

Notes to the Group consolidated annual financial statements

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
1. Revenue		
Revenue from product sales	4 595 022	4 369 597
Revenue from sales of hardware	2 690 945	2 728 305
Revenue from sales of software*	1 813 655	1 571 010
Revenue from vendor resold services and product maintenance sales	90 422	70 282
Timing of revenue from product sales	4 595 022	4 369 597
At a point in time	4 595 022	4 369 597
Revenue from services	369 173	325 784
Revenue from professional services	369 173	325 784
Timing of revenue from services	369 173	325 784
At a point in time	11 042	1 800
Over time	358 131	323 984
Revenue from annuity services	493 752	447 744
Revenue from cloud services	69 675	110 354
Revenue from software services*	32 789	11 639
Revenue from other annuity services	391 288	325 751
Timing of revenue from annuity services	493 752	447 744
At a point in time	76 109	48 651
Over time	417 643	399 093
	5 457 947	5 143 125

* Includes software as a service revenue.

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

2. Share-based payments

Group long-term incentives ("LTI") comprises share-based remuneration plans which are equity-settled. The plans in operation are:

- Conditional share plan ("CSP") – a performance share plan in which Datatec shares vest three years after grant date subject to performance conditions;
- Deferred Bonus Warrant scheme ("DBW") – a portion of a participant's short-term incentive ("STI") i.e. bonus is deferred and used to purchase Datatec shares called "bonus shares" which are held in escrow. The Company matches the value of this deferral with a grant of share appreciation rights ("SARs"). The bonus shares together with the SARs collectively form the DBW which vests three years after grant date and is forfeitable in the event of the participant resigning from Datatec prior to vesting.

Prior to the initiation of the DBW in 2022 (FY23) another bonus deferral plan was in operation:

- Deferred bonus plan ("DBP") – a portion of the bonus was deferred and the Company contributed a co-investment. Both of these components were in the form of Datatec shares which vest after three years and are forfeitable in the event of the participant resigning from Datatec prior to vesting.

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

2. Share-based payments (continued)

Further details of these Group plans are given in the table below.

In addition, the divisions of the Group operate a number of cash-settled share-based remuneration plans which are explained below.

Group plans – structural overview

	Deferred Bonus Plan (discontinued)	Conditional Share Plan	Deferred Bonus Warrants
Instrument	The deferred 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.	The deferred STI is in the form of shares which will be held in escrow for the benefit of participants. The Company co-investment is awarded as SARs. The SARs will be awarded at market value using the same price applicable to purchase the deferred shares.
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.	Executive directors (CEO and CFO) and two senior Group executives, provided the minimum STI levels are achieved as indicated above.
Allocation levels	The minimum participation level for executives in the DBP was 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 was 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: <ul style="list-style-type: none"> • CEO – 150% x base salary; • CFO – 120% x base salary; and • Datatec Group executives and staff – range from 50% to 100% of base salary. 	The mandatory deferral percentage in the DBW (if the bonus exceeds 50% of target) is 20%. The maximum deferral percentage is 50%. The number of SARs to be awarded is based on an actuarial calculation of their value relative to the current share price.
Performance period	One year, aligned with the STI performance as explained above.	Three years.	One year, aligned with the STI performance as explained above.
Vesting period	Three years.	Three years.	Three years.
Accrual period for IFRS 2 purposes	Three years	Three years.	Four 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.		A holding period of two additional years follows the vesting period of three years for the share element. The SARs are subject to a four-year exercise period commencing on the vesting date and are subject to a two-year holding period post vesting.
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.	No prospective performance conditions apply, but performance is an entry qualification requirement.

2. Share-based payments (continued)**Group plans – structural overview (continued)**

	Deferred Bonus Plan (discontinued)	Conditional Share Plan	Deferred Bonus Warrants
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 6.0 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.	The DBW is non-dilutive to shareholders as it is settled by purchasing shares in the market. No plan or individual limit is therefore in place.
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 LTI awards are forfeited. This includes shares in the DBP (both the employee’s deferred STI element and the co-investment from the Company) and DBW (both the employee’s deferred STI element and the co-investment from the Company awarded in the form of SARs) within the three-year vesting period for DBP and DBW. In addition, such executives will be required to repay all dividends (pre-tax value) earned from the award date under the DBP and DBW. 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 <i>pro rata</i> , 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.		

Notes to the Group consolidated annual financial statements continued
for the year ended 29 February 2024

	2024		2023	
	Number of shares ('000)	Weighted average grant price	Number of shares ('000)	Weighted average grant price
2. Share-based payments (continued)				
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	6 933	26.33	5 031	28.09
Granted during the year	2 335	36.36	1 257	29.09
Forfeited/lapsed during the year	(18)	32.64	(1 033)	33.05
Vested and exercised during the year – share price on exercise ZAR38.03 (FY23: ZAR36.06)	(2 974)	24.52	(344)	33.05
Modification in respect of Special Dividend	—	—	2 022	24.80
Outstanding at the end of the year	6 276	31.05	6 933	26.33
At 29 February 2024, the CSP awards had a weighted average remaining contractual life of 1.3 years (FY23: 1.1 years).				
Datatec Deferred Bonus Plan 2017 ("DBP")		ZAR		ZAR
Outstanding at the beginning of year	1 906	27.59	2 776	29.30
Vested during the year	(574)	24.12	(870)	33.05
Forfeitable shares at the end of the year	1 332	29.09	1 906	27.59
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 29 February 2024, the weighted average remaining life of the awards until the end of the vesting period was 0.3 years (FY23: 0.4 years).				
Datatec Deferred Bonus Warrants Scheme ("DBW") Bonus Shares		ZAR		ZAR
Outstanding at the beginning of year	357	39.19	—	—
Granted during the year	358	36.36	357	39.19
Forfeitable at end of year	715	37.77	357	39.19
Datatec Deferred Bonus Warrants Scheme ("DBW") Share Appreciation Rights (SARs)		ZAR		ZAR
Outstanding at the beginning of year	1 955	27.76	—	—
Co-investment Share Appreciation Rights	1 434	36.36	1 385	39.19
Modified in respect of Special Dividend	—	—	570	(11.43)
Outstanding at end of year	3 389	31.40	1 955	27.76
Participants in the DBW defer a portion of their pre-tax bonus (bonus shares). In addition, the Company allocates to the participants an equal Company co-investment in the form of Share Appreciation Rights. The portion of pre-tax bonus deferred are used to purchase Datatec shares which the participants hold under the terms of the DBW. These shares are all forfeitable if the participant leaves the employment of the Group within the three-year period from date of grant after which the shares vest. At 29 February 2024, the weighted average remaining life of the awards until the end of the vesting period was 1.7 years (FY23 2.3 years).				

2. Share-based payments (continued)**Datatec Group schemes (equity-settled) (continued)**

The CSP awards granted in FY24 are conditional on a market condition as well as the completion of a three-year service period. This is consistent with the conditions attached to the CSP grant made in FY23. The fair value of the CSP grant in FY24 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") share price.

The DBW awards granted in FY24 are conditional upon completion of a three-year service period with no performance conditions because they represent re-investment of STI bonuses already earned. The fair value of the DBW awards, referred to as the "unconditional" fair value, is equal to the underlying share price of Datatec shares at the grant date. The key data used for the valuation of the Datatec CSP, DBP and DBW bonus share awards is shown in the table below:

	2024			2023		
	CSP	DBW (SARs)	DBW (bonus shares)	CSP	DBW (SARs)	DBW (bonus shares)
Grant date	1 June 2023	1 June 2023	1 June 2023	11 July 2022	12 August 2022	12 August 2022
Vesting date	1 June 2026	1 June 2026	1 June 2026	1 June 2025	30 June 2025	30 June 2025
Employment period	23 May 2023 to 23 May 2026	1 March 2022 to 28 February 2026	1 March 2022 to 18 February 2026	24 May 2022 to 24 May 2025	1 March 2021 to 28 February 2025	1 March 2021 to 28 February 2025
Share price at grant date (closing price)	R39.00	N/A	R39.00	R43.60	N/A	R44.66
Risk-free rate (nominal annual compounded continuously)	8.80%	9.75%	8.80%	7.74%	8.08%	7.18%
Dividend yield	3.79%	3.97%	3.79%	2.55%	1.98%	1.51%
Volatility – determined using equally-weighted historical volatility method	41.20%	43.27%	N/A	54.74%	42.33%	N/A
Fair value (of one unit)	R39.00	R16.60	R39.00	R27.39	R20.90	R44.66

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

2. Share-based payments (continued)

Subsidiary schemes (cash-settled)

Logicalis International and Logicalis Latin America

Logicalis International and PromonLogicalis Latin America Limited (“Logicalis LATAM”) Conditional Share Plans (“CSP”)

Logicalis LATAM operates a CSP for the most senior tier of management with similar terms to the Datatec CSP but cash-settled and based on the Logicalis LATAM share price as determined by annual independent valuations. Logicalis International operated a CSP under the same principles which was discontinued in FY22. 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 International or Logicalis 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 (i.e. 25% of the total award) based on Logicalis International or Logicalis LATAM share price growth;
 - One-third (i.e. 25% of the total award) based on net income per share growth;
 - One-third (i.e. 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.

	2024		2023	
	Number of shares ('000)	Weighted average grant price	Number of shares ('000)	Weighted average grant price
Logicalis International CSP		US\$		US\$
Outstanding at the beginning of the year	1 416	4.56	1 909	4.65
Granted during the year	—	—	—	—
Exercised during the year – share price on exercise US\$4.92 (FY23: US\$5.08)	(76)	4.49	(74)	4.92
Lapsed/forfeited during the year	(563)	4.51	(419)	4.92
Outstanding at the end of the year	777	4.61	1 416	4.56
Exercisable at the end of the year	171	4.73	105	4.88
The Logicalis International CSP awards outstanding at 29 February 2024 comprised grant prices in the range US\$4.49 to US\$4.92 (FY23: US\$4.49 to US\$4.92). At 29 February 2024, the CSP awards had a weighted average remaining contractual life of 2.9 years (FY23: 3.7 years).				
Logicalis LATAM CSP		US\$		US\$
Outstanding at the beginning of the year	330	6.62	274	7.84
Granted during the year	224	4.36	144	5.67
Exercised during the year – share price on exercise US\$7.41 (FY23: US\$8.87)	(3)	7.41	(15)	8.87
Lapsed/forfeited during the year	(53)	7.41	(73)	8.87
Outstanding at the end of the year	498	5.52	330	6.62
Exercisable at the end of the year	24	8.01	10	8.87
The Logicalis LATAM CSP awards outstanding at 29 February 2024 comprised grant prices in the range US\$4.36 to US\$7.18 (FY23: US\$5.67 to US\$8.87). At 29 February 2024, the CSP awards had a weighted average remaining contractual life of 4.5 years (FY23: 4.5 years).				

Logicalis International and Logicalis LATAM Share Appreciation Right (“SARs”)

Logicalis International and Logicalis LATAM also operate SARs schemes for senior managers who do not participate in the CSP. Logicalis International discontinued its old SAR scheme in FY22 and commenced a new SAR scheme in FY24.

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.

	2024		2023	
	Number of shares ('000)	Weighted average grant price	Number of shares ('000)	Weighted average grant price
2. Share-based payments (continued)				
Subsidiary schemes (cash-settled) (continued)				
Logicalis, Logicalis International and Logicalis Latin America (continued)				
Logicalis International "Old" SAR Scheme		US\$		US\$
Outstanding at the beginning of the year	952	4.50	1 472	4.54
Granted during the year	—	—	—	—
Exercised during the year – share price on exercise US\$4.35 (FY23: US\$5.08)	(151)	4.35	(139)	3.70
Forfeited/lapsed during the year	(361)	4.51	(381)	4.92
Outstanding at the end of the year	440	4.55	952	4.50
Exercisable at the end of the year	60	4.45	30	3.70
The Logicalis SARs outstanding at 29 February 2024 comprised grant prices in the range of US\$3.70 to US\$4.57 (FY23: US\$3.70 to US\$4.57) and had a weighted average remaining contractual life of 4.2 years (FY23: 4.7 years).				
Logicalis LATAM SAR Scheme		US\$		US\$
Outstanding at the beginning of the year	440	6.38	439	7.57
Granted during the year	340	4.36	209	5.67
Exercised during the year (share price on exercise FY23: US\$8.87)	—	—	(14)	5.08
Forfeited/lapsed during the year	(108)	6.86	(194)	8.39
Outstanding at the end of the year	672	5.26	440	6.38
Exercisable at the end of the year	30	6.03	39	5.83
The Logicalis LATAM SARs outstanding at 29 February 2024 comprised grant prices in the range of US\$4.36 to US\$7.18 (FY23: US\$5.08 to US\$7.41) and had a weighted average remaining contractual life of 5.5 years (FY23: 5.3 years).				
Logicalis International SAR Scheme		US\$		US\$
Outstanding at the beginning of the year	—	—	—	—
Granted during the year	1 032	1.00	—	—
Outstanding at the end of the year	1 032	1.00	—	—
Exercisable at the end of the year	—	—	—	—
The Logicalis International SARs outstanding at 29 February 2024 comprised of a grant price of US\$1.00 and had a weighted average remaining contractual life of 6.0 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 were awarded a once-off grant of "Units", whose value was linked to the value of Westcon International above a notional base value which was estimated to be US\$125 million (the "Hurdle").

If Westcon International was not sold within five years of the start of the scheme on 1 March 2018, the EAP rules provided for the business to be valued by an independent valuer with the EAP set to pay out to participants on the basis of that valuation. A valuation of the business was undertaken to determine its value at 28 February 2023. The external valuation was calculated by an independent third party using the discounted cash flow approach. A sum-of-the-parts methodology was applied where the equity value of each of the operating regions within Westcon International was calculated and combined to arrive at the valuation to be used for the purpose of the scheme.

Notes to the Group consolidated annual financial statements continued

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2. Share-based payments (continued)

Subsidiary schemes (cash-settled) (continued)

Westcon International (continued)

Westcon International Equity Appreciation Plan ("EAP") (continued)

The following consolidated weighted key assumptions were applied:

- Compounded annual growth rate through the forecast period: 5.52%
- Weighted average cost of capital: 13.89%
- Terminal growth rate: 2.21%
- Risk-free rate: 4.19%
- Inflation rate: 2.19%
- Country risk premium: 1.29%
- Tax rate: 24.08%

In addition to the Westcon International management participants, the Datatec executive directors participated in the Westcon EAP as shown in Note 30 to these financial statements with the corresponding cash-settled share-based payment liability included in Note 23.

The Westcon International EAP crystallised in FY24 based on the valuation of the business as at 1 March 2023 of US\$488.44 million.

	2024		2023	
	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	148	1.25	148	1.25
Exercised during the year	(148)	1.25	—	—
Forfeited/lapsed during the year	—	—	—	—
Outstanding at the end of the year	—	—	148	1.25
All EAP awards vested during FY24.				

Westcon International SAR Scheme

Prior to the FY24 SARs allocations, allocations were made in FY19 and with some further awards being made in FY20 to additional participants. The FY24 SARs scheme allocations have an exercise price of US\$ 2.37 (FY23 US\$ 1.25). The SARs vests after two years without performance conditions and thereafter may be exercised over the following three years (a maximum of one-third per year).

	2024		2023	
	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	2 350	1.25	2 384	1.25
Granted during the year	2 557	2.37	—	—
Exercised during the year	(2 350)	1.25	—	—
Forfeited/lapsed during the year	—	—	(34)	—
Outstanding at the end of the year	2 557	2.37	2 350	1.25
At 29 February 2024, the SAR awards had a remaining contractual life of 2.3 years (FY23: 0.3 years).				

2. Share-based payments (continued)**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:

	2024		2023	
	1 June 2023	1 June 2023	1 June 2022	1 June 2022
Grant date	1 June 2023	1 June 2023	1 June 2022	1 June 2022
Vesting date	1 June 2026	1 June 2026	1 June 2025	1 June 2025
Risk-free rate	3.84%	5.27%	3.72%	5.07%
Expected life (years)	3.00	7.00	3.00	7.00
Dividend yield	0.00%	0.64%	0.00%	1.57%
Volatility of subsidiary	0.00%	43.91%	0.00%	42.06%

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.

	2024 US\$'000	2023 US\$'000
Expense in respect of equity-settled schemes	6 343	6 943
Datatec Limited	6 343	6 943
Subsidiaries	—	—
Expense in respect of cash-settled schemes	1 934	45 698
Datatec Limited	—	8 447
Subsidiaries	1 934	37 251
	8 277	52 641

Settlements of US\$5.8 million have been made relating to equity-settled schemes for the year ended 29 February 2024 (FY23: US\$3.4 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.

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	2024 US\$'000	2023 US\$'000
3. Operating profit		
Operating profit is arrived at after taking into account the following items:		
Operating costs		
Auditors' remuneration	6 625	6 235
PricewaterhouseCoopers Inc.	5 952	5 531
Audit fees – current year	5 637	5 258
Audit fees – prior year	215	193
Other services	100	80
Other auditors - Audit fee	673	704
Fees for professional services	28 961	23 363
Administrative and managerial	2 324	1 994
Consulting	21 147	14 574
Accounting and advisory	5 490	6 795
Foreign exchange losses/(gains)⁽¹⁾	21 666	(15 287)
Realised	5 738	(24 056)
Unrealised	15 928	8 769
Staff costs	493 649	457 377
Retirement benefit contributions	13 164	13 569
Staff costs	480 485	443 808
Directors' emoluments*	4 860	5 154
Executive directors	3 952	4 401
Salaries	2 227	2 083
Bonuses	1 464	2 104
Benefits	261	214
Non-executive directors' emoluments – fees	908	753
Short-term lease payments	2 866	3 261
Low-value assets payments	592	759
Variable lease payments	1 741	431
Net loss on disposal of property, plant and equipment, right-of-use assets and software	1 477	422
Travel***	14 103	10 111
Software licences***	26 118	20 685
Insurance***	11 374	9 986
Marketing and entertainment***	17 673	12 615
Acquisition, integration and corporate actions costs***	3 642	2 275
All other operating costs***	34 943	36 599
Total operating costs	670 290	573 986

[®] 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.

** Includes credit insurance.

*** Prior year other operating costs has been re-presented to separately disclose individually material items.

⁽¹⁾ 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.

	2024 US\$'000	2023 US\$'000
3. Operating profit (continued)		
Staff costs		
Staff costs included in cost of sales	292 463	261 107
Staff costs included in operating costs	493 649	457 377
Total staff costs	786 112	718 484
Restructuring costs		
Restructuring costs	2 950	15 157
Restructuring costs relate to fundamental reorganisations in Logicalis International and Logicalis Latin America.		
Depreciation and amortisation[~]		
Depreciation: Property, plant and equipment	16 307	16 298
Office furniture, equipment and motor vehicles	1 529	1 940
Computer equipment	11 228	10 460
Leasehold improvements	3 256	3 790
Land and buildings	294	108
Depreciation: Right-of-use assets	27 938	28 565
Office furniture, equipment and motor vehicles	5 231	5 164
Computer equipment	1 598	2 284
Land and buildings	21 109	21 117
Amortisation	16 984	23 271
Amortisation of software	2 941	2 584
Amortisation of capitalised development expenditure	10 444	9 058
Amortisation of acquired intangible assets	3 599	11 629
Total depreciation and amortisation	61 229	68 134

[~] No depreciation or amortisation is allocated to cost of sales. Depreciation and amortisation primarily relate to the operating function of the Group.

	2024 US\$'000	2023 US\$'000
4. Net finance costs		
Finance costs		
Lease liabilities	(6 937)	(5 896)
Bank overdrafts and long-term liabilities*	(61 778)	(40 678)
	(68 715)	(46 574)
Interest income		
Bank and other deposits	11 716	7 672
Other	2 033	812
	13 749	8 484
Net finance costs	(54 966)	(38 090)

* Includes interest on bank overdrafts repayable on demand of US\$6.7 million (FY23: US\$1.8 million).

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	2024 US\$'000	2023 US\$'000
5. Taxation		
5.1 Taxation charge		
South African normal taxation		
Current taxation – current year	698	1 154
Current taxation – prior year	276	126
Deferred taxation – current year	(69)	(156)
Deferred taxation – prior year	44	966
South African tax	949	2 090
Foreign taxation:		
Current taxation – current year	33 927	24 537
Current taxation – prior year	1 439	1 108
Deferred taxation – current year	(12 057)	(13 590)
Deferred taxation – rate adjustment	(31)	(124)
Deferred taxation – prior year	1 300	(646)
Foreign tax	24 578	11 285
Total taxation charge	25 527	13 375

	2024 %	2023 %	2024 US\$'000	2023 US\$'000
5.2 Reconciliation of taxation rate to profit before taxation				
Profit/(loss) before tax			76 465	(20 049)
South African statutory tax rate	27.0	28.0	20 646	(5 614)
Reconciling items expected to reoccur:				
Equity-accounted earnings ⁽¹⁾	—	0.5	(27)	(96)
Intra-group management fees ⁽²⁾	3.8	(18.4)	2 938	3 687
Non-deductible property, plant and equipment, inventory and other asset impairments ⁽³⁾	0.4	(1.2)	295	245
Other non-deductible expenses and permanent differences ⁽⁴⁾	3.7	(22.5)	2 819	4 507
Share-based payments ⁽⁵⁾	—	0.1	36	(14)
Exempt profits/incentives ⁽⁶⁾	(2.5)	5.1	(1 902)	(1 019)
Non-recoverable withholding taxes ⁽⁷⁾	1.9	(3.0)	1 487	592
Tax arising on dividend flows ⁽⁸⁾	(0.6)	—	(485)	5
Tax loss utilised/recognised ⁽⁹⁾	(12.6)	16.7	(9 628)	(3 344)
Foreign taxation rate differential ⁽¹⁰⁾	(0.3)	(30.5)	(254)	6 112
Tax losses and other deferred tax assets not recognised ⁽¹¹⁾	13.3	(30.6)	10 150	6 127
Rate adjustment ⁽¹²⁾	—	0.6	(31)	(124)
Prior year adjustments ⁽¹³⁾	4.0	(7.8)	3 059	1 554
Reconciling items that are not expected to reoccur:				
Other non-recurring costs ⁽¹⁴⁾	—	(3.7)	—	757
Acquisition-related adjustments ⁽¹⁵⁾	(4.7)	—	(3 576)	—
Effective taxation rate	33.4	(66.7)	25 527	13 375

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 27% (FY23: 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. The negative effective taxation rate arising in the prior year reflects the fact that a tax charge has arisen on a loss before taxation.

- (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 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.
- (10) The tax reconciliation starts by applying the 27% 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% (FY23: 34%) and has also incurred losses in jurisdictions with significantly lower statutory tax rates such as the UK at 24.5% (FY23: 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.
- (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) Includes fair value adjustments arising on the purchase of a controlling interest in an associated company.

