NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

	2022 US$'000	2021 Restated US$'000
1. REVENUE		
Revenue from product sales	**3 819 538**	3 349 534
Revenue from sales of hardware	**2 363 055**	2 162 937
Revenue from sales of software*	**1 388 188**	1 116 372
Revenue from vendor resold services and product maintenance sales	**68 295**	70 225
Timing of revenue from product sales	**3 819 538**	3 349 534
At a point in time	**3 819 538**	3 349 534
Revenue from services	**381 295**	342 830
Revenue from professional services	**381 295**	342 830
Timing of revenue from services	**381 295**	342 830
At a point in time	**706**	1 560
Over time	**380 589**	341 270
Revenue from annuity services	**435 949**	417 099
Revenue from cloud services	**47 588**	47 653
Revenue from software services*	**10 268**	8 695
Revenue from other annuity services	**378 093**	360 751
Timing of revenue from annuity services	**435 949**	417 099
At a point in time	**39 309**	46 271
Over time	**396 640**	370 828
	4 636 782	4 109 463

* *Includes software as a service revenues.*

The revenue categories above are consistent with the revenue information presented in the segmental report in Note 37.

2. SHARE-BASED PAYMENTS

Long-term incentives comprise share-based remuneration plans with performance targets. Two share-settled Group plans are used, namely:

- conditional share plan ("CSP") – a performance share plan; and
- deferred bonus plan ("DBP") – a portion of the bonus is deferred and the Company contributes a co-investment. Both of these components are in the form of shares which are forfeitable.

A number of cash-settled share-based remuneration plans are operated in divisions. These are explained below.

Group plans – structural overview

	Deferred Bonus Plan	Conditional Share Plan
Instrument	The deferred short-term incentive ("STI") (deferred shares) and the Company co-investment shares are awarded as restricted shares with voting and dividend rights.	Conditional rights to shares subject to performance vesting conditions.
Eligibility	Executive directors (CEO and CFO) and two senior Group executives, provided the minimum STI levels are achieved as indicated above.	Executive directors and Group executives and staff.

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 28 FEBRUARY 2022

2. SHARE-BASED PAYMENTS (continued)

	Deferred Bonus Plan	Conditional Share Plan
Allocation levels	The minimum participation level for executives in the DBP is on a sliding scale with a 20% mandatory investment between 50% of target and on-target bonus and 33% for above on-target bonus. The maximum proportion of annual bonus which participants may defer into the DBP is 75%.	The quantum of awards is based on annual base salary and the face value of awards which is the current Datatec share price (using a 30-day volume-weighted average price) as follows: • CEO – 150% x base salary; • CFO – 120% x base salary; and • Datatec Group executives and staff – range from 100% to 50% of base salary. The number of awards granted to participants who also participate in the Westcon International Equity Appreciation Plan ("EAP") is scaled down to avoid "double dipping".
Vesting period	Three years.	Three years.
Additional holding period	For the STI and co-investment share elements, a holding period of two additional years follows the vesting period of three years.	
Performance period	One year, aligned with the STI performance as explained above.	Three years.
Performance conditions	No prospective performance conditions apply, but performance is an entry qualification requirement.	Performance conditions apply to the grants and the conditional awards are held for a performance period of three years. At the end of the three-year performance period the performance conditions are tested and if met, awards vest on a sliding scale between 50% at threshold and 100% at the upper target.
Plan and individual limits	The maximum number of co-investment shares which can be delivered to any individual participant in the DBP is 1.6 million shares. The maximum number of new shares which can be issued to participants to settle obligations under the DBP is 3.2 million shares.	The maximum number of shares which can be delivered to any individual participant in the CSP is 3.7 million shares. The maximum number of new shares which can be issued to participants to settle obligations under the CSP is 7.4 million shares.
Termination of employment provisions	If an executive director resigns from the Company or is terminated for fault, eg dismissal on grounds of misconduct, proven poor performance, dishonest or fraudulent conduct ("bad leaver"), all unvested and unexercised long-term incentive ("LTI") awards are forfeited. This includes shares in the DBP (both the employee's deferred STI element and the co-investment from the Company) within the three-year vesting period (DBP). In addition, such executives will be required to repay all dividends (pre-tax value) earned from the award date under the DBP (bonus shares and deferred shares). If termination is at the Company's instigation and not for fault ("good leaver"), the executive will retain a portion of LTI share incentive awards which have been granted but have not yet vested. The proportion will be determined *pro rata*, relative to the time of the vesting period which has elapsed up to the termination date, and in the case of the CSP, will be adjusted based on the extent to which performance conditions have been met. The terminated executive will continue to hold the reduced amount of awards until the vesting date, when they will vest along with the other grants, in accordance with the rules of the scheme, if the relevant performance conditions are satisfied.	

2. SHARE-BASED PAYMENTS (continued)

	2022		2021	
	Number of shares ('000)	**Weighted average grant price**	Number of shares ('000)	Weighted average grant price
The Group plans provide for a grant price equal or approximately equal to the market price at the date of the grant.				
Datatec Group schemes (equity-settled)				
Datatec Conditional Share Plan 2017 ("CSP")		**ZAR**		ZAR
Outstanding at the beginning of year	**5 380**	**24.75**	3 496	25.09
Granted during the year	**1 376**	**29.09**	1 884	24.12
Forfeited/lapsed during the year	**(1 206)**	**21.20**	–	–
Vested and exercised during the year – share price on exercise R28.12 (FY21: N/A)	**(1 133)**	**20.78**	–	–
Modification in respect of Special Dividend	**614**	**–**	–	–
Outstanding at the end of the year	**5 031**	**28.09**	5 380	24.75
At 28 February 2022, the CSP awards had a weighted average remaining contractual life of 1.3 years (FY21: 1.2 years).				
Datatec Deferred Bonus Plan 2017 ("DBP")		**ZAR**		ZAR
Outstanding at the beginning of year	**2 537**	**26.49**	1 962	27.18
Shares purchased by participants in the year from pre-tax bonus of the prior year	**666**	**29.09**	288	24.12
Shares purchased by the Company for participants	**666**	**29.09**	287	24.12
Vested during the year	**(1 093)**	**22.50**	–	–
Forfeitable shares at the end of the year	**2 776**	**29.30**	2 537	26.49
Participants in the DBP defer a portion of their pre-tax bonus to which an equal Company co-investment is added and used to purchase Datatec shares which the participants hold under the terms of the DBP. These shares are all forfeitable if the participant leaves the employment of the Group within a three-year vesting period (from date of grant). At 28 February 2022, the weighted average remaining life of the awards until the end of the vesting period was 1.4 years (FY21: 1.1 years).				
Datatec Share Appreciation Rights ("SARs") Schemes		**ZAR**		ZAR
Outstanding at the beginning of the year	**1 168**	**35.79**	2 639	35.32
Modification in respect of Special Dividend	**159**	**(4.30)**	–	–
Exercised during the year – weighted average share price on exercise: R38.12 (FY21: N/A)	**(412)**	**31.49**	–	–
Forfeited/lapsed during the year	**–**	**–**	(1 471)	34.94
Outstanding at the end of the year	**915**	**31.49**	1 168	35.79
Exercisable at the end of the year	**915**	**31.49**	1 168	35.79
The SARs was discontinued after the final awards in FY18. SARs outstanding at 28 February 2022 had a grant price of R31.49 (FY21: R35.79 prior to modification in FY22) and had a weighted average remaining contractual life of 0.3 years (FY21: 1.3 years).				
The intrinsic value of the SARs at 28 February 2022 was R5.11 per SAR and the total value of the vested SARs was US$303 000.				

2. SHARE-BASED PAYMENTS (continued)

Datatec Group schemes (equity-settled) (continued)

Modification

During FY22, a modification to the Company's share schemes was required pursuant to the Special Dividend paid on 29 November 2021 in order to maintain the economic rights of participants.

Using a methodology consistent with previous special dividends, a modification factor was calculated as follows: X/(X-Y), where X is the share price close the day prior to ex-div date and Y is the amount of the (cash) dividend. Hence for the Special Dividend paid on 29 November 2021 the factor is 4 262/(4 262-512) = 1.137.

This factor is applied to the share schemes as follows:

CSP – increase the number of awards by a factor of 1.137; there is no exercise price to adjust.

DBP – no modification to the DBP awards is required because the awards are in the form of forfeitable shares held by participants so dividends paid during the vesting period accrue to the participants.

SARs – the 2015 grant was the only extant vested but unexercised award at the time of the Special Dividend. The modification required was to:

i) increase the number of awards by a factor of 1.137; and

ii) decrease the exercise price by a factor of 1.137 in order to retain the same 'moneyness' (ie previous strike price divided by 1.137).

Fair value

The CSP awards granted in FY22 and FY21 are conditional upon a market performance condition for two-thirds of the grant and a non-market condition for one-third of the grant as well as the completion of a three-year service period. The fair value of the CSP grant in FY22 was calculated using the Monte Carlo Simulation pricing model as it best captures the path-dependent nature and specific features of these awards in order to determine the extent that the market vesting condition is achieved, and hence the number of awards that will vest, by assessing the evolution of Datatec's total shareholder return ("TSR").

The CSP awards granted in FY20 were conditional upon non-market performance conditions only as well as the completion of a three-year service period. The fair value of these awards, referred to as the "unconditional" fair value, is equal to the underlying share price of Datatec shares at the grant date.

The DBP awards granted in FY22 and FY21 are conditional upon completion of a three-year service period with no performance conditions because they represent reinvestment of STI bonuses already earned. The fair value of the DBP awards, referred to as the "unconditional" fair value, is equal to the underlying share price of Datatec shares at the grant date.

The key inputs used for the valuation of the Datatec CSP and DBP awards is shown in the table below:

	2022		2021	
Grant date	1 June 2021	7 June 2021		17 June 2020
Vesting date	1 June 2024	7 June 2024		1 June 2023
Performance/employment period		28 February 2021 to 29 February 2024		29 February 2020 to 28 February 2023
Share price at grant date (closing price)	R31.25	R28.90		R26.02
	CSP	**DBP**	CSP	DBP
Risk-free rate (NACC)	4.96%	4.89%	4.31%	4.33%
Dividend yield	2.77%	3.00%	0.00%	0.00%
Volatility – determined using equally-weighted historical volatility method	47.61%	N/A	45.50%	N/A
Fair value (of one unit)	R21.94	R28.90	R12.53	R26.02

2. SHARE-BASED PAYMENTS (continued)

Subsidiary schemes (cash-settled)

Logicalis

Logicalis and PromonLogicalis Latin America Limited ("LATAM") Conditional Share Plans ("CSP")

Logicalis and Logicalis LATAM operate CSPs for the most senior tier of management with similar terms to the Datatec CSP but cash-settled and based on the Logicalis and LATAM share price as determined by annual independent valuations. Awards of conditional shares are granted annually to participants. After a three-year performance period the CSP awards will vest as follows:

- 25% of each participant's award is subject only to an employment condition and will vest, provided the participant remains in the employment of Logicalis or LATAM at the end of the three-year period since grant.
- The remaining 75% of each participant's award is subject to performance conditions:
  - One-third (ie 25% of the total award) based on Logicalis or LATAM share price growth;
  - One-third (ie 25% of the total award) based on net income per share growth; and
  - One-third (ie 25% of the total award) based on return on invested capital ("ROIC").

Each performance condition has a threshold level at which 50% vesting will occur and a target level for 100% vesting. Between the threshold and target, vesting will be calculated by linear interpolation.

	2022		2021	
	Number of shares ('000)	Weighted average grant price	Number of shares ('000)	Weighted average grant price
Logicalis CSP		US$		US$
Outstanding at the beginning of the year	1 784	4.74	1 222	4.88
Granted during the year	722	4.57	629	4.49
Exercised during the year – share price on exercise US$4.57	(87)	4.84	–	–
Lapsed/forfeited during the year	(510)	4.81	(67)	4.89
Outstanding at the end of the year	1 909	4.65	1 784	4.74
Exercisable at the end of the year	53	4.84		

The Logicalis CSP awards outstanding at 28 February 2022 comprised grant prices in the range US$4.49 to US$4.92 (FY21: US$4.49 to US$4.92). At 28 February 2022, the CSP awards had a weighted average remaining contractual life of 4.4 years (FY21: 4.4 years).

	2022		2021	
	Number of shares ('000)	Weighted average grant price	Number of shares ('000)	Weighted average grant price
Logicalis LATAM CSP		US$		US$
Outstanding at the beginning of the year	325	8.18	233	8.51
Granted during the year	106	7.18	101	7.41
Exercised during the year – share price on exercise US$7.18	(27)	8.16	–	–
Lapsed/forfeited during the year	(130)	8.08	(9)	8.16
Outstanding at the end of the year	274	7.84	325	8.18

The Logicalis LATAM CSP awards outstanding at 28 February 2022 comprised grant prices in the range US$7.18 to US$8.87 (FY21: US$7.41 to US$8.87). At 28 February 2022, the CSP awards had a weighted average remaining contractual life of 4.4 years (FY21: 4.3 years).

Logicalis and Logicalis LATAM Share Appreciation Right (SARs)

Logicalis and Logicalis LATAM also operate SARs Schemes for senior managers who do not participate in the CSP.

Half the SARs grant is subject to an earnings growth performance condition and the other half is subject only to an employment condition. All rights lapse if not exercised by the end of the seventh year after grant.

2. SHARE-BASED PAYMENTS (continued)

Subsidiary schemes (cash-settled) (continued)

	2022		2021	
	Number of shares ('000)	Weighted average grant price	Number of shares ('000)	Weighted average grant price
Logicalis SAR Scheme		US$		US$
Outstanding at the beginning of the year	2 179	4.69	2 497	4.44
Granted during the year	461	4.57	479	4.49
Exercised during the year – share price on exercise US$4.57 (FY21: US$4.49)	(100)	3.70	(699)	3.70
Forfeited/lapsed during the year	(1 068)	4.94	(98)	4.54
Outstanding at the end of the year	1 472	4.54	2 179	4.69
Exercisable at the end of the year	169	3.70	826	4.6
The Logicalis SARs outstanding at 28 February 2022 comprised grant prices in the range of US$3.70 to US$4.92 (FY21: US$3.70 to US$4.92) and had a weighted average remaining contractual life of 5.0 years (FY21: 3.6 years).				
Logicalis LATAM SARs Scheme		US$		US$
Outstanding at the beginning of the year	564	7.58	837	6.92
Granted during the year	154	7.18	114	7.41
Exercised during the year – share price on exercise US$7.18 (FY21: US$7.41)	(92)	5.65	(345)	5.81
Forfeited/lapsed during the year	(187)	8.21	(42)	8.17
Outstanding at the end of the year	439	7.57	564	7.58
Exercisable at the end of the year	52	5.63	136	5.72

The Logicalis LATAM SARs outstanding at 28 February 2022 comprised grant prices in the range of US$5.08 to US$8.87 (FY21: US$5.08 to US$8.87) and had a weighted average remaining contractual life of 5.0 years (FY21: 4.6 years).

Westcon International

Westcon International Equity Appreciation Plan ("EAP")

The Westcon International EAP was implemented in FY19 for senior management in order to incentivise value generation. Participants have been awarded a once-off grant of "units", whose value will be linked to the value of Westcon International; this is a notional base value which was estimated to be US$125 million (the "hurdle"). The units will not have any share rights, in particular they will not have the right to dividends or votes.

Ten percent of the value of Westcon International above the hurdle will be paid to the EAP pool on a sale of Westcon International. Each unit will receive a *pro rata* share of the EAP pool when Westcon International is sold.

For example, if Westcon International is sold for US$300 million, the EAP pool will be US$17.5 million: ((US$300 million – US$125 million) x 10%). If there are 100 000 units in issue, each unit will be worth US$175.

During FY21, Datatec recapitalised Westcon International by converting US$80 million of inter-company loans to equity investment. This capitalisation will be adjusted for in computing the equity appreciation for participants at the end of the EAP.

If Westcon International is not sold within five years of the start of the scheme on 1 March 2018, the business will be valued by an independent valuer at 1 March 2023 and the EAP will pay out to participants on the basis of that valuation. Such a valuation will be undertaken using a methodology which is fair and reasonable to all stakeholders including Datatec shareholders and participants in the EAP taking account of the recapitalisation noted above.

In addition to the Westcon International management participants, the Datatec executive directors participate in the Westcon EAP as shown in Note 30 to these financial statements.

2. SHARE-BASED PAYMENTS (continued)

Subsidiary schemes (cash-settled) (continued)

	2022		2021	
	Number of shares ('000)	**Weighted average grant price**	Number of shares ('000)	Weighted average grant price
		US$		US$
Outstanding at the beginning of the year	**143**	**125**	145	125
Granted during the year	**8**	**125**	–	–
Forfeited/lapsed during the year	**(3)**	**125**	(2)	125
Outstanding at the end of the year	**148**	**125**	143	125

At 28 February 2022, the EAP awards had a remaining contractual life of 1.0 years (FY21: 2.3 years).

Westcon International SAR Scheme

Westcon International implemented a SARs Scheme during FY19 to incentivise the cadre of senior management who were not awarded units in the EAP (above).

SARs were granted in FY19 and some further awards were made in FY20 to additional participants. The SARs Scheme is a one-off grant like the EAP and each SAR has an exercise price of US$1.25 based on a notional share capital for Westcon International of 100 million shares. The base valuation for the SARs was thus the same as the hurdle for the EAP. The SARs will be adjusted for the recapitalisation of Westcon International noted in the EAP section above. The SARs will vest after two years without performance conditions and thereafter may be exercised over the following three years (a maximum of one-third per year).

	2022		2021	
	Number of shares ('000)	**Weighted average grant price**	Number of shares ('000)	Weighted average grant price
		US$		US$
Outstanding at the beginning of the year	**2 595**	**1.25**	2 595	1.25
Granted during the year	**–**	**–**	–	–
Exercised during the year	**(144)**	**–**	–	–
Forfeited/lapsed during the year	**(67)**	**–**	–	–
Outstanding at the end of the year	**2 384**	**1.25**	2 595	1.25

At 28 February 2022, the SAR awards had a remaining contractual life of 1.3 years (FY21: 2.3 years).

2. SHARE-BASED PAYMENTS (continued)

Subsidiary schemes (cash-settled and equity-settled)

Analysys Mason Performance Share Scheme

Analysys Mason operates a performance share plan, approved by its board of directors and shareholders, under the terms of which conditional shares are granted to participants. 25% of the conditional shares vest unconditionally after three years, if the participant is still an employee, and are settled with the same number of Analysys Mason ordinary shares. The vesting of the remaining 75% is conditional on an earnings-based performance condition and may be settled in cash or shares.

	2022		2021	
	Number of shares ('000)	Weighted average grant price	Number of shares ('000)	Weighted average grant price
		GBP		GBP
Note: a proportion of this scheme is settled in Analysys Mason equity				
Outstanding at the beginning of the year	246	16.36	233	14.80
Granted during the year	86	25.27	87	18.31
Exercised during the year – share price on exercise £25.27 (FY21: £18.31)	(77)	14.64	(69)	13.52
Forfeited/lapsed during the year	(2)	20.75	(5)	16.65
Outstanding at the end of the year	253	19.89	246	16.36

The awards outstanding at 28 February 2022 had a weighted average remaining contractual life of 1.0 years (FY21: 1.0 years).

Valuation models

The fair value of CSP and Performance Share awards, referred to as the "unconditional" fair value, is equal to the underlying share price of subsidiary shares at the grant date.

Where awards have optionality, as is the case for SARs and the Westcon International EAP, fair value is measured by the use of Black-Scholes-Merton or binomial tree models.

The main inputs into the models used by subsidiaries, in addition to those recorded above, fall into the following ranges:

	2022		2021	
Grant date	1 June 2021	1 July 2021	1 June 2020	1 July 2020
Vesting date	1 June 2024	1 July 2024	1 July 2023	12 July 2023
Risk-free rate	0.48%	1.59%	0.08%	0.99%
Expected life (years)	3.00	7.00	3.00	7.00
Dividend yield	1.45%	2.24%	0.00%	2.24%
Volatility of subsidiary	37.70%	44.14%	34.25%	50.12%

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

	2022 US$'000	2021 US$'000
Expense in respect of equity-settled schemes	4 228	4 306
Datatec Limited	3 097	3 652
Subsidiaries	1 131	654
Expense in respect of cash-settled schemes	18 289	7 187
Datatec Limited	1 591	961
Subsidiaries	16 698	6 226
	22 517	11 493

2. SHARE-BASED PAYMENTS (continued)

Subsidiary schemes (cash-settled and equity-settled) (continued)

Settlements of US$4.4 million have been made relating to equity-settled schemes for the year ended 28 February 2022 (FY21: US$3.0 million).

No share-based payment charges have been allocated to cost of sales. Share-based payments primarily relate to the operating function of the Group.

3. OPERATING PROFIT

Operating profit is arrived at after taking into account the following items:

	2022 US$'000	2021 US$'000
Operating costs		
Auditors' remuneration	**8 050**	7 224
Audit fees	**6 310**	5 594
Other services	**1 740**	1 630
Taxation services	**607**	796
Other services and expenses	**1 133**	834
Fees for professional services	**19 787**	17 359
Administrative and managerial	**2 220**	1 415
Consulting	**11 165**	11 700
Accounting and advisory	**6 402**	4 244
Foreign exchange (gains)/losses (-)	**(1 905)**	7 926
Realised	**(1 435)**	7 643
Unrealised	**(470)**	283
Staff costs@	**414 859**	371 164
Retirement benefit contributions	**13 298**	11 342
Staff costs	**401 561**	359 822
Directors' emoluments*	**6 033**	6 119
Executive directors	**5 331**	5 456
Salaries	**1 730**	1 643
Bonuses	**3 195**	3 414
Benefits	**406**	399
Non-executive directors' emoluments – fees	**702**	663
Short-term lease payments	**2 932**	3 143
Low-value assets payments	**483**	731
Variable lease payments	**735**	544
Net (profit)/loss on disposal of property, plant and equipment, right-of-use assets and software	**(82)**	912
Other expenses	**140 508**	117 523
Total operating costs	**591 400**	532 645

@ Additional staff costs information included below.

* *Long-term incentives for executive directors are included in the share-based payments charge reflected in Note 2.*

Full details of directors' emoluments are provided in Note 30.

(-) Unrealised foreign exchange gains and losses for financial instruments (excluding cash resources and bank overdrafts as disclosed on the statement of financial position) that have a different currency than the entity's functional currency, are determined as follows:

- *Financial assets and liabilities that have open positions at the end of a period/reporting date are translated to the entity's functional currency at the rates prevailing for that period end/reporting date*
- *The unrealised foreign exchange gains and losses are accounted for in the statement of comprehensive income*
- *Foreign exchange gains and losses are considered unrealised until maturity or settlement date of the financial instrument, at which point the entire foreign exchange gain or loss is classified as realised*
- *Foreign exchange gains and losses on cash and cash equivalents are considered to be realised and accounted for in the statement of comprehensive income*

		2022 US$'000	2021 US$'000
3.	**OPERATING PROFIT** (continued)		
	Staff costs		
	Staff costs included in cost of sales	284 488	258 508
	Staff costs included in operating costs	414 859	371 164
	Total staff costs	699 347	629 672
	Restructuring costs		
	Restructuring costs	–	22 378
	Restructuring costs in FY21 included costs relating to fundamental reorganisations and Covid-19-related restructuring. Any restructuring as a result of Covid-19 was considered fundamental in nature and would not otherwise have been incurred.		
	Depreciation and amortisation^		
	Depreciation: Property, plant and equipment	17 953	19 040
	Office furniture, equipment and motor vehicles	2 257	2 297
	Computer equipment	11 367	11 642
	Leasehold improvements	4 243	5 011
	Land and buildings	86	90
	Depreciation: Right-of-use assets	33 843	33 537
	Office furniture, equipment and motor vehicles	5 196	4 560
	Computer equipment	3 414	3 166
	Land and buildings	25 233	25 811
	Amortisation	20 606	16 082
	Amortisation of software	3 074	1 976
	Amortisation of capitalised development expenditure	7 432	5 471
	Amortisation of acquired intangible assets	10 100	8 635
	Total depreciation and amortisation	72 402	68 659

^ No deprecation or amortisation is allocated to cost of sales. Depreciation and amortisation primarily relate to the operating function of the Group.

		2022 US$'000	2021 US$'000
4.	**NET FINANCE COSTS**		
	Finance costs		
	Lease liabilities	(5 260)	(4 920)
	Bank overdrafts and long-term liabilities^	(28 320)	(22 667)
		(33 580)	(27 587)
	Interest income		
	Bank and other deposits	1 922	1 716
	Other	349	179
		2 271	1 895
	Net finance costs	(31 309)	(25 692)

^ Includes interest on bank overdrafts repayable on demand of US$4.4 million.

	2022 US$'000	2021 US$'000
5. TAXATION		
5.1 Taxation charge		
South African normal taxation:		
Current taxation – Current year	**(246)**	115
– Prior year	**(22)**	(91)
Deferred taxation – Current year	**34**	(740)
– Prior year	**(26)**	(7)
South African tax	**(260)**	(723)
Foreign taxation:		
Current taxation – Current year	**26 554**	26 678
– Prior year	**(2 304)**	2 471
Deferred taxation – Current year	**(8 865)**	(7 912)
– Rate adjustment	**(5 024)**	(607)
– Prior year	**501**	(367)
Foreign tax	**10 862**	20 263
Total taxation charge	**10 602**	19 540

	2022 %	2021 %	2022 US$'000	2021 US$'000
5.2 Reconciliation of taxation rate to profit before taxation				
Profit before tax			**50 935**	25 244
South African statutory tax rate	**28.0**	28.0	**14 262**	7 068
Reconciling items expected to reoccur:				
Equity-accounted earnings (1)	**0.3**	(0.5)	**147**	(134)
Intra-group management fees (2)	**3.2**	5.8	**1 648**	1 457
Non-deductible property, plant and equipment, inventory and other asset impairments (3)	**0.8**	0.4	**424**	109
Other non-deductible expenses and permanent differences (4)	**4.7**	20.1	**2 395**	5 087
Share-based payments (5)	**(1.7)**	(1.0)	**(852)**	(257)
Exempt profits/incentives (6)	**(1.3)**	(0.7)	**(691)**	(186)
Non-recoverable withholding taxes (7)	**2.5**	5.0	**1 251**	1 258
Tax arising on dividend flows (8)	**(0.2)**	(1.4)	**(100)**	(363)
Tax loss utilised/recognised (9)	**(11.1)**	(8.2)	**(5 633)**	(2 078)
Foreign taxation rate differential (10)	**1.9**	11.8	**983**	2 992
Tax losses and other deferred tax assets not recognised (11)	**7.0**	12.5	**3 549**	3 165
Rate adjustment (12)	**(9.9)**	(2.4)	**(5 024)**	(607)
Prior year adjustments (13)	**(3.6)**	7.9	**(1 851)**	2 006
Reconciling items that are not expected to reoccur:				
Acquisition related adjustments (14)	**0.2**	0.1	**94**	23
Non-taxable profits on disposals (15)	**–**	–	**–**	–
Effective taxation rate	**20.8**	77.4	**10 602**	19 540

5. TAXATION (continued)

5.2 Reconciliation of taxation rate to profit before taxation (continued)

Notes to the Group tax rate reconciliation:

The tax rate reconciliation uses the 28% South African statutory tax rate as a starting point. The Group operates in over 50 countries and the head office is based in South Africa. Datatec Limited is listed on the JSE and the majority of the Group's shareholders are based in South Africa. If a weighted average tax rate were to be used, the starting point would change every year making comparability difficult. The South African statutory tax rate is therefore deemed to be the most appropriate starting point. This is a key judgement applied by management.

