a start-up to a point where foundations are now in place to support the development of a substantial business.

During the early part of the financial year, Moneyweb faced difficult external conditions, described by some as the worst seen by the media sector in living memory. The aftermath of the September 11 atrocities affected this industry for longer than anticipated, taking some nine months to work out of the system. Moneyweb's monthly results slumped into losses for the first time.

A highlight of the past year was the way the Group was able to recover from this setback while resisting the temptation to press a panic button. Everyone at Moneyweb deserves credit for working through this trying period without harming the structure of our people-intensive business.

While most other media houses were retrenching and abandoning growth projects, Moneyweb held its course. The experience will prove priceless in the years ahead. It also positioned the Company to reap the full benefits when more normal conditions returned during the second half of the financial year.

The Company's maturing process is also reflected in its governance. The Board of directors was restructured to meet the investment community's demand for higher levels of Corporate Governance. After being heavily weighted towards full-timers at the start of the year, the directorate is now equally balanced between executive and non-executive directors.

Perhaps the most important change of all was enacted in January 2003 when Edwin Jay joined Moneyweb full time to take over from me as the Company's chief executive. His brief is to run and develop the operational side of the business. My focus is on content and strategy. Having served as a non-executive director for two years, Edwin hit the ground at pace. His first few months leave no doubt that he was an excellent choice. Under his steady hand, Moneyweb is now positioned to realize its true potential.

Although the Company faced numerous challenges during the 12 months under review, it was also a year which can be looked back upon with satisfaction. Moneyweb had developed far beyond its early promise as an Internet-only business. From a standing start six years ago, it is today the leading independent provider of business and investment content into the South African media market. It is also the dominant online supplier of mining information globally.

Your Company's reach is unparalleled in a South African context with its content reaching millions of viewers, readers and listeners through partnerships in television, radio and the printed media. Through our own brands the company dominates attractive niches, serving South African investors via Moneyweb.co.za and the global resources community through Mineweb.com.

Looking back

As a Company with deep roots in the Internet, Moneyweb's management are naturally keen observers of the ongoing debate between free and paid-for online content. Once again the idea of charging for online content enjoyed support from credible quarters during the past year. However, until there is concrete proof to the contrary, Moneyweb remains committed to its existing free-to-air model.

Our view is rather simple. By ensuring the least possible obstacles to access, our content is able to attract the widest possible online audience. Provided this content is superior, the community will continue expanding. This offers an irresistible opportunity for advertisers wanting to reach high income earners.

As advertising is the major revenue source, Moneyweb's challenge is to somehow convert into money that time spent with us by big spending community members. This exposes the Company to the vagaries of the advertising market. In this regard, the slow uptake of Internet advertising in South Africa is pertinent.

Although some progress was evident last year, Internet's share of the national media cake is a mere 0.4%, compared with between 5% and 8% in most developed societies. This offers obvious upside. But it also needs the benefits of online advertising to be better appreciated.

In this regard, Moneyweb is proud to be a founder member of South Africa's Online Publisher's Association (OPA), formed in late 2002. The OPA's primary purpose is to educate advertisers and their agencies about unique advantages offered through Internet advertising. This is an extremely positive step in the development of an industry whose success will have obvious benefits for Moneyweb.

Although the South African online advertising market is taking time to build momentum, there was no such obstacle for the Company's global offering Mineweb.com whose audience is now almost 90% from outside of South Africa. Mineweb taps into an international audience appreciative of the benefits of online advertising. Last year's financial and operational performance by the Company's offshore play exceeded expectations. Mineweb made a meaningful contribution to profits during a period when it was only expected to break even.

The picture was not as rosy for Moneyweb.co.za, however, which relies exclusively on South Africa. During the first four months of the financial year (April to July) the advertising market as a whole and online in particular came under extreme pressure. This was directly responsible for the Company recording monthly losses for the first time in its history.

The decision to grit our collective teeth and work through the slump proved to be the right one. The business came through strongly in the second half to not only recoup the early losses, but end the year with cash earnings of a creditable 2,4c a share, not too far off the previous year's 3,5c.

After considerable debate, notwithstanding the Company's sound capital position, the Board decided not to maintain last year's 1c a share dividend.

There were two main reasons for this decision being reached. The Company has a stated policy that dividends must be covered at least three times by cash earnings. This would have limited the maximum payout for the 2003 financial year to 0.8c a share. The directors felt any dividend under 1c a share would be regarded as a meaningless token by the broad body of shareholders, many of whom own 1000 shares or less.

A second reason for not paying a dividend for the 2003 financial year is that funds distributed in this way would at this point be better employed through buying back Moneyweb equity in the open market. In buying back Moneyweb shares, the Company returns value to shareholders through increasing their proportionate shareholdings in the business.

The decision three years ago to acquire 19.6% of then heavy loss-maker Classic FM for R2.1m cash and 5m Moneyweb shares, has proved inspired. During the 2003 financial year, Classic FM achieved a meaningful return on investment for the first time. The impact of this associated company helped lift Moneyweb as a whole to an improvement in real (inflation adjusted) terms of its headline earnings per share. Classic FM is budgeting for another strong showing in the 2004 financial year.

As part of the Classic FM relationship, from May 2002 Moneyweb dipped a toe into the non-financial information field by agreeing to deliver on-the-hour news bulletins to its radio partner. Top quality staff were hired and given the directive to use the Classic FM base to secure other clients, in this way building a new core competency for the Company.

The venture proved unsuccessful. On the content side, the quality of the news bulletins on Classic FM was considerably improved, helping the overall sound of the station. But although Classic FM was able to achieve strong growth in overall advertising revenues, management at the station were unable to identify a correlation with the improved news content.

Unfortunately, the financial objective was never fulfilled. The news service ran at a loss for Moneyweb. The service ceased at the end of May. Classic FM has been able to secure a news service from an alternative source.

For Moneyweb, this was an expensive exercise. But it has reaffirmed that the Company's future is best served (at this stage anyway) by remaining focused on delivering business and financial news rather than attempting to compete in the broader news arena.

Moneyweb's core Internet operation also received considerable attention in the past financial year. The balance of resources continues to be addressed, with the online sales effort strengthened through the appointment of new team members. The remuneration structure of the sales team has also been changed from high salaries and no bonuses to an incentive-based offering.

Once again I'm thrilled to report that our online community once more provided a strong vote of confidence in the improving editorial offering. In January 2003, unique visitors to the Moneyweb network exceeded 200 000 for the first time (audited by PWC). This new benchmark was maintained at the year end, translating into year-on-year growth of 47% compared with the 136 000 unique users reported for March 2002.

Anyone still doubting how the Internet has mushroomed as a source of financial news should consider that Moneyweb's current users are more than three times those of two years ago and some ten times the 20 000 users of just four years back. In an industry where the Internet's competitors are thankful for maintaining existing audiences and trumpet single digit growth, the core of Moneyweb's operation is in the right place.

As with virtually all revolutionary inventions - from the telephone and railways to radio and television - it often takes the newcomer a while to fulfill its potential. We have no doubt it is a matter of *when not if* for advertisers to click to the advantages of the Internet.

While our vision of a bright future for Internet publishing remains steadfast, timing remains the key variable. To avoid any stagnation while waiting for logic to prevail, considerable attention has been devoted to leveraging editorial content. Two major breakthroughs involving many months of discussions were achieved near the end of the past financial year.

First of these was the partnership with e.TV, South Africa's independent free-to-air television broadcaster whose audience exceeds seven million. An initial two year contract has been concluded. In terms of this, Moneyweb produces business news for the broadcaster with me serving as e.TV's Business Editor. Apart from a monthly fee, Moneyweb also receives a share of advertising revenues on business programming once pre-determined hurdles have been exceeded.

Close behind the e.TV deal came a similar content supply contract with The Citizen, one of South Africa's leading daily newspapers with per-issue readership exceeding 600 000. A revenue sharing partnership, Moneyweb's editorial team has become the newspaper's *de facto* business news staff. As with e.TV, this relationship offers significant upside into the future.