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
5. Taxation (continued)		
5.3 Taxation charge/(credit) by region:		
North America	4 836	(141)
Latin America	(1 186)	534
Europe	5 535	3 578
Asia-Pacific	13 134	5 682
Middle East and Africa	3 208	3 722
Total taxation charge	25 527	13 375
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:	244 802	236 478
Future tax relief at a blended tax rate of 25.1% (FY23: 25.1%) is US\$61.3 million (FY23: US\$59.3 million). Deferred tax assets of US\$45.1 million (FY23: US\$38.5 million) have been recognised in respect of a portion of these losses as set out in Note 13.	61 337	59 295

5.5 Global minimum taxation

The Group is within the scope of the OECD Pillar II model rules. Legislation has already been substantively enacted in the UK such that it will be effective for the Group's financial reporting year ended 28 February 2025. As such no current tax liability arises in this reporting period. Legislation is not yet enacted in South Africa. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar II taxes as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation the Group will be liable to pay top up tax for the difference between the GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group is establishing systems to collect the large amount of data necessary to enable preparation of the detailed calculations required and to comply with all reporting obligations. However, from the work carried out to date it is clear that the majority of jurisdictions in which the Group operates are likely to fall within the transitional CBCR safe harbour rules. Where jurisdictions fall outside of these safe harbours we expect the top up tax arising to be not material. This is due to the operational substance the Group has in most of the jurisdictions in which it operates which provide a substance based income exclusion thereby reducing the profits to which a top up tax can apply.

	2024 US\$'000	2023 US\$'000
6. Earnings per share		
6.1 Reconciliation of attributable profit to headline (loss)/earnings		
Total profit for the year attributable to equity holders of the parent	45 801	80 334
Profit/(loss) for the year from continuing operations	45 801	(35 111)
Profit for the year from discontinued operations	—	115 445
Total headline earnings adjustments	(13 884)	(100 569)
Impairment of property, plant and equipment, capitalised development expenditure and right-of-use assets		
– Gross	—	11 620
– Tax effect	—	(1 394)
– Non-controlling interests	—	(345)
Fair value gain on previously recognised investment in associate		
– Gross	(14 901)	—
– Tax effect	—	—
– Non-controlling interests	—	—
Gain on disposal of investments		
– Gross	—	(111 438)
– Tax effect	—	600
– Non-controlling interests	—	—
Loss on disposal of property, plant and equipment, software and right-of-use assets		
– Gross	1 477	422
– Tax effect	(279)	*
– Non-controlling interests	(181)	(34)
Total headline earnings/(loss)	31 917	(20 235)

* Less than US\$1 000.

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US cents	2023 US cents
6. Earnings per share (continued)		
6.2 Earnings per share		
Basic earnings per share	20.4	36.9
Continuing operations	20.4	(16.1)
Discontinued operations	—	53.0
Headline earnings/(loss) per share	14.2	(9.3)
Continuing operations	14.2	(10.8)
Discontinued operations	—	1.5
<p>The earnings metrics above are calculated on the weighted average number of shares in issue during the year of 224 799 363 (FY23: 217 983 895), after the deduction of the weighted average number of treasury shares and shares relating to the DBP and DBW of 1 956 082 (FY23: 2 098 084).</p>		
<p>As at 29 February 2024, the Group held 574 145 (FY23: 3 000 000) shares as treasury shares (refer to Note 20). There were 846 822 (FY23: 372 261) weighted average treasury shares. As at 29 February 2024, there were 2 047 149 (1 956 082 weighted average) shares relating to the DBP and DBW (FY23: 2 263 221 (2 098 084 weighted average) shares relating to the DBP and DBW).</p>		
6.3 Diluted earnings per share		
Diluted basic earnings per share	19.7	36.9
Continuing operations	19.7	(16.1)
Discontinued operations	—	53.0
Diluted headline earnings/(loss) per share	13.7	(9.3)
Continuing operations	13.7	(10.8)
Discontinued operations	—	1.5
	2024 Number of shares	2023 Number of shares
6.4 Issued and weighted average number of shares		
Issued shares at the beginning of year	224 916 537	216 957 874
<p>The weighted average number of shares is calculated by weighting the number of outstanding shares for the period in the financial year during which they were in issue:</p>		
Issue of shares for a script distribution final dividend	2 856 814	2 951 178
Issue of shares for a script distribution special dividend	—	764 562
Treasury shares granted for deferral of bonus in relation to the DBW bonus shares	(623 983)	(191 519)
Treasury shares relating to DBP shares held throughout the period	(1 332 099)	(1 906 565)
Treasury shares relating to DBP shares that have vested in the current financial year	(171 084)	(219 374)
Treasury shares relating to CSP shares purchased and vested during the year	(846 822)	(372 261)
Weighted average number of shares	224 799 363	217 983 895
6.5 Weighted and diluted weighted average number of shares		
Weighted average number of shares	224 799 363	217 983 895
<p>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:</p>		
Shares related to share-based payment schemes	7 827 133	8 603 341
Potential share issue related to scrip dividend	403 820	—
Diluted weighted average number of shares	233 030 316	226 587 236

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 1/2023 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.

	2024 US\$'000	2023 US\$'000
7. Goodwill		
Net book value	280 512	245 375
At the beginning of the year	245 375	262 606
Arising on acquisition of subsidiaries (Note 38)	34 607	18 699
Disposal of discontinued operations	—	(25 566)
Translation and other movements	530	(10 364)
Balance at the end of the year	280 512	245 375
Goodwill at cost	280 512	245 375
Per cash-generating unit:	280 512	245 375
Logicalis International	210 292	209 707
Corporate and Management Consulting	30 992	—
Westcon International	3 543	—
Logicalis Latin America	35 685	35 668

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 each of the CGUs.

External valuations are obtained for the Logicalis International and Logicalis Latin America CGUs and compared to the corresponding net asset value, including goodwill. An internal valuation was prepared for Mason Advisory Limited (constituting the goodwill in the Corporate and Management Consulting CGU). The recoverable amount of each CGU is determined based on a fair value less cost to sell basis, 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 six-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.

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.

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

The higher revenue growth rate for Logicalis Latin America in FY23 was as a result of the business recovering from the Covid-19 period, the alleviation of the global supply chain constraints and resulting decline in extended lead times. In FY24 Logicalis Latin America’s revenue increased compared to FY23, however this growth was negatively impacted by the continuing devaluation of the Argentinian Peso and reduced demand in Brazil.

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.

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

7. Goodwill (continued)

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

	Logicalis International	Logicalis Latin America	Corporate and Management Consulting
2024			
Discount rate	13.5%	18.3%	14.1%
Revenue growth rate in discrete period	2.3% - 7.7%	3.9% - 13.5%	5% - 16.1%
Terminal growth rate	2.3%	3.9%	2.5%
2023			
Discount rate	13.5%	18.0%	-
Revenue growth rate in discrete period	2.0% - 11.1%	7.5% - 28.9%	-
Terminal growth rate	2.0%	3.2%	-

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 CGUs.

	2024			2023		
	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	15 227	(11 270)	3 957	19 772	(15 691)	4 081
Computer equipment	108 246	(83 470)	24 776	100 888	(80 689)	20 199
Leasehold improvements	22 102	(16 826)	5 276	35 384	(28 574)	6 810
Land and buildings	2 563	(749)	1 814	2 440	(476)	1 964
	148 138	(112 315)	35 823	158 484	(125 430)	33 054

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.

Movement of property, plant and equipment	Office furniture, equipment and motor vehicles US\$'000	Computer equipment US\$'000	Leasehold improvements US\$'000	Land and buildings US\$'000	Total US\$'000
Balance at 1 March 2022	5 074	16 165	9 764	1 514	32 517
Subsidiaries acquired	54	350	—	567	971
Disposal of discontinued operations	(115)	(501)	(247)	—	(863)
Additions	1 684	14 966	1 605	71	18 326
Disposals	(487)	(212)	(81)	—	(780)
Impairments	(4)	—	(63)	—	(67)
Transfers	17	(18)	1	*	*
Translation and other movements	(179)	(25)	(341)	(80)	(625)
Depreciation – continuing operations	(1 940)	(10 460)	(3 790)	(108)	(16 298)
Depreciation – discontinued operations	(23)	(66)	(38)	—	(127)
Balance at 28 February 2023	4 081	20 199	6 810	1 964	33 054
Subsidiaries acquired	20	164	—	—	184
Additions	2 418	15 994	2 205	155	20 772
Disposals	(991)	(486)	(165)	(1)	(1 643)
Translation and other movements	(42)	133	(318)	(10)	(237)
Depreciation	(1 529)	(11 228)	(3 256)	(294)	(16 307)
Balance at 29 February 2024	3 957	24 776	5 276	1 814	35 823

* Less than US\$1 000.

	2024			2023		
	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	26 657	(18 010)	8 647	22 641	(14 689)	7 952
Computer equipment	12 944	(11 374)	1 570	12 547	(11 458)	1 089
Land and buildings	118 088	(72 314)	45 774	112 521	(65 314)	47 207
	157 689	(101 698)	55 991	147 709	(91 461)	56 248

Movement of right-of-use assets	Office furniture, equipment and motor vehicles	Computer equipment	Land and buildings ⁺	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 March 2022	8 578	2 899	69 162	80 639
Subsidiaries acquired	—	—	297	297
Disposal of discontinued operations	—	(84)	(4 299)	(4 383)
Additions	4 985	621	18 699	24 305
Disposals	(208)	(5)	(2 946)	(3 159)
Revaluations	—	—	(224)	(224)
Impairments	(38)	—	(7 952)	(7 990)
Transfers	—	—	(851)	(851)
Translation and other movements	(178)	(58)	(3 117)	(3 353)
Depreciation – continuing operations	(5 164)	(2 284)	(21 117)	(28 565)
Depreciation – discontinued operations	(23)	—	(445)	(468)
Balance at 28 February 2023	7 952	1 089	47 207	56 248
Additions	5 959	2 072	23 914	31 945
Disposals	(142)	—	(2 831)	(2 973)
Translation and other movements	109	7	(1 407)	(1 291)
Depreciation	(5 231)	(1 598)	(21 109)	(27 938)
Balance at 29 February 2024	8 647	1 570	45 774	55 991

⁺ Includes leasehold improvements.

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
10. Intangible assets		
10.1 Capitalised development expenditure		
Included in amounts capitalised below, was US\$1.8 million (FY23: US\$1.4 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"). The closing net book value of US\$33.7 million consists of US\$33.7 million (FY23: US\$31.6 million) relating to Westcon International and US\$nil million (FY23: US\$0.1 million) relating to Logicalis International.		
Net book value	33 704	31 723
At the beginning of the year	31 723	29 351
Amounts capitalised	12 479	15 425
Impairments	—	(3 563)
Translation and other movements	(54)	(432)
Amortisation	(10 444)	(9 058)
Balance at the end of the year	33 704	31 723
Capitalised development expenditure at cost	78 556	66 227
Accumulated amortisation and impairment	(44 852)	(34 504)
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	11 918	10 053
At the beginning of the year	10 053	21 483
Arising on acquisition of subsidiaries	5 422	3 543
Disposal of discontinued operations	—	(2 094)
Translation and other movements	42	(992)
Amortisation – continuing operations	(3 599)	(11 629)
Amortisation – discontinued operations	—	(258)
Balance at the end of the year	11 918	10 053
Acquired intangible assets at cost	25 268	20 121
Accumulated amortisation and impairment	(13 350)	(10 068)
Acquired intangible assets are amortised using the straight-line method over their useful lives, which generally do not exceed 10 years.		
10.2.2 Software		
Net book value	9 487	6 033
At the beginning of the year	6 033	6 649
Disposal of discontinued operations	—	(479)
Additions	6 260	2 918
Disposals	(2)	(34)
Translation and other movements	137	(399)
Amortisation – continuing operations	(2 941)	(2 584)
Amortisation – discontinued operations	—	(38)
Balance at the end of the year	9 487	6 033
Software at cost	23 174	19 142
Accumulated amortisation	(13 687)	(13 109)
Software is amortised using the straight-line method over their useful lives, which ranges from two to six years.		
There are no intangible assets with indefinite useful lives.		
Total acquired intangible assets and software	21 405	16 086

	2024 US\$'000	2023 US\$'000
11. Capital commitments		
Contractual commitments authorised	16 927	20 119
Property, plant and equipment	4 463	6 398
Intangible assets	12 464	13 721
Capital expenditure not contractually committed	14 175	17 735
Total capital commitments	31 102	37 854

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. An assessment of control is performed to determine whether the Group has the practical ability to direct the relevant activities unilaterally. In making the judgement, the relative size and dispersion of other vote holders, potential voting rights held by them or others and rights from other contractual arrangements were considered. After the assessment, the Group concluded that it did not have a controlling interest to direct the relevant activities of the equity-accounted investments.

None of these equity-accounted associates are considered to be material to the Group.

Details of the Group's investments are:

	Country or incorporation and principal place of business	Nature of business	Effective ownership		Carrying value	
			2024 %	2023 %	2024 US\$'000	2023 US\$'000
Equity-accounted:						
Cirrus Participações S.A (*Kumulus)*	Brazil	ICT Solutions	60.4	51.3	4 497	3 639
Mason Advisory Limited	UK	Management Consulting	80.0	42.5	—	2 800
					4 497	6 439

*35.63% (FY23: 37.05%) is owned by PromonLogicalis Latin America Limited.

Datatec PLC increased its shareholding in Mason Advisory Limited from 42.5% to 80% effective 1 December 2023 by acquiring additional shares in Mason Advisory Limited from its management team. From acquisition date the results of Mason Advisory Limited have been consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10 *Consolidated Financial Statements* ("IFRS 10"). As a result of this a fair value gain of US\$14.9 million has been recognised in the consolidated statement of comprehensive income in the current financial year. Refer Note 38.

In June 2023 and August 2023, Logicalis Group Limited purchased 2.93% and 3.17% respectively of Cirrus Participações S.A.C. in Brazil from the minority shareholders for a total consideration of US\$1.3 million. In June, Logicalis Group Limited subscribed for new shares in Cirrus. PromonLogicalis Latin America Limited did not partake in the subscription and decreased its holding in Cirrus to 35.63% (FY23: 37.05%). As the Group owns 68.4% of PromonLogicalis Latin America Limited, this resulted in a current effective shareholding in Cirrus of 60.4% (FY23: 51.31%). In July 2023, Cirrus increased its shareholding from 65% to 100% in Saleslogics Servicos em Inteligência de Negócios Empresariais e Informática Limitada and continues to own 100% of Kumulus Servicos em Cloud Computing e Database Limitada respectively. Refer Note 40 for subsequent increased shareholding in Cirrus.

The Group does not have control over Cirrus Participações S.A. and its subsidiary entities under the IFRS 10 model because it does not have the ability to significantly affect the activities of the other entity nor does it have the right to receive variable returns.

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
12. Investments (continued)		
12.1 Equity-accounted investments (continued)		
Carrying amount	4 497	6 439
Total share of equity-accounted investment earnings/(losses)		
Esource Resources, LLC.	(254)	409
Cirrus Participações S.A	(207)	(645)
Mason Advisory Limited	712	1 118
	251	882
12.2 Bonds (Angola government bonds)		
ISIN: AOUGDXKG17A3	3 959	4 677
Short-term portion	3 959	4 677

Westcon International

The Angolan government bonds are indexed to the US Dollar. The amount of US\$4.0 million (FY23: US\$4.7 million) is fixed and the Kwanza equivalent of this will mature in August 2024. The prevailing National Bank of Angola official US Dollar rate at the maturity date will be used for conversion.

During the year, bonds worth US\$4.7 million matured. Of this US\$4.0 million was reinvested in Angolan government bonds with a coupon rate of 7.0% which will mature on 31 August 2024.

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

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.

	2024 US\$'000	2023 US\$'000
12.3 Total investments		
Equity-accounted investments	4 497	6 439
Other investments	18	18
Bonds	3 959	4 677
Total investments	8 474	11 134
Long-term portion	4 515	6 457
Short-term portion	3 959	4 677
	8 474	11 134

	2024	2023
	US\$'000	Restated* US\$'000
13. Deferred tax assets/(liabilities)		
13.1 Movement of gross deferred tax assets		
At the beginning of the year	95 723	88 970
Credit to profit and loss	15 148	10 617
Disposal of discontinued operations	—	(2 575)
Translation and other movements	(495)	(1 289)
	110 376	95 723
Analysis of gross deferred tax assets		
Capital allowances	6 387	4 693
Expense accruals and similar items	32 739	29 093
Effect of tax losses**	45 118	38 489
Intangible assets	3 565	3 910
IFRS16 lease liabilities*	19 836	17 291
Other individually immaterial temporary differences	2 731	2 247
	110 376	95 723
13.2 Movement of gross deferred tax liabilities		
At the beginning of the year	(44 758)	(47 115)
(Charge)/credit to profit and loss	(4 335)	2 933
Charge to other comprehensive income	—	(897)
Arising on acquisition of subsidiaries	(1 398)	(886)
Disposal of discontinued operations	—	839
Translation and other movements	(376)	368
	(50 867)	(44 758)
Analysis of gross deferred tax liabilities		
Capital allowances	(880)	(726)
Goodwill	(20 712)	(22 549)
Intangible assets	(5 165)	(2 146)
IFRS 16 right of use assets*	(16 947)	(15 392)
Other individually immaterial temporary differences	(7 163)	(3 945)
	(50 867)	(44 758)
13.3 Reconciliation between gross and net deferred tax balances		
Gross deferred tax assets	110 376	95 723
Gross deferred tax liabilities	(50 867)	(44 758)
	59 509	50 965
The deferred tax after appropriate netting within entities is reflected in the balance sheet as follows:		
Net deferred tax assets	83 907	80 331
Net deferred tax liabilities	(24 398)	(29 366)
	59 509	50 965

* Effective for annual reporting periods beginning on or after 1 January 2023, IAS 12 was amended for the recognition and disclosure of deferred taxes recognised on IFRS16 leased assets. The Group has now adopted these changes retrospectively and has, as a result, restated its Deferred tax note for comparative purposes. The effect of this restatement is to increase the FY23 gross deferred tax liabilities by US\$15.4 million (FY22: increase of US\$19.0 million) with gross deferred tax assets increasing by the same amount.

** Deferred tax assets recognised in relation to tax losses total US\$45.1 million (FY23: US\$38.5 million). Of this, US\$41.9 million (FY23: US\$34.6 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\$11.0 million (FY23: US\$12.9 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\$2.3 million (FY23: US\$2.3 million) relating to Argentina that expire by 28 February 2029. (FY23: 28 February 2028). The deferred tax assets recognised are based on the future taxable profits derived from the approved budgets of the relevant entities. The approved budgets of these entities indicate a return to profitability in the short term with the budget periods spanning over the medium term which has resulted in some assessed losses not having had deferred tax assets recognised. These budgets are aligned with ongoing management actions to restore profitability in these jurisdictions. Assessed losses are being utilised largely in line with forecasts.

Potential deferred tax assets of US\$16.2 million (FY23: US\$20.8 million) on assessed/estimated tax losses have not been recognised at 29 February 2024 as management does not believe that it is probable that taxable profit will be available in the foreseeable future against which these losses can be utilised. The majority of these tax losses can be carried forward indefinitely.

Notes to the Group consolidated annual financial statements continued
for the year ended 29 February 2024

	2024		2023	
	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	10 708	9 487	8 704	8 300
Receivable within one and two years	9 068	8 135	6 809	6 627
Receivable within two and three years	6 698	5 991	4 219	4 167
Receivable within three and four years	5 646	5 138	1 458	1 407
Receivable within four and five years	4 348	4 012	410	305
Receivable after five years	9 055	8 772	177	175
	45 523	41 535	21 777	20 981
Less: unearned finance income	(3 988)	—	(796)	—
Present value of minimum lease assets	41 535	41 535	20 981	20 981
Current portion		9 487		8 300
Long-term portion		32 048		12 681
Finance lease receivables		41 535		20 981

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.

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

Logicalis International

One of Logicalis International's subsidiaries in Europe has entered into various finance leases, bearing interest between 1.1% and 14.44% (FY23 between 0.60% and 14.42%). These leases are repayable at various dates between September 2024 and January 2031. At 29 February 2024, US\$37.3 million (FY23: US\$19.0 million) was receivable.

Logicalis Latin America

One of Logicalis's Latin American subsidiaries has entered into various finance leases, bearing interest between 0.30% and 9.01% (FY23 between 0.30% and 8.70%). These leases are repayable at various dates between April 2026 and June 2028. At 29 February 2024, US\$3.6 million (FY23: US\$1.2 million) was receivable.

Corporate

One of Corporate's European subsidiaries has entered into a finance lease, bearing interest at 2.65% (FY23 2.65%). This lease is repayable at December 2028. At 29 February 2024, US\$0.6 million (FY23: US\$0.8 million) was receivable.

The majority of the exposure, US\$38.0 million (FY23: US\$19.6 million) is in Europe (refer to Note 31.4), this is all with one customer that has an external credit rating of A1 that has no history of default. Expected credit losses for the year are negligible.

	2024 US\$'000	2023 US\$'000
15. Inventories		
Merchandise for resale	327 623	398 446
Spares/maintenance inventory	10 437	8 873
Work-in-progress	13 279	25 351
	351 339	432 670
Inventory provisions	(26 471)	(21 611)
	324 868	411 059

In the FY24 reporting period there was an obsolete inventory reversal amounting to US\$1.1 million compared to the FY23: US\$0.2 million, that was written off during the year.

During the year, inventories of US\$2.6 billion (FY23: US\$2.7 billion) were recognised as part of cost of sales. There were no inventories encumbered as at 29 February 2024 (FY23: 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\$563.8 million (FY23: US\$593.8 million) which currently extends payment terms to 60 days (FY23: 90 days). The agreement may be cancelled at any time with a 90-day notice by either Westcon International or the vendor. As at 29 February 2024, US\$172 million (FY23: US\$289.3 million) was outstanding and is included in trade payables (refer to Note 23). Purchases within 0 to 30 days are described as unfunded and are also included in trade payables (refer to Note 23). The funded availability limit of US\$563.8 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\$100.0 million (FY23: US\$100.0 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 29 February 2024, US\$38.7 million (FY23: US\$68.6 million) was outstanding and is included in trade payables (refer to Note 23). The facility is based on usage between three subsidiaries, namely Singapore, Indonesia and Philippines.

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 (FY23: US\$26.5 million) which extends payment terms from 30 days to 90 days. The agreement may be cancelled at any time with a 30-day notice by either Westcon International or the vendor. As at 29 February 2024, US\$5.6 million (FY23: US\$8.3 million) was outstanding and is included in trade payables (refer to Note 23).

