BOARD APPROVAL

for the year ended 28 February 2015

Datatec's ("The Group") consolidated annual financial statements for the year ended 28 February 2015 are prepared in accordance with the International Financial Reporting Standards ("IFRS") of the International Accounting Standards Board, Interpretations issued by the IFRS Interpretations Committee, the JSE Listings Requirements, AIM Rules, the South African Companies Act 71 of 2008 ("the Companies Act"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and incorporate transparent and responsible disclosure together with appropriate accounting policies.

These annual financial statements have been audited in compliance with the requirements of the Companies Act and were compiled under the supervision of Jurgens Myburgh CA(SA), the Chief Financial Officer during the year.

The directors are responsible for the maintenance of adequate accounting records, the preparation and integrity of the Group annual financial statements and all related information. The directors are also responsible for the systems of internal control which are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets and to prevent and detect material misstatement and loss.

The directors believe that the Group has adequate resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

In terms of the Companies Act, the directors are required to prepare annual financial statements that fairly present the state of affairs and business of the Company and of the Datatec Group at the end of the financial year and of the profit for that year.

The Group annual financial statements were approved by the Board of Directors on 13 May 2015. The consolidated annual financial statements extracted from the Group annual financial statements which appear on pages 96 to 168 are signed on its behalf by:

JP Montanana
Chief Executive Officer

PJ Myburgh
Chief Financial Officer

CERTIFICATE BY COMPANY SECRETARY

In terms of section 88(2)(e) of the South African Companies Act 71 of 2008, I certify that for the year ended 28 February 2015 Datatec Limited has filed with the Commissioner of the CIPC all such returns as are required of a public company in terms of the Act. Further, that such returns are true, correct and up to date.

SP Morris
For and on behalf of
Datatec Management Services (Pty) Ltd
Company Secretary

INDEPENDENT AUDITORS' REPORT

for the year ended 28 February 2015

TO THE SHAREHOLDERS OF DATATEC LIMITED

We have audited the consolidated financial statements of Datatec Limited set out on pages 100 to 168, which comprise the consolidated statement of financial position as at 28 February 2015, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Datatec Limited as at 28 February 2015, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the consolidated financial statements for the year ended 28 February 2015, we have read the Directors' Report, the Audit, Risk and Compliance Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements.

These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Deloitte & Touche

Deloitte & Touche
Registered Auditors

Per: MH Holme
Partner

13 May 2015

Buildings 1 and 2
Deloitte Place
The Woodlands
Woodlands Drive
Woodmead Sandton
South Africa

AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

for the year ended 28 February 2015

The information below constitutes the report of the Audit, Risk and Compliance Committee.

The Audit, Risk and Compliance Committee comprises four independent non-executive directors: Chris Seabrooke (Chairman), Stephen Davidson, Funke Ighodaro and Wiseman Nkuhlu. CVs for these directors are on pages 12 and 13 of the Integrated Report and evidence their relevant skills and suitable experience. The Chief Executive Officer, Jens Montanana, the Chief Financial Officer, Jurgens Myburgh, the Chief Risk Officer, Simon Morris, and the external and internal auditors are invited to attend all meetings. The external and internal auditors have unrestricted access to the Audit, Risk and Compliance Committee and also meet with the Audit, Risk and Compliance Committee members, without management present, at least once a year. Attendance at Audit, Risk and Compliance Committee meetings is set out on page 60 of the Integrated Report.

The Audit, Risk and Compliance Committee meets at least three times a year. In the year under review and subsequent to the date of this report, the Audit, Risk and Compliance Committee has met six times, with all members in attendance. The Chairman of the Audit, Risk and Compliance Committee reports on the Audit, Risk and Compliance Committee's activities at each Board meeting.

The Audit, Risk and Compliance Committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board. The charter is reviewed annually to confirm compliance with the King III Code and the Companies Act and to ensure the incorporation of best practice developments. The charter is available at **www.datatec.com**.

The Audit, Risk and Compliance Committee is satisfied that it has met its responsibilities for the year under review and to the date of this report with respect to its terms of reference as set out in its charter. Further, the Audit, Risk and Compliance Committee is satisfied that it has complied with its legal and regulatory responsibilities throughout that period.

Datatec's three operating divisions each have an audit, risk and compliance committee, chaired by the Datatec Group Chief Financial Officer, Jurgens Myburgh. Reports from these committees are submitted to the Datatec Audit, Risk and Compliance Committee, which retains all the functions of an audit committee in respect of Datatec's subsidiaries.

The Audit, Risk and Compliance Committee reviews the activities of the Group's outsourced internal audit function and annually reviews the internal audit charter and recommends it to the Board.

The Audit, Risk and Compliance Committee is responsible for selecting the external auditor and recommending its appointment to the shareholders as well as for approving the external auditors' fees. The committee monitors the external auditor and has satisfied itself that Deloitte & Touche and MH Holme, the designated auditor, are independent of the Company.

In terms of the Companies Act and the JSE Listings Requirements the Audit, Risk and Compliance Committee has considered and satisfied itself of the appropriateness of the expertise and experience of Jurgens Myburgh, who served as Chief Financial Officer from 1 May 2014 to date. Further, the committee considers the appropriateness of the expertise and adequacy of resources of the Group's finance function and the experience of senior management responsible for the finance function annually. For the year under review, the committee is satisfied in this regard.

The Audit, Risk and Compliance Committee assists the Board in reviewing the risk management process and significant risks facing the Group (see pages 62 to 67). The committee reviews the Group's risk strategy with the executive directors and senior management and oversees the Group's use of recognised risk management and internal control models and frameworks to maintain a sound system of risk management and internal control with combined assurance processes in place throughout the Group. The Audit, Risk and Compliance Committee is satisfied that the appropriate processes are in place to enable the Board to make an effective assessment of the Group's system of internal controls and risk management.

The Audit, Risk and Compliance Committee is tasked with reviewing the interim and annual financial statements and Integrated Report. The Audit, Risk and Compliance Committee recommended the annual financial statements for the year ended 28 February 2015 for approval to the Board. The Board has subsequently approved the annual financial statements which will be presented at the forthcoming Annual General Meeting.

CS Seabrooke
Audit, Risk and Compliance Committee Chairman

Sandton
13 May 2015

DIRECTORS' REPORT

for the year ended 28 February 2015

PROFILE AND GROUP STRUCTURE

The Group is an international information and communications technology ("ICT") business with operations in over 60 countries. The Group's main lines of business comprise: the distribution of networking, security and unified communications and data centre products (Westcon); ICT infrastructure solutions and services (Logicalis); and strategic and technical consulting (which includes Analysys Mason Limited, Mason Advisory Limited and The Via Group, Inc.). "Corporate" encompasses the costs of the Group's head office entities including Datatec Financial Services, a new capital/leasing business under development.

Datatec Limited (the "Company"), a South African company with registration number 1994/005004/06, is the parent company of the Group. The Company's shares are listed on the JSE Limited and on the Alternative Investment Market of the London Stock Exchange with share code DTC and ISIN ZAE000017745.

GROUP FINANCIAL RESULTS

Commentary on the Group financial results is given in this Integrated Report on pages 21 and 27. Full details of the financial position and financial results of the Group are set out in the consolidated annual financial statements on pages 96 to 168.

SHARE CAPITAL

Authorised share capital

The authorised share capital of the Company as at 28 February 2015 and 28 February 2014 is R4 000 000 made up of 400 000 000 ordinary shares of one cent each.

Issued share capital

As at 28 February 2015, the issued share capital amounted to R2 036 146, divided into 203 614 644 ordinary shares of one cent each (FY14: R1 971 427 divided into 197 142 685 ordinary shares).

Share capital changes during the year

During the year, shares were issued to settle obligations in terms of the Datatec Share Option Scheme (which has now terminated), in relation to the interim scrip distribution (see below) and as part of the consideration for acquisitions.

Financial details of the movement in share capital have been reflected in the Group statement of changes in equity and in Note 15 in the consolidated annual financial statements together with the number of shares issued during the year.

DIRECTORS

Brief CVs of directors are included on pages 12 and 13 and further information on the directors, including their interests in the shares of the Company and share-based remuneration schemes, is provided in the Remuneration Report set out on pages 68 and 78 and in Note 23 to these consolidated annual financial statements on pages 143 to 147.

All directors are subject to election by shareholders at the first opportunity after their appointment. Subsequently, the terms of the Company's Memorandum of Association requires one-third of all directors to retire annually (ensuring each director retires at least once every three years) when they may offer themselves for re-election by shareholders.

GOING CONCERN

Having undertaken a thorough solvency and liquidity test and review of going concern assertions across the Group, the Directors believe that the Datatec Group has adequate financial resources to continue in operation for the 12 months after the date of this report and accordingly the financial statements have been prepared on a going concern basis.

The directors have determined from the solvency and liquidity test that the Group is solvent and has access to sufficient cash resources for the 12 months after the payment of the final dividend referred to below. Ordinary shareholders' funds are US$870.9 million (FY14: US$871.6 million). Working capital remains well controlled. Trade receivables and inventory are of sound quality and adequate provisions are held against both. The Group has sufficient liquidity and borrowing capacity to meet its ongoing operating needs, including approved capital expenditure. At 28 February 2015, the Group had cash balances on hand of US$366.1 million (FY14: US$378.7 million), bank overdrafts of US$388.2 million (FY14: US$420.4 million) and borrowing facilities of US$1 170 million (FY14: US$1 069 million) of which US$1 034 million (FY14: US$857 million) was available for draw-down against existing collateral at that date.

DIRECTORS' REPORT CONTINUED

for the year ended 28 February 2015

The Group has no need to undertake a capital restructuring and key executive management is in place. The Board is not aware of any new material changes that may adversely impact on the Group relative to customers, suppliers, services or markets. The Board is not aware of any material non-compliance with statutory or regulatory requirements and there are no pending legal proceedings other than in the normal course of business.

INVESTMENTS AND SUBSIDIARIES

Financial information relating to the Group's investments and interests in subsidiaries is contained in Annexure 1 of the consolidated annual financial statements (see page 164).

ACQUISITIONS

The following acquisitions were concluded during the financial year ended 28 February 2015:

Westcon Group

On 30 August 2014, Westcon acquired the assets of US-based Verecloud, Inc. ("Verecloud"), the developer of an advanced distribution platform for cloud and services solutions, for US$12.0 million, settled through the issue of Datatec shares. The platform will be incorporated into Westcon's Cloud Solution Practice and form the foundation which is designed to help resellers drive significant revenue from cloud-enabled services.

Logicalis Group

On 1 September 2014, Logicalis acquired a 51% shareholding in ITUMA GmbH ("Ituma"), a speciality software developer based in Germany. Ituma is focused on Wi-Fi-enabled services such as in-location navigation, product and service offerings access, product promotions and analytics.

Logicalis increased its shareholding in PromonLogicalis Latin America Limited ("PLLAL") from 60.0% to 64.4% by electing to take its share of a PLLAL dividend in the form of scrip and acquired a further 0.6% of PLLAL shares from Promon in exchange for the issue of Datatec shares. As a result, Datatec's shareholding in PLLAL increased from 60.0% to 65.0% during the year.

On 2 January 2015, Logicalis acquired inforsacom Holding GmbH ("Inforsacom"). Inforsacom is a provider of database, storage and infrastructure solutions and services with operations across the major economic centres of Germany. The acquisition will significantly enhance Logicalis' scale and capabilities in the German IT market.

CORPORATE GOVERNANCE COMPLIANCE STATEMENTS

A statement on the Group's corporate governance policies and procedures is set out in the governance section of the Integrated Report on pages 57 to 59.

SHARE-BASED PAYMENTS AND OTHER MANAGEMENT INCENTIVE SCHEMES

Details of the Group's share-based payment schemes and other management incentive schemes are set out in the remuneration section of the Integrated Report on pages 71 to 77.

EVENTS OCCURRING SUBSEQUENT TO THE YEAR-END

There are no material subsequent events to report. On 6 May 2015, Logicalis acquired Trovus, a small UK business intelligence consultancy, which provides business insight solutions, professional services and managed services to large enterprise clients.

SCRIP DISTRIBUTIONS WITH CASH DIVIDEND ALTERNATIVE

The Company paid an interim scrip distribution with cash dividend alternative of 88 ZAR cents (approximately 8 US cents) to shareholders on 1 December 2014. The number of scrip distribution shares to which each shareholder became entitled (to the extent that such shareholder had not elected to receive the cash dividend) was determined by reference to the ratio that 88 ZAR cents bore to the volume weighted average price of an ordinary Datatec share traded on the JSE during the 30-day trading period ending on Thursday, 13 November 2014, which was 5 378 ZAR cents, ie 1.63630 scrip distribution shares for every 100 ordinary shares held.

The result of the shareholder election in relation to the cash dividend alternative to the scrip distribution was that 2 018 910 new ordinary shares were issued on 1 December 2014 to shareholders who did not elect to receive the cash dividend in respect of all or part of their shareholding, resulting in a capitalisation of the distributable retained profits of the Company of ZAR108.6 million. The proportion of the Company's total shares which received the scrip distribution was 61.8%. Shareholders holding 76 189 934 ordinary shares elected to receive the gross cash dividend of 88 ZAR cents per ordinary share resulting in a total gross cash dividend of ZAR67.0 million which was paid out of the distributable retained profits of the Company. The proportion of the Company's total shares which received the cash dividend was 38.2%.

The Board has declared a final scrip distribution with cash dividend alternative of 108 ZAR cents in relation to the financial year ended 28 February 2015, which will be payable to shareholders on the Register on 17 July 2015. The number of scrip distribution shares to which each shareholder will became entitled (to the extent that such shareholder has not elected to receive the cash dividend) will be determined by reference to the ratio that 108 ZAR cents bore to the volume weighted average price of an ordinary Datatec share traded on the JSE during the 30-day trading period ending on Thursday, 2 July 2015.

CAPITAL DISTRIBUTIONS

For the financial year ended February 2014, the Company paid an interim capital distribution to shareholders of 80 ZAR cents (approximately 8 US cents) per share on 2 December 2013 and a final capital distribution of 93 ZAR cents (approximately 9 US cents) per share on 21 July 2014, making a total capital distribution to shareholders for the financial year ended 28 February 2014 of 173 ZAR cents (approximately 17 US cents).

The Group's dividend policy of paying an annual dividend, which will provide cover of at least three times relative to underlying earnings, remains unchanged.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 12:00 on Thursday, 10 September 2015 at the DaVinci Hotel & Suites, Nelson Mandela Square, corner Maude and 5th Street, Sandown, Sandton, 2196, South Africa. A notice of Annual General Meeting is included on page 169.

GROUP ACCOUNTING POLICIES

for the year ended 28 February 2015

BASIS OF ACCOUNTING AND REPORTING

The Group financial statements as set out on pages 96 to 168 have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Significant details of the Group's accounting policies are set out below and are consistent with those applied in the previous year.

The financial statements comply with the International Financial Reporting Standards ("IFRS") of the International Accounting Standards Board, interpretations issued by the IFRS Interpretations Committee, the JSE Listings Requirements, AIM Rules, the Companies Act of South Africa as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

ADOPTION OF NEW OR REVISED ACCOUNTING STANDARDS AND AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS

The Group adopted the following amendments to accounting standards. The adoption of these amendments did not have a material impact on the Group annual financial statements.

- IAS 32 *Financial Instruments: Presentation* (effective for accounting periods beginning on or after 1 January 2014)
- IAS 39 *Financial Instruments: Recognition and Measurement* (effective for accounting periods beginning on or after 1 January 2014)

No new or revised accounting standards or interpretations were adopted during the year.

NEW OR REVISED ACCOUNTING STANDARDS, AMENDMENTS TO EXISTING STANDARDS, AND INTERPRETATIONS NOT YET ADOPTED

At the date of authorisation of these annual financial statements, the following new or revised standards, amendments to existing standards, and interpretations applicable to the Group were in issue but not yet effective:

- IFRS 7 (Revised) *Financial Instrument Disclosures* – amendments on application of IFRS 9 (effective for accounting periods beginning on or after 1 January 2015)
- IFRS 9 *Financial Instruments* (effective for accounting periods beginning on or after 1 January 2018)
- IFRS 10 *Consolidated Financial Statements* (effective for accounting periods beginning on or after 1 January 2016)
- IFRS 11 *Joint Arrangements* (effective for accounting periods beginning on or after 1 January 2016)
- IFRS 15 *Revenue from Contracts with Customers* (effective for accounting periods beginning on or after 1 January 2018)
- IAS 1 *Presentation of Financial Statements* (effective for accounting periods beginning on or after 1 January 2016)
- IAS 16 *Property, Plant and Equipment* (effective for accounting periods beginning on or after 1 January 2016)
- IAS 19 (Revised) *Employee Benefits* (effective for accounting periods beginning on or after 1 July 2014)
- IAS 27 *Separate Financial Statements* (effective for accounting periods beginning on or after 1 January 2016)
- IAS 28 *Investments in Associates and Joint Ventures* (2011) (effective for accounting periods beginning on or after 1 January 2016)
- IAS 38 *Intangible Assets* (effective for accounting periods beginning on or after 1 January 2016)
- Amendments resulting from Annual Improvements 2010 – 2012 Cycle (effective for accounting periods beginning on or after 1 July 2014)
- Amendments resulting from Annual Improvements 2011 – 2013 Cycle (effective for accounting periods beginning on or after 1 July 2014)
- Amendments resulting from Annual Improvements 2012 – 2014 Cycle (effective for accounting periods beginning on or after 1 July 2016)

The Group is in the process of assessing the impact of IFRS 9 and IFRS 15. The Group has assessed the remaining new or revised standards, amendments to existing standards, and interpretations applicable to the Group, and does not believe that the adoption of these will have a material impact on the financial results or disclosures of the Group.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION

In the application of the Group's accounting policies described below, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors which are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent that it is available and the Group also engages third parties to perform valuations.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the relevant notes.

The following are the key assumptions concerning the future, and other key areas of estimation and judgement included in the Group's annual financial statements, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- Estimates made in determining the recoverable amount of acquired intangible assets included in the statement of financial position (disclosed in Note 10). The Group continually assesses the carrying value of its intangible assets recognised as part of historical acquisitions. This requires an estimation of the value-in-use, based on estimated future cash flows and discount rates of the asset or cash-generating units to which these assets belong.
- Estimates made in determining the recoverable amount of goodwill included in the statement of financial position (disclosed in Note 9). Similar to acquired intangible assets, this requires an estimation of the value-in-use of the cash-generating unit to which the goodwill is allocated. The Group's cash-generating units are consistent with those segments (disclosed in Note 32).
- Estimates made in determining the probability of future taxable income thereby justifying the recognition of deferred tax assets included in the statement of financial position (disclosed in Note 12).
- Estimates regarding the recognition and measurement of the Group's share-based payment schemes. Details of the assumptions made and analyses of these assumptions are provided in Note 2.
- Estimates made in determining the level of provision required for obsolete inventory and doubtful debts (disclosed in Notes 13 and 14, respectively).
- Estimates made in determining changes in estimated useful lives and residual values of property, plant and equipment (disclosed in Note 8) and capitalised development expenditure (disclosed in Note 10).
- Estimates made of contingent liabilities disclosed (disclosed in Note 22).

BASIS OF CONSOLIDATION

The Group reports in US Dollars as the US Dollar is the functional currency in which the major part of the Group's trading is conducted and is consistent with the economic substance of most of the Group's transaction flows worldwide. Reporting in US Dollars also simplifies financial analysis and is more meaningful to global investors and shareholders and for international benchmarking.

The translation into US Dollars for reporting purposes is performed as follows:

(a) Assets and liabilities (including comparatives) are translated at the closing rate ruling at the date of each statement of financial position.

(b) Income and expense items for all periods presented (including comparatives) are translated at a weighted average rate that approximates the ruling exchange rates at the dates of the transactions.

Exchange differences arising from the translations in (a) and (b) are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

(c) The functional currency of the parent company is South African Rand. The share capital and share premium of the parent company are translated into US Dollars at the closing exchange rates.

(d) The exchange differences arising on this translation (c) are recognised directly in equity and accumulated in non-distributable reserves.

