

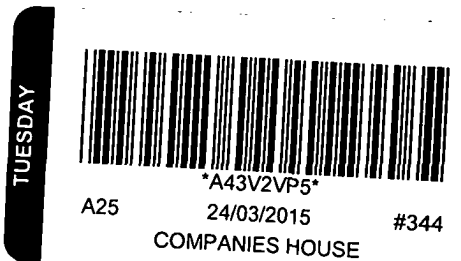
## Dimension Data Holdings plc

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

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

Annual Financial Statements

for the year ended 30 September 2014



# Dimension Data Holdings plc

(Registered number 3704278 England and Wales)

(Registration number 2000/009053/10 RSA)

## Annual Financial Statements

*for the year ended 30 September 2014*

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### Registered office

Dimension Data House

Building 2

Waterfront Business Park

Fleet Road

Fleet

Hampshire GU51 3QT

# Dimension Data Holdings plc

## Group strategic report

*for the year ended 30 September 2014*

### Principal activities

The Dimension Data Group is a leading global systems integrator, operating in the ICT industry. We have strong local roots in all of the approximately 57 countries in which we operate, and we also provide a wide range of services on a global basis to enterprise-level and multi-national clients. Our 26 000 employees (including contractors) manage over 45 million IT assets, with a long standing record of excellence in delivering value to our clients around the world. For the fourth year in a row, Dimension Data was ranked as a leader in Gartner's Communications Outsourcing and Professional Services 'magic quadrant'. This recognises the Group for its depth of technical skills, the strength of its technology alliances, its delivery capability and its clarity of vision and strategy. The Group has an ambitious strategy for growth over the coming years, and has been investing specifically in certain key areas: our services capabilities, especially in more complex managed services and IT outsourcing; establishing global scale in the datacentre market; and establishing a global platform for the delivery of Cloud-based services and solutions.

In addition to the global systems integration business, the Group also has certain region specific businesses. Most significant of these is Internet Solutions, an internet service provider based in South Africa with operations across the African continent.

Details of the principal subsidiary and associated entities are provided on page 62. The Group implemented several acquisitions during the year, and disposed of one material subsidiary. The Directors are not aware, at the date of this report, of any likely significant changes in the Group's activities in the new financial year.

### Performance indicators

The Board uses various financial measures to assess the financial position and overall performance of its operations, including revenue and gross profit growth, gross margin, operating profit growth, operating margin, annual contract value, fixed and variable overhead costs, as well as various working capital measures. Non-financial performance indicators are also reviewed, including client and employee satisfaction surveys, productivity ratios and employee attrition and retention statistics.

### Review of results for the year ended 30 September 2014

*Growth rates below relate to the prior year (2013), are calculated in constant currency and incorporate the results of discontinued operations.*

Group revenue was \$6 746 million, up 16.8% for the year (10.2% excluding acquisitions). Product grew organically by 13.4% and Services by 6.5%. Given weak growth in the industry in general, this revenue growth implied improved market share across our major business units. Professional Services grew by 13.5% while Annual Contract Value growth (+10.6%) underpinned Managed Services (MS) (up 3.6%).

Gross margin improved slightly from 21.3% to 21.4%. Growth in Services (after acquisitions) and the sale of Express Data (a product distributor) improved the mix in favour of Services, while Product and Professional Services (PS) margins were improved on a year ago. These improvements were offset by MS margin declines following ongoing pricing and costing pressures.

2014 was a year of increased spending and transformative investment in key elements of Group's strategic journey - most importantly in establishing global scale and capability in the areas of Cloud, IT Outsourcing and the Datacentre. Consequently, Group overheads were up 10.6% and operating profit was \$101.9 million at an operating margin of 1.5%.

# Dimension Data Holdings plc

## Group strategic report *(continued)*

*for the year ended 30 September 2014*

### Review of results for the year ended 30 September 2014 *(continued)*

Interest income was \$7.5 million (2013: \$6.1 million). Finance costs of \$36.9 million (2013: \$36.6 million) related mainly to loans from NTT Finance (\$4.6 million), loans in respect of the Campus property in South Africa (\$14.1 million), foreign exchange hedging costs (\$5.3 million) and bank loans and overdrafts (\$9.5 million).

Other gains and losses include the revaluation of the Campus property, profits arising from the conversion of an associate into a subsidiary and goodwill impairments in certain African operations. The Group sold Express Data, a distribution business in Australia, leading to a profit on sale of \$21.5 million, and we initiated sale processes in respect of certain of the Group's non-core operations.

The Group's effective tax rate for the year was 39.3% (2013: 31.1%), higher than normal as a result of provisions in respect of certain intermediary holding companies, irrecoverable withholding taxes and higher levels of tax losses in the year in entities where we elected not to raise deferred tax assets.

### **Acquisitions and Disposals**

We concluded various acquisitions during the year:

- the remaining shares in our United Arab Emirates operations
- the operating entities of NextiraOne, a European systems integrator
- the remaining shares in Dataflo, a South African application integrator
- 100% of Nexus, a US systems integrator
- 100% of Teliris, a US and UK managed video business
- 100% of Continuity SA, a South African provider of business continuity solutions
- the remaining shares in Always On, a South African owner of wi-fi hotspots.

We also disposed of all of the shares in Express Data for \$47.0 million.

### **Balance Sheet and Cash flow**

Net debt at 30 September 2014 was \$802.0 million (2013: \$174.8 million). Loans from the NTT Group amounted to \$801.0 million, while third party bank loans were \$257.0 million (of which \$72.1 million related to the Campus). The Group had unutilised facilities of some \$320 million (including those from NTT) at balance sheet date.