The other major deal secured in the past financial year was the acquisition of a 25% stake in the start-up securities business Vestact. The decision to become involved with Vestact was based primarily on discussions with its founder, Paul Theron, who pioneered online trading in South Africa. We are excited about the potential for the partnership between Moneyweb and its vast community of investors, and Theron's reputable and service-driven JSE-focused operation. Progress during the first few months suggests this confidence is well placed.

Looking ahead

There should be plenty of excitement during the 12 months to March 2004. The Company now possesses platforms from which to substantially lift revenues without much impact on costs. Provided there is no repeat of a September 11-type event, the new financial year should be the best in Moneyweb's history.

Revenue generated through the two new platforms – e.TV and The Citizen - should help provide the resource to continue adding talent to the editorial team. This will support the virtuous circle of better content producing higher readership (or viewers or listeners); increased advertising revenues and, as a result, the necessary funds to further expand the editorial team.

Online - International

An especially strong 12 months is expected for Mineweb.com, which last year added an office in Vancouver, Canada to its existing bases in Johannesburg, New York, London, and Perth (Australia). Moneyweb's customized MIPS Publishing System enables Mineweb to be updated by staffers around the clock, further adding to the appeal for its 100 000 plus community of global mining executives, investors and those in businesses which serve the resources sector.

Various options are being considered for Moneyweb.co.uk, the established personal finance website serving the British market. It continues to generate positive cash flow through the support of Independent Financial Advisors who have a presence on Moneyweb.co.uk and are entitled to use various investment tools offered by the site.

Online – Southern Africa

Moneyweb.co.za is set fair for a strong year. With heavy emphasis maintained on editorial quality, readership is expected to continue growing. More effort on the advertising staff front should translate into higher revenues. The site is expected to consolidate the dominance of its chosen niche.

One of the major thrusts of the new financial year is to expand the franchise into neighbouring countries, with Zimbabwe, Botswana and Namibia targeted. The strategy relies upon establishing partnerships with competent and highly credible financial journalists already operating in those countries. Moneyweb provides technological, administrative and financial support from Johannesburg; the partners supply the content. Net revenue is equally split.

Progress will depend entirely on the Company's ability to source the right partners, but by March 2004 it is expected that at least one of these regional sub-sites will have been launched. The goal is to eventually have Moneyweb franchises in every African economy where investment opportunities exist.

Specialist website Marketingweb.co.za is expected to build on its strong position serving the South African media and marketing community. Discussions are at an early stage with a prospective partner for the entrepreneurial site Myownbusiness.co.za.

Broadcasting –

The building of a radio studio at Moneyweb's own premises resulted in numerous opportunities which are being explored at present. The eventual objective is ownership of a free-to-air radio station serving the South African business community. Because of more pressing matters which the regulator has to deal with right now, this goal may only be achieved some years into the future. As a result, innovative options are being explored.

In the coming year, the Company intends cementing its position as South Africa's leading independent business news broadcaster through the partnerships with Classic FM and e.TV. On the television front in particular, significant opportunities exist to expand programming through joint ventures.

Print –

The major challenge on this front is to attract advertising support for The Citizen's business pages which are now "powered by Moneyweb". Although the editorial quality is already of a high standard, and readership in the "Super A" income category comfortably exceeds those of the obvious competitor, advertisers traditionally adopt a cautious approach towards new ventures like this one. We are confident that significant progress will be achieved in the new financial year.

Weekly newspaper Moneyweb Digest, a joint venture with printing group Ince, made a meaningful contribution to the Company's profits in 2003 and is expected to improve on this in the new financial year. Both circulation growth and advertising support at this young publication has been pleasing. More effort will be afforded in the year ahead to growing the subscriber base of Moneyweb's newsletters Personal Finance, Tax Breaks and Money.

Prospects –

Provided no external event derails the global economy, Moneyweb shareholders can look forward to a much improved showing from the business in the 12 months to March 2004.

After five years of building a solid base of multi-media platforms, Moneyweb now possesses the staff, products, partnerships and directorate to turn its undeniable potential into significant profits. As a result, it is with confidence that we are able to forecast real earnings growth in the 2004 financial year.

Directorate –

It's my pleasure to welcome two new non executive directors to our Board, Victor Nosi and Pierre de Smidt.

Victor Nosi is a former colleague of mine. We worked closely together at ABSA Bank in the early 1990s, where he served as a Group Executive. Until recently, Victor was the Executive Vice President of Marketing at South African Airways, a position he filled with distinction. He has been appointed as the Chairman of the Remuneration Committee and also serves on Moneyweb's Audit Committee.

Pierre Desmidt is a private investor who owns over 4% of Moneyweb. He acquired this stake through buying shares in the open market. We welcome him to the Board as an obviously well qualified representative of independent shareholders. Pierre serves as a member of both the Audit and Remuneration Committees.

It is also a great pleasure to welcome Dr Andrew Smith back onto our Board. My predecessor as chairman, Andrew was forced to resign from our directorate two years ago when he joined a leading business consultancy firm. He has since accepted a post as Partner, Unisys Limited, with UK and European responsibilities for their Public Sector operations which, fortunately, have no such restrictions on his participation at Moneyweb Board level. Although based in London, Andrew has retained his links with South Africa and we are delighted to bring him back onto the directorate.

Unfortunately, Dr Duarte da Silva, who played an important role in the early days of Moneyweb, was forced to step down from the Board during the past year to avoid a possible conflict of interest. This followed the acquisition by his employer, Black Economic Empowerment group J&J, of a major securities company based in Johannesburg. It was with great regret that Duarte's resignation was accepted. His counsel and support during those difficult early years was invaluable. All at Moneyweb wish him every success in his future endeavors.

Two fellow executive directors, Timothy Wood and David McKay, also stepped down from the Board in the past year. Their contribution at a board level has been considerable. On behalf of all shareholders, please allow me to express our sincere appreciation.

Appreciation –

During the past year, the Moneyweb team grew to over 40 people. Their homes stretch not only across South Africa but, indeed, the globe. The Company's continued progress owes everything to their unstinting efforts and dedication that seems to go with the territory in the media industry. It has been a pleasure working with such talented individuals to create this truly special business.

Thanks, too, to our advertisers without whom the dream would never have become a reality; our shareholders for their continued support; and most of all to every member of the greater Moneyweb community - our readers, listeners and viewers - whom we live to serve.

Alec Hogg
22 May 2003

CHIEF EXECUTIVE'S OVERVIEW

Financial results

Turnover

The final quarter of the previous financial year saw a substantial reduction in revenues as a consequence of the September 11 2001 atrocity. This trend continued during the first three months of the 2003 financial year resulting in Moneyweb posting its worst ever quarter.

Turnover improved steadily from R2,996m in the first three months to R3,952m in the second quarter. Turnover for the second half amounted to R8,553m, a sequential improvement of 23% on the first half of the year's return of R6.948m. The R15,500m turnover for 2003 represents a 12% improvement on 2002's R13,806m, satisfactory growth considering the poor first quarter.

Expenses

Operating expenses rose 33% year-on-year. Most of these costs are in salaries as Moneyweb geared up for its expansion into news, print and television, the benefits of which should start to flow in the first quarter of the new year. The strengthening of the rand had a relatively small impact with exchange rate losses of R182 000 being incurred.

EBITDA

The loss recorded in the first quarter amounted to R220 000 at the EBITDA level. This improved to a R744 000 profit in the second quarter, resulting in a profit at EBITDA level of R524 000 for the first six months. The second half of the year showed a substantial improvement with EBITDA of R1 417 000, a sequential rise of 170%. Despite this strong recovery in the second half, the full year's EBITDA at R1 941 000 was down 36% on the R3 021 000 of 2002.

Headline earnings per share

Headline earnings per share improved by 19% from 1,6c in the 2002 financial year to 1,9c in 2003.