GROUP ACCOUNTING POLICIES
CONTINUED
for the year ended 28 February 2015

The Group consolidated annual financial statements incorporate the financial statements of the Company and all enterprises controlled by the Company during the reporting period.

Control is achieved when the Group:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above. Consolidation of subsidiaries begins when the Group obtains control over a subsidiary and ceases when the Group loses control of a subsidiary. Profit or loss and each component of other comprehensive income are attributable to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributable to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The operating results of Group entities are included from the effective date of acquisition to the effective date of disposal. All significant inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets and liabilities of the subsidiary (ie reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS).

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

BUSINESS COMBINATIONS
Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions of recognition under IFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets that are classified as held-for-sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of consideration transferred over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the consideration transferred, the excess is recognised immediately in profit and loss. Costs associated with the acquisition are expensed, and may include such costs as advisory, legal, accounting, valuation and other professional costs associated with the transaction.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Contingent consideration is measured at fair value at the acquisition date and included as part of the consideration transferred in a business combination. Subsequent adjustments to the consideration are recognised against the cost of the acquisition, with corresponding adjustments against goodwill, only to the extent that they arise from new information obtained within the measurement period (which is not more than 12 months from the acquisition date) about facts and circumstances that existed at the acquisition date. All other subsequent adjustments that do not qualify as measurement period adjustments, classified as assets or liabilities, are recognised in profit or loss.

A non-controlling interest in the acquiree is initially measured at the proportion of the net fair value of the assets, liabilities and contingent liabilities recognised. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the share of changes in equity since the date of the combination.

Business combinations achieved in stages

Changes in the Group's ownership interests in subsidiaries that do not result in variations in the Group's control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent. Additionally the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income is transferred within equity between the foreign currency translation reserve and non-controlling interest.

Restructuring of entities or businesses under common control

A business combination of entities or businesses under common control is excluded from IFRS 3 *Business Combinations* as it involves the combination of businesses that are ultimately controlled by the same company. Any such business combination is accounted for at the net asset value and no goodwill is raised. Any difference between the net asset value and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

FOREIGN CURRENCY TRANSACTIONS

Transactions in currencies other than the reporting currency are initially recorded at the rates of exchange ruling on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing at the reporting date. Profits and losses arising on exchange are dealt with in the statement of comprehensive income, except for profits and losses on exchange arising from equity loans, which are taken directly to equity until the loan is derecognised, at which time they are recognised as income or expenses. Exchange differences arising on equity loans and the translation of foreign subsidiaries are classified as equity and transferred to the Group's translation reserve.

Where appropriate, in order to minimise its exposure to foreign exchange risks, the Group enters into forward exchange contracts.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment have been stated at cost less accumulated depreciation except land, which is shown at cost. Depreciation is calculated based on cost using the straight-line method over the estimated useful lives of the assets less their residual value.

The basis of depreciation provided on property, plant and equipment is as follows:

	Useful lives (years)
Office furniture and equipment	2 – 6
Motor vehicles	2 – 4
Computer equipment	2 – 6
Buildings	20
Leasehold improvements	Period of the lease

Land and buildings comprise mainly warehouses and offices (land is not depreciated). Software purchased to support the Group's back-office, accounting and customer relationship functions, and having little customisation, is included in computer equipment and is depreciated over its expected useful life.

GROUP ACCOUNTING POLICIES
CONTINUED
for the year ended 28 February 2015

All assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. An impairment review of property, plant and equipment is carried out when there is an indication that these may be impaired by comparing the carrying amount thereof to its recoverable amount. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

LEASED ASSETS
Assets leased in terms of agreements which are considered to be finance leases are capitalised. Capitalised leased assets are depreciated at the same rate and on the same basis as equivalent owned assets or over the term of the lease, if this is shorter. The liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease finance charges are amortised over the duration of the underlying leases, using the effective interest rate method.

Operating leases, mainly for the rental of premises, office furniture, computer equipment and motor vehicles, are not capitalised and rentals are expensed on a straight-line basis over the lease term.

CAPITALISED SOFTWARE DEVELOPMENT EXPENDITURE
An intangible asset arising from internal development (or from the development phase of an internal project) is recognised only if the Group can demonstrate all of the following conditions:
(a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
(b) Its intention or ability to complete the intangible asset, and use or sell it;
(c) How the intangible asset will generate probable future economic benefits, including the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
(d) The availability of adequate technical, financial and other resources to complete the development, and to use or sell the intangible asset; and
(e) Its ability to reliably measure the expenditure attributable to the intangible asset during its development.

Capitalised software development assets are amortised using the straight-line method over their useful lives, which generally do not exceed 10 years.

All other expenditure on research activities is recognised as an expense in the period in which it is incurred.

OTHER INTANGIBLE ASSETS
Other intangible assets include those intangible assets acquired and identified as part of a business combination, and software.

An intangible asset is recognised when it meets the following criteria:
(a) It is identifiable;
(b) The entity has control over the asset;
(c) It is probable that economic benefits will flow to the entity; and
(d) The cost of the asset can be measured reliably.

Intangible assets are amortised using the straight-line method over their useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

	Useful lives (years)
Software	2 – 6
Other intangible assets	Maximum of 10

Intangible assets which do not meet the criteria listed above are recognised as expenses in the period in which they are incurred.

GOODWILL

Goodwill represents the excess cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquiree at the date of acquisition. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the business combination. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. The carrying amount of goodwill (or relevant portion thereof) is included in computing the gains and losses on the disposal of an entity.

Impairment tests are conducted annually or more frequently when an indication of impairment exists on goodwill attributed to the cash-generating units, based on the value of future discounted cash flows and other appropriate methods.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The results and assets and liabilities of associates and joint ventures are incorporated in these financial statements using the equity method of accounting.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate and joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a Group entity transacts with an associate or joint venture of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate or joint venture.

IMPAIRMENT

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows 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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately and are reflected in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but will never exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

INVENTORIES

Inventories, comprising spares/maintenance inventory, finished goods and merchandise for resale, are stated at the lower of cost and net realisable value and are mainly valued on the weighted average cost basis.

Provision is made for obsolete and slow-moving inventory.

Contract work in progress is recognised on the percentage of completion method by reference to the milestones for each contract.

GROUP ACCOUNTING POLICIES
CONTINUED
for the year ended 28 February 2015

FINANCIAL INSTRUMENTS
Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group engages third-party qualified valuers to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of the assets and liabilities is disclosed in Notes 19 and 24.

Effective interest rate method
The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or expense over the period of the instrument. Effectively this method determines the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or, if appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

Trade receivables
Trade receivables are initially recognised at cost, which approximates fair value, and are subsequently measured at amortised cost using the effective interest rate method.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms of the receivables. Objective evidence includes observable data about the following loss events:
- Significant financial difficulty of the debtor;
- Breach of contract;
- Creditor granting concessions to the debtor which it would not normally consider but for the debtor's financial difficulty;
- It becomes probable that the debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the debtor; and
- An increase in delayed payments from the debtor or an increase in the number of times the debtor exceeds its credit limit.

In instances where there is clear and unassailable evidence that a trade receivable has been impaired and there is no evidence to indicate that the trade receivable is recoverable and all reasonable measures to recover the amount have been exhausted, the Group reduces the carrying amount of the impaired trade receivable directly against the asset account or the provision for impairment of trade receivables if one had previously been raised.

Any increase or decrease in the provision for impairment of trade receivables, or any reduction in trade receivables directly against the asset account, is recorded in operating profit.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Borrowings

Borrowings are initially recorded at fair value, net of direct issue costs, and are subsequently measured at amortised cost using the effective interest rate method. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are recognised initially at cost, which approximates fair value and are subsequently measured at amortised cost using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of the direct issue costs.

PROVISIONS

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

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring and not associated with the ongoing activities of the entity.

AMOUNTS OWING TO VENDORS

Amounts owing to vendors represent purchase considerations owing in respect of acquisitions. These purchase considerations are to be settled with the vendors in cash or shares on fulfilment of agreed performance criteria. The amounts classified as short-term are interest free and will be settled within the next year. Amounts payable to vendors are included in the purchase consideration at acquisition and, to the extent that agreed performance criteria are not met, affect the statement of comprehensive income in the period in which that determination is made.

TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable income for the year. Taxable income differs from net income as reported in the statement of comprehensive income because it includes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax uses relevant rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences which arise from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition, other than in a business combination, of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

GROUP ACCOUNTING POLICIES
CONTINUED
for the year ended 28 February 2015

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying value of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

REVENUE RECOGNITION
Revenue is measured at fair value of the consideration received or receivable and, except for certain sales arrangements where the Group acts as an agent, represents the invoiced value of sales and services rendered, excluding discounts and sales-related taxes. Revenue from sales arrangements where the Group acts as agent is recognised on a net basis and the commission or gross profit earned on these contracts is recognised as revenue. In respect of trading operations, revenue is recognised at the date on which goods are delivered to customers or services are provided.

Revenue from the rendering of services on long-term and fixed-price contracts is recognised on the percentage of completion method, after providing for contingencies and once the outcome of the contract can be assessed with reasonable assurance. The percentage of completion is measured by reference to milestones set out in each contract. As soon as losses on individual contracts become evident, they are provided for in full.

Revenue from cost-plus contracts is recognised by reference to the recoverable costs incurred during the period plus the fee earned, measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

Where recorded revenue exceeds amounts invoiced to clients, the excess is classified as accrued income and where recorded revenue is less than the amounts invoiced to clients, the difference is classified as deferred income.

Within the Group, inter-company and inter-divisional revenue are eliminated on consolidation.

INTEREST RECEIVED
Interest received is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

BORROWING COSTS
All borrowing costs are recognised in profit and loss in the period in which they are incurred.

SHARE-BASED PAYMENTS
The Group issues equity-settled and cash-settled share-based incentives to certain employees.

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, and adjusted for the effect of non-market-based vesting conditions. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

For cash-settled share-based payments, the liability for the fair value of all unexercised share rights which are expected to vest is determined initially at grant date and then revalued at each reporting date and amortised over the applicable period.

Fair value is measured by use of appropriate actuarial models. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and exercise behavioural considerations.

PENSION SCHEME ARRANGEMENTS

Certain subsidiaries of the Group make contributions to various defined contribution retirement plans on behalf of employees, in accordance with the local practice in the country of operation. These contributions are charged against income as incurred.

The Group has no liability to these defined contribution retirement plans other than the payment of its share of the contribution in terms of the agreement with the funds and employees concerned, which differs from country to country.

DIVIDENDS DECLARED

The liability for dividends and related taxation thereon is raised only when the dividend is declared.

DIVIDEND RECEIVED

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

UNDERLYING EARNINGS PER SHARE

Earnings, excluding impairment of goodwill and intangible assets, profit or loss on sale of investments and assets, amortisation of acquired intangible assets, unrealised foreign exchange movements, acquisition-related adjustments, fair value movements on acquisition-related financial instruments and the taxation effect on all of the aforementioned.

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 28 February 2015

	Notes	2015 US$'000	2014 US$'000
Revenue	1	6 443 536	5 688 054
Existing operations		6 421 646	5 464 474
Acquisitions		21 890	223 580
Cost of sales		(5 510 605)	(4 846 618)
Gross profit		932 931	841 436
Operating costs		(716 454)	(660 624)
Share-based payments	2	(10 084)	(5 547)
Operating profit before interest, tax, depreciation and amortisation ("EBITDA")		206 393	175 265
Depreciation	3	(26 256)	(26 360)
Amortisation of capitalised software development expenditure	3	(7 216)	(6 309)
Amortisation of acquired intangible assets and software	3	(15 163)	(15 066)
Intangible impairment	10	–	(5 473)
Operating profit	3	157 758	122 057
Interest income		4 324	3 580
Finance costs	4	(21 930)	(25 168)
Share of equity-accounted investment earnings	11	450	441
Acquisition-related fair value adjustments		(317)	2 400
Fair value adjustments on put option liabilities		(317)	2 421
Fair value adjustments on deferred purchase consideration		–	(21)
Other income		14	264
Loss on disposal of investments and subsidiary company	11/34	(137)	(1 778)
Profit before taxation		140 162	101 796
Taxation	5	(51 534)	(37 496)
Profit for the year		88 628	64 300
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange differences arising on translation to presentation currency		(67 757)	(48 271)
Translation of equity loans		(5 279)	12 700
Tax on translation of equity loans		1 480	(3 301)
Transfers and other items		41	(566)
Total comprehensive income for the year		17 113	24 862
Profit attributable to:			
Owners of the parent		73 772	55 780
Non-controlling interests		14 856	8 520
		88 628	64 300
Total comprehensive income attributable to:			
Owners of the parent		11 014	22 882
Non-controlling interests		6 099	1 980
		17 113	24 862
Number of shares issued (millions)			
– Issued		204	197
– Weighted average		199	197
– Diluted weighted average		200	198
Earnings per share (US cents)			
– Basic	6	37.1	28.4
– Diluted	6	36.9	28.2

GROUP STATEMENT OF FINANCIAL POSITION

as at 28 February 2015

	Notes	2015 US$'000	2014 US$'000
ASSETS			
Non-current assets		**701 809**	673 650
Property, plant and equipment	8	**73 328**	65 282
Goodwill	9	**450 884**	438 198
Capitalised software development expenditure	10.1	**49 573**	45 099
Acquired intangible assets and software	10.2	**45 854**	53 664
Investments	11	**6 342**	7 054
Deferred tax assets	12	**54 555**	53 909
Other receivables		**21 273**	10 444
Current assets		**2 572 773**	2 318 374
Inventories	13	**442 612**	432 594
Trade receivables	14	**1 532 820**	1 312 771
Current tax assets	26	**15 626**	14 197
Prepaid expenses and other receivables		**215 585**	180 144
Cash and cash equivalents	30	**366 130**	378 668
Total assets		**3 274 582**	2 992 024
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent		**870 850**	871 617
Share capital and premium	15	**126 886**	122 936
Non-distributable reserves		**50 179**	49 697
Foreign currency translation reserve		**(105 307)**	(40 989)
Share-based payments reserve		**739**	(351)
Distributable reserves		**798 353**	740 324
Non-controlling interest		**41 599**	52 868
Total equity		**912 449**	924 485
Non-current liabilities		**103 710**	94 131
Long-term liabilities	16	**21 555**	17 359
Liability for share-based payments		**9 848**	7 501
Amounts owing to vendors	19	**1 842**	2 447
Deferred tax liabilities	12	**69 833**	66 052
Other liabilities		**632**	772
Current liabilities		**2 258 423**	1 973 408
Trade and other payables	17	**1 795 783**	1 490 238
Short-term interest-bearing liabilities	17	**43 468**	27 611
Provisions	18	**13 979**	13 416
Amounts owing to vendors	19	**2 750**	7 497
Current tax liabilities	26	**14 212**	14 208
Bank overdrafts	20	**388 231**	420 438
Total equity and liabilities		**3 274 582**	2 992 024

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2015

	Share capital US$'000	Share premium US$'000	Foreign currency translation reserve US$'000
Balance at 1 March 2013	218	160 602	(7 507)
Total comprehensive income/(expense) recognised for the year	–	–	(33 482)
Profit attributable to the owners of the parent	–	–	–
Profit attributable to the non-controlling interest	–	–	–
Translation of equity loans	–	–	12 700
Tax on translation of equity loans	–	–	(3 301)
Gain/loss reclassified to profit and loss on disposal of foreign operation	–	–	(566)
Exchange differences arising on translation to presentation currency	–	–	(42 315)
Transfers and other items	–	–	–
Translation of share capital and share premium	(39)	(28 797)	–
New share issues	5	22 541	–
Capital distributions	–	(31 594)	–
Acquisitions of additional interests from non-controlling interests	–	–	–
Recognition of put option liability	–	–	–
Derecognition of put option liability	–	–	–
Disposals of additional interests from non-controlling interests	–	–	–
Transfers within classes of equity	–	–	–
Equity-settled deferred purchase consideration	–	–	–
Share-based payments	–	–	–
Balance at 28 February 2014	184	122 752	(40 989)
Total comprehensive income/(expense) recognised for the year	**–**	**–**	**(62 034)**
Profit attributable to the owners of the parent	**–**	**–**	**–**
Profit attributable to the non-controlling interest	**–**	**–**	**–**
Translation of equity loans	**–**	**–**	**(5 279)**
Tax on translation of equity loans	**–**	**–**	**1 480**
Exchange differences arising on translation to presentation currency	**–**	**–**	**(58 235)**
Transfers and other items	**–**	**–**	**–**
Translation of share capital and share premium	**(15)**	**(9 885)**	**–**
New share issues	**4**	**21 243**	**–**
Capital distributions to shareholders	*****	**(17 226)**	**–**
Dividends to non-controlling interests	**–**	**–**	**–**
Dividend to shareholders	**2**	**9 827**	**–**
Acquisitions of additional interests from non-controlling interests	**–**	**–**	**(2 284)**
Disposals of additional interests from non-controlling interests	**–**	**–**	**–**
Share-based payments	**–**	**–**	**–**
Balance at 28 February 2015	**175**	**126 711**	**(105 307)**

Non-distributable reserves relate to the translation of share capital and share premium of the parent company, the recognition of the minority put option liabilities and reserves recognised in the recording of changes in holdings of subsidiaries.

Foreign currency translation reserve includes the translation of subsidiaries and the parent company into presentation currency.

The Group issues equity-settled and cash-settled share-based incentives to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest.

A liability equal to the portion of services received is recognised at the current fair value determined at each reporting date for cash-settled share-based payments.

Fair value adjustments on put option liabilities of US$0.3 million (FY14: US$2.4 million) were transferred from non-distributable reserves to distributable reserves.

SCRIP DISTRIBUTIONS WITH CASH DIVIDEND ALTERNATIVE – FY15

The Company paid an interim scrip distribution with cash dividend alternative of 88 ZAR cents (approximately 8 US cents) to shareholders on 1 December 2014. The number of scrip distribution shares to which each shareholder became entitled (to the extent that such shareholder had not elected to receive the cash dividend) was determined by reference to the ratio that 88 ZAR cents bore to the volume weighted average price of an ordinary Datatec share traded on the JSE during the 30-day trading period ending on Thursday, 13 November 2014, which was 5 378 ZAR cents, ie 1.63630 scrip distribution shares for every 100 ordinary shares held.

** Less than US$1 000.*

Non-distributable reserves US$'000	Share-based payments reserve US$'000	Distributable reserves US$'000	Equity attributable to equity holders of the parent US$'000	Non-controlling interest US$'000	Total equity US$'000
25 292	(826)	687 654	865 433	51 578	917 011
2 421	584	53 359	22 882	1 980	24 862
–	–	55 780	55 780	–	55 780
–	–	–	–	8 520	8 520
–	–	–	12 700	–	12 700
–	–	–	(3 301)	–	(3 301)
–	–	–	(566)	–	(566)
–	584	–	(41 731)	(6 540)	(48 271)
2 421	–	(2 421)	–	–	–
28 836	–	–	–	–	–
–	–	–	22 546	–	22 546
–	–	–	(31 594)	(4 327)	(35 921)
(2 009)	–	–	(2 009)	5 659	3 650
(1 864)	–	–	(1 864)	–	(1 864)
131	–	–	131	–	131
(265)	–	–	(265)	(2 022)	(2 287)
488	–	(689)	(201)	–	(201)
(3 333)	–	–	(3 333)	–	(3 333)
–	(109)	–	(109)	–	(109)
49 697	(351)	740 324	871 617	52 868	924 485
(276)	**(765)**	**74 089**	**11 014**	**6 099**	**17 113**
–	**–**	**73 772**	**73 772**	**–**	**73 772**
–	**–**	**–**	**–**	**14 856**	**14 856**
–	**–**	**–**	**(5 279)**	**–**	**(5 279)**
–	**–**	**–**	**1 480**	**–**	**1 480**
–	**(765)**	**–**	**(59 000)**	**(8 757)**	**(67 757)**
(276)	**–**	**317**	**41**	**–**	**41**
9 900	**–**	**–**	**–**	**–**	**–**
–	**–**	**–**	**21 247**	**–**	**21 247**
–	**–**	**–**	**(17 226)**	**–**	**(17 226)**
–	**–**	**–**	**–**	**(26 066)**	**(26 066)**
–	**–**	**(16 060)**	**(6 231)**	**–**	**(6 231)**
(8 339)	**–**	**–**	**(10 623)**	**9 210**	**(1 413)**
(803)	**–**	**–**	**(803)**	**(512)**	**(1 315)**
–	**1 855**	**–**	**1 855**	**–**	**1 855**
50 179	**739**	**798 353**	**870 850**	**41 599**	**912 449**

The result of the shareholder election in relation to the cash dividend alternative to the scrip distribution was that 2 018 910 new ordinary shares were issued on 1 December 2014 to shareholders who did not elect to receive the cash dividend in respect of all or part of their shareholding, resulting in a capitalisation of the distributable retained profits of the Company of ZAR108.6 million. The proportion of the Company's total shares which received the scrip distribution was 61.8%. Shareholders holding 76 189 934 ordinary shares elected to receive the gross cash dividend of 88 ZAR cents per ordinary share resulting in a total gross cash dividend of ZAR67.0 million which was paid out of the distributable retained profits of the Company. The proportion of the Company's total shares which received the cash dividend was 38.2%.