Cash movements during the period included acquisitions (\$279.4 million), capital expenditure (\$237.6 million), working capital investments (\$94.1 million) and dividends (\$37.0 million). Internet Solutions accounted for the largest share of capex (\$76.9 million), followed by the Cloud division (\$37.2 million).

### **Position of the Group at year end**

The full year results as at 30 September 2014 are presented under International Financial Reporting Standards (IFRS), as adopted by the European Union.

Information about the performance of the business of the Group during the financial year in response to S417(3)(b) of the Companies Act 2006 (the Companies Act) is included above.

### **Contractual arrangements essential to the business**

While the agreements with our clients are in aggregate essential, no single client accounts for more than 5% of the Group's revenue. Various other contracts are entered into on a daily basis, the most essential of which are the global contracts entered into with our primary vendors – the most significant of these being Cisco Systems.

# Dimension Data Holdings plc

## Group strategic report *(continued)*

*for the year ended 30 September 2014*

### Principal risks and uncertainties

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

- the execution of the Group's global strategy and alignment of the business to cater for new and emerging IT trends and client requirements;
- the realignment of internal processes to ensure efficient and improved customer interaction, particularly with regard to global or cross-border delivery;
- dependence on contractual relationships with specific vendors, including vendor support and strategic alliances with partners;
- employee retention, and the need to ensure the establishment and development of skills appropriate to the changing requirements of the business;
- compliance and regulatory requirements, including intellectual property rights and data protection and privacy;
- various country specific risks.

### Property, plant and equipment

A Group property asset, recorded partly in land and buildings and partly as an investment property, has a market value (approximately \$150.9 million (2013: \$152.2 million)) which differs materially from book value (\$116.6 million (2013: \$117.1 million)). Disposal of this property would give rise to a tax liability of approximately \$7.7 million (2013: \$8.1 million).

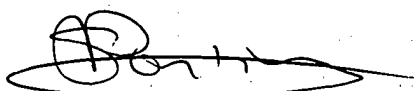
### Group financial instruments

The Group's financial instruments (details of which are set out in note 21 to the financial statements) comprise cash and cash equivalents, as well as items such as trade receivables and trade payables that arise directly from the Group's operations.

### Significant acquisitions, disposals, financing transactions, investments and material developments during the year

Details of acquisitions and disposals are set out in notes 23 and 24 to the annual financial statements.

By Order of the Board on 21 January 2015



**Sue Ponting**  
Secretary

# Dimension Data Holdings plc

## Directors' report

*for the year ended 30 September 2014*

The Directors of Dimension Data Holdings plc ('the Company') present their annual report and audited financial statements for the Group for the year ended 30 September 2014.

### Dividend

A dividend amounting to \$37.0 million (2013: \$35.9 million) was paid on 26 March 2014.

### Capital structure

As at September 2014, the Company's issued share capital was 50 000 deferred shares of £1 each, 1 761 651 240 ordinary shares of 1 US cent each and 15 172 684 A ordinary shares, 20 196 399 B ordinary shares, 11 470 030 C ordinary shares and 22 466 812 D ordinary shares of 0.1 US cent each.

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

### Shareholder

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

### Directors

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

Name	Position	Appointed
Jeremy Ord	Executive Chairman	May 2000
Brett Dawson	Chief Executive Officer	Mar 2004
Stephen Joubert	Group Executive: Global Solutions	Jul 2000
Patrick Quarmby	Director: Corporate Finance	Jul 2000
David Sherriffs	Chief Financial Officer	Jun 2004
Tetsuro Yamaguchi	Group Executive: Joint Business Development	May 2011
John Newbury	Independent non-executive director	Feb 2011
Tsunehisa Okuno	Non-executive director	Jan 2011
Toshiaki Sakurai	Non-executive director	Jul 2011
Roderick Scott	Independent non-executive director	Jul 2000

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

### Research and development

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

# Dimension Data Holdings plc

## **Directors' report** *(continued)* *for the year ended 30 September 2014*

### **Going concern**

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

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

### **Employees**

As at 30 September 2014, the Group had 18 206 employees (2013: 14 786). Details of employee related costs are included in note 13 to the financial statements.

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

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

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

### **Auditors**

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

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

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

### **Company information**

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

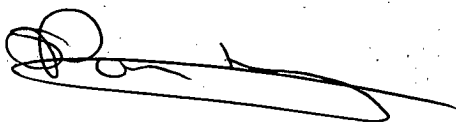
## **Dimension Data Holdings plc**

**Directors' report** *(continued)*  
*for the year ended 30 September 2014*

### **Company Secretary**

The Company Secretary is Sue Ponting and her e-mail address is [sue.ponting@dimensiondata.com](mailto:sue.ponting@dimensiondata.com)

By Order of the Board on 21 January 2015

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

**Sue Ponting**  
Secretary

## **Dimension Data Holdings plc**

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

*for the year ended 30 September 2014*

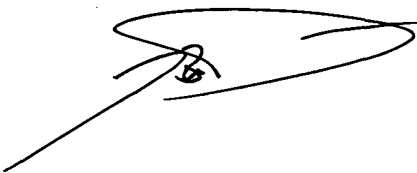
The Directors are responsible for preparing the Group Strategic and Directors' reports and the financial statements in accordance with applicable law and regulations.

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

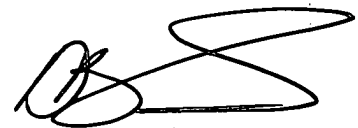
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law;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

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

Order of the Board on 21 January 2015



**Brett Dawson**  
*Chief Executive Officer*



**David Sherriffs**  
*Chief Financial Officer*

## **Independent auditor's report**

### **To the member of Dimension Data Holdings plc**

We have audited the financial statements of Dimension Data Holdings plc for the year ended 30 September 2014 set out on pages 11 to 63.

