

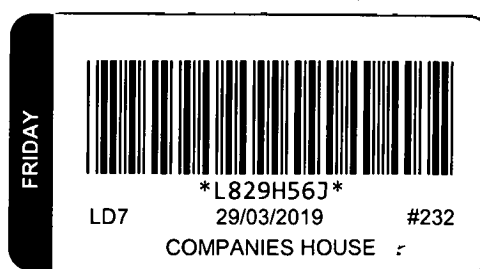
# **Dimension Data Global Services Limited**

(Registration number: 9749205)

Annual financial statements

for the period ended 31 March 2018

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# **Dimension Data Global Services Limited**

(Reg No. 9749205)

## **Annual Financial Statements**

*for the period ended 31 March 2018*

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# Dimension Data Global Services Limited

## Strategic report

### Principal activities

The company extended its financial year end to 31 March 2018 in order to align its year end with the ultimate holding company of the Group.

Dimension Data Global Services Limited (“the company”) is engaged in providing management services to the Dimension Data Group which operates in Africa, Asia, Australia, Europe and North America.

All expenditure incurred by the company will be recovered from the above regions as part of a transfer pricing exercise. The costs of the share incentive schemes will be recovered as and when the incentives vest and not as the income statement expense is incurred.

### Risk assessment

The majority of the company’s receivables are as a result of intergroup transactions. Management therefore believes that there is no material recoverability risk relating to receivables.

#### Supplier Risk

For significant vendors a process is followed to on-boarding to assess potential suppliers. The purpose of this process is to ensure that vendors are able to provide the required services to the standard required.

#### Currency Risk

The company enters into forward cover contracts to minimise any exposure to currency risk.

#### Liquidity Risk

The company participates in the Group’s treasury management process to manage its liquidity risk.

The Directors have continued to consider and assess the impact of Brexit on the Company. By virtue of the entity’s principal activities as detailed above, the Directors do not consider the impact on the Company to be significant. Having said this, the Directors will continue to monitor the situation moving forward.


### Performance and financial review

In the current financial reporting period, the company employed resources based in the UK directly and employees based outside of the UK were resources from the various Dimension Data companies in the world and paid these companies an administrative fee.

The operating results and state of affairs of the company are fully set out in the attached financial statements.

All expenditure incurred by the company is ultimately funded by the trading regions to which the company provides its management services. In order to provide these services the company has invested in some computer equipment, licences and maintenance contracts to fulfil its obligations. These assets are reflected in the balance sheet.

By order of the board

  
David Sherriffs  
Director

29/3/2019  
Date

## **Dimension Data Global Services Limited**

### **Statement of directors' responsibilities in respect of The Strategic Report, The Directors' Report and the financial statements**

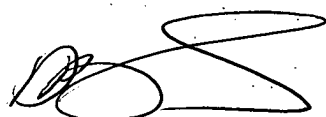
The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 company and of the profit or loss of the company for that period. In preparing these 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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David Sherriffs  
Director

# **Dimension Data Global Services Limited**

## **Directors' report**

*for the period ended 31 March 2018*

The directors present their annual report and the audited financial statements for the period ended 31 March 2018.

### **Proposed dividend**

The directors do not recommend the payment of a dividend.

### **Directors**

The directors who held office during the period were as follows:

David Sherriffs  
Jason Goodall

### **Going Concern**

The Directors have at the time of approving the financial statements, taking account the Company's liquid resources and expected results of the Company have a reasonable expectation that Dimension Data Global Services Limited have adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Political contributions**

The Company made no political donations or incurred any political expenditure during the period.

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Other information**

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 3.

### **Disclosure of Information to the Auditor**

The Directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

# Dimension Data Global Services Limited


## Directors' report

*for the period ended 31 March 2018*

### Auditor

The Group's current auditor, KPMG, intends to resign after the signing of these financial statements, and Ernst & Young is expected to be formally appointed for the new financial year.