Balance sheet

Moneyweb's tangible net asset value per share increased from 10,2c in 2002 to 10,9c in 2003.

An investment of R386 000 was made in building a radio studio. A further R285 000 was spent on computer hardware, mainly as a consequence of a burglary in June 2002.

Trade and other receivables increased by only R263 000 overall, in spite of the substantial increase in turnover, which is a direct result of a significant reduction in debtor's days outstanding which was at 48 days at the end of 2003 versus 73 in the prior year.

Cash earnings

The Group's cash position continues to be sound with the balance sheet reflecting R6,5m in unimpaired reserves. Cash generated by operating activities improved to R2,58m from R2,079m due to improved working capital management.

Classic FM

Classic FM, a 19.62% associate company, contributed R1 033 000 to the group's R1 940 000 profit before tax. This was a substantial increase over the previous year, where Classic FM contributed a sum of R175 000.

Vestact

Moneyweb has acquired a 25% stake in Vestact, which provides equity investment services. We do not expect this business to contribute significantly to profits in the coming year.

Operating activities

The business has been divided into various operating divisions and the staff in each division have been incentivised to reach profit targets.

Text

This division is made up of the Moneyweb web-site (www.moneyweb.co.za), The Citizen business section (which is produced by Moneyweb) and the weekly newspaper Moneyweb Digest. Content generated by the journalists is leveraged over the print and electronic media platforms, further enhancing productivity.

The Internet continues to perform impressively with page impressions and unique users growing off an already high base by over 40% year-on-year.

Online advertising revenue, on the other hand, have plateaued over the past three years, but should improve once international trends are replicated in South Africa. We have budgeted for relatively small advertising growth in this arena in the year ahead.

The Citizen Business, powered by Moneyweb, is a new revenue opportunity. The challenge for management is to ensure that Citizen Business delivers excellent independent business news making it appealing to financial advertisers.

The Citizen has not traditionally been a strong participant in the statutory financial advertising market and it is our challenge to change perceptions in the marketplace so as to grow this space. Initial indications are extremely favourable with revenue being achieved without substantial increase in resources.

Moneyweb Digest continues to grow both in reach and advertising revenue. Revenue should increase substantially year-on-year.

The financial advertising market is substantial. Moneyweb intends securing a significant and growing share of the pie.

Broadcasting

Classic Business continues to be the dominant business programme on radio and is a significant revenue contributor to Moneyweb. Growth in this area is expected to be modest. Potential avenues for improved revenue in this arena rests with Personal Finance Live and other radio ventures currently under investigation.

During the period under review, Moneyweb entered into a two-year contract with e.TV. Apart from a monthly fee, Moneyweb participates in the upside once advertising exceeds a certain barrier. We expect this area to become a substantial profit generator in the future.

The news service provided to Classic FM proved to be unprofitable and outside of Moneyweb's core focus. This service ceased at the end of May 2003.

Newsletters

This division has been refocused and a strategy implemented to grow this section of the business, which continues to generate excellent cash flow but has been in a slow decline over a number of years. It remains profitable and we expect only modest increases in profitability in the year ahead.

Mineweb

Mineweb has exceeded all expectations both in revenues generated and in market penetration. Moneyweb has increased its coverage of the international mining markets to include Canada and Russia. Revenue growth is expected to continue to be good.

Moneyweb continues to seek investment opportunities in its core competencies of providing financial and business information services.

Edwin Jay
22 May 2003

CORPORATE GOVERNANCE

The Moneyweb Group is committed to the principles of integrity and accountability in its dealings with all stakeholders.

The Board subscribes to the principles incorporated in the amended Code of Corporate Practices and Conduct, as set out in the King Report on Corporate Governance for South Africa 2002 (King II) and the JSE Securities Exchange Listing Requirements.

The Board of Directors

The Board was chaired by an executive director. The role and person of the executive chairman is however, separate from that of the chief executive. The Board includes three executive directors and three non-executive directors who have been carefully chosen for their wide range of business skills.

The Board is responsible for formulating and implementing overall Group strategy and policies, planning of resources, monitoring of performance and maintaining standards of business conduct. The Board meets quarterly for these purposes.

Certain functions of the Board are facilitated through the main sub-committees of the Board which include the Audit and Remuneration Committees. The Audit Committee meets semi-annually and the Remuneration Committee meets annually. The Chairmen of these committees report directly to the Board. In addition, management of the various strategic business units meet weekly.

All directors have access to the services and advice of the company secretary who provides the Board and individual directors with guidance regarding their duties and responsibilities.

Communication

The Group acknowledges that it operates within a community and values a good working relationship with its stakeholders. The Group consistently strives to strengthen links through regular communication with all its stakeholders which conforms with the criterion of timeous, objective, relevant and transparent communication.

Committees of the Board

The Board has delegated certain of its responsibilities to sub-committees of the Board.

Audit Committee

The Audit Committee comprises of three non-executive directors.

The terms of reference of the Audit Committee include:

- reviewing financial information
- assessment of the risk of fraudulent reporting
- review of the code of ethics
- compliance procedures
- appointment, oversight and evaluation of the external auditors
- determination of audit fees
- reporting to the Board

Remuneration Committee

The Remuneration Committee comprises of an executive director and three non-executive directors.

The terms of reference of the Remuneration Committee include:

- appointment/discharge of executive directors
- all matters relating to remuneration of employees
- all matters relating to conditions of service of employees

- staff participation in bonus scheme
- staff participation in share option scheme
- adherence to employment equity

Internal Control

The directors are responsible for the Group's systems of internal financial and operational control and for ensuring that the Group maintains adequate records that disclose, with reasonable accuracy, the financial performance and position of the Group. To enable the directors to meet these responsibilities, the Board sets standards and management implements systems of internal control, comprising policies, standards, procedures, systems and information to assist in:

- safeguarding assets and reducing the risk of loss, error, fraud and other irregularities;
- ensuring the accuracy and completeness of accounting records; and
- the timely preparation of reliable financial statements and information in compliance with relevant legislation and South African statements of Generally Accepted Accounting Practices.

Employee Participation

The Group implements the increasing empowerment of its employees through participative structures on employee-related matters, training, development and information sharing.

Employment Equity

The Group is committed to providing equal opportunities for its employees regardless of their ethnic origin or gender. Affirmative action strategies are in place to ensure that employee profiles will be more representative of the demographics of the region in which the Group conducts its business activities. An aggressive intern training programme has been adopted as the most suitable manner to get the staffing profile to an acceptable level.

Code of Ethics

The Group endorses a code of ethics which commits the Group to the highest standards of integrity, behaviour and ethics in all dealings with its stakeholders. An ethical decision-making model has been adopted, which engenders sound business decisions by encouraging staff members to take all relevant aspects into consideration.

Directors and employees who become aware of sensitive financial information cannot directly or indirectly deal in the relevant company's shares until the information is in the public arena.

ANNUAL FINANCIAL STATEMENTS

CONTENTS

REPORT OF THE INDEPENDENT AUDITORS

To the Members of Moneyweb Holdings Limited

We have audited the annual financial statements and group annual financial statements set out on pages 16 to 39 for the year ended 31 March 2003. These annual financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these annual 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 these financial statements fairly present, in all material respects, the financial position of the Company and the Group at 31 March 2003, and the results of their 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.

KPMG Inc

KPMG Inc.
Registered Accountants and Auditors
Chartered Accountants (S.A.)
Johannesburg
22 May 2003

DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The directors are responsible for monitoring the preparation of and the integrity of the financial statements and related information included in this annual report.

In order for the Board to discharge its reponsibilities, management has developed and continues to maintain a system of internal control. The Board has ultimate responsibility for the system of internal control and reviews its operation, primarily through the Audit Committee and various other risk-monitoring committees.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Group's policies and procedures. These controls are implemented by trained, skilled personnel with an appropriate segregation of duties, are monitored by management and include a comprehensive budgeting and reporting system operating within strict deadlines and an appropriate control framework.