(1): Arises as the net profit after taxation from equity-accounted investments is presented as a single line item in the Group's profit before taxation.

(2): Arises as a result of the imputation of income for tax purposes where certain management fees are not billed to the entities benefiting from the services provided.

(3): Relates to property, plant and equipment depreciation, inventory and work-in-progress write-offs and other asset impairments not deductible for tax purposes.

(4): Includes entertaining expenses, donations, gifts, disallowed interest, disallowed legal expenses, disallowed customs duty costs, the impact of foreign exchange movements and controlled foreign company taxation.

(5): Reflects the differing tax treatments of share-based payments which varies across jurisdictions, and the associated current or deferred tax credits arising which often do not directly correspond to the expenses booked in the accounts.

(6): Relates to profits arising that are not chargeable to taxation and tax credits or additional tax deductions given in relation to certain types of expenditure.

(7): Represents tax deducted on cross-border commercial payments that cannot be recovered directly from a tax authority or offset against other income tax liabilities.

(8): Reflects the net tax benefit obtained as a result of intra-group dividends which have no net impact on the consolidated statement of other comprehensive income.

(9): Relates to the utilisation or recognition of tax losses and other timing differences that have not previously been recognised as a deferred tax asset. In the year ended 28 February 2022, this included US$5.3 million recognised in respect of Westcon International's UK tax losses.

(10): The tax reconciliation starts by applying the 28% South African tax rate to the profits arising in the year. The Group has earned profits in jurisdictions with significantly higher statutory tax rates such as Brazil at 34% (FY21: 34%) and has also incurred losses in jurisdictions with significantly lower statutory tax rates such as the UK at 19% (FY21: 19%). This line item reflects the additional taxation of these profits and the reduced tax benefit of these losses.

(11): Relates to those timing differences that arise in the year for which a deferred tax asset has not been recognised, typically because of the uncertainty that future taxable income will be available against which deductible temporary differences can be utilised.

(12): Refers to changes in the carrying value of deferred tax assets and liabilities as a result of a change in local statutory rates of taxation. In the year ended 28 February 2022, this related solely to a change in the UK rate of taxation to come into effect in FY23.

(13): Reflects changes to the current and deferred tax recorded in relation to prior accounting periods.

(14): Relates to acquisition costs or aborted acquisition costs that are not deductible for tax purposes.

(15): Relates to profits arising on the disposal of investments that are exempt for tax purposes.

5. TAXATION (continued)

	2022 US$'000	2021 US$'000
5.3 Taxation charge/(credit) by region:		
North America	**1 551**	(596)
Latin America	**800**	9 496
Europe	**1 173**	4 438
Asia-Pacific	**6 415**	6 108
Middle East and Africa	**663**	94
Total taxation charge	**10 602**	19 540
5.4 Unutilised tax losses		
Certain subsidiaries had tax losses at the end of the financial year that are available to reduce their future taxable income and are estimated to be:	**231 246**	240 471
Future tax relief at a blended tax rate of 24.7% (FY21: 21.9%) is US$57.2 million (FY21: US$52.6 million). Deferred tax assets of US$36.3 million (FY21: US$24.8 million) have been recognised in respect of a portion of these losses as set out in Note 13.	**57 161**	52 646

6. EARNINGS PER SHARE

	2022 US$'000	2021 US$'000
6.1 Reconciliation of attributable profit to headline earnings		
Total profit for the year attributable to the equity holders of the parent	**33 902**	2 601
Total headline earnings adjustments:	**(894)**	955
Impairment of right-of-use asset		
– Gross	**–**	155
– Tax effect	**–**	(45)
– Non-controlling interest	**–**	(20)
Loss on disposal of intangible assets	**1**	–
Realised foreign exchange gains on equity loans settled		
– Gross	**(1 174)**	–
– Tax effect	**329**	–
(Loss)/profit on disposal of property, plant and equipment and right-of-use assets		
– Gross	**(83)**	912
– Tax effect	**33**	(27)
– Non-controlling interest	**–**	(20)
Total headline earnings	**33 008**	3 556

6. EARNINGS PER SHARE (continued)

6.2 Reconciliation of total headline earnings to underlying* earnings

	2022 US$'000	2021 US$'000
Total headline earnings	**33 008**	3 556
Total underlying* earnings adjustments:	**5 075**	23 383
Unrealised foreign exchange (gains)/losses**		
– Gross	**(470)**	283
– Tax effect	**(582)**	155
– Non-controlling interest	**67**	(17)
Acquisition-related fair value adjustments***	**(567)**	–
Amortisation of acquired intangible assets		
– Gross	**10 100**	8 635
– Tax effect	**(2 427)**	(2 141)
– Non-controlling interest	**(1 046)**	(812)
Restructuring costs**		
– Gross	**–**	22 378
– Tax effect	**–**	(3 857)
– Non-controlling interest	**–**	(1 241)
Total underlying* earnings	**38 083**	26 939

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

** *Refer to Note 3 for the information on the accounting policy of unrealised foreign exchange gains or losses and restructuring costs.*

*** *Refer to Note 25 for details of the deferred consideration adjustment.*

	2022 US cents	2021 US cents
6.3 Earnings per share		
Basic earnings per share	**16.7**	1.3
Headline earnings per share	**16.2**	1.8
Underlying* earnings per share	**18.7**	13.6

The earnings metrics above are calculated on the weighted average number of shares in issue during the year of 203 179 153 (FY21: 198 752 516), after the deduction of the weighted average number of treasury shares and shares relating to the DBP of 2 757 767 (FY21: 2 697 484).

As at 28 February 2022, the Group held 549 867 (FY21: nil) shares as treasury shares (refer to Note 20). There were 9 123 (FY21: 331 715) weighted average treasury shares. As at 28 February 2022, there were 2 776 908 (2 757 767 weighted average) shares relating to the DBP. As at 28 February 2021, there were 2 537 322 (2 365 769 weighted average) shares relating to the DBP (refer to Note 2).

	2022 US cents	2021 US cents
6.4 Diluted earnings per share		
Diluted basic earnings per share	**16.2**	1.3
Diluted headline earnings per share	**15.8**	1.7
Diluted underlying earnings per share	**18.2**	13.2

	2022 Number of shares	2021 Number of shares
6.5 Weighted and diluted weighted average number of shares		
Weighted average number of shares	**203 179 153**	198 752 516
The diluted earnings metrics above are calculated using the weighted average number of shares in issue during the year, taking into account the dilutive effect of:		
Shares related to share-based payment schemes	**6 099 534**	4 813 634
Diluted weighted average number of shares	**209 278 687**	203 566 150

Headline earnings per share is calculated using the weighted average number of ordinary shares in issue during the year and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 1/2021 Headline Earnings issued by the South African Institute of Chartered Accountants ("SAICA") as amended from time to time and as required by the JSE Limited.

In addition to the presentation of headline earnings per share and earnings per share, the Group presents underlying* earnings per share. Underlying* earnings per share is determined on the same weighted average number of shares as used in earnings per share. Refer to the accounting policies for further details on underlying* earnings.

	2022 US$'000	2021 US$'000
7. GOODWILL		
Net book value	**262 606**	255 536
At the beginning of the year	**255 536**	241 369
Arising on acquisition of subsidiaries (Note 38)	**12 199**	9 495
Translation and other movements	**(5 129)**	4 672
Balance at the end of the year	**262 606**	255 536
Goodwill at cost	**262 606**	255 536
Per cash-generating unit:	**262 606**	255 536
Logicalis	**239 376**	230 838
Management Consulting	**23 230**	24 698

Goodwill impairment assessment:
The Group completed its annual impairment tests, which are performed at the segmental cash-generating unit ("CGU") level. Goodwill has been allocated for impairment testing purposes to the Logicalis and Management Consulting CGUs.

External valuations are obtained for the Logicalis and Management Consulting CGUs and compared to the corresponding net asset value, including goodwill. The recoverable amount of each CGU is determined based on a fair value less cost to sell, which is compared to values arising from a comparable company's market approach and a market transactions method to ensure the reasonableness of the recoverable amount. The fair value less cost to sell is based on discounted cash flow calculations and is a level 3 fair value measurement, and further includes the following key assumptions:

Future earnings: Cash flow forecasts are prepared and derived from the most recent financial budgets for the next three years which are approved by management. EBITDA is considered a reliable indicator of operational performance and is considered a key assumption in the estimation of forecast future financial performance. Cash flows are extrapolated for a further two- to three-year period with estimated annual growth reducing gradually, to a rate which is considered not to exceed the long-term market growth in perpetuity used to calculate the terminal value. The future financial forecasts considered the potential future impact on the business from the Covid-19 pandemic.

Discount rates: Estimated discount rates used are post-tax rates of return that reflect current market assessments of the time value of money and the risks specific to the CGU to which goodwill is attributable.

7. GOODWILL (continued)

Growth rates: Growth rates are based on budgeted figures and management estimates/assumptions in respect of the three- to six-year cash flow projections, a terminal growth rate and a discount rate. The growth rates are based on industry growth forecasts.

Expected changes to selling prices and direct costs: Changes in selling prices and direct costs are based on past practices and reasonable expectations of future changes in the market.

As a result of the impairment analyses, it was concluded that no impairments were required to be recorded in the current year.

Refer to Note 41 for the considerations that management took into account.

The table below contains the key assumptions that were used in the fair value less cost to sell calculations:

	Logicalis	**Management Consulting**
2022		
Discount rate	**14.8%**	**14.5%**
Revenue growth rate in discrete period	**4.6% – 13.2%**	**10.1% – 12.4%**
Terminal growth rate	**2.2%**	**1.8%**
2021		
Discount rate	14.5%	14.4%
Revenue growth rate in discrete period	7.0% – 15.0%	2.9% – 5.2%
Terminal growth rate	2.0%	1.8%

The directors believe that a possible change in the key assumptions, on which recoverable amounts are based, would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

	2022			2021		
	Cost US$'000	**Accumulated depreciation US$'000**	**Net book value US$'000**	Cost US$'000	Accumulated depreciation US$'000	Net book value US$'000
8. PROPERTY, PLANT AND EQUIPMENT						
Office furniture, equipment and motor vehicles	**22 043**	**(16 969)**	**5 074**	22 044	(16 029)	6 015
Computer equipment	**101 271**	**(85 106)**	**16 165**	99 566	(79 698)	19 868
Leasehold improvements	**47 832**	**(38 068)**	**9 764**	52 224	(39 703)	12 521
Land and buildings	**1 844**	**(330)**	**1 514**	1 828	(245)	1 583
	172 990	**(140 473)**	**32 517**	175 662	(135 675)	39 987

A register of land and buildings is maintained at the registered office of the applicable entities and may be inspected by shareholders or their duly authorised agents.

The fair value of property, plant and equipment approximates its net book value.

8. PROPERTY, PLANT AND EQUIPMENT (continued)

Movement of property, plant and equipment	Office furniture, equipment and motor vehicles US$'000	Computer equipment US$'000	Leasehold improve-ments US$'000	Land and buildings US$'000	Total US$'000
Balance at 1 March 2020	7 405	19 256	14 834	1 805	43 300
Subsidiaries acquired	4	92	22	–	118
Additions	2 434	11 257	4 126	–	17 817
Disposals	(224)	(1 077)	(232)	(131)	(1 664)
Transfers	(1 407)	1 617	(1 472)	-	(1 262)
Translation and other movements	100	365	254	(1)	718
Depreciation	(2 297)	(11 642)	(5 011)	(90)	(19 040)
Balance at 28 February 2021	**6 015**	**19 868**	**12 521**	**1 583**	**39 987**
Subsidiaries acquired	**523**	**124**	**–**	**–**	**647**
Additions	**1 108**	**8 084**	**1 874**	**18**	**11 084**
Disposals	**(108)**	**(192)**	**(64)**	**–**	**(364)**
Transfers	**2**	**(8)**	**6**	**–**	**–**
Translation and other movements	**(209)**	**(344)**	**(330)**	**(1)**	**(884)**
Depreciation	**(2 257)**	**(11 367)**	**(4 243)**	**(86)**	**(17 953)**
Balance at 28 February 2022	**5 074**	**16 165**	**9 764**	**1 514**	**32 517**

	2022			2021		
	Cost US$'000	**Accumulated depreciation and impairment US$'000**	**Net book value US$'000**	Cost US$'000	Accumulated depreciation and impairment US$'000	Net book value US$'000
9. RIGHT-OF-USE ASSETS						
Office furniture, equipment and motor vehicles	**19 566**	**(10 988)**	**8 578**	17 323	(8 521)	8 802
Computer equipment	**12 873**	**(9 974)**	**2 899**	12 774	(6 854)	5 920
Land and buildings	**127 452**	**(58 290)**	**69 162**	122 231	(42 116)	80 115
	159 891	**(79 252)**	**80 639**	152 328	(57 491)	94 837

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 28 FEBRUARY 2022

9. RIGHT-OF-USE ASSETS (continued)

Movement of right-of-use assets	Office furniture, equipment and motor vehicles US$'000	Computer equipment US$'000	Land and buildings* US$'000	Total US$'000
Balance at 1 March 2020	8 539	5 160	70 254	83 953
Subsidiaries acquired	–	–	67	67
Additions	6 015	3 880	40 341	50 236
Disposals*	(225)	(102)	(6 580)	(6 907)
Transfers*	(267)	(51)	1 581	1 263
Translation and other movements	(700)	199	1 028	527
Impairment	–	–	(765)	(765)
Depreciation	(4 560)	(3 166)	(25 811)	(33 537)
Balance at 28 February 2021	**8 802**	**5 920**	**80 115**	**94 837**
Subsidiaries acquired	**740**	**–**	**1 200**	**1 940**
Additions	**4 361**	**505**	**16 318**	**21 184**
Disposals	**#**	**(82)**	**(1 744)**	**(1 826)**
Translation and other movements	**(129)**	**(30)**	**(1 264)**	**(1 423)**
Revaluations	**–**	**–**	**61**	**61**
Impairment	**–**	**–**	**(291)**	**(291)**
Depreciation	**(5 196)**	**(3 414)**	**(25 233)**	**(33 843)**
Balance at 28 February 2022	**8 578**	**2 899**	**69 162**	**80 639**

* *Includes leasehold improvements.*
# *Less than US$1 000.*

	2022 US$'000	2021 US$'000
10. INTANGIBLE ASSETS		
10.1 Capitalised development expenditure		
Included in amounts capitalised below, was US$1.3 million (FY21: US$2.1 million) of SAP-related capitalised development expenditure for Westcon International. Capitalised expenditures related to SAP are functionality modifications/enhancements made to the existing SAP platform. Non-SAP-related expenditure included modifications/enhancements to Westcon International's digital platforms and to previously built cloud platforms as well as the development of new Application Programming Interfaces (APIs). US$28.5 million (FY21: US$23.6 million) of capitalised development expenditure relates to Westcon International and US$0.8 million (FY21: US$1.4 million) of capitalised development expenditure relates to Logicalis.		
Net book value	**29 351**	25 040
At the beginning of the year	**25 040**	19 908
Amounts capitalised	**11 701**	10 945
Disposals	**(2)**	(392)
Translation	**44**	50
Amortisation	**(7 432)**	(5 471)
Balance at the end of the year	**29 351**	25 040
Capitalised development expenditure at cost	**56 117**	44 450
Accumulated amortisation and impairment	**(26 766)**	(19 410)
Capitalised development assets are amortised using the straight-line method over their useful lives, which generally do not exceed seven years.		
10.2 Acquired intangible assets and software		
10.2.1 Trademarks, customer and vendor relationships		
Net book value	**21 483**	25 769
At the beginning of the year	**25 769**	25 915
Arising on acquisition of subsidiaries	**6 683**	7 626
Disposals	**–**	(14)
Translation	**(869)**	877
Amortisation	**(10 100)**	(8 635)
Balance at the end of the year	**21 483**	25 769
Acquired intangible assets at cost	**48 330**	109 560
Accumulated amortisation and impairment	**(26 847)**	(83 791)

There is one large acquired intangible asset (customer relationship in Logicalis) with a net book value of US$8.6 million (FY21: US$11.0 million). The original amortisation period was 10 years and the remaining amortisation period is 3.5 years.

Fully amortised acquired intangible assets which had a US$nil book value at the beginning of the year and total cost and accumulated amortisation of US$48.6 million were scrapped during the year.

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

	2022 US$'000	2021 US$'000
10. INTANGIBLE ASSETS (continued)		
10.2 Acquired intangible assets and software (continued)		
10.2.2 Software		
Net book value	**6 649**	8 141
At the beginning of the year	**8 141**	4 087
Additions	**2 056**	6 383
Transfers	**–**	(1)
Translation and other movements	**(291)**	110
Disposals	**(183)**	(462)
Amortisation	**(3 074)**	(1 976)
Balance at the end of the year	**6 649**	8 141
Software at cost	**18 864**	17 539
Accumulated amortisation	**(12 215)**	(9 398)
Software is amortised using the straight-line method over their useful lives, which ranges from two to six years.		
	28 132	33 910

There are no intangible assets with indefinite useful lives.

	2022 US$'000	2021 US$'000
11. CAPITAL COMMITMENTS		
Contractual commitments authorised	**14 842**	15 117
Property, plant and equipment	**3 566**	5 724
Intangible assets	**11 276**	9 393
Capital expenditure not contractually committed	**29 135**	21 246
Total capital commitments	**43 977**	36 363

This expenditure will be incurred in the ensuing year and will be financed from existing cash resources and available borrowing facilities.

12. INVESTMENTS

12.1 Equity-accounted investments

The investments comprise associates that are equity-accounted. None of these equity-accounted associates are considered to be material to the Group.

Details of the Group's investments are:

	Country of incorporation and principal place of business	Nature of business	Effective ownership 2022 %	Effective ownership 2021 %	Carrying value 2022 US$'000	Carrying value 2021 US$'000
Equity-accounted:						
Esource Resources, LLC.	USA	ICT Solutions	**45.0**	45.0	**983**	757
Cirrus Participações S.A ("Kumulus")	Brazil	ICT Solutions	**50.1**	30.0	**852**	1 359
Directus AS**	Norway	Management Consulting	**–**	41.0	**–**	1 633
Fortum Fibre AS*	Norway	Management Consulting	**16.6**	–	**1 564**	–
Mason Advisory Limited	UK	Management Consulting	**44.7**	44.7	**2 672**	1 937
					6 071	5 686

* *During the year under review, US$0.2 million (FY21: US$nil) was received as a dividend from Esource Resources, LLC.*
** *During the year, Fortum Fibre AS moved from being owned directly by Directus AS, to being owned by Analysys Mason Ventures Fund Nordic 1 AS and Directus AS demerged from the Group. The Management Consulting division owns 16.56% of the issued shares in Fortum Fibre AS.*

Fortum Fibre AS' and Cirrus Participações S.A.'s year-ends are 31 December, the reporting date when the investment in these associates was made. The Group does not control these associates and cannot amend their year-end dates. The year-ends of the other associates are the same as the Group.

Cirrus Participações S.A, an equity accounted investment in Logicalis, has a 99.994% shareholding in Kumulus Serviços em CloudComputing e Database Ltda ("Kumulus"). During the year a European subsidiary of the Group granted a loan of US$1 million to Kumulus.

	2022 US$'000	2021 US$'000
Carrying amount	**6 071**	5 686
Total share of equity-accounted investment (losses)/earnings		
Esource Resources, LLC.	**451**	205
Cirrus Participações S.A	**(1 612)**	157
Directus AS	**–**	(2)
Mason Advisory Limited	**734**	548
	(427)	908

	2022 US$'000	2021 US$'000
12. INVESTMENTS (continued)		
12.2 Bonds (Angola government bonds)		
ISIN: AOTNX0519L18	**7 276**	7 276
Long-term portion	**7 276**	7 276
	7 276	7 276

Westcon International

The Angolan government bonds are indexed to the US Dollar. The amount of US$7.3 million (FY21: US$7.3 million) is fixed and the Kwanza equivalent of this will be repaid at maturity. The prevailing National Bank of Angola official US Dollar rate at the maturity date will be used for conversion. Bonds to the value of US$7.28 million were purchased in July 2018 and mature in July 2023. The coupon rate on the bonds is 5.0%.

US$nil of Angolan bonds matured during the year.

The weakened economic outlook for Angola, which arose in prior years, mainly as a consequence of the fall in the price of crude oil, has led to a decline in the exchange rate of the Kwanza to the US Dollar. The National Bank of Angola has instituted capital controls that render the timing and quantum of conversion from Kwanza to US Dollar unpredictable. The further decline in the price of crude oil has increased uncertainty in the Angolan market. Management had instituted a series of actions to control the exposure and seek to reduce further losses, including the purchase of the bonds referenced above.

Expected credit losses in respect of the bonds are considered to be negligible. There have been no defaults by the Angolan government on bond maturity in the past and the National Bank of Angola has been settling bonds as they fall due.

The Bonds are classified as level 1 financial instruments for the purposes of the IFRS 13 fair value hierarchy disclosure and are valued using quoted market rates.

	2022 US$'000	2021 US$'000
Equity-accounted investments	**6 071**	5 686
Other investments	**107**	124
Bonds	**7 276**	7 276
Total investments	**13 454**	13 086
Long-term portion	**13 454**	13 086
	13 454	13 086

	2022 US$'000	2021 US$'000
13. DEFERRED TAX ASSETS/(LIABILITIES)		
13.1 Movement of deferred tax assets		
At the beginning of the year	**55 837**	46 544
Credit/(charge) to profit and loss	**13 911**	9 197
Translation and other movements	**203**	96
	69 951	55 837
Analysis of deferred tax assets		
Capital allowances	**4 097**	4 746
Expense accruals and similar items	**25 610**	22 587
Effect of tax losses*	**36 285**	24 844
Other individually immaterial temporary differences	**3 959**	3 660
	69 951	55 837
13.2 Movement of deferred tax liabilities		
At the beginning of the year	**(26 149)**	(26 127)
Arising on acquisition of subsidiaries	**(1 890)**	(1 793)
(Charge)/credit to profit and loss	**(531)**	436
Charge to other comprehensive income	**329**	138
Translation and other movements	**145**	1 197
	(28 096)	(26 149)
Analysis of deferred tax liabilities		
Capital allowances	**(1 123)**	(1 843)
Goodwill	**(17 790)**	(19 135)
Intangible assets	**(4 641)**	(2 649)
Other individually immaterial temporary differences	**(4 542)**	(2 522)
	(28 096)	(26 149)

* *Deferred tax assets recognised in relation to tax losses total US$36.3 million. Of this, US$29.8 million have been recognised in respect of entities that were loss making in either the current year or prior year and included within this amount is US$10.7 million relating to entities that were loss making in both the current and prior year. This includes losses relating to Chile, the UK and South Africa which can be carried forward indefinitely against their own future profits. Estimated tax losses carried forward include US$5.4 million relating to Argentina that expire on 28 February 2027. The deferred tax assets recognised are based on the future profits included in the approved budgets of the relevant entities.*

Potential deferred tax assets of US$20.9 million on assessed/estimated tax losses have not been recognised at 28 February 2022.

	2022		2021	
	Minimum lease payments US$'000	**Present value of minimum lease payments US$'000**	Minimum lease payments US$'000	Present value of minimum lease payments US$'000
14. FINANCE LEASE RECEIVABLES				
Current portion receivable within one year	**10 567**	**9 878**	12 246	10 794
Receivable within one to two years	**8 770**	**8 336**	10 689	9 609
Receivable within two to three years	**6 962**	**6 756**	8 478	7 770
Receivable within three to four years	**4 267**	**4 198**	6 722	6 361
Receivable within four to five years	**1 287**	**1 283**	3 925	3 865
Receivable after five years	**–**	**–**	846	843
	31 853	**30 451**	42 906	39 242
Less: Unearned finance income	**(1 402)**	**–**	(3 664)	–
Present value of minimum lease assets	**30 451**	**30 451**	39 242	39 242
Current portion		**9 878**		10 794
Long-term portion		**20 573**		28 448
Finance lease receivables		**30 451**		39 242

Leases are provided to customers as part of financing for large product deals. In order to manage the risk associated with rights retained in the underlying assets, penalty clauses are included in contracts whereby customers are required to pay off the remainder of the value of the products should they exit the lease contract.

Unguaranteed residual values of assets leased under finance leases at the end of the year are US$nil (FY21: US$nil).

The carrying value of finance lease receivables approximates fair value, therefore no fair value disclosures are provided.

Logicalis

One of Logicalis' Latin American subsidiaries has entered into various finance leases, bearing interest between 0.30% and 11.07%. These leases are repayable at various dates between February 2022 and October 2026. At 28 February 2022, US$1.5 million (FY21: US$0.9 million) was receivable.

One of Logicalis' European subsidiaries has entered into various finance leases, bearing interest between 0.60% and 14.42%. These leases are repayable at various dates between June 2022 and September 2026. At 28 February 2022, US$28.9 million (FY21: US$37.2 million) was receivable.

The majority of the exposure (US$28.9 million) is in Europe (refer to Note 31.4). Expected credit losses for the year are, however, negligible.

		2022 US$'000	2021 US$'000
15.	**INVENTORIES**		
	Merchandise for resale	**295 762**	230 651
	Spares/maintenance inventory	**9 105**	10 243
	Work-in-progress	**23 508**	19 407
		328 375	260 301
	Inventory provisions	**(19 148)**	(18 296)
		309 227	242 005

No obsolete inventory (FY21: US$0.2 million) was written off during the year.

During the year, inventories of US$2.3 billion (FY21: US$2.1 billion) were recognised as part of cost of sales. There was US$0.1 million inventories encumbered as at 28 February 2022 (FY21: US$nil).

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

Westcon International's European and Middle Eastern subsidiaries have an inventory purchase financing agreement with a financing company for a specific vendor's purchases for a maximum availability of US$271.8 million (FY21: US$240.5 million) which extends payment terms to 60 days. The agreement may be cancelled at any time with a 60-day notice by either Westcon International or the vendor. As at 28 February 2022, US$192.7 million (FY21: US$106.2 million) was outstanding and is included in trade payables per Note 23. Purchases within 0 to 30 days are described as unfunded and are also included in trade payables. The funded availability limit of US$271.8 million is treated as a group limit which is transferable for usage by the subsidiaries.

Westcon International's Asia-Pacific subsidiaries have an inventory purchase financing agreement for purchases with a vendor for a maximum of US$79.0 million (FY21: US$65.5 million) which extends payment terms from 30 days to 90 days. The agreement may be cancelled at any time with a 90-day notice by either Westcon International or the vendor. As at 28 February 2022, US$40.2 million (FY21: US$29 million) was outstanding and is included in trade payables per Note 23.