The Board has declared a final scrip distribution with cash dividend alternative of 108 ZAR cents (approximately 9 US cents) in relation to the financial year ended 28 February 2015 which will be payable to shareholders on the Register on 17 July 2015. The number of scrip distribution shares to which each shareholder will became entitled (to the extent that such shareholder has not elected to receive the cash dividend) will be determined by reference to the ratio that 108 ZAR cents bore to the volume weighted average price of an ordinary Datatec share traded on the JSE during the 30-day trading period ending on Thursday, 2 July 2015.

CAPITAL DISTRIBUTIONS – FY14

For the previous financial year ended February 2014 the Group paid an interim capital distribution to shareholders of 80 ZAR cents (approximately 8 US cents) per share on 2 December 2013 and a final capital distribution of 93 ZAR cents (approximately 9 US cents) per share on 21 July 2014, making a total capital distribution to shareholders for the financial year ended 28 February 2014 of 173 ZAR cents (approximately 17 US cents).

GROUP STATEMENT OF CASH FLOWS

for the year ended 28 February 2015

	Notes	2015 US$'000	2014 US$'000
Cash flow from operating activities			
Cash generated from operations	25	**186 199**	32 227
Interest income		**4 324**	3 580
Finance costs		**(21 930)**	(25 168)
Taxation paid	26	**(53 193)**	(45 073)
Net cash inflow/(outflow) from operating activities		**115 400**	(34 434)
Cash flow from investing activities			
Cash outflows for acquisitions	27	**(1 979)**	(16 544)
Additions to property, plant and equipment	28	**(35 314)**	(32 753)
Proceeds on disposal of investments and subsidiary	11/31	**1 024**	18
Increase to capitalised software development expenditure	10.1	**(14 835)**	(8 831)
Additions to software	10.2	**(955)**	(1 944)
Proceeds on disposal of property, plant and equipment		**582**	927
Net cash outflow from investing activities		**(51 477)**	(59 127)
Cash flow from financing activities			
Net proceeds from shares issued		**82**	12 664
Capital distributions and dividends paid to shareholders		**(23 459)**	(31 594)
Capital distributions and dividends paid to non-controlling interests		**(26 066)**	(4 327)
Amounts paid to vendors		**(6 161)**	(2 024)
Net (outflow)/inflow of short-term liabilities		**(6 752)**	4 759
Net inflow of long-term liabilities		**26 331**	4 164
Net cash outflow from financing activities		**(36 025)**	(16 358)
Net increase/(decrease) in cash and cash equivalents		**27 898**	(109 919)
Cash and cash equivalents at the beginning of the year		**(41 770)**	73 316
Translation differences on opening cash position	29	**(8 229)**	(5 167)
Cash and cash equivalents at the end of the year	30	**(22 101)**	(41 770)

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

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		2015 US$'000	2014 US$'000
1.	**REVENUE**		
	Revenue from sale of goods	**5 824 748**	5 101 011
	Revenue from sale of services	**618 788**	587 043
		6 443 536	5 688 054

		2015 Number of shares ('000)	2015 Weighted average grant price	2014 Number of shares ('000)	2014 Weighted average grant price
2.	**SHARE-BASED PAYMENTS**				
	The Group plans are detailed in the Remuneration Report on pages 71 to 77. They provide for a grant price equal to or approximately equal to the market price at the date of the grant. The vesting periods for the different plans range between two and five years.				
	Equity-settled schemes				
	Datatec Limited Share Appreciation Rights ("SARs") Schemes		**ZAR**		ZAR
	Outstanding at the beginning of the year	**2 345**	**43.53**	1 888	36.43
	Granted during the year	**1 096**	**50.55**	912	50.25
	Exercised during the year – weighted average share price on exercise R55.90 (FY14: R58.28)	**(294)**	**32.35**	(82)	27.43
	Forfeited during the year	**–**	**–**	(373)	27.54
	Outstanding at the end of the year	**3 147**	**47.04**	2 345	43.53
	Exercisable at the end of the year	**65**	**25.59**	359	31.12
	The SARs outstanding at 28 February 2015 comprised grant prices in the range of R15.59 to R50.55 (FY14: R15.59 to R50.25) and had a weighted average remaining contractual life of 5.1 years (FY14: 5.1 years).				
	Datatec Limited Long-Term Incentive Plan ("LTIP")				
	Outstanding at the beginning of the year	**1 726**	**–**	1 236	–
	Granted during the year	**912**	**–**	801	–
	Settled during the year – share price on vesting – N/A (FY14: R50.25)	**–**	**–**	(311)	–
	Forfeited during the year	**(302)**	**–**	–	–
	Outstanding at the end of the year	**2 336**	**–**	1 726	–
	Exercisable at the end of the year	**–**	**–**	–	–
	The LTIP awards outstanding at 28 February 2015 had been granted when the share price was in the range of R44.55 to R50.55 (FY14: R36.61 to R50.25) and had a weighted average remaining contractual life of 1.4 years (FY14: 1.5 years).				
	Datatec Limited Deferred Bonus Plan ("DBP")				
	Outstanding at the beginning of the year	**260**	**–**	280	–
	Granted during the year	**104**	**–**	55	–
	Settled during the year – share price on vesting – R50.55 (FY14: R50.25)	**(51)**	**–**	(75)	–
	Forfeited during the year	**–**	**–**	–	–
	Outstanding at the end of the year	**313**	**–**	260	–
	Exercisable at the end of the year	**–**	**–**	–	–

The DBP matching shares outstanding at 28 February 2015 had been granted when the share price was in the range R44.45 to R50.55 (FY14: R36.61 to R50.25) and had a weighted average remaining contractual life of 1.0 year (FY14: 1.2 years).

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 28 February 2015

	2015 Number of shares ('000)	2015 Weighted average grant price	2014 Number of shares ('000)	2014 Weighted average grant price
2. SHARE-BASED PAYMENTS (continued)				
Equity-settled schemes (continued)				
Datatec Limited Share Option Scheme		ZAR		ZAR
Outstanding at the beginning of the year	91	9.94	171	9.76
Exercised during the year	(91)	9.94	(73)	9.58
Forfeited during the year	–	–	(7)	9.52
Outstanding at the end of the year	–	–	91	9.94
Exercisable at the end of the year	–	–	91	9.94

The weighted average share price at the date of exercise for the share options exercised during the year was R53.41 (FY14: R54.20).

Fair value is measured by use of an actuarial binomial model for the equity-settled share-based payment schemes with an additional Monte Carlo Simulation model used for the TSR performance condition on the LTIP as explained on pages 72 to 74 of the Integrated Report. The main inputs in the models, in addition to those recorded above, are set out in the table below.

	2015	2014
Grant date	15 May 2014	16 May 2013
Vesting date	15 May 2017	16 May 2016
Performance period (LTIP)	28 Feb 2014 to 28 Feb 2017	28 Feb 2013 to 29 Feb 2016
Share price grant (closing price)	R52.40	R55.00
Weighted fair value at grant date: SARs	R14.31	R15.83
LTIP	R26.33	R21.91
DBP	R70.16	R45.08
Risk-free rate (NACA) – 6 year SARs	7.89%	6.07%
Risk-free rate (NACA) – 3 year LTIP	7.20%	5.27%
Dividend yield – 3 year (NACA)	3.00%	3.00%
Volatility of Datatec	25%	30%
Correlation of TSR group with Datatec (average)	52%	41%

The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous four years.

	2015 Number of shares ('000)	2015 Weighted average grant price	2014 Number of shares ('000)	2014 Weighted average grant price
2. SHARE-BASED PAYMENTS (continued)				
Cash-settled schemes				
Westcon Group, Inc. SAR Scheme		US$		US$
Outstanding at the beginning of the year	378.8	73.70	562.0	66.27
Granted during the year	182.3	64.00	173.5	79.50
Exercised during the year – exercise value US$64.00 (FY14: US$79.50)	(20.4)	44.12	(171.1)	57.62
Forfeited during the year	(86.4)	75.02	(185.6)	71.43
Outstanding at the end of the year	454.3	70.89	378.8	73.70
Exercisable at the end of the year	147.4	72.84	147.4	66.15
The SARs outstanding at 28 February 2015 comprised grant prices in the range of US$62.00 to US$80.60 (FY14: US$32.40 to US$80.60) and had a weighted average remaining contractual life of 3.0 years (FY14: 3.1 years).				
Westcon Emerging Markets Group SAR Scheme		US$		US$
Outstanding at the beginning of the year	45	8.95	182	6.65
Granted during the year	–	–	–	–
Exercised during the year – share price on exercise US$10.35 (FY14: US$10.34)	(17)	8.23	(137)	5.90
Forfeited during the year	–	–	–	–
Outstanding at the end of the year	28	9.40	45	8.95
Exercisable at the end of the year	–	–	–	–
The SARs outstanding at 28 February 2015 were granted at US$9.40 (FY14: grant prices range: US$8.23 to US$9.40) and had a weighted average remaining contractual life of 2.3 years (FY14: 3.0 years).				
Westcon Africa SAR Scheme		US$		US$
Outstanding at the beginning of the year	38	15.31	58	12.54
Granted during the year	–	–	–	–
Exercised during the year – share price on exercise US$24.71 (FY14: US$21.60)	(20)	12.72	(20)	7.36
Outstanding at the end of the year	18	18.26	38	15.31
Exercisable at the end of the year	–	–	–	–

The SARs outstanding at 28 February 2015 were granted at US$18.26 (FY14: grant price range: US$12.72 to US$18.26) and had a weighted average remaining contractual life of 2.3 years (FY14: 2.8 years).

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 28 February 2015

	2015 Number of shares ('000)	2015 Weighted average grant price	2014 Number of shares ('000)	2014 Weighted average grant price
2. SHARE-BASED PAYMENTS (continued)				
Cash-settled schemes (continued)				
Westcon South Africa SAR Scheme		ZAR		ZAR
Outstanding at the beginning of the year	8	128.27	21	123.82
Granted during the year	–	–	–	–
Exercised during the year – share price on exercise – N/A (FY14: R184.56)	–	–	(4)	93.56
Forfeited during the year	–	–	(9)	134.05
Outstanding at the end of the year	8	128.27	8	128.27
Exercisable at the end of the year	–	–	–	–
The SARs outstanding at 28 February 2015 comprised grant prices in the range of R112.47 to R147.56 (FY14: R112.47 to R147.56) and had a weighted average remaining contractual life of 1.8 years (FY14: 2.8 years).				
Westcon Middle East SAR Scheme		US$		US$
Outstanding at the beginning of the year	32	51.46	47	48.11
Granted during the year	–	–	–	–
Exercised during the year – share price on exercise US$74.55 (FY14: US$63.66)	(7)	50.53	(15)	40.69
Forfeited during the year	–	–	–	–
Outstanding at the end of the year	25	51.72	32	51.46
Exercisable at the end of the year	17	48.33	4	41.96
The SARs outstanding at 28 February 2015 comprised grant prices in the range of US$41.96 to US$58.69 (FY14: US$41.96 to US$58.69) and had a weighted average remaining contractual life of 1.5 years (FY14: 2.5 years).				
Logicalis SAR Scheme		US$		US$
Outstanding at the beginning of the year	2 751	3.80	3 603	3.65
Granted during the year	838	5.84	909	5.05
Exercised during the year – share price on exercise US$5.84 (FY14: US$5.05)	(925)	3.97	(1 624)	3.31
Forfeited during the year	(43)	4.46	(137)	4.81
Outstanding at the end of the year	2 621	4.86	2 751	3.80
Exercisable at the end of the year	616	3.80	779	3.71
The SARs outstanding at 28 February 2015 comprised grant prices in the range of US$1.90 to US$5.84 (FY14: US$1.90 to US$5.05) and had a weighted average remaining contractual life of 4.9 years (FY14: 4.8 years).				
PromonLogicalis Latin America SAR Scheme		US$		US$
Outstanding at the beginning of the year	1 037	5.81	957	4.58
Granted during the year	261	9.25	307	7.95
Exercised during the year – share price on exercise US$9.25 (FY14: US$7.95)	(388)	4.64	(227)	3.52
Forfeited during the year	–	–	–	–
Outstanding at the end of the year	910	7.30	1 037	5.81
Exercisable at the end of the year	187	4.21	187	3.25

The SARs outstanding at 28 February 2015 comprised grant prices in the range of US$1.93 to US$9.25 (FY14: US$1.93 to US$7.95) and had a weighted average remaining contractual life of 5.0 years (FY14: 5.1 years).

	2015 Number of shares ('000)	2015 Weighted average grant price	2014 Number of shares ('000)	2014 Weighted average grant price
2. SHARE-BASED PAYMENTS (continued)				
Cash-settled schemes (continued)				
Analysys Mason Performance Share Scheme		**GBP**		GBP
Note: a proportion of this scheme is settled in Analysys Mason equity				
Outstanding at the beginning of the year	**173**	**12.23**	143	12.36
Granted during the year	**74**	**15.14**	84	13.06
Exercised during the year – share prices on exercise £15.14 (FY14: £13.06)	**(27)**	**11.16**	(24)	12.12
Forfeited during the year	**(11)**	**12.16**	(30)	15.41
Outstanding at the end of the year	**209**	**13.40**	173	12.23
Exercisable at the end of the year	**–**	**–**	–	–
The awards outstanding at 28 February 2015 had a weighted average remaining contractual life of 1.4 years (FY14: 1.6 years).				
Analysys Mason Growth Share Plan		**GBP**		GBP
Outstanding at the beginning of the year	**190**	**–**	300	–
Exercised during the year	**(44)**	**–**	–	–
Forfeited during the year	**(4)**	**–**	(110)	–
Outstanding at the end of the year	**142**	**–**	190	–
Exercisable at the end of the year	**142**	**–**	190	–
The SARs outstanding at 28 February 2015 had a weighted average remaining contractual life of 4.0 years (FY14: 5.0 years).				
Intact Group SAR Scheme		**GBP**		GBP
Outstanding at the beginning of the year	**10**	**2.47**	10	2.47
Granted during the year	**–**	**–**	–	–
Forfeited during the year	**(5)**	**2.47**	–	–
Outstanding at the end of the year	**5**	**2.47**	10	2.47
Exercisable at the end of the year	**–**	**–**	–	–

The SARs outstanding at 28 February 2015 had a grant price of £2.47 and a remaining contractual life of 2.3 years (FY14: 3.3 years).

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for the year ended 28 February 2015

	2015	2014
2. SHARE-BASED PAYMENTS (continued)		
Fair value is measured by use of Black-Scholes-Merton models for the cash-settled share-based payment schemes.		
The main inputs into the models used by subsidiaries, in addition to those recorded above, fall into the following ranges:		
Grant date	**1 July 2014**	1 July 2013
Vesting date	**30 June 2016 to 1 July 2019**	30 June 2015 to 1 July 2018
Risk-free rate	**1.00% – 10.88%**	0.50% – 9.72%
Expected life (years)	**2.10 – 6.34**	2.20 – 6.34
Dividend yield	**0.00% – 5.00%**	0.00% – 5.00%
Volatility of subsidiary	**19.70% – 40.00%**	25.00% – 40.00%

The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility of subsidiaries has been determined by reference to peer group data.

	2015 US$'000	2014 US$'000
Expense in respect of equity-settled schemes		
Datatec Limited	**2 457**	1 815
Subsidiaries	**336**	224
	2 793	2 039
Expense in respect of cash-settled schemes (all in subsidiaries)	**7 291**	3 508
	10 084	5 547

Settlements of US$0.9 million have been made relating to equity-settled schemes for the year ended 28 February 2015 (FY14: US$2.1 million).

		2015 US$'000	2014 US$'000
3.	**OPERATING PROFIT**		
	Operating profit is arrived at after taking into account the following items:		
	Auditors' remuneration		
	Audit fees	**6 283**	5 580
	Other services	**511**	263
	Taxation services	**414**	227
	Other services and expenses	**97**	36
		6 794	5 843
	Depreciation		
	Office furniture, equipment and motor vehicles	**3 610**	3 654
	Computer equipment	**16 507**	17 553
	Leasehold improvements	**6 000**	5 021
	Land and buildings	**139**	132
		26 256	26 360
	Amortisation of software	**1 459**	1 698
	Amortisation of capitalised software development expenditure	**7 216**	6 309
	Amortisation of acquired intangible assets	**13 704**	13 368
	Total depreciation and amortisation	**48 635**	47 735
	Foreign exchange losses/(gains)	**3 312**	8 820
	Realised	**4 324**	5 377
	Unrealised	**(1 012)**	3 443
	Impairment losses recognised on trade receivables	**9 775**	8 645
	Reversal of impairment losses on trade receivables	**(1 984)**	(1 932)
	Fees for professional services	**28 646**	21 963
	Administrative and managerial	**204**	377
	Consulting	**17 563**	13 232
	Accounting and advisory	**10 879**	8 354
	Operating lease rentals	**40 500**	36 855
	Office furniture, equipment and motor vehicles	**3 898**	3 286
	Land and buildings	**33 721**	32 340
	Computer equipment	**2 881**	1 229
	Loss on disposal of office furniture, equipment and motor vehicles	**36**	66
	Retirement benefit contributions	**12 885**	10 786
	Staff costs	**669 170**	572 207
	Directors' emoluments*	**5 511**	2 948
	Executive directors	**4 820**	2 246
	Salaries	**1 966**	1 542
	Bonuses	**2 516**	431
	Benefits	**338**	273
	Non-executive directors' emoluments – fees	**691**	702

** Full details of directors' emoluments are provided in Note 23 on pages 143 to 147.*

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 28 February 2015

	2015 US$'000	2014 US$'000
4. FINANCE COSTS		
Bank overdrafts and trade finance	20 664	23 997
Finance leases	322	255
Debt issuance costs	944	916
	21 930	25 168
5. TAXATION		
5.1 Taxation charge		
South African normal taxation:		
Current taxation – Current year	2 115	1 486
– Prior year	28	–
Deferred taxation – Current year	(320)	61
	1 823	1 547
Foreign taxation:		
Current taxation – Current year	51 799	39 253
– Prior year	(861)	(4 942)
Deferred taxation – Current year	(963)	(3 286)
– Prior year	(264)	4 924
	49 711	35 949
Total taxation charge	51 534	37 496
5.2 Reconciliation of taxation rate to profit before taxation		
South African statutory tax rate	28.0%	28.0%
Permanent differences	4.1%	2.3%
Tax arising on dividend flow	0.3%	–
Tax loss utilised	(1.1%)	(1.8%)
Foreign taxation rate differential	3.6%	2.1%
Tax losses and other deferred tax assets not recognised	2.5%	5.8%
Rate adjustment	0.2%	0.4%
Prior year adjustment	(0.8%)	0.0%
Effective taxation rate	36.8%	36.8%
If the fair value movements on put option liabilities, acquisition-related fair value adjustments and loss on disposal of subsidiaries are excluded from profit before tax, the effective tax rate would have been 36.6% (FY14: 37.1%).		
Unutilised tax losses		
Certain subsidiaries had tax losses at the end of the financial year that are available to reduce the future taxable income of the Group and are estimated to be:	62 011	66 694
Estimated future tax relief at an estimated tax rate of 17.0% (FY14: 16.3%) is US$10.5 million (FY14: US$10.8 million). Deferred tax assets of US$4.6 million (FY14: US$7.6 million) have already been recognised in respect of a portion of these losses as set out in Note 12.	10 514	10 849