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
16. Trade receivables		
16.1 Total trade receivables		
Trade receivables	1 518 347	1 536 212
Expected credit loss allowance	(29 480)	(27 742)
	1 488 867	1 508 470

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.

The weighted average write-off rate over recent years across all classes of trade receivables is 0.12% (FY23: 0.47%).

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)**16.2 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	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia-Pacific US\$'000	MEA US\$'000	Total US\$'000
2024						
Datatec Group Total						
Current	80 146	101 277	760 796	210 772	95 231	1 248 222
1 – 30 days past due	14 816	10 540	55 815	39 277	13 388	133 836
31 – 60 days past due	3 763	7 952	16 891	12 832	7 790	49 228
61 – 90 days past due	1 484	3 292	4 390	8 130	2 141	19 437
91 – 120 days past due	963	2 012	5 246	4 177	2 150	14 548
Over 120 days past due	1 505	9 808	13 015	7 700	21 048	53 076
Gross trade receivables	102 677	134 881	856 153	282 888	141 748	1 518 347
Expected credit loss allowance	(205)	(1 325)	(8 418)	(3 039)	(16 493)	(29 480)
Net trade receivables	102 472	133 556	847 735	279 849	125 255	1 488 867
Expected credit loss allowance (%)	0.20	0.98	0.98	1.07	11.64	1.94
Total trade receivables over 90 days past due	2 468	11 820	18 261	11 877	23 198	67 624
Expected credit loss allowance allocated to over 90 days past due	(205)	(1 299)	(7 698)	(3 000)	(16 284)	(28 486)
Over 90 days past due expected credit loss allowance (%)	8.31	10.99	42.16	25.26	70.20	42.12
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables	100.00	98.04	91.45	98.72	98.73	96.63
Westcon International						
Current	157	—	643 301	169 127	92 937	905 522
1 – 30 days past due	2	—	45 683	28 302	12 193	86 180
31 – 60 days past due	—	—	12 925	9 807	7 534	30 266
61 – 90 days past due	—	—	4 060	5 117	2 116	11 293
91 – 120 days past due	—	—	4 631	3 592	2 123	10 346
Over 120 days past due	—	—	13 015	2 874	21 040	36 929
Gross trade receivables	159	—	723 615	218 819	137 943	1 080 536
Expected credit loss allowance	—	—	(7 535)	(854)	(16 465)	(24 854)
Net trade receivables	159	—	716 080	217 965	121 478	1 055 682
Expected credit loss allowance (%)	—	—	1.04	0.39	11.94	2.30
Total trade receivables over 90 days past due	—	—	17 646	6 466	23 163	47 275
Expected credit loss allowance allocated to over 90 days past due	—	—	(7 096)	(859)	(16 278)	(24 233)
Expected credit loss allowance (%) over 90 days past due	—	—	40.21	13.28	70.28	51.26
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables	—	—	94.17	100.59	98.86	97.50

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

16. Trade receivables (continued)

16.2 Trade receivables credit risk (continued)

Days past due (continued)	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia- Pacific US\$'000	MEA US\$'000	Total US\$'000
2024						
Logicalis International						
Current	79 989	—	111 964	41 645	2 294	235 892
1 – 30 days past due	14 814	—	9 988	10 975	1 195	36 972
31 – 60 days past due	3 763	—	3 955	3 025	256	10 999
61 – 90 days past due	1 484	—	208	3 013	25	4 730
91 – 120 days past due	963	—	602	585	27	2 177
Over 120 days past due	1 505	—	—	4 826	8	6 339
Gross trade receivables	102 518	—	126 717	64 069	3 805	297 109
Expected credit loss allowance	(205)	—	(883)	(2 185)	(28)	(3 301)
Net trade receivables	102 313	—	125 834	61 884	3 777	293 808
Expected credit loss allowance (%)	0.20	—	0.70	3.41	0.74	1.11
Total trade receivables over 90 days past due	2 468	—	602	5 411	35	8 516
Expected credit loss allowance allocated to over 90 days past due	(205)	—	(602)	(2 141)	(6)	(2 954)
Expected credit loss allowance (%) over 90 days past due	8.31	—	100.00	39.57	17.14	34.69
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables	100.00	—	68.18	97.99	21.43	89.49
Logicalis Latin America						
Current	—	101 277	—	—	—	101 277
1 – 30 days past due	—	10 540	—	—	—	10 540
31 – 60 days past due	—	7 952	—	—	—	7 952
61 – 90 days past due	—	3 292	—	—	—	3 292
91 – 120 days past due	—	2 012	—	—	—	2 012
Over 120 days past due	—	9 808	—	—	—	9 808
Gross trade receivables	—	134 881	—	—	—	134 881
Expected credit loss allowance	—	(1 325)	—	—	—	(1 325)
Net trade receivables	—	133 556	—	—	—	133 556
Expected credit loss allowance (%)	—	0.98	—	—	—	0.98
Total trade receivables over 90 days past due	—	11 820	—	—	—	11 820
Expected credit loss allowance allocated to over 90 days past due	—	(1 299)	—	—	—	(1 299)
Expected credit loss allowance (%) over 90 days past due	—	10.99	—	—	—	10.99
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables	—	98.04	—	—	—	98.04

16. Trade receivables (continued)**16.2 Trade receivables credit risk (continued)**

Days past due (continued)	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia- Pacific US\$'000	MEA US\$'000	Total US\$'000
2024						
Corporate and Management Consulting						
Current	—	—	5 531	—	—	5 531
1 – 30 days past due	—	—	144	—	—	144
31 – 60 days past due	—	—	11	—	—	11
61 – 90 days past due	—	—	122	—	—	122
91 – 120 days past due	—	—	13	—	—	13
Over 120 days past due	—	—	—	—	—	—
Gross trade receivables	—	—	5 821	—	—	5 821
Expected credit loss allowance	—	—	—	—	—	—
Net trade receivables	—	—	5 821	—	—	5 821
Expected credit loss allowance (%)	—	—	—	—	—	—
Total trade receivables over 90 days past due	—	—	13	—	—	13
Expected credit loss allowance allocated to over 90 days past due	—	—	—	—	—	—
Expected credit loss allowance (%) over 90 days past due	—	—	—	—	—	—
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables	—	—	—	—	—	—

The past due receivables ageing categories above are shown gross, before taking into account expected credit loss allowances. 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.

Where applicable, 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.

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

16. Trade receivables (continued)

16.2 Trade receivables credit risk (continued)

Days past due (continued)	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia- Pacific US\$'000	MEA US\$'000	Total US\$'000
2023						
Datatec Group Total						
Current	60 749	125 311	746 423	229 392	99 622	1 261 497
1 – 30 days past due	14 917	12 887	50 427	35 400	20 228	133 859
31 – 60 days past due	3 324	10 622	17 716	15 254	5 814	52 730
61 – 90 days past due	2 224	1 737	11 184	4 681	3 903	23 729
91 – 120 days past due	937	1 342	2 857	2 157	2 988	10 281
Over 120 days past due	3 322	9 066	15 436	5 571	20 721	54 116
Gross trade receivables	85 473	160 965	844 043	292 455	153 276	1 536 212
Expected credit loss allowance	—	(619)	(7 902)	(3 392)	(15 829)	(27 742)
Net trade receivables	85 473	160 346	836 141	289 063	137 447	1 508 470
Expected credit loss allowance (%)*	—	0.38	0.94	1.16	10.33	1.81
Total trade receivables over 90 days past due*	4 259	10 408	18 293	7 728	23 709	64 397
Expected credit loss allowance allocated to over 90 days past due*	—	(608)	(7 436)	(3 228)	(15 810)	(27 082)
Expected credit loss allowance (%) over 90 days past due*	—	5.84	40.65	41.77	66.68	42.05
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables*	—	98.22	94.10	95.17	99.88	97.62
Westcon International						
Current	—	—	626 226	178 756	97 025	902 007
1 – 30 days past due	—	—	29 617	20 132	19 372	69 121
31 – 60 days past due	—	—	16 038	11 325	5 617	32 980
61 – 90 days past due	—	—	10 695	2 752	3 835	17 282
91 – 120 days past due	—	—	1 909	1 962	2 973	6 844
Over 120 days past due	—	—	15 333	1 792	20 673	37 798
Gross trade receivables	—	—	699 818	216 719	149 495	1 066 032
Expected credit loss allowance	—	—	(7 269)	(1 056)	(15 802)	(24 127)
Net trade receivables	—	—	692 549	215 663	133 693	1 041 905
Expected credit loss allowance (%)*	—	—	1.04	0.49	10.57	2.26
Total trade receivables over 90 days past due*	—	—	17 242	3 754	23 646	44 642
Expected credit loss allowance allocated to over 90 days past due*	—	—	(7 053)	(1 043)	(15 801)	(23 897)
Expected credit loss allowance (%) over 90 days past due*	—	—	40.91	27.78	66.82	53.53
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables*	—	—	97.03	98.77	99.99	99.05

16. Trade receivables (continued)

16.2 Trade receivables credit risk (continued)

Days past due (continued)	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia- Pacific US\$'000	MEA US\$'000	Total US\$'000
2023						
Logicalis International						
Current	60 749	—	120 197	50 636	2 597	234 179
1 – 30 days past due	14 917	—	20 810	15 268	856	51 851
31 – 60 days past due	3 324	—	1 678	3 929	197	9 128
61 – 90 days past due	2 224	—	489	1 929	68	4 710
91 – 120 days past due	937	—	948	195	15	2 095
Over 120 days past due	3 322	—	103	3 779	48	7 252
Gross trade receivables	85 473	—	144 225	75 736	3 781	309 215
Expected credit loss allowance	—	—	(633)	(2 336)	(27)	(2 996)
Net trade receivables	85 473	—	143 592	73 400	3 754	306 219
Expected credit loss allowance (%)*	—	—	0.44	3.08	0.71	0.97
Total trade receivables over 90 days past due*	4 259	—	1 051	3 974	63	9 347
Expected credit loss allowance allocated to over 90 days past due*	—	—	(383)	(2 185)	(9)	(2 577)
Expected credit loss allowance (%) over 90 days past due*	—	—	36.44	54.98	14.29	27.57
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables*	—	—	60.51	93.54	33.33	86.01
Logicalis Latin America						
Current	—	125 311	—	—	—	125 311
1 – 30 days past due	—	12 887	—	—	—	12 887
31 – 60 days past due	—	10 622	—	—	—	10 622
61 – 90 days past due	—	1 737	—	—	—	1 737
91 – 120 days past due	—	1 342	—	—	—	1 342
Over 120 days past due	—	9 066	—	—	—	9 066
Gross trade receivables	—	160 965	—	—	—	160 965
Expected credit loss allowance	—	(619)	—	—	—	(619)
Net trade receivables	—	160 346	—	—	—	160 346
Expected credit loss allowance (%)*	—	0.38	—	—	—	0.38
Total trade receivables over 90 days past due*	—	10 408	—	—	—	10 408
Expected credit loss allowance allocated to over 90 days past due*	—	(608)	—	—	—	(608)
Expected credit loss allowance (%) over 90 days past due*	—	5.84	—	—	—	5.84
Percentage of total expected credit loss allowance attributable to over 90 days past due receivables*	—	98.22	—	—	—	98.22

* The prior year has been re-presented to show additional comparative information.

There were no trade receivables in the Corporate and Management Consulting segment in FY23, therefore no comparative information has been provided.

Notes to the Group consolidated annual financial statements continued
for the year ended 29 February 2024

16. Trade receivables (continued)

16.3 Reconciliation of the expected credit loss allowance account

	North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia-Pacific US\$'000	MEA US\$'000	Total US\$'000
Balance at 1 March 2022	(185)	(629)	(7 428)	(3 281)	(15 237)	(26 760)
Impairment losses recognised on trade receivables – continuing operations	—	(669)	(1 497)	(2 217)	(1 854)	(6 237)
Impairment losses recognised on trade receivables – discontinued operations	—	—	(558)	—	(43)	(601)
Impairment losses reversed – continuing operations	154	756	1 082	203	20	2 215
Impairment losses reversed – discontinued operations	—	—	558	—	65	623
Bad debt write-offs	27	(108)	(113)	1 608	347	1 761
Disposal of discontinued operations	—	—	—	—	208	208
Net exchange gains and losses	4	31	54	295	665	1 049
Balance at 28 February 2023	—	(619)	(7 902)	(3 392)	(15 829)	(27 742)
Impairment losses recognised on trade receivables	(376)	(809)	(2 512)	(132)	(1 499)	(5 328)
Impairment losses reversed	—	36	1 454	340	33	1 863
Bad debt write-offs	171	11	554	77	10	823
Net exchange gains and losses	—	56	(12)	68	792	904
Balance at 29 February 2024	(205)	(1 325)	(8 418)	(3 039)	(16 493)	(29 480)

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

	2024 US\$'000	2023 US\$'000
17. Prepaid expenses		
Prepaid vendor maintenance	99 480	107 914
Prepaid expenses on multi-year contracts	18 032	31 938
Prepaid commissions	8 241	10 426
Prepaid licencing	9 977	5 365
Prepaid taxes	4 031	4 453
Prepaid project costs	4 247	4 096
Prepaid insurance	4 261	3 565
Sundry prepayments (individually immaterial)	30 472	28 902
	178 741	196 659

	2024 US\$'000	2023 US\$'000
18. Other receivables		
Rebates due	23 987	24 630
Tax receivables	16 625	20 703
Restricted cash	4 250	8 702
Derivative financial assets~	8 481	5 080
Purchase consideration receivable	10 142	—
Sundry receivables*~	20 789	20 781
	84 274	79 896

~ The prior year has been re-presented to show disaggregated comparative information.

* Includes notes and deposits held, and a number of immaterial receivables.

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

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	2024 US\$'000	2023 US\$'000
19. Other non-current assets and contract assets		
19.1 Other non-current assets		
Other non-current assets		
Security deposits	1 530	1 976
Notes receivable*	10 074	12 003
Other	550	824
Prepaid expenses on multi-year contracts**	17 137	—
Amounts receivable for multi-year contracts***	117 841	72 256
	147 132	87 059
Non-current contract assets	46 038	41 551
Other non-current assets	193 170	128 610
<i>Includes US\$9.9 million term note receivable recognised on disposal of Arriatysys Mason in Datatec PLC.</i>		
<i>** Relates to prepaid cost of sales for multi-year contracts in Westcon International.</i>		
<i>*** 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\$104.3 million (FY23: US\$79.5 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\$68.6 million (FY23: US\$68.7 million)) and trade and other payables (short-term portion of US\$102.0 million (FY23: US\$75.5 million)).</i>		
Expected credit losses have been assessed. No material expected credit losses have been noted.		
19.2 Contract assets		
Non-current	46 038	41 551
Non-current contract assets	46 038	41 551
Current	207 049	202 566
Current contract assets	207 049	202 566
Total contract assets	253 087	244 117
Changes during the year:		
At the beginning of the year	244 117	177 329
Amounts recognised during the year	11 025	99 849
Change in the time frame for a right to consideration to become unconditional	36	(9 561)
Impairment losses recognised	(155)	(455)
Reversal of impairment losses	490	—
Translation and other movements	(2 426)	(23 045)
Total contract assets	253 087	244 117

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 US\$0.1 million (FY23: US\$0.5 million).

	2024 US\$'000	2023 US\$'000
20. Stated capital		
Authorised share capital		
400,000,000 (FY23: 400,000,000) ordinary shares of ZAR0.01 each		
Issued share capital		
226,901,383 (FY23: 219,653,316) fully paid ordinary shares excluding treasury, DBP and DBW shares		
Stated capital	145 395	138 091
	145 395	138 091

	Number of shares	Stated capital US\$'000
Balance at 1 March 2023	213 631 099	148 859
Issue of shares for a scrip distribution FY22 final dividend	4 787 467	10 247
Issue of shares for a scrip distribution special dividend	3 171 196	7 832
Treasury shares granted to deferred DBW shares	(356 656)	(864)
Treasury shares relating to DBP shares that have vested in the current financial year	870 343	2 013
Treasury shares purchased	(3 039 802)	(5 957)
Treasury shares issued to settle share schemes that vested	589 669	1 307
Effects of foreign currency translation	—	(25 346)
Balance at 28 February 2023	219 653 316	138 091
Issue of shares for a scrip distribution final FY23 dividend	4 606 140	8 624
Treasury shares granted to deferred DBW shares	(358 394)	(717)
Treasury shares relating to DBP shares that have vested in the current financial year	574 466	797
Treasury shares purchased	(548 362)	(1 183)
Treasury shares issued to settle share schemes that vested	2 974 217	5 077
Effects of foreign currency translation	—	(5 294)
Balance at 29 February 2024	226 901 383	145 395

	Number of shares	Treasury shares US\$'000
Reconciliation of treasury shares		
Balance as at 1 March 2023	3 000 000	6 015
Treasury shares purchased	548 362	1 183
Treasury shares used to settle share schemes that vested	(2 974 217)	(5 077)
Balance at 29 February 2024	574 145	2 121

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 29 February 2024, 4 606 140 (FY23: 7 958 663) shares were issued as a scrip distribution to shareholders.

As at 29 February 2024, the Group held 574 145 (FY23: 3 000 000) shares as treasury shares. These treasury shares were set off against stated capital in FY24.

As at 29 February 2024, there were 2 047 149 shares (FY23: 2 263 221 shares) relating to the DBP and DBW (refer to Note 2). This includes 358 394 shares used for participants in the DBW in the current year (FY23: 356 656 shares used for the DBP) less 574 466 shares (FY23: 870 343) that vested in the current financial year and left the restrictions of the DBP. The DBP and DBW shares between grant and vesting (i.e. while forfeitable) are set off against stated capital.

Notes to the Group consolidated annual financial statements continued
for the year ended 29 February 2024

	2024 US\$'000	2023 US\$'000
21. Long-term interest-bearing liabilities		
21. Total long-term interest-bearing liabilities		
Secured loans	30 775	25 434
Westcon International	10 556	12 252
Logicalis International	20 219	13 182
Unsecured loans	37 149	37 340
Westcon International	658	912
Logicalis International	5 024	12 788
Logicalis Latin America	31 467	23 640
	67 924	62 774
Less: Current portion included in short-term interest-bearing liabilities (Note 24)	(28 786)	(21 150)
Long-term portion	39 138	41 624
Repayable between one and two years	33 720	34 688
Repayable between two and three years	3 176	5 688
Repayable between three and four years	1 636	954
Repayable between four and five years	601	219
Repayable after five years	5	75
	39 138	41 624

21. Long-term interest-bearing liabilities (continued)**21.1 Secured loans and other long-term liabilities**

Principal amount (loan currency)	Principal amount US\$'000	Currency	Interest rate	Final repayment date	Repayment terms	2024 Total capital amount outstanding US\$'000
Secured						30 775
Westcon International						10 556
180	141	SGD	6.40%	August 2024*	Monthly instalments	128
200 000	10 428	ZAR	Three month JIBAR + 2,9%	September 2024*	Full capital repayable every three years, interest paid quarterly	10 428
Logicalis International						20 219
8 942	9 665	EUR	6.52%	April 2030*	Monthly instalments	7 980
7 896	7 896	US\$	5.30%	May 2024*	Annual instalments	2 630
2 609	2 820	EUR	3.00%	July 2028*	Quarterly instalments	1 908
12 747	13 777	EUR	3.00%	June 2025*	Monthly instalments	1 795
5 340	5 772	EUR	2.00%	June 2026*	Monthly instalments	1 166
23 061	24 925	EUR	1.0% to 3.6%	Between September 2024 and June 2028*	Monthly instalments	4 740
Unsecured						37 149
Westcon International						658
1 100	1 189	EUR	0.0%	August 2025*	Annual instalments	561
761	494	AU\$	5.00%	January 2025*	Monthly instalments	97
Logicalis International						5 024
2 782	3 006	EUR	5.97%	November 2025*	Quarterly instalments	1 810
1 492	1 613	EUR	4.20%	May 2025*	Annual instalments	1 094
Various	4 510	Various	Interest free to 4.06%	Between April 2024 and March 2027*	Monthly, quarterly, bi-annually and annual instalments	2 120
Logicalis Latin America						31 467
40 000	8 048	BRL	13.47%	May 2025*	Bullet payment on 14 May 2025	8 265
35 000	7 042	BRL	13.65%	May 2025*	Bullet payment on 21 May 2025	7 506
30 000	6 036	BRL	13.65%	March 2025*	Bullet payment on 27 March 2025	6 645
14 913	14 913	US\$	2.00%	May 2025*	Quarterly instalments	3 857
20 000	4 024	BRL	13.55%	July 2028*	Annual instalments	3 437
Various	9 107	Various	1.63% to 5.00%	Between April 2024 and April 2026*	Quarterly and monthly instalments	1 757

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

One of the Westcon International liabilities is secured by trade receivables to the value of US\$22.4 million (FY23: US\$22.1 million).

Logicalis International's secured 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, amounting to US\$ 20.2 million.