Westcon International apportions the above facility based on usage between three subsidiaries, namely Singapore, Indonesia and Philippines. As at 28 February 2022, the amounts in the respective subsidiaries were as follows Singapore: US$33.2 million (FY21: US$23.9 million), Indonesia: US$3.1 million (FY21: US$2.9 million) and Philippines: US$3.9 million (FY21: US$2.2 million). These amounts are included in trade payables per Note 23.

Westcon International's South African subsidiary has an inventory purchase financing agreement with a financing company for a specific vendor's purchases for a maximum availability of US$26.5 million (FY21: US$26.5 million) which extends payment terms from 30 days to 60 days. The agreement may be cancelled at any time with a 60-day notice by either Westcon International or the vendor. As at 28 February 2022, US$7.2 million (FY21: US$7.9 million) was outstanding and is included in trade payables per Note 23.

	2022 US$'000	2021 US$'000
16. TRADE RECEIVABLES		
Trade receivables	**1 250 584**	1 135 017
Expected credit loss allowance	**(26 760)**	(26 912)
	1 223 824	1 108 105

All trade receivables represent financial assets of the Group and are measured at amortised cost.

The carrying value of trade receivables balances approximates their fair value, therefore no fair value disclosures are provided.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The Group recognises lifetime expected credit losses for trade receivables which are estimated using a provision matrix. This matrix takes into consideration the payment profiles of trade receivables over a period of up to two years in preceding financial years, the Group's historical credit loss experience, adjusted for factors that are specific to the receivables including insurance held and other securities in place, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group considers forward-looking information such as known changes in the macroeconomic environment of customers located in a certain geography, the deterioration in the Group's relationship or discussions with a particular customer. Consideration of these factors enables an estimation of future expected credit losses to be made. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Particular focus is placed on higher value and aged trade receivables where there are other more specific risk factors. The concentration of credit risk in each of the Group's geographic segments is limited due to the customer base being large and geographically diverse. Accordingly, the directors believe that no further credit loss allowance is required.

There has been no change in the estimation techniques or significant assumptions made during the current period.

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

There is one customer in Latin America, with a gross value of US$64.4 million, which represents over 5% of the total balance of trade receivables (FY21: US$56.4 million (approximately 5% of the total balance)). Refer to Note 31.4 for details of the concentration of risk.

The Group does not hold any collateral over its trade receivables balances. US$497.1 million of credit insurance is held over trade receivables (FY21: US$459.9 million).

US$19.4 million of trade receivables are pledged as collateral against long-term interest-bearing liabilities and US$597.6 million of trade receivables have been assigned against short-term interest-bearing liabilities (FY21: US$17.3 million collateral against long-term interest-bearing liabilities and US$529.7 million of trade receivables assigned against short-term interest-bearing liabilities). Refer to Note 21.1 and Note 24.

The weighted average write-off rate over recent years across all classes of trade receivables is 0.51% (FY21: 0.52%). The Group therefore has sufficient expected credit loss allowances. The weighted average write-off rate has been calculated using trade receivables write-offs as a percentage of the gross trade receivables using a simple weighting over the last three years. Please refer to "Write-off policy" in the Financial Instruments section of the accounting policies for more information on write-offs.

Management has concluded that the likelihood of material expected credit losses is low.

16. TRADE RECEIVABLES (continued)

16.1 Trade receivables credit risk

The following table details the credit risk profile of trade receivables based on the Group's provision matrix.

Days past due: US$'000	North America US$'000	Latin America US$'000	Europe US$'000	Asia-Pacific US$'000	MEA US$'000	Total US$'000
2022						
Datatec Group Total						
Current	72 233	115 848	599 579	173 409	108 068	1 069 137
1 – 30 days past due	14 594	9 737	42 915	18 664	10 053	95 963
31 – 60 days past due	7 104	8 779	9 795	5 601	1 181	32 460
61 – 90 days past due	1 608	1 379	4 639	416	1 212	9 254
91 – 120 days past due	1 699	867	1 379	1 464	(566)	4 843
Over 120 days past due	5 323	2 819	8 120	5 680	16 985	38 927
Gross trade receivables	102 561	139 429	666 427	205 234	136 933	1 250 584
Expected credit loss allowance	(185)	(629)	(7 428)	(3 281)	(15 237)	(26 760)
Net trade receivables	102 376	138 800	658 999	201 953	121 696	1 223 824
Westcon International~						
Current	–	–	492 045	136 335	103 469	731 849
1 – 30 days past due	–	–	29 049	11 485	8 751	49 285
31 – 60 days past due	–	–	6 891	3 373	854	11 118
61 – 90 days past due	–	–	2 484	(460)	461	2 485
91 – 120 days past due	–	–	1 322	698	(603)	1 417
Over 120 days past due	–	–	7 823	941	16 236	25 000
Gross trade receivables	–	–	539 614	152 372	129 168	821 154
Expected credit loss allowance	–	–	(6 836)	(883)	(14 883)	(22 602)
Net trade receivables	–	–	532 778	151 489	114 285	798 552
Logicalis						
Current	70 716	115 807	96 996	36 142	2 556	322 217
1 – 30 days past due	14 336	9 687	13 143	7 043	764	44 973
31 – 60 days past due	7 064	8 779	2 463	2 021	173	20 500
61 – 90 days past due	1 608	1 298	1 112	798	12	4 828
91 – 120 days past due	1 699	867	45	763	30	3 404
Over 120 days past due	5 292	2 819	279	4 739	34	13 163
Gross trade receivables	100 715	139 257	114 038	51 506	3 569	409 085
Expected credit loss allowance	(154)	(629)	(592)	(2 398)	(41)	(3 814)
Net trade receivables	100 561	138 628	113 446	49 108	3 528	405 271
Corporate and Management Consulting~						
Current	1 517	41	10 538	932	2 043	15 071
1 – 30 days past due	258	50	723	136	538	1 705
31 – 60 days past due	40	–	441	207	154	842
61 – 90 days past due	–	81	1 043	78	739	1 941
91 – 120 days past due	–	–	12	3	7	22
Over 120 days past due	31	–	18	–	715	764
Gross trade receivables	1 846	172	12 775	1 356	4 196	20 345
Expected credit loss allowance	(31)	–	–	–	(313)	(344)
Net trade receivables	1 815	172	12 775	1 356	3 883	20 001

Negative amounts represent credits on accounts that have not yet been applied/cleared due to timing of customer approvals as well as payments received in advance.

Only Datatec Group was disclosed in the prior year.

~ Datatec Financial Services has been included in the Westcon International segment in February 2022 and in the Corporate and Management Consulting segment in February 2021.

16. TRADE RECEIVABLES (continued)

16.1 Trade receivables credit risk (continued)

The past due receivables ageing categories above are shown gross, before taking into account expected credit loss allowances. US$26.2 million (FY21: US$24.3 million) expected credit losses have been allocated to the US$43.8 million (FY21: US$48.7 million) over 90 days past due receivables, resulting in a net over 90 days past due receivables balance of US$17.6 million (FY21: US$24.4 million). Where there are no expected credit loss allowances, the balances are deemed to be recoverable and there are either payment plans in place with the relevant customers or discussions with the customers are ongoing to resolve the payment of the outstanding balances.

Days past due US$'000	North America US$'000	Latin America US$'000	Europe US$'000	Asia-Pacific US$'000	MEA US$'000	Total US$'000
2021						
Datatec Group Total						
Current	53 766	115 771	563 157	137 742	99 730	970 166
1 – 30 days past due	9 060	3 675	26 259	23 364	10 705	73 063
31 – 60 days past due	2 766	3 592	9 644	9 036	6 337	31 375
61 – 90 days past due	743	1 095	4 135	4 449	1 286	11 708
91 – 120 days past due	530	193	2 606	1 795	2 035	7 159
Over 120 days past due	1 863	1 782	7 170	7 618	23 113	41 546
Gross trade receivables	68 728	126 108	612 971	184 004	143 206	1 135 017
Expected credit loss allowance	(158)	(489)	(9 024)	(3 707)	(13 534)	(26 912)
Net trade receivables	68 570	125 619	603 947	180 297	129 672	1 108 105
Westcon International~						
Current	–	–	467 407	107 163	97 844	672 414
1 – 30 days past due	–	–	13 153	15 829	9 883	38 865
31 – 60 days past due	–	–	7 203	5 821	6 059	19 083
61 – 90 days past due	–	–	3 391	1 036	1 241	5 668
91 – 120 days past due	–	–	2 203	538	2 009	4 750
Over 120 days past due	–	–	6 418	3 297	22 546	32 261
Gross trade receivables	–	–	499 775	133 684	139 582	773 041
Expected credit loss allowance	–	–	(7 738)	(1 373)	(13 091)	(22 202)
Net trade receivables	–	–	492 037	132 311	126 491	750 839
Logicalis						
Current	52 588	115 694	89 616	30 025	778	288 701
1 – 30 days past due	8 755	3 675	11 530	7 390	473	31 823
31 – 60 days past due	2 766	3 487	2 157	3 072	81	11 563
61 – 90 days past due	742	1 095	335	3 054	18	5 244
91 – 120 days past due	530	193	403	1 167	15	2 308
Over 120 days past due	1 832	1 782	655	4 227	63	8 559
Gross trade receivables	67 213	125 926	104 696	48 935	1 428	348 198
Expected credit loss allowance	(142)	(489)	(1 207)	(2 295)	(50)	(4 183)
Net trade receivables	67 071	125 437	103 489	46 640	1 378	344 015

16. TRADE RECEIVABLES (continued)

16.1 Trade receivables credit risk (continued)

Days past due US$'000	North America US$'000	Latin America US$'000	Europe US$'000	Asia-Pacific US$'000	MEA US$'000	Total US$'000
Corporate and Management Consulting~						
Current	1 178	77	6 134	554	1 108	9 051
1 – 30 days past due	305	–	1 576	145	349	2 375
31 – 60 days past due	–	105	284	143	197	729
61 – 90 days past due	1	–	409	359	27	796
91 – 120 days past due	–	–	–	90	11	101
Over 120 days past due	31	–	97	94	504	726
Gross trade receivables	1 515	182	8 500	1 385	2 196	13 778
Expected credit loss allowance	(16)	–	(79)	(39)	(393)	(527)
Net trade receivables	1 499	182	8 421	1 346	1 803	13 251

~ *Datatec Financial Services has been included in the Westcon International segment in February 2022 and in the Corporate and Management Consulting segment in February 2021.*

16.2 Reconciliation of the expected credit loss allowance account

US$'000	North America US$'000	Latin America US$'000	Europe US$'000	Asia-Pacific US$'000	MEA US$'000	Total US$'000
Balance on 1 March 2020	(59)	(833)	(10 017)	(4 658)	(13 935)	(29 502)
Impairment losses recognised on trade receivables	(137)	(1 102)	(4 527)	(1 773)	(1 600)	(9 139)
Impairment losses reversed	40	849	2 460	375	26	3 750
Bad debt write-offs	–	517	3 246	2 604	1 842	8 209
Net exchange gains and losses	(2)	80	(186)	(255)	133	(230)
Balance at 28 February 2021	**(158)**	**(489)**	**(9 024)**	**(3 707)**	**(13 534)**	**(26 912)**
Impairment losses recognised on trade receivables	**(131)**	**(575)**	**(2 083)**	**(80)**	**(2 513)**	**(5 382)**
Impairment losses reversed	**101**	**372**	**2 783**	**75**	**105**	**3 436**
Bad debt write-offs	**3**	**78**	**761**	**378**	**884**	**2 104**
Net exchange gains and losses	**–**	**(15)**	**135**	**53**	**(179)**	**(6)**
Balance at 28 February 2022	**(185)**	**(629)**	**(7 428)**	**(3 281)**	**(15 237)**	**(26 760)**

Expected credit losses on trade receivables relate to the operating function of the Group.

	2022 US$'000	2021 US$'000
17. PREPAID EXPENSES		
Prepaid vendor maintenance	**91 429**	90 475
Deferred services cost of sales	**27 341**	27 425
Prepaid commissions	**7 864**	8 410
Prepaid licensing	**3 427**	5 927
Prepaid taxes	**4 010**	2 593
Prepaid project costs	**2 698**	2 488
Prepaid rental	**3 743**	3 098
Sundry prepayments (individually immaterial)	**27 556**	25 300
	168 068	165 716

	2022 US$'000	2021 US$'000
18. OTHER RECEIVABLES		
Rebates due	**15 137**	12 270
Tax receivables	**13 879**	12 223
Restricted cash	**8 647**	5 460
Sundry receivables*	**17 404**	22 305
	55 067	52 258

* *Includes notes and deposits held, short-term loans and a number of immaterial receivables.*

Expected credit losses have been assessed. No material expected credit losses have been noted.

	2022 US$'000	2021 US$'000
19. OTHER NON-CURRENT ASSETS, CONTRACT ASSETS AND CONTRACT COSTS		
19.1 Other non-current assets and contract costs		
Other non-current assets		
Security deposits	**2 807**	2 788
Notes receivable	**4 406**	192
Other	**3 521**	4 996
Amounts receivable for multi-year contracts*	**43 927**	–
	54 661	7 976
Non-current assets to obtain contracts	**21 271**	33
Other non-current assets and contract costs	**75 932**	8 009

* *Relates to multi-year contracts in Westcon International where performance obligations have already been fulfilled. The amounts due to Westcon International are unconditional and the contracts are non-cancellable. The short-term portion (US$41.8 million) is included in trade receivables. Amounts owing for purchases related to these multi-year contracts have been recognised in other liabilities (long-term portion of US$40.6 million) and trade and other payables (short-term portion of US$37.9 million).*

Expected credit losses have been assessed. No material expected credit losses have been noted.

	2022 US$'000	2021 US$'000
19.2 Contract assets and contract costs		
Non-current assets	**21 271**	33
Non-current contract assets	**21 271**	–
Non-current costs to obtain contracts	**–**	33
Current	**156 058**	154 289
Current contract assets	**156 058**	154 267
Current costs to obtain contracts	**–**	22
Total contract assets and contract costs	**177 329**	154 322
Changes during the period:		
At the beginning of the year	**154 322**	105 176
Amounts recognised during the year	**35 523**	55 692
Change in the time frame for a right to consideration to become unconditional	**(8 473)**	(7 203)
Translation and other movements	**(4 043)**	657
Total contract assets and contract costs	**177 329**	154 322

Amounts relating to contract assets are balances due where products have been sold and services have been performed with contractual payment terms based on performance or time-based milestones. Once these milestones have been reached, customers are invoiced and reclassified to trade receivables. The contract asset amount represents the full remaining amount due under the contract adjusted for risk of loss components.

Expected credit losses for the year were negligible.

	2022 US$'000	2021 US$'000
20. STATED CAPITAL		
Authorised share capital		
400 000 000 (FY21: 400 000 000) ordinary shares of ZAR0.01 (1 cent) each		
Issued share capital		
216 957 874 (FY21: 201 450 000) fully paid ordinary shares, including treasury and DBP shares		
Stated capital	**148 859**	115 410
	148 859	115 410

	Number of shares	**Stated capital US$'000**
Balance at 1 March 2020	198 487 144	113 123
Treasury shares issued to settle share schemes that vested	1 000 000	2 230
Treasury shares issued to settled deferred DBP	(574 466)	(797)
Effects of foreign currency translation	–	854
Balance at 28 February 2021	**198 912 678**	**115 410**
Issue of shares for a scrip distribution FY21 final dividend	**1 728 104**	**3 584**
Issue of shares for a scrip distribution special dividend	**13 779 770**	**36 276**
Treasury shares issued to settled deferred DBP shares	**(1 332 099)**	**(2 805)**
Treasury shares relating to DBP shares that have vested in the current financial year	**1 092 513**	**1 830**
Treasury shares at year-end	**(549 867)**	**(1 365)**
Effects of foreign currency translation	**–**	**(4 071)**
Balance at 28 February 2022	**213 631 099**	**148 859**

Reconciliation of treasury shares	**Number of shares**	**Treasury shares US$'000**
Balance as at 1 March 2021	**–**	**–**
Treasury shares purchased	**3 086 863**	**7 084**
Treasury shares used for participants in the DBP	**(1 332 099)**	**(2 805)**
Treasury shares used to settle share schemes that vested	**(1 204 897)**	**(2 914)**
Balance as at 28 February 2022	**549 867**	**1 365**

Stated capital is in the Rand denominated accounts of the holding company and is translated into US Dollar each year in the Group accounts in accordance with the accounting policy.

During the year ended 28 February 2022, 15 507 874 (FY21: nil) shares were issued as a scrip distribution to shareholders.

As at 28 February 2022, the Group held 549 867 (FY21: nil) shares as treasury shares. All the treasury shares purchased in FY22 have been issued to settle share-based payments that vested in FY22. These treasury shares were set off against stated capital in FY22.

As at 28 February 2022, there were 2 776 908 shares (FY21: 2 537 322 shares) relating to the DBP (refer to Note 2). This includes 1 332 099 shares used for participants in the DBP in the current year (FY21: 574 466 shares) less 1 092 513 shares that vested in the current financial year (FY21: nil) and left the restrictions of the DBP. The DBP shares between grant and vesting (ie while forfeitable) are set off against stated capital.

	2022 US$'000	2021 US$'000
21. LONG-TERM INTEREST-BEARING LIABILITIES		
Secured loans	**43 566**	45 480
Other long-term liabilities – unsecured	**38 203**	31 202
	81 769	76 682
Less: Current portion included in short-term interest-bearing liabilities (Note 24)	**(25 329)**	(34 311)
Long-term portion	**56 440**	42 371
Repayable between one and two years	**22 606**	17 261
Repayable between two and three years	**28 180**	12 526
Repayable between three and four years	**4 693**	7 967
Repayable between four and five years	**961**	3 964
Repayable after five years	**–**	653
	56 440	42 371

21.1 Secured loans and other long-term liabilities

Counterparty	Currency	Interest rate	Final repayment date	Repayment terms	Principal amount (loan currency)	Principal amount US$'000	2022 Total capital amount outstanding US$'000
Secured:							**43 566**
Westcon International							**13 003**
Futuregrowth Asset Management	ZAR	3-month JIBAR + 2.5%	September 2024	Full capital repayable every three years, interest paid quarterly	200 000	12 948	**12 948**
Tokyo Century Leasing (Singapore) Pte Ltd	SGD	5.19%	August 2024*	Monthly instalments	180	141	**55**

21. LONG-TERM INTEREST-BEARING LIABILITIES (continued)

21.1 Secured loans and other long-term liabilities (continued)

Counterparty	Currency	Interest rate	Final repayment date	Repayment terms	Principal amount (loan currency)	Principal amount US$'000	2022 Total capital amount outstanding US$'000
Logicalis							**21 186**
CSI Lifecycle Leasing GmbH**	EUR	3.00%	June 2025*	Monthly instalments	12 747	14 196	**4 669**
CSI Lifecycle Leasing GmbH**	EUR	2.03%	June 2026*	Monthly instalments	6 017	6 701	**2 465**
CSI Lifecycle Leasing GmbH**	EUR	5.28%	January 2023*	Monthly instalments	4 738	5 277	**1 074**
CSI Lifecycle Leasing GmbH**	EUR	0.63%	December 2023*	Monthly instalments	8 086	9 005	**1 372**
CSI Lifecycle Leasing GmbH**	EUR	1.00%	June 2026*	Monthly instalments	8 747	9 742	**2 154**
CSI Lifecycle Leasing GmbH**	EUR	1.64%	October 2024*	Monthly instalments	2 605	2 901	**989**
CSI Lifecycle Leasing GmbH**	EUR	1.87%	June 2026*	Monthly instalments	4 327	4 819	**1 984**
CHG-Meridian Deutsche Computer Leasing AG	EUR	2.10%	September 2026*	Monthly instalments	1 340	1 622	**1 493**
CHG-Meridian Deutsche Computer Leasing AG	EUR	2.00%	September 2024*	Monthly instalments	1 593	1 775	**1 534**
CSI Lifecycle Leasing GmbH**	EUR	2.00%	June 2022*	Monthly instalments	2 949	3 284	**1 552**
Other	Various	1.20% to 9.54%	Between March 2022 and June 2026*	Monthly instalments	Various	7 644	**1 900**
Analysys Mason							**9 377**
HSBC UK	GBP	3.19%	December 2025*	Annual instalments	7 040	9 377	**9 377**

21. LONG-TERM INTEREST-BEARING LIABILITIES (continued)

21.1 Secured loans and other long-term liabilities (continued)

Counterparty	Currency	Interest rate	Final repayment date	Repayment terms	Principal amount (loan currency)	Principal amount US$'000	2022 Total capital amount outstanding US$'000
Unsecured:							**38 203**
Westcon International							**1 437**
Cisco Systems Capital Corporation	EUR	0.0%	October 2025*	Annual instalments	1 100	1 305	**1 050**
De Lage Landen Pty Limited	AU$	5.50%	September 2022*	Annual instalments	134	97	**44**
De Lage Landen Pty Limited	AU$	5.00%	January 2025*	Monthly instalments	667	482	**343**
Logicalis							**36 766**
Cisco Systems Capital Corporation	US$	1.80%	May 2025*	Quarterly instalments	14 913	14 913	**10 582**
Projectos Microsoft	BRL	14.20%	August 2023	Bullet payment on 28 August 2023	35 000	7 167	**7 167**
Cisco Systems Capital Corporation	US$	1.82%	September 2023*	Quarterly instalments	5 108	5 108	**2 926**
De Lage Landen Pty Limited	US$	3.00%	January 2023*	Quarterly instalments	2 811	2 811	**2 389**
Cisco Systems Capital Corporation	US$	1.82%	November 2024*	Quarterly instalments	3 946	3 946	**2 192**
De Lage Landen Pty Limited	US$	3.00%	January 2023*	Quarterly instalments	1 550	1 550	**1 317**
De Lage Landen Pty Limited	US$	4.20%	September 2023*	Quarterly instalments	903	903	**678**
Cisco Systems Capital Corporation	US$	3.42%	June 2025*	Quarterly instalments	914	914	**650**
Banco de Credito de Perú	PEN	1.14%	May 2024*	Monthly instalments	2 231	595	**548**
Cisco Systems Capital Corporation	US$	3.43%	April 2026*	Quarterly instalments	589	589	**501**
Cisco Systems Capital Corporation	AU$	0.00%	March 2022*	Monthly instalments	1 616	1 168	**410**
Finep	BRL	5.00%	December 2025*	Monthly instalments	3 487	675	**393**
Cisco Systems Capital Corporation	HKD	3.40%	July 2022*	Annual instalments	3 171	406	**138**
Other	Various	Interest free to 5.30%	Between April 2022 and April 2026*	Monthly, quarterly and annual instalments	Various	11 147	**6 875**

** The amount due within 12 months is included in current portion of long-term liabilities.*
*** In FY21, reference was made to Commerzrbank as opposed to CSI Lifecycle Leasing GmbH**.*

The Futuregrowth Asset Management liability is secured by trade receivables to the value of US$19.4 million (FY21: US$17.3 million). The Tokyo Century Leasing loan is secured by a car to the value of US$0.05 million (FY21: US$0.05 million). The CSI Lifecycle Leasing GmbH and CHG-Meridian Deutsche Computer Leasing AG loans are asset-backed loans. These loans are secured against the value of the computer equipment they relate to, which is equal to the total capital outstanding. The HSBC loan is a rolling credit facility.

21. LONG-TERM INTEREST-BEARING LIABILITIES (continued)

21.1 Secured loans and other long-term liabilities (continued)

Counterparty	Currency	Interest rate	Final repayment date	Repayment terms	Principal amount (loan currency)	Principal amount US$'000	2021 Total capital amount outstanding US$'000
Secured:							45 480
Westcon International							13 301
Futuregrowth Asset Management	ZAR	3-month JIBAR + 2.5%	September 2021	Full capital repayable every 3 years, interest paid quarterly	200 000	13 226	13 226
Tokyo Century Leasing (Singapore) Pte Ltd	SGD	5.19%	August 2024*	Monthly instalments	180	135	75
Logicalis							32 179
Banco ITAU Unibanco	US$	8.00%	August 2023	Biannual instalments	7 333	7 333	7 621
Commerzbank	EUR	10.91%	June 2025	Monthly instalments	12 747	15 389	5 543
Commerzbank	EUR	2.03%	June 2026	Monthly instalments	5 340	6 447	2 943
Commerzbank	EUR	5.28%	January 2023	Monthly instalments	4 738	5 720	2 373
Commerzbank	EUR	0.63%	December 2023	Monthly instalments	8 086	9 761	2 277
Commerzbank	EUR	1.00%	June 2026	Monthly instalments	7 378	8 907	2 569
Commerzbank	EUR	1.64%	October 2024	Monthly instalments	2 298	2 774	1 484
Commerzbank	EUR	1.87%	June 2026	Monthly instalments	4 327	5 224	2 683
Other	EUR	0.63% to 4.16%	Between August 2021 and June 2026	Monthly instalments	14 018	16 923	4 686

21. LONG-TERM INTEREST-BEARING LIABILITIES (continued)

21.1 Secured loans and other long-term liabilities (continued)

Counterparty	Currency	Interest rate	Final repayment date	Repayment terms	Principal amount (loan currency)	Principal amount US$'000	2021 Total capital amount outstanding US$'000
Unsecured:							31 202
Logicalis							29 933
Cisco Systems Capital Corporation	US$	1.80%	May 2025	Monthly instalments	14 913	14 913	13 544
Cisco Systems Capital Corporation	US$	1.82%	September 2023	Monthly instalments	5 108	5 108	4 713
Cisco Systems Capital Corporation	US$	1.82%	November 2024*	Quarterly instalments	3 946	3 946	2 996
Deutsch leasing	EUR	2.00%	July 2025	Monthly instalments	2 949	3 560	2 335
Cisco Systems Capital Corporation	US$	0.00%	April 2022	Quarterly instalments	1 589	1 589	993
Cisco Systems Capital Corporation	AU$	0.00%	March 2023	Annual instalments	1 616	1 247	875
IBM Financed Invoices	EUR	1.40%	March 2021*	Biannual instalments	4 170	5 034	853
Prestamo Reactiva Perú	PEN	1.14%	May 2023	Monthly instalments	2 231	611	560
Finep	BRL	5.00%	December 2025	Monthly instalments	3 487	623	457
Cisco Systems Capital Corporation	HKD	3.40%	July 2022	Annual instalments	3 171	409	272
Other	Various	Interest free to 11.80%	Between April 2021 and June 2026*	Monthly, quarterly, biannual and annual instalments	Various	3 596	2 335
Datatec Financial Services							1 269
De Lage Landen Pty Limited	AU$	4.98%	February 2022	Monthly instalments	520	674	674
De Lage Landen Pty Limited	AU$	5.50%	September 2022	Annual instalments	80	103	103
De Lage Landen Pty Limited	AU$	5.00%	January 2025	Monthly instalments	380	492	492

* *The amount due within 12 months is included in current portion of long-term liabilities.*

The carrying value of long-term liabilities approximates their fair value, therefore no fair value disclosures are provided.