		2015 US$'000	2014 US$'000
6.	**EARNINGS PER SHARE**		
	Reconciliation of attributable profit to headline earnings		
	Profit for the year attributable to the equity holders of the parent	73 772	55 780
	Headline earnings adjustments:	(98)	6 303
	Intangible impairment – gross	–	5 473
	Intangible impairment – tax effect	–	(991)
	(Profit)/loss on disposal of associates and subsidiary	(106)	1 778
	Loss on disposal of property, plant and equipment		
	– Gross	36	66
	– Tax effect	(18)	(22)
	– Non-controlling interest	(10)	(1)
	Headline earnings	73 674	62 083
	Reconciliation of headline earnings to underlying earnings		
	Underlying earnings adjustments:	9 457	8 082
	Unrealised foreign exchange (gains)/losses	(1 012)	3 443
	Amortisation of acquired intangible assets	13 704	13 368
	Fair value movements on acquisition-related financial instruments	–	21
	Fair value movements on put/call arrangements	317	(2 421)
		13 009	14 411
	Tax effect	(3 546)	(6 406)
	Non-controlling interest	(6)	77
	Underlying earnings*	83 131	70 165
		US cents	US cents
	Basic earnings per share	**37.1**	28.4
	Headline earnings per share	**37.0**	31.6
	Underlying earnings per share	**41.8**	35.7
	The earnings metrics above are calculated on the weighted average number of shares in issue during the year of 198 939 081, after the deduction of the weighted average number of treasury shares of 113 735 (FY14: 196 641 206).		
	Diluted earnings per share	**36.9**	28.2
	Diluted headline earnings per share	**36.9**	31.3
	Diluted underlying earnings per share	**41.6**	35.4
	The diluted earnings metrics above are calculated using the weighted average number of shares in issue during the year, taking into account the dilutive effect of:	**198 939 081**	196 641 206
	Shares related to share options	**–**	73 980
	Shares related to share-based payment schemes	**967 074**	1 340 054
	Diluted weighted average number of shares	**199 906 155**	198 055 240

* *Underlying earnings exclude impairment of goodwill and intangible assets, profit or loss on sale of investments and assets, amortisation of acquired intangible assets, unrealised foreign exchange movements, acquisition-related adjustments, fair value movements on acquisition-related financial instruments and the taxation effect on all of the aforementioned.*

		2015 US$'000	2014 US$'000
7.	**INTEREST IN PROFITS AND LOSSES OF SUBSIDIARIES**		
	Interest in the aggregate amount of profits and losses of subsidiaries after taxation		
	Profits – continuing operations	**81 515**	56 038
	Losses – continuing operations	**(7 358)**	(10 645)
		74 157	45 393

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	2015 US$'000 Cost	2015 Accumulated depreciation	2015 Net book value	2014 US$'000 Cost	2014 Accumulated depreciation	2014 Net book value
8. PROPERTY, PLANT AND EQUIPMENT						
Office furniture, equipment and motor vehicles	**32 625**	**(17 613)**	**15 012**	34 271	(18 644)	15 627
Computer equipment	**135 114**	**(106 581)**	**28 533**	122 356	(100 088)	22 268
Leasehold improvements	**48 722**	**(22 898)**	**25 824**	45 734	(23 385)	22 349
Land and buildings	**4 340**	**(381)**	**3 959**	5 311	(273)	5 038
	220 801	**(147 473)**	**73 328**	207 672	(142 390)	65 282

Included in property, plant and equipment are assets held under finance lease agreements with a book value of US$8.0 million (FY14: US$7.8 million) which are encumbered as security for liabilities under finance lease agreements as stated in Note 16. A register of land and buildings is maintained at the registered office of Westcon and may be inspected by shareholders or their duly authorised agents.

Movement of property, plant and equipment US$'000	Office furniture, equipment and motor vehicles	Computer equipment	Software	Leasehold improve-ments	Land and buildings	Total
Balance at 1 March 2013	15 684	20 747	5 529	15 552	4 964	62 476
Subsidiaries acquired	449	921	–	1 413	–	2 783
Subsidiaries disposed of	(48)	(479)	–	(117)	–	(644)
Additions	3 360	19 071	–	10 322	–	32 753
Translation differences	(154)	180	–	(1 162)	206	(930)
Disposals	(140)	(815)	–	(38)	–	(993)
Transfers	130	196	–	1 400	–	1 726
Software reclassified as intangible assets	–	–	(5 529)	–	–	(5 529)
Depreciation	(3 654)	(17 553)	–	(5 021)	(132)	(26 360)
Balance at 28 February 2014	**15 627**	**22 268**	**–**	**22 349**	**5 038**	**65 282**
Subsidiaries acquired	**405**	**190**	**–**	**6**	**–**	**601**
Additions	**3 851**	**21 268**	**–**	**10 195**	**–**	**35 314**
Translation differences	**(1 434)**	**(2 009)**	**–**	**(1 396)**	**(940)**	**(5 779)**
Disposals	**(288)**	**(96)**	**–**	**(234)**	**–**	**(618)**
Transfers	**461**	**3 419**	**–**	**904**	**–**	**4 784**
Depreciation	**(3 610)**	**(16 507)**	**–**	**(6 000)**	**(139)**	**(26 256)**
Balance at 28 February 2015	**15 012**	**28 533**	**–**	**25 824**	**3 959**	**73 328**

		2015 US$'000	2014 US$'000
9.	**GOODWILL**		
	Net book value	**450 884**	438 198
	At the beginning of the year	**438 198**	426 622
	Arising on acquisition of subsidiaries	**24 378**	12 882
	Disposals and other	**(256)**	(3 742)
	Translation	**(11 436)**	2 436
	Balance at the end of the year	**450 884**	438 198
	Goodwill at cost	**527 102**	514 416
	Accumulated impairment	**(76 218)**	(76 218)
	Per segment:	**450 884**	438 198
	Westcon	**246 862**	235 579
	Logicalis	**186 336**	181 509
	Consulting Services	**17 686**	21 110

The Group completed its annual impairment tests for goodwill. The impairment tests are performed at the cash-generating unit level. External valuations are performed for the cash-generating units and compared to the goodwill and external net asset value. As a result of the impairment analyses, it was concluded that no impairments were required for the period. Goodwill has been allocated for impairment testing purposes to the Westcon, Logicalis and Consulting Services cash-generating units. The recoverable amount of each cash-generating unit is determined based on a value-in-use calculation which is based on three to five-year cash flow projections, a terminal growth rate and a discount rate as determined by each of the independent valuators. Management in the divisions believe that any reasonably possible change in the key assumptions on which recoverable amounts are based would not cause the aggregate carrying amount to exceed the aggregate recoverable amounts of the cash-generating units.

The table below contains the key assumptions that were used in the value-in-use calculations:

	Westcon	Logicalis	Consulting Services
Weighted average cost of capital	13.5%	13.0%	13.0%
Revenue growth rate in discrete period	7.0% – 8.9%	4.6% – 7.9%	6.4% – 9.1%
Terminal growth rate	3.0%	3.0%	2.0%

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	2015 US$'000	2014 US$'000
10. INTANGIBLE ASSETS		
10.1 Capitalised software development expenditure		
Capitalised software development expenditure relates to software in Westcon which has been capitalised. Westcon is in the process of transitioning its existing global Enterprise Resource Planning system to a new SAP-based platform. SAP-related capital expenditure was US$9.0 million (FY14: US$6.1 million).		
Net book value	**49 573**	45 099
At the beginning of the year	**45 099**	49 599
Amounts capitalised	**14 835**	8 831
Disposals	**(76)**	(2)
Impairment	**–**	(5 473)
Subsidiaries acquired	**–**	177
Transfers	**(2 249)**	(1 772)
Translation	**(820)**	48
Amortisation	**(7 216)**	(6 309)
Balance at the end of the year	**49 573**	45 099
Capitalised software development expenditure at cost	**107 597**	95 906
Accumulated amortisation and impairment	**(58 024)**	(50 807)

Due to delays in the implementation of the Enterprise Resource Planning system, the Group reassessed the expected amortisation end date of this intangible asset and consequently, the amortisation period was revised to terminate two years later than originally estimated. The estimated amortisation expense effect on the income statement for the current year is US$2.6 million and future charges will amortise the remaining asset to the revised amortisation end date.

Capitalised software development assets are amortised using the straight-line method over their useful lives, which generally do not exceed 10 years.

	2015 US$'000	2014 US$'000
10. INTANGIBLE ASSETS (continued)		
10.2 Acquired intangible assets and software		
10.2.1 Trademarks, marketing, customer and vendor relationships		
Net book value	**43 573**	48 020
At the beginning of the year	**48 020**	50 684
Arising on acquisition of subsidiaries	**10 418**	10 925
Translation	**(1 161)**	(221)
Amortisation	**(13 704)**	(13 368)
Balance at the end of the year	**43 573**	48 020
Acquired intangible assets at cost	**174 269**	165 101
Accumulated amortisation and impairment	**(130 696)**	(117 081)
Acquired intangible assets are amortised using the straight-line method over their useful lives, which generally do not exceed 10 years.		
10.2.2 Software		
Net book value	**2 281**	5 644
At the beginning of the year	**5 644**	–
Software at cost reclassified from property, plant and equipment	**–**	11 958
Accumulated depreciation at cost reclassified from property, plant and equipment	**–**	(6 429)
Arising on acquisition of subsidiaries	**76**	3
Additions	**955**	1 944
Transfers (to)/from property, plant and equipment	**(2 535)**	46
Translation	**(400)**	(180)
Amortisation	**(1 459)**	(1 698)
Balance at the end of the year	**2 281**	5 644
Software at cost	**8 541**	13 129
Accumulated amortisation	**(6 260)**	(7 485)
Total acquired intangible assets and software	**45 854**	53 664

Software is amortised using the straight-line method over their useful lives, which range from two to six years.

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11. INVESTMENTS

Investments currently comprise interests in joint ventures and associates that are equity-accounted and other investments that are cost-accounted.

Details of the Group's investments are:

Name	Country	Nature of business	Ownership 2015 %	Ownership 2014 %	Carrying value 2015 US$'000	Carrying value 2014 US$'000
Equity-accounted:						
Neteks	Turkey	D	50	50	6 342	5 892
Cornwall Energy Associates Limited (Associate)	UK	C	–	30	–	918
Cost-accounted:						
SJ Associates (Hemingford) Limited (Investment)	UK	C	10	10	–	244
					6 342	7 054

D – Distribution
C – Consulting Services

Neteks is an Istanbul-based networking and security distributor. An agreement is in place whereby both Westcon Group and Turkish-listed group Index, have joint control of the entity. Westcon Group and Index have rights to the net assets of the arrangement rather than rights to the assets and joint obligations for the liabilities. Accordingly, it is considered a joint venture, and is therefore equity-accounted. The carrying value of the equity-accounted investment approximates its fair value at year-end.

During the year, the Group disposed of its investment in Cornwall Energy Associates Limited for a total consideration of US$1.0 million. The profit on disposal of the investment of US$0.1 million is included in the Group statement of comprehensive income.

The Group's investment in SJ Associates (Hemingford) Limited of US$0.2 million was written off to the Group statement of comprehensive income during the year.

Summarised financial information in respect of the above equity-accounted joint venture:

	2015 US$'000	2014 US$'000
Total assets	66 321	49 414
Total liabilities	(58 785)	(42 153)
Net assets	7 536	7 261
Group's share of net assets	3 768	3 470
Total revenue	95 451	92 192
Profit for the year	899	1 020
Group's share of profits after tax	450	441

	2015 US$'000	2014 US$'000
12. DEFERRED TAX ASSETS/(LIABILITIES)		
12.1 Movement of deferred tax assets		
At the beginning of the year	53 909	49 961
Arising on acquisition of subsidiaries	–	4 336
Disposal of subsidiaries	–	(292)
Credit to profit and loss	4 121	3 441
Credit to other comprehensive income	2 581	591
Translation and other movements	(6 056)	(4 128)
	54 555	53 909
Analysis of deferred tax assets		
Capital allowances	1 561	1 497
Expense accruals and similar items	40 566	38 189
Effect of tax losses	4 630	7 563
Goodwill and intangible assets	3 353	2 971
Other temporary differences	4 445	3 689
	54 555	53 909
12.2 Movement of deferred tax liabilities		
At the beginning of the year	(66 052)	(57 147)
Arising on acquisition of subsidiaries	(2 826)	(2 183)
Disposal of subsidiaries	–	30
Charge to profit and loss	(2 574)	(5 140)
Credit/(charge) to other comprehensive income	709	(1 904)
Translation and other movements	910	292
	(69 833)	(66 052)
Analysis of deferred tax liabilities		
Capital allowances	(13 385)	(10 912)
Goodwill and intangible assets	(48 364)	(46 350)
Other temporary differences	(8 084)	(8 790)
	(69 833)	(66 052)

Deferred tax assets of US$1.6 million have been recognised in respect of losses incurred by entities that were loss making in the current and prior year on the basis that there is a strong expectation that future taxable profits will arise against which these losses can be offset.

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for the year ended 28 February 2015

		2015 US$'000	2014 US$'000
13.	**INVENTORIES**		
	Merchandise for resale	402 560	381 114
	Spares/maintenance inventory	9 646	11 517
	Work in progress	6 585	4 766
	Finished goods	41 668	51 674
		460 459	449 071
	Inventory provisions	(17 847)	(16 477)
		442 612	432 594

Obsolete inventory amounting to US$4.4 million (FY14: US$3.3 million) was written off during the year.

During the year, inventories of US$4.6 billion (FY14: US$4.1 billion) were recognised as part of cost of sales. A total of US$13.8 million (FY14: US$15.1 million) relate to inventories which are encumbered.

Westcon has certain return arrangements with its major vendors to reduce the risk of technological obsolescence.

One of Westcon's European subsidiaries has an inventory purchase financing agreement with two financing companies for a specific vendor's purchases for a maximum of US$250 million (FY14: US$325 million) which extends payment terms from 30 to 60 days. The agreement may be cancelled at any time with a 60-day notice by either Westcon or the vendor. As at 28 February 2015, US$198.2 million (FY14: US$188.7 million) was outstanding and is included in trade payables.

Westcon's Latin American subsidiaries have an arrangement with a financing company to provide up to an aggregate of US$85 million (FY14: US$85 million) of vendor inventory purchase financing which effectively enables Westcon to obtain extended payment terms of up to 90 days on inventory it purchases from its major vendors for these subsidiaries. Westcon becomes obligated to pay the financing company upon shipment of the product, at which time title passes to Westcon. The financing company may, at any time upon the occurrence of certain events, terminate the financing. The term of the facility is one year with the option to renew. As at 28 February 2015, US$51.5 million (FY14: US$25.3 million) was outstanding and is included in trade payables.

Westcon's Singapore subsidiary has two inventory purchase financing agreements for purchases with two vendors for a maximum of US$30 million (FY14: US$37 million) which extend payment terms from 30 days to 90 days. The agreements may be cancelled at any time with a 60-day notice by either Westcon or the vendors. As at 28 February 2015, US$17.8 million (FY14: US$14.6 million) was outstanding and is included in trade payables.

Some of Westcon's other Asia-Pacific subsidiaries have inventory purchase financing agreements for specific vendors' purchases for a maximum of US$19.2 million (FY14: US$14 million) which extend payment terms from 30 days to 60 days. The agreements may be cancelled at any time with a 60-day notice by either Westcon or the vendors. As at 28 February 2015, US$1.2 million (FY14: US$7.5 million) was outstanding and is included in trade payables.

Westcon's AME subsidiaries have various inventory purchase financing agreements in place for a maximum of US$32.5 million (FY14: US$28 million) which extends payment terms up to a maximum of 90 days. The agreement may be cancelled at any time with a 60-day notice by either Westcon or the vendor. As at 28 February 2015, US$17.8 million (FY14: US$16.9 million) were outstanding under these arrangements and is included in trade payables.

	2015 US$'000	2014 US$'000
14. TRADE RECEIVABLES		
Trade receivables	**1 548 823**	1 326 502
Receivables allowance	**(16 003)**	(13 731)
	1 532 820	1 312 771

All trade receivables represent financial assets of the Group, are classified as loans and receivables and are measured at amortised cost. The carrying value of trade receivables balances approximates their fair value.

Trade receivables are assessed and provided for based on estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience, with particular focus on trade receivables older than 90 days.

Before accepting any new customer, use is made of local external credit agencies where necessary, to assess the potential customer's credit quality and to define credit limits by customer. Limits attributed to customers are reviewed regularly.

There are no customers who individually represent more than 5% of the total balance of trade receivables.

Included in the Group's trade receivables balance are trade receivables with a carrying amount of US$446.7 million (FY14: US$361.3 million) which are past due at the reporting date for which the Group has not provided, as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. However, the weighted average write-off rate over recent years across all classes of trade receivables is 0.4% (FY14: 0.2%). The Group is therefore confident that it has provided adequately for any possible bad debt write-offs, as the receivables allowance exceeds this write-off rate.

Analysis of the age of trade receivables that are past due but not impaired:

US$'000	North America	Latin America	Europe	Asia-Pacific	AME	Total
2014						
One month past due	40 344	32 070	75 325	22 397	50 741	220 877
Two months past due	5 371	21 583	12 079	8 581	10 298	57 912
Three months past due	2 964	7 336	4 609	2 770	8 555	26 234
Four months and greater past due	5 431	21 314	7 988	14 480	7 056	56 269
	54 110	82 303	100 001	48 228	76 650	361 292
2015						
One month past due	**57 985**	**56 020**	**79 894**	**17 525**	**26 827**	**238 251**
Two months past due	**18 347**	**30 896**	**11 568**	**6 006**	**21 855**	**88 672**
Three months past due	**12 754**	**16 432**	**6 940**	**2 946**	**5 000**	**44 072**
Four months and greater past due	**6 684**	**34 805**	**9 628**	**5 811**	**18 782**	**75 710**
	95 770	**138 153**	**108 030**	**32 288**	**72 464**	**446 705**

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for the year ended 28 February 2015

14. TRADE RECEIVABLES (continued)

Reconciliation of the receivables allowance account:

US$'000	North America	Latin America	Europe	Asia-Pacific	AME	Total
Balance on 1 March 2013	(4 419)	(3 079)	(2 709)	(1 189)	(5 359)	(16 755)
Impairment losses recognised on trade receivables	(1 228)	(1 468)	(3 865)	(776)	(1 308)	(8 645)
Impairment losses reversed	55	–	1 816	41	20	1 932
Disposal of subsidiary	–	–	–	–	2 076	2 076
Bad debt write-offs	2 839	350	1 458	55	1 563	6 265
Exchange gains and losses	283	918	(236)	537	(106)	1 396
Balance at 28 February 2014	**(2 470)**	**(3 279)**	**(3 536)**	**(1 332)**	**(3 114)**	**(13 731)**
Impairment losses recognised on trade receivables	**(1 044)**	**(3 216)**	**(2 204)**	**(636)**	**(2 675)**	**(9 775)**
Impairment losses reversed	**58**	**–**	**1 725**	**190**	**11**	**1 984**
Bad debt write-offs	**2 423**	**963**	**1 841**	**627**	**1 185**	**7 039**
Exchange gains and losses	**(104)**	**(1 123)**	**(513)**	**91**	**129**	**(1 520)**
Balance at 28 February 2015	**(1 137)**	**(6 655)**	**(2 687)**	**(1 060)**	**(4 464)**	**(16 003)**

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and geographically diverse. Accordingly, the directors believe that no further receivables allowance is required.

Analysis of impaired trade receivables

Included in the allowance for doubtful debts are individually impaired trade receivables with balances of US$33.6 million (FY14: US$19.5 million). The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of any expected collections.

