

Dimension Data Holdings plc

(Incorporated in England and Wales under the Companies Act 2006 with the
registered number 3704278)

(Registered as an external company in the Republic of South Africa with the
registration number 2000/009053/10)

Annual Financial Statements

for the year ended 30 September 2016

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Dimension Data Holdings plc

(Registered number 3704278 England and Wales)

(Registration number 2000/009053/10 RSA)

Annual Financial Statements

for the year ended 30 September 2016

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Registered office

Dimension Data House

Building 2

Waterfront Business Park

Fleet Road

Fleet

Hampshire GU51 3QT

Dimension Data Holdings plc

Group strategic report

for the year ended 30 September 2016

Principal activities

Dimension Data uses the power of technology to help organisations achieve great things in the digital world. As a member of the NTT Group, we accelerate our clients' ambitions through digital infrastructure, hybrid cloud, work spaces for tomorrow, and cybersecurity. We work with over 6 000 clients across the globe, spanning many industries. With offices in 49 countries, some 30 000 employees (including contractors), and a network of over 100 partners we deliver wherever our clients are, at every stage of their technology journey.

Our ambition is to become the leading global, Hybrid IT management company, across both infrastructure and applications, helping our clients to transform to digital enterprises through the use and adoption of technology. We have invested heavily in our services capability to ensure we are the partner of choice for our clients as their technology requirements continue to evolve.

Our vision is of a future where technology is used not only for economic, but also for environmental and social benefit. Our initiatives in this respect include for example, a project through technology to protect the endangered rhino in Southern Africa.

This year, we were certified by the Top Employers Institute as a Global Top Employer – one of eight companies to be certified globally, confirming that our people practices and policies have been benchmarked against international standards and are amongst the best in the world. We were also certified as a Top Employer in 28 countries across Middle East and Africa, Asia Pacific, Australia, Europe, and Americas, demonstrating our commitment to create the best possible work environment for our employees.

We are also proud to be the Official Technology Partner of the Tour de France, and the title partner of the cycling Team 'Dimension Data for Qhubeka'.

Details of subsidiaries and associates are provided on page 62. We do not anticipate, at the date of this report, any significant changes in the Group's activities in the new financial year.

Review of results for the year ended 30 September 2016

In this review, growth rates are in constant currency in relation to the prior year, are adjusted for the impact of acquisitions and disposals and exclude the results of discontinued operations.

Revenue for the year was \$7.4 billion, up 2.4% in relation to FY15. Product revenues of \$3.8 billion (51% of total revenue) were up by 1.5%, Professional Services revenues of \$1.0 billion were up by 1.5% and Managed Services revenues of \$2.6 billion were up by 7.5%.

Gross margin of 17.9% was 1.7% down. Of this, Product margin was down 0.8% to 13.7%, with the bulk of this reduction due to a lower contribution from agency transactions in the USA. Managed Services margins declined by 1.1% to 27.7%, attributable to competitive pressure on pricing and on input costs. Professional Services margins reduced by 3.4% to 20.7% for the year, impacted by delivery issues in certain operations, especially Oakton. Remedial action was taken during the period and these issues are not expected to recur.

Group overheads of \$1.4 billion were up by 4.4%. Included in cost was \$31.0 million of redundancy programmes in the USA, Australia, MEA, Internet Solutions and Group head office. Furthermore, the Group incurred asset impairments of \$49.0 million (including Cloud data centre assets and other products, onerous contracts and certain digital applications). Excluding these impairments, overheads were down by 1.0%.

The operating loss for the year, incorporating the effect of the above margin challenges during the year and the restructuring and impairment decisions, was \$107.5 million (2015: profit \$9.5 million).

Dimension Data Holdings plc

Group strategic report *(continued)*

for the year ended 30 September 2016

Review of results for the year ended 30 September 2016 *(continued)*

The loss from associates was \$3.2 million. While positive contributions were made by Nihilent, Marples and Sumisho (Japan), losses were reported by NTT Innovation and our wireless associate VAST.

Net finance costs were \$41.1 million (2015: \$37.2 million). Net debt increased during the year from \$1.22 billion to \$1.51 billion.

Several operations were either discontinued during the period or held for sale. Trading losses and write-downs to expected recoverable amounts through sale from these operations amounted to \$22.9 million (2015: \$19.7 million). The impacted operations include Nigeria (SI operations only), DDAI (UK) and the Indian Datacentre operations.

Other gains and losses of \$71.5 million (2015: gain \$21.9 million) included goodwill impairments (Oakton \$54.1 million and CLM \$17.4 million), provisions against sovereign bonds in Angola \$5.1 million and a change in the valuation of the Campus property due to higher property yields (\$5.0 million). Gains included profits on sale of NTT Innovation and Earthwave, as well as the release of certain deferred consideration provisions.

The Group's tax charge for the period was \$32.8 million, comprising \$43.5 million of current tax net of \$10.7 million of deferred tax credits.

Overall, taking into account the above restructuring and impairment decisions, the Group recorded a net loss for the year of \$277.0 million.

Balance Sheet and Cash Flow

Net debt at year end was \$1.51 billion (2015: \$1.22 billion), including loans from NTT of \$1.43 billion. Unutilised facilities were \$503 million.

Cash generated from operations was \$106.8 million, net of investment in working capital of \$37.7 million. Most of the increase in working capital related to the USA, where work remains to reduce the investment in trade receivables. Other material cash outflows included capex of \$233.3 million and acquisitions and settlement of deferred consideration amounting to \$100.1 million.

Key Risks, Uncertainties and Dependencies

Key risks faced by the Group include, but are not limited to:

- the execution of the Group's global strategy and alignment of the business to cater for new and emerging IT trends and client requirements;
- the global alignment of internal processes to ensure effective client service delivery;
- dependence on essential supplier contracts. While multiple contracts are entered into on a daily basis, the most essential are the global contracts entered into with our primary vendors, including Cisco Systems.
- retention of key employees, and the need develop skills appropriate to the changing requirements of the business;
- dependence on client agreements, although it should be noted that no single client accounts for more than 5% of the Group's revenue;
- compliance with various regulatory requirements, including intellectual property rights and data privacy;
- various country specific risks;
- credit, interest rate, currency and liquidity risk, as set out in note 21.

Dimension Data Holdings plc

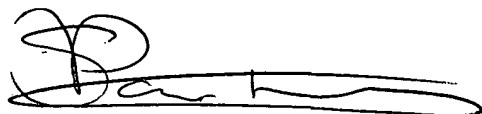
Group strategic report *(continued)*

for the year ended 30 September 2016

Performance indicators

The Board uses various financial measures to assess the financial position and overall performance of the Group's operations. These include annual growth rates and variance to budget of various measures, including revenue and gross profit, gross margin, operating profit, operating margin, annual contract value, fixed and variable overhead costs, as well as various working capital measures. Non-financial performance indicators include but are not limited to client and employee satisfaction surveys, productivity ratios and employee retention statistics.

By order of the Board on 20 March 2017

A handwritten signature in black ink, appearing to read 'Sue Ponting', written over a horizontal line.

Sue Ponting
Secretary

Dimension Data Holdings plc

Group Directors' report

for the year ended 30 September 2016

The Directors of Dimension Data Holdings plc ('the Company') present their annual report and audited financial statements for the Group for the year ended 30 September 2016.

Post balance sheet events

Details of post balance sheet events are set out in note 26 to the annual financial statements.

Dividend

No dividend was paid this year (2015: \$38.9 million).

Capital structure

As at September 2016, the Company's issued share capital was 50 000 deferred shares of £1 each, 1 761 651 240 ordinary shares of 1 US cent each and 15 172 684 A ordinary shares, 20 196 399 B ordinary shares, 11 470 030 C ordinary shares and 22 466 812 D ordinary shares of 0.1 US cent each.

The holders of the deferred shares have no right to receive notice of any general meeting of the Company, nor the right to attend, speak or vote at such general meetings. The deferred shares have no rights to dividends and on a return of assets in a winding-up, entitle the holder to the repayment of the amounts paid on the deferred shares, after repayment of the capital paid up on the ordinary shares plus the payment of \$10 million per ordinary share.

Shareholder

As at the date of this report, except for treasury shares held by the employee share trust, 100% of the issued ordinary share capital with voting rights of the Company is held by the Nippon Telegraph and Telephone Corporation ('NTT') of Japan.

Directors

Details of the current members of the Board are given below:

Name	Position	Appointed
Jeremy Ord	Executive Chairman	May 2000
Jason Goodall	Chief Executive Officer	June 2016
Brett Dawson	Chief Executive Officer	Mar 2004 (resigned 9 June 2016)
Stephen Joubert	Group Executive	Jul 2000
Patrick Quarmby	Non-executive director	Jul 2000
David Sherriffs	Chief Financial Officer	Jun 2004
John Newbury	Independent non-executive director	Feb 2011
Tsunehisa Okuno	Non-executive director	Jan 2011
Toshiaki Sakurai	Non-executive director	Jul 2011
Roderick Scott	Independent non-executive director	Jul 2000

To the extent permitted by law and the Articles of Association, the Group has made qualifying third party indemnity provisions for the benefit of its directors and officers, which remain in force at the date of this report.

Research and development

The Group is engaged in the resale of third party technologies and the provision of Professional Services and Managed Services, and accordingly traditional research and development expenditure associated with its own product development is not extensive. The exception is the Group's Cloud business unit, where we are developing new products to leverage our global Managed Cloud Platform.

Dimension Data Holdings plc

Group Directors' report *(continued)*

for the year ended 30 September 2016

Going concern

The Group's business activities, together with factors likely to affect its future development, performance and position are set out above. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are included in the Annual Financial Statements, including note 21 which records the Group's objectives, policies and processes for managing capital, details of financial instruments and hedging activities, as well as exposures to credit and liquidity risk.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources (which include committed funding from the parent company and other lenders) to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Employees

As at 30 September 2016, the Group had 21 036 employees (2015: 21 443). Details of employee related costs are included in note 13 to the financial statements.

We communicate regularly with our employees on various matters. Communication is carried out through, amongst others, regular face to face meetings, quarterly reviews, Leadership Forum engagements and social media. Employee feedback and questions on matters that affect them are welcomed in these communications, with further opportunity for feedback provided in our bi-annual Employee Satisfaction survey.

Our performance management processes align individual and Group performance. Short term incentives are based on annual goals, and our long term incentive programme for senior employees and directors is detailed in note 13.

The Group recognises its obligations to ensure that people with disabilities are afforded equal opportunities to progress within the Group.

Donations

During the year, a non-EU subsidiary company made political donations amounting to \$0.3 million.

Auditors

The Group's auditor is KPMG LLP. Each director at the time of this report confirms that:

- so far as the director is aware there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Company information

The Company is incorporated in England and Wales under the Companies Act 2006 with the registered number 3704278. It is also registered as an external company in the Republic of South Africa with the registration number 2000/009053/10.

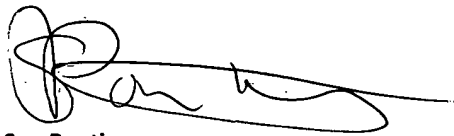
Dimension Data Holdings plc

Group Directors' report *(continued)*
for the year ended 30 September 2016

Company Secretary

The Company Secretary is Sue Ponting and her e-mail address is sue.ponting@dimensiondata.com

By order of the Board on 20 March 2017

A handwritten signature in black ink, appearing to read 'Sue Ponting', written over a horizontal line.

Sue Ponting
Secretary

Dimension Data Holdings plc

Statement of Directors' responsibilities in respect of the Group strategic report and the Group Directors' report and the financial statements

for the year ended 30 September 2016


The Directors are responsible for preparing the Group Strategic and Group Directors' reports and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they have elected to prepare both the Group and the parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the parent Company and of the profit or loss of the Group for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

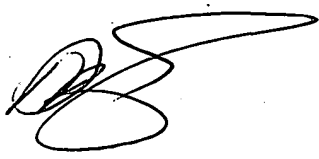
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Order of the Board on 20 March 2017



Jason Goodall
Chief Executive Officer



David Sherriffs
Chief Financial Officer

Independent auditor's report

To the member of Dimension Data Holdings plc

We have audited the financial statements of Dimension Data Holdings plc for the year ended 30 September 2016 set out on pages 11 to 67.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2016 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and the Group Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

- Matters on which we are required to report by exception**
- We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
 - the parent Company financial statements are not in agreement with the accounting records and returns; or
 - certain disclosures of Directors' remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit.