By order of the board



David Sherriffs  
Director

4<sup>th</sup> Floor, Verde Building  
10 Bressenden Place  
London, SW1E 5DU  
United Kingdom

Date:

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIMENSION DATA GLOBAL SERVICES LIMITED**

### **Opinion**

We have audited the financial statements of Dimension Data Global Services Limited ("the company") for the period ended 31 March 2018 which comprise the Statement of profit and loss and comprehensive income, Statement of financial position, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and

- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

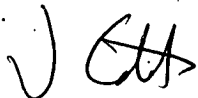
### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, 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 members 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.



**John Edwards (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

Canary Wharf

London

E14 5GL

29 March 2019



## Dimension Data Global Services Limited

### Statement of profit and loss and other comprehensive income

for the period ended 31 March 2018

	Note	For the period ended 31 March 2018 US\$'000	For the period ended 30 September 2016 US\$'000
Other operating income	2	236 403	92 912
Administrative expenses	3	(231 290)	(123 115)
<b>Operating profit / (loss)</b>		<b>5 113</b>	<b>(30 203)</b>
Other interest receivable and similar income	4	88	1
Interest payable and similar expenses	5	(1 276)	(262)
<b>Profit / (loss) before taxation</b>		<b>3 925</b>	<b>(30 464)</b>
Tax (credit) / expense	6	(1 959)	6 056
<b>Profit / (loss) for the period</b>		<b>1 966</b>	<b>(24 408)</b>
Other comprehensive income for the period		—	—
<b>Total comprehensive income/(expense) for the period</b>		<b>1 966</b>	<b>(24 408)</b>

The notes on pages 11 to 25 form part of these financial statements.

# Dimension Data Global Services Limited

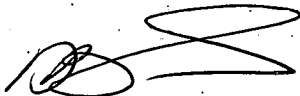
## Statement of financial position

at 31 March 2018

	<i>Note</i>	For the period ended 31 March 2018 US\$'000	For the period ended 30 September 2016 (date of incorporation) US\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	7	10 286	674
Tangible assets	8	4 691	2 138
Deferred taxation	11	4 387	6 991
<b>Total non-current assets</b>		<b>19 364</b>	<b>9 803</b>
<b>Current assets</b>			
Debtors	9	37 167	16 158
Cash at bank and in hand		–	10 781
<b>Creditors: Amounts falling due within one year</b>	10	<b>(58 463)</b>	<b>(37 653)</b>
<b>Net current liabilities</b>		<b>(21 296)</b>	<b>(10 714)</b>
<b>Total assets less current liabilities</b>		<b>(1 932)</b>	<b>(911)</b>
<b>Capital and reserves</b>			
Called up share capital	13	2	2
Share-based payment reserve		20 508	23 495
Profit and loss account		(22 442)	(24 408)
<b>Shareholders' funds</b>		<b>(1 932)</b>	<b>(911)</b>

The notes on pages 11 to 25 form part of these financial statements.

These financial statements were approved by the board of directors on 29.3. 2019 and were signed on its behalf by:



David Sherriffs  
Director

Company registered number: 9749205

## Dimension Data Global Services Limited

### Statement of changes in equity

for the period ended 31 March 2018

	Called up share capital US\$'000	Share based payments reserve US\$'000	Profit and loss account US\$'000	Total equity US\$'000
At incorporation	–	–	–	–
Loss	–	–	(24 408)	(24 408)
Transactions with owners, recorded directly in equity				
– issue of shares	2	–	–	2
– share-based payments expense	–	23 495	–	23 495
<b>Balance at 30 September 2016</b>	<b>2</b>	<b>23 495</b>	<b>(24 408)</b>	<b>(911)</b>
Profit	–	–	1 966	1 966
Transactions with owners, recorded directly in equity				
– share-based payments expense	–	15 434	–	15 434
– share-based payments	–	(18 421)	–	(18 421)
<b>Balance at 31 March 2018</b>	<b>2</b>	<b>20 508</b>	<b>(22 442)</b>	<b>(1 932)</b>

The notes on pages 11 to 25 form part of these financial statements.