US$'000	North America	Latin America	Europe	Asia-Pacific	AME	Total
2014						
Gross value of debtors that have been individually impaired	10 483	3 436	6 034	4 734	8 556	33 243
Impairment allowance against these debtors	(2 470)	(3 279)	(3 536)	(1 332)	(3 114)	(13 731)
	8 013	157	2 498	3 402	5 442	19 512
2015						
Gross value of debtors that have been individually impaired	**6 472**	**10 875**	**7 465**	**13 631**	**11 184**	**49 627**
Impairment allowance against these debtors	**(1 137)**	**(6 655)**	**(2 687)**	**(1 060)**	**(4 464)**	**(16 003)**
	5 335	**4 220**	**4 778**	**12 571**	**6 720**	**33 624**

The Group does not hold any collateral against these specific debtors.

	2015 US$'000	2014 US$'000
15. SHARE CAPITAL AND PREMIUM		
Authorised share capital		
400 000 000 (FY14: 400 000 000) ordinary shares of R0.01 each		
Issued share capital	175	184
203 614 644 (FY14: 197 142 685) ordinary shares of R0.01 each		
Share premium	126 711	122 752
	126 886	122 936

	Number of shares US$'000	Share capital US$'000	Share premium US$'000
Balance at 1 March 2013	192 478 092	218	160 602
Issue of shares for share options	73 100	*	68
Issue of shares for share schemes	619 118	*	3 140
Issue of shares for acquisitions	1 472 375	1	6 739
Issue of shares for placement	2 500 000	2	12 594
Capital distributions	–	–	(31 594)
Effects of foreign currency translation	–	(37)	(28 797)
Balance at 28 February 2014	197 142 685	184	122 752
Issue of shares for share options	90 850	*	82
Issue of shares for scrip distribution	2 018 910	2	9 827
Issue of shares for acquisitions	4 362 199	4	21 161
Capital distributions	–	*	(17 226)
Effects of foreign currency translation	–	(15)	(9 885)
Balance at 28 February 2015	203 614 644	175	126 711

Share capital and share premium are in the Rand denominated accounts of the holding company and are translated into US$ each year in the Group accounts in accordance with the accounting policy.

During the year ended 28 February 2015, Datatec Limited issued the following shares:

- 90 850 (FY14: 73 100) shares were issued to settle exercises of options under the terms of the Datatec Share Option Scheme which terminated in the year. During the life of the Share Option Scheme, 13 309 969 (FY14: 13 219 119) share options were exercised and shares issued in settlement under the terms of the scheme.
- No shares (FY14: 619 118) were issued in settlement of exercises of SARs, LTIP conditional awards and DBP matching shares under the current share schemes.

**Less than US$1 000*

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15. SHARE CAPITAL AND PREMIUM (continued)

2 018 910 shares were issued as a scrip distribution on 1 December 2014 to shareholders who did not elect to receive the cash dividend alternative and the following shares were issued in respect of acquisition activities in subsidiaries:

Shares for acquisitions	Issue price (ZAR)	Acquired company
1 998 831	R54.74	Verecloud, Inc.
1 631 696	R54.00	inforsacom Holding GmbH
351 055	R54.53	PromonLogicalis Latin America Limited
358 166	R52.43	Intact Integrated Services GmbH
22 451	R52.43	Intact Holdings Limited
4 362 199		

Shares issued in settlement of exercises of SARs, LTIP conditional awards and DBP matching shares under the current share schemes have been issued under the authority of the shareholders' approval for those schemes given at the Annual General Meeting on 14 September 2011.

As at 28 February 2015, the Group held 29 850 (FY14: 203 740) shares as treasury shares that had been acquired by the Datatec Share Incentive Trust 2005. These have been set off against share premium. Share issue expenses for the year amounted to US$28 358 (FY14: US$25 567).

16. LONG-TERM LIABILITIES

	2015 US$'000	2014 US$'000
Liabilities under capitalised finance leases	4 227	5 577
Minimum lease payments	5 327	6 059
Future finance charges	(1 100)	(482)
Secured loans	16 123	28 664
Other long-term liabilities – unsecured	40 923	–
	61 273	34 241
Less: Current portion included in trade payables (Note 17)	(39 718)	(16 882)
Long-term portion	21 555	17 359
Repayable between one and two years	18 300	15 589
Repayable between two and three years	2 070	695
Repayable between three and four years	675	367
Repayable between four and five years	221	252
Repayable after five years	289	456
	21 555	17 359

The long-term liabilities are reflected at amortised cost. Liabilities under capitalised finance lease agreements are repayable in monthly instalments at rates linked to prime interest rates, and relate to assets included under property, plant and equipment in Note 8, with a net book value of US$8.0 million (FY14: US$7.8 million). The final repayment date is October 2019.

Unsecured loans

In 2011, Westcon entered into an US$11.9 million loan related to the purchase of its non-controlling interest holding of 2.60% owned by Routine Capital Corp., whose shareholder is Tom Dolan (Westcon's former Chairman). The loan requires scheduled amortisation, as defined, which requires Westcon to make annual payments of US$2.4 million beginning in October 2011. The loan bears interest of 4.00% per annum and matures in October 2015. In FY15, Westcon repaid the annual principal amount of US$2.4 million and interest of US$0.2 million. At 28 February 2015, US$2.4 million (FY14: US$4.8 million) was outstanding.

In FY15, Westcon entered into a US$1.0 million term loan which requires quarterly payments of principal and interest beginning September 2014. The loan bears interest at 4.80% per annum and matures in September 2017. Westcon repaid the principal and interest amount of US$0.2 million during the year. At 28 February, US$0.8 million was outstanding.

16. LONG-TERM LIABILITIES (continued)

Unsecured loans (continued)

In FY15, Westcon entered into a two-year term loan for US$10 million. The loan requires monthly interest payments, with the capital repayable at the end of the loan. The loan is callable on demand. Interest of US$0.2 million was repaid during the year. At 28 February 2015, US$10 million was outstanding.

In FY15, Logicalis entered into a forfaiting arrangement with Itaú Unibanco S.A. totalling US$22.7 million. The loan is unsecured, bears interest of 1.88% per annum and matures in April 2015. At 28 February 2015, US$22.7 million was outstanding.

During the year, one of Logicalis' European subsidiaries entered into a US$0.75 million (the equivalent of €0.62 million) loan with IBM Global Finance which requires quarterly payments of US$35 000 (the equivalent of €31 000). The loan is unsecured, bears interest of 1.98% per annum and matures in May 2020. At 28 February 2015, US$0.6 million was outstanding.

In FY15, one of Logicalis' subsidiaries entered into a US$5.3 million loan with Cisco Capital which requires quarterly payments of US$0.4 million. The loan is unsecured, bears interest of 2.00% per annum and matures in August 2017. At 28 February 2015, US$4.4 million was outstanding.

Secured

Westcon's Afina subsidiaries in Europe have various loans with financial institutions totalling US$1.0 million. The loans bear interest at rates between 0.70% and 7.00% and mature between January 2019 and May 2024. At 28 February 2015, US$1.1 million (FY14: US$13.3 million) was outstanding.

Comztek (Pty) Ltd has a loan which is repayable every three years and bears interest at 9.60%. During the year, the loan was extended to US$15 million with a new repayment date being September 2016. As at 28 February 2015, US$15 million (FY14: US$10.6 million) was outstanding.

All other long-term liabilities consist of finance leases.

	2015 US$'000	2014 US$'000
17. TRADE AND OTHER PAYABLES		
17.1 Trade and other payables	**1 795 783**	1 490 238
Trade payables	**1 379 120**	1 099 847
Deferred revenue	**75 922**	78 898
Accruals VAT/sales tax	**46 049**	35 972
Accruals and sundry creditors	**289 594**	269 912
Short-term portion of share-based payments	**5 098**	5 609
17.2 Short-term interest-bearing liabilities	**43 468**	27 611
Unsecured short-term funding incurred for Afina purchase	**3 750**	6 250
Unsecured short-term funding incurred for Comztek purchase	**–**	4 479
Current portion of other long-term liabilities (Note 16)	**39 718**	16 882
	1 839 251	1 517 849

The carrying value of liabilities approximates their fair value. Trade accounts payable will be settled in the normal course of business.

Short-term interest-bearing liabilities

Unsecured loans

One of Westcon's European subsidiaries entered into a four year US$10.0 million term loan which requires the subsidiary to make quarterly payments of US$0.6 million. The loan is callable on demand and US$2.7 million was repaid during the year. At 28 February 2015, US$3.8 million (FY14: US$6.3 million) was outstanding.

In FY14, Datatec Limited entered into a US$4.5 million loan for the acquisition of Comztek Holdings (Pty) Ltd, bearing interest at the Johannesburg Interbank Agreed Rate ("JIBAR") plus 2.25% which was repaid on 30 June 2014. At 28 February 2015, there was no amount outstanding (FY14: US$4.5 million).

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18. PROVISIONS

US$'000	Restructuring	Legal claims and costs	VAT/ sales tax	Pension obligations	Dilapidations/ asset retirement obligations	Other	Total
Balance at 1 March 2013	1 903	180	706	583	5 910	1 715	10 997
Acquisitions	–	–	–	–	369	126	495
Amounts added	3 759	110	1 160	19	3 177	736	8 961
Utilised	(3 176)	(76)	(584)	–	(925)	(414)	(5 175)
Amounts reversed	(320)	(9)	–	(18)	(1 740)	(212)	(2 299)
Translation and other	(24)	88	122	(1)	385	(133)	437
Balance at 28 February 2014	**2 142**	**293**	**1 404**	**583**	**7 176**	**1 818**	**13 416**
Acquisitions	**–**	**–**	**–**	**2 196**	**9**	**–**	**2 205**
Amounts added	**2 028**	**352**	**401**	**96**	**317**	**1 672**	**4 866**
Utilised	**(1 353)**	**(8)**	**(167)**	**–**	**(79)**	**(1 330)**	**(2 937)**
Amounts reversed	**(697)**	**(15)**	**(194)**	**(221)**	**(939)**	**(965)**	**(3 031)**
Translation and other	**(10)**	**(197)**	**71**	**(162)**	**(330)**	**88**	**(540)**
Balance at 28 February 2015	**2 110**	**425**	**1 515**	**2 492**	**6 154**	**1 283**	**13 979**

Restructuring provisions include expected costs for certain restructuring activities of the Group where the details have already been announced to affected parties. Legal claims and costs are provisions for anticipated settlements, including costs, for various legal matters that the Group is defending. VAT/sales tax provisions relate to provisions for potential taxes in foreign jurisdictions. Dilapidations and asset retirement obligations relate to provisions where the Group is expected to restore certain leased property and assets to its original condition. Other provisions include asset vendor credits, onerous contracts and waste reserves.

	2015 US$'000	2014 US$'000
19. AMOUNTS OWING TO VENDORS		
Long-term portion	**1 842**	2 447
Short-term portion	**2 750**	7 497
	4 592	9 944

Amounts owing to vendors represent purchase considerations owing in respect of acquisitions as well as liabilities recognised for minority put options existing in certain business acquisition agreements. The purchase considerations are to be settled with the vendors in cash or shares on achievement of agreed performance criteria. The amounts owing are interest free.

On 12 March 2012, Westcon acquired PT Netpoleon, an Indonesian value-added distributor of IT security, networking and convergence solutions. The consideration payable comprised an initial cash consideration of US$2.3 million, Datatec shares to the value of US$1 million and deferred cash consideration up to a maximum of US$1.8 million. Based on management's estimations and preliminary calculations, it is envisaged that the entire contingent consideration will become payable.

19. AMOUNTS OWING TO VENDORS (continued)

On 30 August 2014, Westcon acquired the assets of Verecloud, Inc., the developer of an advanced channel distribution platform for cloud and services solutions, for a total consideration of US$12 million. The acquisition consideration will be settled through the issue of Datatec shares in three tranches. The first tranche, to settle the initial consideration of US$10.3 million, was settled by the allotment of shares on 12 September 2014. The second tranche (US$1.0 million) is dependent on certain development/SAP integration goals being achieved and is payable one year after the transaction date. The third tranche of US$0.7 million is payable two years after completion, and is contingent upon two key employees still being employed by Westcon at this date. This portion of the earnout will be accounted for in staff costs.

On 29 November 2012, Datatec acquired Comztek Holdings (Pty) Ltd ("Comztek") for a consideration of US$8.7 million. The acquisition became effective on 31 May 2013. At the same time, members of the Comztek management team (the "Management Shareholders") entered into a Put and Call Option Agreement whereby Management Shareholders granted call options to Westcon Emerging Markets Group (Pty) Ltd ("WEMG") to acquire all of their Westcon SA (Pty) Ltd shares and WEMG granted put options to each of the Management Shareholders to require WEMG to purchase all of their Westcon SA shares. The call option granted WEMG the right to purchase all the shares held by the Management Shareholders at a defined strike price. The option period is 29 November 2012 to 31 May 2015.

IAS 32 *Financial Instruments: Presentation* requires that these liabilities are recognised initially in equity and then reflected at their fair value at each reporting date, with subsequent changes in fair value being reported in the statement of comprehensive income. The amount recorded in the statement of comprehensive income in FY15 is US$0.3 million (FY14: US$2.4 million credit).

The amount included in the closing balance in respect of the fair value for put option liabilities is US$1.8 million (FY14: US$1.8 million).

Amounts owing to vendors are classified as financial liabilities with fair value through profit or loss. They are classified as Level 2 financial instruments, whose fair value measurements are derived from inputs that are observable for the liability, either directly (ie as prices) or indirectly (ie derived from prices).

20. BANK OVERDRAFTS

	2015 US$'000	2014 US$'000
Total bank overdrafts at the end of the year	**388 231**	420 438

Group and other holdings

Datatec Limited has general short-term banking facilities amounting to R30 million, the equivalent of US$2.6 million (FY14: R30 million or US$2.8 million) with The Standard Bank of South Africa Limited, bearing interest at the South African prime interest rate (9.25% as at 28 February 2015 and 9.00% as at 28 February 2014).

Datatec Limited also has access to an uncommitted lending facility amounting to R30 million the equivalent of US$2.6 million (FY14: R30 million or US$2.8 million) with Investec Bank Limited in South Africa, bearing interest at the South African prime interest rate (9.25% as at 28 February 2015 and 9.00% as at 28 February 2014). As at 28 February 2015, Rnil was drawn (FY14: Rnil).

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 28 February 2015

20. BANK OVERDRAFTS (continued)

Westcon

Westcon has a US$270 million (FY14: US$270 million) revolving credit facility (the "Revolver") with various US and Canadian lenders which has a five-year term and matures in December 2016. It includes an accordion feature which gives Westcon the right to require the lead bank to increase the facility by up to an additional US$50 million (FY14: US$50 million) without a vote of the syndicate by identifying a willing lender on the Revolver's terms. Advances under this arrangement are available up to 95% in the US and 85% in the Canadian subsidiaries' eligible accounts receivable.

The Revolver allows for the issuance of irrevocable commercial or standby letters of credit of up to US$50 million (FY14: US$50 million). As at 28 February 2015, US$0.1 million (FY14: US$0.6 million) in letters of credit were outstanding, which reduced the amount available under the Revolver.

At Westcon's option, the Revolver bears interest at either the London Interbank Offered Rate ("LIBOR") or an index rate equal to the higher of (i) prime rate, (ii) federal funds rate plus a margin of 0.50% per annum, and (iii) the LIBOR rate for a one-month LIBOR period plus 1.00%. Both the LIBOR and index rate options are subject to an applicable margin based on excess availability under the Revolver. The applicable margin ranges from 1.50% to 2.00% (FY14: 1.50% to 2.00%) and the index rate margin ranges from negative 0.50% to 0.00% (FY14: negative 0.50% to 0.00%).

The Revolver also calls for a commitment fee of 0.2% per annum on the unutilised portion. Borrowings under the Revolver are collateralised by (i) a pledge of 100% of Westcon's US subsidiaries' stock and 66.66% of Westcon's Canadian subsidiary's stock and (ii) a security interest in substantially all of the assets of Westcon's US and Canadian subsidiaries.

The Revolver contains certain covenants including financial covenants establishing a minimum fixed charge ratio and covenants that restrict Westcon's US and Canadian subsidiaries' ability to incur debt, create liens, make acquisitions and investments, sell assets and place limitations on the ability of Westcon US and Canadian subsidiaries to pay dividends to Westcon. At 28 February 2015, the effective interest rate was 2.32% (FY14: 2.42%).

Westcon's Brazilian subsidiary has a revolving credit facility for BRL75 million, the equivalent of US$26.4 million, which matures in April 2016 (FY14: BRL111.8 million or US$48.1 million that matures in April 2016). The facility bears interest based on the financial institution's overnight lending rate, which was 15.10% at 28 February 2015 (FY14: 16.50%).

Westcon's Mexican subsidiary has a US$24.5 million (FY14: US$15 million) revolving credit facility which matures in January 2016. The facility bears interest based on the financial institution's overnight lending rate, which was 6.00% per annum at 28 February 2015 (FY14: 6.00%).

Westcon's subsidiaries in Latin America have various revolving credit facilities totalling US$19.1 million (FY14: US$16.9 million). The facilities bear interest of between 2.20% and 24.00% (FY14: 2.20% and 24.00%) and mature at various dates through to September 2016.

Westcon's European subsidiary also has a US$25 million (FY14: US$25 million) revolving credit facility which is callable on demand. The facility bears interest at the financial institution's money market rate of 1.41% (FY14: 1.26%).

20. BANK OVERDRAFTS (continued)

Westcon (continued)

Westcon's European subsidiary has a syndicated US$325 million (FY14: US$210 million) receivable financing agreement which matures in July 2018. Advances under this arrangement are available for up to 87% of the subsidiary's eligible accounts receivable and bears interest at a rate of 1.55% above the US Dollar, Euro or Sterling base rates, which were 0.25%, 0.15% and 0.50%, respectively, at 28 February 2015 (FY14: 1.88%, 2.00% and 2.25%). The facility contains certain affirmative and negative covenants that restrict the subsidiary's ability to grant guarantees or incur debt with its third parties other than immediate affiliates within Europe, Middle East and Africa, subject to specific thresholds dependent on the nature of the debt, restrict the creation of liens, debentures and mortgages and restrict acquisitions higher than US$7.5 million without HSBC's prior consent. Some of these covenants are in the process of being amended through an amendment letter to be signed before 25 June 2015.

Westcon's Singapore subsidiary has a banking facility whereby advances are generally available for payment against approved vendors' invoices up to a maximum of US$21.3 million (FY14: US$18 million) with a maximum tenor from 150 days to 180 days. The advances bear interest at 2.00% per annum at 28 February 2015 (FY14: 2.20%).

Westcon's Singapore subsidiary also has a financing arrangement which is repayable on demand, whereby advances are generally available for up to 80% of the subsidiary's eligible accounts receivable up to a maximum of US$15 million (FY14: US$15 million). The advances bear interest at 2.01% per annum at 28 February 2015 (FY14: 2.11%).

Westcon's Australian subsidiary has an arrangement with a financial institution to provide up to AU$15 million, the equivalent of US$11.7 million (FY14: AU$15 million or US$13.4 million) of accounts receivable, foreign currency settlement and other financing. The arrangement is repayable on demand. The advances are generally available for up to 85% of the subsidiary's eligible accounts receivable and bear interest at the financial institution's base rate plus 1,80%, which was 5.48% as at 28 February 2015 (FY14: 5.46%). There was no outstanding balance at 28 February 2015 and 28 February 2014.

Westcon's Middle East subsidiary has a financing arrangement which matures in January 2016. Advances under this agreement are generally available for up to 85% of the eligible accounts receivable up to a maximum of US$15 million (FY14: US$15 million). The advances under the accounts receivable arrangement bear interest of LIBOR plus 2.50%.

In July 2011, Westcon entered into a standby credit facility for US$2 million. The facility bears interest at Westcon's option of (i) LIBOR plus 2.00% or (ii) prime rate, and matures in November 2015. The facility was not drawn in 2015.

Westcon South Africa has general short-term banking facilities amounting to R56 million, the equivalent of US$4.8 million (FY14: R56 million or US$5.2 million) with The Standard Bank of South Africa Limited, bearing interest at the South African prime interest rate (9.25% as at 28 February 2015 and 9.00% as at 28 February 2014).