The financial statements are prepared in accordance with South African statements of Generally Accepted Accounting Practice and incorporate disclosure in line with the accounting philosophy of the Group. They are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors believe that the Group will be a going concern in the year ahead. For this reason they continue to adopt the going concern basis in preparing the Group annual financial statements.

The annual financial statements for the year ended 31 March 2003 set out on pages 16 to 39 were approved by the Board of directors on 22 May 2003 and signed on its behalf by -

EA Jay
Chief Executive Officer

AB Hogg
Chairman

DECLARATION BY COMPANY SECRETARY

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

E Venter
Company Secretary

REPORT OF THE DIRECTORS

The directors present their report together with the audited annual financial statements of the Company and of the Group for the year ended 31 March 2003.

Nature of Business

Moneyweb Holdings Limited is incorporated in the Republic of South Africa and is an integrated media company with interests in the electronic and print publishing fields. The Group's focus is on supplying independent high quality and cred-itable information to targeted communities.

Operating Results

The headline earnings for the Group amounted to R1,6 million, an increase of 23% year on year. The Group achieved a headline earnings per share of 1,9c up from 1,6c in the prior year, an increase of 19%.

Acquisition

Vestact (Proprietary) Limited

The Group acquired 25% of the shareholding of Vestact (Proprietary) Limited effective 1 February 2003. Vestact is an online financial management service which allows clients to accumulate JSE shares and invest in the money market.

Dividends

Oridinary Shares

No	Description	Declaration date	Last date to register	Payment date	Cents per share 2003
1	Final	2 May 2002	17 May 2002	27 May 2002	1

Share Capital

The authorised and issued share capital remained unchanged during the year.

Share Participation Scheme

10% of the Company's issued share capital is available for issue to employees remaining in the Group's employment through an independent share option scheme. At the year end options of 2 905 000 shares had been granted to employees. The balance of the unissued share capital of the Company available to the independent share option scheme, being 5 595 000 shares, are available for distribution in terms of the share option scheme.

Share Trust

In addition 1 461 000 issued shares remained unallocated in the share trust but the majority will be issued in the near future.

Directorate

The following acted as directors during the year:

AB Hogg	Chairman
EA Jay	Chief Executive Officer
LM Hogg	
TJ Wood	(Resigned 21 February 2003)
DF da Silva*	(Resigned 1 February 2003)
DA McKay	(Appointed 2 May 2002)
P Desmidt*	(Appointed 3 February 2003)
V Nosi*	(Appointed 27 March 2003)

* *Non-executive director*

A Smith was appointed a non-executive director on 7 May 2003. DA McKay resigned as an executive director on 8 May 2003. The details of the remuneration and indirect interest of directors in the shares of the Company is set out in note 27 of the annual financial statements.

On 31 March 2003 the total beneficial shareholdings of the directors was 55,1% of the issued capital.

The Company Secretary is E Venter whose business and postal addresses are:

Business Address:	First Floor, West Wing President Place Corner Jan Smuts Avenue & Bolton Road Rosebank, 2196	Postal Address:	P O Box 102 Parklands 2121

Subsidiaries

The following information relates to the Company's interest in its subsidiaries:

	Issued Ordinary Capital	Percentage Holding		Cost of Investment		Indebtedness by/ (to) Subsidiary	
	2003	2003 %	2002 %	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Directly Held							
Moneyweb Investments (Pty) Ltd	R100	100	100	58 800	58 800	-	-
Prescon Publishing Corporation (Pty) Ltd	R100	100	100	6 443	6 443	102	102
Moneyweb Internet Publishing Ltd*	£100	100	100	1 748	1 748	(226)	(226)
Indirectly Held							
Moneyweb (Pty) Ltd	R100	100	100			3 295	4 259
				66 991	66 991	3 171	4 135

*Unlisted

All subsidiaries, except Moneyweb Internet Publishing Limited which is incorporated in the United Kingdom, are incorporated in the Republic of South Africa.

The attributable interest of the Company in the aggregate net profits after tax but before goodwill amortisation of its subsidiaries for the year amounted to R583 000 (2002: R1 026 000).

Special Resolutions

On 21 October 2002, the date of the last Annual General Meeting, shareholders approved amendments to the Company's articles of association and granted directors a general authority to:-

– repurchase shares in Moneyweb Holdings Limited
– make payments to shareholders of the Company

At the next Annual General Meeting, shareholders will be asked to renew the general authority, as set out in the notice to members. No other special resolutions were passed during the year under review.

Post-Balance Sheet Activity

The directors are not aware of any other matter or circumstance arising since the end of the financial year and date of this report, not otherwise dealt with in these annual financial statements that would materially affect the results or financial position of the Group, as at 31 March 2003.

INCOME STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

	Notes	Group		Company	
		2003	2002	2003	2002
		R'000	R'000	R'000	R'000
REVENUE	19	15 500	13 806	53	61
Cost of sales		(3 794)	(3 453)	-	-
GROSS PROFIT		11 706	10 353	53	61
Other operating expenses		(9 765)	(7 332)	(53)	(61)
OPERATING PROFIT FROM OPERATIONS BEFORE DEPRECIATION AND AMORTISATION (EBITDA)		1 941	3 021	-	-
Depreciation		(499)	(475)	-	-
Amortisation of development costs		(914)	(1 453)	-	-
PROFIT FROM OPERATIONS	1	528	1 093	-	-
Net investment income	2	526	597	-	-
Income from associate (net of taxation)	9	1 033	175	-	-
Exceptional items	3	(126)	(118)	-	-
PROFIT BEFORE GOODWILL AMORTISATION		1 961	1 747	-	-
Goodwill amortisation		(15 081)	(13 559)	(12 855)	(13 559)
NET LOSS BEFORE TAXATION		(13 120)	(11 812)	(12 855)	(13 559)
Income tax expense	4	(461)	(547)	(116)	-
NET LOSS FOR THE YEAR		(13 581)	(12 359)	(12 971)	(13 559)
LOSS PER SHARE (cents)	5	(16,0)	(14,5)		
HEADLINE EARNINGS PER SHARE (cents)	5	1,9	1,6		
DIVIDENDS PER ORDINARY SHARE (cents)	6	1,0	-		

BALANCE SHEETS AT 31 MARCH 2003

	Notes	Group		Company	
		2003 R'000	2002 R'000	2003 R'000	2002 R'000
ASSETS					
Non-current assets					
Furniture and equipment	7	1 001	807	-	-
Intangible assets	8	929	1 258	-	-
Investment in associates	9	1 208	175	7 658	7 658
Investment in subsidiaries	10			30 555	44 374
Other investment	11	10	-	-	-
		3 148	2 240	38 213	52 032
Current assets					
Trade and other receivables	12	3 098	2 646	-	-
Income tax prepaid		49	-	-	-
Cash and cash equivalents	13	6 523	6 761	-	-
		9 670	9 407	-	-
Total assets		12 818	11 647	38 213	52 032
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and premium	14	12 817	12 817	12 817	12 817
Accumulated profit		30 063	44 494	25 394	39 215
Goodwill	15	(33 573)	(48 654)	-	-
		9 307	8 657	38 211	52 032
Non-current liabilities					
Deferred taxation	16	168	323	-	-
		168	323	-	-
Current liabilities					
Trade and other payables	17	2 473	1 658	-	-
Deferred revenue	18	595	316	-	-
Income tax payable		273	693	-	-
Shareholders for dividend		2	-	2	-
		3 343	2 667	2	-
Total equity and liabilities		12 818	11 647	38 213	52 032

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2003

Group	Share Capital and Premium	Accumulated Profit	Total
	R'000	R'000	R'000
Balance at 31 March 2001	7 817	56 789	64 606
Net loss for the year		(12 359)	(12 359)
Issue of share capital	5		5
Share premium	4 995		4 995
Foreign currency translation reserve		64	64
Balance as at 31 March 2002	**12 817**	**44 494**	**57 311**
Net loss for the year		(13 581)	(13 581)
Ordinary dividends paid		(850)	(850)
Balance as at 31 March 2003	**12 817**	**30 063**	**42 880**