# Dimension Data Global Services Limited

## Notes to the financial statements

for the period ended 31 March 2018

### 1. Accounting policies

Dimension Data Global Services Limited (the "Company") is a company incorporated and domiciled in the UK. The accounts are presented for the 18 month period from 1 October 2016 to 31 March 2018. The 18 month period is as a result of the company changing its financial year in to bring it in line with its ultimate holding company.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's parent undertaking, Dimension Data Holdings plc includes the Company in its consolidated financial statements. The consolidated financial statements of Dimension Data Holdings plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Dimension Data House Building 2, Waterfront Business Park, Fleet Road, Fleet, Hampshire GU5132T.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Dimension Data Holdings plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.
- The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

# Dimension Data Global Services Limited

## Notes to the financial statements

for the period ended 31 March 2018 (continued)

### 1. Accounting policies (continued)

The accounting policies set out below have been applied in accordance with FRS 101.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale, and liabilities for cash-settled share-based payments.

#### 1.2 Going concern

Notwithstanding net current liabilities of \$21 296 000 as at 31 March 2018 (mainly due to the bank overdraft liability of \$15 067 000, which has been guaranteed by the Company's parent and intercompany creditors totalling \$16 157 000 due within one year), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

As described in the Strategic report, the Company provides management services to other Dimension Data group entities. All costs incurred by the Company are recovered from the group entities. The directors have obtained a letter of support from Dimension Data Holdings plc stating its intention to continue to provide financial and other support for a period limited to the next 36 months To enable the Company to meet its financial liabilities as they fall due to continue to trade.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

#### 1.3 Significant accounting policies

##### *Property, plant and equipment*

Items of property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. 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:

Motor vehicles	20 – 25%
Computer equipment	33%
Office furniture and equipment	10 – 20%
Office equipment	10 – 20%

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 determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

# Dimension Data Global Services Limited

## Notes to the financial statements

for the period ended 31 March 2018 (continued)

### *Intangible assets*

#### **Acquired intangible assets**

Acquired intangible assets, including customer lists and intellectual property, are capitalised at their historical cost and amortised over their useful economic lives on a straight line basis. Amortisation is provided to write off the cost of assets on a straight line basis between two and seven years.

#### **Computer software**

Computer software is stated at cost less accumulated amortisation and impairment losses.

Acquired computer software is capitalised on the basis of costs incurred to acquire and bring into use the specific software.

Amortisation is provided to write off the cost of assets on a straight line basis over their estimated useful lives of between three to five years. Costs associated with developing or maintaining computer software are recognised as an expense as incurred, unless they increase the future economic benefits of the asset, in which case they are capitalised.

Internally generated computer software is capitalised at cost if the project is technically and commercially feasible and the economic benefits that are expected to be generated exceed one year. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. Amortisation is provided to write off the cost of assets on a straight line basis between three and seven years.

### *Taxation*

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

The tax currently payable is based on taxable profit for the year. 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 other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by 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.

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 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.

# Dimension Data Global Services Limited

## Notes to the financial statements

for the period ended 31 March 2018 (continued)

### 1. Accounting policies (continued)

#### 1.3 Significant accounting policies (continued)

##### *Taxation (continued)*

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company 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 no longer probable 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 are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the 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 Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets and liabilities are not discounted.

##### *Share-based payments*

Equity settled share-based payments are measured at fair value at the grant date. The fair value determined at the grant date of the equity settled share-based payments was expensed on a straight line basis over the vesting period, based on the company's estimate of the awards that would eventually vest.

For cash settled share-based payments, a liability is recognised for the services received, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled and at the date of settlement, the fair value of the liability is remeasured with any changes in fair value recognised in the profit or loss for the year.

##### *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment in specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

# Dimension Data Global Services Limited

## Notes to the financial statements

for the period ended 31 March 2018 (continued)

### 1. Accounting policies (continued)

#### 1.3 Significant accounting policies (continued)

##### *Foreign currencies*

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 directly in equity.

Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. In order to hedge its exposure to certain foreign exchange risks, the Company enters into forward contracts and options (see below for details of the Company's accounting policies in respect of such derivative financial instruments).