John Edwards (Senior Statutory Auditor)
 For and on behalf of KPMG LLP, Statutory Auditor
 Chartered Accountants
 15 Canada Square
 London E14 5GL
 20 March 2017

Dimension Data Holdings plc

Consolidated statement of financial position

as at 30 September 2016

	<i>Notes</i>	2016 \$'000	2015 \$'000
Assets			
Non-current assets			
Property, plant and equipment	8	449 149	416 123
Investment property	9	53 778	59 509
Goodwill	22	861 857	887 806
Intangible assets	7	222 631	233 052
Investments in associates and joint ventures		33 553	51 990
Deferred tax assets	19	102 887	104 955
Prepayments	30.3	146 494	107 635
Trade and other receivables	11.2	24 913	25 020
Other financial instruments	20	6 263	4 508
		<u>1 901 525</u>	<u>1 890 598</u>
Current assets			
Inventories	11.1	181 516	169 213
Trade and other receivables	11.2	1 843 696	1 861 029
Prepayments	30.3	415 133	346 890
Taxation authorities receivable	18	97 595	57 277
Cash and cash equivalents		247 658	282 012
Other financial instruments	20	737	9 517
Assets held for sale	24	47 776	33 430
		<u>2 834 111</u>	<u>2 759 368</u>
Total assets		<u>4 735 636</u>	<u>4 649 966</u>

Consolidated financial statements for the year ended 30 September 2016

Dimension Data Holdings plc

Consolidated statement of financial position (continued)

as at 30 September 2016

	Notes	2016 \$'000	2015 \$'000
Equity and liabilities			
Capital and reserves			
Share capital and premium	15	388 517	388 517
Reserves		(300 729)	(352 519)
Retained earnings		185 193	461 586
		<hr/>	<hr/>
Equity attributable to equity shareholders of parent		272 981	497 584
Non-controlling interests	16	2 373	8 413
		<hr/>	<hr/>
Total equity		275 354	505 997
		<hr/>	<hr/>
Non-current liabilities			
Loans and borrowings	14	1 036 896	830 519
Employee benefits	13	44 045	39 258
Deferred tax liabilities	19	19 797	31 205
Provisions	12	13 114	12 830
Deferred revenue		87 581	59 352
Other financial instruments	20	6 299	3 445
		<hr/>	<hr/>
		1 207 732	976 609
		<hr/>	<hr/>
Current liabilities			
Loans and borrowings	14	667 320	581 834
Trade and other payables	11.3	1 439 648	1 387 607
Employee benefits	13	260 530	323 068
Taxation authorities payable	18	159 177	145 041
Deferred revenue		630 650	590 465
Provisions	12	18 471	15 020
Other financial instruments	20	21 829	86 743
Liabilities held for sale	24	54 925	37 582
		<hr/>	<hr/>
		3 252 550	3 167 360
		<hr/>	<hr/>
Total liabilities		4 460 282	4 143 969
		<hr/>	<hr/>
Total equity and liabilities		4 735 636	4 649 966
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 20 March 2017


Jason Goodall
 Chief Executive Officer


Dave Sherriffs
 Chief Financial Officer

Dimension Data Holdings plc

Consolidated income statement

for the year ended 30 September 2016

	Notes	2016 \$'000	2015 \$'000
Continuing operations			
Revenue	1	7 364 624	7 535 971
Cost of sales		<u>(6 040 671)</u>	<u>(6 058 927)</u>
Gross profit		1 323 953	1 477 044
Other operating income		7 826	8 753
Operating overheads		<u>(1 439 321)</u>	<u>(1 476 297)</u>
Operating (loss)/profit	2	(107 542)	9 500
Share of results from equity accounted investees	10	(3 248)	201
Interest and investment income	4.1	4 705	5 157
Finance costs	4.2	(45 831)	(42 333)
Other gains and losses	5	<u>(71 545)</u>	<u>21 924</u>
Loss before taxation		(223 461)	(5 551)
Taxation	17	<u>(32 808)</u>	<u>(41 257)</u>
Loss for the year from continuing operations		(256 269)	(46 808)
Discontinued operations			
Loss from discontinued operations, net of taxation	24	<u>(22 931)</u>	<u>(19 741)</u>
Loss for the year		(279 200)	(66 549)
Attributable to:			
Equity shareholders of the parent company		(277 011)	(62 579)
Non-controlling interests		<u>(2 189)</u>	<u>(3 970)</u>
		(279 200)	(66 549)

Dimension Data Holdings plc

Consolidated statement of other comprehensive income

for the year ended 30 September 2016

	2016 \$'000	2015 \$'000
Loss for the year	(279 200)	(66 549)
Items that are or may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	9 882	(221 043)
Cash flow hedge losses transferred from income statement	(153)	-
Cash flow hedge (losses)/gains deferred in equity	(2 194)	2 190
Items that will never be reclassified to profit or loss:		
Actuarial losses	(6 136)	(533)
Related current tax	3 807	10 322
Related deferred tax	163	(665)
Other comprehensive income for the year	5 369	(209 729)
Total comprehensive income for the year	(273 831)	(276 278)
Attributable to:		
Equity shareholders of the parent company	(271 440)	(272 948)
Non-controlling interests	(2 391)	(3 330)
	(273 831)	(276 278)

Dimension Data Holdings plc

Consolidated statement of cash flows

for the year ended 30 September 2016

	Notes	2016 \$'000	2015 \$'000
Operating activities			
Operating (loss)/profit		(107 542)	9 500
Non-cash adjustments	6	252 052	207 566
Cash generated before working capital movements		144 510	217 066
Increase in inventories		(13 638)	(21 278)
Increase in trade and other receivables		(135 724)	(382 750)
Increase in trade and other payables		111 626	364 065
Cash generated from operations		106 774	177 103
Settlement of long term employee benefits schemes		(37 480)	(56 646)
Income taxes paid		(25 724)	(47 783)
Net cash from operating activities		43 570	72 674
Investing activities			
Interest received		4 622	4 770
Income from equity accounted investees		151	-
Acquisition of property, plant and equipment		(175 142)	(178 654)
Proceeds on disposal of property, plant and equipment and intangible assets		28 589	12 200
Acquisition of intangible assets		(58 183)	(45 472)
Movement in investment in equity accounted investees		(15 577)	(20 013)
Proceeds on disposal of equity accounted investees		20 706	-
Movements in other investments		(8 986)	(1 521)
Acquisition of subsidiaries	23	(53 546)	(210 261)
Net cash movement due to acquisition of subsidiaries	23	2 650	12 241
Deferred consideration paid		(46 509)	(707)
Net cash used in investing activities		(301 225)	(427 417)
Financing activities			
Interest paid		(45 831)	(42 333)
Loans and borrowings repaid		(79 309)	(300 794)
Loans and borrowings raised		370 597	553 267
Dividends paid		-	(38 900)
Changes in holdings of subsidiaries		(987)	-
Payments to non-controlling shareholders		(476)	(294)
Net cash generated by financing activities		243 994	170 946
Net decrease in cash and cash equivalents		(13 661)	(183 797)
Cash and cash equivalents at beginning of year		274 632	450 871
Discontinued operations		(11 301)	16 519
Exchange differences on cash and cash equivalents		(6 808)	(8 961)
Cash and cash equivalents at 30 September		242 862	274 632
Made up as follows:			
Cash and cash equivalents		247 658	282 012
Bank overdrafts		(4 796)	(7 380)
		242 862	274 632

Dimension Data Holdings plc

Consolidated statement of changes in equity

for the year ended 30 September 2016

	Share capital \$'000	Share premium \$'000	Capital reserves \$'000	Translation reserve \$'000	Hedging reserve \$'000	Other reserves \$'000	Share-based payment reserve \$'000	Retained earnings \$'000	Attributable to equity shareholders of parent \$'000	Non-controlling interests \$'000	Total equity \$'000
At 30 September 2014	17 691	370 826	(194)	(198 129)	2 362	26 113	18 162	563 065	799 896	18 185	818 081
Loss for the year	-	-	-	-	-	-	-	(62 579)	(62 579)	(3 970)	(66 549)
Other comprehensive income	-	-	(533)	(221 683)	2 190	9 657	-	-	(210 369)	640	(209 729)
Total comprehensive income for the year	-	-	(533)	(221 683)	2 190	9 657	-	(62 579)	(272 948)	(3 330)	(276 278)
Transactions with owners:											
Share-based payment movements	-	-	-	-	-	-	30 526	-	30 526	-	30 526
Dividends paid	-	-	-	-	-	-	-	(38 900)	(38 900)	(294)	(39 194)
Changes in holdings of subsidiaries	-	-	-	-	-	(20 990)	-	-	(20 990)	(6 148)	(27 138)
At 30 September 2015	17 691	370 826	(727)	(419 812)	4 552	14 780	48 688	461 586	497 584	8 413	505 997
Loss for the year	-	-	-	-	-	-	-	(277 011)	(277 011)	(2 189)	(279 200)
Other comprehensive income	-	-	(6 136)	10 084	(2 184)	3 807	-	-	5 571	(202)	5 369
Total comprehensive income for the year	-	-	(6 136)	10 084	(2 184)	3 807	-	(277 011)	(271 440)	(2 391)	(273 831)
Transactions with owners:											
Share-based payment movements	-	-	-	-	-	-	47 686	-	47 686	-	47 686
Dividends paid	-	-	-	-	-	-	-	-	-	(476)	(476)
Transfers between reserves	-	-	(3 994)	-	(618)	3 994	-	618	-	-	-
Changes in holdings of subsidiaries	-	-	-	-	-	(849)	-	-	(849)	(3 173)	(4 022)
At 30 September 2016	17 691	370 826	(10 857)	(409 728)	1 750	21 732	96 374	185 193	272 981	2 373	275 354

Dimension Data Holdings plc

Notes to the financial statements

for the year ended 30 September 2016

	2016 \$'000	2015 \$'000
1. Revenue		
Product	3 767 123	3 868 860
Services rendered	3 597 501	3 667 111
- Professional services	980 883	1 008 244
- Managed services	2 616 618	2 658 867
Total revenue	7 364 624	7 535 971

The Group has three main revenue streams - product, professional services and managed services. Product consists of both hardware and software. The professional services and managed services revenue streams incorporate service lines such as consulting, design, staging and installation, project management, maintenance, IT management, IT outsourcing and cloud computing.

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and revenue related taxes. Discounts offered are accrued for based on best estimate.

When the Group enters into multiple-element arrangements, which may include the sale of both product and services, revenue is allocated amongst the various elements based on their relative fair values to the extent that an element is seen to have standalone value.

Product revenue is recognised when significant risks and rewards of ownership have been transferred to the client, when recovery of the consideration is probable, when the associated costs and possible return of goods can be estimated reliably, when there is no continuing management involvement with the goods, and when the amount of revenue can be measured reliably. Vendor rebates are offset against cost of sales.

Revenue from maintenance and outsourced service contracts is recognised over the relevant contract period on a straight line basis and the associated costs are recognised as incurred. Revenue and costs associated with the transition and transformation phase of outsourcing contracts are recognised, where standalone value is determinable, using the percentage of completion method, otherwise they are deferred and recognised over the life of the contract. Where revenue in respect of maintenance contracts is received in advance, this is deferred and amortised on a straight line basis over the life of the contract. Costs that relate to future contract activity are reflected as 'prepayments' and expensed over the life of the contract.

Standard cloud services are billed and recognised as provided.

Revenue and costs associated with establishment services relating to the effort expended to migrate, transition or set-up a client on the Group's cloud service platform, are deferred and recognised over the life of the contract, where there is no determinable standalone value.

Revenue from consulting and integration projects is recognised based on the percentage of completion with reference to the relationship between actual costs incurred and estimated total contract costs. Management exercises judgement in determining the stage of completion and the expected final contract outcome. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

1. Revenue *(continued)*

Revenue and costs in respect of time and material contracts are recognised as services are rendered.

Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue, and are capable of being reliably measured. Where the outcome of the contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that will probably be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

Where the Group acts as agent and is remunerated on a commission basis, only the commission associated with the transaction is included in revenue.

	2016 \$'000	2015 \$'000
2. Operating (loss)/profit		
Operating (loss)/profit includes:		
Net foreign exchange (gains)/losses	(5 589)	5 466
Operating lease expenses	90 829	80 260
Staff costs (refer note 13.3)	1 528 984	1 673 447
Redundancy costs (included in staff costs above)	31 000	-
Impairment of property, plant, equipment and intangibles	28 614	4 500
Fees payable to the Company's auditor and its associates for the:		
- audit of the Company's annual accounts	340	396
- audit of the Company's subsidiaries pursuant to legislation	4 496	5 084
- other audit related services	1 304	1 249

There were no significant non audit services provided during the period.

3. Operating lease arrangements

At the reporting date, the Group had commitments to lessors for future minimum lease payments under non-cancellable operating leases, as follows:

Within one year	55 828	53 951
Two to five years	118 414	116 494
Subsequent to five years	23 505	27 075
	197 747	197 520

At the reporting date, the Group had contracted with lessees for future minimum lease payments as follows:

Within one year	5 109	4 681
Two to five years	11 926	7 749
	17 035	12 430

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

3. Operating lease arrangements (continued)

Leases are classified as operating leases, except where the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee.

Rental costs from operating leases are recognised on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term. The Group enters into operating lease arrangements for premises used in the businesses.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are recognised on a straight line basis over the lease term.