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

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

### **Respective responsibilities of Directors and auditor**

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2014 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**John Edwards (Senior Statutory Auditor)**

For and on behalf of KPMG LLP, Statutory Auditor

*Chartered Accountants*

15 Canada Square

London E14 5GL

23 January 2015

## Dimension Data Holdings plc

### Consolidated statement of financial position

as at 30 September 2014

	Notes	2014 \$'000	2013 \$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	410 774	374 076
Investment property	9	74 027	76 839
Goodwill	22	784 389	475 464
Intangible assets	7	234 134	169 067
Investments in associates and joint ventures		51 092	43 941
Deferred tax assets	19	116 093	77 779
Prepayments	30.3	115 243	105 616
Trade and other receivables	11.2	10 109	5 302
Other financial instruments	20	3 315	2 159
		<b>1 799 176</b>	<b>1 330 243</b>
<b>Current assets</b>			
Inventories	11.1	176 665	182 758
Trade and other receivables	11.2	1 710 098	1 379 709
Prepayments	30.3	331 338	271 759
Taxation authorities receivable	18	51 298	35 110
Cash and cash equivalents		464 439	356 598
Other financial instruments	20	8 408	6 661
Assets held for sale	24	18 463	-
		<b>2 760 709</b>	<b>2 232 595</b>
<b>Total assets</b>		<b>4 559 885</b>	<b>3 562 838</b>

# Dimension Data Holdings plc

## Consolidated statement of financial position *(continued)*

as at 30 September 2014

	Notes	2014 \$'000	2013 \$'000
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital and premium	15	388 517	388 517
Reserves		(151 686)	(38 601)
Retained earnings		563 065	521 053
Equity attributable to equity shareholders of parent		799 896	870 969
Non-controlling interests	16	18 185	23 239
<b>Total equity</b>		<b>818 081</b>	<b>894 208</b>
<b>Non-current liabilities</b>			
Loans and borrowings	14	532 468	300 230
Employee benefits	13	83 206	59 756
Deferred tax liabilities	19	38 167	18 626
Provisions	12	16 476	3 255
Deferred revenue		68 044	66 909
Other financial instruments	20	49 197	568
		<b>787 558</b>	<b>449 344</b>
<b>Current liabilities</b>			
Loans and borrowings	14	607 543	265 325
Trade and other payables	11.3	1 290 706	1 112 520
Employee benefits	13	301 551	233 462
Taxation authorities payable	18	157 021	139 444
Deferred revenue		550 648	433 697
Provisions	12	14 468	12 197
Other financial instruments	20	23 558	22 641
Liabilities held for sale	24	8 751	-
		<b>2 954 246</b>	<b>2 219 286</b>
<b>Total liabilities</b>		<b>3 741 804</b>	<b>2 668 630</b>
<b>Total equity and liabilities</b>		<b>4 559 885</b>	<b>3 562 838</b>

The financial statements were approved by the Board of Directors on 21 January 2015

Primary Statements

  
Brett Dawson  
Chief Executive Officer

  
Dave Sherriffs  
Chief Financial Officer

# Dimension Data Holdings plc

## Consolidated income statement

for the year ended 30 September 2014

	Notes	2014 \$'000	2013 \$'000
<b>Continuing operations</b>			
Revenue	1	6 367 192	5 018 803
Cost of sales		(4 956 621)	(3 838 235)
Gross profit		1 410 571	1 180 568
Other operating income		11 526	13 998
Operating overheads		(1 311 924)	(1 043 081)
Operating profit	2	110 173	151 485
Share of results from equity accounted investees	10	12 488	10 575
Interest and investment income	4.1	7 459	5 889
Finance costs	4.2	(36 764)	(36 543)
Other gains and losses	5	4 989	3 708
Profit before taxation		98 345	135 114
Taxation	17	(40 641)	(40 126)
Profit for the year from continuing operations		57 704	94 988
<b>Discontinued operations</b>			
Profit/(loss) from discontinued operations, net of taxation	24	7 919	(4 725)
Profit for the year		65 623	90 263
<b>Attributable to:</b>			
Equity shareholders of the parent company		67 880	91 520
Non-controlling interests		(2 257)	(1 257)
		65 623	90 263

# Dimension Data Holdings plc

## Consolidated statement of other comprehensive income

for the year ended 30 September 2014

	2014 \$'000	2013 \$'000
<b>Profit for the year</b>	<b>65 623</b>	<b>90 263</b>
Items that are or may be reclassified to profit or loss:		
Exchange differences from translation upon sale of subsidiary	(3 275)	-
Exchange differences on translation of foreign operations	(74 882)	(95 694)
Cash flow hedge losses/(gains)transferred from/(to) income statement	378	(1 742)
Cash flow hedge gains deferred in equity	240	2 572
Items that will never be reclassified to profit or loss:		
Actuarial losses	(10 307)	(2 009)
Related current tax	(5 627)	-
Related deferred tax	(279)	-
<b>Other comprehensive losses for the year</b>	<b>(93 752)</b>	<b>(97 106)</b>
<b>Total comprehensive loss for the year</b>	<b>(28 129)</b>	<b>(6 843)</b>
Attributable to:		
Equity shareholders of the parent company	(24 183)	(2 629)
Non-controlling interests	(3 946)	(4 214)
	<b>(28 129)</b>	<b>(6 843)</b>

Dimension Data Holdings plc is a public limited company registered in England and Wales. The company is a member of the Dimension Data Group, which is a group of companies that provide IT services to various clients. The company is a subsidiary of Dimension Data Group Limited, which is a public limited company registered in England and Wales. The company is a member of the Dimension Data Group, which is a group of companies that provide IT services to various clients. The company is a subsidiary of Dimension Data Group Limited, which is a public limited company registered in England and Wales.