##### *Financial instruments*

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

##### *Trade receivables*

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is evidence that the asset is impaired. The allowance recognised is measured as 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.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### *Financial liabilities and equities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.



# Dimension Data Global Services Limited

## Notes to the financial statements

for the period ended 31 March 2018 (continued)

### 1. Accounting policies (continued)

#### 1.3 Significant accounting policies (continued)

##### *Bank borrowings*

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

##### *Trade payables*

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

##### *Equity instruments*

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

##### *Derivative financial instruments*

The Company uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such derivatives are initially recorded at fair value, if any, and are re-measured to fair value at subsequent reporting dates. The Company does not use derivative financial instruments for speculative purposes. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in profit or loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of an asset or a liability, then at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in profit or loss in the same period in which the hedged item affects profit or loss.

Changes in the fair value of designated fair value hedges and derivative financial instruments that do not qualify for hedge accounting are recognised in profit or loss as they arise.

# Dimension Data Global Services Limited

## Notes to the financial statements

for the period ended 31 March 2018 (continued)

### 1. Accounting policies (continued)

#### 1.3 Significant accounting policies (continued)

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to profit or loss for the period.

Derivatives embedded in other financial instruments or non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in profit or loss.

# Dimension Data Global Services Limited

## Notes to the financial statements

for the period ended 31 March 2018 (continued)

### 2. Other operating income

	For the period ended 31 March 2018 US\$ '000	For the period ended 30 September 2016 US\$ '000
Administration fees	189 080	89 570
Sundry recoveries	47 323	3 342
	<u>236 403</u>	<u>92 912</u>

Sundry recoveries represents amounts reimbursed by group companies outside the normal recharging mechanism.

### 3. Administrative expenses

Included in profit/loss are the following

	For the period ended 31 March 2018 US\$'000	For the period ended 30 September 2016 US\$'000
Audit fees	92	376 *
Employee costs		
- Salaries & Wages	16 507	-
- Bonuses	5 078	-
- Social Security costs	2 792	-
- Contributions to defined contribution plans	835	-
- Other	2 637	-
Total employee costs	<u>27 849</u>	<u>-</u>
Share incentive costs	15 660	27 829
Administration fees paid for hosted employees	80 819	78 433
Total employee and hosted employees cost	<u>124 328</u>	<u>106 262</u>

\* - Amount includes \$201k of over-accrual which was released in the current period.

From November 2016, employees based in the UK were employed by the company and their costs have been included as Employee costs. Where the services of employees from another Dimension Data company have been utilised, an administration fee has been paid to other Dimension Data related companies for the use of employees. This administration fee is disclosed above.

As at 31 March 2018 there were 69 employees of the company.

# Dimension Data Global Services Limited

## Notes to the financial statements

for the period ended 31 March 2018 (continued)

### 4. Other interest receivable and similar income

	For the period ended 31 March 2018 US\$'000	For the period ended 30 September 2016 US\$'000
Interest income on unimpaired financial assets	88	1
Total interest receivable and similar income	<u>88</u>	<u>1</u>

### 5. Interest payable and similar expenses

	For the period ended 31 March 2018 US\$'000	For the period ended 30 September 2016 US\$'000
Interest on financial instruments designated as fair value through profit or loss	–	(2)
Total interest expense on financial liabilities measured at amortised cost	<u>(1 276)</u>	<u>(260)</u>
Total other interest payable and similar expenses	<u>(1 276)</u>	<u>(262)</u>

### 6. Taxation

	For the period ended 31 March 2018 US\$'000	For the period ended 30 September 2016 US\$'000
<i>Recognised in the profit and loss account</i>		
<b>UK corporation tax</b>		
Current tax on income for the period	159	935
Adjustments in respect of prior years	(935)	–
Withholding taxes	131	–
	<u>(645)</u>	<u>935</u>
<b>Deferred tax (see note 11)</b>		
Origination and reversal of temporary differences - Current	1 234	(6 991)
Origination and reversal of temporary differences – Prior year	552	–
Effects of changes in tax rates	818	–
	<u>2 604</u>	<u>(6 991)</u>
Tax on profit	1 959	(6 056)