	2022 US$'000	2021 US$'000
22. LEASE LIABILITIES		
Non-current	**61 523**	77 847
Current	**32 870**	36 398
	94 393	114 245
Current portion repayable within one year	**32 870**	36 398
Repayable between one and two years	**24 322**	28 066
Repayable between two and three years	**15 302**	19 444
Repayable between three and four years	**8 046**	12 517
Repayable between four and five years	**5 068**	6 704
Repayable between five and 10 years	**8 785**	11 116
	94 393	114 245

Geographic segment	Currency	Classes of right-of-use assets leased	Interest rate	Final repayment date	Principal amount US$'000	2022 Total capital amount outstanding US$'000
Westcon International						**33 760**
North America	US$	Land and buildings	4.50%	September 2029	2 965	**1 989**
Europe	Various	Equipment, motor vehicles and land and buildings	4.50%	Between January 2026 and April 2030	41 133	**21 983**
Asia-Pacific	Various	Equipment and land and buildings	Between 1.79% and 9.50%	Between January 2025 and July 2025	13 896	**6 738**
MEA	Various	Equipment, motor vehicles and land and buildings	Between 4.50% and 22.00%	Between April 2022 and December 2026	20 456	**3 050**
Logicalis						**54 022**
North America	US$	Equipment, computer equipment and land and buildings	Between 0.00% and 7.59%	Between March 2021 and September 2026	30 264	**14 968**
Latin America	Various	Equipment, leasehold improvements and land and buildings	Between 0.00% and 44.00%	Between March 2020 and November 2025	17 419	**10 193**
Europe	EUR and GBP	Office furniture, equipment, motor vehicles, computer equipment, leasehold improvements and land and buildings	Between 0.20% and 6.00%	Between April 2022 and January 2030	27 351	**15 747**
Asia-Pacific	Various	Office furniture, equipment, computer equipment, leasehold improvements and land and buildings	Between 0.00% and 10.60%	Between March 2022 and June 2027	23 554	**11 836**
MEA	ZAR	Land and buildings	Between 6.25% and 10.30%	Between June 2021 and March 2025	1 950	**1 278**

22. LEASE LIABILITIES (continued)

Geographic segment	Currency	Classes of right-of-use assets leased	Interest rate	Final repayment date	Principal amount US$'000	2022 Total capital amount outstanding US$'000
Corporate and Management Consulting						**6 611**
North America	US$	Land and buildings	2.50%	August 2028	328	**48**
Europe	Various	Computer equipment and land and buildings	Between 2.5% and 3.01%	Between October 2022 and August 2028	9 793	**5 572**
Asia-Pacific	Various	Land and buildings	2.50%	August 2024	719	**335**
MEA	Various	Equipment and land and buildings	Between 2.5% and 9.25%	Between September 2021 and November 2030	827	**656**

Geographic segment	Currency	Classes of right-of-use assets leased	Interest rate	Final repayment date	Principal amount US$'000	2021 Total capital amount outstanding US$'000
Westcon International						43 244
North America	US$	Equipment, motor vehicles and land and buildings	4.50%	December 2029	2 484	2 201
Europe	Various	Equipment, motor vehicles and land and buildings	4.50%	February 2025	37 376	28 563
Asia-Pacific	Various	Equipment, motor vehicles and land and buildings	Between 3.64% and 9.50%	Between February 2021 and January 2025	10 859	9 165
MEA	Various	Equipment, motor vehicles and land and buildings	Between 5.00% and 10.00%	Between February 2021 and March 2025	5 913	3 315

22. LEASE LIABILITIES (continued)

Geographic segment	Currency	Classes of right-of-use assets leased	Interest rate	Final repayment date	Principal amount US$'000	2021 Total capital amount outstanding US$'000
Logicalis						62 727
North America	US$	Equipment, computer equipment and land and buildings	Between 3.61% and 7.59%	Between July 2021 and September 2026	32 832	17 865
Latin America	Various	Equipment, leasehold improvements, land and buildings and licences	Between 0.00% and 22.80%	Between March 2021 and November 2025	19 278	11 944
Europe	EUR and GBP	Office furniture, equipment, motor vehicles, computer equipment, leasehold improvements and land and buildings	Between 0.80% and 6.00%	Between March 2021 and January 2030	25 394	16 806
Asia-Pacific	Various	Office furniture, equipment, computer equipment, leasehold improvements and land and buildings	Between 0.00% and 10.60%	Between April 2021 and May 2026	22 367	14 502
MEA	ZAR	Land and buildings	Between 6.25% and 10.30%	Between June 2021 and March 2025	1 986	1 610
Corporate and Management Consulting						8 274
Europe	Various	Computer equipment and land and buildings	Between 2.75% and 3.01%	Between September 2021 and October 2022	11 535	7 598
MEA	ZAR	Equipment and land and buildings	9.25%	Between December 2023 and November 2030	685	676

Generally, these lease contracts are entered into for fixed periods but may have extension options.

The Group's finance lease arrangements include immaterial variable lease payments.

Short-term leases (lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease (refer to Note 3).

No residual value guarantees have been provided. The residual value risk of leased assets is not significant, because of the existence of secondary markets for these assets.

23. TRADE AND OTHER PAYABLES

	2022 US$'000	2021 US$'000
Trade payables	**1 113 072**	993 067
VAT/sales tax	**35 959**	50 442
Accruals	**240 358**	213 436
Sundry payables*	**117 840**	123 284
Short-term portion of share-based payments	**18 934**	4 979
	1 526 163	1 385 208

** Includes payroll taxes, other taxes and a number of individually immaterial payables.*

The carrying value of trade and other payables approximates their fair value, therefore no fair value disclosures are provided. Trade accounts payable will be settled in the normal course of business.

Logicalis' subsidiaries have four inventory purchase financing agreements with financing companies for specified vendors' purchases which extends payment terms beyond the vendors normal payment terms. Purchases within the normal vendor credit terms are described as unfunded and are included in trade payables:

- Logicalis United Kingdom: Extended payment terms begin at 60 days+ for a maximum of US$26.0 million (FY21: US$26.0 million). At 28 February 2022, US$1.2 million was utilised (FY21: US$1.4 million).
- Logicalis United States: Extended payment terms begin at 60 days+ for a maximum of US$60.0 million (FY21: US$60.0 million). At 28 February 2022, US$9.3 million was utilised (FY21: US$3.1 million).
- Logicalis United States: Extended payment terms begin at 75 days+ for a maximum of US$48.0 million (FY21: US$48.0 million). At 28 February 2022, US$4.6 million was utilised (FY21: US$1.8 million).
- Logicalis Latin America: Extended payment terms begin at 90 days+ for a maximum of US$125.0 million (FY21: US$125.0 million). At 28 February 2022, US$5.9 million was utilised (FY21: US$15.6 million).

Details of Westcon International's inventory purchase financing arrangements can be found in Note 15. Amounts outstanding under these arrangements are included in trade payables.

24. SHORT-TERM INTEREST-BEARING LIABILITIES

	2022 US$'000	2021 US$'000
Unsecured short-term funding – Banco Votorantim	**2 041**	1 344
Unsecured short-term funding – De Lage Landen	**1 850**	117
Unsecured short-term funding – Banco Bilbao Vizcaya Argentaria	**1 005**	–
Unsecured short-term funding – Societè Generale	**478**	–
Unsecured short-term funding – IBM Global Financing	**159**	–
Unsecured short-term funding – Banco Santander	**–**	12 188
Unsecured short-term funding – Cisco Systems Capital Corporation	**–**	3 001
Secured short-term funding – Crédit Agricole Leasing & Factoring	**140 937**	170 707
Secured short-term funding – Westpac	**79 870**	30 000
Secured short-term funding – Levantor Capital Limited	**12 924**	–
Secured short-term funding – Factoring Security S.A.	**1 440**	1 480
Secured short-term funding – Banco Itaú	**580**	–
Secured short-term funding – Banco Scotiabank	**4**	96
Secured short-term funding – Barclays	**–**	8 015
Secured short-term funding – Tanner Servicios Financieros	**–**	201
Current portion of other long-term liabilities (Note 21)	**25 329**	34 311
	266 617	261 460

The carrying value of short-term interest-bearing liabilities approximates its far value, therefore no fair value disclosures are provided.

24. SHORT-TERM INTEREST-BEARING LIABILITIES (continued)

Unsecured loans:

One of Logicalis' subsidiaries has entered into various forfaiting arrangements with Banco Votorantim between US$0.04 million and US$0.27 million each, bearing interest between 3.25% and 3.26%. These liabilities are repayable in March 2022. At 28 February 2022, US$2.04 million (FY21: US$1.3 million) was outstanding. The carrying value of short-term interest-bearing liabilities approximates their fair value, therefore no fair value disclosures are provided. Trade accounts payable will be settled in the normal course of business.

One of Logicalis' subsidiaries has entered into various loans with De Lage Landen between US$0.3 and US$1.2 million, bearing interest at 3.00%. This liability is repayable between September and December 2022. At 28 February 2022, US$1.9 million was outstanding.

One of Logicalis' subsidiaries has entered into a loan with Banco Bilbao Vizcaya Argentaria, US$1.4 million each, bearing interest at 1.25%. These liabilities are repayable in September 2022. At 28 February 2022, US$1.0 million (FY21: US$nil) was outstanding.

One of Logicalis' subsidiaries has entered into various loans with Societè Generale, between US$0.1 million and US$1.1 million each, bearing interest between 0.00% and 3.25%. These liabilities are repayable in between March 2022 and July 2022. At 28 February 2022, US$0.5 million (FY21: US$nil) was outstanding.

One of Logicalis' subsidiaries has entered into various loans with IBM Global Financing, between US$0.04 million and US$0.44 million each, bearing interest between 1.36% and 5.06%. These liabilities are repayable in between June 2022 and September 2022. At 28 February 2022, US$0.16 million (FY21: US$nil) was outstanding.

Secured loans:

Some of Westcon International's subsidiaries have entered into various arrangements with Crédit Agricole Leasing & Factoring up to a maximum of US$435.0 million (EUR390.6 million), bearing interest at three-month EURIBOR + 0.9%, three-month US LIBOR and three-month GBP TSRR + 0.9%. As at 28 February 2022, there were restrictions of US$23.9 million. These are rolling facilities and at 28 February 2022, US$140.9 million (FY21: US$170.7 million) was outstanding. The net availability on this facility is US$270.2 million (FY21: US$161.3 million).

In FY22, the main Crédit Agricole Leasing & Factoring facility has been increased by EUR100 million to EUR375 million (approximately US$420 million) and now also covers Switzerland and Austria. A parallel but stand-alone EUR16 million facility has also been added for Portugal, such that the total capacity available to Westcon Europe is EUR390.6 million (approximately US$435.0 million). Pricing remains unchanged in relation to base rate indices changes and the enhancements translate to additional liquidity which is immediately accessible.

One of Westcon International's subsidiaries has entered into various arrangements with Westpac of US$100.0 million, bearing interest at 1.50%. The maximum facility is US$100.0 million. As at 28 February 2022, there were restrictions of US$22.1 million. These are rolling facilities and at 28 February 2022, US$79.9 million (FY21: US$30.0 million) was outstanding. The net availability of this facility, after taking into account restrictions and the amount outstanding, was US$nil (FY21: US$40.9 million).

In FY22, one of Westcon International's subsidiaries entered into various arrangements with Levantor Capital Limited of US$65.7 million, bearing interest at 3.25%. The maximum facility is US$65.7 million (FY21: US$nil). These are rolling facilities and at 28 February 2022, US$12.9 million was outstanding. The net availability of this facility, after taking into account restrictions and the amount outstanding, was US$52.8 million.

One of Logicalis' subsidiaries has entered into a funding arrangement with Factoring Security S.A., between US$0.003 million and US$0.3 million each, bearing interest between 5.94% to 10.00%. These loans are repayable between March 2022 and April 2022. At 28 February 2022, US$1.4 million (FY21: US$1.5 million) was outstanding. The liability is secured by invoices to the value of US$1.4 million (FY21: US$1.5 million).

One of Logicalis' subsidiaries has entered into various funding arrangements with Banco Scotiabank, between US$1.3 million and US$2.5 million each, bearing interest at 1.72%. These loans are repayable in April 2022. At 28 February 2022, US$0.004 million (FY21: US$0.1 million) was outstanding. The liability is secured by invoices to the value of US$0.004 million (FY21: US$0.1 million).

One of Logicalis' subsidiaries has entered into a funding arrangement with Banco Itaú, for US$0.6 million, bearing interest at 6.35%. These loans are repayable in March 2022. At 28 February 2022, US$1.5 million was outstanding (FY21: US$ nil). The liability is secured by invoices to the value of US$0.6 million (FY21: US$ nil).

	2022 US$'000	2021 US$'000
25. ACQUISITION-RELATED LIABILITIES		
Long-term portion	**4 056**	40
Short-term portion	**39**	2 580
	4 095	2 620

Acquisition-related liabilities represent purchase considerations owing in respect of acquisitions. The purchase considerations are to be settled with the vendors in cash or shares on achievement of agreed performance criteria. The amounts owing are interest-free.

Acquisition-related liabilities are classified as financial liabilities designated at fair value through profit or loss. They are classified as level 3 financial instruments, whose fair value measurements are derived from inputs that are unobservable for the liability. Movements are presented in the statement of comprehensive income as acquisition-related fair value adjustments.

Effective 4 September 2017, Logicalis acquired PT. Packet Systems Indonesia ("PSI"), a leading ICT systems integrator and services company. The consideration payable comprised an initial cash consideration of US$6.8 million and deferred cash consideration of up to US$0.8 million, split into two payments over two years. During the year, the last payment of US$0.4 million was made.

Effective 8 October 2018, Logicalis acquired Computer Networks Integration Pty Ltd ("CNI"), a Microsoft Gold-Certified Partner based in Melbourne. The consideration payable comprised an initial cash consideration of US$1.8 million (AU$2.5 million) and deferred cash consideration of up to US$1.3 million (AU$1.8 million) split into three payments over three years. The payment of the deferred consideration is dependent on certain targets being met for each of these three periods. During the year, the third and final payment of US$0.3 million (AU$0.4 million) was paid to CNI.

On 30 June 2019, Logicalis completed the acquisition of Mars Investment Holdings (Pty) Ltd ("Mars Technologies"), a South African IT services business. The consideration payable comprised an initial amount of US$0.3 million (ZAR4.0 million) with a deferred consideration payable of US$0.1 million (R1.2 million) due within three years, provided certain conditions are met. An amount of US$0.04 million (R0.6 million) is due at year-end.

Logicalis purchased a 70% interest in Comunicações e Projectos Especiais S.A. ("Cilnet") on 2 September 2019, a Cisco systems integrator and managed services business in Portugal. The consideration payable comprised an initial amount of US$6.4 million (EUR5.8 million) with a deferred consideration payable of US$2.3 million (EUR2.1 million) due over two years, provided certain conditions are met. During the year, the second and final payment of US$1.3 million was made.

Logicalis acquired Orange Networks GmbH ("Orange Networks") on 2 September 2019, a Microsoft services business with Germany-wide presence. The consideration payable comprised an initial amount of US$2.4 million (EUR2.1 million) with a deferred consideration payable of US$0.6 million (EUR0.5 million) due within three years, provided certain conditions are met. These conditions were not met and the outstanding amount of US$0.6 million (EUR0.5 million) has been taken to the statement of comprehensive income.

On 1 June 2021, Logicalis Networks GmbH, acquired Siticom GmbH a leading 5G integrator based in Germany, for a consideration of EUR6.2 million (US$7.4 million). The acquisition gives Logicalis a platform to establish a pan-European centre-of-expertise in developing advanced networking integration capabilities around 5G and evolving cloud orchestrated network interoperability. There are two options for Logicalis to repurchase this minority stake for an agreed amount of up to EUR8.8 million (approximately US$10.5 million) over the next two years, whereafter Logicalis will own 100% of Siticom. A potential maximum EUR1.0 million (approximately US$1.2 million) earn-out liability, subject to certain performance conditions, is included in the acquisition-related liability and payable in FY24. During the year, the first option was exercised and EUR5.2 million (approximately US$5.9 million) was paid. The equivalent of US$4.1 million is outstanding at year-end.

26. PROVISIONS

	Restruc-turing US$'000	Legal claims and costs US$'000	VAT/ sales tax US$'000	Pension obli-gations US$'000	Dilapida-tions/asset retirement obligations US$'000	Onerous contracts US$'000	Other US$'000	Total US$'000
Balance at 1 March 2021	8 346	1 127	1 200	6 104	5 593	2 537	666	25 573
Amounts added	902	222	925	90	101	32	634	2 906
Utilised	(6 381)	(71)	–	(142)	(1 275)	(172)	(2)	(8 043)
Amounts reversed	(1 417)	(347)	(925)	(396)	–	–	–	(3 085)
Decrease due to passage of time	–	–	–	–	–	(1 172)	–	(1 172)
Translation and other	(64)	(72)	(21)	(143)	(58)	(85)	431	(12)
Balance at 28 February 2022	1 386	859	1 179	5 513	4 361	1 140	1 729	16 167
Expected maturity								
Within one year	1 386	648	1 178	1 436	917	364	1 325	7 254
Between two and five years	–	107	1	1 057	1 124	776	274	3 339
More than five years	–	104	–	3 020	2 320	–	130	5 574
	1 386	859	1 179	5 513	4 361	1 140	1 729	16 167

	2022 US$'000	2021 US$'000
Long-term portion	8 913	11 463
Short-term portion	7 254	14 110
	16 167	25 573

- Restructuring provisions include expected costs for certain restructuring activities of the Group where the details have already been announced to affected parties.
- Legal claims and costs are provisions for anticipated settlements including costs, for various legal matters that the Group is defending.
- VAT/Sales tax provisions relate to provisions for potential taxes in foreign jurisdictions.
- Pension obligations relate to a pension scheme operated by Logicalis Group, for which full defined benefit pension disclosure has not been disclosed due to its immaterial value.
- Dilapidations and asset retirement obligations relate to provisions where the Group is expected to restore certain leased property and assets to their original condition.
- Onerous contracts consist of projects in progress in which the costs of meeting the obligations under the contract exceed the economic benefits expected to be received.
- Other provisions include asset vendor credits, employee settlement claims and other provisions which are individually insignificant.

The timing of restructuring provisions is fairly certain and is expected to be settled within 12 months. There is little uncertainty with regards to the amounts but some provisions are subject to final agreement.

26. PROVISIONS (continued)

There is uncertainty regarding the timing of legal claims as the finalisation of certain lawsuits cannot be determined. There is some uncertainty regarding the amounts but best estimates have been provided by legal counsel.

The VAT/sales tax provision relates to tax exposures in foreign jurisdictions and external tax consultants are being utilised to investigate these exposures.

The timing of pension obligations is uncertain and is determined by external actuaries. The amounts of pension obligations are determined by external actuaries. The uncertainty relates to assumptions include discount rates, retirement ages and estimates of growth in retirement funding.

The timing of some dilapidations/asset retirement obligations is fairly certain and based on the lease agreement end dates but there is uncertainty regarding one dilapidation obligation. There is uncertainty with regards to the amount as they are subject to the properties' conditions, the position and behaviour of the landlord and the local rates prevailing at the time.

Some uncertainty exists over the timing and amount of onerous contracts. These have been determined using management's best estimate of the duration and costs to complete the relevant projects.

	2022 US$'000	2021 US$'000
27. DEFERRED REVENUE		
Non-current	21 464	10 942
Current	134 638	132 244
	156 102	143 186
Changes during the period		
At the beginning of the year	143 186	134 070
Changes due to new contracts and revenue recognised that was included in the contract liability balance at the beginning of the year	225 700	276 985
Changes due to business combinations	–	489
Change in estimate of transaction price	601	–
Other adjustments	361	–
Change in the time frame for a right to consideration to become unconditional	(4 833)	(4 253)
Amounts recognised during the year	(205 314)	(261 350)
Translation and other movements	(3 599)	(2 755)
	156 102	143 186

Deferred revenue relates to payments received from customers where there is still a commitment to complete the performance obligation. Revenue is only recognised once the performance obligation has been satisfied/partially satisfied.

The aggregate amount of the transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations is US$6.3 million (FY21: US$5.5 million).

	2022 US$'000	2021 US$'000
Expected to be recognised		
Within one year	6 277	5 464
	6 277	5 464

	2022 US$'000	2021 US$'000
28. BANK OVERDRAFTS		
Total bank overdrafts at the end of the year	**166 559**	131 417
Bank overdrafts unconditionally repayable on demand	**37 953**	9 860
Bank overdrafts repayable on demand under certain conditions (refer to Note 36)	**128 606**	121 557
	166 559	131 417

Region	Provider	Facility currency	Facility limit US$'000	Interest rate	2022 Overdraft US$'000
Westcon International					**7 532**
Bank overdrafts repayable on demand under certain conditions					**7 532**
UAE	HSBC	US$	15 000	London Interbank Offered Rate ("LIBOR") (US$ three-month) + 2.5%, 2.599% as at 28 February 2022.	**7 288**
Indonesia	HSBC	US$	3 000	For IDR drawings, bank best lending rate minus 5.20% (8.00% average as at 28 February 2022).	**244**

Only facilities that have been drawn at 28 February 2022 have been included in the table above. There are further facilities available, which together with the drawn facilities above, amounts to total facilities of US$31.5 million (FY21: US$32.0 million). US$7.5 million (FY21: US$4.9 million) was drawn at year-end. As at 28 February, there were restrictions of US$2.5 million (FY21: US$nil). The net availability of the facilities is US$21.5 million (FY21: US$27.1 million). The net availability does not include any cash sources in Westcon International.

US$nil (FY21: US$nil) of trade receivables are pledged as collateral against bank overdrafts.

Datatec plc has US$nil (FY21: US$nil) of cash as collateral for Westcon Asia facilities.

28. BANK OVERDRAFTS (continued)

Region	Provider	Facility currency	Facility limit US$'000	Interest rate	2022 Overdraft US$'000
Logicalis					**159 027**
Bank overdrafts unconditionally repayable on demand					**37 953**
Brazil	Banco ABC do Brasil	US$	8 055	This facility has a per annum pre-fixed interest rate in US$ (between 3% and 4% as at 28 February 2022).	**8 055**
Brazil	Banco ABC do Brasil	BRL	2 038	CDI (Interbank deposit rate) + 3.8% (14.55% at 28 February 2022).	**2 038**
Brazil	Banco Itau BBA S/A	BRL	11 340	CDI (Interbank deposit rate) + 3.29% (14.04% at 28 February 2022).	**11 340**
Brazil	Banco Votorantim	BRL	1 781	CDI (Interbank deposit rate) + 3.3% (14.05% at 28 February 2022).	**1 781**
Brazil	Banco ABC do Brasil	US$	5 760	This facility has a per annum pre-fixed interest rate in US$ (between 3.98% and 4.05% as at 28 February 2022).	**5 760**
UK	HSBC	Various		*Interest rates vary based on the amounts drawn down. This is not an additional facility. This overdraft is offset by cash in a pooling agreement.	**8 979**

28. BANK OVERDRAFTS (continued)

Region	Provider	Facility currency	Facility limit US$'000	Interest rate	2022 Overdraft US$'000
Logicalis					
Bank overdrafts repayable on demand under certain conditions					**121 074**
UK	Barclays syndicate	Various	82 275	SOFR (dependent on the length of the interest period) plus a margin rate which is determined from a margin ratchet on quarterly leverage. The margin ranges between 1.75% and 3.00% (2.25% as at 28 February 2022).	**80 598**
	• This facility matures in January 2024 after a three-year term plus agreed one-year extension. • The facility includes EBITDA and interest cover covenants which are tested quarterly.				
UK	Barclays syndicate	Various	33 125	US LIBOR (six-month), EURIBOR (six-month) and SIBOR (six-month) (dependent on the length of the interest period) plus a margin rate which is determined from a margin ratchet on quarterly leverage. The margin ranges between 1.75% and 3.00% (2.25% as at 28 February 2022).	**33 125**
	• This facility matures in January 2024 after a three-year term plus agreed one-year extension. • The facility includes EBITDA and interest cover covenants which are tested quarterly.				
Chile	Banco ITAU Unibanco	US$	2 403	Fixed rate of 8%.	**2 403**
	• This facility has no specified maturity date.				
Brazil	HSBC	US$	118	Fixed rate of 5%.	**118**
	• This facility has no specified maturity date.				
South Africa	Investec	ZAR	3 884	6.00% as at 28 February 2022.	**644**
	• This facility has no specified maturity date.				
Portugal	Novobanco	EUR	67	2.00% as at 28 February 2022.	**21**
	• This facility has no specified maturity date.				
Chile	Scotia Bank	CLP	441	5.20% as at 28 February 2022.	**441**
	• This facility has no specified maturity date.				
Indonesia	HSBC Indonesia	US$	9 500	Revolving loan IDR 5.85%, US$ 7.25% below best lending rate from Bank (8.00% as at 28 February 2022).	**3 724**
	• This facility contains covenants that restrict Logicalis' ability to declare or pay dividends, make changes in shareholder composition, make any loans or extend credit outside of ordinary business, pledge company property or assets against debt without the bank's prior consent.				

** The total facility limit applies to an account with cash pooling. ** SOFR - Secured Overnight Financing Rate.*

28. BANK OVERDRAFTS (continued)

Only facilities that have been drawn at 28 February 2022 have been included in the table above. There are further facilities available, which together with the drawn facilities above on all Logicalis bank overdrafts, amounts to total facilities of US$205.2 million (FY21: US$194.3 million). US$157.1 million of overdrafts (FY21: US$126.5 million) at year-end. No restrictions apply to the facilities. The net availability of all facilities, excluding unlinked overdrafts is US$47.5 million (FY21: US$67.8 million). The net availability does not include any cash sources in Logicalis.

Region	Provider	Facility currency	Facility limit US$'000	Interest rate	2021 Overdraft US$'000
Westcon International					4 907
Bank overdrafts repayable on demand under certain conditions					4 907
UAE	HSBC	US$	15 000	London or Emirates Interbank Offered Rate ("LIBOR" or "EIBOR") + 2.25% (0.18838% and 0.3069% as at 28 February 2021).	3 716
Indonesia	HSBC	IDR	3 000	For IDR drawings, Bank best lending rate minus 5.20% (7.35% as at 28 February 2021).	1 191

Only facilities that have been drawn at 28 February 2021 have been included in the table above. There are further facilities available, which together with the drawn facilities above, amounts to total facilities of US$32.0 million (FY20: US$355.8 million). US$4.9 million (FY20: US$132.2 million) was drawn at year-end. No restrictions apply to the facilities. The net availability of the facilities is US$27.1 million (FY20: US$141.7 million).

The net availability does not include any cash sources in Westcon International. US$nil (FY20: US$236.9 million) of trade receivables are pledged as collateral against bank overdrafts.

Datatec plc has US$nil (FY20: US$15 million) of cash as collateral for Westcon Asia facilities.