Company	Share Capital and Premium	Accumulated Profit	Total
	R'000	R'000	R'000
Balance at 31 March 2001	7 817	52 774	60 591
Net loss for the year		(13 559)	(13 559)
Issue of share capital	5		5
Share premium	4 995		4 995
Balance as at 31 March 2002	**12 817**	**39 215**	**52 032**
Net loss for the year		(12 971)	(12 971)
Ordinary dividends paid		(850)	(850)
Balance as at 31 March 2003	**12 817**	**25 394**	**38 211**

CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

	Notes	Group		Company	
		2003 R'000	2002 R'000	2003 R'000	2002 R'000
Cash flows from operating activities					
Cash generated by operations	25.1	2 217	2 955	-	-
Movements in working capital	25.2	363	(876)	-	(7)
Cash generated by operating activities		2 580	2 079	-	(7)
Net investment income		526	597	-	-
Normal taxation paid	25.3	(979)	(747)	(10)	-
STC paid		(106)	-	(106)	-
Dividend paid	25.4	(848)	-	(848)	-
Net cash inflows/(outflows) from operating activities		1 173	1 929	(964)	(7)
Cash flows from investing activities					
Acquisition of furniture and equipment		(855)	(316)	-	-
Additions to intangible assets		(585)	(763)	-	-
Acquisition of subsidiary		-	(1 224)	-	(1 224)
Acquisition of associate		*	(2 095)	-	(2 095)
Reduction in loans advanced to subsidiaries		-	-	964	4 105
Disposal of investment		-	882	-	-
Proceeds on disposal of furniture and equipment		29	-	-	-
Net cash (outflows) / inflows from operating activities		(1 411)	(3 516)	964	786
Cash flows from financing activities					
Amount paid in respect of deferred payment for subsidiary		-	(779)	-	(779)
Net cash outflows from financing activities		-	(779)	-	(779)
Net movement in cash and cash equivalents for the year		(238)	(2 366)	-	-
Cash and cash equivalents at beginning of the year		6 761	9 127	-	-
Cash and cash equivalents at end of year		6 523	6 761	-	-

*Less than R1 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

ACCOUNTING POLICIES

The financial statements incorporate the principal accounting policies set out below, which are consistent with those adopted in the previous financial year. The accounting policies of the subsidiaries and associates are consistent with those of the holding company.

STATEMENT OF COMPLIANCE

The financial statements and group financial statements are prepared in accordance with South African statements of Generally Accepted Accounting Practice and the requirements of the South African Companies Act.

BASIS OF PREPARATION

The financial statements and group financial statements are prepared on the historical cost basis, except for financial instruments. The financial statements are prepared on a going concern basis.

- **Accounting for foreign currencies**

Foreign currency transactions

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Exchange rate differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the periods, are recognised in the income statement in the period in which they arise.

Foreign operations

Where a foreign subsidiary is determined to be an integrated foreign operation, transactions and resulting non-monetary items are translated at the exchange rates ruling when the transactions occurred. Income statement items are translated at the appropriate weighted average exchange rates for the period. Monetary items are translated at the ruling exchange rates at the balance sheet dates. Translation gains and losses are taken to income for the period.

- **Basis of consolidation**

Investment in subsidiaries

Subsidiaries are those entities over whose financial and operating policies the Group has the power to exercise control, so as to obtain benefits from their activities.

The Group financial statements incorporate the assets, liabilities and results of the operations of the Company and its subsidiaries. The results of subsidiaries acquired and disposed of during a financial year are included from the effective dates of acquisition and to the effective dates of disposal.

Investments in associates

An associate is an enterprise over whose financial and operating policies the Group has the ability to exercise significant influence and which is neither a subsidiary nor a joint venture of the Group.

The equity method of accounting for associates is adopted in the Group financial statements. In applying the equity method, account is taken of the Group's share of accumulated retained earnings and movements in reserves from the effective date on which the enterprise became an associate and up to the effective date of disposal.

Goodwill arising on the acquisition of associates is included in the carrying amount of the associate and is treated in accordance with the Group’s accounting policy for goodwill.

The share of associated retained earnings and reserves is generally determined from the associate's latest financial statements. Dividends received from associates are included in income from investments.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the enterprises. Unrealised gains resulting from transactions with associates are eliminated against the investment in the associates. Unrealised losses on transactions with associates are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

- **Borrowing costs**

Borrowing costs are recognised as an expense when incurred.

- **Cash and cash equivalents**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks, all of which are available for use by the Group unless otherwise stated.

- **Cost of sales**

Cost of sales consists primarily of the labour and other costs of personnel directly engaged in providing services, including supervisory personnel and attributable overheads. Labour and other costs relating to sales and general administrative personnel are not included, but are recognised as expenses in the period in which they are incurred.

- **Employee benefits**

Short term employee benefits

The cost of all short term employee benefits is recognised during the period in which the employee renders the related service.

The provisions for employee entitlements to salaries and annual leave represent the amount which the Group has a present obligation to pay as a result of employees' services provided to the balance sheet date. The provisions have been calculated at undiscounted amounts based on current salary rates.

Retirement benefits

The Company and its subsidiaries contribute to an external defined contribution plan. Contributions to the defined contribution plan are charged against income as incurred.

Equity compensation benefits

The Group grants share options to certain employees under an employee share plan. Other than costs incurred in administering the scheme which is expensed as incurred, the scheme does not result in any expense to the Group.

- **Financial instruments**

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:

Investments

Listed investments classified as available-for-sale financial assets are carried at market value, which is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Unlisted investments are shown at fair value, unless their fair value cannot be reliably determined, in which case they are shown at cost less accumulated impairment losses.

Investments that meet the criteria for classification as held-to-maturity financial assets are carried at amortised cost.

Trade and other receivables

Trade and other receivables originated by the Group are stated at cost less provision for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at balance sheet date.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisations.

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments that are not part of a hedging relationship are included in net profit or loss in the period in which the change arises.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

- **Furniture and equipment**

Furniture and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided for on a straight line basis estimated to write each asset down to estimated residual value over the term of its useful life.

The principal annual rates used for this purpose are :

Furniture	20%
Computer hardware and software	33%
Other assets	20%
Office equipment	20%
Studio equipment	14,29%

Subsequent expenditure relating to an item of furniture and equipment is capitalised when it is probable that future economic benefits from the use of asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Surpluses or deficits on the disposal of furniture and equipment are credited or charged to income as appropriate. The surplus or deficit is the difference between the net disposal proceeds and the carrying amount of the asset.

- **Goodwill**

Goodwill represents the excess of the cost of an acquisition over the Group’s interest in the fair value of the identifiable assets and liabilities acquired. Goodwill is carried at cost, less accumulated amortisation and accumulated impairment losses. Goodwill is amortised, on a straight line basis, over a five year period commencing in the year after the acquisition. The unamortised balance is reviewed on a regular basis and, if an impairment in value has occurred, it is written off in the period in which the circumstances have been determined.

- **Impairment**

The carrying amounts of the Group’s assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use.

In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years. For goodwill a recognised impairment loss is not reversed, unless the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur and the increase relates clearly to the reversal of the effect of that specific event.

- **Operating lease**

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

- **Investment income**

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is probable that such income will accrue to the group.

Dividends are recognised when the right to receive payment is established.

- **Presentation**

Comparative figures are regrouped or restated where necessary in accordance with current year classifications.

- **Provisions**

A provision is recognised when, and only when, the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

- **Revenue recognition**

Revenue comprises the invoiced sales from trading operations and excludes value added tax. Revenue earned from advertisements is recognised on a monthly basis as they are placed. Revenue from newsletters and broadcasting is recognised in the month earned. Commission on e-commerce is recognised when the transaction is completed.

- **Segmental information**

The principal segments of the Group have been identified on a primary basis by the nature of operation into the two major areas of electronic and print media.