# Dimension Data Global Services Limited

## Notes to the financial statements

for the period ended 31 March 2018 (continued)

	For the period ended 31 March 2018 US\$'000	For the period ended 30 September 2016 US\$'000
<b>6. Taxation (continued)</b>		
<i>Reconciliation of effective tax rate</i>		
Loss excluding taxation	3 925	(30 464)
Tax using the UK corporation tax rate of 19.31% (2016 - 20%)	758	(6 093)
Non-deductible expenses	635	37
Prior year adjustment	(383)	-
Withholding taxes	131	-
Effect of changes in tax rates	818	-
Total tax expense	1 959	(6 056)

A reduction in the UK corporate tax rate from 23% to 21% came into effect on 1 April 2015, and 20% came into effect on 1 April 2016. Further reductions to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charges accordingly.

## 7. Intangible assets

	Technology development costs US\$'000	Licences US\$'000	Total US\$'000
<i>Cost</i>			
Acquisitions and internally developed from date of incorporation	353	433	786
Balance at 30 September 2016	353	433	786
Internally developed and acquisitions	10 345	88	10 433
Balance at 31 March 2018	10 698	521	11 219

# Dimension Data Global Services Limited

## Notes to the financial statements

for the period ended 31 March 2018 (continued)

### 7 Intangible assets (continued)

	Technology development costs.	Licences	Total
	US\$'000	US\$'000	US\$'000
<i>Amortisation and impairment</i>			
Amortisation from date of incorporation	(32)	(80)	(112)
Balance at 30 September 2016	(32)	(80)	(112)
Amortisation for the year	(589)	(232)	(821)
Balance at 31 March 2018	(621)	(312)	(933)
Net book value – 31 March 2018	10 077	209	10 286
Net book value – 30 September 2016	321	353	674

Intangible assets comprise of technology development costs.

Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with IAS 38. The amortisation and impairment charge is recognised in administrative expenses in the profit and loss account.

### 8. Tangible fixed assets

	Computer equipment	Other assets	Total
	US\$'000	US\$'000	US\$'000
<i>Cost at acquisition</i>			
Other acquisitions since date of incorporation	1 213	1 112	2 325
Balance at 30 September 2016	1 213	1 112	2 325
Acquisitions	1 468	2 395	3 863
<b>Balance at 31 March 2018</b>	<b>2 681</b>	<b>3 507</b>	<b>6 188</b>
<i>Depreciation and impairment</i>			
Depreciation charge from date of incorporation	(94)	(93)	(187)
Balance at 30 September 2016	(94)	(93)	(187)
Depreciation	(640)	(670)	(1 310)
<b>At 31 March 2018</b>	<b>(734)</b>	<b>(763)</b>	<b>(1 497)</b>
Net book value – 31 March 2018	1 947	2 744	4 691
Net book value – 30 September 2016	1 119	1 019	2 138

## Dimension Data Global Services Limited

### Notes to the financial statements

for the period ended 31 March 2018 (continued)

<b>9. Debtors</b>	<b>2018</b>	2016
	<b>US\$'000</b>	US\$'000
Trade debtors	1 409	1 313
Taxes receivable	860	1 752
Amounts owed by group undertakings in which the company has a participating interest	13 716	2 694
Other debtors	8 100	688
Derivative financial assets (see note 14)	372	13
Prepayments	12 710	9 698
	<hr/>	<hr/>
Due within one year	37 167	16 158
	<hr/>	<hr/>
<b>10. Creditors: amounts falling due within one year</b>	<b>2018</b>	2016
	<b>US\$'000</b>	US\$'000
Trade creditors	2 162	37
Amounts owed to group undertakings	16 157	14 208
Taxation and social security	159	935
Other creditors	3 614	7 253
Accruals	19 334	10 719
Deferred income	1 727	123
Derivative financial liabilities (see note 14)	243	44
Bank overdraft	15 067	–
Amounts owing under share incentive schemes	–	4 334
	<hr/>	<hr/>
	58 463	37 653
	<hr/>	<hr/>