# Dimension Data Holdings plc

## Consolidated statement of cash flows \*

for the year ended 30 September 2014

	Notes	2014 \$'000	2013 \$'000
<b>Operating activities</b>			
Operating profit		101 869	147 281
Non-cash adjustments	6	232 679	187 541
Cash generated before working capital movements		334 548	334 822
(Increase)/decrease in inventories		(44 481)	7 764
Increase in trade and other receivables		(245 815)	(132 248)
Increase in trade and other payables		196 152	144 405
Cash generated from operations		240 404	354 743
Settlement of long term employee benefits schemes		(46 330)	(87 663)
Income taxes paid		(52 177)	(56 104)
<b>Net cash from operating activities</b>		<b>141 897</b>	<b>210 976</b>
<b>Investing activities</b>			
Interest received		7 545	6 079
Income from equity accounted investees		872	5 509
Acquisition of property, plant and equipment		(178 937)	(168 431)
Proceeds on disposal of property, plant and equipment and intangible assets		7 630	4 685
Acquisition of intangible assets		(58 671)	(25 728)
Movement in investment in equity accounted investees		189	4 496
Movements in other investments		(1 185)	-
Acquisition of subsidiaries	23	(279 395)	(54 117)
Net cash movement due to acquisition and disposal of subsidiaries	23, 24	16 464	9 559
Proceeds from sale of subsidiary		46 953	-
Deferred consideration paid		(4 711)	(2 657)
<b>Net cash used in investing activities</b>		<b>(443 246)</b>	<b>(220 605)</b>
<b>Financing activities</b>			
Interest paid		(36 868)	(36 595)
Loans and borrowings repaid		(244 617)	(365 254)
Loans and borrowings raised		763 379	485 856
Dividends paid		(37 000)	(35 938)
Changes in holdings of subsidiaries		(10 839)	(21 475)
Payments to non-controlling shareholders		(689)	(965)
<b>Net cash generated by financing activities</b>		<b>433 366</b>	<b>25 629</b>
<b>Net increase in cash and cash equivalents</b>		<b>132 017</b>	<b>16 000</b>
Cash and cash equivalents at beginning of year		344 593	356 939
Exchange differences on cash and cash equivalents		(25 739)	(28 346)
<b>Cash and cash equivalents at 30 September</b>		<b>450 871</b>	<b>344 593</b>
Made up as follows:			
Cash and cash equivalents		464 439	356 598
Bank overdrafts		(13 568)	(12 005)
		<b>450 871</b>	<b>344 593</b>

\* Includes discontinued operations.

## Dimension Data Holdings plc

### Consolidated statement of changes in equity

for the year ended 30 September 2014

	Share capital \$'000	Share premium \$'000	Capital reserves \$'000	Translation reserve \$'000	Hedging reserve \$'000	Other reserves \$'000	Share- based payment reserve \$'000	Retained earnings \$'000	Attributable to equity shareholders of parent \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>At 30 September 2012</b>	17 691	370 826	12 198	(28 863)	1 358	83 284	-	469 230	925 724	27 854	953 578
Profit for the year	-	-	-	-	-	-	-	91 520	91 520	(1 257)	90 263
Other comprehensive loss	-	-	(2 009)	(92 576)	443	(7)	-	-	(94 149)	(2 957)	(97 106)
<b>Total comprehensive loss for the year</b>	-	-	(2 009)	(92 576)	443	(7)	-	91 520	(2 629)	(4 214)	(6 843)
Transactions with owners:											
Dividends paid	-	-	-	-	-	-	-	(35 938)	(35 938)	(656)	(36 594)
Transfers between reserves	-	-	-	-	-	3 759	-	(3 759)	-	-	-
Changes in holdings of subsidiaries	-	-	1 393	-	-	(17 581)	-	-	(16 188)	255	(15 933)
<b>At 30 September 2013</b>	17 691	370 826	11 582	(121 439)	1 801	69 455	-	521 053	870 969	23 239	894 208
Profit for the year	-	-	-	-	-	-	-	67 880	67 880	(2 257)	65 623
Other comprehensive loss	-	-	(10 307)	(76 690)	561	(5 627)	-	-	(92 063)	(1 689)	(93 752)
<b>Total comprehensive loss for the year</b>	-	-	(10 307)	(76 690)	561	(5 627)	-	67 880	(24 183)	(3 946)	(28 129)
Transactions with owners:											
Share-based payment movements	-	-	-	-	-	-	18 162	-	18 162	-	18 162
Dividends paid	-	-	-	-	-	-	-	(37 000)	(37 000)	(689)	(37 689)
Transfers between reserves	-	-	(1 469)	-	-	(27 720)	-	29 189	-	-	-
Changes in holdings of subsidiaries	-	-	-	-	-	(9 995)	-	(18 057)	(28 052)	(419)	(28 471)
<b>At 30 September 2014</b>	17 691	370 826	(194)	(198 129)	2 362	26 113	18 162	563 065	799 896	18 185	818 081

# Dimension Data Holdings plc

## Notes to the financial statements *(continued)*

for the year ended 30 September 2014

	2014 \$'000	2013 \$'000
<b>1. Revenue</b>		
Product	3 373 595	2 493 723
Services rendered	2 993 597	2 525 080
- Professional services	884 960	654 070
- Managed services	2 108 637	1 871 010
<b>Total revenue – continuing operations</b>	<b>6 367 192</b>	<b>5 018 803</b>

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

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

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

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

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

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

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

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

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

# Dimension Data Holdings plc

## Notes to the financial statements *(continued)*

for the year ended 30 September 2014

### 1. Revenue *(continued)*

#### Cloud computing services

Other than standard cloud services which are billed and recognised as provided, cloud computing services also include:

- Establishment services relating to the effort expended to migrate, transition or set-up the client on the Group's cloud service platform. Revenue and costs associated with the establishment phase, where there is no determinable standalone value, is deferred and recognised over the life of the contract.
- Enablement services including advisory, assessment and consulting services. Revenue from enablement services is recognised as the services are provided using the percentage of completion method.