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

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

21. Long-term interest-bearing liabilities (continued)

21.1 Secured loans and other long-term liabilities

Principal amount (loan currency)	Principal amount US\$'000	Currency	Interest rate	Final repayment date	Repayment terms	2023 Total capital amount outstanding US\$'000
Secured						25 434
Westcon International						12 252
250 000	13 576	ZAR	three-month JIBAR + 2.9%	September 2024	Full capital repayable every three years, interest paid quarterly	12 218
180	141	SGD	5.19%	August 2024*	Monthly instalments	34
Logicalis International						13 182
12 747	13 523	EUR	2.99%	June 2025*	Monthly instalments	3 124
5 340	5 665	EUR	2.03%	June 2026*	Monthly instalments	1 608
1 003	1 064	EUR	3.60%	June 2028*	Monthly instalments	1 051
31 263	33 166	EUR	0.63% – 4.16%	Between April 2023 and June 2028*	Monthly instalments	7 399
Unsecured						37 340
Westcon International						912
1 100	1 305	EUR	0.0%	August 2025*	Annual instalments	701
667	450	AU\$	5.00%	January 2025*	Monthly instalments	211
Logicalis International						12 788
7 896	7 896	US\$	5.25%	May 2024	Annual instalments	5 128
2 782	2 951	EUR	5.97%	November 2025*	Quarterly instalments	2 711
Various	10 451	Various	Interest-free – 5.30%	Between May 2023 and June 2026*	Monthly, quarterly, bi-annual and annual instalments	4 949
Logicalis Latin America						23 640
14 913	14 913	US\$	1.80%	May 2025*	Quarterly instalments	6 843
25 000	4 807	BRL	16.45%	March 2024*	Bullet payment on 18 March 2024	5 564
25 000	4 807	BRL	5.51%	September 2024*	Bullet payment on 23 September 2024	4 945
5 308	5 308	US\$	1.82%	Between June and November 2024*	Quarterly instalments	2 511
5 108	5 108	US\$	1.82%	September 2023*	Quarterly instalments	1 290
Various	5 160	Various	1.63% – 17.14%	Between April 2024 and April 2026*	Monthly, quarterly and per semester	2 487

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

	2024 US\$'000	2023 US\$'000
22. Lease liabilities		
Non-current	45 548	45 412
Current	26 243	27 005
	71 791	72 417
Current portion repayable within one year	26 243	27 005
Repayable between one and two years	16 977	17 935
Repayable between two and three years	11 912	10 036
Repayable between three and four years	7 459	6 985
Repayable between four and five years	4 631	4 648
Repayable between five and ten years	4 569	5 808
	71 791	72 417

Geographic segment	Currency	Classes of right-of-use assets leased	Interest rate	Final repayment date	Principal amount US\$'000	2024 Total capital amount outstanding US\$'000
Westcon International						27 212
North America	US\$	Land and buildings	4.50%	November 2024	1 483	251
Europe	Various	Land and buildings, office furniture and equipment, and motor vehicles	Between 3.50% and 5.00%	Between November 2027 and September 2031	46 472	20 741
Asia-Pacific	Various	Land and buildings, office furniture and equipment	Between 1.79% and 9.50%	Between November 2024 and September 2027	11 658	5 188
MEA	Various	Land and buildings and motor vehicles	Between 4.50% and 22.00%	Between May 2025 and March 2028	5 333	1 032
Logicalis International						33 919
North America	US\$	Computer equipment, equipment and land, and buildings	Between 0.00% and 7.50%	Between April 2024 and May 2030	18 639	9 480
Europe	EUR and GBP	Office furniture, equipment, motor vehicles, computer equipment and land and buildings	Between 0.00% and 14.50%	Between March 2024 and April 2033	34 945	16 045
Asia-Pacific	Various	Office furniture, computer equipment, leasehold improvements, and land, and buildings	Between 0.00% and 13.00%	Between April 2024 and January 2029	16 434	7 510
MEA	ZAR	Land and buildings, computer equipment and motor vehicles	Between 8.00% and 14.00%	Between April 2024 and December 2027	1 911	884
Logicalis Latin America						7 841
Latin America	Various	Land and buildings, equipment and computer equipment	Between 0.27% and 15.30%	Between March 2024 and June 2028	14 423	7 841
Corporate						2 819
Europe	US\$ and GBP	Land and buildings and computer equipment	Between 2.49% and 2.65%	Between March 2025 and December 2028	2 424	2 405
MEA	ZAR	Equipment and land and buildings	9.25%	Between December 2023 and November 2030	528	414

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

22. Lease liabilities (continued)

Geographic segment	Currency	Classes of right-of-use assets leased	Interest rate	Final repayment date	Principal amount US\$'000	2023 Total capital amount outstanding US\$'000
Westcon International						29 790
North America	US\$	Land and buildings	4.50%	September 2029	2 965	1 767
Europe	Various	Land and buildings, office furniture and equipment and motor vehicles	Between 3.50% and 5.00%	Between January 2026 and September 2031	41 288	20 229
Asia-Pacific	Various	Land and buildings and office furniture and equipment	Between 1.79% and 8.50%	Between January 2025 and May 2027	11 498	5 992
MEA	Various	Land and buildings and motor vehicles	Between 5.00% and 13.50%	Between February 2025 and February 2026	4 546	1 802
Logicalis International						32 508
North America	US\$	Computer equipment, equipment and land and buildings	Between 3.61% and 7.00%	Between April 2023 and May 2030	26 600	10 332
Europe	EUR and GBP	Office furniture, equipment, motor vehicles, computer equipment and land and buildings	Between 0.20% and 7.50%	Between March 2023 and January 2030	28 186	14 223
Asia-Pacific	Various	Office furniture, equipment, computer equipment, leasehold improvements and land and buildings	Between 0.00% and 10.60%	Between April 2023 and June 2027	20 934	6 757
MEA	ZAR	Land and buildings and motor vehicles	Between 8.00% and 10.75%	Between April 2024 and December 2027	1 830	1 196
Logicalis Latin America						7 108
Latin America	Various	Land and buildings	Between 0.00% and 44.00%	Between March 2023 and November 2027	15 066	7 108
Corporate						3 011
Europe	US\$	Land and buildings	2.65%	December 2028	2 541	2 525
MEA	ZAR	Equipment and land and buildings	9.25%	Between December 2023 and November 2030	551	486

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

The Group's 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.

	2024 US\$'000	2023 US\$'000
23. Trade and other payables		
Trade payables	1 509 890	1 515 478
VAT/sales tax	69 553	39 458
Sundry payables and accruals*	435 065	453 577
Short-term portion of share-based payments	2 502	63 462
	2 017 010	2 071 975

* Includes accruals for products costs, commissions, customer rebates, withholding tax, payroll taxes, other taxes and a number of individually immaterial accruals and payables.

The short-term portion of share-based payments has decreased. In FY23, there was an increase as a result of the increasing valuations of the divisions' cash-settled share-based payment plans, particularly Westcon International. US\$nil (FY23: US\$61.0 million) of the total US\$3.4 million (FY23: US\$63.5 million) short-term portion of share-based payments relates to the Westcon International EAP and the Westcon International SAR scheme. Refer to Note 2.

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.

Withholding taxes

As at 28 February 2022, Westcon International had 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 31 December 2020. Westcon KSA strongly disagrees with the tax authority's assessments issued on 22 June 2021 and has submitted the necessary appeals. Following an unsuccessful attempt to utilise the alternative dispute resolution procedures, the matter is now proceeding to court. The ongoing litigation with the KSA tax authorities is likely to continue beyond the next financial year-end. A liability has been recognised for a possible exposure in this regard.

As at 29 February 2024, withholding tax liabilities for the Group totalled US\$23.5 million (FY23: US\$20.0 million), which includes the liability for the Westcon KSA matter described above.

Inventory purchase financing arrangements

Certain subsidiaries in Logicalis International and Logicalis Latin America 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 International

- Logicalis United States: Extended payment terms begin at 90 days+ for a maximum of US\$95.6 million (FY23: 60+ days for a maximum of US\$85.0 million). At 29 February 2024, US\$9.3 million was utilised (FY23: US\$7.4 million).
- Logicalis United States: Extended payment terms begin at 75+ days for a maximum of US\$28.0 million (FY23: US\$28.0 million). At 29 February 2024, US\$12.5 million was utilised (FY23: US\$1.3 million).
- Logicalis United Kingdom: Extended payment terms are between 60 and 90 days for a maximum of US\$20.0 million (FY23: US\$nil). At 29 February 2024, US\$0.6 million was utilised (FY23: US\$nil).

Logicalis Latin America

- Extended payment terms begin at 90+ days up to US\$89.0 million (FY23: US\$125.0 million). There is an additional limit of US\$20.0 million that can be accessed for a period of up to 30 days, thus a total maximum of US\$109.0 million. At 29 February 2024, US\$13.2 million was utilised (FY23: US\$13.9million).

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.

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	2024 US\$'000	2023 US\$'000
24. Short-term interest-bearing liabilities		
Unsecured short-term funding – Logicalis International	1 855	3 693
Unsecured short-term funding – Logicalis International	593	—
Unsecured short-term funding – Logicalis International	40	—
Unsecured short-term funding – Logicalis International	—	1 286
Unsecured short-term funding – Logicalis Latin America	—	2 112
Secured short-term funding – Westcon International	282 449	269 053
Secured short-term funding – Westcon International	87 989	81 624
Secured short-term funding – Logicalis Latin America	544	1 944
Current portion of other long-term liabilities (Note 21)	28 786	21 150
	402 256	380 862

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

Unsecured loans

One of Logicalis International's subsidiaries has entered into various loans with a lender, between US\$0.5 million and US\$2.1 million, bearing interest between 4.00% and 4.30%. These liabilities are repayable between May and September 2024. At 29 February 2024, US\$1.9 million was outstanding (FY23: US\$3.7 million).

One of Logicalis International's subsidiaries has entered into various loans with a lender for US\$1.3 million bearing interest between 0.15% and 2.61%. These liabilities are repayable between July and August 2024. At 29 February 2024, US\$0.6 million was outstanding (FY23: US\$nil).

One of Logicalis International's subsidiaries has entered into a loan with a lender for US\$0.2 million bearing interest at 2.75%. This liability is repayable by April 2024. At 29 February 2024, US\$0.04 million was outstanding (FY23: US\$nil).

Secured loans

Some of Westcon International's subsidiaries have entered into various arrangements with a lender, up to a maximum of US\$422.2 million (EUR390.6 million) (FY23: US\$414.4 million (EUR390.6 million)), bearing interest at three-month EURIBOR + 0.9%, three-month US LIBOR + 0.9%, CHF SARON +0.9% and three-month GBP TSRR + 0.9%. As at 29 February 2024, there were restrictions of US\$nil (FY23: US\$nil) against the gross available facilities. These are rolling facilities and at 29 February 2024, US\$282.4 million (FY23: US\$269.1 million) was outstanding. The net availability on this facility is US\$139.8 million (FY23: US\$145.3 million).

One of Westcon International's subsidiaries has entered into various arrangements with a lender of US\$130.0 million, bearing interest at 1.50% above bank base rate. The maximum facility is US\$130.0 million. As at 29 February 2024, there were restrictions of US\$38.4 million (FY23: US\$8.6 million). These are rolling facilities and at 29 February 2024, US\$88.0 million (FY23: US\$81.6 million) was outstanding. The net availability of this facility, after taking into account restrictions and the amount outstanding, was US\$3.6 million (FY23: US\$29.8 million).

One of Logicalis Latin America's subsidiaries has entered into funding arrangements with various lenders, between US\$0.04 million and US\$0.6 million each, bearing interest between 2.00% and 11.00%. These loans are repayable between March and May 2024. At 29 February 2024, US\$0.5 million (FY23: US\$1.9 million) was outstanding. The liability is secured by invoices to the value of US\$0.5 million (FY23: US\$1.9 million).

	2024 US\$'000	2023 US\$'000
25. Acquisition-related liabilities		
Long-term portion	143	1 061
Short-term portion	1 081	2 803
	1 224	3 864

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.

Logicalis International

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). At the acquisition date there were two options for Logicalis International to repurchase this minority stake for an agreed amount of up to EUR8.8 million (approximately US\$9.3 million), the second option of US\$2.9 million was settled in FY24. A potential maximum earn out of EUR1.0 million (equivalent of US\$1.1 million), subject to certain performance conditions, is outstanding as at 29 February 2024. As at 29 February 2024, US\$0.1 million relates to Logicalis International BBBEE scheme in South Africa.

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	Restructuring 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
26. Provisions								
Balance at 1 March 2023	8 789	2 021	563	4 531	3 828	710	1 322	21 764
Amounts added	8 416	1 567	2 017	460	591	778	1 787	15 616
Utilised	(9 260)	(570)	(11)	(893)	(212)	(74)	(50)	(11 070)
Amounts reversed	(1 079)	(1 652)	—	(118)	(93)	—	—	(2 942)
Translation and other	94	(299)	24	(46)	18	189	(32)	(52)
Balance at 29 February 2024	6 960	1 067	2 593	3 934	4 132	1 603	3 027	23 316
Expected maturity:								
Within one year	6 766	900	2 593	287	546	629	2 519	14 240
Between two to five years	194	135	—	780	943	974	384	3 410
More than five years	—	32	—	2 867	2 643	—	124	5 666
	6 960	1 067	2 593	3 934	4 132	1 603	3 027	23 316

	2024 US\$'000	2023 US\$'000
Long-term portion	9 076	8 860
Short-term portion	14 240	12 904
	23 316	21 764

Restructuring provisions include expected costs for certain restructuring activities of the Group where the details have already been announced to affected parties. The timing of restructuring provisions is fairly certain in the majority of instances and is expected to be settled within 12 months. There is minimal uncertainty with regards to the amounts but some provisions are subject to final agreement.

Legal claims and costs are provisions for anticipated settlements including costs for various legal matters that the Group is defending. 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 both in-house and external legal counsel of the Group.

VAT/Sales tax provisions relate to provisions for potential taxes in foreign jurisdictions and external tax consultants are being utilised to investigate these exposures.

Pension obligations relate to a pension scheme operated by Logicalis International and Logicalis Latin America, for which full defined benefit pension disclosure has not been disclosed due to it not being material. 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.

Dilapidations and asset retirement obligations relate to provisions where the Group is expected to restore certain leased property and assets to their original condition. 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 amounts as they are subject to the properties' conditions, the position and behaviour of the landlord and the local rates prevailing at the time.

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. 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.

Other provisions include asset vendor credits, employee settlement claims and other provisions which are individually insignificant.

	2024 US\$'000	2023 US\$'000
27. Deferred revenue		
Non-current	43 387	27 415
Current	157 900	160 806
	201 287	188 221
Changes during the year:		
At the beginning of the year	188 221	156 102
Changes due to new contracts and revenue recognised that was included in the contract liability balance at the beginning of the year*	255 218	204 905
Changes due to business combinations	641	8 037
Change in estimation of transaction price	(646)	(933)
Disposal of discontinued operations	—	(5 065)
Other adjustments	(399)	378
Change in the time frame for a right to consideration to become unconditional	(61)	(5 404)
Amounts recognised during the year	(244 585)	(162 969)
Translation and other movements	2 898	(6 830)
	201 287	188 221

*The current year amount includes US\$114.5 million recognised as revenue during the year that was included in the deferred revenue opening balance

Deferred revenue relates to payments received from customers where there is still a commitment to complete the performance obligation. As at 29 February 2024, 60% of unsatisfied performance obligations are expected to be recognised within the next 12 months. Revenue is only recognised once the performance obligation has been satisfied/partially satisfied.

	2024 US\$'000	2023 US\$'000
28. Bank overdrafts		
Bank overdrafts unconditionally repayable on demand	53 496	71 897
Logicalis International	24 562	27 258
Logicalis Latin America	28 934	44 639
Bank overdrafts repayable on demand under certain conditions (Note 36)	125 481	124 465
Westcon International	8 603	7 108
Logicalis International	116 878	114 817
Logicalis Latin America	—	2 540
	178 977	196 362

Region	Facility currency	Facility limit US\$'000	Interest rate	2024 Overdraft US\$'000
Westcon International				8 603
Bank overdrafts repayable on demand under certain conditions				8 603
UAE	US\$	15 000	Emirates Interbank Offered Rate ("EIBOR") (three-month) + 2.50% (7.74% as at 29 February 2024).	7 967
Indonesia	US\$	3 000	For IDR drawings, bank best lending rate minus 5.20% (10.80% average as at 29 February 2024).	636

Only facilities that have been drawn at 29 February 2024 have been included in the table above. There are further facilities available to be drawn upon, which together with the outstanding facilities above, amounts to total facilities of US\$31.3 million (FY23: US\$31.2 million). US\$8.6 million (FY23: US\$7.1 million) was drawn at year-end. As at 29 February, there were restrictions of US\$nil (FY23: US\$nil). The net availability of the facilities is US\$22.7 million (FY23: US\$24.1 million). The net availability does not include any cash sources in Westcon International. US\$nil (FY23: US\$nil) of trade receivables are pledged as collateral against bank overdrafts.

Notes to the Group consolidated annual financial statements continued
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28. Bank overdrafts (continued)

Region	Facility currency	Facility limit		2024
		US\$'000	Interest rate	Overdraft US\$'000
Logicalis International				141 440
Bank overdrafts unconditionally repayable on demand				24 562
UK, Channel Islands and Germany	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.	24 163
Indonesia	IDR	6 400	9.00% as at 29 February 2024.	399
Bank overdrafts repayable on demand under certain conditions				116 878
UK	Various	115 693	SOFR**, SONIA**, BBSW**, EURIBOR** and SORA** (dependent on the length of the interest period) plus a margin rate which is determined from a margin ratchet on quarterly leverage. <ul style="list-style-type: none"> • This facility matures in November 2026 after a four-year term. • The facility includes leverage and interest cover covenants which are tested quarterly. 	113 108
South Africa	ZAR	3 678	11.00% as at 29 February 2024.	3 678
South Africa	ZAR	104	Prime plus 6.2% (17.00% as at 29 February 2024). <ul style="list-style-type: none"> • This facility has no specified maturity date. 	92

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

** SOFR – Secured Overnight Financing Rate.

SONIA – Sterling Overnight Interbank Average Rate.

BBSW – Bank Bill Swap Rate.

EURIBOR – Euro Interbank Offered Rate.

SORA – Singapore Overnight Rate Average.

Only facilities that have been drawn at 29 February 2024 have been included in the table above. There are further facilities available, which together with the drawn facilities above on all Logicalis International bank overdrafts, excluding unlinked overdrafts, amounts to total facilities of US\$140.6 million (FY23: US\$132.7 million). Furthermore, there are US\$141.4 million of overdrafts (FY23: US\$142.1 million) at year-end. No restrictions apply to the facilities. The net availability of all facilities, excluding unlinked overdrafts is US\$23.3 million (FY23: US\$14.3 million). The net availability does not include any cash sources in Logicalis International.

Region	Facility currency	Facility limit		2024
		US\$'000	Interest rate	Overdraft US\$'000
Logicalis Latin America				28 934
Bank overdrafts unconditionally repayable on demand				28 934
Brazil	BRL	12 054	CDI (Interbank deposit rate) + 2.70% (13.85% at 29 February 2024)	12 054
Brazil	US\$	6 004	This is a fixed rate of 8.10%.	6 004
Brazil	US\$	4 026	This is a fixed rate of 8.00%.	4 026
Brazil	BRL	608	CDI (Interbank deposit rate) + 3.29% (13.55% at 29 February 2024).	608
Chile	US\$	1 000	This is a fixed rate of 10.09%.	794
Chile	US\$	14 000	This is a fixed rate of 10.28%.	5 448

Only facilities that have been drawn at 29 February 2024 have been included in the table above. There are further facilities available, which together with the drawn facilities above on all Logicalis Latin America bank overdrafts, amounts to total facilities of US\$151.0 million (FY23: US\$83.6 million). US\$28.9 million of overdrafts (FY23: US\$47.2 million) at year-end. No restrictions apply to the facilities. The net availability of all facilities is US\$122.1 million (FY23: US\$36.4 million). The net availability does not include any cash sources in Logicalis Latin America.

28. Bank overdrafts (continued)

Region	Facility currency	Facility limit US\$'000	Interest rate	2023 Overdraft US\$'000
Westcon International				7 108
Bank overdrafts repayable on demand under certain conditions				7 108
UAE	US\$	15 000	EIBOR (three-month) + 2.25% (7.14% as at 28 February 2023).	5 388
Indonesia	US\$	11 000	For IDR drawings, bank best lending rate minus 5.20% (9.00% average as at 28 February 2023).	1 720
Logicalis International				142 075
Bank overdrafts unconditionally repayable on demand				27 258
UK and Channel Islands	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.	23 660
South Africa	ZAR	3 801	10.00% as at 28 February 2023.	3 598
Bank overdrafts repayable on demand under certain conditions				114 817
UK	Various	115 559	SOFR**, SONIA**, BBSW**, EURIBOR** and SORA** (dependent on the length of the interest period) plus a margin rate which is determined from a margin ratchet on quarterly leverage. <ul style="list-style-type: none"> • This facility matures in November 2026 after a four-year term. • The facility includes EBITDA and interest cover covenants which are tested quarterly. 	114 771
South Africa	ZAR	109	Prime plus 6.2% (17.00% as at 28 February 2023). <ul style="list-style-type: none"> • This facility has no specified maturity date. 	46

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

** SOFR – Secured Overnight Financing Rate. SONIA – Sterling Overnight Interbank Average Rate. BBSW – Bank Bill Swap Rate. EURIBOR – Euro Interbank Offered Rate. SORA – Singapore Overnight Rate Average.

Region	Facility currency	Facility limit US\$'000	Interest rate	2023 Overdraft US\$'000
Logicalis Latin America				47 179
Bank overdrafts unconditionally repayable on demand				44 639
Brazil	BRL	8 323	CDI (Interbank deposit rate) + 3.55% (17.00% at 28 February 2023).	8 323
Brazil	US\$	12 277	Fixed rate of 8.00%.	6 765
Brazil	US\$	6 034	Fixed rate of 8.00%.	6 034
Brazil	BRL	5 401	Fixed rate of 3.00%.	5 401
Brazil	BRL	4 331	Fixed rate of 6.00%.	4 331
Brazil	BRL	4 106	CDI (Interbank deposit rate) + 2.85% (4.00% at 28 February 2023).	4 106
Brazil	BRL	2 536	Fixed rate of 3%.	2 536
Brazil	BRL	2 206	CDI (Interbank deposit rate) + 3.95% (18.00% at 28 February 2023).	2 206
Brazil	BRL	918	CDI (Interbank deposit rate) + 3.49% (17.00% at 28 February 2023).	918
Chile	US\$	14 000	Interest free.	3 093
Chile	US\$		* Fixed rate of 11.00%.	926
Bank overdrafts repayable on demand under certain conditions				2 540
Chile	US\$	2 540	Fixed rate of 8.00%.	2 540

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

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29. Contingent liabilities, guarantees and litigation

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

As at 28 February 2023, Logicalis International had a contingent liability in respect of a possible withholding tax obligation at its subsidiary in Indonesia, PT. Packet Systems Indonesia ("PSI"). The Indonesian Tax Authority had 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. Objections had been filed by the company in respect of these periods with the Indonesian Tax Court. During the current financial year, the Indonesian Tax Court concluded on the objections which resulted in PSI recognising a charge of US\$1.8 million and settled the respective payment notices issued by the Indonesian Tax Authority. As at 29 February 2024 there is no contingent liability.

The Group has certain contingent liabilities resulting from litigation and claims. 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 29 February 2024, the inter-group sales of goods and provision of services amounted to US\$51.3 million (FY23: US\$71.1 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.

	2024 US\$'000	2023 US\$'000
Key management personnel compensation:		
Short-term employee benefits	8 270	8 257
Post-employment benefits	304	284
Share-based payments	183	14 181
	8 757	22 722

Key management personnel compensation comprises the compensation of 12 (FY23: 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 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 FY24 and FY23.

