

Group statement of changes in equity

for the year ended 28 February 2018

	Stated capital US\$'000	Foreign currency translation reserve US\$'000
Balance at 1 March 2016	115 090	(182 777)
Total comprehensive income recognised for the year	–	40 961
Profit attributable to the owners of the parent	–	–
Profit attributable to the non-controlling interests	–	–
Translation of equity loans	–	(13 285)
Tax on translation of equity loans	–	3 291
Exchange differences arising on translation to presentation currency	–	50 955
Transfers and other items	–	–
Translation of stated capital**	28 914	–
Dividend	7 943	–
Disposals	–	–
Share-based payments	–	–
Balance at 28 February 2017	151 947	(141 816)
Total comprehensive income/(loss) recognised for the year	–	83 438
Profit attributable to the owners of the parent	–	–
Profit attributable to the non-controlling interests	–	–
Translation of equity loans	–	8 487
Tax on translation of equity loans	–	308
Translation reserve reclassified to profit on disposal of foreign operation	–	57 345
Exchange differences arising on translation to presentation currency	–	17 298
Transfers and other items	–	–
Translation of stated capital**	32 857	–
Special dividend***	108 286	–
Share repurchases	(34 629)	–
Disposal of 10% of Westcon International without loss of control	–	–
Acquisitions of subsidiaries	–	–
Share-based payments	–	–
Balance at 28 February 2018	258 461	(58 378)

**Non-distributable reserves relate to the translation of stated capital of the parent company and reserves recognised in the recording of changes in holdings of subsidiaries.

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

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

SPECIAL CASH DIVIDEND WITH AN ELECTION TO RECEIVE NON-RENOUNCEABLE CAPITALISATION ISSUE SHARES IN LIEU OF THE CASH DIVIDEND AND REPURCHASE OF SHARES – FY18

***The Company paid a special cash dividend of R23 (approximately US\$1.66) per share to ordinary shareholders with an election to receive non-renounceable capitalisation issue shares *in lieu* of the cash dividend.

The result of the shareholder election was that 43 770 095 fully paid new ordinary shares were issued on 17 January 2018 to shareholders who did not elect to receive the cash dividend. A total cash dividend of US\$244.2 million has been paid to shareholders who retained the default cash dividend. The total distribution to shareholders was US\$352.5 million of which the scrip portion was US\$108.3 million. The proportion of the Company's total shares which received the scrip distribution was 30.7% and the proportion of the Company's total shares which received the cash dividend was 69.3%.

Non-distributable reserves US\$'000	Share-based payments reserve US\$'000	Distributable reserves US\$'000	Equity attributable to equity holders of the parent US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
90 727	1 733	805 593	830 366	39 054	869 420
1 486	111	2 174	44 732	13 592	58 324
–	–	3 038	3 038	–	3 038
–	–	–	–	7 711	7 711
–	–	–	(13 285)	–	(13 285)
–	–	–	3 291	–	3 291
–	111	–	51 066	5 881	56 947
1 486	–	(864)	622	–	622
(28 914)	–	–	–	–	–
–	–	(28 892)	(20 949)	–	(20 949)
–	–	–	–	(757)	(757)
–	837	–	837	–	837
63 299	2 681	778 875	854 986	51 889	906 875
1 714	418	44 910	130 480	(6 342)	124 138
–	–	44 359	44 359	–	44 359
–	–	–	–	(2 568)	(2 568)
–	–	–	8 487	–	8 487
–	–	–	308	–	308
–	–	–	57 345	–	57 345
–	418	–	17 716	(3 774)	13 942
1 714	–	551	2 265	–	2 265
(32 857)	–	–	–	–	–
–	–	(352 479)	(244 193)	–	(244 193)
–	–	–	(34 629)	–	(34 629)
13 175	–	–	13 175	16 825	30 000
–	–	–	–	6 845	6 845
–	1 784	–	1 784	–	1 784
45 331	4 883	471 306	721 603	69 217	790 820

The Company repurchased 12 777 717 shares at an average price of R32.86 per share for cancellation in February 2018 under the terms of a general authority given by shareholders at the AGM on 14 September 2017.

The Board has stated that it intends to maintain a fixed three times cover relative to underlying* earnings when declaring dividends. In accordance with this policy no final dividend for FY18 is declared.

SCRIP DISTRIBUTION WITH CASH DIVIDEND ALTERNATIVE – FY17

The Group declared a US\$28.9 million dividend to shareholders during the year: a final scrip distribution with cash dividend alternative in respect of FY16 in July 2016; and an interim scrip distribution with cash dividend alternative in respect of FY17 in November 2016.

The total value returned to shareholders in the FY16 final distribution was US\$19.9 million of which US\$5.2 million (26.4%) was distributed to shareholders in the form of scrip (1.7 million new shares issued) and US\$14.7 million (73.6%) was settled in cash to those shareholders who had elected the cash dividend alternative.

The total value returned to shareholders in the FY17 interim distribution was US\$9.0 million of which US\$2.8 million (30.1%) was distributed to shareholders in the form of scrip (0.8 million new shares issued) and US\$6.2 million (69.9%) was settled in cash to those shareholders who had elected the cash dividend alternative.

* Excluding impairments of goodwill and intangible assets, profit or loss on sale of investments and assets, amortisation for acquired intangible assets, unrealised foreign exchange movements, acquisition-related financial instruments, restructuring costs relating to fundamental reorganisation, SYNEX deal-related expenses and the taxation effect on all of the aforementioned.