	2016 \$'000	2015 \$'000
4. Net financing costs		
4.1 Interest and investment income		
Interest on cash and cash equivalents	1 117	1 656
Interest on loans receivable	3 588	3 501
	<u>4 705</u>	<u>5 157</u>
4.2 Finance costs		
Interest on bank overdrafts and loans	15 686	21 690
Interest on shareholder's loans	14 661	7 135
Interest on vendor loans and finance leases	2 422	2 620
Interest on forward exchange contracts	11 134	4 719
Other	1 928	6 169
	<u>45 831</u>	<u>42 333</u>
5. Other gains and losses		
Impairment of goodwill	(71 555)	(4 000)
Revaluation of investment property	(4 961)	5 848
Change in holding from associate to subsidiary	-	13 957
Impairment of available for sale investments	(5 050)	-
Release of deferred consideration	2 363	5 000
Profit on sale of subsidiaries and associates (note 23)	7 136	-
Other	522	1 119
	<u>(71 545)</u>	<u>21 924</u>
6. Non-cash adjustments		
Depreciation of property, plant and equipment	130 163	118 818
Loss/(profit) on disposal of property, plant and equipment and intangible assets	2 136	(130)
Impairment of property, plant and equipment	7 508	4 500
Amortisation of intangible assets	49 738	47 936
Impairment of intangible assets	21 106	-
Movement in provisions	3 207	2 159
Long term employee benefits	50 164	50 180
Other non-cash items	(11 970)	(15 897)
Total	<u>252 052</u>	<u>207 566</u>

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

7. Intangible assets

	Purchased Right of use to Bandwidth \$'000	Purchased or developed Systems and software \$'000	Acquired in a business combination			Total \$'000
			Brand \$'000	Customer relationships \$'000	Intellectual property \$'000	
Cost						
At 1 October 2014	106 590	116 252	10 332	78 373	31 965	343 512
Additions	1 411	44 061	-	-	-	45 472
Disposals	-	(13 216)	-	-	-	(13 216)
Arising on acquisition of subsidiaries	22 699	4 061	10 273	14 168	1 746	52 947
Measurement period adjustments	-	-	(1 423)	(856)	(5 854)	(8 133)
Transferred from property, plant and equipment	-	8 573	-	-	-	8 573
Classified as held for sale	-	(1 026)	-	-	-	(1 026)
Exchange differences	(25 026)	(23 531)	(4 301)	(67)	(3 829)	(56 754)
At 1 October 2015	105 674	135 174	14 881	91 618	24 028	371 375
Additions	9 445	48 738	-	-	-	58 183
Disposals	-	(32 768)	-	-	-	(32 768)
Arising on acquisition/disposal of subsidiaries	-	1 743	572	6 002	(3 208)	5 109
Measurement period adjustments	-	-	(1 545)	(3 013)	-	(4 558)
Transferred from property, plant and equipment	-	2 596	-	-	-	2 596
Classified as held for sale	-	(435)	-	-	-	(435)
Exchange differences	(34)	4 193	124	613	290	5 186
At 30 September 2016	115 085	159 241	14 032	95 220	21 110	404 688

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

7. Intangible assets (continued)

	Purchased Right of use to Bandwidth \$'000	Purchased or developed Systems and software \$'000	Acquired in a business combination			Total \$'000
			Brand \$'000	Customer relationships \$'000	Intellectual property \$'000	
Accumulated amortisation						
At 1 October 2014	15 470	55 532	2 062	24 788	11 526	109 378
Charge for the year	6 829	18 432	3 160	15 905	3 610	47 936
Disposals	-	(11 822)	-	-	-	(11 822)
Arising on acquisition of subsidiaries	-	2 352	-	-	-	2 352
Measurement period adjustments	-	-	343	227	(570)	-
Transferred from property, plant and equipment	-	6 387	-	-	-	6 387
Classified as held for sale	-	(784)	-	-	-	(784)
Exchange differences	(3 870)	(9 714)	(275)	(885)	(380)	(15 124)
At 1 October 2015	18 429	60 383	5 290	40 035	14 186	138 323
Charge for the year	6 433	20 485	2 262	16 313	4 245	49 738
Disposals	-	(29 609)	-	-	-	(29 609)
Arising on acquisition/ disposal of subsidiaries	-	948	-	(464)	(2 053)	(1 569)
Asset impairment recognised	-	21 106	-	-	-	21 106
Transferred from property, plant and equipment	-	2 594	-	-	-	2 594
Classified as held for sale	-	(435)	-	-	-	(435)
Exchange differences	294	744	59	601	211	1 909
At 30 September 2016	25 156	76 216	7 611	56 485	16 589	182 057
Carrying amount						
30 September 2016	89 929	83 025	6 421	38 735	4 521	222 631
30 September 2015	87 245	74 791	9 591	51 583	9 842	233 052

During the period, the Group impaired by \$21.1 million the net book value of certain internally developed applications in our Cloud business unit and in Oakton. This impairment was authorised after a review of the foreseeable revenues which the Group was likely to generate from these assets.

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

7. Intangible assets (continued)

	2016 \$'000	2015 \$'000
Capital commitments		
Authorised, contracted for	8 344	13 299
Authorised, not contracted for	17 043	25 420
	25 387	38 719

These intangible assets have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated using the straight line method over the estimated useful lives of the assets, as follows:

- Right of use to Bandwidth 15 to 20 years
- Systems and software 2 to 10 years
- Brand 6 to 10 years
- Customer relationships 5 to 10 years
- Technology and other intellectual property 3 to 6 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Right of use to Bandwidth

Right of use includes indefeasible right of use assets used by the Internet Solutions group to provide bandwidth capabilities.

Systems and software

Systems and software include the Group's ERP and service management platforms, software licenses and applications developed for the Managed Cloud Platform. Costs are capitalised if they can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and thereafter to use or sell the asset. Assets are reflected at cost less accumulated amortisation and impairment losses. Add-on expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Brand and customer relationships

The fair value of a brand acquired in a business combination is based on the discounted estimated royalty payments that are expected to be avoided as a result of the brands being owned. The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby it is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

Intellectual property

The fair value of technology, intellectual property and other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale.

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

8. Property, plant and equipment

Cost	Land, buildings and improvements	IT equipment	Spare parts	Total
	\$'000	\$'000	\$'000	\$'000
At 1 October 2014	105 900	736 762	164 270	1 006 932
Additions	12 857	157 648	8 149	178 654
Subsidiaries acquired	257	42 144	-	42 401
Disposals	(5 925)	(83 113)	(13 436)	(102 474)
Transfer from investment property	6 121	-	-	6 121
Transfers to intangible assets	-	(8 573)	-	(8 573)
Classified as held for sale	731	169	(211)	689
Exchange differences	(17 329)	(108 064)	(20 721)	(146 114)
At 1 October 2015	102 612	736 973	138 051	977 636
Additions	10 480	152 830	11 832	175 142
Subsidiaries acquired/disposed	69	6 803	-	6 872
Disposals	(4 250)	(81 990)	(15 770)	(102 010)
Transfer from investment property	846	-	-	846
Reclassifications and transfers to intangible assets	-	(3 828)	1 232	(2 596)
Classified as held for sale	(1 550)	(2 551)	(1 280)	(5 381)
Exchange differences	26	11 587	1 728	13 339
At 30 September 2016	108 231	819 824	135 793	1 063 848
Accumulated depreciation and impairment				
At 1 October 2014	45 714	411 148	139 296	596 158
Charge for the year	5 166	110 395	3 257	118 818
Subsidiaries acquired	54	14 905	-	14 959
Disposals	(5 379)	(74 918)	(11 501)	(91 798)
Asset impairment recognised	-	4 500	-	4 500
Transfers to intangible assets	-	(6 387)	-	(6 387)
Classified as held for sale	846	(184)	37	699
Exchange differences	(6 930)	(51 881)	(16 625)	(75 436)
At 1 October 2015	39 471	407 578	114 464	561 513
Charge for the year	7 105	112 258	10 800	130 163
Subsidiaries acquired/disposed	212	4 955	-	5 167
Disposals	(3 860)	(69 290)	(14 932)	(88 082)
Asset impairment recognised	-	7 508	-	7 508
Reclassifications and transfers to intangible assets	-	(3 826)	1 232	(2 594)
Classified as held for sale	(1 550)	(2 551)	(1 280)	(5 381)
Exchange differences	55	5 173	1 177	6 405
At 30 September 2016	41 433	461 805	111 461	614 699
Carrying amount				
30 September 2016	66 798	358 019	24 332	449 149
30 September 2015	63 141	329 395	23 587	416 123

During the period, the Group impaired by \$7.5 million the net book value of certain datacentre assets in our Cloud business unit, located in Brazil, Canada, Japan and Australia. This impairment was authorised after a review of the foreseeable revenues which the Group was likely to generate from these assets.

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

8. Property, plant and equipment (continued)

	2016 \$'000	2015 \$'000
Capital commitments		
Authorised, contracted for	26 319	26 048
Authorised, not contracted for	168 294	187 838
	<u>194 613</u>	<u>213 886</u>

Property, plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses. Spare parts, stand-by and servicing equipment are classified as items of property, plant and equipment. Depreciation is charged so as to write off the depreciable value of the assets over their estimated useful lives, using the straight line method, on the following basis:

Buildings	2% per annum
Leasehold improvements	Over the lease term
IT equipment	14% - 33% per annum
Spare parts	33% per annum

Property, plant and equipment associated with outsourcing contracts are capitalised and depreciated on a straight line basis over the expected useful life of the asset. If an asset is contract specific, the depreciation period is the shorter of the useful life or contract term.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an asset is reflected as the difference between the sales proceeds and the carrying amount of the asset.

Any changes in estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect accounted for on a prospective basis.

9. Investment property

	2016 \$'000	2015 \$'000
At 1 October	59 509	74 027
Transferred to property, plant and equipment	(846)	(6 121)
(Decrease)/increase in fair value during the year	(4 961)	5 848
Exchange differences	76	(14 245)
At 30 September	<u>53 778</u>	<u>59 509</u>

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

9. Investment property *(continued)*

The portion of the Campus property in South Africa occupied by third parties is classified as an investment property. It is measured at fair value, with any gains or losses arising from changes in the fair value recognised in the period in which they arise.

The fair value measurement for the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. The fair value of the Group's investment property at 30 September 2016 was determined based on a forward rental income yield of 9.2% (2015: 8.9%) determined from external market data.

Rental income from third parties was \$7.8 million (2015: \$8.8 million) and is included in other operating income.

The Group has ceded the Campus property with a book value of \$88.6 million (2015: \$88.2 million) as security for bank loans.

	2016 \$'000	2015 \$'000
10. Investments in associates and joint ventures		
The Group's share of net profit or loss from continuing operations	<u>(3 248)</u>	<u>201</u>

The Group has interests in a number of associates and joint ventures, none of which is considered material.

11. Working capital

11.1 Inventories	2016 \$'000	2015 \$'000
Resale	167 875	154 342
Work-in-progress	<u>13 641</u>	<u>14 871</u>
Total	<u>181 516</u>	<u>169 213</u>

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and any overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Net realisable value represents the estimated selling price net of costs to complete, market, sell and distribute.

The Group has ceded an amount of \$23.0 million (2015: \$11.4 million) of inventory in respect of a credit facility in the USA. The facility is subject to various covenants relating to working capital and liquidity ratios.

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

11. Working capital *(continued)*

11.2 Trade and other receivables

	2016 \$'000	2015 \$'000
Billed trade receivables	1 565 854	1 471 674
Allowance for impairment of trade receivables	(44 915)	(45 420)
Unbilled trade receivables	170 054	217 668
Other receivables	154 072	218 470
Finance lease receivables	23 544	23 657
Total	1 868 609	1 886 049
Analysed as follows:		
Non-current	24 913	25 020
Current	1 843 696	1 861 029
Total	1 868 609	1 886 049
Allowance for impairment of trade receivables		
At 1 October	45 420	40 002
Charged in profit or loss	18 260	18 683
Utilised in the year	(11 079)	(8 012)
Released to profit or loss	(4 467)	(2 866)
Acquisition of subsidiaries and other movements	70	1 761
Classified as held for sale	(2 985)	-
Exchange differences	(304)	(4 148)
At 30 September	44 915	45 420

Trade receivables are reflected at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised when there is evidence that the asset is impaired. The allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. The recoverability assessment is performed on an individual and collective basis based on management's estimate of the prospect of recovering the debt. Where management has determined that a debt is no longer recoverable, the amount is written off. The carrying amount approximates fair value.

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

11. Working capital (continued)

11.2 Trade and other receivables (continued)

Trade receivables past due date

Of the year end trade receivables balance, the following were past due at 30 September:

	Americas \$'000	Asia \$'000	Australia \$'000	Europe \$'000	Middle East and Africa \$'000	Central and other \$'000	Total \$'000
2016							
Trade receivables that are neither past due nor impaired	252 489	213 213	99 022	328 888	94 668	806	989 086
Trade receivables that are past due	226 992	94 236	48 983	112 514	91 768	2 275	576 768
Less than 30 days	116 728	29 203	23 704	64 881	38 820	975	274 311
31 to 60 days	40 467	17 109	16 036	21 020	12 038	24	106 694
61 to 90 days	45 179	7 874	4 476	7 338	11 281	112	76 260
Over 90 days	24 618	40 050	4 767	19 275	29 629	1 164	119 503
Total	479 481	307 449	148 005	441 402	186 436	3 081	1 565 854
2015							
Trade receivables that are neither past due nor impaired	223 188	164 934	95 640	352 109	111 281	5 399	952 551
Trade receivables that are past due	169 282	111 782	30 880	136 946	69 540	693	519 123
Less than 30 days	92 621	47 478	12 597	67 377	23 433	287	243 793
31 to 60 days	41 155	22 527	9 394	25 849	13 295	49	112 269
61 to 90 days	25 374	9 249	4 995	7 178	7 888	20	54 704
Over 90 days	10 132	32 528	3 894	36 542	24 924	337	108 357
Total	392 470	276 716	126 520	489 055	180 821	6 092	1 471 674

At year end, the credit period provided on the sale of product and services, reflected in relation to most recent revenues, was 65 days (2015: 63 days).

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

11. Working capital (continued)

11.2 Trade and other receivables (continued)

The Group has ceded an amount of \$413.3 million (2015: \$226.9 million) of trade receivables in respect of a credit facility in the USA. The facility is subject to various covenants relating to working capital and liquidity ratios.