	2024						
	Guaranteed package				STI US\$'000	LTI US\$'000	Total US\$'000
	Basic salary US\$'000	Pension US\$'000	Other benefits* US\$'000	Fees US\$'000			
Executive directors							
JP Montanana	1 272	214	50	—	2 796	1 764	6 096
IP Dittrich	562	84	39	—	670	623	1 978
Total executive directors	1 834	298	89	—	3 466	2 387	8 074
Non-executive directors							
SJ Davidson	—	—	—	101	—	—	101
S Everaet (appointed 3 October 2023)	—	—	—	30	—	—	30
M Makanjee	—	—	—	238	—	—	238
JF McCartney (retired 27 July 2023)	—	—	—	32	—	—	32
CRK Medlock	—	—	—	89	—	—	89
MJN Njeke	—	—	—	121	—	—	121
LC Rapparini **	—	—	—	194	—	—	194
DS Sita	—	—	—	103	—	—	103
Total non-executive directors	—	—	—	908	—	—	908
Total directors' emoluments	1 834	298	89	908	3 466	2 387	8 982

	2023						
	Guaranteed package				STI US\$'000	LTI *** US\$'000	Total US\$'000
	Basic salary US\$'000	Pension US\$'000	Other benefits* US\$'000	Fees US\$'000			
Executive directors							
JP Montanana	1 200	214	49	—	1 609	8 856	11 928
IP Dittrich	530	84	50	—	385	4 097	5 146
Total executive directors	1 730	298	99	—	1 994	12 953	17 074
Non-executive directors							
SJ Davidson	—	—	—	100	—	—	100
M Makanjee	—	—	—	224	—	—	224
JF McCartney	—	—	—	72	—	—	72
CRK Medlock	—	—	—	84	—	—	84
MJN Njeke	—	—	—	114	—	—	114
LC Rapparini (appointed 1 September 2022) **	—	—	—	138	—	—	138
E Singh-Bushell (resigned 27 July 2022)	—	—	—	45	—	—	45
DS Sita (appointed 1 March 2022)	—	—	—	86	—	—	86
Total non-executive directors	—	—	—	863	—	—	863
Total directors' emoluments	1 730	298	99	863	1 994	12 953	17 937

* Other benefits include private medical insurance, permanent health insurance, life assurance and fuel for private vehicle.

** Fees paid to LC Rapparini in both the current and prior year includes fees paid to him for services rendered to Logicalis LATAM. The total fees paid to non-executive directors will therefore not agree to the fees disclosed in Note 3 - Operating profit.

*** The Westcon International Equity Appreciation Plan was settled in July 2024 and is included in the LTI disclosures of the directors in 2023.

Note that the non-executive directors' fees shown above excludes VAT.

There has been no change in the directors holding office from 29 February 2024 up to the date of approval of these financial statements.

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30. Related-party transactions (continued)

Conditional Share Plan (“CSP”)

Grants were made under the CSP in FY24 and FY23 including the following awards to directors:

CSP	Grant date	28 February 2023	Number of awards - movement in 2024				Fair value of awards				
			Granted	Vested	Lapsed	29 February 2024	On grant US\$'000	On grant as % of base pay	On vesting US\$'000	29 February 2024 US\$'000	28 February 2023 US\$'000
JP Montanana	1-Jun-20	1 256 488	—	(1 256 488)	—	—	1 086	95	2 290	—	2 256
	1-Jun-21	834 034	—	—	—	834 034	1 094	91	—	1 764	998
	1-Jun-22	713 605	—	—	—	713 605	1 261	105	—	1 006	854
	1-Jun-23	—	1 008 933	—	—	1 008 933	1 908	150	—	1 422	—
		2 804 127	1 008 933	(1 256 488)	—	2 556 572				4 192	4 108
IP Dittrich	1-Jun-20	443 518	—	(443 518)	—	—	383	76	808	—	796
	1-Jun-21	294 692	—	—	—	294 692	387	73	—	623	353
	1-Jun-22	252 142	—	—	—	252 142	446	84	—	355	302
	1-Jun-23	—	356 490	—	—	356 490	674	120	—	503	—
		990 352	356 490	(443 518)	—	903 324				1 481	1 451

Deferred Bonus Warrants (“DBW”)

Under the terms of the DBW plan, the executive directors must defer a minimum of 20% of their bonus and may elect to defer up to 50%. Executive directors deferred part of their FY23 bonuses under the terms of the DBW. The deferred part of the FY23 bonus was used to purchase Datatec “Bonus Shares” which will be held in escrow until vesting. In accordance with the policy, an equal co-investment from the Company was applied to the deferred bonus amount in the form of a grant of Share Appreciation Rights (SARs) whose expected value based on an actuarial calculation is equal to the STI deferred. The Company’s co-investment in the SARs is not disclosed in the LTI element shown in the directors’ remuneration table. Refer to the tables below:

DBW	FY24 grant date	Amount of bonus deferred		Bonus shares purchased US\$'000	SARs granted US\$'000	Fair value of awards on grant US\$'000
		%	US\$'000			
JP Montanana	1-Jun-23	29.4	473	473	473	946
IP Dittrich	1-Jun-23	22.1	85	85	85	170

DBW	FY23 grant date	Amount of bonus deferred		Bonus shares purchased US\$'000	SARs granted US\$'000	Fair value of awards on grant US\$'000
		%	US\$'000			
JP Montanana	15-Aug-22	24.2	624	624	624	1 248
IP Dittrich	15-Aug-22	20.0	124	124	124	248

DBW SARs	Grant date	Grant price ZAR	28 February 2023	Number of awards - movement in 2024				Fair value of awards		
				Granted	Vested	Lapsed	29 February 2024	On grant US\$'000	29 February 2024 US\$'000	28 February 2023 US\$'000
JP Montanana	15-Aug-22	27.75	1 411 860	—	—	—	1 411 860	624	943	408
	1-Jun-23	36.36	—	1 000 000	—	—	1 000 000	822	668	—
			1 411 860	1 000 000	—	—	2 411 860		1 611	408
IP Dittrich	15-Aug-22	27.75	279 701	—	—	—	279 701	124	187	81
	1-Jun-23	36.36	—	180 212	—	—	180 212	148	120	—
			279 701	180 212	—	—	459 913		307	81

30. Related-party transactions (continued)**Westcon International Equity Appreciation Plan (“WI – EAP”)**

During FY19, Datatec executive directors received one-off awards of units in the Westcon International EAP. The Westcon International EAP crystallised in FY24 based on the valuation of the business as at 1 March 2023 and participants were paid the capped amounts as at 28 February 2023 as stipulated in the table below:

Westcon EAP	Grant date (FY19)	Number of awards	Fair value of awards on grant US\$'000	Grant fair value as a % of base pay	Fair value of awards at 29 February 2024	Fair value of awards at 28 February 2023*	
					US\$'000	Pre-cap US\$'000	Capped US\$'000
JP Montanana	14-Mar-18	30 000	—	—	—	8 614	6 600
IP Dittrich	14-Mar-18	15 000	—	—	—	4 307	3 300

* The fair value of the EAP units as at 28 February 2023 was US\$287.15, however this value is capped at US\$224.49 per unit in terms of additional restrictions imposed by the Datatec Group Remuneration Committee. Participants were paid the capped amount in FY24.

Directors' interests in shares

Directors' interests in the ordinary shares of the Company at 29 February 2024 and 28 February 2023 are shown below:

	2024				2023			
	Direct	Indirect	Associates	Total	Direct	Indirect	Associates	Total
Executive directors								
JP Montanana	500 000	36 505 480	—	37 005 480	500 000	31 332 429	—	31 832 429
IP Dittrich	1 213 729	—	—	1 213 729	969 224	—	—	969 224
Non-executive directors								
SJ Davidson	—	—	11 001	11 001	—	—	11 001	11 001
JF McCartney (retired 27 July 2023)	—	—	—	—	—	1 278 877	—	1 278 877
	1 713 729	36 505 480	11 001	38 230 210	1 469 224	32 611 306	11 001	34 091 531

Of Mr Montanana's shareholding, 3 000 000 (FY23: 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 29 February 2024 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 and DBW (which are forfeited if they resign from the Company) are included in the above table.

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

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 in 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 FY24, 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:

	2024 US\$'000	2023 US\$'000
Long-term interest-bearing liabilities	39 138	41 624
Short-term interest-bearing liabilities	402 256	380 862
Lease liabilities – long-term	45 548	45 412
Lease liabilities – short-term	26 243	27 005
Cash resources	(569 035)	(584 683)
Bank overdrafts	178 977	196 362
Net debt	123 127	106 582
Total equity attributable to the parent	501 233	472 009
Gearing ratio: debt-to-equity ratio	25%	23%
31.3 Categories of financial instruments		
Financial assets		
Financial assets at fair value through profit or loss	8 099	5 080
Financial assets at fair value – designated as cash flow hedges	382	—
Financial assets at amortised cost	2 305 877	2 252 139
Financial liabilities		
Financial liabilities at fair value through profit or loss	1 971	8 802
Financial liabilities at fair value – designated as cash flow hedges	6 249	—
Financial liabilities at amortised cost	2 562 327	2 573 353

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

Financial assets and liabilities at fair value – designated as cash flow hedges are included in Other receivables (see Note 18) as part of derivative financial assets and Trade and other payables (see Note 23) as part of sundry payables and accruals respectively. The Group did not have any derivative financial instruments designated as cash flow hedges in the prior year.

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\$42.6 million, which represents over 5% of the total balance of trade receivables (FY23: US\$75.7 million). 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
2024							
Financial assets at amortised cost							
Bonds		—	—	—	—	3 959	3 959
Finance lease receivables		—	3 556	37 979	—	—	41 535
Loans granted to third parties and other long-term assets due		—	—	126 635	18 185	2 694	147 514
Gross trade accounts receivable		102 678	134 881	856 153	282 888	141 747	1 518 347
Less: Expected credit loss allowances		(205)	(1 325)	(8 418)	(3 039)	(16 493)	(29 480)
Sundry receivables		8 969	6 071	31 506	5 249	3 172	54 967
Cash resources		43 774	73 975	207 232	169 058	74 996	569 035
Financial assets at fair value through profit or loss							
Derivative financial assets not designated as hedging instruments	2	—	120	7 063	603	313	8 099
Derivative financial assets at fair value - designated as cash flow hedges	2	—	—	382	—	—	382
Maximum on-balance sheet exposure		155 216	217 278	1 258 532	472 944	210 388	2 314 358
Financial guarantees		—	—	—	—	—	—
Contract assets and contract costs		82 972	56 476	65 322	47 524	793	253 087

Notes to the Group consolidated annual financial statements continued

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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
2023							
cost							
Bonds		—	—	—	—	4 677	4 677
Finance lease receivables		—	1 214	19 612	155	—	20 981
Loans granted to third parties and other long-term assets due		326	—	71 561	13 795	1 377	87 059
Gross trade accounts receivable		85 473	160 965	844 043	292 455	153 276	1 536 212
Less: Expected credit loss allowances		—	(619)	(7 902)	(3 392)	(15 829)	(27 742)
Sundry receivables		6 975	13 329	15 729	7 519	2 717	46 269
Cash resources		35 627	56 810	297 553	128 599	66 094	584 683
Financial assets at fair value through profit or loss							
Derivative financial assets not designated as hedging instruments	2	—	649	3 277	1 154	—	5 080
Maximum on-balance sheet exposure		128 401	232 348	1 243 873	440 285	212 312	2 257 219
Financial guarantees		—	—	—	—	—	—
Contract assets and contract costs		88 395	59 577	43 289	52 191	665	244 117

The carrying values of loans granted to third parties, other long-term assets due and sundry receivables balances approximates 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 is 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.

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.

31. Financial instruments (continued)

31.4 Credit risk management (continued)

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.

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. Note 16 includes further details on the loss allowance for trade receivables. There has been no change in the estimation techniques or significant assumptions made during the year in assessing the credit losses for these financial assets.

US\$22.4 million of trade receivables are pledged as collateral against long-term interest-bearing liabilities and US\$842.6 million of trade receivables have been assigned against short-term interest-bearing liabilities (FY23: US\$22.1 million collateral against long-term interest-bearing liabilities and US\$742.5 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.

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. All significant customers are vetted by an external credit agency where possible. Limits attributed to customers are reviewed regularly. 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\$550.7 million of credit insurance is held over trade receivables (FY23: US\$617.0 million). No material 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 and are secured against the assets of the company to which the facility is made available. These facilities contain certain covenants including financial covenants such as minimum liquidity, maximum leverage and pre-tax earnings coverage. In certain circumstances, if these covenants are violated and a waiver is not obtained for such violation, this may, among other things, mean that the facility may be repayable on demand. Included in Note 28 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Logicalis International is supported by a corporate facility of US\$135.0 million, covering all its operations comprising an acquisition facility and a rolling credit facility to fund working capital requirements. Logicalis, Inc. a subsidiary operating in the United States, has a receivables purchase agreement. This agreement qualifies as a transfer of risks and rewards to the buyer and therefore permits the company to derecognise the relating accounts receivable. There is a finance cost to this company which is based on the individual customer's credit score and credit term of the customer invoices selected for sale. There is an agreed list of customers, each with an individual credit limit which, when combined totals US\$200 million. As at 29 February 2024, US\$0 million had been utilised.

Logicalis Latin America is supported separately via a number of uncommitted overdraft facilities and short-term lending arrangements and is predominantly sourced via Tier 1 banks in Brazil as it is the largest territory in the region.

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

31. Financial instruments (continued)

31.5 Liquidity risk management (continued)

Westcon International has an invoice assignment facility of €390.6 million for its European subsidiaries, as well as an extended payables facility of US\$71.5 million. Westcon International has a securitisation facility of US\$130.0 million for its Asia-Pacific facilities. 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 (€4.0 million) and Africa (US\$1.0 million), and a securitisation facility in South Africa (ZAR200.0 million).

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

All externally imposed covenants have been complied with during the financial year. 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
2024						
Financial liabilities at amortised cost						
Long-term interest-bearing liabilities		28 786	33 720	5 413	5	67 924
Other non-current liabilities		—	47 467	20 333	831	68 631
Lease liabilities		26 243	16 962	24 017	4 569	71 791
Trade payables		1 509 890	—	—	—	1 509 890
Other payables and other financial liabilities*		291 644	—	—	—	291 644
Short-term interest-bearing liabilities		373 470	—	—	—	373 470
Bank overdrafts		178 977	—	—	—	178 977
Financial liabilities at fair value through profit or loss						
Acquisition-related liabilities	3	1 081	143	—	—	1 224
Derivative financial liabilities not designated as hedging instruments	2	1 971	—	—	—	1 971
Derivative financial assets at fair value - designated as cash flow hedges						
	3	6 249	—	—	—	6 249
		2 418 311	98 292	49 763	5 405	2 571 771
Financial guarantees/commitments		—	—	—	—	—
2023						
Financial liabilities at amortised cost						
Long-term interest-bearing liabilities		21 150	24 178	17 371	75	62 774
Other non-current liabilities		—	40 998	27 946	—	68 944
Lease liabilities		27 005	17 935	21 669	5 808	72 417
Trade payables		1 515 478	—	—	—	1 515 478
Other payables and other financial liabilities*		297 666	—	—	—	297 666
Short-term interest-bearing liabilities		359 712	—	—	—	359 712
Bank overdrafts		196 362	—	—	—	196 362
Financial liabilities at fair value through profit or loss						
Acquisition-related liabilities	3	2 803	1 061	—	—	3 864
Derivative financial liabilities not designated as hedging instruments	2	8 802	—	—	—	8 802
		2 428 978	84 172	66 986	5 883	2 586 019
Financial guarantees/commitments		—	—	—	—	—

* Other payables per Note 23 of US\$507.1 million (FY23: US\$556.5 million) less VAT/sales tax of US\$69.6 million (FY23: US\$39.5 million), short-term portion of share-based payments of US\$2.5 million (FY23 US\$63.5 million), sundry accruals and payables which are not financial liabilities of US\$135.2 million (FY23: US\$147.0 million), and derivative financial liabilities which are disclosed separately of US\$8.2 million (FY23: US\$8.8 million).

31. Financial instruments (continued)

31.5 Liquidity risk management (continued)

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.

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

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

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 operate 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 and option contracts. Forward exchange contracts require a future purchase or sale of foreign currency at a specified price. Option-based contracts offer protection beyond a certain level, or provide exposure beyond a certain level in return for premiums which enhance the level available in the market.

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

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\$42.9 million (FY23: US\$54.5 million). A 10% movement will result in a US\$4.3 million (FY23: US\$5.5 million) movement in the statement of comprehensive income. Westcon International's most significant exposures are to the US Dollar, British Pound and Euro.

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

31. Financial instruments (continued)

31.7 Foreign exchange risk management (continued)

31.7.1 Foreign currency exposure analysis (continued)

Logicalis International

Datatec management has performed a review of foreign currency exposures of the financial assets and liabilities of Logicalis International. 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\$34.2 million (FY23: US\$36.1 million). A 10% movement will result in a US\$3.4 million movement (FY23: US\$3.6 million) in the statement of comprehensive income. Logicalis International's largest exposures are to the US Dollar and Euro.

Logicalis Latin America

Datatec management has performed a review of foreign currency exposures of the financial assets and liabilities of Logicalis Latin America. 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\$17.9 million (FY23: US\$56.1 million). A 10% movement will result in a US\$1.8 million movement (FY23: US\$5.6 million) in the statement of comprehensive income. Logicalis Latin America's largest exposures are to the US Dollar, Argentinian Peso and Brazilian Real.

Corporate

Datatec management has performed a review of foreign currency exposures of the financial assets and liabilities of the Corporate segment. The total exposure, mostly to the British Pound and South African Rand, is US\$21.2 million (FY23: US\$18.5 million). A 10% movement will result in a US\$2.1 million movement (FY23: US\$1.9 million) in the statement of comprehensive income.

31.7.2 Forward foreign exchange and option contracts

It is the policy of the Group to enter into FECs and options to cover certain specific foreign currency payments and receipts based on the known exposure generated. The Group also enters into FECs and options 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/liabilities at fair value through profit or loss (for derivatives not designated as hedging instruments) or derivative assets/ liabilities at fair value - designated as cash flow hedges.

The effective portion of the gain or loss on those contracts which are designated as cash flow hedges of forecast or firmly committed foreign currency purchases and sales is recognised in Other Comprehensive Income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Income Statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item. US\$11.9 million was recycled from the cash flow hedge reserve to profit or loss (net debit to profit or loss) during the current year. Where derivative contracts are used to hedge forecast transactions, the Group designates the change in fair value relating to only the spot component as the hedging instrument. A dynamic risk management approach is applied with designations revised on a monthly basis in order to allow for the management of costs of hedging. The hedged cash flows and hedging derivatives share the same spot risks which have historically dominated the change in value of future foreign currency cash flows, therefore an economic relationship is expected to exist while maintaining a hedge ratio of 1:1 between the items.

A high degree of hedge effectiveness is expected provided counterparty non-performance risks remain low and the amount of the forecasted cash flows remains higher than the designated hedged amount. Hedge effectiveness is assessed using the hypothetical derivative method. The ineffective portion relating to foreign currency derivative contracts is recognised within the operating expenses line item. No hedge ineffectiveness was recognised in the current year.

The fair value of cash flow hedge-designated option contracts is divided into:

- Intrinsic value- which is determined by the difference between the strike price and the current market price of the underlying; and
- Time value- which is the residual value of the option and reflects the volatility of the price of the underlying and the time remaining to maturity.

The Group designates the intrinsic value of eligible foreign currency options for cash flow hedge accounting purposes. The intrinsic value of designated foreign currency options is initially deferred in the cash flow hedge reserve and released to profit or loss at the same time and in the same line item as the hedged cash flow. Changes in the time value of such options are recognised immediately in profit or loss within the operating expenses line item.

31. Financial instruments (continued)

31.7 Foreign exchange risk management (continued)

31.7.2 Forward foreign exchange and option contracts (continued)

The effect of cash flow hedge accounting on:

- the statement of financial position are shown in Note 31.3;
- the statement of comprehensive income and statement of changes in equity are shown in the statement of change in equity.

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 therefore been chosen for the sensitivity analyses as it represents a reasonable average expected change in interest rates across the various regions in the Group.

Interest rate sensitivity analyses

Datatec Group

- profit for the year ended 29 February 2024 would decrease by a net amount of US\$4.89 million (FY23: US\$2.73 million decrease).

Westcon International

- profit for the year ended 29 February 2024 would decrease by a net amount of US\$3.76 million (FY23: US\$1.72 million decrease).

Logicalis International

- profit for the year ended 29 February 2024 would decrease by a net amount of US\$0.90 million (FY23: US\$0.72 million decrease).

Logicalis Latin America

- profit for the year ended 29 February 2024 would decrease by a net amount of US\$0.23 million (FY23: US\$0.34 million decrease).

Corporate

- profit for the year ended 29 February 2024 would increase by a net amount of US\$0.04 million (FY23: US\$0.05 million decrease).

Notes to the Group consolidated annual financial statements continued
for the year ended 29 February 2024

	Note	2024 US\$'000	2023* US\$'000
32. Cash generated from operations			
Profit before taxation		76 465	98 383
Adjustment for:			
Unrealised foreign exchange losses	3	15 928	9 115
Share-based payments	2	8 277	55 267
Share of equity-accounted investment earnings	12.1	(251)	(882)
Depreciation and amortisation	3	61 229	69 025
Loss on disposal of property, plant and equipment and software		440	55
Loss on disposal of right-of-use asset		1 037	367
Net movement in provisions	26	12 674	16 791
Net movements on expected credit loss allowances		3 130	4 455
Acquisition-related fair value adjustments	25	143	(38)
Movement in inventory provision		4 877	(1 043)
Cash payments to settle share-based payment obligations		(59 344)	—
Non-cash movement on multi-year contracts		4 273	272
Profit on disposal of Analysys Mason		—	(109 915)
Profit on disposal of investment	12.1	—	(2 915)
Fair value gain on equity-accounted investment		(14 901)	—
Loss on disposal of investment	12.1	—	1 392
Impairment of right-of-use assets	9	—	7 990
Impairment of capitalised development expenditure	10.1	—	3 563
Interest income	4	(13 749)	(8 500)
Finance costs**	4	68 715	46 836
Non-cash movement on unrealised foreign exchange hedge		7 401	—
Other non-cash items		(8 565)	1 391
Operating profit before working capital changes		167 779	191 609
Working capital changes:		29 583	(25 542)
Decrease/(Increase) in inventories		41 419	(109 055)
Decrease/(Increase) in receivables		35 089	(347 606)
(Decrease)/Increase in payables		(45 057)	484 124
Increase in contract assets and contract costs		(11 425)	(89 989)
Increase in deferred revenue		9 557	36 984
(Increase)/decrease in finance lease receivables		(19 195)	6 585
(Increase)/decrease in other non-current assets		(2 597)	754
		175 570	173 406

* Prior year comparative figures include both continuing and discontinued operations.