Region	Provider	Facility currency	Facility limit US$'000	Interest rate	2021 Overdraft US$'000
Logicalis					126 510
Bank overdrafts unconditionally repayable on demand					9 860
UK	HSBC	Various	0*	Interest rates vary based on the amounts drawn down.	8 587
	• This is not an additional facility. This overdraft is offset by cash in a pooling agreement.				
South Africa	Investec	ZAR	1 323	6.00% as at 28 February 2021.	1 255
	This facility has no maturity date.				
South Africa	Standard Bank	ZAR	130	16.00% as at 28 February 2021.	18

28. BANK OVERDRAFTS (continued)

Region	Provider	Facility currency	Facility limit US$'000	Interest rate	2021 Overdraft US$'000
Logicalis (continued)					
Bank overdrafts repayable on demand under certain conditions					116 650
UK	Barclays syndicate	US$	78 875	LIBOR (dependant on the length of the interest period) plus a margin rate which is determined from a margin ratchet on quarterly leverage. The margin ranges between 1.75% and 2.75%. (2.00% as at 28 February 2021).	70 219
	• This facility matures in January 2023 after a three-year year term. • Thereafter there is the option to extend this facility for a year. • The facility includes EBITDA and interest cover covenants which are tested quarterly.				
UK	Barclays syndicate	SGD	8 324	LIBOR (dependant on the length of the interest period) plus a margin rate which is determined from a margin ratchet quarterly leverage. The margin ranges between 1.75% and 2.75%. (3.00% as at 28 February 2021).	8 324
	• This facility matures in January 2023 after a three-year term. • Thereafter there is the option to extend this facility for a year. • The facility includes EBITDA and interest cover covenants which are tested quarterly.				
Brazil	Banco ABC do Brasil	US$	8 084	This facility has a per annum pre-fixed interest rate in US$. (between 4% and 5% as at 28 February 2021).	8 084
	• There are four different overdrafts under this facility, maturing between March 2021 and August 2021. • This facility contains covenants that restrict Logicalis' ability to create or incur liens, dispose of or transfer any substantial part of its assets, merge, consolidate or transfer all or substantially all of its assets and make material changes to accounting policies or reporting practices without the bank's prior consent.				
Brazil	Banco Votorantim S/A	US$	7 224	This facility has a per annum pre-fixed interest rate in US$. (between 4% and 5% as at 28 February 2021).	7 224
	• There are three different overdrafts under this facility, maturing between April 2021 and July 2021. • This facility contains covenants that restrict Logicalis' ability to create or incur liens, dispose of or transfer any substantial part of its assets, merge, consolidate or transfer all or substantially all of its assets and make material changes to accounting policies or reporting practices without the bank's prior consent.				

28. BANK OVERDRAFTS (continued)

Region	Provider	Facility currency	Facility limit US$'000	Interest rate	2021 Overdraft US$'000
Logicalis (continued)					
Bank overdrafts repayable on demand under certain conditions (continued)					
Brazil	Banco Itau BBA S/A	BRL	5 673	CDI (Interbank deposit rate) + 4.38% (6.00% at 28 February 2021.	5 673
	This facility matures in April 2021.				
Indonesia	HSBC	US$	9 500	Revolving loan IDR 5.85%, US$ 7.25% below Bank lending rate from Bank (currently IDR 13.8134%/ US$ 12.6034%).	5 315
	This facility contains covenants that restrict Logicalis' ability to declare or pay dividends, make changes in shareholder composition, make any loans or extend credit outside of ordinary business, pledge company property or assets against debt without the bank's prior consent.				
Brazil	Banco Itau BBA S/A	US$	4 557	CDI (Interbank deposit rate) + 3.29% (5.00% at 28 February 2021).	4 557
	This facility matures in August 2021.				
UK	Barclays	AU$	3 092	LIBOR (dependant on the length of the interest period) plus a margin rate which is determined from a margin ratchet on quarterly leverage. The margin ranges between 1.75% and 2.75%. (2.00% as at 28 February 2021).	3 092
	• This facility matures in January 2023 after a three-year year term. • Thereafter there is the option to extend this facility for a year. • The facility includes EBITDA and interest cover covenants which are tested quarterly.				
Brazil	Banco ABC do Brasil	BRL	1 792	CDI (Interbank deposit rate) +4.50% (6.00% at 28 February 2021).	1 792
	This facility matures in April 2021.				
Brazil	Banco Votorantim	BRL	1 572	CDI (Interbank deposit rate) +4.65% (7.00% at 28 February 2021).	1 572
	This facility matures in April 2021.				
Other	Various	Various	836	Between 0.00% and 4.00%.	798

* *The total facility limit applies to an account with cash pooling.*

Only facilities that have been drawn at 28 February 2021 have been included in the table above. There are further facilities available, which together with the drawn facilities above on all Logicalis bank overdrafts, amounts to total facilities of US$194.3 million ((FY20: US$203.8 million). US$126.5 million of overdrafts (FY20: US$131.6 million)) at year-end). No restrictions apply to the facilities. The net availability of all facilities, excluding unlinked overdrafts is US$67.8 million (FY20: US$87.0 million). The net availability does not include any cash sources in Logicalis.

29. CONTINGENT LIABILITIES, GUARANTEES AND LITIGATION

Datatec and its subsidiaries have issued, in the ordinary course of business, guarantees and letters of comfort to third parties in respect of finance and trading facilities, performance commitments to customers and lease commitments.

Logicalis has a contingent liability in respect of a possible tax liability at its PromonLogicalis Latin America Limited ("PromonLogicalis") subsidiary in Brazil. In April 2011, a Brazilian state tax authority claimed that PromonLogicalis should have paid a higher rate of state tax on its equipment sales up to October 2010 than actually paid. PromonLogicalis management, supported by a legal opinion, strongly disagrees with the state tax authority's assessment and has formally appealed against it.

In addition, Logicalis has a contingent tax liability at its Indonesian subsidiary PT. Packet Systems Indonesia. The Indonesian Tax Authority has raised withholding tax assessments in relation to purchases of vendor software and warranties which have been resold to customers. Withholding tax notices have been issued for each month in the calendar year 2016 and the first two months of the calendar year 2018 totalling US$3.4 million (including penalties). Objections have been filed by the company in respect of these periods with the Indonesian Tax Court. Management, supported by a tax opinion, believes the case could be long drawn out however they have a strong case for the decision to be reversed on appeal and therefore no provision has been made at 28 February 2022.

Westcon International has a contingent liability in respect of a possible withholding tax obligation at its subsidiary in the Kingdom of Saudi Arabia, Westcon Saudi Company LLC ("Westcon KSA"). This relates to payments Westcon KSA has made in relation to the purchase of vendor software and maintenance services which have been resold to customers during the six years ended 28 February 2021. Westcon KSA strongly disagrees with the tax authority's assessments issued on 22 June 2021. Westcon KSA has submitted the necessary appeals and the matter is now proceeding to court. In addition, a potential contingent asset also arises due to the fact that any withholding tax arising would potentially be recoverable from Westcon KSA's customers. The ongoing litigation with the KSA tax authorities is likely to continue well into the foreseeable future and therefore it is not practicable to estimate its financial effect.

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

30. RELATED-PARTY TRANSACTIONS

Sales and purchases between Group companies are concluded on normal commercial terms in the ordinary course of business. For the year ended 28 February 2022, the inter-group sales of goods and provision of services amounted to US$53.4 million (FY21: US$37.5 million), which are eliminated on consolidation. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

The Group also transacts with its associate Esource Resources, LLC (refer to Note 12.1). During the year, the Group made sales totalling US$49.0 million (FY21: US$58.2 million) and received management fees of US$0.3 million (FY21: US$0.4 million). As at 28 February 2022, US$3.2 million (FY21: US$1.1 million) was due from Esource Resources, LLC.

US$0.01 million (FY21: US$0.3 million) was due to Esource Resources, LLC and is repayable under normal commercial terms.

The amounts due to and from Esource Resources, LLC are unsecured and interest free.

	2022 US$'000	2021 US$'000
Key management personnel compensation		
Short-term employee benefits	**8 541**	7 759
Post-employment benefits	**378**	284
Share-based payments	**451**	496
	9 370	8 539

Key management personnel compensation comprises the compensation of 12 (FY21: 12) senior executives of the Group's divisions. The remuneration of Datatec's executive directors is included in Note 3 and in the tables on the following page. There were no other prescribed officers in the Company.

30. RELATED-PARTY TRANSACTIONS (continued)

Directors' emoluments

The following tables set out the remuneration of individual directors who held office during FY22 and FY21.

	2022						
	Guaranteed package						
	Basic salary US$'000	Pension US$'000	Other benefits* US$'000	Fees US$'000	STI US$'000	LTI US$'000	Total US$'000
Executive directors							
JP Montanana	1 200	214	59	–	2 577	372	4 422
IP Dittrich	530	84	49	–	618	131	1 412
Total executive directors	1 730	298	108	–	3 195	503	5 834
Non-executive directors							
SJ Davidson	–	–	–	212	–	–	212
M Makanjee	–	–	–	111	–	–	111
JF McCartney	–	–	–	72	–	–	72
CRK Medlock	–	–	–	84	–	–	84
MJN Njeke	–	–	–	114	–	–	114
E Singh-Bushell	–	–	–	109	–	–	109
Total non-executive directors	–	–	–	702	–	–	702
Total directors' emoluments	1 730	298	108	702	3 195	503	6 536

	2021						
	Guaranteed package						
	Basic salary US$'000	Pension US$'000	Other benefits* US$'000	Fees US$'000	STI US$'000	LTI US$'000	Total US$'000
Executive directors							
JP Montanana	1 140	214	55	–	2 739	2 135	6 283
IP Dittrich	503	84	46	–	675	569	1 877
Total executive directors	1 643	298	101	–	3 414	2 704	8 160
Non-executive directors							
SJ Davidson	–	–	–	202	–	–	202
M Makanjee	–	–	–	102	–	–	102
JF McCartney	–	–	–	75	–	–	75
CRK Medlock (from 1 January 2020)	–	–	–	80	–	–	80
MJN Njeke	–	–	–	103	–	–	103
E Singh-Bushell	–	–	–	101	–	–	101
Total non-executive directors	–	–	–	663	–	–	663
Total directors' emoluments	1 643	298	101	663	3 414	2 704	8 823

* *Other benefits include private medical insurance, permanent health insurance, life assurance and fuel for private vehicles. There has been no change in the directors holding office up to the date of approval of these financial statements.*

30. RELATED-PARTY TRANSACTIONS (continued)

Directors' emoluments (continued)

Conditional Share Plan (CSP)

Grants were made under the CSP in FY22 and FY21 including the following awards to directors:

			Number of awards – movement in FY22					Fair value of awards				
CSP	Grant date	At 28 February 2021	**Granted**	**Vested**	**Lapsed**	**Modifi-cation**	**At 28 Feb 2022**	On grant US$'000	On grant as % of base pay	On vesting US$'000	**At 28 Feb 2022 US$'000**	At 28 Feb 2021 US$'000
J P Montanana	01-Jun-18	1 291 148	**–**	**(645 574)**	**(645 574)**	**–**	**–**	2 142	150	1 317	**–**	1 096
	01-Jun-19	538 870	**–**	**–**	**–**	**73 825**	**612 695**	1 246	109		**372**	91
	01-Jun-20	782 719	**–**	**–**	**–**	**107 233**	**889 952**	1 086	95		**1 442**	886
	01-Jun-21	–	**519 555**	**–**	**–**	**71 179**	**590 734**	1 094	91		**957**	–
		2 612 737	**519 555**	**(645 574)**	**(645 574)**	**252 237**	**2 093 381**				**2 771**	2 073
I P Dittrich	01-Jun-18	405 066	**–**	**(202 533)**	**(202 533)**	**–**	**–**	672	120	413	**–**	344
	01-Jun-19	190 212	**–**	**–**	**–**	**26 059**	**216 271**	344	87		**131**	32
	01-Jun-20	276 286	**–**	**–**	**–**	**37 851**	**314 137**	383	76		**509**	313
	01-Jun-21	–	**183 576**	**–**	**–**	**25 150**	**208 726**	387	73		**338**	–
		871 564	**183 576**	**(202 533)**	**(202 533)**	**89 060**	**739 134**				**978**	689

Deferred Bonus Warrants (DBW) – FY22

Under the terms of the new DBW plan, the executive directors must defer a minimum of 20% of their bonus and may elect to defer up to 50%. Datatec shares will be purchased with the deferred bonus and the Company will co-invest the same value into SARs. The Company's co-investment in the SARs is not disclosed in the LTI element shown in the directors' remuneration table whereas in FY21, under the terms of the DBP, the co-investment was in the form of shares and was disclosed in LTI (see below). This different disclosure reflects the different nature of the co-investment instrument.

Deferred Bonus Plan (DBP) – FY21

Jens Montanana elected to defer 37.9% of his FY21 bonus, being US$1 039 000 (FY20: US$300 000) into the DBP to purchase forfeitable shares in June 2021. The Company co-invested the same amount of forfeitable shares and the Company's co-investment is included in the FY21 LTI element shown in the directors' remuneration table.

Ivan Dittrich elected to defer 33.3% of his FY21 bonus, being US$225 000 (FY20: US$48 100) into the DBP to purchase forfeitable shares in June 2021. The Company co-invested the same amount of forfeitable shares and the Company's co-investment is included in the FY21 LTI element shown in the directors' remuneration table.

30. RELATED-PARTY TRANSACTIONS (continued)

Directors' emoluments (continued)

Westcon International Equity Appreciation Plan (WI – EAP)

During FY19, Datatec executive directors received one-off awards of units in the Westcon International EAP as follows:

Westcon EAP	Grant date	Number of awards	Fair value of awards on grant US$'000	Grant fair value as a % of base pay %	**Fair value of awards at 28 February 2022 US$'000**	Fair value of awards at 28 February 2021 US$'000
JP Montanana	14-Mar-18	30 000	–	–	**2 605**	1 625
IP Dittrich	14-Mar-18	15 000	–	–	**1 302**	812

In addition to the above, in FY19 Jens Montanana received an award of 10 000 units in the WI – EAP conditional on a sale of Westcon International for in excess of US$300 million being achieved. The fair value of this award on grant was nil and at 28 February 2022 was US$868 000 (FY21: US$750 000).

Share Appreciation Rights Scheme (SARS)

Directors holding office during FY22 held the following share appreciation rights under the rules of the SARS which was discontinued in 2017.

	Number of awards – movement in FY22				Fair value of awards	
SARS	Grant date US$'000	28 February 2021 US$'000	**Modification US$'000**	**28 February 2022 US$'000**	**28 February 2022 US$'000**	28 February 2021 US$'000
J P Montanana	14-May-15	629 000	**85 879**	**714 879**	**280**	–

Directors' interests in shares

Directors' interests in the ordinary shares of the Company at 28 February 2022 and 28 February 2021 are shown below:

	At 28 February 2022				At 28 February 2021			
	Direct	**Indirect**	**Associates**	**Total**	Direct	Indirect	Associates	Total
Executive directors								
J P Montanana	**500 000**	**30 141 893**	**–**	**30 641 893**	500 000	25 492 443	–	25 992 443
I P Dittrich	**822 905**	**–**	**–**	**822 905**	521 594	–	–	521 594
Non-executive directors								
S J Davidson	**–**	**–**	**11 001**	**11 001**	–	–	11 001	11 001
J F McCartney	**–**	**1 278 877**	**–**	**1 278 877**	–	1 278 877	–	1 278 877
	1 322 905	**31 420 770**	**11 001**	**32 754 676**	1 021 594	26 771 320	11 001	27 803 915

Of Mr Montanana's shareholding, 1 000 000 shares have been pledged as security for certain equity funding transactions.

Directors' interests in ordinary shares of the Company shown above are unchanged from 28 February 2022 to the date of this report. Non-executive directors not shown in the above tables did not hold any Datatec shares in either year. Shares held by executive directors in relation to the DBP (which are forfeited if they resign from the Company) are included in the above table.

31. FINANCIAL INSTRUMENTS

31.1 Financial risk management objectives

The management of financial risks relating to the operations of the Group is in line with the Group's decentralised business model with oversight through divisional audit, risk and compliance committee meetings. This is achieved through the use of internal risk analyses which analyse exposures by likelihood and magnitude of risks. These risks include market risk (including currency and interest rate risk), credit risk and liquidity risk.

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

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

The Group's financial assets and liabilities consist mainly of net cash resources, accounts receivable, accounts payable, borrowings and leases.

31.2 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance. The Group's overall strategy with respect to the debt and equity balance remains unchanged from FY21, with particular focus placed on the management of overall net debt. The capital structure of the Group consists of debt, which includes the borrowings disclosed in Notes 21 and 24, bank overdrafts (Note 28), leases disclosed in Note 22, net cash resources (Note 36) and equity attributable to equity holders of the parent, comprising issued capital (Note 20), reserves and retained earnings.

Gearing ratio

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

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

	2022 US$'000	2021 US$'000
Long-term interest-bearing liabilities	**56 440**	42 371
Short-term interest-bearing liabilities	**266 617**	261 460
Lease liabilities – long-term	**61 523**	77 847
Lease liabilities – short-term	**32 870**	36 398
Cash resources	**(453 926)**	(488 632)
Bank overdrafts	**166 559**	131 417
Net debt	**130 083**	60 861
Total equity attributable to the parent	**563 430**	583 156
Gearing ratio: debt-to-equity ratio	**23%**	10%
Bank overdrafts increased, mainly as a result of US$32.5 million of additional drawn bank overdrafts in Logicalis.		

31.3 Categories of financial instruments

	2022 US$'000	2021 US$'000
Financial assets		
Financial assets at fair value through profit or loss	**2 153**	4 378
Financial assets at amortised cost	**1 800 137**	1 696 698
Financial liabilities		
Financial liabilities at fair value through profit or loss	**2 052**	1 046
Financial liabilities at amortised cost	**1 920 832**	1 766 956
Other financial liabilities at fair value through profit or loss (designated)	**4 095**	2 620

There were no transfers between level 1 and level 2 during the year for recurring fair value measurements.

31. FINANCIAL INSTRUMENTS (continued)

31.4 Credit risk management

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

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of accounts receivable and, where possible and appropriate, credit insurance cover is purchased. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The Group defines counterparties as having similar characteristics if they are related entities.

There is one customer in Latin America, with a gross value of US$64.4 million, which represents over 5% of the total balance of trade receivables (FY21: US$56.4 million (approximately 5% of the total balance)). There has not been any change in the credit quality of this receivable and the amount is considered recoverable. The majority of the balance receivable is current and this receivable therefore presents a low credit risk. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with appropriate credit ratings assigned by international or recognised credit rating agencies.

Concentration risk is monitored and addressed by management on an ongoing basis.

The carrying amount of financial assets recorded in the financial statements (see Note 31.3), which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. Further information on the concentration of credit risk is detailed in the following table:

	Level	North America US$'000	Latin America US$'000	Europe US$'000	Asia-Pacific US$'000	MEA US$'000	Total US$'000
2022							
Financial assets at amortised cost							
Bonds		–	–	–	–	7 276	7 276
Finance lease receivables		–	1 408	28 932	111	–	30 451
Loans granted to third parties and other long-term assets due		326	1 006	36 733	14 571	2 025	54 661
Gross trade accounts receivable		102 561	139 429	666 427	205 234	136 933	1 250 584
Less: Expected credit loss allowances		(185)	(629)	(7 428)	(3 281)	(15 237)	(26 760)
Sundry receivables		5 421	968	16 423	5 282	1 905	29 999
Cash resources		20 783	31 982	185 446	146 798	68 917	453 926
Financial assets at fair value through profit or loss							
Derivative financial assets	2	–	2 153	–	–	–	2 153
Maximum on-balance sheet exposure		128 906	176 317	926 533	368 715	201 819	1 802 290
Financial guarantees		–	–	–	–	–	–
Contract assets and contract costs		63 185	26 959	45 614	39 660	1 911	177 329

31. FINANCIAL INSTRUMENTS (continued)

31.4 Credit risk management (continued)

	Level	North America US$'000	Latin America US$'000	Europe US$'000	Asia-Pacific US$'000	MEA US$'000	Total US$'000
2021							
Financial assets at amortised cost							
Bonds		–	–	–	–	7 276	7 276
Finance lease receivables		841	848	37 223	330	–	39 242
Loans granted to third parties and other long-term assets due		326	-	430	5 219	2 001	7 976
Gross trade accounts receivable		68 728	126 108	612 971	184 004	143 206	1 135 017
Less: Expected credit loss allowances		(158)	(489)	(9 024)	(3 707)	(13 534)	(26 912)
Sundry receivables		6 926	19 335	12 685	4 749	1 772	45 467
Cash resources		39 192	51 100	203 082	142 847	52 411	488 632
Financial assets at fair value through profit or loss							
Derivative financial assets	2	–	4 378	–	–	–	4 378
Maximum on-balance sheet exposure		115 855	201 280	857 367	333 442	193 132	1 701 076
Financial guarantees		–	–	–	–	–	–
Contract assets and contract costs		45 109	27 442	48 299	33 224	248	154 322

The carrying values of loans granted to third parties, other long-term assets due and sundry receivables balances approximate their fair value, therefore no fair value disclosures are provided.

The internal risk rating of loans granted to third parties and other long-term assets due and other receivables is "low credit risk" and these financial assets are considered to be performing.

The external credit ratings of the Group's main banks range from lower medium grade to high grade. The external credit risk ratings of bonds are B- stable. There have been no defaults by the Angolan government on bond maturity in the past and the National Bank of Angola has been settling bonds as they fall due.

When measuring expected credit losses, the Group uses publicly available, reasonable forward-looking information. Expected credit losses are based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

For trade receivables, finance lease receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime expected credit losses. The Group determines the expected credit losses on these items by using a provision matrix, which takes into consideration the payment profiles of these receivables over a period of 12 months in preceding financial years, the Group's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group considers forward-looking information such as known changes in the macroeconomic environment of customers located in a certain geography, the deterioration in the Group's relationship or discussions with a particular customer. Consideration of these factors enables an estimation of future expected credit losses to be made. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. A default on a receivable occurs when the receivable fails to make contractual payments when they fall due.

The Group's trade receivables share similar risk characteristics by nature. The default percentages on outstanding trade receivables are determined based on the geographical regions of the trade receivables.

Management has concluded that the likelihood of material expected credit losses is low.

Expected credit losses for finance lease receivables and contract assets are negligible and all balances are included in the "current" ageing per the Group's past due matrix. Note 16 includes further details on the loss allowance for trade receivables.

31. FINANCIAL INSTRUMENTS (continued)

31.4 Credit risk management (continued)

There has been no change in the estimation techniques or significant assumptions made during the year is assessing the credit losses for these financial assets.

US$19.4 million of trade receivables are pledged as collateral against long-term interest-bearing liabilities and US$597.6 million of trade receivables have been assigned against short-term interest-bearing liabilities (FY21: US$17.3 million collateral against long-term interest-bearing liabilities and US$529.7 million of trade receivables assigned against short-term interest-bearing liabilities). Refer to Note 21.1 and Note 24.

There has not been any deterioration or changes in the collateral policies during the year, nor are there any financial instruments for which a loss allowance has not been recognised because of the collateral. The Group does not hold any collateral over its trade receivables balances.

All significant customers are vetted by an external credit agency where possible. In certain instances, customers with low credit ratings are investigated further and requests for collateral are made. Credit guarantees are sought for receivables over a certain credit limit. The Group makes use of credit insurance in many of its geographies. US$497.1 million of credit insurance is held over trade receivables (FY21: US$459.9 million).

No large expected credit losses have been recognised for any financial assets, other than trade receivables.

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

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

31.5 Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities and by continuously monitoring forecast and actual cash flows.

The Group is dependent on its bank overdrafts and trade finance facilities to operate. These facilities generally consist of either a fixed term or fixed period and may be repayable on demand, are secured against the assets of the Company to which the facility is made available and contain certain covenants including financial covenants such as minimum liquidity, maximum leverage and pre-tax earnings coverage. In certain circumstances, if these covenants are violated and a waiver is not obtained for such violation, this may, amongst other things, mean that the facility may be repayable on demand. Included in Note 28 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Logicalis is supported by a corporate facility of US$155.0 million (FY21: US$155.0 million), covering all operations outside of Latin America, comprising a rolling credit facility to fund working capital requirements and an acquisition facility. The Latin America region is supported separately via a number of uncommitted overdraft facilities and short-term lending arrangements.

Westcon International has an invoice assignment facility of EUR390.6 million (recently increased from EUR275.0 million) for its European subsidiaries, as well as an extended payables facility of US$65.7 million. Westcon International has a securitisation facility of US$100.0 million for its Asia-Pacific facilities (up from US$80 million in the prior year). In addition, Westcon International utilises accounts receivable facilities in the Middle East (US$15.0 million) and Indonesia (US$11.0 million) as well as overdraft facilities in Europe (EUR4.0 million) and Africa (US$1.0 million), a securitisation facility in South Africa (R250.0 million) and a line of credit in Singapore (US$1.2 million) to finance the business.

Analysys Mason repaid its inter-company borrowing from Datatec during H2 FY22 and has access to bank overdraft facilities to support its working capital requirements.

There was a technical breach of a covenant in Westcon International's receivables securitisation facility with Westpac Banking Corporation (Westpac) in August 2021 relating to a tangible net worth target, following the repayment of inter-company loans. Westpac were aware of the planned inter-company loan repayment and formally waived the breach prior to 28 February 2022. During the year, no further breaches of covenants have been identified, and as at 28 February 2022 no borrowing facilities were in default.

31. FINANCIAL INSTRUMENTS (continued)

31.5 Liquidity risk management (continued)

The Group continues to monitor the funding needs of its individual operations and works closely with various financial institutions to ensure adequate liquidity.

The Group has performed covenant projections for the next 12 months to confirm that banking covenants are expected to be met.

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

	Level	0 – 1 year US$'000	1 – 2 years US$'000	2 – 5 years US$'000	After 5 years US$'000	Total US$'000
2022						
Financial liabilities at amortised cost						
Long-term interest-bearing liabilities		**25 329**	**22 606**	**33 834**	**–**	**81 769**
Lease liabilities		**32 870**	**24 322**	**28 416**	**8 785**	**94 393**
Trade payables		**1 113 072**	**–**	**–**	**–**	**1 113 072**
Other payables and other financial liabilities*		**223 751**	**–**	**–**	**–**	**223 751**
Short-term interest-bearing liabilities		**241 288**	**–**	**–**	**–**	**241 288**
Bank overdrafts		**166 559**	**–**	**–**	**–**	**166 559**
Financial liabilities at fair value through profit or loss						
Acquisition-related liabilities	**3**	**39**	**4 056**	**–**	**–**	**4 095**
Derivative financial liabilities	**2**	**2 052**	**–**	**–**	**–**	**2 052**
		1 804 960	**50 984**	**62 250**	**8 785**	**1 926 979**
Financial guarantees/commitments		**–**	**–**	**–**	**–**	**–**
2021						
Financial liabilities at amortised cost						
Long-term interest-bearing liabilities		34 311	17 261	24 457	653	76 682
Lease liabilities		36 398	28 066	38 665	11 116	114 245
Trade payables		993 067	–	–	–	993 067
Other payables and other financial liabilities*		224 396	–	–	–	224 396
Short-term interest-bearing liabilities		227 149	–	–	–	227 149
Bank overdrafts		131 417	–	–	–	131 417
Financial liabilities at fair value through profit or loss						
Acquisition-related liabilities	3	2 580	40	–	–	2 620
Derivative financial liabilities	2	1 046	–	–	–	1 046
		1 650 364	45 367	63 122	11 769	1 770 622
Financial guarantees/commitments		–	–	–	–	–

* *Other payables per Note 23 of US$413.1 million (FY21: US$392.1 million) less VAT/sales tax of US$36.0 million (FY21: US$50.4 million), short-term portion of share-based payments of US$18.9 million (FY21: US$5.0 million), accruals which are not financial liabilities of US$90.0 million (FY21: US$75.1 million), other payables which are not financial liabilities of US$42.4 million (FY21: US$36.2 million) and derivative financial liabilities which are disclosed separately of US$2.0 million (FY21: US$1.0 million).*

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

31. FINANCIAL INSTRUMENTS (continued)

31.6 Market risk management

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see Note 31.7) and interest rates (see Note 31.8). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency and interest rate risk, including:

- forward foreign exchange contracts ("FEC's") to hedge the exchange rate risk arising on transactions denominated in foreign currency;
- a zero-cost collar which offers protection against adverse currency moves beyond a certain level; and
- interest rate swaps to mitigate the risk of rising interest rates.