All segment revenue and expenses are directly attributable to the segments. Segment revenue, expenses and results include transfers between business segments and between geographical segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods and are eliminated on consolidation

- **Taxation**

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the balance sheet date, and any adjustment of tax payable for previous years.

Deferred tax is provided using the balance sheet liability method, based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date. Deferrred tax is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred tax of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

- **Website development costs**

Development costs include the direct costs of personnel, materials and services consumed in the setting up of the infrastructure for products and services to be offered by the Group. Development costs are recognised as an asset only when it is probable that the costs will give rise to future economic benefits. Development costs are amortised on the straight line basis over a two year period, from the time of the release of the product or service concerned. The unamortised balance is reviewed on a regular basis and, if an impairment in value has occurred, it is written off in the period in which the circumstances have been determined.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

1. Profit from operations

	Group		Company	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
1.1 Profit from operations is stated after charging:				
Amortisation of development costs	914	1 453	-	-
Auditors' remuneration	213	214	-	-
- for services as auditors	175	174	-	-
- for website audit	30	30	-	-
- for other services	8	10	-	-
Depreciation	499	475		
Furniture	33	28	-	-
Computer hardware	279	273	-	-
Computer software	78	104	-	-
Other assets	25	17	-	-
Office equipment	63	53	-	-
Studio equipment	21	-	-	-
Net foreign exchange losses	81	-	-	-
Operating lease charges – Property	292	287	-	-
Average number of employees during the year	27	25	-	-

1.2 Directors' emoluments

	Group	
	2003 R'000	2002 R'000
Directors' emoluments paid by a subsidiary company (See note 27)		
– directors emoluments	1 343	738
	1 343	738

2. Net investment income

	Group	
	2003 R'000	2002 R'000
Interest paid on bank overdraft	-	(6)
Interest received from cash deposits	519	657
Other interest and income	7	(54)
Total	526	597

3. Exceptional items

	Group	
	2003 R'000	2002 R'000
Burglary	127	-
Impairment – Furniture and equipment	38	-
Proceeds on disposal of assets	(29)	-
Profit from investment	(10)	-
Loss on disposal of investment	-	118
	126	118

4. Income tax expense

	Group		Company	
	2003	**2002**	**2003**	**2002**
	R'000	**R'000**	**R'000**	**R'000**
South African normal tax				
– current	477	720	-	-
– prior year	33	-	10	-
– deferred	(155)	(173)	-	-
– current year	(117)	(173)	-	-
– prior year	(38)	-	-	-
Total normal tax	355	547	10	-
Secondary tax on companies	106	-	106	-
	461	547	116	-
Reconciliation of tax rate	%	%	%	%
Standard tax rate	30,0	30,0	30,0	30,0
Adjusted for:				
Secondary tax on companies	(0,7)	-	-	-
Prior year adjustment	(0,2)	-	-	-
Permanent differences	(32,4)	(34,6)	-	-
Effective tax rate	(3,3)	(4,6)	30,0	30.0

The reconciliation of the rate of taxation is based on net loss before income from associate.

5. Loss per share and headline earnings per share

The calculation of loss per share is based on Group losses of R13,581 million (2002: R12,359 million) and a weighted average number of issued shares of 85 000 000 (2002: 85 000 000).

The calculation of headline earnings per share is based on the Group earnings before goodwill amortisation and exceptional losses of R1,626 million (2002: R1,318 million) and the weighted average number of issued shares of 85 000 000 (2002: 85 000 000).

	Group	
	2003	**2002**
	R'000	**R'000**
Reconciliation of headline earnings:		
Net loss for the year	(13 581)	(12 359)
Goodwill amortisation	15 081	13 559
Other items of a capital nature (Note 3)	126	118
Headline earnings for the year	1 626	1 318

6. Ordinary dividends

The Company declared a maiden dividend of 1c a share on 2 May 2002. The dividend was paid to shareholders registered at the close of business on Friday, 17 May 2002. The dividend distribution date was Friday, 27 May 2002.

7. Furniture and equipment

	Group 2003 Cost R'000	Accumulated Depreciation R'000	Net Book Value R'000
Furniture	170	(145)	25
Computer hardware	1 563	(1 174)	389
Computer software	384	(311)	73
Other assets	91	(63)	28
Office equipment	232	(111)	121
Studio equipment	386	(21)	365
Total	2 826	(1 825)	1 001

	Group 2002 Cost R'000	Accumulated Depreciation R'000	Net Book Value R'000
Furniture	157	(112)	45
Computer hardware	1 444	(924)	520
Computer software	359	(233)	126
Other assets	62	(38)	24
Office equipment	157	(65)	92
Total	2 179	(1 372)	807

Movement Summary 2003

Group	NBV 2002 R'000	Additions R'000	Depreciation R'000	Disposals/ Impairment R'000	NBV 2003 R'000
Furniture	45	13	(33)	-	25
Computer hardware	520	285	(279)	(137)	389
Computer software	126	25	(78)	-	73
Other assets	24	29	(25)	-	28
Office equipment	92	117	(63)	(25)	121
Studio equipment	-	386	(21)	-	365
Total	807	855	(499)	(162)	1 001

Movement Summary 2002

Group	NBV 2001 R'000	Additions R'000	Depreciation R'000	Disposals R'000	NBV 2002 R'000
Furniture	70	3	(28)	-	45
Computer hardware	563	230	(273)	-	520
Computer software	147	83	(104)	-	126
Other assets	41	-	(17)	-	24
Office equipment	145	-	(53)	-	92
Total	966	316	(475)	-	807

8. Intangible assets

	Group 2003		
	Cost or Valuation R'000	Accumulated Amortisation R'000	Carrying Amount R'000
Internally-generated intangible assets			
Website development costs	4 241	(3 312)	929

	Group 2002		
Internally-generated intangible assets			
Website development costs	3 656	(2 398)	1 258

	2003 R'000	2002 R'000
Carrying amount at beginning of year	1 258	1 948
Additions	585	763
Amortisation	(914)	(1 453)
Carrying amount at end of year	929	1 258

Amortisation is charged to the income statement on a straight-line basis over two years from when the website is completely developed.

9. Investment in associates

	Group		Company	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Shares at cost	7 658	7 658	7 658	7 658
Less: Goodwill	(7 658)	(7 658)	-	-
Add: Share of accumulated profits since acquisition	1 208	175	-	-
	1 208	175	7 658	7 658

The investment in associates is a 19,6% interest in the equity of Classic FM South Africa (Pty) Ltd (Classic FM) and a 25% interest in the equity of Vestact (Pty) Ltd. The latter was acquired on 1 February 2003. The going concern of Classic FM is dependant on Classic FM obtaining a renewal of its broadcasting license from the Independent Communications Authority of South Africa (ICASA). The current licence expires on 31 August 2003. The directors of Classic FM have no reason to believe that a renewal license will not be granted, and hence the financial statements of Classic FM have been prepared on a going concern basis.

	Group	
The assets, liabilities and results of operations of the associate company is summarised as follows:	2003 R'000	2002 R'000
Revenue	20 475	17 692
Share of associate's current year income	1 033	175
Tangible assets	473	914
Deferred tax	1 608	-
Net current (liabilities)/assets (excluding cash)	(95)	1 079
Cash and cash equivalents	5 584	308
Total assets	7 570	2 301
Long-term liabilities	(4 058)	(4 058)
Total shareholders' funds	3 512	(1 757)

10. Investment in subsidiaries

	Company	
	2003	2002
	R'000	R'000
Shares at cost less provisions and amounts written off	66 991	66 991
Loans to subsidiaries	3 171	4 135
Total Company interest	70 162	71 126
Accumulated goodwill amortisation	(39 607)	(26 752)
	30 555	44 374

Loans to subsidiaries are unsecured, interest free and no fixed dates of repayment have been determined.