** Includes non-cash accruals.

	2024 US\$'000	2023 US\$'000
33. Taxation paid		
Net taxation asset at the beginning of the year	2 466	4 995
Subsidiaries acquired	7	(14)
Disposal of discontinued operations	—	1 633
Charge to profit and loss from continued operations (excluding deferred tax)	(36 340)	(26 925)
Charge to profit and loss for discontinued operations (excluding deferred tax)	—	(1 465)
Other movements and translation differences	867	60
Net taxation liability/(asset) at the end of the year	5 892	(2 466)
	(27 108)	(24 182)
Net taxation		
Current tax assets	25 981	19 390
Current tax liability	(31 873)	(16 924)
	(5 892)	2 466

	2024 US\$'000	2023 US\$'000
34. Additions to property, plant and equipment		
Maintenance of operations:		
Office furniture, equipment and motor vehicles	1 522	1 305
Computer equipment	10 304	11 118
Leasehold improvements	2 182	476
Land and buildings	155	71
Expansion of operations:		
Office furniture, equipment and motor vehicles	896	379
Computer equipment	5 690	3 848
Leasehold improvements	23	1 129
	20 772	18 326

	2024 US\$'000	2023 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.	(5 241)	1 032

Notes to the Group consolidated annual financial statements continued
for the year ended 29 February 2024

35. Cash flow additional notes (continued)

35.2 Reconciliation of liabilities arising from financing activities

	Note	Non-cash changes							Closing balance as at 29 February 2024 US\$'000
		Opening balance as at 1 March 2023 US\$'000	Financing cash inflows* US\$'000	Financing cash outflows* US\$'000	Operating cash outflows US\$'000	Acquisition of subsidiary US\$'000	New leases US\$'000	Foreign currency and other changes US\$'000	
2024									
Acquisition-related liabilities	25	(3 864)	—	2 852	—	—	—	(212)	(1 224)
Long-term interest-bearing liabilities**	21	(62 774)	(77 672)	71 164	1 450	—	—	(92)	(67 924)
Unsecured loans		(37 340)	(50 306)	50 582	203	—	—	(288)	(37 149)
Secured loans		(25 434)	(27 366)	20 582	1 247	—	—	196	(30 775)
Lease liabilities***/*	22	(72 417)	—	30 714	6 937	(27)	(32 263)	(4 735)	(71 791)
Bank overdrafts repayable on demand under certain conditions~	28	(124 465)	—	(1 195)	17 406	—	—	(17 227)	(125 481)
Short-term interest-bearing liabilities	24	(359 712)	(31 878)	15 409	37 069	—	—	(34 358)	(373 470)

* 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\$28.8 million – refer to Note 21).

*** The non-cash movement in leases include finance cost related to finance leases of US\$6.9 million (refer to Note 4), new leases of US\$32.3 million, foreign currency and other movements.

**** Includes current portion (US\$26.2 million – refer to Note 22).

~ Cash flows include US\$6.9 million interest related to lease liabilities and US\$17.4 million interest on bank overdrafts repayable on demand under certain conditions these are included in cash flows from operating activities.

	Note	Non-cash changes							Closing balance as at 28 February 2023 US\$'000	
		Opening balance as at 1 March 2022 US\$'000	Financing cash inflows* US\$'000	Financing cash outflows* US\$'000	Operating cash outflows US\$'000	Acquisition of subsidiary US\$'000	New leases US\$'000	Disposal of discontinued operations US\$'000		Foreign currency and other changes US\$'000
2023										
Acquisition-related liabilities	25	(4 095)	—	4 402	—	(4 894)	—	831	(108)	(3 864)
Long-term interest-bearing liabilities**	21	(81 769)	(58 296)	72 757	4 307	(69)	—	—	296	(62 774)
Unsecured loans		(38 203)	(41 147)	41 106	2 198	(69)	—	—	(1 225)	(37 340)
Secured loans		(43 566)	(17 149)	31 651	2 109	—	—	—	1 521	(25 434)
Lease liabilities***/*	22	(94 393)	—	33 872	5 896	—	(18 712)	4 093	(3 173)	(72 417)
Bank overdrafts repayable on demand under certain conditions~	28	(128 606)	—	2 316	18 406	—	—	—	(16 581)	(124 465)
Short-term interest-bearing liabilities	24	(241 288)	(136 201)	10 118	16 292	—	—	—	(8 633)	(359 712)

* 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\$21.2 million – refer to Note 21).

*** The non-cash movement in leases include finance cost related to finance leases of US\$6.0 million (refer to Note 4), of which US\$5.9 million relates to continued operations, new leases of US\$18.7 million, foreign currency and other movements.

**** Includes current portion (US\$27.0 million – refer to Note 22).

~ Cash flows include US\$6.0 million interest related to lease liabilities and US\$18.4 million interest on bank overdrafts repayable on demand under certain conditions these are included in cash flows from operating activities.

	Note	2024 US\$'000	2023 US\$'000
36. Cash and cash equivalents at the end of the year			
Cash resources		569 035	584 683
Bank overdrafts unconditionally repayable on demand	28	(53 496)	(71 897)
Cash and cash equivalents (per the statement of cash flows)		515 539	512 786
Bank overdrafts repayable on demand under certain conditions	28	(125 481)	(124 465)
Net cash resources		390 058	388 321
Bank overdrafts unconditionally repayable on demand		(53 496)	(71 897)
Bank overdrafts repayable on demand under certain conditions		(125 481)	(124 465)
Total bank overdrafts	28	(178 977)	(196 362)

37. Segmental report

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

Principal activities are as follows:

- Westcon 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 and Logicalis Latin America: International solutions providers of digital services; and
- Corporate and Management Consulting: Corporate includes Group head office companies, including the ultimate Logicalis holding company, Logicalis Group Limited and its associated costs, and Group consolidation adjustments. Management Consulting comprises Mason Advisory Limited in the current year as well as Analysys Mason which was disposed of during FY23, whose results are disclosed as discontinued operations in the prior year comparatives.

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 performance of the operating segments, has been identified as the executive directors that make strategic decisions.

The segmental report has been updated in the current and prior year to reflect significant expenses identified in EBITDA.

During FY24 and FY23, there were no customers that individually accounted for over 10% of the Group's revenue. There is one customer in Logicalis Latin America (US\$81.9 million) which accounts for over 10% of Logicalis Latin America's revenue (FY23: US\$180.7 million).

Notes to the Group consolidated annual financial statements continued
for the year ended 29 February 2024

37. Segmental report (continued)

	Westcon International	
	2024 US\$'000	2023 US\$'000
37.1 Condensed statement of comprehensive income		
Revenue	3 685 188	3 420 569
Total revenue	3 734 650	3 490 498
Inter-segmental	(49 462)	(69 929)
Gross profit	403 430	328 700
North America	10	119
Latin America	—	—
Europe	234 472	184 891
Asia-Pacific	118 693	107 123
MEA	50 255	36 567
Significant expenses included in EBITDA:		
Staff costs	(212 431)	(199 892)
Share-based payments	794	(36 284)
Restructuring costs	—	—
EBITDA	120 955	48 459
Depreciation and amortisation	(24 711)	(23 367)
Impairment of property, plant and equipment, right-of-use assets and capitalised development expenditure	—	(3 351)
Operating profit	96 244	21 741
Interest income	3 647	1 117
Finance costs	(40 890)	(20 341)
Share of equity-accounted investment earnings/(losses)	—	—
Acquisition-related fair value adjustments	—	—
Other income	2	21
Profit/(loss) on disposal of investment	—	—
Profit/(loss) before taxation	59 003	2 538
Taxation	(11 642)	(6 271)
Profit/(loss) for the year from continuing operations	47 361	(3 733)
Profit for the year from discontinued operations	—	—
Profit/(loss) for the year	47 361	(3 733)

Logicalis International		Logicalis Latin America		Corporate and Management Consulting		Datatec Group Total	
2024	2023	2024	2023	2024	2023	2024	2023
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
1 250 203	1 231 517	512 920	491 039	9 636	—	5 457 947	5 143 125
1 251 216	1 232 365	513 743	491 406	(41 662)	(71 144)	5 457 947	5 143 125
(1 013)	(848)	(823)	(367)	51 298	71 144	—	—
338 560	306 318	117 877	109 489	2 369	—	862 236	744 507
117 338	106 269	—	—	—	—	117 348	106 388
—	—	117 877	109 489	—	—	117 877	109 489
134 535	119 436	—	—	2 369	—	371 376	304 327
85 804	77 000	—	—	—	—	204 497	184 123
883	3 613	—	—	—	—	51 138	40 180
(210 194)	(199 625)	(66 402)	(55 170)	(4 622)	(2 690)	(493 649)	(457 377)
(2 390)	(463)	(338)	(504)	(6 343)	(15 390)	(8 277)	(52 641)
—	(12 504)	(2 950)	(2 189)	—	(464)	(2 950)	(15 157)
66 523	50 466	11 528	21 156	(21 417)	(21 835)	177 589	98 246
(27 400)	(37 293)	(8 825)	(7 354)	(293)	(120)	(61 229)	(68 134)
—	(6 578)	—	—	—	(1 691)	—	(11 620)
39 123	6 595	2 703	13 802	(21 710)	(23 646)	116 360	18 492
2 879	1 329	5 381	2 454	1 842	3 584	13 749	8 484
(16 325)	(13 197)	(11 359)	(12 935)	(141)	(101)	(68 715)	(46 574)
—	409	(206)	(645)	457	1 118	251	882
(143)	38	—	—	—	—	(143)	38
—	—	—	—	60	—	62	21
—	(1 392)	—	—	14 901	—	14 901	(1 392)
25 534	(6 218)	(3 481)	2 676	(4 591)	(19 045)	76 465	(20 049)
(12 800)	(1 264)	(142)	(1 391)	(943)	(4 449)	(25 527)	(13 375)
12 734	(7 482)	(3 623)	1 285	(5 534)	(23 494)	50 938	(33 424)
—	—	—	—	—	116 967	—	116 967
12 734	(7 482)	(3 623)	1 285	(5 534)	93 473	50 938	83 543

Notes to the Group consolidated annual financial statements continued
for the year ended 29 February 2024

37. Segmental report (continued)

		Westcon International 2024					
		North America	Latin America	Europe	Asia- Pacific	MEA	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
37.2	Revenue	9	—	2 258 894	949 362	476 923	3 685 188
	Revenue from product sales	9	—	2 178 240	920 320	469 051	3 567 620
	Revenue from sales of hardware	2	—	1 147 259	486 687	306 381	1 940 329
	Revenue from sales of software*	2	—	974 451	454 984	155 081	1 584 518
	Revenue from vendor resold services and product maintenance sales	5	—	67 869	15 675	7 932	91 481
	Inter-segmental revenue	—	—	(11 339)	(37 026)	(343)	(48 708)
	Nature of revenue from product sales	9	—	2 178 240	920 320	469 051	3 567 620
	Principal	4	—	2 121 710	941 671	461 462	3 524 847
	Agent	5	—	67 869	15 675	7 932	91 481
	Inter-segmental	—	—	(11 339)	(37 026)	(343)	(48 708)
	Timing of revenue from product sales	9	—	2 178 240	920 320	469 051	3 567 620
	At a point in time	9	—	2 189 579	957 346	469 394	3 616 328
	Over time	—	—	—	—	—	—
	Inter-segmental	—	—	(11 339)	(37 026)	(343)	(48 708)
	Revenue from services	—	—	58 876	20 282	5 621	84 779
	Revenue from professional services	—	—	59 171	20 728	5 626	85 525
	Inter-segmental revenue	—	—	(295)	(446)	(5)	(746)
	Nature of revenue from services	—	—	58 876	20 282	5 621	84 779
	Principal	—	—	59 171	20 728	5 626	85 525
	Agent	—	—	—	—	—	—
	Inter-segmental	—	—	(295)	(446)	(5)	(746)
	Timing of revenue from services	—	—	58 876	20 282	5 621	84 779
	At a point in time	—	—	—	—	—	—
	Over time	—	—	59 171	20 728	5 626	85 525
	Inter-segmental	—	—	(295)	(446)	(5)	(746)
	Revenue from annuity services	—	—	21 778	8 760	2 251	32 789
	Revenue from cloud services	—	—	—	—	—	—
	Revenue from software services*	—	—	21 786	8 744	2 267	32 797
	Revenue from other services	—	—	—	—	—	—
	Inter-segmental revenue	—	—	(8)	16	(16)	(8)
	Nature of revenue from annuity services	—	—	21 778	8 760	2 251	32 789
	Principal	—	—	—	—	—	—
	Agent	—	—	21 786	8 744	2 267	32 797
	Inter-segmental	—	—	(8)	16	(16)	(8)
	Timing of revenue from annuity services	—	—	21 778	8 760	2 251	32 789
	At a point in time	—	—	21 786	8 744	2 267	32 797
	Over time	—	—	—	—	—	—
	Inter-segmental	—	—	(8)	16	(16)	(8)

* Includes software as a service revenue.

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					
2023					
North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia- Pacific US\$'000	MEA US\$'000	Total US\$'000
119	—	2 117 922	841 209	461 319	3 420 569
—	—	2 064 492	820 832	453 620	3 338 944
—	—	1 276 471	445 675	296 706	2 018 852
—	—	771 913	394 633	152 368	1 318 914
—	—	48 646	14 143	7 628	70 417
—	—	(32 538)	(33 619)	(3 082)	(69 239)
—	—	2 064 492	820 832	453 620	3 338 944
—	—	2 048 384	840 308	449 074	3 337 766
—	—	48 646	14 143	7 628	70 417
—	—	(32 538)	(33 619)	(3 082)	(69 239)
—	—	2 064 492	820 832	453 620	3 338 944
—	—	2 097 030	854 451	456 702	3 408 183
—	—	—	—	—	—
—	—	(32 538)	(33 619)	(3 082)	(69 239)
119	—	46 348	17 421	6 098	69 986
119	—	46 686	17 627	6 123	70 555
—	—	(338)	(206)	(25)	(569)
119	—	46 348	17 421	6 098	69 986
119	—	46 686	17 627	6 123	70 555
—	—	—	—	—	—
—	—	(338)	(206)	(25)	(569)
119	—	46 348	17 421	6 098	69 986
—	—	—	—	—	—
119	—	46 686	17 627	6 123	70 555
—	—	(338)	(206)	(25)	(569)
—	—	7 082	2 956	1 601	11 639
—	—	—	—	—	—
—	—	7 110	2 956	1 694	11 760
—	—	—	—	—	—
—	—	(28)	—	(93)	(121)
—	—	7 082	2 956	1 601	11 639
—	—	—	—	—	—
—	—	7 110	2 956	1 694	11 760
—	—	(28)	—	(93)	(121)
—	—	7 082	2 956	1 601	11 639
—	—	7 110	2 956	1 694	11 760
—	—	—	—	—	—
—	—	(28)	—	(93)	(121)

Notes to the Group consolidated annual financial statements continued
for the year ended 29 February 2024

37. Segmental report (continued)

Logicalis International						
2024						
	North America	Latin America	Europe	Asia-Pacific	MEA	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
37.2 Revenue (continued)	386 543	—	491 531	354 518	17 611	1 250 203
Revenue from product sales	280 599	—	245 850	202 489	6 003	734 941
Revenue from sales of hardware	242 727	—	169 935	151 570	5 716	569 948
Revenue from sales of software*	38 022	—	76 687	50 934	363	166 006
Revenue from vendor resold services and product maintenance sales	—	—	—	—	—	—
Inter-segmental revenue	(150)	—	(772)	(15)	(76)	(1 013)
Nature of revenue from product sales	280 599	—	245 850	202 489	6 003	734 941
Principal	262 365	—	227 391	200 389	5 777	695 922
Agent	18 384	—	19 231	2 115	302	40 032
Inter-segmental	(150)	—	(772)	(15)	(76)	(1 013)
Timing of revenue from product sales	280 599	—	245 850	202 489	6 003	734 941
At a point in time	280 749	—	246 622	202 504	6 079	735 954
Over time	—	—	—	—	—	—
Inter-segmental	(150)	—	(772)	(15)	(76)	(1 013)
Revenue from services	42 466	—	103 608	54 325	1 702	202 101
Revenue from professional services	42 466	—	103 608	54 325	1 702	202 101
Inter-segmental revenue	—	—	—	—	—	—
Nature of revenue from services	42 466	—	103 608	54 325	1 702	202 101
Principal	41 819	—	102 862	54 312	1 702	200 695
Agent	647	—	746	13	—	1 406
Inter-segmental	—	—	—	—	—	—
Timing of revenue from services	42 466	—	103 608	54 325	1 702	202 101
At a point in time	647	—	746	13	—	1 406
Over time	41 819	—	102 862	54 312	1 702	200 695
Inter-segmental	—	—	—	—	—	—
Revenue from annuity services	63 478	—	142 073	97 704	9 906	313 161
Revenue from cloud services	33 893	—	11 442	18 147	1 451	64 933
Revenue from software services*	—	—	—	—	—	—
Revenue from other services	29 585	—	130 631	79 557	8 455	248 228
Inter-segmental revenue	—	—	—	—	—	—
Nature of revenue from annuity services	63 478	—	142 073	97 704	9 906	313 161
Principal	46 198	—	129 173	85 175	9 906	270 452
Agent	17 280	—	12 900	12 529	—	42 709
Inter-segmental	—	—	—	—	—	—
Timing of revenue from annuity services	63 478	—	142 073	97 704	9 906	313 161
At a point in time	17 280	—	12 900	12 529	—	42 709
Over time	46 198	—	129 173	85 175	9 906	270 452
Inter-segmental	—	—	—	—	—	—

* Includes software as a service revenue.

Vendor resold services in Logicalis International is included in revenue from annuity services as the revenue stream is directly related to the generation of recurring revenue.

Logicalis International
2023

North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia- Pacific US\$'000	MEA US\$'000	Total US\$'000
419 175	—	441 483	352 996	17 863	1 231 517
282 656	—	259 892	208 157	4 531	755 236
223 872	—	205 494	136 250	4 167	569 783
58 784	—	55 189	71 907	421	186 301
—	—	—	—	—	—
—	—	(791)	—	(57)	(848)
282 656	—	259 892	208 157	4 531	755 236
273 858	—	256 071	203 997	4 588	738 514
8 798	—	4 612	4 160	—	17 570
—	—	(791)	—	(57)	(848)
282 656	—	259 892	208 157	4 531	755 236
282 656	—	260 683	208 157	4 588	756 084
—	—	—	—	—	—
—	—	(791)	—	(57)	(848)
40 524	—	104 272	46 988	2 508	194 292
40 524	—	104 272	46 988	2 508	194 292
—	—	—	—	—	—
40 524	—	104 272	46 988	2 508	194 292
39 516	—	103 709	46 985	2 508	192 718
1 008	—	563	3	—	1 574
—	—	—	—	—	—
40 524	—	104 272	46 988	2 508	194 292
1 008	—	563	3	—	1 574
39 516	—	103 709	46 985	2 508	192 718
—	—	—	—	—	—
95 995	—	77 319	97 851	10 824	281 989
58 168	—	23 736	25 913	1 137	108 954
—	—	—	—	—	—
37 827	—	53 583	71 938	9 687	173 035
—	—	—	—	—	—
95 995	—	77 319	97 851	10 824	281 989
79 935	—	65 104	93 750	10 824	249 613
16 060	—	12 215	4 101	—	32 376
—	—	—	—	—	—
95 995	—	77 319	97 851	10 824	281 989
16 060	—	12 215	4 101	—	32 376
79 935	—	65 104	93 750	10 824	249 613
—	—	—	—	—	—

Notes to the Group consolidated annual financial statements continued
for the year ended 29 February 2024

37. Segmental report (continued)

		Logicalis Latin America 2024					
		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)	—	512 920	—	—	—	512 920
	Revenue from product sales	—	292 461	—	—	—	292 461
	Revenue from sales of hardware	—	215 343	—	—	—	215 343
	Revenue from sales of software*	—	77 941	—	—	—	77 941
	Revenue from vendor resold services and product maintenance sales	—	—	—	—	—	—
	Inter-segmental revenue	—	(823)	—	—	—	(823)
	Nature of revenue from product sales	—	292 461	—	—	—	292 461
	Principal	—	287 461	—	—	—	287 461
	Agent	—	5 823	—	—	—	5 823
	Inter-segmental	—	(823)	—	—	—	(823)
	Timing of revenue from product sales	—	292 461	—	—	—	292 461
	At a point in time	—	293 284	—	—	—	293 284
	Over time	—	—	—	—	—	—
	Inter-segmental	—	(823)	—	—	—	(823)
	Revenue from services	—	72 657	—	—	—	72 657
	Revenue from professional services	—	72 657	—	—	—	72 657
	Inter-segmental revenue	—	—	—	—	—	—
	Nature of revenue from services	—	72 657	—	—	—	72 657
	Principal	—	72 657	—	—	—	72 657
	Agent	—	—	—	—	—	—
	Inter-segmental	—	—	—	—	—	—
	Timing of revenue from services	—	72 657	—	—	—	72 657
	At a point in time	—	—	—	—	—	—
	Over time	—	72 657	—	—	—	72 657
	Inter-segmental	—	—	—	—	—	—
	Revenue from annuity services	—	147 802	—	—	—	147 802
	Revenue from cloud services	—	4 742	—	—	—	4 742
	Revenue from software services*	—	—	—	—	—	—
	Revenue from other services	—	143 060	—	—	—	143 060
	Inter-segmental revenue	—	—	—	—	—	—
	Nature of revenue from annuity services	—	147 802	—	—	—	147 802
	Principal	—	147 191	—	—	—	147 191
	Agent	—	611	—	—	—	611
	Inter-segmental	—	—	—	—	—	—
	Timing of revenue from annuity services	—	147 802	—	—	—	147 802
	At a point in time	—	611	—	—	—	611
	Over time	—	147 191	—	—	—	147 191
	Inter-segmental	—	—	—	—	—	—

* Includes software as a service revenue.

Vendor resold services in Logicalis Latin America is included in revenue from annuity services as the revenue stream is directly related to the generation of recurring revenue.