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

31.7 Foreign exchange risk management

The Group operates in the global business environment and undertakes many transactions denominated in foreign currencies which exposes it to the risk of fluctuating exchange rates. The day-to-day management of foreign currency exchange risk is performed on a decentralised basis, within approved policy parameters and through the use of derivative instruments. These instruments primarily comprise FECs and zero-cost collars. FECs require a future purchase or sale of foreign currency at a specified price. The Group does not trade in FECs for speculative purposes.

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

31.7.1 Foreign currency exposure analysis

The Group's operating companies have financial assets and liabilities that are denominated in multiple currencies, in many instances currencies other than their functional currencies. Differences arising from the translation of these foreign currency denominated financial assets and liabilities are recognised in the statement of comprehensive income as foreign exchange gains and/or losses.

To determine the exposures and movements referenced below, financial assets and liabilities are split between items denominated in functional currency and items not denominated in functional currency across the different entities and regions across the Group. The net balance of items that are not denominated in functional currency and that are not hedged represents the net foreign exchange exposure in each division. The applicable change that represents management's assessment of the reasonably possible change in foreign exchange rates, is 10%. Foreign exchange rates in the Group vary due to the large number of geographic locations and fluctuate more in certain regions due to economic uncertainty, particularly in emerging markets. Therefore, 10% has been chosen for the sensitivity analyses as it represents a reasonable average year-on-year movement in the exchange rates across the various regions in the Group.

Westcon International

Westcon International operates in the global business environment and undertakes many transactions denominated in foreign currencies. Westcon International is exposed to the risk of fluctuating exchange rates and seeks to actively manage this exposure, within approved policy parameters and through the use of derivative instruments. These instruments primarily comprise forward exchange contracts. Forward exchange contracts require a future purchase or sale of foreign currency at a specified price.

Datatec management has performed a review of foreign currency exposures of the financial assets and liabilities of Westcon International. In addition, the foreign exchange gains and losses in the statement of comprehensive income were reviewed to identify the regions with potential exposures. Where no natural hedges occur, Westcon International is adequately hedged in most regions. The total exposure is US$7.8 million (FY21: US$10.7 million). A 10% movement will result in a US$0.8 million (FY21: US$1.1 million) movement in the statement of comprehensive income. Westcon International's most significant exposures are to the US Dollar, British Pound and Euro.

31. FINANCIAL INSTRUMENTS (continued)

31.7 Foreign exchange risk management (continued)

31.7.1 Foreign currency exposure analysis (continued)

Logicalis

Logicalis operates in the global business environment and undertakes many transactions denominated in foreign currencies. Logicalis is exposed to the risk of fluctuating exchange rates and seeks to actively manage this exposure, within approved policy parameters and through the use of derivative instruments. These instruments primarily comprise forward exchange contracts. Forward exchange contracts require a future purchase or sale of foreign currency at a specified price.

Datatec management has performed a review of foreign currency exposures of the financial assets and liabilities of Logicalis. In addition, the foreign exchange gains and losses in the statement of comprehensive income were reviewed to identify the regions with potential exposures. The total exposure is US$68.5 million (FY21: US$72.1 million). A 10% movement will result in a US$6.8 million movement (FY21: US$7.2 million) in the statement of comprehensive income.

Logicalis' largest exposures are to the US Dollar and Euro.

Corporate and Management Consulting

Datatec management has performed a review of foreign currency exposures of the financial assets and liabilities of the Corporate and Management Consulting segment. The total exposure, mostly to the US Dollar, is US$24.7 million (FY21: US$38.3 million). A 10% movement will result in a US$2.5 million movement (FY21: US$3.8 million) in the statement of comprehensive income.

31.7.2 Forward foreign exchange contracts

It is the policy of the Group to enter into FECs to cover certain specific foreign currency payments and receipts based on the known exposure generated. The Group also enters into FECs to manage the risk associated with anticipated sales and purchase transactions, with FECs ranging up to approximately six months and with cover up to 100% of the anticipated exposure generated. Obligations under open FEC contracts are detailed in Notes 31.4 and 31.5, as derivative financial assets and derivative financial liabilities, respectively.

31.8 Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group maintaining an appropriate mix between fixed and floating rate borrowings. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates and defined risk appetite (see Note 31.5).

Interest rate sensitivity analyses

The analyses below sets out the sensitivity of the Group's variable rate financial assets and liabilities to movements in the applicable interest rates based on an average outstanding asset or liability exposed to variable interest rates calculated for the year across the various entities and regions across the Group. The applicable increase or decrease that represents management's assessment of the reasonably possible change in interest rates, is a 10% increase in the applicable variable interest rates. Interest rates in the Group vary due to the large number of geographic locations. Interest rates fluctuate more in certain regions due to economic uncertainty, particularly in emerging markets. Therefore, 10% has been chosen for the sensitivity analyses as it represents a reasonable average expected change in interest rates across the various regions in the Group.

Datatec Group

- Profit for the year ended 28 February 2022 would decrease by a net amount of US$1.40 million (FY21: US$0.79 million decrease)

Westcon International

- Profit for the year ended 28 February 2022 would decrease by a net amount of US$0.87 million (FY21: US$0.68 million decrease)

Logicalis

- Profit for the year ended 28 February 2022 would decrease by a net amount of US$0.52 million (FY21: US$0.10 million decrease)

Corporate and Management Consulting

- Profit for the year ended 28 February 2022 would decrease by a net amount of US$0.01 million (FY21: US$0.01 decrease)

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	2022 US$'000	2021 US$'000
32. CASH GENERATED FROM OPERATIONS		
Profit before taxation	**50 935**	25 244
Adjustment for		
Unrealised foreign exchange (gains)/losses	**(470)**	283
Share-based payments	**22 517**	11 493
Share of equity-accounted investment (earnings)/losses	**427**	(908)
Depreciation and amortisation	**72 402**	68 659
Loss/(profit) on disposal of property, plant and equipment	**(27)**	912
Loss/(profit) on disposal of right-of-use asset	**(55)**	–
Net movement in provisions	**(1 350)**	16 127
Net movements on expected credit loss allowances	**1 946**	5 389
Acquisition-related fair value adjustments	**(567)**	–
Movement in inventory provision	**1 267**	–
Cash payments to settle share-based payment obligations	**(3 916)**	(2 654)
Non-cash movement on multi-year contracts	**(7 192)**	–
Interest income	**(2 271)**	(1 895)
Finance costs*	**33 580**	27 587
Other non-cash items (individually immaterial)	**6 293**	4 251
Operating profit before working capital changes	**173 519**	154 488
Working capital changes	**(83 791)**	78 154
(Increase)/decrease in inventories	**(66 806)**	13 324
(Increase)/decrease in receivables	**(96 647)**	15 314
Increase in payables	**89 254**	88 373
Increase in contract assets and contract costs	**(27 051)**	(50 526)
Increase in deferred revenue	**17 459**	11 669
Decrease in finance lease receivables	**6 984**	–
Decrease in other non-current assets	**–**	1 709
	96 712	234 351

* *Includes non-cash accruals.*

	2022 US$'000	2021 US$'000
33. TAXATION PAID		
Net taxation asset/(liability) – at the beginning of the year	**4 173**	(586)
Subsidiaries acquired	**(549)**	(1 000)
Charge to profit and loss (excluding deferred taxation)	**(23 982)**	(29 173)
Other movements and translation differences	**(929)**	(1 665)
Net taxation asset at the end of the year	**(4 995)**	(4 173)
	(26 282)	(36 597)
Net taxation		
Current tax assets	**23 030**	20 769
Current tax liability	**(18 035)**	(16 596)
	4 995	4 173

	2022 US$'000	2021 US$'000
34. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT		
Maintenance of operations		
Office furniture, equipment and motor vehicles	**420**	553
Computer equipment	**4 971**	6 973
Leasehold improvements	**822**	3 217
Land and buildings	**18**	–
Expansion of operations		
Office furniture, equipment and motor vehicles	**688**	1 881
Computer equipment	**3 113**	4 284
Leasehold improvements	**1 052**	909
Land and buildings	**–**	–
	11 084	17 817

	2022 US$'000	2021 US$'000
35. CASH FLOW ADDITIONAL NOTES		
35.1 Translation difference on cash and cash equivalents		
Translation differences on cash and cash equivalents are calculated on the combined cash resources and bank overdrafts that are unconditionally repayable on demand of companies that hold cash in currencies other than the US Dollar.	**3 304**	(6 287)

	Note	Opening balance as at 1 March 2021 US$'000	Financing cash inflows* US$'000	Financing cash outflows* US$'000	Non-cash changes: Operating cash outflows US$'000	Non-cash changes: Acquisition of subsidiary US$'000	Non-cash changes: New leases US$'000	Non-cash changes: Foreign currency and other changes US$'000	Closing balance as at 28 February 2022 US$'000
35.2 Reconciliation of liabilities arising from financing activities									
2022									
Acquisition-related liabilities	25	**(2 620)**	**–**	**7 815**	**–**	**(10 496)**	**–**	**1 206**	**(4 095)**
Long-term interest-bearing liabilities**	21	**(76 682)**	**(84 882)**	**82 564**	**6 371**	**(2 923)**	**–**	**(6 217)**	**(81 769)**
Unsecured loans		**(31 202)**	**(48 084)**	**44 154**	**2 624**	**(2 923)**	**–**	**(2 772)**	**(38 203)**
Secured loans		**(45 480)**	**(36 798)**	**38 410**	**3 747**	**–**	**–**	**(3 445)**	**(43 566)**
Lease liabilities***/****/	22	**(114 245)**	**–**	**36 121**	**5 260**	**–**	**(18 887)**	**(2 642)**	**(94 393)**
Bank overdrafts repayable on demand under certain conditions~	28	**(121 557)**	**(7 082)**	**–**	**12 814**	**–**	**–**	**(12 781)**	**(128 606)**
Short-term interest-bearing liabilities	24	**(227 149)**	**(42 647)**	**28 609**	**4 736**	**–**	**–**	**(4 837)**	**(241 288)**

* *The cash flows from bank loans and other borrowings make up the net amount of proceeds and repayments in terms of short-term and long-term liabilities in the Group statement of cash flows under financing liabilities.*

** *Includes current portion (US$25.3 million – refer to Note 21).*

*** *The non-cash movement in leases includes finance cost related to finance leases of US$5.3 million (refer to Note 4), foreign currency and other movements.*

**** *Includes current portion (US$32.9 million – refer to Note 22).*

~ *Cash flows include US$5.3 million interest related to lease liabilities and US$12.8 million interest on bank overdrafts repayable on demand under certain conditions these are included in cash flows from operating activities.*

35. CASH FLOW ADDITIONAL NOTES (continued)

35.2 Reconciliation of liabilities arising from financing activities (continued)

	Note	Opening balance as at 1 March 2020 US$'000	Financing cash inflows* US$'000	Financing cash outflows* US$'000	Non-cash changes: Acquisition of subsidiary US$'000	Non-cash changes: Transfers US$'000	Non-cash changes: Foreign currency and other changes US$'000	Closing balance as at 28 February 2021 US$'000
2021								
Acquisition-related liabilities	25	(5 490)	–	3 130	–	–	(260)	(2 620)
Long-term interest-bearing liabilities**	21	(43 032)	(50 832)	27 416	–	(4 113)	(6 121)	(76 682)
Unsecured loans		(29 980)	(26 389)	17 377	–	–	7 790	(31 202)
Secured loans		(13 052)	(24 443)	10 039	–	(4 113)	(13 911)	(45 480)
Lease liabilities***/****/~	22	(129 473)	–	61 408	(42)	8 682	(54 820)	(114 245)
Bank overdrafts repayable on demand under certain conditions~	28	(248 915)	–	123 182	–	–	4 176	(121 557)
Short-term interest-bearing liabilities	24	(50 751)	(218 210)	49 992	(6 744)	(4 569)	3 133	(227 149)

* *The cash flows from bank loans and other borrowings make up the net amount of proceeds and repayments in terms of short-term and long-term liabilities in the Group statement of cash flows under financing liabilities.*

** *Includes current portion (US$34.3 million – refer to Note 21).*

*** *The non-cash movement in leases includes finance cost related to finance leases of US$4.9 million (refer to Note 4), new leases of S$46.9 million, foreign currency and other movements.*

**** *Includes current portion (US$36.4 million – refer to Note 22).*

~ *Cash flows include US$4.9 million interest related to lease liabilities and US$13.5 million interest on bank overdrafts repayable on demand under certain conditions these are included in cash flows from operating activities.*

	2022 US$'000	2021 US$'000
36. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash resources	**453 926**	488 632
Bank overdrafts unconditionally repayable on demand (Note 28)	**(37 953)**	(9 860)
Cash and cash equivalents (per the statement of cash flows)	**415 973**	478 772
Bank overdrafts repayable on demand under certain conditions (refer to Note 28)	**(128 606)**	(121 557)
Net cash resources	**287 367**	357 215
Bank overdrafts unconditionally repayable on demand	**(37 953)**	(9 860)
Bank overdrafts repayable on demand under certain conditions	**(128 606)**	(121 557)
Total bank overdrafts (Note 28)	**(166 559)**	(131 417)

37. SEGMENTAL REPORT

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

Principal activities are as follows:

- Westcon International – Value-added technology distributor of industry-leading solutions. Provides class-leading cyber security, network infrastructure, unified collaboration products, data centre solutions, channel support services and financing/leasing solutions for ICT customers
- Logicalis – International solutions provider of digital services
- Corporate and Management Consulting – Management Consulting provides strategic, trusted advisory, modelling and market intelligence services to the TMT industries. Corporate includes Group head office companies and Group consolidation adjustments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the group of directors who make strategic decisions.

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37. SEGMENTAL REPORT (continued)

	Westcon International 2022 US$'000	Westcon International 2021 US$'000
37.1 Condensed statement of comprehensive income		
Revenue	**2 890 439**	2 585 678
Total revenue	**2 943 742**	2 622 754
Inter-segmental	**(53 303)**	(37 076)
Gross Profit	**318 966**	290 987
North America	**–**	–
Latin America	**–**	–
Europe	**190 960**	177 793
Asia-Pacific	**89 383**	71 141
MEA	**38 623**	42 053
Restructuring costs	**–**	7 764
EBITDA	**68 071**	44 782
North America	**–**	–
Latin America	**–**	–
Europe	**64 627**	41 404
Asia-Pacific	**29 437**	21 893
MEA	**3 338**	10 917
Datatec Group and divisional central costs	**(29 331)**	(29 432)
Depreciation and amortisation	**(24 509)**	(22 567)
Operating profit/(loss)	**43 562**	22 215
Interest income	**546**	728
Finance costs	**(11 825)**	(10 933)
Share of equity-accounted investment (losses)/earnings	**–**	–
Acquisition-related fair value adjustments	**–**	–
Other (expenses)/income	**(27)**	55
Profit/(loss) before taxation	**32 256**	12 065
Taxation	**(1 413)**	(3 694)
Profit/(loss) for the year	**30 843**	8 371

During FY22 and FY21, there were no customers that individually accounted for over 10% of the Group's revenue. There is one customer in Logicalis Latin America which accounts for over 10% of Logicalis' revenue (US$180.7 million).

~ *Datatec Financial Services has been included in the Westcon International segment in February 2022 and in the Corporate and Management Consulting segment in February 2021.*

Logicalis		Corporate and Management Consulting		Datatec Group total	
2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000	**2022 US$'000**	2021 US$'000
1 655 959	1 449 543	**90 384**	74 242	**4 636 782**	4 109 463
1 656 051	1 449 956	**36 989**	36 753	**4 636 782**	4 109 463
(92)	(413)	**53 395**	37 489	**–**	–
410 802	367 491	**40 628**	32 059	**770 396**	690 537
101 932	95 659	**3 977**	2 988	**105 909**	98 647
106 519	102 226	**449**	678	**106 968**	102 904
125 789	107 477	**26 415**	21 334	**343 164**	306 604
72 274	59 893	**5 230**	3 909	**166 887**	134 943
4 288	2 236	**4 557**	3 150	**47 468**	47 439
–	14 138	**–**	476	**–**	22 378
92 534	81 931	**(6 072)**	(8 081)	**154 533**	118 632
23 881	20 247	**1 065**	1 027	**24 946**	21 274
28 486	34 317	**120**	233	**28 606**	34 550
27 468	13 895	**7 271**	5 435	**99 366**	60 734
25 775	23 145	**1 400**	1 344	**56 612**	46 382
(131)	(644)	**1 220**	1 083	**4 427**	11 356
(12 945)	(9 029)	**(17 148)**	(17 203)	**(59 424)**	(55 664)
(43 656)	(41 666)	**(4 237)**	(4 426)	**(72 402)**	(68 659)
48 878	40 265	**(10 309)**	(12 507)	**82 131**	49 973
1 076	770	**649**	397	**2 271**	1 895
(21 386)	(16 373)	**(369)**	(281)	**(33 580)**	(27 587)
(1 161)	362	**734**	546	**(427)**	908
567	–	**–**	–	**567**	–
–	–	**–**	–	**(27)**	55
27 974	25 024	**(9 295)**	(11 845)	**50 935**	25 244
(7 822)	(13 813)	**(1 367)**	(2 033)	**(10 602)**	(19 540)
20 152	11 211	**(10 662)**	(13 878)	**40 333**	5 704

37. SEGMENTAL REPORT (continued)

	Westcon International~ 2022					
	North America US$'000	Latin America US$'000	Europe US$'000	Asia-Pacific US$'000	MEA US$'000	Total US$'000
37.2 Revenue	–	–	1 810 836	703 073	376 530	2 890 439
Revenue from product sales	–	–	1 757 636	686 473	366 535	2 810 644
Revenue from sales of hardware	–	–	1 056 856	378 423	243 940	1 679 219
Revenue from sales of software*	–	–	678 853	315 274	121 274	1 115 401
Revenue from vendor resold services and product maintenance sales	–	–	49 228	16 535	2 791	68 554
Inter-segmental	–	–	(27 301)	(23 759)	(1 470)	(52 530)
Nature of revenue from product sales	–	–	1 757 636	686 473	366 535	2 810 644
Principal	–	–	1 735 961	693 704	365 213	2 794 878
Agent	–	–	48 976	16 528	2 792	68 296
Inter-segmental	–	–	(27 301)	(23 759)	(1 470)	(52 530)
Timing of revenue from product sales	–	–	1 757 636	686 473	366 535	2 810 644
At a point in time	–	–	1 784 937	710 232	368 005	2 863 174
Over time	–	–	–	–	–	–
Inter-segmental	–	–	(27 301)	(23 759)	(1 470)	(52 530)
Revenue from services	–	–	47 813	13 375	8 339	69 527
Revenue from professional services	–	–	48 130	13 776	8 352	70 258
Inter-segmental	–	–	(317)	(401)	(13)	(731)
Nature of revenue from services	–	–	47 813	13 375	8 339	69 527
Principal	–	–	48 130	13 776	8 352	70 258
Agent	–	–	–	–	–	–
Inter-segmental	–	–	(317)	(401)	(13)	(731)
Timing of revenue from services	–	–	47 813	13 375	8 339	69 527
At a point in time	–	–	–	–	–	–
Over time	–	–	48 130	13 776	8 352	70 258
Inter-segmental	–	–	(317)	(401)	(13)	(731)
Revenue from annuity services	–	–	5 387	3 225	1 656	10 268
Revenue from cloud services	–	–	–	–	–	–
Revenue from software services*	–	–	5 387	3 267	1 656	10 310
Revenue from other annuity services	–	–	–	–	–	–
Inter-segmental	–	–	–	(42)	–	(42)
Nature of revenue from annuity services	–	–	5 387	3 225	1 656	10 268
Principal	–	–	–	–	–	–
Agent	–	–	5 387	3 267	1 656	10 310
Inter-segmental	–	–	–	(42)	–	(42)
Timing of revenue from annuity services	–	–	5 387	3 225	1 656	10 268
At a point in time	–	–	–	–	1 874	1 874
Over time	–	–	5 387	3 267	(218)	8 436
Inter-segmental	–	–	–	(42)	–	(42)

* *Includes software as a service revenues.*

~ *Datatec Financial Services has been included in the Westcon International segment in February 2022, and in the Corporate and Management Consulting segment in February 2021.*

Vendor resold services in Westcon International is included in revenue from product sales as the revenue stream is directly related to the sales of product.

			Westcon International~ 2021			
	North America US$'000	Latin America US$'000	Europe US$'000	Asia-Pacific US$'000	MEA US$'000	Total US$'000
	–	–	1 607 610	608 704	369 364	2 585 678
	–	–	1 556 322	592 372	360 279	2 508 973
	–	–	950 542	356 708	221 896	1 529 146
	–	–	575 938	239 689	131 250	946 877
	–	–	47 667	13 853	8 216	69 736
	–	–	(17 825)	(17 878)	(1 083)	(36 786)
	–	–	1 556 322	592 372	360 279	2 508 973
	–	–	1 526 480	596 397	353 146	2 476 023
	–	–	47 667	13 853	8 216	69 736
	–	–	(17 825)	(17 878)	(1 083)	(36 786)
	–	–	1 556 322	592 372	360 279	2 508 973
	–	–	1 574 147	610 250	361 362	2 545 759
	–	–	–	–	–	–
	–	–	(17 825)	(17 878)	(1 083)	(36 786)
	–	–	45 786	14 255	7 969	68 010
	–	–	45 932	14 336	7 973	68 241
	–	–	(146)	(81)	(4)	(231)
	–	–	45 786	14 255	7 969	68 010
	–	–	45 932	14 336	7 973	68 241
	–	–	–	–	–	–
	–	–	(146)	(81)	(4)	(231)
	–	–	45 786	14 255	7 969	68 010
	–	–	–	–	–	–
	–	–	45 932	14 336	7 973	68 241
	–	–	(146)	(81)	(4)	(231)
	–	–	5 502	2 077	1 116	8 695
	–	–	–	–	–	–
	–	–	5 513	2 125	1 116	8 754
	–	–	–	–	–	–
	–	–	(11)	(48)	–	(59)
	–	–	5 502	2 077	1 116	8 695
	–	–	–	–	–	–
	–	–	5 513	2 125	1 116	8 754
	–	–	(11)	(48)	–	(59)
	–	–	5 502	2 077	1 116	8 695
	–	–	5 513	2 125	1 116	8 754
	–	–	–	–	–	–
	–	–	(11)	(48)	–	(59)

37. SEGMENTAL REPORT (continued)

		Logicalis 2022					
		North America US$'000	Latin America US$'000	Europe US$'000	Asia-Pacific US$'000	MEA US$'000	Total US$'000
37.2	Revenue (continued)	349 055	522 694	460 237	307 586	16 387	1 655 959
	Revenue from product sales	251 772	340 977	212 508	191 201	12 436	1 008 894
	Revenue from sales of hardware	181 183	245 063	150 784	137 645	10 131	724 806
	Revenue from sales of software*	70 589	95 914	61 737	53 556	2 384	284 180
	Revenue from vendor resold services and product maintenance sales	–	–	–	–	–	–
	Inter-segmental	–	–	(13)	–	(79)	(92)
	Nature of revenue from product sales	251 772	340 977	212 508	191 201	12 436	1 008 894
	Principal	244 667	336 415	205 425	191 028	12 768	990 303
	Agent	7 105	4 562	7 096	173	(253)	18 683
	Inter-segmental	–	–	(13)	–	(79)	(92)
	Timing of revenue from product sales	251 772	340 977	212 508	191 201	12 436	1 008 894
	At a point in time	251 772	340 977	212 521	191 201	12 515	1 008 986
	Over time	–	–	–	–	–	–
	Inter-segmental	–	–	(13)	–	(79)	(92)
	Revenue from services	31 116	50 245	107 212	39 436	2 097	230 106
	Revenue from professional services	31 116	50 245	107 212	39 436	2 097	230 106
	Inter-segmental	–	–	–	–	–	–
	Nature of revenue from services	31 116	50 245	107 212	39 436	2 097	230 106
	Principal	30 667	50 154	107 046	39 436	2 097	229 400
	Agent	449	91	166	–	–	706
	Inter-segmental	–	–	–	–	–	–
	Timing of revenue from services	31 116	50 245	107 212	39 436	2 097	230 106
	At a point in time	449	91	166	–	–	706
	Over time	30 667	50 154	107 046	39 436	2 097	229 400
	Inter-segmental	–	–	–	–	–	–
	Revenue from annuity services	66 167	131 472	140 517	76 949	1 854	416 959
	Revenue from cloud services	18 253	995	10 363	16 606	1 371	47 588
	Revenue from software services*	–	–	–	–	–	–
	Revenue from other annuity services	47 914	130 477	130 154	60 343	483	369 371
	Inter-segmental	–	–	–	–	–	–
	Nature of revenue from annuity services	66 167	131 472	140 517	76 949	1 854	416 959
	Principal	49 572	130 519	125 169	72 410	1 854	379 524
	Agent	16 595	953	15 348	4 539	–	37 435
	Inter-segmental	–	–	–	–	–	–
	Timing of revenue from annuity services	66 167	131 472	140 517	76 949	1 854	416 959
	At a point in time	16 595	953	15 348	4 539	–	37 435
	Over time	49 572	130 519	125 169	72 410	1 854	379 524
	Inter-segmental	–	–	–	–	–	–

* *Includes software as a service revenues.*

Vendor resold services in Logicalis is included in revenue from product sales as the revenue stream is directly related to the sales of product.