11. Other investment

	Group	
Listed investment	2003	2002
	R'000	R'000
Old Mutual plc (1 000 Shares)	10	-

12. Trade and other receivables

	Group	
	2003	2002
	R'000	R'000
Trade receivables (net)	2 965	2 554
Other receivables	133	92
	3 098	2 646

13. Cash and cash equivalents

	Group	
	2003	2002
	R'000	R'000
Cash on hand and balances with banks	1 353	938
Short term money-market instruments	5 170	5 823
	6 523	6 761

14. Share capital and premium

	Group and Company	
	2003	2002
	R'000	R'000
Authorised		
500 000 000 ordinary shares of R0,001 each	500	500
Issued		
85 000 000 ordinary shares of R0,001 each		
Balance at beginning of the year	85	80
Issued during the year	-	5
Balance at end of the year	85	85
Share premium		
Balance at beginning of the year	12 732	7 737
Increase in share premium	-	4 995
Balance at end of the year	12 732	12 732
Total share capital and premium	12 817	12 817

All un-issued shares remains under the control of the directors until the next Annual General Meeting.

15. Goodwill

	Group 2003 R'000	Group 2002 R'000
Opening carrying amount	48 654	53 331
Gross carrying amount	75 406	66 524
Accumulated amortisation	(26 752)	(13 193)
Goodwill in respect of subsidiary acquired	-	1 224
Goodwill in respect of associate acquired	-	7 658
Goodwill amortised for the year	(15 081)	(13 559)
Closing carrying amount	33 573	48 654
Gross carrying amount	75 406	75 406
Accumulated amortisation – subsidiaries	(39 607)	(26 752)
– associate	(2 226)	-

16. Deferred taxation

	Group		Company	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Deferred tax liabilities	168	323	-	-

The balance of deferred tax is made up as follows:

	Group		
	2002 R'000	Income Statement R'000	2003 R'000
Composition 2003			
Research and development	378	(99)	279
Income received in advance	(33)	(30)	(63)
Other temporary differences	(22)	(26)	(48)
	323	(155)	168

	Group		
	2001 R'000	Income Statement R'000	2002 R'000
Composition 2002			
Research and development	584	(206)	378
Income received in advance	(71)	38	(33)
Other temporary differences	(17)	(5)	(22)
	496	(173)	323

17. Trade and other payables

	Group 2003 R'000	Group 2002 R'000
Trade accounts payable	1 187	892
Non-trade accounts payable	222	168
Accrued expenses	1 064	598
	2 473	1 658

18. Deferred revenue

	Group	
	2003 R'000	2002 R'000
Annual subscriptions to newsletters	306	316
Advertising contracts	289	-
	595	316

19. Segmental analysis

	Revenue		Profit from operations	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Business segments:				
Electronic media	13 036	10 707	48	434
Print media	2 464	3 099	480	659
	15 500	13 806	528	1 093

The Group's activities are conducted predominantly in South Africa with a small portion of activity in the United Kingdom.

	Revenue		Operating Income	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
South Africa	15 218	13 441	435	761
United Kingdom	282	365	93	332
	15 500	13 806	528	1 093

20. Financial instruments

The Group's objectives in using financial instruments is to reduce the uncertainty due to the future cash flows (as a result of movements in currency and interest rates) arising from the financing of its operations and from its sources of finance.

The Group finances its operations through a mixture of accumulated profits and cash balances.

The Group does not write any derivatives and it has a policy that no trading in derivative instruments may take place.

The main risks arising from the Group's financial instruments are currency risk, interest rate risk, credit risk and liquidity risk.

Currency risk management

The Group has limited currency risk as a result of purchases, sales and bank balances in foreign currencies. The currencies in which the Group primarily deals are Pound Sterling, US Dollars and Australian Dollars.

Interest rate management

As part of the process of managing the Group's interest rate risk, interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Given the large net cash holdings of the Group, it is exposed to the effects of fluctuating deposit interest. Whilst it is corporate policy to remain as liquid as possible to take advantage of acquisition opportunities, certain funds have been invested in term deposits / investments to minimise the effects of fluctuating interest rates and to achieve a satisfactory return for shareholders.

Credit risk management

The Group has no significant concentration of credit risk. Financial assets, which potentially subject the Group to concentrations of credit risk, consist principally of cash, deposits and trade receivables. The Group's cash equivalents and short-term deposits are placed with high quality financial institutions. Trade receivables are presented net of the allowance for doubtful receivables. Credit risk with respect to trade receivables is reduced due to the large number of customers comprising the Group's customer base and their dispersion across different industries and geographical areas. Accordingly the Group has no significant concentration of credit risk.

Liquidity risk management

The Group has minimised its liquidity risk by ensuring that it has adequate banking facilities and reserve borrowing capacity. Liquidity risk also arises from the possibility that customers may not be able to settle obligations to the Group within the normal terms of trade. To manage this risk the Group periodically assesses the financial viability of its customers.

Fair value

The directors are of the opinion that the book value of financial instruments approximates fair value.

21. Related party transactions

Related party transactions exist within the Group. All purchasing and selling transactions with related parties are concluded at arm's length.

Directors

The following persons held the position of directors of Moneyweb Holdings Limited and its subsidiaries during all of the past two financial years, unless otherwise stated:

AB Hogg	Chairman (With effect from 1 January 2003)
EA Jay	Chief Executive Officer (With effect from 1 January 2003)
LM Hogg	
TJ Wood	(Resigned 21 February 2003)
DF da Silva*	(Resigned 1 February 2003)
DA McKay	(Appointed 2 May 2002)
P Desmidt*	(Appointed 3 February 2003)
V Nosi*	(Appointed 27 March 2003)

* Non-executive director

A Smith was appointed non-executive director on 7 May 2003. DA McKay resigned as an executive director on 8 May 2003.

Directors' shareholdings

The aggregate number of shares held by directors of the Company and their director-related entities are disclosed in the Shareholder Information section on page 4.

Other directors transactions

During the year legal fees of R31 809 (2002 - R35 031) were paid to Jay Incorporated, a firm in which EA Jay was a partner, in respect of services charged on an arm's length basis as the Group's legal advisors. EA Jay ceased to be a partner in Jay Incorporated on 31 December 2002.

Company transactions with related parties in the Group

In addition to those transactions disclosed in the notes to the financial statements, the Company entered into the following transactions during the year with related parties in the Group:

- A management fee was charged to Moneyweb (Pty) Ltd and Prescon Publishing Corporation (Pty) Ltd, being wholly owned subsidiaries of the holding company, of R26 321 (2002 - R30 650) each.

These transactions were undertaken on commercial terms and conditions and at market values.

Amounts due to and receivable from related parties in the Group

These amounts are set out in the respective notes to the financial statements.

Ownership interests

The ownership interests in subsidiaries are set out in the directors' report.

22. Retirement benefits

Provident fund

In terms of the conditions of employment all employees are entitled, but not obliged, to join the Company's Provident Fund which is governed by the Pension Funds Act of 1956. The employee shall be liable to pay 100% of the Provident Fund contributions.

23. Borrowing powers

In terms of the articles of association the Company's borrowing powers are unlimited. The Group's corporate bankers have granted R200 000 overdraft facilities to the Group.