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 28 February 2015

20. BANK OVERDRAFTS (continued)

Logicalis

Logicalis operates a treasury management system in the UK, which includes an invoice financing facility of £10 million, the equivalent of US$15 million (FY14: £10 million or US$17 million) and an overdraft facility of £2 million, the equivalent of US$3 million (FY14: £2 million or US$3 million). Cross guarantees are in place between the UK operating companies. The invoice financing facility has a six-month notice period, is secured by trade receivables in the UK and bears interest at the UK base rate plus 1.85%. The overdraft facility is repayable on demand and bears interest at the UK base rate of 0.50% (FY14: 0.50%) plus 2.00%.

Logicalis Spain has factoring arrangements and guarantee facilities with a number of financial institutions totalling €30.6 million, the equivalent of US$34.2 million (FY14: €30.6 million or US$41.9 million). There are no covenants associated with these facilities; however, the factoring arrangements are restricted as certain financial institutions only allow factoring to be used for specific customers' invoices.

In Germany, Inforsacom has a €10 million factoring facility, the equivalent of US$11.2 million. Logicalis GmbH has a €0.6 million overdraft facility, the equivalent of US$0.7 million (FY14: €0.6 million or US$0.8 million) secured by a Logicalis Group Limited guarantee. It has no covenant restrictions and bears interest at the financial institutions' overnight lending rate. At 28 February 2015, the effective interest rate was 3.75% (FY14: 3.75%).

In the Netherlands, Logicalis SMC has a €0.4 million overdraft facility, the equivalent of US$0.4 million (FY14: €0.4 million or US$0.5 million) which bears interest at the financial institution's overnight lending rate. At 28 February 2015, the effective interest rate was 6.50% (FY14: 6.20%).

Logicalis, Inc. has a three-year US$50 million revolving credit facility in the USA which matures in September 2019. The facility is subject to a fixed charge coverage covenant and is secured by the Logicalis, Inc. accounts receivable book. It bears interest at a rate of the applicable margin plus the greater of the prime rate, the federal funds effective rate plus 1.00% and the daily adjusting LIBOR plus 1.00%. The applicable margin is dependent on the previous quarter's average facility availability and ranges between negative 45 and negative 70 basis points. At 28 February 2015, the US prime rate was 3.25% (FY14: 3.25%), the federal funds rate was 0.00% to 0.12% (FY14: 0.00% to 0.25%) and one-month US$ LIBOR was 0.17% (FY14: 0.16%).

Logicalis' Brazilian subsidiaries have financing arrangements with a number of financial institutions which provide facilities for working capital loans and trade imports. These facilities are secured by short-term promissory notes, typically of 150 or 180-day duration, and have no covenants associated with them. At 28 February 2015, Brazil had two BRL10 million loans, the equivalent of US$7.0 million (FY14: two BRL10 million loans or US$8.6 million) bearing interest of between 116% and 125% of the Brazilian CDI of 12.09% (FY14: 10.59%). A US$25 million offshore loan facility is also in place bearing interest at the rate of the applicable US$ LIBOR plus 2.35%.

Logicalis' other Latin American subsidiaries also have arrangements with various financial institutions for a range of facilities for operations in six countries, totalling approximately US$29.5 million (FY14: US$36.2 million). They have no specific covenants attached.

Logicalis Singapore Pte. Limited has a SG$7.5 million loan facility, the equivalent of US$5.5 million (FY14: SG$5 million or US$3.9 million) which has no set expiry date and is reviewed on a quarterly basis. Each drawdown has a specific maturity date. The facility is subject to a minimum net worth covenant and a minimum EBITDA-to-interest expense ratio covenant and bears interest at a rate equivalent to 2.50% above the cost of funds. At 28 February 2015, the effective interest rate was 4.80% (FY14: 4.42%).

20. BANK OVERDRAFTS (continued)

Logicalis (continued)

Logicalis Australia Pty. Limited has an AU$2 million overdraft facility, the equivalent of US$1.6 million (FY14: AU$2 million or US$1.8 million). This facility has no covenant restrictions, is secured by a letter of comfort provided by Logicalis Group Limited and bears interest at the financial institution's overnight lending rate. At 28 February 2015, the effective interest rate was 9.15% (FY14: 9.15%).

Logicalis Malaysia Sdn.Bhd. has a MYR3.0 million facility, the equivalent of US$0.8 million (FY14: MYR3.0 million or US$0.9 million). This facility can be used for bank guarantees, import financing or as a revolving credit facility. The facility also has a net debt to tangible net worth covenant, and is secured by a Logicalis Group Limited guarantee.

Analysys Mason

Analysys Mason Limited has a £1.5 million overdraft facility, the equivalent of US$2.3 million (FY14: £1.5 million or US$2.5 million), which is renegotiated annually and bears interest at a rate of 2.00% over the Bank of England base rate.

The overdraft is secured by a debenture comprising fixed and floating charges over all assets and undertakings of Analysys Mason Limited and Analysys Limited.

There is a composite guarantee between HSBC Bank plc, Analysys Mason Limited, Analysys Limited, Analysys Mason Limited (Ireland), Analysys Mason FZ LLC, Analysys Mason Pte. Limited and Analysys Mason (Mauritius) Limited, as well as a guarantee given by Datatec plc, limited to £5 million (US$7.7 million) which covers Analysys Mason Limited, Mason Advisory Limited, Intact Holdings Limited and Intact Integrated Services Limited.

Mason Advisory

Mason Advisory Limited has a £0.5 million overdraft facility, the equivalent of US$0.7 million (FY14: £nil) which is renegotiated annually and bears interest at a rate of 2.00% over the Bank of England base rate.

The overdraft is secured by a debenture comprising fixed and floating charges over all assets and undertakings of Mason Advisory Limited.

There is a guarantee given by Datatec plc to HSBC Limited for £5.0 million (US$7.7 million) which covers Analysys Mason Limited, Mason Advisory Limited, Intact Holdings Limited and Intact Integrated Services Limited.

The Via Group

The Via Group has a US$1.0 million line of credit with HSBC Limited arranged on 1 April 2014, which bears interest at a rate of the financial institution's prime rate plus 0.50% and is payable on demand. A guarantee is provided by Datatec Limited to HSBC Limited for US$1.0 million to secure this facility.

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 28 February 2015

	2015 US$'000	2014 US$'000
21. COMMITMENTS		
21.1 Capital commitments		
Capital expenditure authorised and contracted for	28 811	19 216
Capital expenditure authorised but not yet contracted for	5 098	1 206
Total capital commitments	33 909	20 422
This expenditure will be incurred in the ensuing year and will be financed from existing cash resources and available borrowing facilities.		
21.2 Operating lease commitments		
Due within one year:		
Property	26 883	27 360
Office furniture, equipment and motor vehicles	3 657	3 791
Computer equipment	3 808	1 168
Total operating lease commitment due within one year	34 348	32 319
Due between one and two years:		
Property	23 990	21 334
Office furniture, equipment and motor vehicles	2 278	2 553
Computer equipment	3 269	769
Total operating lease commitments due between one and two years	29 537	24 656
Due between two and three years:		
Property	20 080	17 019
Office furniture, equipment and motor vehicles	1 192	903
Computer equipment	1 668	573
Total operating lease commitments due between two and three years	22 940	18 495
Due between three and four years:		
Property	15 652	13 280
Office furniture, equipment and motor vehicles	303	264
Computer equipment	70	164
Total operating lease commitments due between three and four years	16 025	13 708
Due between four and five years:		
Property	12 858	10 125
Office furniture, equipment and motor vehicles	28	86
Computer equipment	31	6
Total operating lease commitments due between four and five years	12 917	10 217
Due after five years:		
Property	37 491	30 571
Office furniture, equipment and motor vehicles	–	–
Computer equipment	–	–
Total operating lease commitments due after five years	37 491	30 571
Total non-cancellable operating lease commitments	153 258	129 966

The fair value of the operating lease commitments is approximately equal to their carrying value.

22. CONTINENT LIABILITIES, GUARANTEES AND LITIGATION

Datatec and its subsidiaries have issued, in the ordinary course of business, guarantees and letters of comfort to third parties in respect of finance and trading facilities, performance commitments to customers and lease commitments. In addition, the vendor inventory purchase financing referred to in Note 13 was generally guaranteed by Westcon.

In connection with Westcon's investment in the Turkish joint venture, Neteks, Westcon has guaranteed 50%, up to a maximum of US$15.0 million, related to the joint venture's finance facility with a bank. The guarantee would require Westcon to pay 50% of the outstanding balance in the event of default by the joint venture. The maximum liability under this guarantee at 28 February 2015 was US$8.2 million (FY14: US$2.1 million).

Logicalis has a contingent liability in respect of a possible tax liability at its PromonLogicalis subsidiary in Brazil. In April 2011, a Brazilian state tax authority claimed that PromonLogicalis should have paid a higher rate of state tax on its equipment sales up to October 2010 than actually paid. PromonLogicalis management, supported by a legal opinion, strongly disagrees with the state tax authority's assessment and have formally appealed against it. Datatec management supports PromonLogicalis management's view and believes it unlikely that PromonLogicalis will have to pay any additional tax.

The Group has certain contingent liabilities resulting from litigation and claims including breach of warranties where operations have been acquired or disposed of, generally involving commercial and employment matters, which are incidental to the ordinary conduct of its business. Management believes, after taking legal advice where appropriate on the probable outcome of these contingencies, that none of these contingencies will materially affect the financial position or the results of operations of the Group.

23. RELATED-PARTY TRANSACTIONS

Sales and purchases between Group companies are concluded at arm's length in the ordinary course of business. For the year ended 28 February 2015, the inter-group sales of goods and provision of services amounted to US$52.6 million (FY14: US$46.1 million) which are eliminated on consolidation.

	2015 US$'000	2014 US$'000
Key management personnel compensation:		
Short-term employee benefits	**9 942**	8 662
Post-employment benefits	**396**	350
Share-based payments	**1 209**	2 703

Key management personnel compensation comprises the compensation of senior executive management of the Group's divisions. The remuneration of Datatec's executive directors is included in Note 3 and in the tables on the following pages. There were no other prescribed officers of the Company.

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 28 February 2015

23. RELATED-PARTY TRANSACTIONS (continued)

Directors' emoluments

The following tables set out the remuneration of individual directors who held office during the financial years ended 28 February 2015 and 28 February 2014.

US$'000	Basic salary	Bonus	Fees	Pension	Other benefits	Total
2015						
Executive directors						
JP Montanana	1 193	1 823	–	179	38	3 233
PJ Myburgh	416	362	–	47	9	834
RP Evans	357	331	–	54	11	753
Total executive directors	1 966	2 516	–	280	58	4 820
Non-executive directors						
SJ Davidson	–	–	190	–	–	190
O Ighodaro	–	–	80	–	–	80
JF McCartney – Datatec fees	–	–	80	–	–	80
JF McCartney – Westcon fees	–	–	54	–	–	54
LW Nkuhlu	–	–	92	–	–	92
CS Seabrooke	–	–	110	–	–	110
NJ Temple	–	–	85	–	–	85
Total non-executive directors	–	–	691	–	–	691
Total directors' emoluments	1 966	2 516	691	280	58	5 511
2014						
Executive directors						
JP Montanana	1 193	373	–	179	34	1 779
RP Evans	349	58	–	52	8	467
Total executive directors	1 542	431	–	231	42	2 246
Non-executive directors						
SJ Davidson	–	–	190	–	–	190
O Ighodaro	–	–	80	–	–	80
JF McCartney – Datatec fees	–	–	80	–	–	80
JF McCartney – Westcon fees	–	–	65	–	–	65
LW Nkuhlu	–	–	92	–	–	92
CS Seabrooke	–	–	110	–	–	110
NJ Temple	–	–	85	–	–	85
Total non-executive directors	–	–	702	–	–	702
Total directors' emoluments	1 542	431	702	231	42	2 948

Of the emoluments shown above, US$947 000 (FY14: US$496 000) have been paid by Datatec Limited and US$4 564 000 (FY14: US$2 452 000) have been paid by subsidiaries of Datatec Limited.

23. RELATED-PARTY TRANSACTIONS (continued)

Directors' emoluments (continued)

Directors holding office at 28 February 2015 held the following share appreciation rights under the rules of the SAR Scheme:

	Grant date	Grant price (ZAR)	SARs held at 28 February 2014	Granted during the year	Exercised during the year	Lapsed during the year	SARs held at 28 February 2015
JP Montanana	14/05/2010	34.27	198 482	–	(198 482)	–	–
	12/05/2011	36.61	170 876	–	–	–	170 876
	17/05/2012	44.55	333 433	–	–	–	333 433
	16/05/2013	50.25	330 689	–	–	–	330 689
	15/05/2014	50.55	–	371 519	–	–	371 519
Sub-total			1 033 480	371 519	(198 482)	–	1 206 517
RP Evans	14/05/2010	34.27	34 869	–	–	–	34 869
	12/05/2011	36.61	34 836	–	–	–	34 836
	17/05/2012	44.55	97 876	–	–	–	97 876
	16/05/2013	50.25	92 850	–	–	–	92 850
	15/05/2014	50.55	–	115 096	–	–	115 096
Sub-total			260 431	115 096	–	–	375 527
PJ Myburgh	15/05/2014	50.55	–	121 068	–	–	121 068
Sub-total			–	121 068	–	–	121 068
Total			1 293 911	607 683	(198 482)	–	1 703 112

During the financial year ended 28 February 2015, Mr Montanana exercised SARs on 20 November 2014 and 76 539 Datatec shares valued at US$385 687 on that date were transferred to him from the Datatec Employee Share Incentive Trust in settlement. No SARs were exercised by directors during the financial year ended 28 February 2014.

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 28 February 2015

23. RELATED-PARTY TRANSACTIONS (continued)

Directors' emoluments (continued)

Directors holding office at 28 February 2015 held the following conditional awards under the LTIP:

	Grant date	Awards held at 28 February 2014	Granted during the year	Vested and settled during the year	Lapsed/ forfeited during the year	Awards held at 28 February 2015
JP Montanana	12/05/2011	170 876	–	–	(170 876)	–
	17/05/2012	333 433	–	–	–	333 433
	16/05/2013	330 689	–	–	–	330 689
	15/05/2014	–	371 519	–	–	371 519
Sub-total		834 998	371 519	–	(170 876)	1 035 641
RP Evans	12/05/2011	26 127	–	–	(26 127)	–
	17/05/2012	73 407	–	–	–	73 407
	16/05/2013	69 638	–	–	–	69 638
	15/05/2014	–	86 322	–	–	86 322
Sub-total		169 172	86 322	–	(26 127)	229 367
PJ Myburgh	15/05/2014	–	90 801	–	–	90 801
Sub-total		–	90 801	–	–	90 801
Total		1 004 170	548 642	–	(197 003)	1 355 809

During the financial year ended 28 February 2015, the TSR performance condition for the vesting of the 2011 conditional awards under the LTIP was not met and accordingly the awards did not vest and lapsed. During the financial year ended 28 February 2014, shares were transferred to the Executive Directors on 12 June 2013 in settlement of the 2010 grant of conditional shares under the LTIP which vested. The value of the shares transferred to Mr Montanana on that date was US$1 112 862 and the value of the shares transferred to Mr Evans on that date was US$146 630.

23. RELATED-PARTY TRANSACTIONS (continued)

Directors' emoluments (continued)

Directors holding office at 28 February 2015 held the following Datatec shares acquired and pledged under the terms of the DBP:

	Date of purchase of pledged shares	Weighted average purchase price (ZAR)	Pledged shares held at 28 February 2014	Pledged shares purchased during the year	Matched during the year	Pledged shares held at 28 February 2015
JP Montanana	16 – 22/05/2011	37.52	50 570	–	(50 570)	–
	17 – 21/05/2012	45.30	150 000	–	–	150 000
	12 – 13/06/2013	57.39	50 000	–	–	50 000
	4/06/2014	52.67	–	50 000	–	50 000
Sub-total			250 570	50 000	(50 570)	250 000
RP Evans	18/05/2012	45.00	5 000	–	–	5 000
	12/06/2013	57.28*	4 600	–	–	4 600
	4 – 5/06/2014	52.74	–	5 000	–	5 000
Sub-total			9 600	5 000	–	14 600
PJ Myburgh	21/05/2014	51.00	–	48 500	–	48 500
Sub-total			–	48 500	–	48 500
Total			260 170	103 500	(50 570)	313 100

The pledged shares shown above are included in the directors' share interests shown on page 79 of the Integrated Report.

During the financial year ended 28 February 2015, shares were transferred to Mr Montanana on 22 May 2014 in settlement of the matching shares under the DBP which vested. The value of the shares transferred to Mr Montanana on that date was US$247 661 (FY14: US$417 319).

Mr McCartney holds the following share appreciation rights in Westcon Group, Inc. which he was awarded as a non-executive director of Westcon Group in line with American practice for directors' fees and awards:

	Grant date	Grant price (US$)	SARs held at 28 February 2014	Granted during the year	Exercised during the year	SARs held at 28 February 2015
JF McCartney	1/07/2009	32.40	277	–	(277)	–
	1/07/2010	62.00	1 667	–	–	1 667
	1/07/2011	68.00	2 500	–	–	2 500
	1/07/2012	80.60	2 500	–	–	2 500
	1/07/2013	79.50	2 500	–	–	2 500
	1/07/2014	64.00	–	2 000	–	2 000
Total			9 444	2 000	(277)	11 167

These awards have been ratified by the Datatec Remuneration Committee. The proceeds of Mr McCartney's exercise of Westcon SARs during FY15 was US$8 767 (FY14: US$43 970).

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 28 February 2015

24. FINANCIAL INSTRUMENTS

24.1 Financial risk management objectives

The Group's senior management is responsible for monitoring and managing the financial risks relating to the operations of the Group. This is achieved through the use of internal risk analyses which analyse exposures by likelihood and magnitude of risks. These risks include market risk (including currency and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's internal policies applicable at subsidiary level. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

When appropriate, management reports regularly to the Group's Audit, Risk and Compliance Committee.

The Group's financial instruments consist mainly of cash and cash equivalents, accounts receivable, accounts payable, borrowings and derivative instruments.

24.2 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance. The Group's overall strategy with respect to the debt and equity balance remains unchanged from FY14. The capital structure of the Group consists of debt, which includes the borrowings disclosed in Notes 16 and 20, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital (see Note 15), reserves and retained earnings.

Gearing ratio

The Group's capital structure is reviewed on at least a semi-annual basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at the year-end was as follows:

	2015 US$'000	2014 US$'000
Long-term liabilities	**(21 555)**	(17 359)
Short-term interest-bearing liabilities	**(43 468)**	(27 611)
Net cash and cash equivalents	**(22 101)**	(41 770)
Net debt	**(87 124)**	(86 740)
Total equity attributable to the parent	**870 850**	871 617
Gearing ratio: debt-to-equity ratio	**10%**	10%

24.3 Categories of financial instruments

	2015 US$'000	2014 US$'000
Financial assets		
Financial assets held-for-trading	**7 329**	208
Loans and receivables (including cash and cash equivalents)	**2 020 047**	1 799 760
Financial liabilities		
Financial liabilities held-for-trading	**(1 043)**	(2 876)
Liabilities at amortised cost	**(1 937 764)**	(1 648 464)
Other financial liabilities designated through profit or loss ("FVTPL")	**(4 592)**	(9 944)

At the end of the reporting period, there are no significant concentrations of credit risk for loans and receivables designated at FVTPL. The carrying amount reflected above represents the Group's maximum exposure to credit risk for such loans and receivables.