Finance lease receivables

	Minimum lease payments		Present value of minimum lease payments	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Within one year	9 817	12 718	8 707	7 779
Two to five years	16 230	26 106	14 837	15 878
	<u>26 047</u>	<u>38 824</u>	<u>23 544</u>	<u>23 657</u>
Less: Unearned finance income	(2 503)	(15 167)	-	-
	<u>23 544</u>	<u>23 657</u>	<u>23 544</u>	<u>23 657</u>

The Group enters into various finance lease arrangements. The average term of finance leases entered into is 3.4 years and the average inherent interest rate is 6.7% (2015: 7.5%).

Amounts due under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

11.3 Trade and other payables

	2016 \$'000	2015 \$'000
Trade payables	900 780	927 333
Accruals	505 167	420 913
Other payables	33 701	39 361
Total	<u>1 439 648</u>	<u>1 387 607</u>

At year end, the credit period taken for trade payables and accruals, reflected in relation to most recent trade purchases, was 78 days (2015: 85 days).

Trade and other payables are measured at amortised cost, using the effective interest rate method. The carrying amount approximates fair value.

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

12. Provisions	Litigation and warranty \$'000	Leases \$'000	Restruct- uring \$'000	Project losses \$'000	Other \$'000	Total \$'000
At 1 October 2015	3 144	14 440	2 968	1 922	5 376	27 850
Charge/(release) for the year	6 789	2 645	(20)	1 600	7 563	18 577
Utilised in the year	(1 750)	(789)	(775)	(2 224)	(7 318)	(12 856)
Disposal of subsidiaries	-	-	-	(571)	-	(571)
Classified as held for sale	17	(675)	-	(126)	(1 158)	(1 942)
Exchange differences	363	117	(38)	(31)	116	527
At 30 September 2016	8 563	15 738	2 135	570	4 579	31 585
Analysed as follows:						
Non-current	22	12 380	-	-	712	13 114
Current	8 541	3 358	2 135	570	3 867	18 471
Total	8 563	15 738	2 135	570	4 579	31 585

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 of the amount of the obligation can be made. Where the effect of discounting to present value is material, provisions are adjusted accordingly.

13. Employee benefits

	2016 \$'000	2015 \$'000
Post employment defined benefit obligations	34 985	31 075
Long service benefits	17 011	17 460
Long Term Incentive Plan and Share Appreciation Rights	16 614	54 168
Employee related accruals, short term bonuses and other	235 965	259 623
	304 575	362 326
Analysed as follows:		
Non-current	44 045	39 258
Current	260 530	323 068
Total	304 575	362 326

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

13. Employee benefits *(continued)*

13.1 Post employment defined benefit obligations

	2016 \$'000	2015 \$'000
Movement in the net defined benefit liability		
At 1 October	31 075	35 008
Current year service costs	1 143	1 968
Past service costs	181	-
Net interest expense	1 154	1 683
Expected return on plan assets	(640)	(553)
Actuarial loss	6 136	533
Benefit payments to beneficiaries	(3 437)	(3 413)
Exchange differences	(627)	(4 151)
At 30 September	34 985	31 075
Gross defined benefit obligations	81 801	85 957
Fair value of plan assets	(46 816)	(54 882)
At 30 September	34 985	31 075
Composition of plan asset fair values		
Cash and cash equivalents	380	464
Equity securities	4 625	4 797
Debt instruments	10 763	9 480
Assets held by insurance companies	15 041	25 763
Investment funds	16 007	14 378
Total	46 816	54 882
	%	%
Significant actuarial assumptions		
Discount rate	2.5	3.5
Rate of salary increase	3.2	3.0
Rate of price inflation	2.8	3.0
Rate of pension increases	1.5	2.0

Defined benefit plans are confined mainly to the Group's European operations. The obligation is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. These calculations are performed by independent actuaries using the projected unit credit method.

Revisions to the net liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognised immediately in other comprehensive income. The Group reflects the interest expense on the net defined benefit liability, taking into account changes as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

13. Employee benefits *(continued)*

13.2 Long term incentives

Instruments under two separate schemes - Long Term Incentive Plan (LTIPs) and Share Appreciation Rights (SARs) - are issued to certain employees and vest if participants remain in the employment of the Group for a defined service period and specific performance conditions are met.

	2016 \$'000	2015 \$'000
At 1 October	54 168	78 193
Charged in profit or loss	-	19 078
Settled in the year	(37 480)	(44 402)
Exchange differences	(74)	1 299
At 30 September	16 614	54 168
Analysed as follows:		
Current	16 614	54 168

The 2013 schemes above will be cash-settled and accordingly the fair value of the liability is calculated at each reporting period and any changes recognised over the vesting period.

The 2014, 2015 and 2016 schemes will be equity-settled and accordingly the instruments are reflected at fair value at the date of grant and expensed on a straight line basis over the vesting period, subject to the Group's estimate of the proportion of the instruments which will eventually vest. This estimate is performed at each reporting period.

Significant assumptions

Award	Value per award	Number of awards outstanding
SAR 2013	0.22	73 770 054
LTIP 2014	0.75	56 803 020
SAR 2014	0.15	86 894 209
LTIP 2015	0.66	65 011 460
SAR 2015	0.15	88 242 787
LTIP 2016	0.65	72 226 818
SAR 2016	0.16	92 772 993

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

13. Employee benefits *(continued)*

	2016 \$'000	2015 \$'000
13.3 Staff costs		
Salaries and wages, including bonus provisions	1 289 706	1 442 717
Pension and social security costs	191 592	180 550
Long term incentives	47 686	50 180
	<u>1 528 984</u>	<u>1 673 447</u>
Directors' remuneration		
Disclosures required by the Companies Act 2006 are as follows:		
Emoluments, including bonuses	5 872	6 107
Long term incentives	4 057	5 249
	<u>9 929</u>	<u>11 356</u>

The highest paid director's aggregate remuneration was \$2.7 million (2015: \$3.1 million), made up of emoluments of \$1.6 million (2015: \$1.7 million) and long term incentives of \$1.1 million (2015: \$1.4 million). Total compensation of \$12.5 million was paid to a previous director relating to settlement of outstanding obligations, including realisation of all outstanding long term incentives and compensation for loss of office. This amount is not included in the amounts disclosed above.

Average number of persons employed by the Group (including executive directors) was 21 187 consisting of 5 888 in Managed Services, 4 570 in Professional Services, 1 930 in operations, 2 181 in sales and 6 618 in finance, administration and other.

Short term employee benefits

Short term employee benefits are measured on an undiscounted basis and expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Payments to defined contribution plans are recognised as an expense as they fall due.

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

14. Loans and borrowings

	Non-current		Current		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Shareholder	986 683	741 012	441 445	327 084	1 428 128	1 068 096
Bank	9 032	32 803	175 335	217 719	184 367	250 522
Vendor	16 800	30 394	27 047	14 468	43 847	44 862
Bank overdraft	-	-	4 796	7 380	4 796	7 380
Finance leases	24 381	26 310	18 697	15 183	43 078	41 493
	1 036 896	830 519	667 320	581 834	1 704 216	1 412 353

Shareholder loans include \$986.7 million (2015: \$741.0 million) from NTT Finance, a member of the NTT group. These loans bear interest at between LIBOR plus 40 bps and LIBOR plus 94 bps and have repayment dates between 24 January 2019 and 24 June 2021. In addition \$441.4 million is a cash pool facility.

Bank loans of \$141.8 million (2015: \$186.0 million) include loans with fixed repayment dates and interest rates ranging from 79 bps to 8 500 bps. The remaining bank loans, without fixed repayment dates, have interest rates ranging from 29 bps to 2 900 bps.

Included in bank loans is an amount of \$30.6 million (2015: \$46.7 million) relating to the financing of the Campus in South Africa, which amount bears interest at a fixed rate of 1 737 bps and will be repaid in full on 31 January 2018. The loan is secured by the Campus property.

Vendor loans bear interest at rates between zero and 1 800 bps and are repayable by April 2020.

Interest-bearing loans are measured at amortised cost, using the effective interest method.

Amounts payable under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Repayable within one year	20 036	16 773	18 697	15 183
Repayable within two to five years	25 447	27 791	24 381	26 310
	45 483	44 564	43 078	41 493
Less: Future finance charges	(2 405)	(3 071)	-	-
Present value of obligations	43 078	41 493	43 078	41 493

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Finance lease liabilities are reflected at fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly in profit or loss.

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

15. Share capital and premium

	2016		2015	
	Number of shares	\$'000	Number of shares	\$'000
Called up, allocated and fully paid up				
Deferred shares of £1 each	50 000	75	50 000	75
Ordinary shares of 1 US cent each	1 761 651 240	17 616	1 761 651 240	17 616
A ordinary shares of 0.1 US cent each	15 172 684	15	15 172 684	15
B ordinary shares of 0.1 US cent each	20 196 399	20	20 196 399	20
C ordinary shares of 0.1 US cent each	11 470 030	12	11 470 030	12
D ordinary shares of 0.1 US cent each	22 466 812	22	22 466 812	22
Treasury shares held by The Employee Share Trust	<u>(69 305 925)</u>	<u>(69)</u>	<u>(69 305 925)</u>	<u>(69)</u>
		17 691		17 691
Share premium		<u>370 826</u>		<u>370 826</u>
		<u>388 517</u>		<u>388 517</u>

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

16. Non-controlling interests

The value of non-controlling interests decreased by \$3.2 million during the year as a result of the Group acquiring an additional stake in Synaq and the disposal of the Group's interest in Dimension Data Maroc.

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

17. Taxation	2016 \$'000	2015 \$'000
Current tax	41 078	42 750
Withholding and other taxes	4 016	2 459
Adjustments to prior year provision	<u>(1 619)</u>	<u>932</u>
Total current tax	43 475	46 141
Deferred tax (refer to note 19)		
Current year movement	(9 209)	(5 913)
Adjustments to prior years' deferred tax provision	<u>(1 458)</u>	<u>1 029</u>
Total deferred tax	(10 667)	(4 884)
Total tax charge	32 808	41 257
Reconciliation to South African corporate tax rate, where the parent company is domiciled for tax purposes.		
Loss before tax	<u>(223 461)</u>	<u>(5 551)</u>
South African corporate tax rate 28% (2015: 28%)	(62 569)	(1 554)
Expenses not deductible	41 388	13 947
Other temporary differences not recognised	12 694	3 822
Tax losses created but not recognised	42 929	32 446
Prior year adjustments	(3 077)	1 961
Non-taxable profits/zero tax jurisdictions	(7 007)	(6 821)
International corporate tax differentials and other	7 918	(2 499)
Share of associates' tax	<u>532</u>	<u>(45)</u>
Tax charge	32 808	41 257

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

Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in different periods, as well as those items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

17. Taxation *(continued)*

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 profits will be available against which deductible temporary differences and tax losses can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is improbable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at reporting date. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited directly to equity or other comprehensive income, in which case the deferred tax is also dealt with in equity or other comprehensive income.

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.

Deferred tax assets and liabilities are not discounted.

Management makes estimates of the likely outcome of decisions by tax authorities on transactions and events whose treatment for tax purposes is uncertain.

	2016 \$'000	2015 \$'000
18. Taxation authorities receivable and payable		
Receivable		
Income taxes	37 612	23 705
Indirect taxes	28 723	6 926
Withholding and other taxes	31 260	26 646
	<u>97 595</u>	<u>57 277</u>
Payable		
Income taxes	55 901	56 034
Indirect taxes	82 770	66 650
Payroll taxes	9 544	13 464
Withholding and other taxes	10 962	8 893
	<u>159 177</u>	<u>145 041</u>

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

19. Deferred tax components

	Campus revaluation \$'000	Prepayments \$'000	Deferred income \$'000	Provisions \$'000	Long term employee benefits \$'000	Tax losses \$'000	Other \$'000	Total \$'000	Asset \$'000	Liability \$'000
At 1 October 2014	(8 173)	(3 642)	13 614	45 975	16 719	37 623	(24 190)	77 926	116 093	(38 167)
Income statement credit - in respect of current year	(1 092)	185	16 401	9 314	508	(22 555)	3 152	5 913	(5 642)	11 555
Income statement charge - in respect of prior year	-	(9)	(59)	(272)	1 887	(3 465)	889	(1 029)	(652)	(377)
Charge to OCI for the period	-	-	-	-	-	(896)	231	(665)	(665)	-
Other movements	-	352	(1 981)	(2 983)	(1 265)	(229)	7 385	1 279	(1 984)	3 263
Exchange differences	1 624	750	(1 433)	(2 254)	(1 766)	(10 999)	1 037	(13 041)	(13 495)	454
Subsidiaries acquired	-	250	480	2 745	10	3 589	(3 707)	3 367	11 300	(7 933)
At 1 October 2015	(7 641)	(2 114)	27 022	52 525	16 093	3 068	(15 203)	73 750	104 955	(31 205)
Income statement credit - in respect of current year	(396)	(103)	8 456	(10 317)	(872)	9 718	2 723	9 209	(4 530)	13 739
Income statement credit - in respect of prior year	-	(11)	(20 791)	(1 464)	(35)	12 426	11 333	1 458	1 287	171
Charge to OCI for the period	-	-	-	-	-	-	163	163	163	-
Other movements	-	29	(47)	(2 736)	(1 750)	3 587	(1 677)	(2 594)	(1 629)	(965)
Exchange differences	(28)	(182)	(605)	2 037	148	1 214	111	2 695	2 641	54
Subsidiaries acquired	-	-	-	431	-	(3 248)	1 226	(1 591)	-	(1 591)
At 30 September 2016	(8 065)	(2 381)	14 035	40 476	13 584	26 765	(1 324)	83 090	102 887	(19 797)

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

19. Deferred tax components *(continued)*

The amounts of deferred tax and temporary differences provided and not provided are analysed as follows:

	2016		2015	
	Provided \$'000	Not provided \$'000	Provided \$'000	Not provided \$'000
Campus revaluation	(8 065)	-	(7 641)	-
Provisions	40 476	13 213	52 525	4 562
Deferred income	14 035	11 926	27 022	6 408
Prepayments	(2 381)	(34)	(2 114)	-
Long term employee benefits	13 584	5 007	16 093	2 839
Tax losses	26 765	136 830	3 068	140 058
Other	(1 324)	2 484	(15 203)	7 297
	83 090	169 426	73 750	161 164

At reporting date, the Group has tax losses available for offset against future profits of \$553.8 million (2015: \$469.9 million), predominantly in Europe and North America, against which \$98.3 million (2015: \$31.5 million) of deferred tax assets have been recognised. No deferred tax assets have been recognised in respect of the remaining \$455.5 million (2015: \$438.4 million) due to the unpredictability of future profit streams. \$103.8 million (2015: \$54.2 million) of the losses expire within five years, while most of the losses expire in later than ten years' time.