Logicalis 2021 North America US$'000	Latin America US$'000	Europe US$'000	Asia-Pacific US$'000	MEA US$'000	Total US$'000
336 768	451 051	424 219	231 755	5 750	1 449 543
229 936	254 626	221 799	131 642	1 509	839 512
170 654	191 652	180 260	111 185	988	654 739
59 147	62 983	41 246	20 490	573	184 439
442	–	305	–	–	747
(307)	(9)	(12)	(33)	(52)	(413)
229 936	254 626	221 799	131 642	1 509	839 512
228 299	253 513	215 842	130 321	1 528	829 503
1 944	1 122	5 969	1 354	33	10 422
(307)	(9)	(12)	(33)	(52)	(413)
229 936	254 626	221 799	131 642	1 509	839 512
230 243	254 635	221 811	131 675	1 561	839 925
–	–	–	–	–	–
(307)	(9)	(12)	(33)	(52)	(413)
34 221	70 115	73 485	29 648	1 798	209 267
34 221	70 115	73 485	29 648	1 798	209 267
–	–	–	–	–	–
34 221	70 115	73 485	29 648	1 798	209 267
34 221	68 576	73 485	29 627	1 798	207 707
–	1 539	–	21	–	1 560
–	–	–	–	–	–
34 221	70 115	73 485	29 648	1 798	209 267
–	1 539	–	21	–	1 560
34 221	68 576	73 485	29 627	1 798	207 707
–	–	–	–	–	–
72 611	126 310	128 935	70 465	2 443	400 764
21 676	2 559	10 068	12 338	1 012	47 653
–	–	–	–	–	–
50 935	123 751	118 867	58 127	1 431	353 111
–	–	–	–	–	–
72 611	126 310	128 935	70 465	2 443	400 764
56 340	123 457	115 478	65 470	2 443	363 188
16 271	2 853	13 457	4 995	–	37 576
–	–	–	–	–	–
72 611	126 310	128 935	70 465	2 443	400 764
16 271	2 853	13 457	4 995	–	37 576
56 340	123 457	115 478	65 470	2 443	363 188
–	–	–	–	–	–

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37. SEGMENTAL REPORT (continued)

		Corporate and Management Consulting~ 2022					
		North America US$'000	Latin America US$'000	Europe US$'000	Asia-Pacific US$'000	MEA US$'000	Total US$'000
37.2	Revenue (continued)	8 847	1 000	58 765	11 635	10 137	90 384
	Revenue from product sales	–	–	–	–	–	–
	Revenue from sales of hardware	–	–	(21 134)	(18 287)	(1 549)	(40 970)
	Revenue from sales of software*	–	–	(5 928)	(5 465)	–	(11 393)
	Revenue from vendor resold services and product maintenance sales	–	–	(252)	(7)	–	(259)
	Inter-segmental	–	–	27 314	23 759	1 549	52 622
	Nature of revenue from product sales	–	–	–	–	–	–
	Principal	–	–	(27 314)	(23 759)	(1 549)	(52 622)
	Agent	–	–	–	–	–	–
	Inter-segmental	–	–	27 314	23 759	1 549	52 622
	Timing of revenue from product sales	–	–	–	–	–	–
	At a point in time	–	–	(27 314)	(23 759)	(1 549)	(52 622)
	Over time	–	–	–	–	–	–
	Inter-segmental	–	–	27 314	23 759	1 549	52 622
	Revenue from services	6 202	895	54 388	10 618	9 559	81 662
	Revenue from professional services	6 202	895	54 071	10 217	9 546	80 931
	Inter-segmental	–	–	317	401	13	731
	Nature of revenue from services	6 202	895	54 388	10 618	9 559	81 662
	Principal	6 202	895	54 071	10 217	9 546	80 931
	Agent	–	–	–	–	–	–
	Inter-segmental	–	–	317	401	13	731
	Timing of revenue from services	6 202	895	54 388	10 618	9 559	81 662
	At a point in time	–	–	–	–	–	–
	Over time	6 202	895	54 071	10 217	9 546	80 931
	Inter-segmental	–	–	317	401	13	731
	Revenue from annuity services	2 645	105	4 377	1 017	578	8 722
	Revenue from cloud services	–	–	–	–	–	–
	Revenue from software services*	–	–	–	(42)	–	(42)
	Revenue from other annuity services	2 645	105	4 377	1 017	578	8 722
	Inter-segmental	–	–	–	42	–	42
	Nature of revenue from annuity services	2 645	105	4 377	1 017	578	8 722
	Principal	2 645	105	4 377	1 017	578	8 722
	Agent	–	–	–	(42)	–	(42)
	Inter-segmental	–	–	–	42	–	42
	Timing of revenue from annuity services	2 645	105	4 377	1 017	578	8 722
	At a point in time	–	–	–	–	–	–
	Over time	2 645	105	4 377	975	578	8 680
	Inter-segmental	–	–	–	42	–	42

* *Includes software as a service revenues.*

~ *Datatec Financial Services has been included in the Westcon International segment in February 2022, and in the Corporate and Management Consulting segment in February 2021.*

Corporate and Management Consulting~ 2021					
North America US$'000	Latin America US$'000	Europe US$'000	Asia-Pacific US$'000	MEA US$'000	Total US$'000
7 619	1 598	48 132	9 473	7 420	74 242
580	–	206	263	–	1 049
273	(9)	(11 374)	(8 999)	(839)	(20 948)
–	–	(6 112)	(8 536)	(296)	(14 944)
–	–	(145)	(113)	–	(258)
307	9	17 837	17 911	1 135	37 199
580	–	206	263	–	1 049
273	(9)	(17 486)	(17 535)	(1 135)	(35 892)
–	–	(145)	(113)	–	(258)
307	9	17 837	17 911	1 135	37 199
580	–	206	263	–	1 049
273	(9)	(17 631)	(17 648)	(1 135)	(36 150)
–	–	–	–	–	–
307	9	17 837	17 911	1 135	37 199
5 185	1 502	44 050	7 922	6 894	65 553
5 185	1 502	43 904	7 841	6 890	65 322
–	–	146	81	4	231
5 185	1 502	44 050	7 922	6 894	65 553
5 185	1 502	43 904	7 841	6 890	65 322
–	–	–	–	–	–
–	–	146	81	4	231
5 185	1 502	44 050	7 922	6 894	65 553
–	–	–	–	–	–
5 185	1 502	43 904	7 841	6 890	65 322
–	–	146	81	4	231
1 854	96	3 876	1 288	526	7 640
–	–	–	–	–	–
–	–	(11)	(48)	–	(59)
1 854	96	3 876	1 288	526	7 640
–	–	11	48	–	59
1 854	96	3 876	1 288	526	7 640
1 854	96	3 876	1 288	526	7 640
–	–	(11)	(48)	–	(59)
–	–	11	48	–	59
1 854	96	3 876	1 288	526	7 640
–	–	(11)	(48)	–	(59)
1 854	96	3 876	1 288	526	7 640
–	–	11	48	–	59

37. SEGMENTAL REPORT (continued)

		Datatec Group Total 2022					
		North America US$'000	Latin America US$'000	Europe US$'000	Asia-Pacific US$'000	MEA US$'000	Total US$'000
37.2	**Revenue** (continued)	357 902	523 694	2 329 838	1 022 294	403 054	4 636 782
	Revenue from product sales	251 772	340 977	1 970 144	877 674	378 971	3 819 538
	Revenue from sales of hardware	181 183	245 063	1 186 506	497 781	252 522	2 363 055
	Revenue from sales of software*	70 589	95 914	734 662	363 365	123 658	1 388 188
	Revenue from vendor resold services and product maintenance sales	–	–	48 976	16 528	2 791	68 295
	Inter-segmental	–	–	–	–	–	–
	Nature of revenue from product sales	251 772	340 977	1 970 144	877 674	378 971	3 819 538
	Principal	244 667	336 415	1 914 072	860 973	376 432	3 732 559
	Agent	7 105	4 562	56 072	16 701	2 539	86 979
	Inter-segmental	–	–	–	–	–	–
	Timing of revenue from product sales	251 772	340 977	1 970 144	877 674	378 971	3 819 538
	At a point in time	251 772	340 977	1 970 144	877 674	378 971	3 819 538
	Over time	–	–	–	–	–	–
	Inter-segmental	–	–	–	–	–	–
	Revenue from services	37 318	51 140	209 413	63 429	19 995	381 295
	Revenue from professional services	37 318	51 140	209 413	63 429	19 995	381 295
	Inter-segmental	–	–	–	–	–	–
	Nature of revenue from services	37 318	51 140	209 413	63 429	19 995	381 295
	Principal	36 869	51 049	209 247	63 429	19 995	380 589
	Agent	449	91	166	–	–	706
	Inter-segmental	–	–	–	–	–	–
	Timing of revenue from services	37 318	51 140	209 413	63 429	19 995	381 295
	At a point in time	449	91	166	–	–	706
	Over time	36 869	51 049	209 247	63 429	19 995	380 589
	Inter-segmental	–	–	–	–	–	–
	Revenue from annuity services	68 812	131 577	150 281	81 191	4 088	435 949
	Revenue from cloud services	18 253	995	10 363	16 606	1 371	47 588
	Revenue from software services*	–	–	5 387	3 225	1 656	10 268
	Revenue from other annuity services	50 559	130 582	134 531	61 360	1 061	378 093
	Inter-segmental	–	–	–	–	–	–
	Nature of revenue from annuity services	68 812	131 577	150 281	81 191	4 088	435 949
	Principal	52 217	130 624	129 546	73 427	2 432	388 246
	Agent	16 595	953	20 735	7 764	1 656	47 703
	Inter-segmental	–	–	–	–	–	–
	Timing of revenue from annuity services	68 812	131 577	150 281	81 191	4 088	435 949
	At a point in time	16 595	953	15 348	4 539	1 874	39 309
	Over time	52 217	130 624	134 933	76 652	2 214	396 640
	Inter-segmental	–	–	–	–	–	–

* *Includes software as a service revenues.*

Datatec Group Total 2021					
North America US$'000	Latin America US$'000	Europe US$'000	Asia-Pacific US$'000	MEA US$'000	Total US$'000
344 387	452 649	2 079 961	849 932	382 534	4 109 463
230 516	254 626	1 778 327	724 277	361 788	3 349 534
170 927	191 643	1 119 428	458 894	222 045	2 162 937
59 147	62 983	611 072	251 643	131 527	1 116 372
442	–	47 827	13 740	8 216	70 225
–	–	–	–	–	–
230 516	254 626	1 778 327	724 277	361 788	3 349 534
228 572	253 504	1 724 836	709 183	353 539	3 269 634
1 944	1 122	53 491	15 094	8 249	79 900
–	–	–	–	–	–
230 516	254 626	1 778 327	724 277	361 788	3 349 534
230 516	254 626	1 778 327	724 277	361 788	3 349 534
–	–	–	–	–	–
–	–	–	–	–	–
39 406	71 617	163 321	51 825	16 661	342 830
39 406	71 617	163 321	51 825	16 661	342 830
–	–	–	–	–	–
39 406	71 617	163 321	51 825	16 661	342 830
39 406	70 078	163 321	51 804	16 661	341 270
–	1 539	–	21	–	1 560
–	–	–	–	–	–
39 406	71 617	163 321	51 825	16 661	342 830
–	1 539	–	21	–	1 560
39 406	70 078	163 321	51 804	16 661	341 270
–	–	–	–	–	–
74 465	126 406	138 313	73 830	4 085	417 099
21 676	2 559	10 068	12 338	1 012	47 653
–	–	5 502	2 077	1 116	8 695
52 789	123 847	122 743	59 415	1 957	360 751
–	–	–	–	–	–
74 465	126 406	138 313	73 830	4 085	417 099
58 194	123 553	119 354	66 758	2 969	370 828
16 271	2 853	18 959	7 072	1 116	46 271
–	–	–	–	–	–
74 465	126 406	138 313	73 830	4 085	417 099
16 271	2 853	18 959	7 072	1 116	46 271
58 194	123 553	119 354	66 758	2 969	370 828
–	–	–	–	–	–

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

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37. SEGMENTAL REPORT (continued)

	Westcon International~		Logicalis		Corporate and Management Consulting~		Datatec Group Total	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000	**2022 US$'000**	2021 US$'000	**2022 US$'000**	2021 US$'000
37.3 Condensed statement of financial position								
Total assets	**1 443 308**	1 336 059	**1 368 729**	1 296 818	**200 196**	164 381	**3 012 233**	2 797 258
Non-current assets (excluding financial instruments and deferred tax assets)	**66 892**	73 302	**355 640**	340 008	**38 162**	41 843	**460 694**	455 153
North America	**31 526**	27 462	**148 572**	135 577	**816**	1	**180 914**	163 040
Latin America	**–**	–	**35 436**	39 756	**–**	–	**35 436**	39 756
Europe	**24 177**	31 210	**129 738**	111 918	**36 170**	40 567	**190 085**	183 695
Asia-Pacific	**8 076**	10 713	**44 198**	47 994	**386**	406	**52 660**	59 113
MEA	**3 113**	3 917	**(2 304)**	4 763	**790**	869	**1 599**	9 549
Net cash resources	**196 920**	238 232	**(31 671)**	27 846	**122 118**	91 137	**287 367**	357 215
North America	**10 897**	5 257	**9 526**	33 788	**359**	147	**20 782**	39 192
Latin America	**–**	–	**45**	22 056	**–**	–	**45**	22 056
Europe	**51 988**	89 215	**(66 406)**	(45 619)	**77 142**	69 235	**62 724**	112 831
Asia-Pacific	**113 483**	115 495	**25 248**	18 657	**4 099**	1 562	**142 830**	135 714
MEA	**20 552**	28 265	**(84)**	(1 036)	**40 518**	20 193	**60 986**	47 422
Inventories	**226 008**	183 663	**83 219**	58 342	**–**	–	**309 227**	242 005
North America	**–**	–	**3 923**	876	**–**	–	**3 923**	876
Latin America	**–**	–	**24 837**	22 811	**–**	–	**24 837**	22 811
Europe	**120 785**	125 117	**10 486**	8 661	**–**	–	**131 271**	133 778
Asia-Pacific	**70 902**	38 265	**42 699**	25 870	**–**	–	**113 601**	64 135
MEA	**34 321**	20 281	**1 274**	124	**–**	–	**35 595**	20 405
Trade accounts receivable	**798 552**	750 839	**405 271**	344 015	**20 001**	13 251	**1 223 824**	1 108 105
North America	**–**	–	**100 561**	67 071	**1 815**	1 499	**102 376**	68 570
Latin America	**–**	–	**138 628**	125 437	**172**	182	**138 800**	125 619
Europe	**532 778**	492 037	**113 446**	103 489	**12 775**	8 421	**658 999**	603 947
Asia-Pacific	**151 489**	132 311	**49 108**	46 640	**1 356**	1 346	**201 953**	180 297
MEA	**114 285**	126 491	**3 528**	1 378	**3 883**	1 803	**121 696**	129 672
Total liabilities	**(1 325 785)**	(1 170 444)	**(986 713)**	(935 536)	**(68 789)**	(50 657)	**(2 381 287)**	(2 156 637)
Trade and other payables and short-term interest-bearing liabilities	**(1 181 652)**	(1 074 090)	**(573 070)**	(547 001)	**(38 058)**	(25 577)	**(1 792 780)**	(1 646 668)
North America	**(8 111)**	(6 646)	**(160 294)**	(140 064)	**(367)**	(79)	**(168 772)**	(146 789)
Latin America	**–**	–	**(128 502)**	(156 350)	**–**	–	**(128 502)**	(156 350)
Europe	**(744 886)**	(737 182)	**(183 414)**	(179 504)	**(34 379)**	(24 852)	**(962 679)**	(941 538)
Asia-Pacific	**(319 627)**	(217 597)	**(94 949)**	(69 600)	**(2 200)**	(648)	**(416 776)**	(287 845)
MEA	**(109 028)**	(112 665)	**(5 911)**	(1 483)	**(1 112)**	2	**(116 051)**	(114 146)
Number of employees at the end of the year*	**3 390**	3 109	**7 154**	6 468	**389**	362	**10 933**	9 939

~ *Datatec Financial Services has been included in the Westcon International segment in February 2022, and in the Corporate and Management Consulting segment in February 2021.*

* *Includes both permanent employees and contractors.*

38. ACQUISITIONS OF SUBSIDIARIES

Subsidiaries acquired	Date of acquisition	Proportion of shares acquired
Áudea	31 March 2021	70%
Siticom	1 June 2021	100%

	2022 Áudea Fair value on acquisition US$'000	2022 Siticom Fair value on acquisition US$'000	2022 Total Fair value on acquisition US$'000	2021 Total Fair value on acquisition US$'000
Non-current assets	1 234	8 054	9 288	7 859
Plant and equipment	12	635	647	118
Other intangible assets	1 204	5 479	6 683	7 626
Right-of-use assets	–	1 940	1 940	67
Investments	18	–	18	–
Other non-current assets	–	–	–	48
Current assets	1 339	9 566	10 905	8 799
Inventories	–	3 750	3 750	–
Trade receivables and other receivables	615	3 298	3 913	3 135
Contract assets	–	–	–	1 904
Cash resources	724	2 518	3 242	3 760
Non-current liabilities	(301)	(4 512)	(4 813)	(2 555)
Long-term interest-bearing liabilities	–	(2 923)	(2 923)	–
Deferred tax liabilities	(301)	(1 589)	(1 890)	(1 793)
Other non-current liabilities	–	–	–	(762)
Current liabilities	(933)	(6 318)	(7 251)	(12 679)
Trade and other payables	(199)	(6 072)	(6 271)	(1 166)
Lease liabilities	–	–	–	(42)
Contract liabilities	–	–	–	(315)
Short-term loans	–	–	–	(6 744)
Deferred revenue	–	(7)	(7)	(3 412)
Current taxation liabilities	(310)	(239)	(549)	(1 000)
Bank overdraft	(424)	–	(424)	–
	1 339	6 790	8 129	1 424
Goodwill on acquisitions	1 138	11 061	12 199	9 495
Non-controlling interests recognised	(404)	–	(404)	(1 623)
Fair value of acquisition	2 073	17 851	19 924	9 296
Net cash acquired	(300)	(2 518)	(2 818)	(3 760)
Acquisition-related liabilities	–	(10 496)	(10 496)	–
Net cash outflow for acquisitions	1 773	4 837	6 610	5 536

38. ACQUISITIONS OF SUBSIDIARIES (continued)

The above acquisitions represent the subsidiaries acquired during the year.

The revenue and EBITDA included from these two acquisitions in FY22 were US$25.4 million and US$3.2 million, respectively; profit after tax included from these acquisitions was US$1.5 million. Had the acquisition date been 1 March 2021 for both acquisitions, the revenue and EBITDA would have been approximately US$33.1 million and US$4.1 million, respectively, for the 12 months to 28 February 2022. The approximate profit after tax would have been US$1.9 million for the period.

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

None of the goodwill raised on the aforementioned acquisitions will be deductible for tax purposes.

All trade receivables acquired are measured at amortised cost. The carrying value of trade receivables balances approximates its fair value, therefore no fair value disclosures are provided.

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

Non-controlling interests in the acquiree are initially measured at the non-controlling shareholders' portion of net identifiable assets acquired and liabilities and contingent liabilities assumed.

Acquisition-related costs, included in operating costs, for the year amounted to US$0.9 million (FY21: US$0.5 million).

The following acquisitions were concluded by Logicalis Group during the year ended 28 February 2022 and included in the table above:

On 31 March 2021, Logicalis acquired 70% of the issued share capital in Áudea Seguridad de la Información Sociedad Limitada ("Áudea"), a Spanish company which specialises in cyber security, data protection, governance and compliance, for a consideration of US$2.1 million cash.

Áudea's cyber security capabilities are complementary to Logicalis Spain's security portfolio, creating a much broader professional and managed service offering.

On 1 June 2021, Logicalis acquired Siticom GmbH ("Siticom"), a German company that is a leading services and solutions provider in the software-defined networking and 5G market, through a new company, Logicalis Siticom GmbH. The transaction involved the acquisition of 100% of the issued share capital for a consideration of US$12.7 million followed by the immediate disposal of 29.6% of the issued share capital to two of the previous owners/managers for a consideration of US$5.4 million. There are two options for Logicalis to repurchase this non-controlling interest for an agreed amount of up to US$10.5 million over the next two years, whereafter Logicalis will own 100% of Siticom. A potential maximum EUR1.0 million (approximately US$1.2 million) earn-out liability, subject to certain performance conditions, is included in the purchase price and payable in the financial year ending 29 February 2024. The principles of IFRS 10 were deemed to take preference over those of IAS 32. The terms of the fixed price options were assessed and it was determined that the risks and rewards associated with the ownership of the non-controlling interests' shares have been retained by Logicalis Siticom GmbH. As a result, Logicalis consolidated 100% of the results of Siticom for the period it was owned in FY22, and will continue to do so in the future. The total purchase price of the Siticom acquisition (including the options and earn-out liability) is up to a maximum of EUR15.0 million (approximately US$17.9 million), of which US$10.5 million is accounted for as a liability at the acquisition date and included in acquisition-related liabilities. Of the proceeds received, US$8.7 million (EUR7.2 million) was placed in restricted cash earmarked for the settlement of the acquisition-related liability, as reflected in the consolidated statement of cash flows. A portion of this restricted cash was realised to settle the acquisition-related liability. In FY22, US$5.9 million of this liability was settled.

Siticom has extensive skills in telecommunication and software-defined networking architectures, IoT implementations and next-generation public and private networks. Siticom is focused on providing professional services around next-generation networks and private 5G. The acquisition enhances Logicalis' services mix and is margin accretive.

Upon acquiring Siticom, Logicalis became one of Cisco's preferred partners for 5G. The Siticom capabilities enabled Logicalis to deliver an end-to-end 5G solution incorporating Cisco's 5G-enabled technology.

The acquisition will give Logicalis a platform to establish a pan-European centre of expertise in developing advanced networking integration capabilities around 5G and evolving cloud orchestrated network interoperability. Logicalis also aims to expand these skill sets and application knowledge across Datatec to complement its existing capabilities in markets such as Latin America and Asia.

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

	Country of incorporation and principal place of business	Ownership rights and voting rights held by non-controlling interests		Profit allocated to non-controlling interests – in statutory entity		Accumulated non-controlling interests – Datatec Group	
		2022 %	2021 %	**2022 US$'000**	2021 US$'000	**2022 US$'000**	2021 US$'000
PromonLogicalis Latin America Limited	UK	**35.0**	35.0	**–**	(88)	**41 833**	37 640
Westcon International Limited	UK	**7.9**	7.9	**(44)**	(77)	**5 887**	4 180
PT. Packet Systems Indonesia*	Indonesia	**46.5**	46.5	**–**	–	**12 140**	10 334

* *PT. Packet Systems Indonesia which is included in the Logicalis Group was identified as a division within a non-wholly owned subsidiary with a material non-controlling interest.*

Summarised information in respect of the above subsidiaries is shown below as at 28 February 2022 and 28 February 2021. This information pertains to the statutory entities listed and not the Group's interest in these entities except where stated. The summarised financial information below represents amounts before inter-group eliminations.

	PT. Packet Systems (Indonesia)		PromonLogicalis Latin America Limited		Westcon International Limited	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000	**2022 US$'000**	2021 US$'000
Non-current assets	**5 121**	3 280	**46 035**	45 421	**110 871**	104 785
Current assets	**50 440**	44 351	**314 565**	327 595	**1 309 523**	1 203 665
Non-current liabilities	**(2 258)**	(2 750)	**(32 600)**	(28 165)	**(46 265)**	(80 235)
Current liabilities	**(27 197)**	(22 658)	**(208 477)**	(237 310)	**(1 253 767)**	(1 124 905)
Equity attributable to equity holders of the parent	**(26 106)**	(22 223)	**(119 523)**	(107 541)	**(125 195)**	(108 099)
Non-controlling interests	**–**	–	**–**	–	**4 833**	4 789
Revenue	**64 948**	47 269	**522 911**	451 827	**2 809 054**	2 456 642
Operating profit before finance costs, depreciation and amortisation ("EBITDA")	**6 314**	5 814	**28 486**	34 317	**31 425**	35 203
Profit/(loss) for the year	**3 873**	3 894	**2 915**	9 525	**21 466**	(1 618)
Attributable to the owners of the parent	**3 873**	3 894	**2 915**	9 613	**21 510**	(1 541)
Attributable to non-controlling interests	**–**	–	**–**	(88)	**(44)**	(77)
Total comprehensive income/(loss)	**3 873**	3 894	**2 915**	9 211	**17 053**	1 377
Attributable to the owners of the parent	**3 873**	3 894	**2 915**	9 299	**17 097**	1 454
Attributable to non-controlling interests	**–**	–	**–**	(88)	**(44)**	(77)
Dividends paid to non-controlling interests	**–**	–	**–**	–	**–**	–
Net cash inflow/(outflow)	**3 725**	767	**(12 424)**	16 021	**(38 627)**	244 715
Net cash inflow/(outflow) from operating activities	**2 021**	(3 655)	**5 691**	42 136	**32 225**	71 275
Net cash (outflow)/inflow from investing activities	**(133)**	(198)	**(3 402)**	(3 681)	**(19 368)**	(15 700)
Net cash inflow/(outflow) from financing activities	**1 837**	4 620	**(14 713)**	(22 434)	**(51 484)**	189 140

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

NOTES TO THE GROUP CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 28 FEBRUARY 2022

40. SUBSEQUENT EVENTS

Acquisitions

On 1 March 2022, Logicalis acquired the remaining 30% of the issued share capital from the non-controlling interest in Logicalis Portugal, a Cisco systems integrator and managed services business in Portugal, for a deferred consideration of US$5.4 million payable in September 2022.

Effective 30 April 2022, Access Markets International (AMI) Partners, Inc. a 100% owned subsidiary of Analysys Mason Limited acquired 100% of the membership interests in Northern Sky Research, LLC ("NSR"). NSR is based in the US and specialises in research and consulting services to the space and satellite sector.

IFRS 5 disposal group

Subsequent to the year-end, the Board has classified its management consultancy division, Analysys Mason, as a disposal group held for sale as the IFRS 5 criteria have been met.

Analysys Mason is included in the "Corporate and Management Consulting" segment of the Group.

The proposed sale is in terms of a process initiated by the Board pursuant to its strategic review and a transaction is expected to occur within 12 months from the date of these financial statements. Shareholders will be advised of any developments in this regard.

Dividend declared

The Board declared a cash dividend with scrip alternative of 111 South African cents per share (approximately 7 US cents per share).

There were no other events that occurred subsequent to the reporting date that require disclosure or adjustment to these financial statements.

41. GOING CONCERN

The Board has satisfied itself that the Group has adequate resources to continue in operation for the foreseeable future. The Group's financial statements have accordingly been prepared on a going concern basis.

The Group currently has no need to undertake a capital restructuring and key executive management is in place. The Board is not aware of any material non-compliance with statutory or regulatory requirements and there are no pending legal proceedings other than in the normal course of business.

Solvency

The Board determined that the Group is solvent, as at 28 February 2022, with net assets of US$563.4 million (FY21: US$583.2 million) and tangible net assets of US$243.3 million (FY21: US$268.7 million). The Group is expected to remain solvent over the next 12 months.

Liquidity

Financing facilities entered into in recent years, as well as the strong operating cash flow generated during FY22, significantly enhanced the Group's liquidity position.