24. Capital commitments

	Group	
	2003 R'000	2002 R'000
Approved	200	-

25. Notes to the Cash Flow Statements

25.1 Cash generated by operations

	Group 2003 R'000	Group 2002 R'000
Operating profit from operations before depreciation and amortisation	1 941	3 021
Adjustments:		
Re-instatement cost included in capital losses	(3)	-
Movement in foreign currency translation reserve	-	64
Movement in deferred revenue	279	(130)
	2 217	2 955

25.2 Movements in working capital

	Group 2003 R'000	Group 2002 R'000	Company 2003 R'000	Company 2002 R'000
Increase in trade and other receivables	(452)	(438)	-	-
Increase/(decrease) in trade and other payables	815	(438)	-	(7)
	363	(876)	-	(7)

25.3 Taxation paid

	Group 2003 R'000	Group 2002 R'000	Company 2003 R'000	Company 2002 R'000
Amounts owing at the beginning of the year	(693)	(720)	-	-
Amounts charged per the Income Statement	(355)	(547)	(10)	-
Movement in deferred taxation	(155)	(173)	-	-
Net amounts owing at the end of the year	224	693	-	-
Amounts paid	(979)	(747)	(10)	-

25.4 Dividend paid

	Group 2003 R'000	Group 2002 R'000	Company 2003 R'000	Company 2002 R'000
Amounts owing at the beginning of the year	-	-	-	-
Income Statement charge – ordinary	(850)	-	(850)	-
Amount outstanding at the end of the year	2	-	2	-
	(848)	-	(848)	-

26. Operating lease

The Company and its subsidiaries has an operating lease agreement for offices. The lease contains a renewal option and an escalation clause. Lease terms do not contain restrictions on the Company's activities concerning dividends, additional debt or further leasing. Rent expense consisted of the following:

	Group	
	2003 R'000	2002 R'000
Basic expense	292	287

Future minimum lease payments under non-cancellable operating lease are as follows:	R'000
Next year	489
Thereafter	3 210

27. Directors remuneration

Paid to March 2003

	Salary R'000	Expense allowances R'000	Medical aid contribution R'000	Other R'000	Total R'000
AB Hogg	-	57	-	-	57
TJ Wood (Resigned 21 February 2003)	-	-	-	868*	868
DA McKay (Appointed 2 May 2002)	300	8	20	-	328
EA Jay (From 1 January 2003)	87	-	3	-	90
	387	65	23	868	1 343

Paid to March 2002

	Salary R'000	Expense allowances R'000	Medical aid contribution R'000	Other R'000	Total R'000
TJ Wood	-	-	-	738*	738

*Editorial services

No other directors received any benefit during the periods under review.

Share options granted to directors

As at 31 March 2003

	Total options outstanding	
	Number of shares	
	2003	**2002**
TJ Wood*	325 000	325 000
DA McKay**	400 000	400 000
L Hogg	400 000	400 000

Notes

1. None of the directors exercised any of their options or were granted further share options in either the current or previous financial years.
2. There were no pensions paid to directors or past directors of the Company.
3. No compensation was paid to any director or past director for loss of office.
4. There are no service contracts with any directors which have a notice period of longer than one month.

* Resigned as director 21 February 2003.

**Resigned as director 8 May 2003.

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of the members of Moneyweb Holdings Limited will be held at the Company offices, First Floor, West Wing, President Place, Corner Jan Smut Ave & Bolton Rd (Entrance in Hood Street) Rosebank 2196, on 28 July 2003 at 10h00 to conduct the following business:

To consider and, if deemed fit, to pass, with or without modification, the following resolutions as ordinary resolutions:

Ordinary resolutions

1. To receive and consider the annual financial statements of the Company for the year ended 31 March 2003.
2. To re-elect, by means of a single resolution, the following directors who require re-election in accordance with the provisions of the Company's articles of association:
   P Desmidt, V Nosi, A Smith.
3. To approve the directors' emoluments for the year ended 31 March 2003.
4. To reappoint KPMG as auditors and authorise the directors to determine the remuneration of the auditors.
5. To place the unissued share capital of the Company under the control of the directors in terms of Section 221 of the Companies Act, 1973 (as amended), and to renew the authority of the directors to allot and issue any of the shares of the Company on such terms and conditions as they may deem fit, subject to the provisions of the Companies Act, 1973 (as amended) and the requirements of the JSE Securities Exchange South Africa.
6. Resolved that, subject to meeting the requirements of the JSE Securities Exchange South Africa, the directors are hereby authorised to issue ordinary shares for cash as and when suitable opportunities arise, subject to the following conditions:
   - that this authority shall not extend beyond the next annual general meeting or 15 months from the date of this annual general meeting, whichever date is the earlier;
   - that there will be no restrictions in regard to the persons to whom the shares may be issued, provided that such shares are to be issued to public shareholders and not to related parties;
   - that a press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% or more of the number of shares in issue prior to the issue/s;
   - that issues in the aggregate in any one financial year shall not exceed 15% of the Company's issued ordinary share capital; and
   - that 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 average closing price of the shares in question, as determined over the 30 days prior to either the date of the press announcement or, where no announcement is required and none has been made, the date of issue of the shares.

   The approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the general meeting is required for this resolution to become effective.

7. **Special resolution number 1**

   To consider and, if deemed fit, to pass with or without modification the following resolution as a special resolution.

   Resolved

   1. that the directors be authorised to facilitate the acquisition, by the Company or a subsidiary of the Company from time to time, of the issued shares of the Company on the open market from such shareholder(s), at such price and in such manner and subject to such conditions as they in their sole and absolute discretion deem fit, provided that in making an acquisition, the directors shall comply with the provisions of:

   (i) section 85 of the Companies Act, 1973, as amended, and any other provisions of the Statutes which may be applicable.

(ii) the listing requirements of the JSE Securities Exchange South Africa insofar as they may be applicable including but not limited to

- a maximum repurchase of shares in any full financial year of 20% of the issued capital of the relevant class;
- a purchase consideration of no more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date of purchase.

2. that the approval given in terms of (1) shall remain in force from the date of registration of this special resolution by the Registrar of Companies until the conclusion of the next annual general meeting of the Company and, in any event, no later than 15 months from the date on which it was passed.

At the present time the directors intend to continue to utilise this authority if they consider the circumstances appropriate.

The directors consider, after the effect of such a 20% repurchase, for the period of 12 months after the date of this notice of annual general meeting:

- that the Company will be able in the ordinary course of business to pay its debts;
- that the assets of the Company will be in excess of the liabilities of the Company;
- that the ordinary capital and reserves of the Company are adequate;
- that the working capital of the Company is adequate.

The reasons for proposing the special resolutions are to permit and grant the Company a general authority to acquire its own shares, and to permit the Company to make payments to its shareholders.

The effect will be to authorise the Company to purchase shares in Moneyweb Holdings.

8. To transact such other business as may be transacted at an annual general meeting.

Any member qualified to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his stead. The person so appointed need not be a member of the Company.

In order to be effective, proxy forms must reach the registered office of the Company or the office of the transfer secretaries at least 48 hours before the time fixed for the meeting.

By order of the board

EA Jay – Chief Executive Officer
22 May 2003

Moneyweb Holdings Limited

Registration Number 1998/025067/06
Incorporated in the Republic of South Africa

Registered Office
First Floor, West Wing
President Place
Corner Jan Smuts Ave and Bolton Road
Rosebank, 2196
Tel: 011 327 1277
Fax: 011 327 1279

Postal Address

PO Box 102
Parklands
2121

Directors

AB Hogg (Chairman)
EA Jay (Chief Executive Officer)
LM Hogg
P Desmidt*
V Nosi*
A Smith*

* Non-Executive Director

Audit Committee

A Smith* (Chairman)
P Desmidt*
V Nosi*

* Non-Executive Director

Remuneration Committee

V Nosi* (Chairman)
LM Hogg
P Desmidt*
A Smith*

* Non-Executive Director

Company Secretary

E Venter

Transfer Secretaries

Computershare Investor Services Limited
(Registration number 1958/003546/06)
70 Marshall Street
Johannesburg, 2001 South Africa
(PO Box 61051
Marshalltown, 2107 South Africa)

Auditors
KPMG Inc
Registered Accountants and Auditors
Chartered Accountants (SA)
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Parktown, 2193
(Private Bag 9,
Parkview, 2122)

Attorneys

Jay Incorporated
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(PO Box 87160,
Houghton, 2041)

Commercial Bank

Nedcor Bank Limited
(Registration number 1951/000009/06)
Nedbank House
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Sandown, 2196
(PO Box 78488,
Sandton, 2146)

Sponsor

LPC Manhattan Sponsors (Proprietary) Limited
Fourth Floor
South Office Tower
Hyde Park Shopping Centre
Hyde Park, 2196
(PO Box 41966, Craighall, 2024)