Logicalis Latin America					
2023					
North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia- Pacific US\$'000	MEA US\$'000	Total US\$'000
—	491 039	—	—	—	491 039
—	275 417	—	—	—	275 417
—	186 814	—	—	—	186 814
—	88 970	—	—	—	88 970
—	—	—	—	—	—
—	(367)	—	—	—	(367)
—	275 417	—	—	—	275 417
—	272 978	—	—	—	272 978
—	2 806	—	—	—	2 806
—	(367)	—	—	—	(367)
—	275 417	—	—	—	275 417
—	275 784	—	—	—	275 784
—	—	—	—	—	—
—	(367)	—	—	—	(367)
—	61 506	—	—	—	61 506
—	61 506	—	—	—	61 506
—	—	—	—	—	—
—	61 506	—	—	—	61 506
—	61 280	—	—	—	61 280
—	226	—	—	—	226
—	—	—	—	—	—
—	61 506	—	—	—	61 506
—	226	—	—	—	226
—	61 280	—	—	—	61 280
—	—	—	—	—	—
—	154 116	—	—	—	154 116
—	1 400	—	—	—	1 400
—	—	—	—	—	—
—	152 716	—	—	—	152 716
—	—	—	—	—	—
—	154 116	—	—	—	154 116
—	149 480	—	—	—	149 480
—	4 636	—	—	—	4 636
—	—	—	—	—	—
—	154 116	—	—	—	154 116
—	4 636	—	—	—	4 636
—	149 480	—	—	—	149 480
—	—	—	—	—	—

Notes to the Group consolidated annual financial statements continued
for the year ended 29 February 2024

37. Segmental report (continued)

		Corporate and Management Consulting					
		2024					
		North America	Latin America	Europe	Asia-Pacific	MEA	Total
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
37.2	Revenue (continued)	—	—	9 636	—	—	9 636
	Revenue from product sales	—	—	—	—	—	—
	Revenue from sales of hardware	(150)	(823)	(7 946)	(25 638)	(118)	(34 675)
	Revenue from sales of software*	—	—	(3 898)	(10 617)	(295)	(14 810)
	Revenue from vendor resold services and product maintenance sales	—	—	(267)	(786)	(6)	(1 059)
	Inter-segmental revenue	150	823	12 111	37 041	419	50 544
	Nature of revenue from product sales	—	—	—	—	—	—
	Principal	(150)	(823)	(11 844)	(36 255)	(414)	(49 486)
	Agent	—	—	(267)	(786)	(5)	(1 058)
	Inter-segmental	150	823	12 111	37 041	419	50 544
	Timing of revenue from product sales	—	—	—	—	—	—
	At a point in time	(150)	(823)	(12 111)	(37 041)	(419)	(50 544)
	Over time	—	—	—	—	—	—
	Inter-segmental	150	823	12 111	37 041	419	50 544
	Revenue from services	—	—	9 636	—	—	9 636
	Revenue from professional services	—	—	9 341	(446)	(5)	8 890
	Inter-segmental revenue	—	—	295	446	5	746
	Nature of revenue from services	—	—	9 636	—	—	9 636
	Principal	—	—	9 341	(446)	(5)	8 890
	Agent	—	—	—	—	—	—
	Inter-segmental	—	—	295	446	5	746
	Timing of revenue from services	—	—	9 636	—	—	9 636
	At a point in time	—	—	9 636	—	—	9 636
	Over time	—	—	(295)	(446)	(5)	(746)
	Inter-segmental	—	—	295	446	5	746
	Revenue from annuity services	—	—	—	—	—	—
	Revenue from cloud services	—	—	—	—	—	—
	Revenue from software services*	—	—	(8)	16	(16)	(8)
	Revenue from other services	—	—	—	—	—	—
	Inter-segmental revenue	—	—	8	(16)	16	8
	Nature of revenue from annuity services	—	—	—	—	—	—
	Principal	—	—	—	—	—	—
	Agent	—	—	(8)	16	(16)	(8)
	Inter-segmental	—	—	8	(16)	16	8
	Timing of revenue from annuity services	—	—	—	—	—	—
	At a point in time	—	—	(8)	16	(16)	(8)
	Over time	—	—	—	—	—	—
	Inter-segmental	—	—	8	(16)	16	8

* Includes software as a service revenue.

Corporate and Management Consulting
2023

North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia-Pacific US\$'000	MEA US\$'000	Total US\$'000
—	—	—	—	—	—
—	—	—	—	—	—
—	(367)	(20 213)	(23 630)	(2 934)	(47 144)
—	—	(12 789)	(10 216)	(170)	(23 175)
—	—	(327)	227	(35)	(135)
—	367	33 329	33 619	3 139	70 454
—	—	—	—	—	—
—	(367)	(33 002)	(33 846)	(3 104)	(70 319)
—	—	(327)	227	(35)	(135)
—	367	33 329	33 619	3 139	70 454
—	—	—	—	—	—
—	(367)	(33 329)	(33 619)	(3 139)	(70 454)
—	—	—	—	—	—
—	367	33 329	33 619	3 139	70 454
—	—	—	—	—	—
—	—	(338)	(206)	(25)	(569)
—	—	338	206	25	569
—	—	—	—	—	—
—	—	(338)	(206)	(25)	(569)
—	—	—	—	—	—
—	—	338	206	25	569
—	—	—	—	—	—
—	—	—	—	—	—
—	—	(28)	—	(93)	(121)
—	—	—	—	—	—
—	—	28	—	93	121
—	—	—	—	—	—
—	—	—	—	—	—
—	—	(28)	—	(93)	(121)
—	—	28	—	93	121
—	—	—	—	—	—
—	—	(28)	—	(93)	(121)
—	—	—	—	—	—
—	—	28	—	93	121

Notes to the Group consolidated annual financial statements continued
for the year ended 29 February 2024

37. Segmental report (continued)

	Datatec Group Total					
	2024					
	North America	Latin America	Europe	Asia-Pacific	MEA	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
37.2 Revenue (continued)	386 552	512 920	2 760 061	1 303 880	494 534	5 457 947
Revenue from product sales	280 608	292 461	2 424 090	1 122 809	475 054	4 595 022
Revenue from sales of hardware	242 579	214 520	1 309 248	612 619	311 979	2 690 945
Revenue from sales of software*	38 024	77 941	1 047 240	495 301	155 149	1 813 655
Revenue from vendor resold services and product maintenance sales	5	—	67 602	14 889	7 926	90 422
Inter-segmental revenue	—	—	—	—	—	—
Nature of revenue from product sales	280 608	292 461	2 424 090	1 122 809	475 054	4 595 022
Principal	262 219	286 638	2 337 257	1 105 805	466 825	4 458 744
Agent	18 389	5 823	86 833	17 004	8 229	136 278
Inter-segmental	—	—	—	—	—	—
Timing of revenue from product sales	280 608	292 461	2 424 090	1 122 809	475 054	4 595 022
At a point in time	280 608	292 461	2 424 090	1 122 809	475 054	4 595 022
Over time	—	—	—	—	—	—
Inter-segmental	—	—	—	—	—	—
Revenue from services	42 466	72 657	172 120	74 607	7 323	369 173
Revenue from professional services	42 466	72 657	172 120	74 607	7 323	369 173
Inter-segmental revenue	—	—	—	—	—	—
Nature of revenue from services	42 466	72 657	172 120	74 607	7 323	369 173
Principal	41 819	72 657	171 374	74 594	7 323	367 767
Agent	647	—	746	13	—	1 406
Inter-segmental	—	—	—	—	—	—
Timing of revenue from services	42 466	72 657	172 120	74 607	7 323	369 173
At a point in time	647	—	10 382	13	—	11 042
Over time	41 819	72 657	161 738	74 594	7 323	358 131
Inter-segmental	—	—	—	—	—	—
Revenue from annuity services	63 478	147 802	163 851	106 464	12 157	493 752
Revenue from cloud services	33 893	4 742	11 442	18 147	1 451	69 675
Revenue from software services*	—	—	21 778	8 760	2 251	32 789
Revenue from other services	29 585	143 060	130 631	79 557	8 455	391 288
Inter-segmental revenue	—	—	—	—	—	—
Nature of revenue from annuity services	63 478	147 802	163 851	106 464	12 157	493 752
Principal	46 198	147 191	129 173	85 175	9 906	417 643
Agent	17 280	611	34 678	21 289	2 251	76 109
Inter-segmental	—	—	—	—	—	—
Timing of revenue from annuity services	63 478	147 802	163 851	106 464	12 157	493 752
At a point in time	17 280	611	34 678	21 289	2 251	76 109
Over time	46 198	147 191	129 173	85 175	9 906	417 643
Inter-segmental	—	—	—	—	—	—

* Includes software as a service revenue.

Datatec Group Total 2023					
North America US\$'000	Latin America US\$'000	Europe US\$'000	Asia- Pacific US\$'000	MEA US\$'000	Total US\$'000
419 294	491 039	2 559 405	1 194 205	479 182	5 143 125
282 656	275 417	2 324 384	1 028 989	458 151	4 369 597
223 872	186 447	1 461 752	558 295	297 939	2 728 305
58 784	88 970	814 313	456 324	152 619	1 571 010
—	—	48 319	14 370	7 593	70 282
—	—	—	—	—	—
282 656	275 417	2 324 384	1 028 989	458 151	4 369 597
273 858	272 611	2 271 453	1 010 459	450 558	4 278 939
8 798	2 806	52 931	18 530	7 593	90 658
—	—	—	—	—	—
282 656	275 417	2 324 384	1 028 989	458 151	4 369 597
282 656	275 417	2 324 384	1 028 989	458 151	4 369 597
—	—	—	—	—	—
—	—	—	—	—	—
40 643	61 506	150 620	64 409	8 606	325 784
40 643	61 506	150 620	64 409	8 606	325 784
—	—	—	—	—	—
40 643	61 506	150 620	64 409	8 606	325 784
39 635	61 280	150 057	64 406	8 606	323 984
1 008	226	563	3	—	1 800
—	—	—	—	—	—
40 643	61 506	150 620	64 409	8 606	325 784
1 008	226	563	3	—	1 800
39 635	61 280	150 057	64 406	8 606	323 984
—	—	—	—	—	—
95 995	154 116	84 401	100 807	12 425	447 744
58 168	1 400	23 736	25 913	1 137	110 354
—	—	7 082	2 956	1 601	11 639
37 827	152 716	53 583	71 938	9 687	325 751
—	—	—	—	—	—
95 995	154 116	84 401	100 807	12 425	447 744
79 935	149 480	65 104	93 750	10 824	399 093
16 060	4 636	19 297	7 057	1 601	48 651
—	—	—	—	—	—
95 995	154 116	84 401	100 807	12 425	447 744
16 060	4 636	19 297	7 057	1 601	48 651
79 935	149 480	65 104	93 750	10 824	399 093
—	—	—	—	—	—

Notes to the Group consolidated annual financial statements continued
for the year ended 29 February 2024

37. Segmental report (continued)

	Westcon International	
	2024 US\$'000	2023 US\$'000
37.3 Condensed statement of financial position		
Total assets	1 974 130	1 935 153
Non-current assets (Excl. financial instruments and deferred tax assets)	71 926	63 075
North America	79 976	32 609
Latin America	—	—
Europe	(17 453)	39 620
Asia-Pacific	7 749	8 018
MEA	1 654	(17 172)
Net cash resources	319 916	325 192
North America	8 171	14 611
Latin America	—	—
Europe	126 307	169 326
Asia-Pacific	137 601	104 148
MEA	47 837	37 107
Inventories	264 290	311 427
North America	649	—
Latin America	—	—
Europe	134 172	150 774
Asia-Pacific	99 903	109 017
MEA	29 566	51 636
Trade receivables	1 055 682	1 041 905
North America	159	—
Latin America	—	—
Europe	716 080	692 549
Asia-Pacific	217 965	215 663
MEA	121 478	133 693
Total liabilities	(1 848 353)	(1 845 555)
Trade and other payables	(1 290 681)	(1 323 795)
North America	(1 300)	(12 702)
Latin America	—	—
Europe	(785 102)	(806 272)
Asia-Pacific	(349 005)	(339 161)
MEA	(155 274)	(165 660)
Short-term interest-bearing liabilities	(381 214)	(352 402)
North America	—	—
Latin America	—	—
Europe	(282 683)	(269 288)
Asia-Pacific	(88 103)	(81 757)
MEA	(10 428)	(1 357)
Number of employees at the end of the year*	3 595	3 502

* Includes both permanent employees and contractors.

Logicalis International		Logicalis Latin America		Corporate and Management Consulting		Datatec Group Total	
2024	2023	2024	2023	2024	2023	2024	2023
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
1 095 145	1 087 569	463 608	507 688	100 453	95 855	3 633 336	3 626 265
311 121	306 390	58 496	54 143	36 444	6 886	477 987	430 494
135 232	134 096	—	—	1	1	215 209	166 706
—	—	58 496	54 143	—	—	58 496	54 143
138 559	132 535	—	—	36 039	6 380	157 145	178 535
36 349	38 210	—	—	—	—	44 098	46 228
981	1 549	—	—	404	505	3 039	(15 118)
(17 654)	(24 525)	45 042	9 631	42 754	78 023	390 058	388 321
35 589	21 016	—	—	—	—	43 760	35 627
—	—	45 042	9 631	—	—	45 042	9 631
(80 891)	(65 134)	—	—	24 559	54 930	69 975	159 122
30 421	22 731	—	—	—	—	168 022	126 879
(2 773)	(3 138)	—	—	18 195	23 093	63 259	57 062
37 888	58 446	22 393	41 186	297	—	324 868	411 059
3 251	7 535	—	—	—	—	3 900	7 535
—	—	22 393	41 186	—	—	22 393	41 186
8 159	12 898	—	—	297	—	142 628	163 672
25 414	35 147	—	—	—	—	125 317	144 164
1 064	2 866	—	—	—	—	30 630	54 502
293 808	306 219	133 556	160 346	5 821	—	1 488 867	1 508 470
102 313	85 473	—	—	—	—	102 472	85 473
—	—	133 556	160 346	—	—	133 556	160 346
125 834	143 592	—	—	5 821	—	847 735	836 141
61 884	73 400	—	—	—	—	279 849	289 063
3 777	3 754	—	—	—	—	125 255	137 447
(872 545)	(865 704)	(318 943)	(354 665)	(24 351)	(28 001)	(3 064 192)	(3 093 925)
(524 763)	(529 053)	(188 085)	(199 539)	(13 481)	(19 588)	(2 017 010)	(2 071 975)
(207 988)	(179 295)	—	—	—	(3 505)	(209 288)	(195 502)
—	—	(188 085)	(199 539)	—	—	(188 085)	(199 539)
(211 104)	(221 793)	—	—	(13 478)	(9 875)	(1 009 684)	(1 037 940)
(100 660)	(122 685)	—	—	—	—	(449 665)	(461 846)
(5 011)	(5 280)	—	—	(3)	(6 208)	(160 288)	(177 148)
(16 151)	(17 628)	(4 891)	(10 832)	—	—	(402 256)	(380 862)
(2 630)	(2 499)	—	—	—	—	(2 630)	(2 499)
—	—	(4 891)	(10 832)	—	—	(4 891)	(10 832)
(11 282)	(9 949)	—	—	—	—	(293 965)	(279 237)
(2 239)	(5 180)	—	—	—	—	(90 342)	(86 937)
—	—	—	—	—	—	(10 428)	(1 357)
4 346	4 260	3 208	3 229	120	18	11 269	11 009

Notes to the Group consolidated annual financial statements continued
for the year ended 29 February 2024

38. Acquisitions of subsidiaries and increased investment in associate

38.1 Acquisitions of subsidiary and increased investment in associate

Subsidiaries acquired	Date of Acquisition	Proportion of shares acquired
Mason Advisory Limited ("Mason Advisory")	1 December 2023	40%*
Rebura Limited ("Rebura")	18 January 2024	100 %

* Immediately prior to this acquisition the Group owned 40.09% of Mason Advisory Limited.

	2024 Rebura Fair value on acquisition US\$'000	2024 Mason Advisory Fair value on acquisition US\$'000	2024 Total Fair value on acquisition US\$'000	2023 Total Fair value on acquisition US\$'000
Non-current assets	5 438	168	5 606	4 811
Property, plant and equipment	16	168	184	971
Right-of-use assets	—	—	—	297
Acquired intangible assets	5 422	—	5 422	3 543
Current assets	6 281	11 914	18 195	10 300
Inventories	—	—	—	133
Contract work in progress	—	738	738	—
Trade and other receivables	4 143	6 155	10 298	9 187
Current tax assets	—	7	7	—
Cash resources	2 138	5 014	7 152	980
Non-current liabilities	(1 356)	(51)	(1 407)	(886)
Lease liabilities – long-term	—	(9)	(9)	—
Deferred taxation liabilities	(1 356)	(42)	(1 398)	(886)
Current liabilities	(6 368)	(5 410)	(11 778)	(15 371)
Trade and other payables	(3 208)	(4 751)	(7 959)	(5 373)
Short-term interest-bearing liabilities	(3 160)	—	(3 160)	(69)
Lease liabilities - short-term	—	(18)	(18)	—
Deferred revenue	—	(641)	(641)	(8 570)
Current tax liabilities	—	—	—	(14)
Bank overdrafts	—	—	—	(1 345)
	3 995	6 621	10 616	(1 146)
Goodwill on acquisition	3 615	30 992	34 607	18 699
Non-controlling interests recognised	—	(1 324)	(1 324)	—
Fair value of acquisition	7 610	36 289	43 899	17 553
Net cash acquired	(2 138)	(5 014)	(7 152)	365
Earn-out liability	(1 077)	—	(1 077)	(1 926)
Fair value of previously held investment in associate	—	(18 102)	(18 102)	—
Net cash outflow for acquisitions	4 395	13 173	17 568	15 992
Cash paid	6 533	18 187	24 720	15 627
Net cash acquired	(2 138)	(5 014)	(7 152)	365

The above acquisitions represent the subsidiaries acquired during the year.

Mason Advisory

Datatec PLC increased its shareholding in Mason Advisory Limited from 42.5% to 80% effective 1 December 2023 by acquiring additional shares in Mason Advisory Limited from its management team for a consideration of US\$18.2 million. From acquisition date the results of Mason Advisory Limited have been consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10.

Mason Advisory is a leading consulting firm supporting large corporate and small private organisations, government departments and other public bodies. Mason Advisory has over 100 employees with skills in operating model and organisational design, sourcing, architecture, service management, cybersecurity, data and programme/business change delivery. Mason Advisory focusses on corporate clients, providing support in Business Transformation, Technical Transformation and Strategic Change Delivery.

Westcon International

On 18 January 2024, Westcon Group European Operations Limited (“WGEO”), a 100% owned subsidiary of Westcon International Group Holdings Limited (“WIGHL”), acquired 100% of Rebura Holdings Limited (“Rebura”). WGEO purchased Rebura for US\$7.6 million, of which US\$6.5 million was paid in cash at completion. The remaining US\$1.1 million will be paid one year after the acquisition date, subject to certain conditions. Rebura is an award-winning Amazon Web Services (“AWS”) advanced consulting partner and solution provider. This acquisition will strengthen Westcon International’s cloud capabilities and channel-focused services offering and enable their partners to provide a comprehensive suite of AWS solutions to their customers. Rebura specialises in supporting AWS cloud migrations as well as SaaS and DevOps capabilities across the UK, Nordics and central Europe.

As a result of both of these acquisitions, goodwill and other intangible assets increased by US\$34.6 million and US\$5.4 million respectively.

The revenue and EBITDA profit from operations included from these acquisitions in FY24 were US\$10.7 million and US\$1.4 million respectively. Profit after tax included from these acquisitions was US\$1.0 million.

Had the acquisitions’ dates been 1 March 2023, the revenue and EBITDA profit from operations would have been approximately US\$38.5 million and US\$3.1 million respectively. Profit after tax would have been approximately US\$2.6 million.

The initial amounts of acquisition accounting for all of the acquisitions have not 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’ proportion of the net identifiable assets acquired and liabilities and contingent liabilities assumed.

Acquisition-related costs, included in operating costs, for the year amounted to US\$0.3 million (FY23: US\$0.1 million).

Notes to the Group consolidated annual financial statements continued

for the year ended 29 February 2024

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		Accumulated non-controlling interests – Datatec Group	
		2024 %	2023 %	2024 US\$'000	2023 US\$'000
PT. Packet Systems Indonesia	Indonesia	46.5	46.5	14 015	13 268
PromonLogicalis Latin America Limited	UK	31.6	35.0	35 196	41 244
Westcon International Limited	UK	7.9	7.9	14 898	6 711

Reconciliation of accumulated non-controlling interests – Datatec Group

	Opening balance as at 1 March 2023 US\$'000	(Loss)/profit for the year US\$'000	Dividends paid US\$'000	Translation and other movements US\$'000	Closing balance as at 29 February 2024 US\$'000
PT. Packet Systems Indonesia	13 268	2 093	(941)	(405)	14 015
Logicalis Latin America Holdings Limited	41 244	(1 235)	(192)	(4 621)	35 196
Westcon International Limited	6 711	3 160	—	5 027	14 898

Summarised information in respect of the above subsidiaries is shown below as at 29 February 2024 and 28 February 2023. 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		Logicalis Latin America Holding S.A.		Westcon International Limited	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Non-current assets	4 676	4 961	65 631	53 855	210 501	177 630
Current assets	58 163	67 445	372 256	418 917	1 780 305	1 742 860
Non-current liabilities	(2 114)	(2 051)	(52 491)	(28 397)	(117 084)	(114 194)
Current liabilities	(30 577)	(41 882)	(269 884)	(322 235)	(1 738 758)	(1 703 685)
Equity attributable to equity holders of the parent	(30 148)	(28 533)	(116 098)	(122 500)	(128 231)	(107 430)
Non-controlling interests	—	—	586	(394)	(6 733)	4 819
Revenue	91 299	93 649	513 744	491 406	3 733 277	3 323 728
Operating profit before finance costs, depreciation and amortisation ('EBITDA')	6 753	6 883	11 528	14 289	110 925	8 898
Profit/(loss) for the year	4 509	4 130	(3 263)	1 168	36 860	(14 833)
Dividends paid to non-controlling interest	941	—	192	—	—	—
Net cash inflow/(outflow)	4 272	476	(37 120)	11 748	(6 435)	119 760
Net cash (outflow)/inflow from operating activities	6 375	2 822	(58 638)	27 639	(23 692)	28 865
Net cash inflow/(outflow) from investing activities	(59)	(175)	10 460	(8 958)	29 429	(14 170)
Net cash inflow/(outflow) from financing activities	(2 044)	(2 171)	11 058	(6 933)	(12 172)	105 065

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

During FY24 Logicalis Latin America Holding repurchased 5.0% of its shares from Promon S.A for subsequent cancellation for an amount of US\$8.6 million. This resulted in an effective shareholding of 68.42% (FY23: 65.0%) for Logicalis Group Limited and current shareholding of 31.58% (FY23: 35.0%) for Promon S.A.

Westcon International implemented the Westcon International Long-Term Incentive Plan ("WILTIP") on 1 September 2023 following a corporate restructuring. An intermediate holding company called Westcon International Group Holdings Limited ("WIGHL") was inserted and is owned by Westcon International Ltd ("WIL"). The Westcon International senior management purchased 5.0% of the ordinary equity of WIGHL and WIL holds the remaining 95%. A fixed return equity instrument (loan note) was also issued to WIL. Datatec continues to own a 92.1% shareholding in WIL with TD Synnex as the minority shareholder.