No deferred tax assets have been recognised in respect of temporary differences of \$83.6 million (2015: \$54.1 million) due to the unpredictability of future profit streams in respect of such differences.

No deferred tax liabilities have been recognised in respect of temporary differences totalling \$1 173.4 million (2015: \$792.2 million) arising on investments in subsidiaries, associates and interests in joint ventures as it is unlikely that such temporary differences will reverse in the foreseeable future.

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

20. Other financial instruments

	Asset		Liability	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Derivative financial instruments	737	9 517	6 981	3 258
Available for sale investments	6 263	4 508		
Put options			7 759	35 685
Contingent consideration			8 384	47 560
Other liabilities			5 004	3 685
Total	7 000	14 025	28 128	90 188
Non-current	6 263	4 508	6 299	3 445
Current	737	9 517	21 829	86 743
	7 000	14 025	28 128	90 188

Derivative financial instruments

The Group makes extensive use of foreign currency forward contracts to hedge its foreign exchange risks associated with firm commitments and certain future transactions (it does not use derivative financial instruments for speculative purposes). These derivative instruments are recorded at fair value and revalued at each reporting period determined indirectly using observable market inputs.

Available for sale investments

Investments classified as available for sale are measured at fair value. Impairment losses recognised in the income statement are not subsequently reversed through the income statement.

An investment in Angolan Government Bonds was impaired by \$5.1 million due in part to concerns over ongoing US dollar liquidity constraints in the country.

Put options

Put options are held by non-controlling shareholders in the South African operations. These are accounted for using the 'anticipated acquisition' method, whereby a financial liability is raised and the transaction accounted for as if the put option had been exercised already.

Subsequent to initial recognition of an equity interest, the Group recognises changes in the carrying amount of the put liability in equity.

Contingent consideration

Contingent consideration is measured at fair value and subsequent changes are recorded in profit or loss.

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

21. Financial risk factors

Financial assets

2016	Trade and other receivables \$'000	Cash and cash equivalents \$'000	Other \$'000	Total \$'000	Sensitivity analysis	
					Profit or loss \$'000	Equity \$'000
Interest rate						
Floating interest rates	22 863	210 927	737	234 527	2 345	
Fixed interest rates	9 578	34 075	-	43 653	-	
Non-interest bearing	1 757 274	2 656	6 263	1 766 193	-	
	1 789 715	247 658	7 000	2 044 373	2 345	
Currency profile						
Australian dollars	163 506	31 618	-	195 124	1 350	8 135
Euro	304 900	21 728	(6)	326 622	4 663	2 753
Sterling	60 469	3 448	40	63 957	767	(4 620)
US dollars	713 168	34 824	(1 972)	746 020	10 606	42 928
SA rand	158 306	18 606	3 027	179 939	8 534	7 937
Other	389 366	137 434	5 911	532 711	12 061	123
	1 789 715	247 658	7 000	2 044 373	37 981	57 256
2015						
Interest rate						
Floating interest rates	87 016	228 381	9 517	324 914	3 249	
Fixed interest rates	21 769	46 273	-	68 042	-	
Non-interest bearing	1 701 289	7 358	4 508	1 713 155	-	
	1 810 074	282 012	14 025	2 106 111	3 249	
Currency profile						
Australian dollars	152 726	33 592	93	186 411	1 993	6 273
Euro	312 095	(215)	(239)	311 641	4 666	2 321
Sterling	125 699	6 340	2 163	134 202	1 505	(5 464)
US dollars	639 819	(142 375)	1 815	499 259	7 860	38 323
SA rand	206 552	23 406	9 873	239 831	3 677	6 180
Other	373 183	361 264	320	734 767	8 627	1 578
	1 810 074	282 012	14 025	2 106 111	28 328	49 211

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

21. Financial risk factors (continued)

Financial liabilities

2016	Loans and borrowings \$'000	Trade and other payables \$'000	Other \$'000	Total \$'000	Sensitivity analysis	
					Profit or loss \$'000	Equity \$'000
Interest rate						
Floating interest rates	1 586 338	66 649	1 593	1 654 580	16 546	
Fixed interest rates	117 043	2 719	-	119 762	-	
Non-interest bearing	835	1 174 115	26 535	1 201 485	-	
	1 704 216	1 243 483	28 128	2 975 827	16 546	
Currency profile						
Australian dollars	25 936	135 412	420	161 768	753	10 996
Euro	9 558	88 662	3 079	101 299	2 359	6 115
Sterling	489	26 510	-	26 999	1 820	(4 731)
US dollars	1 569 354	638 893	8 150	2 216 397	25 242	58 550
SA rand	60 524	64 335	11 060	135 919	7 907	8 045
Other	38 355	289 671	5 419	333 445	5 629	339
	1 704 216	1 243 483	28 128	2 975 827	43 710	79 314
Maturity analysis						
Within one year	225 076	1 238 460	21 829	1 485 365		
Within two to five years	1 479 140	5 023	6 118	1 490 281		
More than five years	-	-	181	181		
	1 704 216	1 243 483	28 128	2 975 827		
2015						
Interest rate						
Floating interest rates	1 273 561	34 924	1 866	1 310 351	13 104	
Fixed interest rates	126 496	2 285	-	128 781	-	
Non-interest bearing	12 296	1 191 847	88 322	1 292 465	-	
	1 412 353	1 229 056	90 188	2 731 597	13 104	
Currency profile						
Australian dollars	27 744	96 926	1 694	126 364	1 472	10 101
Euro	5 247	119 567	1 913	126 727	2 841	6 079
Sterling	302	64 955	444	65 701	1 136	(5 532)
US dollars	1 265 325	620 546	40 861	1 926 732	23 329	58 965
SA rand	81 049	49 879	41 749	172 677	2 877	6 422
Other	32 686	277 183	3 527	313 396	4 839	113
	1 412 353	1 229 056	90 188	2 731 597	36 494	76 148
Maturity analysis						
Within one year	581 834	1 226 069	86 743	1 894 646		
Within two to five years	597 938	2 987	3 445	604 370		
More than five years	264 816	-	-	264 816		
	1 444 588	1 229 056	90 188	2 763 832		

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

21. Financial risk factors *(continued)*

Financial assets comprise loans and receivables (trade and other receivables, finance lease receivables, loans to associates and cash and cash equivalents), available for sale investments and fair value through profit or loss (derivative financial instruments).

Financial liabilities comprise amortised cost (trade and other payables, finance lease obligations, loans and borrowings and other long term liabilities) and fair value through profit or loss (derivative financial instruments).

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset when the contractual rights to cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership are transferred, or it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Group has a legal right to offset the amounts and intends to either settle them on a net basis or to realise the asset and settle the liability simultaneously.

The carrying amounts of financial assets and liabilities approximate their fair values.

The principal risks arising from the Group's financial instruments are liquidity, credit and market risk (including currency and interest rate).

Liquidity risk

Liquidity risk is managed through control over operational metrics (especially working capital) coupled with active cash flow planning. In this regard, the Group has substantial funding facilities with its controlling shareholder, but also utilises other sources of funding, including various bank loans and vendor funding. Internal funding is orchestrated centrally, with Group subsidiaries required to source their liquidity requirements from the Group's Central treasury.

The Group's total borrowings increased over the period from \$1 412.4 million to \$1 704.2 million.

Undrawn facilities amounted to \$503 million at period end.

Credit risk

Credit risk relating to trade receivables is considered acceptable due to the nature of our clients, mostly being large blue chip or government organisations. Our clients are also spread across diverse industries and geographical areas. Credit checks are undertaken as appropriate. The Group holds credit insurance in respect of certain trade receivables balances. With regard to cash, Group policy is to invest only with high quality banks or money market funds.

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

21. Financial risk factors *(continued)*

Currency risk

The Group does not hedge earnings to the US dollar. Earnings are generated in a number of currencies other than the US dollar, the most important of which are the Euro, Sterling, Australian dollar and the South African rand. As a result, fluctuations in exchange rates will lead to fluctuations in reported earnings. Similarly, the Group's net asset position as reported in US dollars will fluctuate.

The Group does however hedge the exchange rate risk of financial assets and liabilities denominated in currencies other than the applicable functional currency of the relevant subsidiary.

Where repayment of intra-Group loans is unlikely in the foreseeable future, such loans are treated as equity in nature and any gains or losses arising on revaluation are recognised in other comprehensive income and accumulated in the translation reserve.

Interest rate risk

The Group is not exposed to significant fixed rate financial assets or liabilities.

Capital risk management

The Group's net debt to equity ratio was 5.5 times at period end (2015: 2.4 times). Net debt consists of loans and borrowings (note 14), finance lease receivables (note 11.2) and cash and cash equivalents.

Sensitivity analysis

Currency sensitivity

The tables in note 21 provide an approximation of the sensitivity of the Group's earnings to revaluations of financial instruments arising from exchange rate fluctuations against the US dollar.

Interest rate sensitivity

The sensitivity analyses included in note 21 represent the approximate impact on earnings of a 100 bps change in interest rates attaching to the Group's floating rate financial instruments.

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

22. Goodwill

	2016 \$'000	2015 \$'000
Cost		
At 1 October	905 178	799 484
Recognised on acquisition of subsidiaries and businesses	42 768	185 422
Derecognition on sale of subsidiary (note 23)	(13 638)	-
Measurement period adjustments	3 282	5 018
Exchange differences	14 550	(84 746)
At 30 September	952 140	905 178
Accumulated impairment		
At 1 October	17 372	15 095
Impairment loss recognised in profit or loss	71 555	4 000
Exchange differences	1 356	(1 723)
At 30 September	90 283	17 372
Net carrying value at the end of the year	861 857	887 806

Goodwill is reflected at cost less accumulated impairment losses. Major cash generating units (CGUs) to which goodwill is attributed include Dimension Data Asia Pacific (\$273.4 million), Nexus (\$147.2 million), Dimension Data Communications (\$143.8 million), Cloud (Opsource and Bluefire) (\$96.8 million), Oakton (\$59.3 million), Application Services (\$61.9 million) and Internet Solutions (\$49.0 million).

Goodwill is allocated to the CGU expected to benefit from the acquisition or business combination. CGUs are then formally tested for impairment on an annual basis, or earlier if there is an indication of impairment in the CGU's carrying value (including goodwill). If the recoverable amount of the CGU is less than the carrying amount of the CGU, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the CGU. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. On disposal of a subsidiary or associate, any attributed goodwill is included in the determination of the profit or loss on disposal.

The key assumptions used in determining value in use of a CGU relate to expected growth in earnings during the forecast period, terminal growth rates and discount rates. Reference is made to the Group's five or eight year business plans. Discount rates vary according to the entity, currency and jurisdiction, and range between 7.91% and 15.5%. A terminal growth rate of 1.86% was used in determining the value in use of a CGU. The CGUs located in European, American, Asian and Australian regions had lower discounts rates and terminal growth rates than Middle East and Africa regions. Management believes that any reasonable change in the key assumptions would not cause the carrying amounts to exceed their recoverable amounts.

Goodwill in Oakton (\$54.1 million) and CLM (previously Xigo) (\$17.4 million) was impaired during the year, leaving net recoverable amounts after impairment of \$59.3 million and \$10.4 million in respect of Oakton and CLM respectively.

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

23. Business combinations

The Group acquired the share capital of the communication division of the Jebsen & Jessen Group, a South East Asian engineering, manufacturing and distribution company, with effect from 1 February 2016.

The Group also acquired the share capital of Ceryx, a Canadian company offering Microsoft Messaging & Collaboration services, in April 2016.

These transactions provide improved scale in the relevant territories, access to complementary skills sets, and an expanded client base.

The goodwill and intangible asset calculations in relation to all acquisitions in the period are provisional and will be finalised within a year of acquisition.

Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred:

	Jebsen & Jessen \$'000	Ceryx \$'000	Other \$'000	Total \$'000
Cash	29 038	21 662	2 846	53 546
Contingent consideration	7 686	-	-	7 686
Total	36 724	21 662	2 846	61 232

Costs of \$3.4 million were incurred on legal fees, due diligence and other advisory fees during the year.