	2014 \$'000	2013 \$'000
<b>2. Operating profit</b>		

Operating profit includes:

Foreign exchange losses	77 324	13 780
Foreign exchange gains	(77 911)	(16 534)
Operating lease expenses	81 586	95 714
Staff costs (refer note 13.4)	1 493 028	1 236 132

Fees payable to the Company's auditor and its associates for the:

– audit of the Company's annual accounts	375	397
– audit of the Company's subsidiaries pursuant to legislation	5 188	3 909
– other services	1 227	1 482

### 3. Operating lease arrangements

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

Within one year	57 002	62 540
Two to five years	114 364	105 660
Subsequent to five years	24 348	29 911
	<b>195 714</b>	<b>198 111</b>

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

Within one year	4 281	5 302
Two to five years	6 836	8 628
	<b>11 117</b>	<b>13 930</b>

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 3. Operating lease arrangements (continued)

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

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

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

	2014 \$'000	2013 \$'000
<b>4. Net financing costs</b>		
<b>4.1 Interest and investment income</b>		
Interest on cash and cash equivalents	2 551	1 990
Interest on loans receivable	3 657	2 845
Other	1 251	1 054
	<u>7 459</u>	<u>5 889</u>
<b>4.2 Finance costs</b>		
Interest on bank overdrafts and loans	21 288	22 980
Interest on shareholder's loans	4 622	2 624
Interest on vendor loans and finance leases	2 277	1 229
Interest on forward exchange contracts	5 333	7 174
Other	3 244	2 536
	<u>36 764</u>	<u>36 543</u>
<b>5. Other gains and losses</b>		
Revaluation of investment property	3 917	2 869
Change in holding from associate to subsidiary	4 390	695
Impairment of goodwill	(2 588)	-
Other	(730)	144
	<u>4 989</u>	<u>3 708</u>
<b>6. Non-cash adjustments</b>		
Depreciation of property, plant and equipment	118 757	94 171
Loss on disposal of property, plant and equipment and intangible assets	61	1 617
Impairments of property, plant and equipment and intangible assets	9 874	5 602
Amortisation of intangible assets	31 387	26 223
Movement in provisions	17 488	6 314
Long term employee benefits	61 720	56 120
Other non-cash items	(6 608)	(2 506)
<b>Total</b>	<u>232 679</u>	<u>187 541</u>

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 7. Intangible assets

	Purchased or developed internally		Acquired in a business combination			
	Right of use to Bandwidth \$'000	Systems and software \$'000	Brand \$'000	Customer relationships \$'000	Technology and other intellectual property \$'000	Total \$'000
<b>Cost</b>						
At 1 October 2012	110 200	72 882	1 339	40 450	21 376	246 247
Additions	659	25 069	-	-	-	25 728
Disposals	-	(9 682)	-	-	-	(9 682)
Arising on acquisition of subsidiaries	6 241	2 434	2 368	5 526	8 886	25 455
Exchange differences	(19 821)	(10 811)	-	(24)	(10)	(30 666)
At 1 October 2013	97 279	79 892	3 707	45 952	30 252	257 082
Additions	20 051	38 620	-	-	-	58 671
Disposals	-	(12 321)	-	(7 058)	-	(19 379)
Arising on acquisition of subsidiaries	-	17 225	8 064	43 564	4 745	73 598
Measurement period adjustments	-	-	(1 042)	(1 764)	(2 810)	(5 616)
Exchange differences	(10 740)	(7 164)	(397)	(2 321)	(222)	(20 844)
At 30 September 2014	106 590	116 252	10 332	78 373	31 965	343 512
<b>Accumulated amortisation</b>						
At 1 October 2012	8 879	41 833	143	15 884	4 803	71 542
Charge for the year	4 149	11 065	189	7 124	3 696	26 223
Disposals	-	(6 893)	-	-	-	(6 893)
Arising on acquisition of subsidiaries	1 021	1 461	-	-	-	2 482
Impairments	-	803	696	-	-	1 499
Exchange differences	(1 893)	(4 901)	-	-	(44)	(6 838)
At 1 October 2013	12 156	43 368	1 028	23 008	8 455	88 015
Charge for the year	4 697	12 915	1 067	9 129	3 579	31 387
Disposals	-	(12 075)	-	(7 058)	-	(19 133)
Arising on acquisition of subsidiaries	-	15 428	-	-	-	15 428
Exchange differences	(1 383)	(4 104)	(33)	(291)	(508)	(6 319)
At 30 September 2014	15 470	55 532	2 062	24 788	11 526	109 378
<b>Carrying amount</b>						
30 September 2014	91 120	60 720	8 270	53 585	20 439	234 134
30 September 2013	85 123	36 524	2 679	22 944	21 797	169 067

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 7. Intangible assets (continued)

	2014 \$'000	2013 \$'000
<b>Capital commitments</b>		
Authorised, contracted for	1 795	18 199
Authorised but not yet contracted for	47 327	34 235
	<b>49 122</b>	<b>52 434</b>

#### Systems and software

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

#### Right of use to Bandwidth

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

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

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

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

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

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

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 8. Property, plant and equipment