# Dimension Data Global Services Limited

## Notes to the financial statements

for the period ended 31 March 2018 (continued)

### 11. Deferred tax assets

*Recognised deferred tax assets and liabilities*

Deferred tax assets and liabilities are attributable to the following:

	Assets 2018 US\$'000	Assets 2016 US\$'000
Accelerated tax depreciation	549	(25)
Share-based payments	3 460	5 566
Other timing differences	378	1 450
Total assets	<u>4 387</u>	<u>6 991</u>

### 12. Employee benefits

*Long term incentives*

Incentives are provided under three separate schemes - Long Term Incentive Plan (LTIPs), Share Appreciation Rights (SARs) and Executive Value Incentive Scheme (EVIS). Instruments are issued to senior employees and vest conditionally on participants remaining employed by the Group for a defined service period and specific performance targets being met.

The current schemes are all equity-settled and instruments are reflected at fair value at the date of grant, and expensed on a straight line basis over the vesting period based on an estimate of likely vesting percentages.

During the period various schemes were settled, with payouts amounting to \$18.6 million (refer to statement of changes in equity). In particular the LTIP 2014 and LTIP 2015 were settled at exercise prices of 1.23 and 1.50 respectively. The SAR 2014 and SAR 2015 were settled at a gain per unit of 0.21 and 0.39 respectively.

Fair value per award	2018 US\$
2016 LTIP	0.65
2016 SAR	0.16
LTIP 2017 (including performance condition)	0.73
LTIP 2018 (no performance condition)	1.45
LTIP 2018 (including performance condition)	0.86
EVIS 2017 (including performance condition)	0.18
EVIS 2018 (including performance condition)	<u>0.23</u>
	2018 US\$'000
Charged to the statement of profit and loss	15 434
	2016 US\$'000
	27 829



# Dimension Data Global Services Limited

## Notes to the financial statements

for the period ended 31 March 2018 (continued)

### 13. Capital and reserves

	Ordinary shares 2018 US\$'000	2016 US\$'000
<b>Allotted, called up and fully paid</b>		
1600 ordinary shares at \$1 each	2	2

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

#### *Share based payment reserve*

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.

### 14. Financial instruments

	Carrying amount US\$'000	Contractual cash flows US\$'000	1 year or less US\$'000
<i>Derivative financial assets/liabilities</i>			
2018			
Forward exchange contracts used for hedging			
– assets	372	372	372
– liabilities	(243)	(243)	(243)
	129	129	129
2016			
Forward exchange contracts used for hedging			
– assets	13	13	13
– liabilities	(44)	(44)	(44)
	(31)	(31)	(31)

# Dimension Data Global Services Limited

## Notes to the financial statements

for the period ended 31 March 2018 (continued)

### 15. Accounting estimates and judgements

In the process of applying the Company'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.

#### *Share-based payment*

The expense for the share schemes is determined by estimating the fair value of the options granted.

#### *Provision for doubtful debts*

Provision is made for doubtful debts 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.

### 16. Related parties

In accordance with the exemptions under FRS 101 Reduced Disclosure Framework, being a 100% owned subsidiary company within a group, the company has decided not to disclose transactions with other wholly owned companies of the group. There have been no transactions with related parties other than those who are covered by this exemption.

### 17. Ultimate parent company and parent company of larger group

Dimension Data Holdings Plc., a company incorporated in Great Britain and registered in England and Wales is the immediate parent company of Dimension Data Global Services Limited

Nippon Telegraph and Telephone Corporation (NTT), is the parent undertaking of the largest group in which the results of the Company are consolidated.

The smallest group in which they are consolidated is that headed by Dimension Data Holding Plc. incorporated in the United Kingdom.

Copies of the group financial statements of Nippon Telegraph and Telephone Corporation are available from the Head Office at 3-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8116, Japan.

### 17. Subsequent events

There are no material events after the reporting date.