Identifiable assets acquired and liabilities assumed

	Jebsen & Jessen \$'000	Ceryx \$'000	Other \$'000	Total \$'000
Property, plant and equipment	402	2 692	-	3 094
Intangible assets	4 024	4 593	566	9 183
Inventories	256	-	-	256
Trade and other receivables	19 386	2 444	158	21 988
Cash and cash equivalents	2 566	84	-	2 650
Other liabilities	(4 186)	(1 137)	-	(5 323)
Deferred tax liabilities	(455)	(978)	(158)	(1 591)
Trade and other payables	(9 205)	(2 409)	(179)	(11 793)
Total identifiable net assets acquired	12 788	5 289	387	18 464

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

23. Business combinations (continued)

Goodwill, relating mainly to the expansion of the Group's geographical presence, adoption of the work force and anticipated synergies has been recognised as follows:

	Jebsen & Jessen \$'000	Ceryx \$'000	Other \$'000	Total \$'000
Consideration transferred	36 724	21 662	2 846	61 232
Fair value of identifiable net assets	<u>12 788</u>	<u>5 289</u>	<u>387</u>	<u>18 464</u>
Goodwill	<u>23 936</u>	<u>16 373</u>	<u>2 459</u>	<u>42 768</u>

Ceryx generated \$6.0 million of revenue and \$nil of operating profit for the period since acquisition.

The operations of Jebsen & Jessen and Other have been integrated into other businesses, therefore it is not possible to separately disclose their post-acquisition revenue and profit.

The purchase price allocation of Britehouse was finalised during the period, and the following adjustments were made.

	Original \$'000	Revised \$'000
Intangible assets	11 394	6 836
Goodwill	50 713	53 995
Deferred tax liability	<u>(3 190)</u>	<u>(1 914)</u>
	<u>58 917</u>	<u>58 917</u>

The acquisition of subsidiaries is accounted for using the acquisition method, whereby the cost of the acquisition is measured at 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 assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. Measurement of fair values of intangible assets use the following methods:

Relief-from-royalty method and multi-period excess earnings method: The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents or trademarks being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

23. Business combinations *(continued)*

Goodwill is recognised as the excess of the sum of the consideration transferred, the amount of any non-controlling interest and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition date fair value of the identifiable assets acquired and liabilities assumed. In the event of a shortfall, a gain (bargain purchase) is recognised immediately after reassessing the identification and measurement of the assets acquired and liabilities assumed.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholder's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

When there is a change in shareholding in a subsidiary, without loss of control, the assets and liabilities are not remeasured to reflect their fair values at the date of the transaction. The entire difference between the purchase amount and the change in non-controlling interests is reflected in the change in holdings reserve.

During the year the Group disposed of its interests in NTT Innovation (19%), Earthwave (100%) and the TSYS group (45%), generating a profit of \$7.1 million. Goodwill amounting to \$13.6 million (note 22) was derecognised on the disposal of Earthwave. NTT Innovation (profit \$5.5 million) and Earthwave (profit \$1.3 million) were sold to companies in the NTT group (note 25).

24. Discontinued and held for sale operations

Certain operations were discontinued or reclassified as held for sale during the period. Such operations, and their associated assets and liabilities, are classified as held for sale if it is highly probable that they will either be abandoned or recovered primarily through sale rather than through continuing use within 12 months after reporting date.

Results of discontinued and held for sale operations

	2016 \$'000	2015 \$'000
Revenue	116 659	51 205
Cost of sales	<u>(98 657)</u>	<u>(43 051)</u>
Gross profit	18 002	8 154
Operating overheads	<u>(29 255)</u>	<u>(18 159)</u>
Operating loss	(11 253)	(10 005)
Finance costs	(1 241)	(522)
Other gains and losses	<u>(5 563)</u>	<u>(8 211)</u>
Loss before tax	(18 057)	(18 738)
Taxation	<u>(4 874)</u>	<u>(1 003)</u>
Loss from discontinued operations	(22 931)	(19 741)

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

24. Discontinued and held for sale operations *(continued)*

Assets and liabilities held for sale

	2016 \$'000	2015 \$'000
Property, plant and equipment	3 233	607
Intangible assets	80	242
Deferred tax assets	1 296	64
Inventories	2 594	7 708
Trade and other receivables	30 972	26 621
Prepayments	2 536	667
Taxation authorities receivable	5 105	2 571
Cash and cash equivalents	1 960	(5 050)
Assets held for sale	47 776	33 430
Loans and borrowings	4 196	11 750
Trade and other payables	19 623	11 981
Employee benefits	2 745	2 395
Taxation authorities payable	3 888	4 054
Deferred revenue	3 975	528
Provisions	20 498	1 288
Other liabilities	-	5 586
Liabilities held for sale	54 925	37 582

Assets held for sale are reflected at the lower of fair value less costs to sell, and carrying value. Any impairment is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's other accounting policies.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

25. Related-party transactions

Related parties include directors of the Company, and entities with common shareholders (direct or indirect) or common directors.

- The Group, in the ordinary course of business, enters into various sale, purchase, service and investment transactions with fellow subsidiaries and associates. These transactions are conducted under terms that are no more favourable than if they had been arranged with third parties. The sales of goods and provision of services between subsidiaries amounted to \$343.6 million (2015: \$312.2 million).
- Employee benefits paid to directors are disclosed in note 13.3. Terms of loans with NTT are disclosed in note 14.
- Transactions with the NTT group were as follows:

	2016 \$'000	2015 \$'000
Revenue	91 260	70 068
Current trade receivables	16 595	10 501
Current trade payables	4 480	3 191
Shareholder loans - current	441 445	327 084
Shareholder loans - non-current	986 683	741 012
Management fees paid	6 155	4 335
Interest paid	14 661	7 135
Dividends paid	-	38 900

Refer to note 23 for details of entities sold to the NTT group.

26. Subsequent events

Subsequent to year end the Group disposed of its interests in Learning Solutions, a training business in Australia, and in Dimension Data Portugal.

27. Contingent liabilities

The Group is subject to various claims in the ordinary course of business, none of which is significant individually or in aggregate. In addition, guarantees given to banks and other third parties, primarily in respect of contract performance, amounted to \$505.5 million (2015: \$493.1 million). This is the aggregate maximum amount guaranteed and historically there have been no material claims associated with such guarantees.

28. Reporting entity

Dimension Data Holdings plc is domiciled in the United Kingdom. The Company's registered office is at Dimension Data House, Building 2, Waterfront Business Park, Fleet Road, Fleet, Hampshire GU51 3QT. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies').

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

29. Basis of preparation

The consolidated and Company financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and those parts of the Companies Act 2006 applicable to those companies reporting under IFRS, as adopted by the EU.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Group Strategic Report on pages 2 to 4. The financial position and liquidity position of the Group are set out in the consolidated statement of financial position, together with the consolidated statement of cash flows. In addition, note 21 to the financial statements records the Group's approach to managing its liquidity and its capital; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk, together with borrowing facilities. The Directors believe that the Group has adequate financial resources, including funding and facilities, together with long term contracts with a number of customers and suppliers across different geographic areas and industries, to manage its business risks successfully and to continue to operate for the foreseeable future. Furthermore the parent company has confirmed its intention to take reasonable necessary means to enable the company to continue to trade without significant curtailment of its activities. The going concern basis of accounting continues to be adopted in preparing the annual financial statements.

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at reporting date, and the reported amounts of revenue and expenses during the reported period. Whilst these estimates and assumptions are based on management's best knowledge of the amount, events or actions, actual results may differ.

New and revised standards and interpretations adopted during the year

No new standards and interpretations were adopted in the current financial year.

30. Other significant accounting policies

The accounting policies set out below and those included elsewhere in the notes have been used in preparation of the consolidated financial statements and the Company financial statements where applicable. The significant accounting policies have been applied consistently to all periods presented. The consolidated financial information has been prepared on the historical cost basis, except for certain financial instruments, investment property, net defined benefit liabilities and share-based payment transactions.

30.1 Foreign currencies

Functional and presentation currency

The separate financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are reported in US dollars.

Foreign currency transactions

Transactions in currencies other than the functional currency of the entities are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised in other comprehensive income.

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

30. Other significant accounting policies (continued)

30.1 Foreign currencies (continued)

Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accounted for in the translation reserve. When a foreign operation is disposed of in its entirety or partially, such that control, significant influence or joint control is lost, the cumulative translation differences in the translation reserve related to the foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes only part of its interest in a subsidiary, but retains control, then the relevant proportion of the cumulative amount is reattributed to the non-controlling interest. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

Exchange rates

The following table reflects the average and period end exchange rates against the US dollar for the material currencies within the Group:

	2016		2015	
	Average	Period end	Average	Period end
Australian dollar	1.318	1.310	1.399	1.426
Euro	0.894	0.892	0.897	0.888
South African rand	14.122	13.910	13.317	13.949
Sterling	0.764	0.771	0.650	0.660
Chinese yuan	6.544	6.670	6.227	6.356
Kenyan shilling	101.420	101.420	103.842	105.263
Malaysian ringgit	4.140	4.143	3.670	4.449
Philippine peso	47.030	48.475	45.400	46.885
Singapore dollar	1.383	1.366	1.347	1.427
Thai baht	35.560	34.710	33.710	36.627
Indian rupee	66.990	66.860	63.270	65.960

30.2 Impairment of tangible and intangible assets excluding goodwill

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. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Management's financial projections used for purposes of impairment testing range between five and eight years.

Recoverable amount is the higher of fair value less costs of disposal 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 for which the estimates of future cash flows have not been adjusted.

Where an impairment loss reverses in a subsequent period, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only to the extent of the original carrying amount.

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

30. Other significant accounting policies *(continued)*

30.3 Prepayments

Prepayments comprise mainly vendor managed services support and other operating expenses.

30.4 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interest in equity accounted investees

The Group's interests in equity-accounted investees include associates and joint ventures. Associates are entities over whose financial and operational policies the Group has significant influence, but not control or joint control. Significant influence is presumed to exist when the Group holds between 20 and 50 per cent of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control with rights to the net assets of the arrangement.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs, the Group's share of the profit or loss and OCI, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

All intra-group transactions, balances, income and expenses with subsidiaries are eliminated on consolidation. Where a Group company 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. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

31. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, management is required to make estimates and assumptions that affect the reported amounts of income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Management uses all available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, and any subsequent changes are accounted for with an effect in income at the time such information becomes available. The significant judgements and estimates are included in the relevant notes.

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

32. Standards and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 October 2016, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early and will adopt these standard when they are effective.

Standard	Summary of changes	Effective date/ EU Endorsement status
<i>Annual Improvements to IFRSs - 2012-2014 Cycle</i>	This cycle of improvements contains amendments to the following standards. <ul style="list-style-type: none"> • IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> - Changes in method for disposal • IAS 19 <i>Employee Benefits</i> - Discount rate in a regional market sharing the same currency - e.g. the Eurozone 	Endorsed (15 December 2015) EU effective date 1 January 2016
<i>Disclosure Initiative - Amendments to IAS 1</i>	Amendments to IAS 1 on presentation of financial statements should not require any significant change to current practice, but should facilitate improved financial statement disclosures.	Endorsed (18 December 2015) EU effective date 1 January 2016
<i>Recognition of Deferred Tax Assets for Unrealised Losses - Amendments to IAS 12</i>	The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value and should resolve the significant diversity in practice.	Not yet endorsed
<i>Disclosure Initiative - Amendments to IAS 7</i>	The amendments require disclosures that enable evaluation of changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. For example, a reconciliation between the opening and closing balances for liabilities arising from financing activities would meet this new disclosure requirement.	Not yet endorsed

Dimension Data Holdings plc

Notes to the financial statements (continued)

for the year ended 30 September 2016

32. Standards and interpretations issued but not yet effective (continued)

IASB effective for annual periods beginning on or after 1 January 2018

Standard	Summary of changes	Effective date/ EU Endorsement status
<p><i>IFRS 9 Financial Instruments</i></p>	<p>First chapters of new standard on accounting for financial instruments which will replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i>.</p> <p>The standard contains two primary measurement categories for financial assets:</p> <ul style="list-style-type: none"> • amortised cost; and • fair value. <p>Financial assets are classified into one of these categories on initial recognition.</p> <p>A financial asset is measured at amortised cost if the following conditions are met:</p> <ul style="list-style-type: none"> • it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and • its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. <p>All other financial assets are measured at fair value.</p> <p><i>IFRS 9 Financial Instruments (Hedge accounting and Amendments to IFRS 9, IFRS 7 and IAS 39)</i> issued November 2013:</p> <ul style="list-style-type: none"> • new hedge accounting chapter added; • improvements to the reporting of changes in the fair value of an entity's own debt contained in IFRS 9 made more readily available; and • removal of the mandatory effective date of IFRS 9. <p>Subsequently, the IASB has set the effective date of IFRS 9 as periods beginning on or after 1 January 2018.</p>	<p>Endorsed (22 November 2016) EU effective date 1 January 2018</p>
<p><i>IFRS 15 Revenue from Contracts with Customers</i></p>	<p>The standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue - Barter Transactions Involving Advertising Services.</p> <p>It applies to contracts with customers but does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties.</p> <p>The standard introduces a new revenue recognition model that recognises revenue either at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.</p>	<p>Endorsed (22 September 2016) EU effective date 1 January 2018</p>

Dimension Data Holdings plc

Notes to the financial statements *(continued)*

for the year ended 30 September 2016

32. Standards and interpretations issued but not yet effective *(continued)*

IASB effective for annual periods beginning on or after 1 January 2018 *(continued)*