Cost	Land, buildings and improvements \$'000	IT equipment \$'000	Spare parts \$'000	Total \$'000
At 1 October 2012	104 596	619 735	145 897	870 228
Additions	9 312	149 881	9 238	168 431
Subsidiaries acquired	7 797	28 495	-	36 292
Disposals	(1 069)	(30 481)	(6 442)	(37 992)
Transfer from investment property	1 963	-	-	1 963
Exchange differences	(15 458)	(76 297)	(8 232)	(99 987)
At 1 October 2013	107 141	691 333	140 461	938 935
Additions	9 602	161 797	7 538	178 937
Subsidiaries acquired	7 743	78 522	31 313	117 578
Disposals	(7 246)	(134 884)	(7 533)	(149 663)
Transfer to investment property	(1 067)	-	-	(1 067)
Reclassifications	(1 852)	1 852	-	-
Classified as held for sale	(1 343)	(20 750)	-	(22 093)
Exchange differences	(7 078)	(41 108)	(7 509)	(55 695)
At 30 September 2014	105 900	736 762	164 270	1 006 932
<b>Accumulated depreciation and impairment</b>				
At 1 October 2012	33 907	385 607	113 864	533 378
Charge for the year	5 229	76 714	12 228	94 171
Subsidiaries acquired	1 064	16 025	-	17 089
Disposals	(931)	(27 959)	(5 589)	(34 479)
Asset impairment reversal	(237)	-	-	(237)
Asset impairment recognised	-	4 340	-	4 340
Exchange differences	(3 592)	(41 229)	(4 582)	(49 403)
At 1 October 2013	35 440	413 498	115 921	564 859
Charge for the year	7 085	99 218	12 454	118 757
Subsidiaries acquired	6 477	62 864	24 739	94 080
Disposals	(6 302)	(128 787)	(7 129)	(142 218)
Asset impairment recognised	518	9 356	-	9 874
Reclassifications	6 108	(6 108)	-	-
Classified as held for sale	(1 143)	(18 889)	-	(20 032)
Exchange differences	(2 469)	(20 004)	(6 689)	(29 162)
At 30 September 2014	45 714	411 148	139 296	596 158
<b>Carrying amount</b>				
30 September 2014	60 186	325 614	24 974	410 774
30 September 2013	71 701	277 835	24 540	374 076

The asset impairment of \$9.9 million (2013: \$4.3 million) relates to non-core businesses (\$9.9 million).

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 8. Property, plant and equipment (continued)

	2014 \$'000	2013 \$'000
<b>Capital commitments</b>		
Authorised, contracted for	34 211	18 577
Authorised but not yet contracted for	144 293	188 300
	<b>178 504</b>	<b>206 877</b>

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

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

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

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

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

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

#### Change in accounting policy

The Group adopted the amendments to IAS 16 Property, plant and equipment and changed its accounting policy regarding the classification of spare parts. As a result, spare parts were reclassified from inventory to property, plant and equipment. The change was applied retrospectively and resulted in an increase in property, plant and equipment and a decrease in inventory of \$25.0 million (2013: 24.5 million).

### 9. Investment property

	2014 \$'000	2013 \$'000
At 1 October	76 839	92 642
Transferred from/(to) property, plant and equipment	1 067	(1 963)
Increase in fair value during the year	3 917	2 869
Exchange differences	(7 796)	(16 709)
<b>At 30 September</b>	<b>74 027</b>	<b>76 839</b>

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 9. Investment property (continued)

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

The fair value of the Group's investment property at 30 September 2014 was determined based on a forward rental income yield of 9.0% (2013: 9.0%) determined from external market data.

Rental income from third parties was \$11.5 million (2013: \$14.0 million).

The Group has ceded the Campus property with a book value of \$116.6 million (2013: \$117.1 million) as security for bank loans.

	2014 \$'000	2013 \$'000
<b>10. Investments in associates and joint ventures</b>		
The Group's share of profit or loss from continuing operations	<u>12 488</u>	<u>10 575</u>

The Group's unrecognised share of profits amount to \$0.6 million. The Group has interests in a number of associates and joint ventures, none of which is material.

### 11. Working capital

<b>11.1 Inventories</b>	<b>2014 \$'000</b>	<b>2013 \$'000</b>
Resale	150 028	163 906
Work-in-progress	<u>26 637</u>	<u>18 852</u>
Total	<u>176 665</u>	<u>182 758</u>

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

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

The Group has ceded an amount of \$7.4 million (2013: \$3.5 million) of inventory in respect of a credit facility in the USA. The facility is subject to various covenants relating to working capital and liquidity ratios.

# Dimension Data Holdings plc

## Notes to the financial statements *(continued)*

for the year ended 30 September 2014

### 11. Working capital *(continued)*

#### 11.2 Trade and other receivables

	2014 \$'000	2013 \$'000
Billed trade receivables	1 362 406	1 097 790
Allowance for impairment of trade receivables	(40 002)	(33 646)
Unbilled trade receivables	183 716	139 641
Other receivables	201 611	176 688
Finance lease receivables	12 476	4 538
<b>Total</b>	<b>1 720 207</b>	<b>1 385 011</b>
Analysed as follows:		
Non-current	10 109	5 302
Current	1 710 098	1 379 709
<b>Total</b>	<b>1 720 207</b>	<b>1 385 011</b>
<b>Allowance for impairment of trade receivables</b>		
At 1 October	33 646	32 203
Charged in profit or loss	34 993	9 684
Utilised in the year	(27 668)	(3 706)
Released to profit or loss	(5 091)	(3 517)
Acquisition of subsidiaries and other movements	4 843	1 196
Exchange differences	(721)	(2 214)
<b>At 30 September</b>	<b>40 002</b>	<b>33 646</b>

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

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 11. Working capital (continued)