24. FINANCIAL INSTRUMENTS (continued)

24.4 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements (see Note 24.3), which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. Further information on the concentration of credit risk is detailed in the following table:

US$'000	North America	Latin America	Europe	Asia-Pacific	AME	Total
2015						
Gross trade accounts receivable	398 851	339 273	536 701	104 391	169 607	1 548 823
Less: Trade receivables allowances for bad debts	(1 137)	(6 655)	(2 687)	(1 060)	(4 464)	(16 003)
Loans granted to third parties	–	2 642	190	–	–	2 832
Other receivables	17 802	54 019	28 788	11 331	6 325	118 265
Derivative financial assets (Level 1)	–	3 521	3 716	92	–	7 329
Cash and cash equivalents at financial institutions	61 660	74 503	89 665	62 842	77 460	366 130
Maximum on-balance sheet exposure	477 176	467 303	656 373	177 596	248 928	2 027 376
Financial guarantees	–	–	8 154	–	–	8 154
2014						
Gross trade accounts receivable	269 730	302 900	489 232	121 116	143 524	1 326 502
Less: Trade receivables allowances for bad debts	(2 470)	(3 279)	(3 536)	(1 332)	(3 114)	(13 731)
Loans granted to third parties	–	1 042	382	–	197	1 621
Other receivables	17 908	43 548	27 957	5 920	11 367	106 700
Derivative financial assets (Level 1)	–	–	208	–	–	208
Cash and cash equivalents at financial institutions	60 962	85 185	93 925	78 380	60 216	378 668
Maximum on-balance sheet exposure	346 130	429 396	608 168	204 084	212 190	1 799 968
Financial guarantees	–	(12)	1 586	(24)	(95)	1 455

The Group does not consider there to be any significant credit risk, which has not been adequately provided for at the reporting date.

Furthermore, there has been no material change to the Group's exposure to credit risks or the manner in which it manages and measures the risk.

Derivative financial assets relate to forward exchange contracts and are classified as Level 1 financial instruments.

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 28 February 2015

24. FINANCIAL INSTRUMENTS (continued)

24.5 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities and by continuously monitoring forecast and actual cash flows.

The Group is dependent on its bank overdrafts and trade finance facilities to operate. These facilities generally consist of either a fixed term or fixed period but are repayable on demand, are secured against the assets of the company to which the facility is made available and contain certain covenants including financial covenants such as minimum liquidity, maximum leverage and pre-tax earnings coverage. In certain circumstances, if these covenants are violated and a waiver is not obtained for such violation, this may, among other things, mean that the facility may be repayable on demand. One of Westcon's facilities contains certain affirmative and negative covenants that restrict the subsidiary's ability to grant guarantees or incur debt with its third parties other than immediate affiliates within Europe, Middle East and Africa, subject to specific thresholds dependent on the nature of the debt, restrict the creation of liens, debentures and mortgages and restrict acquisitions higher than US$7.5 million without HSBC's prior consent. Some of these covenants are in the process of being amended through an amendment letter to be signed before 25 June 2015. There have been no other breaches of covenants during the current year nor any that exist at year-end. Included in Note 20 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The following tables detail the Group's remaining contractual maturity for its non-derivative and derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

US$'000	0 – 1 year	1 – 2 years	2 – 5 years	After 5 years	Total
2015					
Trade payables	**(1 379 120)**	**–**	**–**	**–**	**(1 379 120)**
Fixed rate liabilities	**(38 389)**	**(17 642)**	**(2 089)**	**–**	**(58 120)**
Variable rate liabilities	**(391 781)**	**(1 924)**	**(877)**	**(289)**	**(394 871)**
Derivative financial liabilities (Level 1)	**(1 043)**	**–**	**–**	**–**	**(1 043)**
Financial guarantees/ commitments	**(450)**	**(46)**	**–**	**–**	**(496)**
Other	**(104 227)**	**(5 522)**	**–**	**–**	**(109 749)**
	(1 915 010)	**(25 134)**	**(2 966)**	**(289)**	**(1 943 399)**
2014					
Trade payables	(1 099 847)	–	–	–	(1 099 847)
Fixed rate liabilities	(16 419)	(3 976)	(298)	–	(20 693)
Variable rate liabilities	(421 346)	(125)	(210)	–	(421 681)
Derivative financial liabilities (Level 1)	(2 876)	–	–	–	(2 876)
Financial guarantees/ commitments	(303)	(293)	(56)	–	(652)
Other	(115 535)	–	–	–	(115 535)
	(1 656 326)	(4 394)	(564)	–	(1 661 284)

The Group continues to actively monitor its exposure to liquidity risks and the manner in which it manages and measures the risk, particularly the inherent counterparty risk which may arise through the Group's dealings with financial institutions.

24. FINANCIAL INSTRUMENTS (continued)

24.6 Market risk management

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see Note 24.7) and interest rates (see Note 24.8). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency and interest rate risk, including:

- forward foreign exchange contracts ("FECs") to hedge the exchange rate risk arising on transactions denominated in foreign currency; and
- interest rate swaps to mitigate the risk of rising interest rates.

There has been no material change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

24.7 Foreign exchange risk management

The Group operates in the global business environment and undertakes many transactions denominated in foreign currencies. The Group is exposed to the risk of fluctuating exchange rates and seeks to actively manage this exposure, within approved policy parameters and through the use of derivative instruments. These instruments primarily comprise FECs. FECs require a future purchase or sale of foreign currency at a specified price. The Group does not trade in FECs for speculative purposes.

Fluctuations in exchange rates also affect the translation of the profits of subsidiaries whose reporting currency is not the US Dollar. The most significant other currencies in which the Group trades are the Pound Sterling, the Euro, the Brazilian Real, the Singapore Dollar and the South African Rand.

24.7.1 Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% change in the currencies listed below, being the Group's significant currency exposures, against the various functional currencies of the Group's subsidiaries. The sensitivity rate that represents management's assessment of the possible change in foreign exchange rates is 10%. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in the listed currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A negative number below indicates an increase in profit and other equity where the currency strengthens 10% against the functional currency. For a 10% weakening of the currency against the functional currency, there would be an equal and opposite impact on the profit and other equity. The table below includes the effect of hedging.

	US$	GBP	EUR	BRL
(Gain)/loss	2015 US$'000	2015 US$'000	2015 US$'000	2015 US$'000
Profit before tax	2 366	(1 622)	(2)	3 410
Other equity	3 259	–	–	–

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24. FINANCIAL INSTRUMENTS (continued)

24.7 Foreign exchange risk management (continued)

24.7.2 Forward foreign exchange contracts

It is the policy of the Group to enter into FECs to cover specific foreign currency payments and receipts based on the known exposure generated. The Group also enters into FECs to manage the risk associated with anticipated sales and purchase transactions, with FECs ranging up to approximately six months and with cover up to 100% of the anticipated exposure generated. Obligations under open FEC contracts are detailed in Notes 24.4 and 24.5, as derivative financial assets and derivative financial liabilities, respectively.

24.8 Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group maintaining an appropriate mix between fixed and floating rate borrowings. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates and defined risk appetite. The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. (See Note 24.5).

Interest rate sensitivity analyses

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analyses are prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. The applicable increase or decrease that represents management's assessment of the reasonably possible change in interest rates, is dependent on the location of the borrowings. Globally, if interest rates had been between 50 and 200 basis points higher and all other variables were held constant, the Group's:

- profit for the year ended 28 February 2015 would increase by a net amount of US$8.3 million (FY14: US$6.4 million decrease); and
- the impact on other equity for the year ended 28 February 2015 would be immaterial (FY14: US$0.4 million decrease).

		2015 US$'000	2014 US$'000
25.	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation	**140 162**	101 796
	Adjustment for:		
	Unrealised foreign exchange (gains)/losses	**(1 012)**	3 443
	Share-based payments	**10 084**	5 547
	Share of equity-accounted investments	**(450)**	(441)
	Depreciation and amortisation	**48 635**	47 735
	Loss on disposal of property, plant and equipment	**36**	66
	Loss on disposal of investments and subsidiary	**137**	1 778
	Net movement in provisions	**563**	2 419
	Net movements on trade receivables allowances for bad debt	**7 791**	6 714
	Acquisition-related fair value adjustments	**317**	(2 400)
	Impairment of intangible assets	**–**	5 473
	Cash payments to settle share-based payment obligations	**(5 330)**	(9 664)
	Interest income	**(4 324)**	(3 580)
	Finance costs	**21 930**	25 168
	Other non-cash items	**(3 193)**	(617)
	Operating profit before working capital changes	**215 346**	183 437
	Working capital changes:		
	Increase in inventories	**(32 038)**	(82 917)
	Increase in receivables	**(324 540)**	(150 710)
	Increase in payables	**327 431**	82 417
		186 199	32 227
26.	**TAXATION PAID**		
	Net taxation liability	**(11)**	(2 783)
	Subsidiaries acquired	**(229)**	(516)
	Subsidiaries disposed	**–**	(2 558)
	Charge to profit and loss (excluding deferred tax)	**(53 081)**	(35 797)
	Charge to other comprehensive income	**(1 810)**	(1 988)
	Other movements and translation differences	**3 352**	(1 442)
	Net taxation (asset)/liability	**(1 414)**	11
		(53 193)	(45 073)
	Net taxation		
	Current tax assets	**15 626**	14 197
	Current tax liability	**(14 212)**	(14 208)
		1 414	(11)

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		2015 US$'000	2014 US$'000
27.	**ACQUISITIONS OF SUBSIDIARY COMPANIES**		
	The fair value of assets acquired and the liabilities assumed on the acquisition of subsidiary companies (Note 33) is:		
	Property, plant and equipment and software	**677**	2 786
	Capitalised software development expenditure	**–**	177
	Trade and other receivables	**38 447**	59 365
	Inventories	**2 373**	8 319
	Cash and cash equivalents	**9 060**	22 164
	Trade and other payables and provisions	**(50 044)**	(64 274)
	Net taxation liability	**(229)**	(516)
	Other non-current liabilities	**(2 196)**	(10 672)
	Net deferred tax	**(2 826)**	2 153
	Net fair value of tangible (liabilities)/assets acquired	**(4 738)**	19 502
	Goodwill arising on acquisitions	**24 378**	12 882
	Intangible assets	**10 418**	10 925
	Non-controlling interest acquired	**(77)**	(676)
	Total fair value of acquisitions	**29 981**	42 633
	Net cash acquired	**(9 060)**	(22 164)
	Settled in shares or deferred	**(18 942)**	(3 925)
	Net cash outflows for acquisitions	**1 979**	16 544
28.	**ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT**		
	Maintenance of operations:		
	Office furniture, equipment and motor vehicles	**2 596**	2 090
	Computer equipment	**11 001**	10 265
	Leasehold improvements	**2 432**	6 492
	Expansion of operations:		
	Office furniture, equipment and motor vehicles	**1 255**	1 270
	Computer equipment	**10 267**	8 806
	Leasehold improvements	**7 763**	3 830
		35 314	32 753
29.	**TRANSLATION DIFFERENCE ON OPENING CASH POSITION**		
	The translation difference on the opening cash position is calculated on opening cash balances of companies that hold cash in currencies other than the US Dollar and not on the net cash and cash equivalents included on the statement of financial position at the beginning of the year, which is inclusive of cash held in US Dollars.	**(8 229)**	(5 167)

		2015 US$'000	2014 US$'000
30.	**CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR**		
	Cash resources	**366 130**	378 668
	Bank overdrafts	**(388 231)**	(420 438)
		(22 101)	(41 770)

Significant non-cash transactions

- The Company issued a scrip distribution with a cash alternative during the year which resulted in 2 018 910 new ordinary shares being issued (refer to Note 15).
- The Company issued shares to fund a portion of the consideration for the acquisition of Verecloud, Inc. and inforsacom Holding GmbH (refer to Note 15 and Note 33).
- The Company issued shares to acquire the minority interests of Intact Integrated Services GmbH and Intact Holdings Limited (refer to Note 15 and Note 33).
- The Company issued shares to increase its ownership in PromonLogicalis Latin America Limited which was funded by an inter-company loan (refer to Note 15 and Note 33).

		2015 US$'000	2014 US$'000
31.	**NET CASH INFLOW ON DISPOSAL OF INVESTMENTS AND SUBSIDIARY**		
	Subsidiary:		
	Consideration received in cash and cash equivalents	**–**	84
	Cash and cash equivalent balances disposed of	**–**	(947)
	Bank overdraft disposed of	**–**	881
		–	18
	Investments:		
	Consideration received in cash and cash equivalents	**1 024**	–
		1 024	18

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for the year ended 28 February 2015

32. SEGMENTAL REPORT

For management's internal purposes the Group is currently organised into four operating divisions which are the basis on which the Group reports its primary segmental information.

Principal activities are as follows:

- Westcon – Distribution of networking, security, and unified communications products and data centre solutions
- Logicalis – ICT infrastructure solutions and services
- Consulting Services – strategic and technical consulting
- Corporate – Group head office companies including Datatec Financial Services, a new capital/leasing business under development and Group consolidation adjustments.

Condensed statement of comprehensive income	Westcon 2015 US$'000	Westcon 2014 US$'000
Revenue	**4 854 507**	4 065 112
North America	**1 670 747**	1 179 697
Latin America	**560 094**	470 439
Europe	**1 597 137**	1 437 611
Asia-Pacific	**480 394**	485 325
AME*	**597 679**	538 185
Inter-segmental	**(51 544)**	(46 145)
EBITDA	**125 141**	91 301
North America	**60 895**	32 648
Latin America	**39 560**	27 658
Europe	**50 453**	52 395
Asia-Pacific	**15 887**	15 571
AME*	**17 574**	14 817
Datatec Group and divisional central costs	**(59 228)**	(51 788)
Depreciation and amortisation	**(24 934)**	(23 854)
Intangible impairment	**–**	(5 473)
Operating profit/(loss)	**100 207**	61 974
Interest income	**543**	2 068
Finance costs	**(17 547)**	(17 784)
Share of equity-accounted investment earnings	**450**	312
Fair value movements on put option liabilities	**(317)**	2 421
Fair value adjustments on deferred purchase consideration	**–**	(21)
Other income	**–**	–
Profit/(loss) on disposal of investments	**–**	402
Profit/(loss) before taxation	**83 336**	49 372
Taxation	**(25 714)**	(13 956)
Profit/(loss) after taxation	**57 622**	35 416

There are no central costs in Consulting Services as these costs are carried by the Group.

The results of Intact have been included in Westcon in FY15 and in Consulting Services in FY14.

** Includes India in FY14 up to 31 August 2013.*

Logicalis		Consulting Services		Corporate		Total	
2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
1 533 777	1 550 322	55 242	72 620	10	–	6 443 536	5 688 054
385 461	384 849	11 667	13 025	(3 517)	(5 091)	2 064 358	1 572 480
555 691	550 914	4 498	2 600	(4 941)	(4 608)	1 115 342	1 019 345
476 853	480 353	25 604	41 207	(37 481)	(28 625)	2 062 113	1 930 546
117 117	135 645	8 282	8 547	(8 512)	(12 567)	597 281	616 950
–	–	7 217	10 548	(454)	–	604 442	548 733
(1 345)	(1 439)	(2 026)	(3 307)	54 915	50 891	–	–
97 039	90 318	3 158	2 094	(18 945)	(8 448)	206 393	175 265
18 271	19 497	430	(641)	(449)	–	79 147	51 504
58 994	46 686	402	211	–	–	98 956	74 555
23 958	23 123	1 006	1 776	(247)	–	75 170	77 294
5 187	9 767	765	(110)	(180)	–	21 659	25 228
–	–	555	858	(22)	(1)	18 107	15 674
(9 371)	(8 755)	–	–	(18 047)	(8 447)	(86 646)	(68 990)
(22 874)	(22 795)	(796)	(1 053)	(31)	(33)	(48 635)	(47 735)
–	–	–	–	–	–	–	(5 473)
74 165	67 523	2 362	1 041	(18 976)	(8 481)	157 758	122 057
3 351	1 194	9	2	421	316	4 324	3 580
(4 287)	(6 969)	(32)	(149)	(64)	(266)	(21 930)	(25 168)
–	–	–	–	–	129	450	441
–	–	–	–	–	–	(317)	2 421
–	–	–	–	–	–	–	(21)
–	–	–	–	14	264	14	264
–	–	–	–	(137)	(2 180)	(137)	(1 778)
73 229	61 748	2 339	894	(18 742)	(10 218)	140 162	101 796
(24 023)	(21 437)	(1 381)	(1 140)	(416)	(963)	(51 534)	(37 496)
49 206	40 311	958	(246)	(19 158)	(11 181)	88 628	64 300

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32. SEGMENTAL REPORT (continued)

	Westcon	
Condensed statement of financial position	**2015 US$'000**	2014 US$'000
Total assets	**2 289 764**	2 036 245
North America	**648 688**	533 348
Latin America	**334 034**	290 829
Europe	**875 598**	769 260
Asia-Pacific	**202 016**	226 728
AME*	**229 428**	216 080
Net cash resources	**(131 884)**	(159 420)
North America	**(10 124)**	(33 136)
Latin America	**(3 265)**	(46 298)
Europe	**(207 392)**	(170 587)
Asia-Pacific	**39 777**	48 162
AME*	**49 120**	42 439
Inventories	**394 235**	375 892
North America	**108 529**	75 692
Latin America	**67 544**	69 194
Europe	**119 934**	133 317
Asia-Pacific	**43 949**	50 905
AME*	**54 279**	46 784
Trade receivables	**1 198 087**	988 004
North America	**323 322**	194 618
Latin America	**187 195**	173 088
Europe	**437 994**	384 680
Asia-Pacific	**86 345**	98 373
AME*	**163 231**	137 245
Total liabilities	**(1 690 252)**	(1 443 233)
North America	**(455 829)**	(325 421)
Latin America	**(262 735)**	(223 141)
Europe	**(684 943)**	(593 357)
Asia-Pacific	**(136 732)**	(159 261)
AME*	**(150 013)**	(142 053)
Trade and other payables	**(1 271 649)**	(995 740)
North America	**(400 577)**	(200 318)
Latin America	**(183 655)**	(153 531)
Europe	**(448 798)**	(376 593)
Asia-Pacific	**(117 914)**	(135 984)
AME*	**(120 705)**	(129 314)
Number of employees at the end of the year	**3 958**	3 500

** Includes India in FY14 up to 31 August 2013.*

Logicalis		Consulting Services		Corporate		Total	
2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
920 295	886 131	39 694	53 258	24 829	16 390	3 274 582	2 992 024
197 623	196 879	3 038	5 238	5 494	284	854 843	735 749
325 510	308 354	531	573	–	–	660 075	599 756
331 589	306 565	30 399	39 383	(1 410)	6 847	1 236 176	1 122 055
65 573	74 333	2 596	3 572	2	–	270 187	304 633
–	–	3 130	4 492	20 743	9 259	253 301	229 831
82 428	104 769	7 947	1 586	19 408	11 295	(22 101)	(41 770)
(3 327)	(15 417)	1 167	535	3 641	6	(8 643)	(48 012)
26 336	52 284	–	4	–	–	23 071	5 990
49 495	53 460	4 999	446	2 132	4 999	(150 766)	(111 682)
9 924	14 442	389	233	2	–	50 092	62 837
–	–	1 392	368	13 633	6 290	64 145	49 097
44 974	52 743	3 403	3 959	–	–	442 612	432 594
4 008	4 396	529	294	–	–	113 066	80 382
22 903	33 020	148	(26)	–	–	90 595	102 188
7 995	4 678	1 884	1 654	–	–	129 813	139 649
10 068	10 649	621	1 294	–	–	54 638	62 848
–	–	221	743	–	–	54 500	47 527
328 371	309 274	6 362	15 493	–	–	1 532 820	1 312 771
73 722	70 472	601	2 168	–	–	397 645	267 258
145 040	125 939	383	595	–	–	332 618	299 622
93 776	92 996	2 679	7 905	–	–	534 449	485 581
15 833	19 867	1 411	1 807	–	–	103 589	120 047
–	–	1 288	3 018	–	–	164 519	140 263
(641 932)	(585 037)	(12 702)	(22 167)	(17 247)	(17 102)	(2 362 133)	(2 067 539)
(137 416)	(135 554)	(2 114)	(1 787)	(4 460)	(2)	(599 819)	(462 764)
(234 761)	(199 837)	(54)	–	–	–	(497 550)	(422 978)
(233 492)	(210 515)	(9 492)	(18 823)	(7 901)	(7 530)	(935 828)	(830 225)
(36 263)	(39 131)	(227)	(677)	(37)	–	(173 259)	(199 069)
–	–	(815)	(880)	(4 849)	(9 570)	(155 677)	(152 503)
(544 797)	(493 892)	(9 891)	(15 396)	(12 914)	(12 821)	(1 839 251)	(1 517 849)
(103 821)	(93 840)	(2 069)	(1 752)	(4 404)	(2)	(510 871)	(295 912)
(209 918)	(180 496)	(54)	(5)	–	–	(393 627)	(334 032)
(199 234)	(184 561)	(6 726)	(12 084)	(7 718)	(7 234)	(662 476)	(580 472)
(31 824)	(34 995)	(227)	(677)	(37)	–	(150 002)	(171 656)
–	–	(815)	(878)	(755)	(5 585)	(122 275)	(135 777)
4 013	3 732	258	385	19	10	8 248	7 627

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33. ACQUISITIONS OF SUBSIDIARIES/BUSINESS

Subsidiaries/business acquired	Principal activity	Proportion of shares/ business acquired
ITUMA GmbH ("Ituma")	IT solutions	51%
inforsacom Holding GmbH ("Inforsacom")	IT solutions	100%
Verecloud, Inc. ("Verecloud")	Distribution	Asset purchase

	Ituma Fair value on acquisition US$'000	Verecloud Fair value on acquisition US$'000	Inforsacom Fair value on acquisition US$'000	Total Fair value on acquisition US$'000
Current assets	176	–	49 705	49 881
Cash and cash equivalents	106	–	8 954	9 060
Current tax assets	1	–	–	1
Trade receivables and other receivables	69	–	38 378	38 447
Inventories	–	–	2 373	2 373
Non-current assets	1 927	1 000	8 168	11 095
Plant and equipment	30	–	571	601
Software	9	–	67	76
Intangible assets	1 888	1 000	7 530	10 418
Current liabilities	(58)	–	(50 216)	(50 274)
Trade and other payables	(58)	–	(49 976)	(50 034)
Taxation liabilities	–	–	(230)	(230)
Provisions	–	–	(10)	(10)
Non-current liabilities	(567)	–	(4 455)	(5 022)
Deferred tax liabilities	(567)	–	(2 259)	(2 826)
Other non-current liabilities	–	–	(2 196)	(2 196)
	1 478	1 000	3 202	5 680
Goodwill on acquisition	–	10 280	14 098	24 378
Minority interest recognised	(77)	–	–	(77)
Fair value of acquisition	1 401	11 280	17 300	29 981

The above acquisitions represent the subsidiaries and businesses acquired during the year.