40. Subsequent events

Increased shareholding in subsidiaries

In April 2024, Logicalis Group Limited purchased 7.04% of Cirrus Participações S.A.C. in Brazil ("Cirrus") from the minority shareholders. As the Group owns 68.4% of PromonLogicalis Latin America Limited, this resulted in a current effective shareholding in Cirrus of 67.4%. The Group will consolidate the results of Cirrus from this date in the FY25 financial year.

Management Incentive plan - Mason Advisory

Mason Advisory implemented the Mason Advisory Long-Term Incentive Plan ("MALTIP") on 9 April 2024 following a corporate restructuring. Two intermediate holding companies - Mason Advisory Group Ltd ("MAGL") and Mason Advisory Group Holdings Ltd ("MAGHL") were inserted in the Group structure. Management purchased shares in MAGHL constituting 6.25% of the ordinary equity and MAGL holds the remaining 93.75%. Datatec owns an 80.0%. MAGHL also issued a fixed return instrument to MAGL.

Dividend declared

On 27 May 2024, the Board declared a final dividend for FY24 of 130 ZAR cents per share (approximately 7 US cents per share) totalling US\$16.2 million with the customary form of a cash dividend with a scrip distribution alternative. There were no other material subsequent events.

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 or as disclosed in the consolidated annual financial statements.

Solvency

The Board has determined that the Group is solvent with net assets at 29 February 2024 of US\$501.2 million (FY23: US\$472.0 million) and tangible net assets of US\$165.6 million (FY23: US\$178.8 million). The Group is expected to remain solvent over the next 12 months.

Liquidity

Westcon International has an invoice assignment facility of EUR390.6 million for its European subsidiaries, as well as an extended payables facility of US\$71.5 million. Westcon International has a securitisation facility of US\$130.0 million for its Asia-Pacific facilities. 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), and a securitisation facility in South Africa (ZAR200.0 million).

Logicalis International is supported by a corporate facility of US\$135 million, covering all its operations, comprising a rolling credit facility to fund working capital requirements and an acquisition facility.

Logicalis Latin America is supported separately via a number of uncommitted overdraft facilities and short-term lending arrangements and is predominantly sourced via Tier 1 banks in Brazil as it is the largest territory in the region.

The Group performed covenant projections to confirm that banking covenants are unlikely to be breached for the next 12 months.

The Group ended FY24 with net debt of US\$123.1 million compared to FY23 (US\$106.6 million), refer Note 31.2.

Trade receivables are of a sound quality and adequate expected credit losses 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 consolidated annual financial statements.

Conclusion

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.

Notes to the Group consolidated annual financial statements continued

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42. Subsidiaries and equity-accounted investments

Subsidiaries and equity-accounted investments	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held)	
				As at 29 February 2024	As at 28 February 2023
Incorporated in Africa					
Clarotech Consulting (Pty) Ltd*		I	South Africa	—	69.93
Clarotech Holdings (Pty) Ltd*		I	South Africa	—	69.93
Datatec Management Services (Pty) Ltd*		O	South Africa	100.00	100.00
LGLP (Pty) Ltd		O	South Africa	100.00	100.00
Logicalis SA (Pty) Ltd	6	I	South Africa	66.25	69.93
Logicalis Soluções – Prestação de Serviços (SU) Limitada		I	Angola	94.74	100.00
Mars Investment Holdings (Pty) Ltd	6	I	South Africa	39.75	41.96
Mars Network and Risk Services (Pty) Ltd	6	I	South Africa	39.75	41.96
Mars Technologies (Pty) Ltd	6	I	South Africa	39.75	41.96
Standfull Trading (Pty) Ltd*		O	South Africa	—	100.00
Westcon Africa (Kenya) Limited		D	Kenya	87.50	92.10
Westcon Africa (Mauritius) Limited		D	Mauritius	87.50	92.10
Westcon Africa (Morocco) SARL		D	Morocco	87.50	92.10
Westcon Africa (Uganda) Limited		D	Uganda	87.50	92.10
Westcon Africa Angola Limited		D	Angola	87.50	92.10
Westcon Africa Distribution (Nigeria) Limited		D	Nigeria	87.50	92.10
Westcon Africa Namibia (Pty) Ltd*		D	Namibia	—	90.00
Westcon Africa Tanzania Limited*		D	Tanzania	87.50	92.10
Westcon Africa Tunisia Limited	2	D	Tunisia	42.87	—
Westcon Africa Zambia Limited*		D	Zambia	65.62	69.08
Westcon Egypt LLC*		D	Egypt	87.50	92.10
Westcon Emerging Markets Group (Pty) Ltd	2	D	South Africa	78.75	90.00
Westcon Group Egypt LLC*		D	Egypt	87.50	92.10
Westcon Group Shared Services (Pty) Ltd	2	D	South Africa	78.75	90.00
Westcon Namibia Distribution (Pty) Ltd	2	D	Namibia	47.24	54.00
Westcon Southern Africa Holdings (Pty) Ltd*	2	D	South Africa	47.24	54.00
WestconGroup SA (Pty) Ltd	2	D	South Africa	38.50	44.01
Incorporated in UK and Europe					
Audea Formación S.L.		I	Spain	81.62	70.00
Audea Seguridad de la Información S.L.	9	I	Spain	81.62	70.00
Datatec Financial Services Holdings Limited		D	United Kingdom	100.00	100.00
Datatec Financial Services Limited		D	United Kingdom	100.00	100.00
Datatec Group Finance Limited*		O	United Kingdom	100.00	100.00
Datatec PLC		O	United Kingdom	100.00	100.00
DX Net Limitada*		I	Portugal	—	51.00
ITUMA GmbH	8	I	Germany	48.32	51.00
Kumulus International Holdings Limited*	13	I	United Kingdom	100.00	—
Logicalis Channel Islands Limited		I	Channel Islands	94.74	100.00
Logicalis Global Operations Centre S.A*		I	Portugal	—	100.00
Logicalis GmbH		I	Germany	94.74	100.00
Logicalis Group Finance Limited		I	United Kingdom	94.74	100.00
Logicalis Group Limited	11	I	United Kingdom	100.00	100.00
Logicalis Guernsey Limited		I	Channel Islands	94.74	100.00
Logicalis International Group Holding Limited	5	I	United Kingdom	94.74	100.00
Logicalis International Limited		I	United Kingdom	94.74	100.00

42. Subsidiaries and equity-accounted investments (continued)

Subsidiaries and equity-accounted investments	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held)	
				As at 29 February 2024	As at 28 February 2023
Incorporated in UK and Europe (continued)					
Logicalis Ireland Limited			Ireland	94.74	100.00
Logicalis Jersey Limited			Channel Islands	94.74	100.00
Logicalis Networks GmbH	8		Germany	94.74	100.00
Logicalis Portugal S.A			Portugal	94.74	100.00
Logicalis Siticom GmbH	7		Germany	94.74	90.00
Logicalis Solutions Limited			Ireland	94.74	100.00
Logicalis Spain, S.L.	9		Spain	94.74	100.00
Logicalis Technical Services Limited*			Ireland	94.74	100.00
Logicalis Technology Limited			Ireland	94.74	100.00
Logicalis UK Limited	10		United Kingdom	94.74	100.00
Mason Advisory Limited	14		United Kingdom	80.00	42.50
Orange Networks GmbH			Germany	94.74	100.00
PromonLogicalis Latin America Limited	11		United Kingdom	68.42	65.00
Q Associates Limited*	10		United Kingdom	94.74	100.00
Rebura GmbH	3		Switzerland	87.50	—
Rebura Holdings Limited	3		United Kingdom	87.50	—
Rebura Limited	3		United Kingdom	87.50	—
Risk4All S.L.	9		Spain	51.01	43.75
Siticom GmbH	7		Germany	94.74	90.00
Two Ten Degrees Limited	10		United Kingdom	94.74	100.00
Virtualization Limitada*			Portugal	—	75.00
Westcon Denmark ApS			Denmark	87.50	92.10
Westcon Group Africa Operations Limited	1		United Kingdom	87.50	92.10
Westcon Group Austria GmbH			Austria	87.50	92.10
Westcon Group European Operations Limited	3		United Kingdom	87.50	92.10
Westcon Group Germany GmbH			Germany	87.50	92.10
Westcon Group Italia S.R.L.			Italy	87.50	92.10
Westcon Group Middle East Holdings Limited			United Kingdom	87.50	92.10
Westcon Group Netherlands BV			Netherlands	87.50	92.10
Westcon Group Norway AS			Norway	87.50	92.10
Westcon Group Poland Sp. Z.O.O.			Poland	87.50	92.10
Westcon Group Portugal, Sociedade Unipessoal, Limitada			Portugal	87.50	92.10
Westcon International Group Holdings Limited	1		United Kingdom	87.50	92.10
Westcon International Limited	1		United Kingdom	92.10	92.10
WGEO Switzerland GmbH			Switzerland	87.50	92.10

Notes to the Group consolidated annual financial statements continued
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42. Subsidiaries and equity-accounted investments (continued)

Subsidiaries and equity-accounted investments	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held)	
				As at 29 February 2024	As at 28 February 2023
Incorporated in US and Canada					
Active Symbols, Inc.*			C USA	—	100.00
Canada WGIT Services, Inc.			D Canada	87.50	92.10
Datatec Financial Services, Inc.			D USA	100.00	100.00
EyeAlike, Inc.*			C USA	—	72.40
Kumulus USA Inc*	13		I USA	100.00	—
Logicalis South America, Inc.			I USA	68.42	65.00
Logicalis US Holdings, Inc.			I USA	94.74	100.00
Logicalis, Inc.			I USA	94.74	100.00
Nubeliu I LLC.*			I USA	68.42	65.00
Nubeliu II LLC.*			I USA	68.42	65.00
Nubeliu Limited*			I Cayman Islands	68.42	65.00
PLLAL International LLC			I USA	68.42	65.00
Global Deployment Solutions LLC	1		D USA	87.50	46.05
WG Services, Inc.			D USA	87.50	92.10
Incorporated in Latin America					
C2 Mining Solutions S.A.C.			I Peru	68.42	65.00
Coasin Chile S.A.			I Chile	68.42	65.00
Logicalis Andina Bolivia LAB. Limitada			I Bolivia	68.42	65.00
Logicalis Andina S.A.C.			I Peru	68.42	65.00
Logicalis Argentina S.A.			I Argentina	68.42	65.00
Logicalis Chile S.A.			I Chile	68.42	65.00
Logicalis Colombia S.A.S			I Colombia	68.42	65.00
Logicalis Ecuador S.A.			I Ecuador	68.42	65.00
Logicalis Inc. S.A.*			I Uruguay	68.42	65.00
Logicalis Latin America Holding S.A.	11		I Brazil	68.42	65.00
Logicalis Mexico, S. de R.L. de C.V.			I Mexico	68.42	65.00
Logicalis Paraguay S.A.			I Paraguay	68.42	65.00
Logicalis Puerto Rico Inc.			I Puerto Rico	68.42	65.00
Logicalis República Dominicana S.A.S			I Dominican Republic	68.42	65.00
Logicalis Uruguay S.A.			I Uruguay	68.42	65.00
NubeliU Argentina S.R.L			I Argentina	68.42	65.00
NubeliU Consultoria e Licenciamento de Software Limitada	12		I Brazil	—	65.00
PromonLogicalis Tecnologia e Participações Limitada			I Brazil	68.42	65.00
PTLS Serviços de Tecnologia e Assessoria Técnica Limitada	12		I Brazil	68.42	65.00
WeService Serviços e Tecnologia Limitada			I Brazil	68.42	65.00

42. Subsidiaries and equity-accounted investments (continued)

Subsidiaries and equity-accounted investments	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held)	
				As at 29 February 2024	As at 28 February 2023
Incorporated in Australia and New Zealand					
Corporate Network Integration Pty Ltd*		I	Australia	—	100.00
Datatec Financial Services (NZ) Limited		D	New Zealand	100.00	100.00
Datatec Financial Services Pty Ltd		D	Australia	100.00	100.00
Logicalis Australia Holdings Pty Ltd		I	Australia	94.74	100.00
Logicalis Australia Pty Ltd		I	Australia	94.74	100.00
Westcon Group NZ Limited		D	New Zealand	87.50	92.10
Westcon Group Pty Ltd		D	Australia	87.50	92.10
Incorporated in British Virgin Islands					
Datatec International Holdings Limited*		O	British Virgin Islands	—	100.00
NetStar Group Holding Limited		I	British Virgin Islands	94.74	100.00
Incorporated in Asia					
iZeno (Thailand) Company Limited		I	Thailand	60.97	65.00
iZeno Incorporated		I	Philippines	61.58	65.00
iZeno Private Limited		I	Singapore	61.58	65.00
iZeno Sdn Bhd		I	Malaysia	61.58	65.00
Logicalis Asia Pacific MSC Sdn. Bhd.		I	Malaysia	94.74	100.00
Logicalis Hong Kong Limited		I	Hong Kong	94.74	100.00
Logicalis Malaysia Sdn. Bhd.		I	Malaysia	94.74	100.00
Logicalis Pte. Limited (Xiamen)		I	China	94.74	100.00
Logicalis Shanghai Limited		I	China	94.74	100.00
Logicalis Singapore Pte. Limited		I	Singapore	94.74	100.00
Logicalis Vietnam Company Limited		I	Vietnam	94.74	100.00
PT iZeno Teknologi Indonesia		I	Indonesia	60.97	64.35
PT Westcon International Indonesia		D	Indonesia	87.50	92.10
PT. Packet Systems Indonesia		I	Indonesia	50.69	53.50
PT. Westcon Solutions		D	Indonesia	87.50	92.10
Westcon Group (Thailand) Co. Limited		D	Thailand	87.49	92.10
Westcon Group (Vietnam) Co. Limited		D	Vietnam	87.50	92.10
Westcon Group Pte. Limited		D	Singapore	87.49	92.10
Westcon Solutions (HK) Limited		D	Hong Kong	87.50	92.10
Westcon Solutions (M) Sdn. Bhd.		D	Malaysia	87.50	92.10
Westcon Solutions (Shanghai) Limited		D	China	87.50	92.10
Westcon Solutions IMH Pte. Limited		D	Singapore	87.50	92.10
Westcon Solutions Philippines Inc.		D	Philippines	87.49	92.09
Westcon Solutions Pte. Limited		D	Singapore	87.50	92.10
WestconComstor International (India) Private Limited		D	India	87.50	92.10

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42. Subsidiaries and equity-accounted investments (continued)

Subsidiaries and equity-accounted investments	Notes	Nature of business	Country of incorporation	Datatec Group effective holding (% held)	
				As at 29 February 2024	As at 28 February 2023
Incorporated in Middle East					
Datatec International Services FZE		O	United Arab Emirates	100.00	100.00
Westcon Africa FZCO*		D	United Arab Emirates	87.50	92.10
Westcon Comstor Trading LLC		D	Kingdom of Saudi Arabia	87.50	—
Westcon Doha LLC	4	D	Qatar	42.87	45.13
Westcon Kuwait Company for Communications, Equipment, Accessories and Spare Parts WLL	4	D	Kuwait	42.87	45.13
Westcon LLC		D	Oman	87.50	92.10
Westcon Middle East Bahrain WLL	4	D	Bahrain	86.62	91.18
Westcon Middle East Equipments Trading LLC	4	D	United Arab Emirates	42.87	45.13
Westcon Middle East FZE		D	United Arab Emirates	87.50	92.10
Westcon Saudi Company LLC	4	D	Kingdom of Saudi Arabia	65.62	69.08
Equity-accounted associates and joint ventures					
Cirrus Participações S.A.	15	I	Brazil	60.41	51.31
Saleslogics Serviços em Inteligência de Negócios Empresariais e Informática Ltda.	15	I	Brazil	60.41	33.35
Kumulus Serviços em Cloud Computing e Database Ltda	15	I	Brazil	60.41	51.31

*Entities disclosed include dormant entities, entities in the process of deregistration and entities being liquidated.

Trading and dormant entities have been disclosed above.

C – Consulting Services

D – Distribution

I – ICT Solutions

O – Other holdings

42. Subsidiaries and equity-accounted investments (continued)

Subsidiary companies

The subsidiary companies listing above 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.

Westcon International

Note 1

Westcon International was 90% owned by Datatec following the sale of Westcon Americas to SYNEX Corporation ("SYNEX") together with 10% of Westcon International in FY18. In June 2020, Datatec PLC 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 SYNEX from 10% to 7.9%.

During FY24, Westcon Group Africa Operations Limited transferred its 100% owned subsidiary NOXS UK Limited to Westcon International Limited ("WIL"). NOXS UK Limited was renamed as Westcon International Group Holdings Limited ("WIGHL"). Subsequent to this, WIL transferred its 6 directly held subsidiaries to WIGHL, and sold 5% of its holding in WIGHL to management of Westcon International during FY24. As a result of the above, the 100%-owned subsidiaries of Westcon International now have an 87.5% effective holding by the Datatec Group.

Westcon International Group Holdings Limited increased its shareholding in Westcon GDS LLC from 50% to 100% and subsequently changed the entity name to Global Deployment Solutions LLC.

Note 2

Datatec PLC, a 100%-owned subsidiary of Datatec Limited, owns 92.1% of Westcon International Limited, who owns 95% of WIGHL, who owns 90% of Westcon Emerging Markets Group Proprietary Limited ("WEMG") and WEMG holds 59.995% of the shares of Westcon Southern Africa Holdings Proprietary Limited and 100% of the shares in Westcon Group Shared Services Proprietary Limited. WEMG controls Westcon Southern Africa Holdings Proprietary Limited.

WEMG made a capital investment in Ascension Fund No 5 LLP, the BBBEE partner of Westcon Southern Africa Holdings Proprietary Limited. WEMG has control over the fund. This fund is consolidated in the Datatec Group financial statements and no non-controlling interest is recognised.

Westcon Southern Africa Holdings Proprietary Limited holds 81.5% of the shares in WestconGroup SA Proprietary Limited and 100% of the shares in Westcon Namibia Distribution Proprietary Limited and controls both these entities.

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

Westcon Africa Tunisia was incorporated on the 18 September 2023 with a 49% shareholding. The shareholding requirement is mandated by Tunisia Law but Westcon Group Africa Operations Limited has control by virtue of a shareholder's agreement.

Note 3

During FY24, Westcon Group European Operations Limited, acquired 100% of the shares of Rebura Holding Limited, which in turn owns 100% of Rebura Limited and Rebura GmbH, a UK and Swiss entity respectively. From the acquisition date the results of Rebura have been consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10.

Note 4

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.

Notes to the Group consolidated annual financial statements continued

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42. Subsidiaries and equity-accounted investments (continued)

Logicalis International

Note 5

In FY23, Logicalis Group Limited incorporated Logicalis International Group Holding Limited. ("LIGHL"), a company registered in the UK. During the 2023 financial year, Logicalis Group Limited transferred the entire share capital of Logicalis International Limited to LIGHL.

As at 29 February 2024, Logicalis Group Limited owns 94.74% of Logicalis International Group Holding Limited after selling 5.26% of its shareholding to the management of Logicalis International during FY24.

As a result of the above, the 100%-owned subsidiaries of Logicalis International Group Holding Limited now have a 94.74% effective holding by the Datatec Group.

Note 6

In FY21, Logicalis SA (Pty) Ltd disposed of 40% of its investment in Mars Investment Holdings Proprietary Limited as part of a BBBEE deal. Mars Investment Holdings Proprietary Limited owns 100% of Mars Technologies Proprietary Limited and Mars Network and Risk Services Proprietary Limited. In FY23, Logicalis International Limited disposed of 30% of its shareholding in Logicalis South Africa as part of a BBBEE deal.

Note 7

Logicalis Siticom GmbH increased its shareholdings in Siticom GmbH to 100% from 90%.

Note 8

Logicalis Networks GmbH 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 9

In FY24, Logicalis Spain, S.L. increased its shareholding in Audea Seguridad de la Informacion, S.L. by 2.3% and 13.85% respectively to an effective shareholding of 86.15% as at 29 February 2024.

Risk4All is 62.5% owned by Audea Seguridad. Log Spain increased its Shareholding in Audea Seguridad during the year, which in turn increased the effective holding in Risk4All.

Note 10

During FY24, the trade and assets of Q Associates were transferred up to Logicalis UK Limited, a 100% owned subsidiary of Logicalis International Limited. This resulted in Two Ten Degrees Limited being a wholly owned subsidiary of Logicalis UK Limited in FY24.

Logicalis Latin America

Note 11

Datatec PLC, a 100%-owned subsidiary of Datatec Limited, owns 100% of the issued share capital of Logicalis Group Limited which owned 65% of Logicalis Latin America Holding S.A prior to the share repurchase. In September 2023, Logicalis Latin America Holding repurchased 5.0% of its shares from Promon S.A for subsequent cancellation. This resulted in an effective shareholding of 68.42% (FY23: 65.0%) for Logicalis Group Limited and current shareholding of 31.58% (FY23: 35.0%) for Promon S.A.

Logicalis Latin America Holdings S.A., that owns 100% of Promon Logicalis Latin America Limited ("PLLAL"). PLLAL further owns a number of entities across Latin America that are controlled and consolidated by PLLAL.

Note 12

Nubeliu Consultoria e Licenciamento de Software Limitada merged into PTLIS Serviços de Tecnologia e Assessoria Técnica Limitada.

Corporate

Note 13

In FY24 Logicalis Group Limited incorporated Kumulus International Holdings Limited, a UK registered entity who in turn incorporated Kumulus USA Inc, a US registered entity.

Note 14

Datatec PLC increased its shareholding in Mason Advisory Limited on 1 December 2023 acquiring an additional 40% from the management team, taking its interest to a majority shareholding of 80%. From acquisition date the results of Mason Advisory Limited have been consolidated in the Group's annual financial statements based on control as defined in terms of IFRS 10.

42. Subsidiaries and equity-accounted investments (continued)

Subsidiary companies (continued)

Note 15: Equity-accounted associates and joint ventures

In June 2023 and August 2023, Logicalis Group Limited purchased 2.93% and 3.17% respectively of Cirrus Participações S.A.C. in Brazil ("Cirrus") from the minority shareholders. In June, Logicalis Group Limited subscribed for new shares in Cirrus. PromonLogicalis Latin America Limited did not partake in the subscription and decreased its holding in Cirrus to 35.63% (FY23: 37.05%). As the Group owns 68.4% of PromonLogicalis Latin America Limited, this resulted in a current effective shareholding in Cirrus of 60.4% (FY23: 51.31%). In July 2023, Cirrus increased its shareholding from 65% to 100% in Saleslogics Servicos em Inteligência de Negócios Empresariais e Informática Limitada and continues to own 100% of Kumulus Servicos em Cloud Computing e Database Limitada respectively.

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