#### 11.2 Trade and other receivables (continued)

##### Trade receivables past due date

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

	Americas \$'000	Asia \$'000	Australia \$'000	Europe \$'000	Middle East and Africa \$'000	Central and other \$'000	Total \$'000
<b>2014</b>							
Trade receivables that are neither past due nor impaired	180 503	182 230	92 455	295 500	114 526	499	865 713
Trade receivables that are past due	147 427	97 030	27 945	113 890	108 677	1 724	496 693
Less than 30 days	86 453	35 746	15 149	60 640	49 442	28	247 458
31 to 60 days	33 119	18 663	6 403	26 155	13 881	24	98 245
61 to 90 days	16 678	10 252	3 680	11 474	16 185	22	58 291
Over 90 days	11 177	32 369	2 713	15 621	29 169	1 650	92 699
<b>Total</b>	<b>327 930</b>	<b>279 260</b>	<b>120 400</b>	<b>409 390</b>	<b>223 203</b>	<b>2 223</b>	<b>1 362 406</b>
<b>2013</b>							
Trade receivables that are neither past due nor impaired	36 227	192 006	129 552	187 632	113 033	10 071	668 521
Trade receivables that are past due	131 234	66 485	64 208	64 471	96 111	6 760	429 269
Less than 30 days	75 573	18 686	45 797	41 908	35 361	4 432	221 757
31 to 60 days	41 149	11 133	10 729	13 488	12 815	1 164	90 478
61 to 90 days	9 590	6 669	4 766	3 319	7 759	494	32 597
Over 90 days	4 922	29 997	2 916	5 756	40 176	670	84 437
<b>Total</b>	<b>167 461</b>	<b>258 491</b>	<b>193 760</b>	<b>252 103</b>	<b>209 144</b>	<b>16 831</b>	<b>1 097 790</b>

The average credit period provided on the sale of product and services, reflected as a proportion of most recent revenues, was 60 days (2013: 53 days).

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 11. Working capital (continued)

#### 11.2 Trade and other receivables (continued)

The Group has ceded an amount of \$185.0 million (2013: \$126.6 million) of trade receivables in respect of a credit facility in the USA. The facility is subject to various covenants relating to working capital and liquidity ratios.

#### Finance lease receivables

	Minimum lease payments		Present value of minimum lease payments	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Within one year	3 817	2 251	3 212	1 996
Two to five years	10 024	2 788	9 264	2 542
	13 841	5 039	12 476	4 538
Less: Unearned finance income	(1 365)	(501)	-	-
	12 476	4 538	12 476	4 538

The Group enters into various finance lease arrangements. The average term of finance leases entered into is 4.5 years and the average inherent interest rate is 8.6% (2013: 9.0%).

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

#### 11.3 Trade and other payables

	2014 \$'000	2013 \$'000
Trade payables	876 913	790 593
Accruals	379 410	295 073
Other payables	34 383	26 854
Total	1 290 706	1 112 520

The average credit period taken for trade payables and accruals, reflected as a proportion of most recent trade purchases, was 77 days (2013: 81 days).

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

## Dimension Data Holdings plc

### Notes to the financial statements (continued)

for the year ended 30 September 2014

#### 12. Provisions

	Litigation and warranty \$'000	Leases \$'000	Project losses \$'000	Other \$'000	Total \$'000
At 1 October 2013	3 829	4 213	4 013	3 397	15 452
Charge/(release) for the year	2 122	8 743	(1 574)	8 197	17 488
Utilised in the year	(1 671)	(505)	(294)	(1 987)	(4 457)
Acquisition/disposal of subsidiaries	1 771	369	817	1 221	4 178
Exchange differences	(432)	(424)	(46)	(815)	(1 717)
<b>At 30 September 2014</b>	<b>5 619</b>	<b>12 396</b>	<b>2 916</b>	<b>10 013</b>	<b>30 944</b>
Analysed as follows:					
Non-current	1 574	11 763	2 016	1 123	16 476
Current	4 045	633	900	8 890	14 468
	<b>5 619</b>	<b>12 396</b>	<b>2 916</b>	<b>10 013</b>	<b>30 944</b>

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the effect of discounting to present value is material, provisions are adjusted accordingly.

Other provisions include restructuring provisions of \$6.4 million.

#### 13. Employee benefits

	2014 \$'000	2013 \$'000
Post employment defined benefit obligations	35 008	6 475
Long service benefits	15 283	14 269
Retention bonuses	11 832	15 400
Long Term Incentive Plan and Share Appreciation Rights	78 193	60 424
Employee related accruals, short term bonuses and other	244 441	196 650
	<b>384 757</b>	<b>293 218</b>
Non-current	83 206	59 756
Current	301 551	233 462
	<b>384 757</b>	<b>293 218</b>

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 13. Employee benefits (continued)

#### 13.1 Defined benefit obligations

	2014 \$'000	2013 \$'000
<b>Movement in the net defined benefit liability</b>		
At 1 October	6 475	3 524
Current year service costs	2 537	870
Past service costs	119	-
Net interest expense	1 675	-
Expected return on plan assets	(1 185)	-
Actuarial gain on plan assets	(1 716)	-
Actuarial loss on plan obligations	12 023	2 009
Increase on acquisition of subsidiaries	18 506	-
Benefit payments to beneficiaries	(2 253)	(524)
Exchange differences	(1 173)	596
<b>At 30 September</b>	<b>35 008</b>	<b>6 475</b>
Gross defined benefit obligations	89 934	6 475
Fair value of plan assets	(54 926)	-
<b>At 30 September</b>	<b>35 008</b>	<b>6 475</b>
<b>Composition of plan asset fair values</b>		
Cash and cash equivalents	103	-
Equity securities	4 967	-
Debt instruments	9 836	-
Assets held by insurance companies	27 839	-
Investment funds	12 181	-
<b>Total</b>	<b>54 926</b>	<b>-</b>
	%	%
<b>Significant actuarial assumptions</b>		
Discount rate	3.5	2.0
Rate of salary increase	3.1	1.0
Rate of price inflation	2.7	2.0
Rate of pension increases	2.6	-
Expected rate of return on assets	1.7	-