The revenue and EBITDA included from these acquisitions in FY15 was US$21.9 million and US$0.6 million respectively; loss after tax included from these acquisitions was US$0.3 million. Had the acquisition date been 1 March 2014, the revenue would have been approximately US$138.8 million. It is not practical to establish EBITDA and profit after tax that would have been contributed to the Group if they had been included for the entire year.

The initial at acquisition accounting for all the acquisitions has been finalised at the date of the finalisation of these consolidated financial statements.

All identifiable intangible assets have been recognised and accounted for at fair value.

33. ACQUISITIONS OF SUBSIDIARIES/BUSINESS (continued)

33.1 The following acquisitions were concluded during the financial year ended 28 February 2015:

Westcon Group

On 30 August 2014, Westcon acquired the assets of US based Verecloud, Inc., the developer of an advanced distribution platform for cloud and services solutions for US$12.0 million. Included in amounts owing to vendors is US$1.0 million of deferred purchase consideration and US$0.7 million earnout that will be accounted for in staff costs (refer to Note 19). The platform will be incorporated into Westcon's Cloud Solution Practice and form the foundation which is designed to help resellers drive significant revenue from cloud-enabled services. The goodwill on this acquisition is expected to be deductible for US tax purposes.

Logicalis Group

On 2 January 2015, Logicalis acquired a 100% shareholding in inforsacom Holding GmbH ("Inforsacom"), a German IT services and solutions provider for a total consideration of US$17.3 million. Inforsacom is a provider of database, storage and infrastructure solutions and services with operations across the major economic centres of Germany. The acquisition will significantly enhance Logicalis' scale and capabilities in the German IT market. None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

On 1 September 2014, Logicalis acquired a 51% shareholding in ITUMA GmbH, a speciality software developer based in Germany for US$1.4 million in cash. Ituma is focused on Wi-Fi-enabled services such as in-location navigation, product and service offerings access, product promotions and analytics.

33.2 Changes in ownership interest that did not result in a change of control

Logicalis increased its shareholding in PromonLogicalis Latin America Limited from 60% to 65%.

Westcon acquired the remaining minority interests of 1.3% in Intact Holdings Limited ("Intact") and 25% of Intact Integrated Services GmbH.

During an internal restructuring of the African business of Westcon, 7.65% of Westcon Africa (UK) Limited was acquired by the minority shareholders of Westcon SA (Pty) Ltd.

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for the year ended 28 February 2015

	2015 US$'000	2014 US$'000
34. DISPOSAL OF SUBSIDIARY COMPANIES		
In FY14, Westcon completed the sale of its 54% holding in Inflow Technologies Private Limited following Datatec's decision to exit the distribution market in India.		
34.1 Consideration received		
Cash and cash equivalents	–	84
34.2 Analysis of assets and liabilities over which control was lost		
Non-current assets		
Property, plant and equipment	–	644
Other receivables	–	228
Deferred tax asset	–	292
Current assets		
Inventories	–	2 232
Accounts receivable	–	7 608
Other receivables and prepayments	–	1 898
Current tax asset	–	2 558
Cash balances	–	947
Non-current liabilities		
Long-term liabilities	–	(2 674)
Deferred tax liabilities	–	(30)
Current liabilities		
Trade and other payables	–	(12 529)
Bank overdraft	–	(881)
Net assets disposed of	–	293
34.3 Loss on disposal of subsidiary		
Consideration received	–	84
Net assets disposed of	–	(293)
Goodwill	–	(3 743)
Gain previously recognised in other comprehensive income, reclassified to profit and loss on loss of control	–	566
Non-controlling interests	–	1 608
Loss on disposal of subsidiary	–	(1 778)

35. NON-WHOLLY OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

	Country of incorporation	Ownership rights and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2015	2014	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
PromonLogicalis Latin America Limited	UK	35%	40%	14 295	8 378	31 300	42 845

Summarised information in respect of the above subsidiary is shown below as at 28 February. The summarised financial information below represents amounts before inter-group eliminations.

	2015 US$'000	2014 US$'000
Non-current assets	42 416	43 994
Current assets	283 173	264 396
Non-current liabilities	9 051	5 788
Current liabilities	227 110	195 489
Equity attributable to equity holders of the parent	58 128	64 268
Non-controlling interest	31 300	42 845
Revenue	555 691	550 914
Operating profit before finance costs, depreciation and amortisation ("EBITDA")	59 048	46 686
Profit for the year	36 513	20 945
Profit for the year attributable to the owners of the parent	22 218	12 567
Profit for the year attributable to non-controlling interests	14 295	8 378
Total comprehensive income	14 597	4 361
Total comprehensive income attributable to the owners of the parent	8 688	2 617
Total comprehensive income attributable to non-controlling interests	5 909	1 744
Dividends paid to non-controlling interests	26 066	1 720
Net cash (outflow)/inflow	(20 833)	34 440
Net cash (outflow)/inflow from operating activities	(9 148)	39 578
Net cash outflow from investing activities	(7 961)	(5 138)
Net cash outflow from financing activities	(3 724)	–

There are no other material non-controlling interests within the Group.

36. SUBSEQUENT EVENTS

There are no material subsequent events to report. On 6 May 2015, Logicalis acquired Trovus, a small UK business intelligence consultancy, which provides business insight solutions, professional services and managed services to large enterprise clients.

ANNEXURE 1 SUBSIDIARY COMPANIES

for the year ended 28 February 2015

Subsidiary companies	Nature of business	Country of incorporation	Effective holding (% held) 2015	2014
INCORPORATED IN AFRICA				
Analysys Mason (Pty) Ltd	C	South Africa	**100.0**	100.0
Analysys Mason Limited (Mauritius)	C	Mauritius	**95.5**	94.4
Afinasys, SARL	D	Morocco	**100.0**	100.0
Comztek (Pty) Ltd	D	South Africa	**50.04**	100.0
Comztek Holdings (Pty) Ltd	D	South Africa	**50.04**	100.0
Comztek Mauritius Limited	D	Mauritius	**50.04**	100.0
Comztek Services Kenya Limited	D	Kenya	**49.99**	99.9
Netshield (Pty) Ltd	D	South Africa	**51.0**	25.5
Sentronics Security Distributors (Pty) Ltd	D	South Africa	**50.04**	42.5
Westcon Africa Angola Limited	D	Angola	**92.4**	100.0
Westcon Africa (Cameroon) Limited	D	Cameroon	**92.4**	100.0
Westcon Africa (Kenya) Limited	D	Kenya	**92.4**	100.0
Westcon Africa (Mauritius) Limited	D	Mauritius	**92.4**	100.0
Westcon Africa (SADC) (Pty) Ltd	D	South Africa	**100.0**	100.0
Westcon Africa (Tanzania) Limited	D	Tanzania	**92.4**	100.0
Westcon Africa Distribution (Nigeria) Limited	D	Nigeria	**92.4**	100.0
Westcon Africa Zambia Limited (formerly Comztek Africa Zambia Limited)	D	Zambia	**69.3**	75.0
Westcon Comztek (Pty) Ltd	D	South Africa	**50.04**	100.0
Westcon Emerging Markets Group (Pty) Ltd	D	South Africa	**100.0**	100.0
Westcon Namibia Distribution (Pty) Limited (formerly Comztek Namibia (Pty) Ltd)	D	Namibia	**50.04**	100.0
Westcon SA (Pty) Ltd	D	South Africa	**50.04**	50.04
INCORPORATED IN UK AND EUROPE				
Analysys Limited	C	United Kingdom	**95.5**	94.4
Analysys Mason Group Limited	C	United Kingdom	**95.5**	94.4
Analysys Mason Limited	C	United Kingdom	**95.5**	94.4
Analysys Mason Limited (Ireland)	C	Ireland	**95.5**	94.4
Intact Integrated Services Limited	C	United Kingdom	**100.0**	98.7
Mason Advisory Limited	C	United Kingdom	**50.7**	N/A
Westcon Group Germany GmbH (formerly Intact Integrated Services GmbH)	C	Germany	**100.0**	74.0
Afina Sistemas Informaticos, S.L.	D	Spain	**100.0**	100.0

Subsidiary companies	Nature of business	Country of incorporation	Effective holding (% held) 2015	2014
INCORPORATED IN UK AND EUROPE (continued)				
Data Copy Systems, S.L.	D	Spain	**100.0**	85.5
Inaudema, S.L.	D	Spain	**100.0**	100.0
Neteks Bilgisayar ve Dis Ticaret Limited Sti	D	Turkey	**50.0**	50.0
Neteks İletişim Ürünleri Daĝitim Anonim Şirketi (50% JV) ("Neteks")	D	Turkey	**50.0**	50.0
NOXS UK Limited	D	United Kingdom	**92.4**	100.0
NTIC – Novas Tecnologias de Informação Comunicação Unipessoal, LDA	D	Portugal	**100.0**	100.0
Westcon Africa (UK) Limited	D	United Kingdom	**92.4**	100.0
Westcon Emerging Markets Limited	D	United Kingdom	**100.0**	100.0
Westcon European Holdings Limited	D	United Kingdom	**100.0**	100.0
Westcon Group Austria GmbH (formerly Triple AcceSSS IT Distributions & Dienstleistungs GmbH (Austria))	D	Austria	**100.0**	100.0
Westcon Group European Holdings, Limited	D	United Kingdom	**100.0**	100.0
Westcon Group European Operations Limited	D	United Kingdom	**100.0**	100.0
WGEO Switzerland GmbH	D	Switzerland	**100.0**	100.0
Datatec Finance Company Limited	F	Channel Islands	**100.0**	N/A
Datatec Financial Services Holdings Limited	F	United Kingdom	**100.0**	N/A
Datatec Financial Services Limited	F	United Kingdom	**100.0**	N/A
Datatec Group Finance Limited	F	United Kingdom	**100.0**	N/A
Logicalis Technology Limited (formerly Appliance Technology Limited)	I	Ireland	**100.0**	100.0
inforsacom Holding GmbH	I	Germany	**100.0**	N/A
inforsacom Informationssysteme GmbH	I	Germany	**100.0**	N/A
ITUMA GmbH	I	Germany	**51.0**	N/A
Logicalis BV	I	Netherlands	**100.0**	100.0
Logicalis Channel Islands Limited	I	Channel Islands	**100.0**	100.0
Logicalis Deutschland GmbH	I	Germany	**100.0**	100.0
Logicalis GmbH	I	Germany	**100.0**	100.0
Logicalis Group Limited	I	United Kingdom	**100.0**	100.0
Logicalis Group Services Limited	I	United Kingdom	**100.0**	100.0
Logicalis Guernsey Limited	I	Channel Islands	**100.0**	100.0
Logicalis Ireland Limited	I	Ireland	**100.0**	100.0
Logicalis Jersey Limited	I	Channel Islands	**100.0**	100.0

ANNEXURE 1 SUBSIDIARY COMPANIES CONTINUED

for the year ended 28 February 2015

Subsidiary companies	Nature of business	Country of incorporation	Effective holding (% held) 2015	2014
INCORPORATED IN UK AND EUROPE (continued)				
Logicalis Networks GmbH	I	Germany	**100.0**	100.0
Logicalis SMC BV	I	Netherlands	**100.0**	100.0
Logicalis SMC Group BV	I	Netherlands	**100.0**	100.0
Logicalis Solutions Limited	I	Ireland	**100.0**	100.0
Logicalis Spain, S.L.	I	Spain	**100.0**	100.0
Logicalis Technical Services Limited	I	Ireland	**100.0**	100.0
Logicalis UK Limited	I	United Kingdom	**100.0**	100.0
PromonLogicalis Latin America Limited	I	United Kingdom	**65.0**	60.0
Datatec plc	O	United Kingdom	**100.0**	100.0
Westcon Emerging Markets (Cyprus) Limited	O	Cyprus	**92.4**	100.0
INCORPORATED IN US AND CANADA				
The Via Group, Inc.	C	USA	**61.3**	61.3
Afina Systems, Inc.	D	USA	**100.0**	100.0
Pegasus Telecom LLC	D	USA	**100.0**	N/A
Westcon CALA, Inc.	D	USA	**100.0**	100.0
Westcon Canada Systems, Inc.	D	Canada	**100.0**	100.0
Westcon Group North America, Inc.	D	USA	**100.0**	100.0
Westcon Group, Inc.	D	USA	**100.0**	100.0
Datatec Financial Services, Inc.	F	USA	**100.0**	N/A
Logicalis Financial Services, Inc.	F	USA	**100.0**	N/A
Westcon Financial Services, Inc.	F	USA	**100.0**	N/A
Logicalis South America, Inc.	I	USA	**65.0**	60.0
Logicalis US Holdings, Inc.	I	USA	**100.0**	100.0
Logicalis, Inc.	I	USA	**100.0**	100.0
PLLAL International LLC	I	USA	**65.0**	60.0
INCORPORATED IN LATIN AMERICA				
Analysys Mason do Brasil Limitada	C	Brazil	**94.5**	93.5
Afina Peru, S.A.C.	D	Peru	**100.0**	100.0

Subsidiary companies	Nature of business	Country of incorporation	Effective holding (% held) 2015	2014
INCORPORATED IN LATIN AMERICA (continued)				
Afina Sistemas Informaticos Limitada	D	Chile	**100.0**	100.0
Afina Sistemas, Sociedade Limitada	D	Brazil	**100.0**	100.0
Afina Venezuela, C.A.	D	Venezuela	**100.0**	100.0
Afina, S.R.L.	D	Argentina	**100.0**	100.0
Afinasis Limitada	D	Colombia	**100.0**	100.0
Afinasis, S.A. de C.V.	D	Mexico	**100.0**	100.0
Comstor Colombia S.A.S.	D	Colombia	**100.0**	100.0
GLS Software S.de R.L.	D	Panama	**100.0**	100.0
Westcon Brasil, Limitada	D	Brazil	**100.0**	100.0
Westcon Mexico S.A. de C.V.	D	Mexico	**100.0**	100.0
Logicalis Andina Bolivia LAB. Limitada	I	Bolivia	**65.0**	60.0
Logicalis Andina S.A.C.	I	Peru	**65.0**	60.0
Logicalis Argentina S.A.	I	Argentina	**65.0**	60.0
Logicalis Chile S.A.	I	Chile	**65.0**	60.0
Logicalis Colombia S.A.S.	I	Colombia	**65.0**	60.0
Logicalis Ecuador S.A.	I	Ecuador	**65.0**	60.0
Logicalis Inc. S.A.	I	Uruguay	**65.0**	60.0
Logicalis Mexico, S. de R.L. de C.V.	I	Mexico	**65.0**	60.0
Logicalis Paraguay S.A.	I	Paraguay	**65.0**	60.0
Logicalis Uruguay S.A.	I	Uruguay	**65.0**	60.0
PromonLogicalis Tecnologia e Participações Limitada	I	Brazil	**65.0**	60.0
PTLS Serviços de Technologia e Assessoria Técnica Limitada	I	Brazil	**65.0**	60.0
INCORPORATED IN AUSTRALIA AND NEW ZEALAND				
Westcon Group NZ Limited	D	New Zealand	**100.0**	100.0
Westcon Group Pty. Limited	D	Australia	**100.0**	100.0
Logicalis Australia Pty. Limited	I	Australia	**100.0**	100.0
Datatec Financial Services Pty. Limited	F	Australia	**100.0**	N/A

ANNEXURE 1 SUBSIDIARY COMPANIES CONTINUED

for the year ended 28 February 2015

Subsidiary companies	Nature of business	Country of incorporation	Effective holding (% held) 2015	2014
INCORPORATED IN BRITISH VIRGIN ISLANDS				
Comstor Middle East Limited	D	British Virgin Islands	**100.0**	100.0
Westcon Middle East Limited	D	British Virgin Islands	**100.0**	100.0
NetStar Group Holding Limited	I	British Virgin Islands	**100.0**	100.0
Datatec International Holdings Limited	O	British Virgin Islands	**100.0**	100.0
INCORPORATED IN ASIA				
Analysys Mason FZ LLC	C	United Arab Emirates	**95.5**	94.4
Analysys Mason India Pvt. Limited	C	India	**95.5**	94.4
Analysys Mason Pte. Limited	C	Singapore	**95.5**	94.4
Comstor Malaysia Sdn. Bhd.	D	Malaysia	**100.0**	100.0
Neteks International FZE	D	United Arab Emirates	**50.0**	50.0
PT Westcon Group	D	Indonesia	**100.0**	100.0
PT Westcon Solutions	D	Indonesia	**100.0**	100.0
Westcon Africa FZCo	D	United Arab Emirates	**92.4**	100.0
Westcon Group (Vietnam) Limited	D	Vietnam	**100.0**	100.0
Westcon Group Pte. Limited	D	Singapore	**100.0**	100.0
Westcon Group (Thailand) Co. Limited	D	Thailand	**100.0**	100.0
Westcon Solutions (HK) Limited	D	Hong Kong	**100.0**	100.0
Westcon Solutions (Malaysia) Sdn. Bhd.	D	Malaysia	**100.0**	100.0
Westcon Solutions China WFOE	D	China	**100.0**	100.0
Westcon Solutions IMH Pte. Limited	D	Singapore	**100.0**	100.0
Westcon Solutions Philippines Pte. Limited	D	Philippines	**100.0**	N/A
Westcon Solutions Pte. Limited	D	Singapore	**100.0**	100.0
Logicalis Asia Pacific MSC Sdn. Bhd.	I	Malaysia	**100.0**	100.0
Logicalis Hong Kong Limited	I	Hong Kong	**100.0**	100.0
Logicalis Malaysia Sdn. Bhd.	I	Malaysia	**100.0**	100.0
Logicalis Pte. Limited (Xiamen)	I	China	**100.0**	100.0
Logicalis Shanghai Limited	I	China	**100.0**	100.0
Logicalis Singapore Pte. Limited	I	Singapore	**100.0**	100.0
PT Logicalis Metrodata Indonesia	I	Indonesia	**51.0**	51.0

C – *Consulting Services*
D – *Distribution*
F – *Financial Services*
I – *Integration*
O – *Other*