Standard	Summary of changes	Effective date/ EU Endorsement status
<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i>	The clarifications pertain to: <ul style="list-style-type: none"> • application of existing criteria for recognising licence revenues at a point in time or over time; • when the exception for sales-and-usage-based royalties apply; • how a company applies the control principle to assessing whether it is a principal or an agent; • when a promised good or service is 'distinct within the context of the contract'; • transition options 	Not yet endorsed
<i>Effective date of IFRS 15 - amendment to IFRS 15</i>	The IASB's amendment to IFRS 15 formalised the deferral of the effective date by one year to 1 January 2018.	Endorsed (22 September 2016) EU effective date 1 January 2018
<i>Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2</i>	The amendments will improve consistency in the following three accounting areas: <ul style="list-style-type: none"> • measurement of cash-settled share-based payments; • classification of share-based payments settled net of tax withholdings; and • accounting for a modification of a share-based payment from cash-settled to equity-settled. <p>Early adoption is permitted.</p>	Not yet endorsed
<i>IFRS 16 Leases</i>	IFRS 16 changes fundamentally the accounting for leases by lessees. It eliminates the current IAS 17 dual accounting model, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases and, instead, introduces a single, on-balance sheet accounting model that is similar to current finance lease accounting. <p>Lessor accounting remains similar to current practice - i.e. lessors continue to classify leases as finance and operating leases. Sale-and-leaseback is effectively eliminated as an off-balance sheet financing structure.</p> <p>Early adoption is possible provided IFRS 15 has also been adopted.</p>	Not yet endorsed

Dimension Data Holdings plc

Company statement of financial position

as at 30 September 2016

	Notes	2016 \$'000	2015 \$'000
Assets			
Non-current assets			
Investment in subsidiaries	A	2 284 109	2 036 450
Investment in associate at cost		-	9 974
		2 284 109	2 046 424
Current assets			
Derivative financial instruments		-	93
Taxation authorities receivable		20 812	11 939
Cash and cash equivalents		89 353	78 487
		110 165	90 519
Total assets		2 394 274	2 136 943
Equity and liabilities			
Capital and reserves			
Share capital and share premium	D	576 849	576 849
Retained earnings		254 993	315 956
Total equity		831 842	892 805
Non-current liabilities			
Loans and borrowings	14	986 683	741 012
		986 683	741 012
Current liabilities			
Loans and borrowings	14	571 597	502 194
Trade and other payables	B	812	932
Derivative financial instruments		3 340	-
		575 749	503 126
Total liabilities		1 562 432	1 244 138
Total equity and liabilities		2 394 274	2 136 943

The financial statements were approved by the Board of Directors on 20 March 2017


Jason Goodall
 Chief Executive Officer


Dave Sherriffs
 Chief Financial Officer

Dimension Data Holdings plc

Company statement of cash flows

for the year ended 30 September 2016

	2016 \$'000	2015 \$'000
Operating activities		
Operating loss	(65 165)	(93 213)
Non-cash adjustments - translation differences	<u>63 299</u>	<u>96 535</u>
Cash (utilised)/generated before working capital movements	(1 866)	3 322
Decrease in trade and other receivables	-	64 535
Decrease in payables	(701)	(826)
Movement on amounts due by subsidiaries	<u>(200 661)</u>	<u>(107 112)</u>
Cash utilised in operations	(203 228)	(40 081)
Income taxes paid	<u>(7 932)</u>	<u>(17 229)</u>
Net cash utilised in operating activities	<u>(211 160)</u>	<u>(57 310)</u>
Investing activities		
Interest received	43 105	33 832
Changes in holdings	(136 654)	(74 790)
Capital contribution to an associate	(3 462)	(5 021)
Proceeds on sale of associate	14 747	-
Dividends received	<u>6 066</u>	<u>-</u>
Net cash utilised in investing activities	<u>(76 198)</u>	<u>(45 979)</u>
Financing activities		
Interest paid	(16 850)	(9 759)
Net loans raised	315 074	286 879
Dividends paid	<u>-</u>	<u>(38 900)</u>
Net cash generated by financing activities	<u>298 224</u>	<u>238 220</u>
Net increase in cash and cash equivalents	10 866	134 931
Cash and cash equivalents at beginning of year	<u>78 487</u>	<u>(56 444)</u>
Cash and cash equivalents at end of year	<u>89 353</u>	<u>78 487</u>

Dimension Data Holdings plc

Company statement of changes in equity

for the year ended 30 September 2016

	Share capital \$'000	Share premium \$'000	Retained earnings \$'000	Total equity \$'000
At 30 September 2014	17 760	559 089	225 496	802 345
Profit for the year	-	-	129 360	129 360
Items recognised directly in equity				
Dividends paid	-	-	(38 900)	(38 900)
At 30 September 2015	17 760	559 089	315 956	892 805
Loss for the year	-	-	(60 963)	(60 963)
At 30 September 2016	17 760	559 089	254 993	831 842

Company's financial statements for the year ended 30 September 2016

Dimension Data Holdings plc

Notes to Company statement of financial position

for the year ended 30 September 2016

	2016 \$'000	2015 \$'000
A Investment in subsidiaries		
Investments in subsidiaries are carried at cost less provisions for impairments.		
Shares in subsidiaries	1 690 751	1 554 097
Net amounts due by subsidiary undertakings	593 358	482 353
	2 284 109	2 036 450
Analysis of movement in shares in subsidiaries:		
Balance at beginning of year	1 554 097	1 588 171
Changes in holdings and recapitalisation of subsidiaries	136 654	(6 560)
Impairment	-	(27 514)
	1 690 751	1 554 097
B Trade and other payables		
Accruals	812	932

C Profit for the year

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own income statement and statement of other comprehensive income for the year. The Company reported a loss for the year of \$61.0 million (2015: profit \$129.4 million).

D Share capital and premium

	2016		2015	
	Number of shares	\$'000	Number of shares	\$'000
Called up, allocated and fully paid up				
Deferred shares of £1 each	50 000	75	50 000	75
Ordinary shares of 1 US cent each	1 761 651 240	17 616	1 761 651 240	17 616
A ordinary shares of 0.1 US cent each	15 172 684	15	15 172 684	15
B ordinary shares of 0.1 US cent each	20 196 399	20	20 196 399	20
C ordinary shares of 0.1 US cent each	11 470 030	12	11 470 030	12
D ordinary shares of 0.1 US cent each	22 466 812	22	22 466 812	22
		17 760		17 760
Share premium		559 089		559 089
		576 849		576 849

Dimension Data Holdings plc

Notes to Company statement of financial position *(continued)*

for the year ended 30 September 2016

E Financial risk factors

Financial assets

	Trade and other receivables \$'000	Cash and cash equivalents \$'000	Other \$'000	Total \$'000	Sensitivity analysis Profit or loss \$'000
2016					
Interest rate					
Floating interest rates	446 943	89 353	-	536 296	5 363
Fixed interest rates	-	-	-	-	-
Non-interest bearing	802 265	-	-	802 265	-
	1 249 208	89 353	-	1 338 561	5 363
Currency profile					
Australian dollars	110 896	(1 526)	-	109 370	1 094
Euro	27 054	(35 970)	-	(8 916)	(89)
Sterling	(514 007)	(9)	-	(514 016)	(5 140)
US dollars	1 130 499	115 822	-	1 246 321	12 463
SA rand	473 314	(6 239)	-	467 075	4 671
Other	21 452	17 275	-	38 727	387
	1 249 208	89 353	-	1 338 561	13 386
2015					
Interest rate					
Floating interest rates	356 393	78 487	93	434 973	4 350
Fixed interest rates	-	-	-	-	-
Non-interest bearing	707 586	-	-	707 586	-
	1 063 979	78 487	93	1 142 559	4 350
Currency profile					
Australian dollars	(18 069)	26 642	-	8 573	86
Euro	34 614	(43 633)	-	(9 019)	(90)
Sterling	(599 559)	-	-	(599 559)	(5 996)
US dollars	1 291 493	95 493	93	1 387 079	13 871
SA rand	355 500	(41)	-	355 459	3 555
Other	-	26	-	26	-
	1 063 979	78 487	93	1 142 559	11 426

Dimension Data Holdings plc

Notes to Company statement of financial position (continued)

for the year ended 30 September 2016

E Financial risk factors (continued)

Financial liabilities

				Sensitivity analysis
	Loans and borrowings \$'000	Trade and other payables \$'000	Total \$'000	Profit or loss \$'000
2016				
Maturity analysis				
Within one year	131 274	812	132 086	
Within two to five years	1 428 128	-	1 428 128	
More than five years	654 728	-	654 728	
	2 214 130	812	2 214 942	
Interest rate				
Floating interest rates	1 559 402	-	1 559 402	15 594
Fixed interest rates	-	-	-	-
Non-interest bearing	654 728	812	655 540	-
	2 214 130	812	2 214 942	15 594
Currency profile				
Australian dollars	844	-	844	8
Euro	(2 657)	-	(2 657)	(27)
Sterling	(813 183)	-	(813 183)	(8 132)
US dollars	3 025 952	812	3 026 764	30 268
SA rand	3 174	-	3 174	32
Other	-	-	-	-
	2 214 130	812	2 214 942	22 149
2015				
Maturity analysis				
Within one year	523 498	932	524 430	
Within two to five years	508 007	-	508 007	
More than five years	825 563	-	825 563	
	1 857 068	932	1 858 000	
Interest rate				
Floating interest rates	1 264 509	-	1 264 509	12 645
Fixed interest rates	-	-	-	-
Non-interest bearing	560 325	932	561 257	-
	1 824 834	932	1 825 766	12 645
Currency profile				
Australian dollars	775	-	775	8
Euro	(2 666)	-	(2 666)	(27)
Sterling	(950 793)	-	(950 793)	(9 508)
US dollars	2 753 874	932	2 754 806	27 548
SA rand	23 644	-	23 644	237
Other	-	-	-	-
	1 824 834	932	1 825 766	18 258

F Parent Company guarantees

The Company has outstanding guarantees issued as support for various financial commitments of its subsidiaries. In addition, the Company has issued contract performance guarantees (refer note 27). At 30 September 2016 the Company has issued total guarantees of \$1 491.5 million (2015: \$1 411.9 million).

Dimension Data Holdings plc

Related undertakings

for the year ended 30 September 2016

Name	Jurisdiction of Incorporation	Effective interest	
		2016 %	2015 %
3Fifteen Technology Solutions (Proprietary) Limited	South Africa	91.76	93.12
Access IT Limited	Kenya	91.76	87.76
AccessKenya Group Limited	Kenya	91.76	87.76
Acumen Alliance Services Pty Ltd	Australia	100	100
Agile Business Solutions (Pty) Ltd	South Africa	91.76	87.76
Always On Broadband Wireless Solutions (Pty) Ltd	South Africa	91.76	87.76
Antfarm Proprietary Limited	South Africa	46.80	44.76
Bellerephon Group Pty Ltd	Australia	100	100
Britehouse Automotive (Pty) Ltd (previously AutoMate Dealer Management Systems (Proprietary) Limited)	South Africa	91.76	93.12
Britehouse Business Process Management (Pty) Ltd	South Africa	91.76	93.12
Britehouse Digital (Pty) Ltd (previously 3Fifteen Technology Solutions Cape town (Proprietary) Limited)	South Africa	91.76	93.12
Britehouse Holdings (Proprietary) Limited	South Africa	91.76	93.12
Britehouse Mobility (Proprietary) Limited	South Africa	55.06	55.87
Britehouse SSD (Proprietary) Limited	South Africa	91.76	93.12
Britehouse Telematics (Pty) Ltd (Previously Onearch Solutions (Proprietary) Limited)	South Africa	91.76	93.12
Britehouse VPlatform Solutions (Pty) Ltd	South Africa	91.76	66.12
Broadband Access Limited	Kenya	-	87.76
Ceryx Inc.	Canada	100	-
Communication Power and Design Pte Ltd	Singapore	100	100
Communication Solutions Limited	Kenya	-	87.76
CompuBrand Solutions (Pty) Ltd	South Africa	46.80	47.49
Comtech Holdings NV	Belgium	100	100
Consolidate Configuration Services (Pty) Limited	Malawi	91.76	87.76
Continuity Africa (Pty) Limited	South Africa	91.76	87.76
Continuity Services (Pty) Limited	South Africa	91.76	87.76
ContinuitySA Proprietary Limited	South Africa	91.76	87.76
Data Systems Design (Proprietary) Limited	South Africa	91.76	87.76
Datacraft (Malaysia) Sdn Bhd	Malaysia	100	100
Datacraft Pty Limited	Australia	100	100
Dataflo SA (Pty) Ltd	South Africa	91.76	87.76
DD MEA (Proprietary) Limited	Swaziland	91.76	-
DDA Holdings Pty Limited	Australia	100	100
DFI Consulting (Thailand) Co, Limited	Thailand	100	100
DFI Consulting Philippines Inc	Philippines	100	100
Dimension Data (Beijing) Limited	China	100	100
Dimension Data (Botswana) (Proprietary) Limited	Botswana	73.41	70.21
Dimension Data (Macau) Limited	Macau	100	100
Dimension Data (Malaysia) SDN. BHD.	Malaysia	100	100
Dimension Data (Pty) Ltd	South Africa	91.76	87.76
Dimension Data (Shanghai) Ltd	China	100	100
Dimension Data (Singapore) Pte Ltd	Singapore	100	100
Dimension Data (South Africa) Holdings (Proprietary) Limited	South Africa	100	100
Dimension Data (Tanzania) Limited	Tanzania	91.76	87.76
Dimension Data (Thailand) Limited	Thailand	100	100