The Group performed covenant projections to confirm that banking covenants are unlikely to be breached for the next 12 months. Trade receivables and inventory are of a sound quality and adequate provisions have been recorded.

The Group's forecasts and projections of its current and expected financial performance show that the Group is expected to operate within the levels of its banking facilities for at least 12 months from the authorisation date of these annual financial statements.

The Group's projections show that the Group has sufficient capital and liquidity to continue to meet its short-term obligations and, as a result, it is appropriate to prepare these annual financial statements on a going concern basis.

42. INTEREST RATE BENCHMARK REFORM

The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates (ARRs) to improve market efficiency and mitigate systemic risk across financial markets.

During the 2021 financial year, the LIBOR's administrator, the Intercontinental Exchange Benchmark Administration Limited, announced it would no longer publish EUR-, CHF-, JPY- and GBP-related LIBOR rates for all tenors after 31 December 2021. The ICE Benchmark Administration Limited (IBA) has adopted a two-stage approach for the cession of the US$ LIBOR rates with the 1-week and 2-month US$ LIBOR rates no longer being published after 31 December 2021 and the remaining being the overnight, 1-month, 3-month, 6-month and 12-month rates no longer being published after 30 June 2023.

The South African Reserve Bank (SARB) has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa; however, there is currently no indication of when the designated successor rate will be made available. SARB noted that JIBAR did not comply with the IOSCO Principles for Benchmarks. The SARB Market Practitioners Group (MPG), a joint public-private body has been mandated to facilitate decisions on the choice of alternative reference rates for financial contracts that should replace JIBAR. Given that the LIBOR rates and ARRs are calculated on a different basis, adjustments may be made to contracts that are transitioned from LIBOR to ARRs, to ensure economic equivalence.

Interest Rate Benchmark Reform ("IBOR") – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) – effective date 1 January 2021: The Group's facilities have various linked rates including US LIBOR (three and six month), SIBOR and JIBAR, the facilities have various maturity dates. At present, no material impact is anticipated on the Group's financial results when the remaining facilities' transition to alternative benchmark rates take place.

The main risks to which the Group is exposed as a result of IBOR reform are operational as detailed below:

Legal risk – risk of being non-compliant to the agreements previously agreed with facility providers. The Group discussed and agreed upon with all relevant parties any rate changes and the effects thereof with the relevant parties, prior to changes to the rates. This has therefore mitigated the risk to an acceptable level for the Group. The Group engaged in a proactive approach and leveraged off of the good standing relationship with all parties involved in the rate change to ensure a smooth transition.

Operational risk – risk of the Group's systems not being able to accommodate for the changes to the interest rates as agreed with the relevant parties. The Group has experienced personnel working on these and the systems have been designed to adapt to changes and have the necessary controls in place to ensure that this is implemented and approved at all relevant levels. These factors have mitigated the risk to an acceptable level.

Financial instruments impacted by the reform which have transitioned to an alternative benchmark rate as at the end of the year under review (reporting period):

Subsidiaries acquired	US$ LIBOR (six-month) US$'000	TOTAL US$'000
Total liabilities subject to IBOR reform	**80 598**	**80 598**
Bank overdraft*	**80 598**	**80 598**

* *The bank overdraft, US$80.6 million, as at 28 February 2022, transitioned during the reporting period to SOFR (dependent on the length of the interest period) plus a margin rate which is determined from a margin ratchet on quarterly leverage. The margin ranges between 1.75% and 3.00% (2.25% as at 28 February 2022). The Group has applied the relief of 'Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (IBOR reform Phase 2) to this facility amendment.*

Changes to the basis for determining contractual cash flows as a result of interest rate benchmark reform are required as a practical expedient to be treated as changes to a floating interest rate, provided that the transition from the IBOR benchmark rate to risk-free rate takes place on an economically equivalent basis.

42. INTEREST RATE BENCHMARK REFORM (continued)

Financial instruments impacted by the reform which are yet to transition to an alternative benchmark rate as at the end of the year under review (reporting period):

	US$ LIBOR (six-month) US$'000	SIBOR (six-month) US$'000	EUR LIBOR (three-month) US$'000	ZAR JIBAR US$'000	TOTAL US$'000
Total liabilities subject to IBOR reform	**17 100**	**11 100**	**83 080**	**12 948**	**124 228**
Long-term interest-bearing liabilities	**–**	**–**	**–**	**12 948**	**12 948**
Short-term interest-bearing liabilities	**–**	**–**	**75 792**	**–**	**75 792**
Bank overdraft	**17 100**	**11 100**	**7 288**	**–**	**35 488**

* *The remaining IBOR that are yet to transition will be replaced with risk-free rates (RFRs). The two most common that are likely to be adopted will be SOFR (US$) and SONIA (GBP)/TSSR.*

No comparative information is required.

The Group's systems are equipped to cater for any new rates for the above financial instruments. Regular updates are being provided to management and staff on the transition process as both Logicalis and Westcon International have experienced management teams involved with the process.

The majority of Group's IBOR exposures are in US$ LIBOR and JIBAR which are expected to either mature before or near the expected cessation date for US$ LIBOR (three-month), which has an effective date of 30 June 2023 and as per SARB, respectively. This largely further reduces the risks identified above although not entirely.

43. SUBSIDIARY COMPANIES

Subsidiary companies	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held) As at 28 February 2022	As at 28 February 2021
INCORPORATED IN AFRICA					
Analysys Mason Limited (Mauritius)	4	C	Mauritius	**79.40**	82.00
Westcon Africa (Kenya) Limited	5	D	Kenya	**92.10**	92.10
Westcon Africa (Mauritius) Limited	5	D	Mauritius	**92.10**	92.10
Westcon Africa (Morocco) SARL	5	D	Morocco	**92.10**	92.10
Westcon Africa Angola Limited	5	D	Angola	**92.10**	92.10
Westcon Africa Distribution (Nigeria) Limited	5	D	Nigeria	**92.10**	92.10
Westcon Africa Tanzania Limited*		D	Tanzania	**92.10**	92.10
Westcon Africa Zambia Limited*		D	Zambia	**69.08**	69.08
Westcon Africa (SADC) (Pty) Ltd*		D	South Africa	**90.00**	90.00
Westcon Africa Namibia (Pty) Ltd*		D	Namibia	**90.00**	90.00
Obega Limited*		D	Botswana	**90.00**	90.00
Westcon Southern Africa Holdings (Pty) Ltd*		D	South Africa	**54.00**	54.00
Datatec Management Services (Pty) Ltd*		D	South Africa	**100.00**	100.00
Westcon Group Egypt LLC*		D	Egypt	**92.10**	–
Westcon Egypt LLC*		D	Egypt	**92.10**	92.10
Westcon Africa Angola Limited*		D	Uganda	**92.10**	92.10
Westcon Emerging Markets Group (Pty) Ltd	2	D	South Africa	**90.00**	90.00
Westcon Group Shared Services (Pty) Ltd	1	D	South Africa	**90.00**	90.00
Westcon Namibia Distribution (Pty) Ltd	1	D	Namibia	**54.00**	54.00
Westcon Group SA (Pty) Ltd	1	D	South Africa	**44.01**	44.01
Clarotech Holdings (Pty) Ltd*		I	South Africa	**92.10**	92.10
Clarotech Consulting (Pty) Ltd*		I	South Africa	**92.10**	92.10
Logicalis SA (Pty) Ltd		I	South Africa	**100.00**	100.00
Logicalis Soluções – Prestação de Serviços (SU) Limitada	10	I	Angola	**70.00**	–
Mars Investment Holdings (Pty) Ltd	3	I	South Africa	**60.00**	60.00
Mars Network and Risk Services (Pty) Ltd	3	I	South Africa	**60.00**	60.00
Mars Technologies (Pty) Ltd	3	I	South Africa	**60.00**	60.00
INCORPORATED IN UK AND EUROPE					
Analysys Mason Ventures Fund Nordic 1 AS	4	C	Norway	**79.40**	82.00
Analysys Mason Ventures Nordic AS	4	C	Norway	**47.64**	49.20
Analysys Mason GmbH (formerly Allolio&Konrad) Consulting GmbH	4	C	Germany	**79.40**	82.00
Analysys Limited*	4	C	United Kingdom	**79.40**	82.00
Analysys Mason AB	4	C	Sweden	**79.40**	82.00
Analysys Mason AS	4	C	Norway	**79.40**	82.00
Analysys Mason Consulting AB*	4	C	Sweden	**79.40**	82.00
Analysys Mason Holding AB	4	C	Sweden	**79.40**	82.00
Analysys Mason Limited	4	C	United Kingdom	**79.40**	82.00
Analysys Mason Limited	4	C	Ireland	**79.40**	82.00
Analysys Mason SAS	4	C	France	**79.40**	82.00
Analysys Mason Spain S.L.	4	C	Spain	**79.40**	82.00
Analysys Mason S.R.L	4	C	Italy	**79.40**	82.00

43. SUBSIDIARY COMPANIES (continued)

Subsidiary companies	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held) As at 28 February 2022	As at 28 February 2021
INCORPORATED IN UK AND EUROPE (continued)					
Westcon Denmark ApS	5	D	Denmark	**92.10**	92.10
Westcon Group Africa Operations Limited	5	D	United Kingdom	**92.10**	92.10
Westcon Group Austria GmbH	5	D	Austria	**92.10**	92.10
Westcon Group European Operations Limited	5	D	United Kingdom	**92.10**	92.10
Westcon Group Germany GmbH	5	D	Germany	**92.10**	92.10
Westcon Group Italia S.R.L	5	D	Italy	**92.10**	92.10
Westcon Group Middle East Holdings Limited	5	D	United Kingdom	**92.10**	92.10
Westcon Group Netherlands BV	5	D	Netherlands	**92.10**	92.10
Westcon Group Norway AS	5	D	Norway	**92.10**	92.10
Westcon Group Poland Sp. Z.O.O	5	D	Poland	**92.10**	92.10
Westcon Group Portugal, Sociedade Unipessoal, Limitada	5	D	Portugal	**92.10**	92.10
Westcon International Limited	5	D	United Kingdom	**92.10**	92.10
NXOS UK Limited*		D	United Kingdom	**92.10**	92.10
WGEO Switzerland GmbH	5	D	Switzerland	**92.10**	92.10
Datatec Financial Services Holdings Limited		F	United Kingdom	**100.00**	100.00
Datatec Financial Services Limited		F	United Kingdom	**100.00**	100.00
Datatec Group Finance Limited		F	United Kingdom	**100.00**	100.00
Áudea Formación Sociedad Limitada	10	I	Spain	**70.00**	–
Áudea Seguridad de la Información Sociedad Limitada	10	I	Spain	**70.00**	–
Risk4All Sociedad Limitada	10	I	Spain	**43.75**	–
DX Net Limitada	6	I	Portugal	**35.70**	35.70
ITUMA GmbH	6	I	Germany	**51.00**	51.00
Logicalis Channel Islands Limited		I	Channel Islands	**100.00**	100.00
Logicalis Global Operations Centre S.A	10	I	Portugal	**100.00**	–
Logicalis GmbH		I	Germany	**100.00**	100.00
Logicalis Group Finance Limited		I	United Kingdom	**100.00**	100.00
Logicalis Group Limited		I	United Kingdom	**100.00**	100.00
Logicalis Guernsey Limited		I	Channel Islands	**100.00**	100.00
Logicalis Ireland Limited		I	Ireland	**100.00**	100.00
Logicalis Jersey Limited		I	Channel Islands	**100.00**	100.00
Logicalis Limited		I	United Kingdom	**100.00**	100.00
Logicalis Networks GmbH		I	Germany	**100.00**	100.00
Logicalis Portugal S.A.	6	I	Portugal	**70.00**	70.00
Logicalis Siticom GmbH	10	I	Germany	**90.00**	–
Logicalis Solutions Limited		I	Ireland	**100.00**	100.00
Logicalis Spain S.L.		I	Spain	**100.00**	100.00
Logicalis Technical Services Limited		I	Ireland	**100.00**	100.00
Logicalis Technology Limited		I	Ireland	**100.00**	100.00
Logicalis UK Limited		I	United Kingdom	**100.00**	100.00
Siticom GmbH	10	I	Germany	**90.00**	–
Orange Networks GmbH		I	Germany	**100.00**	100.00
PromonLogicalis Latin America Limited	7	I	United Kingdom	**65.00**	65.00
Virtualization Limitada	6	I	Portugal	**52.50**	52.50
Datatec plc		O	United Kingdom	**100.00**	100.00

Subsidiary companies	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held) As at 28 February 2022	As at 28 February 2021
INCORPORATED IN US AND CANADA					
Access Markets International (AMI) Partners, Inc.	4	C	USA	**79.40**	82.00
Active Symbols, Inc*		C	USA	**100.00**	100.00
EyeAlike, Inc*		C	USA	**72.40**	82.00
OSS Observer LLC*		C	USA	**79.40**	82.00
WG Services, Inc.	5	D	USA	**92.10**	92.10
Canada WGIT Services, Inc.	5	F	Canada	**92.10**	92.10
Datatec Financial Services, Inc.		F	USA	**100.00**	100.00
Logicalis, Inc.		I	USA	**100.00**	100.00
Logicalis South America, Inc.	7	I	USA	**65.00**	65.00
Logicalis US Holdings, Inc.		I	USA	**100.00**	100.00
NubeliU Limited	7	I	Cayman Islands	**65.00**	65.00
NubeliU I LLC.*		I	USA	**65.00**	65.00
NubeliU II LLC.*		I	USA	**65.00**	65.00
PLLAL International LLC.	7	I	USA	**65.00**	65.00
INCORPORATED IN LATIN AMERICA					
C2 Mining Solutions S.A.C	7	I	Peru	**65.00**	65.00
Coasin Chile S.A.	7	I	Chile	**65.00**	65.00
Logicalis Andina Bolivia LAB. Limitada	7	I	Bolivia	**65.00**	65.00
Logicalis Andina S.A.C	7	I	Peru	**65.00**	65.00
Logicalis Argentina S.A.	7	I	Argentina	**65.00**	65.00
Logicalis Chile S.A.	7	I	Chile	**65.00**	65.00
Logicalis Colombia S.A.S	7	I	Colombia	**65.00**	65.00
Logicalis Ecuador S.A.	7	I	Ecuador	**65.00**	65.00
Logicalis Inc. S.A.	7	I	Uruguay	**65.00**	65.00
Logicalis Latin America Holding S.A.*		I	Brazil	**65.00**	65.00
Logicalis Mexico S.R.L de C.V.	7	I	Mexico	**65.00**	65.00
Logicalis Paraguay S.A.	7	I	Paraguay	**65.00**	65.00
Logicalis Puerto Rico Inc.	7	I	Puerto Rico	**65.00**	65.00
Logicalis República Dominicana S.A.S	10	I	Dominican Republic	**65.00**	–
Logicalis Uruguay S.A.	7	I	Uruguay	**65.00**	65.00
NubeliU Argentina S.R.L	7	I	Argentina	**65.00**	65.00
NubeliU Consultoria e Licenciamento de Software Limitada	7	I	Brazil	**65.00**	65.00
PromonLogicalis Tecnologia e Participações Limitada	7	I	Brazil	**65.00**	65.00
PTLS Serviços de Tecnologia e Assessoria Técnica Limitada	7	I	Brazil	**65.00**	65.00
WeService Serviços e Tecnologia Limitada	7	I	Brazil	**65.00**	65.00

43. SUBSIDIARY COMPANIES (continued)

Subsidiary companies	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held) As at 28 February 2022	As at 28 February 2021
INCORPORATED IN AUSTRALIA AND NEW ZEALAND					
Westcon Group NZ Limited	5	D	New Zealand	**92.10**	92.10
Westcon Group Pty Ltd	5	D	Australia	**92.10**	92.10
Datatec Financial Services (NZ) Limited		F	New Zealand	**100.00**	100.00
Datatec Financial Services Pty Ltd		F	Australia	**100.00**	100.00
Corporate Network Integration Pty Ltd		I	Australia	**100.00**	100.00
Logicalis Australia Holdings Pty Ltd		I	Australia	**100.00**	100.00
Logicalis Australia Pty Ltd		I	Australia	**100.00**	100.00
INCORPORATED IN BRITISH VIRGIN ISLANDS					
NetStar Group Holding Limited		I	British Virgin Islands	**100.00**	100.00
Datatec International Holdings Limited		O	British Virgin Islands	**100.00**	100.00
Comstor Middle East Limited*		D	British Virgin Islands	**92.10**	92.10
Westcon Middle East Limited*		D	British Virgin Islands	**92.10**	92.10
INCORPORATED IN ASIA					
Analysys Mason India Pvt. Limited	4	C	India	**79.40**	82.00
Analysys Mason Limited	4	C	Hong Kong	**79.40**	82.00
Analysys Mason Pte. Limited	4	C	Singapore	**79.40**	82.00
PT. Westcon International Indonesia (formerly PT. Westcon Group)	5	D	Indonesia	**92.10**	92.10
PT. Westcon Solutions	5	D	Indonesia	**92.10**	92.10
Westcon Group (Thailand) Co. Limited	5	D	Thailand	**90.26**	90.26
Westcon Group (Vietnam) Co. Limited	5	D	Vietnam	**92.10**	92.10
Westcon Group Pte. Limited	5	D	Singapore	**92.10**	92.10
Westcon Solutions (HK) Limited	5	D	Hong Kong	**92.10**	92.10
Westcon Solutions (M) Sdn. Bhd.	5	D	Malaysia	**92.10**	92.10
Westcon Solutions (Shanghai) Limited	5	D	China	**92.10**	92.10
Westcon Solutions IMH Pte. Limited	5	D	Singapore	**92.10**	92.10
Westcon Solutions Philippines, Inc.	5	D	Philippines	**91.18**	92.10
Westcon Solutions Pte. Limited	5	D	Singapore	**92.10**	92.10
WestconComstor International (India) Private Limited	5	D	India	**92.10**	92.10
Logicalis Hong Kong Limited		I	Hong Kong	**100.00**	100.00
Logicalis Malaysia Sdn. Bhd.		I	Malaysia	**100.00**	100.00
Logicalis Pte. Limited (Xiamen)		I	China	**100.00**	100.00
Logicalis Shanghai Limited		I	China	**100.00**	100.00
Logicalis Singapore Pte. Limited		I	Singapore	**100.00**	100.00
PT. Packet Systems Indonesia	9	I	Indonesia	**53.50**	53.50
Logicalis Asia Pacific MSC Sdn. Bhd.		I	Malaysia	**100.00**	100.00
Logicalis Vietnam Company Limited		I	Vietnam	**100.00**	100.00
iZeno Private Limited	9	I	Singapore	**65.00**	65.00
iZeno Sdn Bhd	9	I	Malaysia	**65.00**	65.00
PT iZeno Teknologi Indonesia	9	I	Indonesia	**64.35**	64.35

Subsidiary companies	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held) As at 28 February 2022	As at 28 February 2021
INCORPORATED IN MIDDLE EAST					
Analysys Mason FZ LLC	4	C	United Arab Emirates	**79.40**	82.00
Westcon Africa FZCO*		D	United Arab Emirates	**92.10**	92.10
Westcon Doha LLC	8	D	Qatar	**45.13**	45.13
Westcon Kuwait WLL	8	D	Kuwait	**45.13**	45.13
Westcon LLC	5	D	Oman	**92.10**	92.10
Westcon Middle East Bahrain WLL	8	D	Bahrain	**91.18**	45.13
Westcon Middle East Equipments Trading LLC	8	D	United Arab Emirates	**45.13**	45.13
Westcon Middle East FZE	5	D	United Arab Emirates	**92.10**	92.10
Westcon Saudi Company LLC	8	D	Kingdom of Saudi Arabia	**69.08**	69.08
Datatec International Services FZE		O	United Arab Emirates	**100.00**	100.00
Equity-accounted associates and joint ventures					
INCORPORATED IN UK AND EUROPE					
Directus AS	11	C	Norway	**–**	33.95
Fortum Fibre A.S	11	C	Norway	**13.15**	13.58
Mason Advisory Limited		C	United Kingdom	**44.74**	44.74
INCORPORATED IN US AND CANADA					
Westcon GDS LLC (not material)		D	USA	**46.05**	45.00
Esource Resources, LLC.		I	USA	**45.00**	45.00
INCORPORATED IN LATIN AMERICA					
Cirrus Participações S.A.	11	I	Brazil	**32.57**	19.50
Saleslogics Serviços em Inteligência de Negócios Empresariais e Informática Ltda	11	I	Brazil	**21.17**	12.68
Kumulus Serviços em Cloud Computing e Database Ltda	11	I	Brazil	**32.56**	19.50

** Entities disclosed include dormant entities, entities in the process of deregistration and entities being liquidated.*
C – Consulting Services
D – Distribution
F – Datatec Financial Services
I – ICT Solutions
O – Other holdings

43. SUBSIDIARY COMPANIES (continued)

Subsidiary companies

The subsidiary companies listing on the previous pages illustrates the effective percentage shareholding of the Datatec Group in its trading subsidiaries. There are subsidiaries within the Group that have non-controlling interests and a number of these subsidiaries hold further investments that also have non-controlling interests. These entities are controlled by the Group and consolidated.

Note 1

Datatec Limited (the ultimate holding company) owns 90% of Westcon Emerging Markets Group (Pty) Ltd ("WEMG") and WEMG holds 59.995% of the shares of Westcon Southern Africa Holdings (Pty) Ltd and 100% of the shares in Westcon Group Shared Services (Pty) Ltd. WEMG controls Westcon Southern Africa Holdings (Pty) Ltd.

Westcon Southern Africa Holdings (Pty) Ltd holds 81.5% of the shares in WestconGroup SA (Pty) Ltd and 100% of the shares in Westcon Namibia Distribution (Pty) Ltd and also controls both these entities.

WEMG, Westcon Southern Africa Holdings (Pty) Ltd and WestconGroup SA (Pty) Ltd are consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10.

Note 2

WEMG, a subsidiary of the Datatec Group, made a capital investment in Ascension Fund No 5 LLP ("the fund"), the BBBEE partner of Westcon Southern Africa Holdings (Pty) Ltd (South Africa). WEMG has control over the fund. This fund is consolidated in the Datatec Group financial statements.

Note 3

In FY21, Logicalis disposed of 40% of its investment in Mars Investment Holdings (Pty) Ltd as part of a BBBEE deal. Mars Investment Holdings (Pty) Ltd owns 100% of Mars Technologies (Pty) Ltd and Mars Network and Risk Services (Pty) Ltd.

Note 4

The external minority shareholding in Analysys Mason Limited increased to 20.6% (FY21: 18%), Datatec plc is the majority shareholder with a 79.4% shareholding (FY21: 82%). Analysys Mason Limited owns 60% of Analysys Mason Venture Nordic AS (incorporated in the current year) and controls the entity.

Note 5

Westcon International was 90% owned by Datatec following the sale of Westcon Americas to SYNNEX Corporation ("SYNNEX") together with 10% of Westcon International in FY18. Effective 19 June 2020, Datatec plc (an intermediate holding company) increased its shareholding in Westcon International to 92.1% as a result of a capitalisation transaction, resulting in a reduction of the minority interest of SYNNEX from 10% to 7.9%. As a result, the 100%-owned subsidiaries of Westcon International now have a 92.1% effective holding by the Datatec Group.

Note 6

Logicalis Group Limited owns 70% of the issued share capital of Logicalis Portugal S.A. ("Logicalis Portugal"). Logicalis Portugal owns 51% of the issued share capital of DX Net Limitada and Virtualization Limitada.

Logicalis Group Limited consolidates Logicalis Portugal and its investments in DX Net Limitada and Virtualization Limitada as Logicalis Portugal has control over both these entities in terms of the requirements of IFRS 10.

Logicalis' German business owns 51% of the shares in ITUMA GmbH and it is consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10.

Note 7

Datatec Limited owns 100% of the issued share capital of Logicalis Group Limited, which has a 65% interest in Logicalis Latin America Holdings S.A. that owns 100% of PromonLogicalis Latin America Limited ("PLLAL"). In the current year, PLLAL increased its shareholding in NubeliU Limited from 51% to 100%. PLLAL further owns a number of entities across Latin America that are controlled and consolidated by PLLAL.

Logicalis Group Limited consolidates the above entities as it controls Logicalis Latin America Holdings S.A.C as defined in IFRS 10.

Note 8
Westcon Doha and Westcon Kuwait are 100% consolidated as the minority shareholders have no rights to obtain a share of profits. Westcon has full management control in terms of their shareholder agreements of these entities.

Westcon Middle East Equipments Trading LLC, Westcon Saudi Company LLC and Westcon Middle East Bahrain WLL are 100% consolidated as Westcon has full control over these entities in terms of the shareholder agreements. Westcon increased its shareholding in Westcon Middle East Bahrain WLL to 99% during the year (FY21: 49%).

Note 9
In FY21, Logicalis' Singapore business purchased 65% of the shares of iZeno Private Limited ("iZeno"). iZeno in turn owns 99% of the shares in PT iZeno Teknologi Indonesia and 100% of the shares in iZeno Sdn Bhd. iZeno's results are consolidated in the Datatec Group results based on control as defined in terms of IFRS 10.

Note 10: Acquisitions and newly incorporated entities
During the year, Logicalis' Portugal business acquired 100% shareholding of Logicalis Soluções – Prestação de Serviços (SU) Limitada, a new entity. Logicalis Spain S.L. acquired 70% of Áudea Seguridad de la Información Sociedad Limitada, which owns 100% of Áudea Formación, S.L and 62.5% of Risk4All, S.L.

During the year under review, Logicalis' German business acquired 90% shareholding of Logicalis Siticom GmbH, which owns 100% of Siticom GmbH. Logicalis' Brazilian and Dominican Republic businesses acquired 99.99% and 0.01%, respectively, of the shareholding of Logicalis República Dominicana S.A.S, a newly incorporated entity.

Logicalis' European businesses acquired 100% of the shareholding of Logicalis Global Operations Centre S.A, a newly incorporated entity.

The results of these acquisitions are consolidated in the Datatec Group results based on control as defined in terms of IFRS 10.

Note 11: Equity-accounted associates and joint ventures
During the year, Fortum Fibre AS moved from owned directly by Directus AS, to being owned by Analysys Mason Ventures Fund Nordic 1 AS and Directus AS demerged from the Group. The Management Consulting division owns 16.56% of the issued shares of Fortum Fibre AS. Fortum Fibre AS is equity-accounted in Datatec Group's annual financial statements.

During the year, Logicalis acquired an additional 20.1% shareholding (FY21: 30%) of Cirrus Participações S.A. in Brazil ("Kumulus"), via its PLLAL subsidiary. Kumulus owns 65% of Saleslogics Serviços em Inteligência de Negócios Empresariais e Informática Limitada and 99.994% of Kumulus Serviços em Cloud Computing e Database Limitada, respectively. Kumulus is equity-accounted for in Datatec Group's annual financial statements.

Logicalis' Singapore business owns 53.5% of the shares in PT. Packet Systems Indonesia, which is equity-accounted for in Datatec Group's annual financial statements.

Refer to Note 12 for material equity-accounted investments and joint ventures.