Dimension Data Holdings plc

Related undertakings (continued)

for the year ended 30 September 2016

Name	Jurisdiction of Incorporation	Effective interest	
		2016 %	2015 %
Dimension Data (US) II, Inc	United States	100	100
Dimension Data (US) Inc	United States	100	100
Dimension Data Advanced Infrastructure Limited	United Kingdom	92.61	92.61
Dimension Data Advanced Infrastructure (Pty) Ltd (Previously Plessey South Africa (Proprietary) Limited)	South Africa	91.76	87.76
Dimension Data Algeria	Algeria	100	100
Dimension Data Angola Limitada	Angola	46.80	44.76
Dimension Data Argentina SA	Argentina	100	100
Dimension Data Asia Pacific Investments BV	Netherlands	100	100
Dimension Data Asia Pacific Pte Ltd	Singapore	100	100
Dimension Data Asia Pacific Trust Pte Ltd	Singapore	100	100
Dimension Data Australia Pty Limited	Australia	100	100
Dimension Data Australian Holdings NV	Belgium	100	100
Dimension Data Austria GmbH	Austria	100	100
Dimension Data Belgium NV	Belgium	100	100
Dimension Data Brasil Tecnologia da Informação LTDA	Brazil	100	100
Dimension Data Canada Inc	Canada	100	100
Dimension Data CBU (Cloud Business Unit) Ltd	Israel	100	100
Dimension Data Chile S.A	Chile	100	100
Dimension Data China/Hong Kong Limited	Hong Kong	100	100
Dimension Data Cloud Solutions Australia Pty Limited	Australia	100	100
Dimension Data Cloud Solutions India Private Limited	India	100	100
Dimension Data Cloud Solutions, Inc.	United States	100	100
Dimension Data Cloud Solutions, Ireland Limited	Ireland	100	100
Dimension Data Cloud Solutions, United Kingdom Limited	United Kingdom	100	100
Dimension Data Colombia SAS	Colombia	100	-
Dimension Data Comercia e Serviços de Tecnologia LTDA	Brazil	100	100
Dimension Data Commerce Centre (UK) Limited	United Kingdom	100	100
Dimension Data Commerce Centre Limited	Isle Of Man	100	100
Dimension Data Commerce Centre Mexico S.A. de C.V.	Mexico	100	100
Dimension Data Communications (Services) UK Limited	United Kingdom	100	100
Dimension Data Communications Deutschland GmbH	Germany	-	100
Dimension Data Communications Espana SL	Spain	-	100
Dimension Data Communications Nederland BV	Netherlands	-	100
Dimension Data Communications PSF Luxembourg SA	Luxembourg	-	100
Dimension Data Communications UK Limited	United Kingdom	100	100
Dimension Data Communications UK Trustee Limited	United Kingdom	100	100
Dimension Data Czech Republic a.s.	Czech Republic	-	100
Dimension Data Czech Republic s.r.o (previously Dimension Data Communications Czech s.r.o)	Czech Republic	100	100
Dimension Data Deutschland Holdings GmbH	Germany	100	100
Dimension Data Espana S.L.U	Spain	100	100
Dimension Data Facilities (Proprietary) Limited	South Africa	100	100
Dimension Data France SAS	France	100	100
Dimension Data Germany AG & Co. KG	Germany	100	100
Dimension Data Global Management Services Limited	Isle Of Man	100	100

Dimension Data Holdings plc

Related undertakings (continued)

for the year ended 30 September 2016

Name	Jurisdiction of Incorporation	Effective interest	
		2016 %	2015 %
Dimension Data Global Services Limited	United Kingdom	100	100
Dimension Data Government Services Inc	United States	100	100
Dimension Data Holdings (Thailand) Limited	Thailand	100	100
Dimension Data Holdings Nederland BV	Netherlands	100	100
Dimension Data Holdings NV	Belgium	100	100
Dimension Data Hong Kong Limited	Hong Kong	100	100
Dimension Data IDC Services Private Limited	India	100	100
Dimension Data India Private Limited	India	100	100
Dimension Data Integrated Security Solutions (Proprietary) Limited	South Africa	91.76	87.76
Dimension Data International Limited	Malta	100	100
Dimension Data International Service & Projekt GmbH	Germany	100	100
Dimension Data Ireland Limited	Ireland	100	100
Dimension Data Italia SPA	Italy	100	100
Dimension Data Japan Inc	Japan	100	100
Dimension Data Korea Inc	Korea, Republic of	100	100
Dimension Data Learning Solutions Pty Limited	Australia	100	100
Dimension Data Limited	United Kingdom	100	100
Dimension Data Limited	Ghana	91.76	87.76
Dimension Data Limited	Nigeria	91.76	87.76
Dimension Data LLC	Oman	91.76	87.76
Dimension Data Luxembourg PSF SA	Luxembourg	100	100
Dimension Data Luxembourg SA	Luxembourg	100	100
Dimension Data Magyarország Kereskedelmi és Szolgáltató Kft	Hungary	100	100
Dimension Data Management Services (Proprietary) Limited	South Africa	100	100
Dimension Data Maroc sarl	Morocco	-	44.76
Dimension Data Mexico Services S. de R.L. de C.V	Mexico	100	100
Dimension Data Middle East and Africa (Proprietary) Limited	South Africa	91.76	87.76
Dimension Data Middle East FZ LLC	United Arab Emirates	91.76	87.76
Dimension Data Middle East LLC	United Arab Emirates	91.76	87.76
Dimension Data N. A. Holding NV	Belgium	100	100
Dimension Data Namibia (Pty) Ltd	Namibia	46.80	44.76
Dimension Data Nederland BV	Netherlands	100	100
Dimension Data Network Services Limited	United Kingdom	100	100
Dimension Data New Zealand Limited	New Zealand	100	100
Dimension Data North America Inc	United States	100	100
Dimension Data Philippines, Inc	Philippines	100	100
Dimension Data Polska sp. z o.o.	Poland	100	100
Dimension Data Portugal, S.A	Portugal	100	100
Dimension Data Protocol BV	Netherlands	100	100
Dimension Data SA	Switzerland	100	100
Dimension Data Security s.r.o	Slovakia	100	100
Dimension Data Slovakia s.r.o	Slovakia	100	100

Dimension Data Holdings plc

Related undertakings (continued)

for the year ended 30 September 2016

Name	Jurisdiction of Incorporation	Effective interest	
		2016 %	2015 %
Dimension Data Solutions Limited	Kenya	91.76	87.76
Dimension Data South American Holdings Limited	Bermuda	100	100
Dimension Data Supply Chain Services Limited	Isle Of Man	100	100
Dimension Data Taiwan Limited	Taiwan	100	100
Dimension Data Tunisia, SARL	Tunisia	91.76	87.76
Dimension Data Uganda Limited	Uganda	91.76	87.76
Dimension Data Verwaltungs AG	Germany	100	100
Dimension Data Vietnam Limited	Vietnam	100	100
Dimension Data Visual Communications Limited	United Kingdom	100	100
Dimension Data Zambia Limited	Zambia	91.76	87.76
Earthwave Corporation Pty. Limited	Australia	100	100
Eliance Pty Ltd	South Africa	91.76	93.12
Euricom NV	Belgium	100	100
Eventus Consulting (Proprietary) Limited	South Africa	91.76	93.12
Eventus Education (Proprietary) Limited	South Africa	91.76	93.12
Fibreco Telecommunications Holdings Pty Limited	South Africa	30.59	-
Fibreco Telecommunications Pty Limited	South Africa	30.59	29.25
Firestring Proprietary Limited	South Africa	55.06	55.87
Fusion Comm. Solution Sdn Bhd	Malaysia	100	-
GK Communications Group Limited	United Kingdom	100	100
GNet Group (I) Private Limited	India	34.58	34.58
GNet Group LLC	United States	34.58	34.58
Hatch Investments (Mauritius) Limited	Mauritius	50.00	50.00
ICOZA Internet Company South Africa (Proprietary) Limited	South Africa	91.76	87.76
Intellect Bizware Services Private Limited	India	17.64	17.64
Internet Solutions (Proprietary) Limited	South Africa	91.76	87.76
Internet Solutions Kenya Limited	Kenya	91.76	87.76
Internet Solutions Namibia (Proprietary) Limited	Namibia	91.76	87.76
Internet Solutions Uganda Limited	Uganda	91.76	87.76
Inversiones Dimension Data Chile Ltda	Chile	100	100
IS - Internet Solutions Moçambique, Limitada	Mozambique	51.57	49.32
IS Fax (Proprietary) Limited	South Africa	-	87.76
IS Internet Solutions Ghana Limited	Ghana	91.76	87.76
IS Internet Solutions Limited	Nigeria	91.76	87.76
Jebsen & Jessen Communication Solutions (M) SDN. BHD.	Malaysia	100	-
Jebsen & Jessen Communications (P) Inc	Philippines	100	-
Jebsen & Jessen Communications (S) Pte Ltd	Singapore	100	-
Jebsen & Jessen Communications (T) Ltd	Thailand	100	-
JQ Network Pte Limited	Singapore	100	100
Kimowave (Pty) Ltd	South Africa	91.76	93.12
Linx Holdings (Proprietary) Limited	South Africa	91.76	87.76

Dimension Data Holdings plc

Related undertakings (continued)

for the year ended 30 September 2016

Name	Jurisdiction of Incorporation	Effective interest	
		2016 %	2015 %
Margolis Technology Limited	United Kingdom	100	100
Marpless Communication Technologies (Proprietary) Limited	South Africa	44.96	43.00
Merchants Holdings Limited	United Kingdom	100	100
Merchants Limited	United Kingdom	100	100
Merchants SA (Proprietary) Limited	South Africa	91.76	87.76
MJS Capital (Pty) Limited	South Africa	91.76	-
Multisoft IT Solutions Pte Ltd	Singapore	100	100
NedAmericas Investments	Mauritius	25.10	25.10
Netforce Pty Limited	Australia	100	100
Nexus IS, Inc.	United States	100	100
Nihilent Australia Pty Limited	Australia	34.58	34.58
Nihilent Nigeria Limited	Nigeria	17.64	17.64
Nihilent Tanzania Limited	Tanzania	32.85	32.85
Nihilent Technologies Limited	India	34.58	34.58
Nihilent Technologies, Inc.	United States	34.58	34.58
NTT Innovation Institute 1 LLC	United States	-	18.82
Oakton AA Services Pty Ltd	Australia	100	100
Oakton Contracting & Recruitment Pty Ltd	Australia	100	100
Oakton Global Technology Services Centre (India) Private Limited	India	100	100
Oakton Limited	Australia	100	100
Oakton Services Pty Ltd	Australia	100	100
Omni-Link (Proprietary) Limited	South Africa	91.76	87.76
Ontario 1491132 Limited	Canada	100	-
Planet Technology Solutions Pte Ltd	Singapore	-	100
Plessey (Ghana) Limited	Ghana	91.76	87.76
Plessey (Nigeria) Limited	Nigeria	91.76	87.76
Plessey (Proprietary) Limited	South Africa	91.76	87.76
Plessey Burundi SPRL	Burundi	91.76	87.76
Plessey International	Gabon	91.76	100
Plessey International (T) Limited	Tanzania	91.76	87.76
Plessey International Limited	Kenya	91.76	87.76
Plessey International Limited	Mauritius	91.76	87.76
Plessey Madagascar	Madagascar	91.76	87.76
Plessey Mozambique Limitada	Mozambique	91.76	87.76
Plessey RDC SPRI	Congo	91.76	87.76
Plessey Rwanda Limited	Rwanda	91.76	87.76
Plessey Uganda Limited	Uganda	91.76	87.76
Plessey Zambia Limited	Zambia	91.76	87.76
PT Dimension Data Indonesia	Indonesia	100	100

Dimension Data Holdings plc

Related undertakings *(continued)*

for the year ended 30 September 2016

Name	Jurisdiction of Incorporation	Effective interest	
		2016 %	2015 %
Rumiscene (Pty) Ltd	South Africa	49.99	49.99
SDC Corporation	Japan	49.90	49.90
Seventh August IT Services Private Limited	India	34.58	34.58
Silah Gulf W L L	Bahrain	33.98	33.98
Spectrum Holdings Inc.	British Virgin Islands	100	100
SQL Services Limited	New Zealand	100	100
Sunset Group Limited	United States	19.90	19.90
Synaq (Proprietary) Limited	South Africa	75.88	43.99
Teliris Limited	United Kingdom	100	100
Teliris, Inc.	United States	100	100
The Internet Solution Security (Proprietary) Limited	South Africa	91.76	87.76
The Merchants Group Limited	United Kingdom	100	100
The Oval Advertising and Promotions Co (Proprietary) Limited	South Africa	45.88	43.88
Tinus Wagner Consulting (Pty) Ltd	South Africa	91.76	-
TP Network Consulting (Shanghai) Co Ltd	China	100	100
Tradebridge (Pty) Ltd	South Africa	38.46	38.46
Training Partners Co, Ltd	Thailand	100	100
Training Partners Pte Ltd	Singapore	100	100
Triple4 Consulting (Pty) Limited	South Africa	45.88	43.88
TSYS Managed Services EMEA (Netherlands) B.V.	Netherlands	-	45.00
TSYS Managed Services EMEA BV	Netherlands	-	45.00
TSYS Managed Services EMEA Limited	United Kingdom	-	45.00
VAST Networks Proprietary Limited	South Africa	46.80	44.76
Viiiew Pty Limited	Australia	100	100
Xigo L.L.C.	United States	100	100
Xpedia Fusion (Pty) Ltd	South Africa	91.76	87.76