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

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

# Dimension Data Holdings plc

## Notes to the financial statements *(continued)*

for the year ended 30 September 2014

### 13. Employee benefits *(continued)*

#### 13.2 Long Term Incentives

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

	2014 \$'000	2013 \$'000
At 1 October	60 424	72 223
Charged in profit or loss	35 907	39 578
Settled in the year	(17 860)	(49 804)
Exchange differences	(278)	(1 573)
<b>At 30 September</b>	<b>78 193</b>	<b>60 424</b>
Non-current	35 377	43 387
Current	42 816	17 037
	<b>78 193</b>	<b>60 424</b>

The 2012 and 2013 schemes above will be cash-settled and accordingly the fair value of the liability is calculated at each reporting period and any changes recognised over the vesting period.

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

#### 13.3 Retention bonus scheme

Certain employees have the right to receive a bonus payment subject only to their remaining employed by the Group for a specified period.

	2014 \$'000	2013 \$'000
At 1 October	15 400	35 885
Charged in profit or loss	7 651	16 465
Settled in the year	(10 413)	(35 677)
Exchange differences	(806)	(1 273)
<b>At 30 September</b>	<b>11 832</b>	<b>15 400</b>
Non-current	-	7 566
Current	11 832	7 834
	<b>11 832</b>	<b>15 400</b>

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 13. Employee benefits (continued)

	2014 \$'000	2013 \$'000
<b>13.4 Staff costs</b>		
Salaries and wages, including bonus provisions	1 268 607	1 064 890
Pension and social security costs	162 701	115 122
Long term incentives	61 720	56 120
	<b>1 493 028</b>	<b>1 236 132</b>
<b>Directors' remuneration</b>		
Disclosures required by the Companies Act 2006 are as follows:		
Emoluments, including bonuses	5 044	9 677
Long term incentives	2 222	7 062
	<b>7 266</b>	<b>16 739</b>

The highest paid director's aggregate remuneration was \$1.8 million (2013: \$4.6 million), made up of emoluments of \$1.2 million (2013: \$2.8 million) and long term incentives of \$0.6 million (2013: \$1.8 million).

Average number of persons employed by the Group (including executive directors) was 17 213 consisting of 4 699 in Managed Services, 3 280 in Professional Services, 1 420 operations, 1 918 in sales and 5 896 in finance, administration and other.

#### Short term employee benefits

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

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

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

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 14. Loans and borrowings

#### 14.1 Loans

	Non-current		Current		Total	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Shareholder loans	425 468	175 118	375 572	129 450	801 040	304 568
Bank loans	58 640	82 969	198 363	106 347	257 003	189 316
Vendor loans	19 199	16 887	7 639	10 135	26 838	27 022
Bank overdraft	-	-	13 568	12 005	13 568	12 005
Finance leases	29 161	25 256	12 401	7 388	41 562	32 644
	<b>532 468</b>	<b>300 230</b>	<b>607 543</b>	<b>265 325</b>	<b>1 140 011</b>	<b>565 555</b>

Bank loans include current obligations of \$155.3 million (2013: \$72.1 million), with interest rates ranging from 0.5% to 0.7%. These loans have fixed repayment dates.

Also included in bank loans is an amount of \$72.1 million (2013: \$90.8 million) relating to the financing of the Campus in South Africa, which amount bears interest at a fixed rate of 17.37% and will be repaid in full on 31 January 2018.

Shareholder loans include \$801.0 million (2013: \$304.6 million) from the NTT Finance, a member of the NTT Group. These loans bear interest at between LIBOR plus 40 bps and LIBOR plus 95 bps. Of these loans, \$50.1 million is repayable on 9 February 2015. The non-current loans have repayment dates between 24 June 2016 and 16 May 2019.

Vendor loans bear interest at rates between 0% and 12.2% and are repayable by August 2019.

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

#### 14.2 Finance leases liabilities

Amounts payable under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Repayable within one year	14 855	8 817	12 401	7 388
Repayable within two to five years	32 135	27 468	29 161	25 256
	<b>46 990</b>	<b>36 285</b>	<b>41 562</b>	<b>32 644</b>
Less: Future finance charges	(5 428)	(3 641)	-	-
Present value of obligations	<b>41 562</b>	<b>32 644</b>	<b>41 562</b>	<b>32 644</b>

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

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

# Dimension Data Holdings plc

## Notes to the financial statements *(continued)*

for the year ended 30 September 2014

### 15. Share capital and premium

	2014		2013	
	Number of shares	\$'000	Number of shares	\$'000
Called up, allocated and fully paid up				
Deferred shares of £1 each	50 000	75	50 000	75
Ordinary shares of 1 US cent each	1 761 651 240	17 616	1 761 651 240	17 616
A ordinary shares of 0.1 US cent each	15 172 684	15	15 172 684	15
B ordinary shares of 0.1 US cent each	20 196 399	20	20 196 399	20
C ordinary shares of 0.1 US cent each	11 470 030	12	11 470 030	12
D ordinary shares of 0.1 US cent each	22 466 812	22	22 466 812	22
Treasury shares held by The Employee Share Trust	(69 305 925)	(69)	(69 305 925)	(69)
		17 691		17 691
Share premium		370 826		370 826
		<b>388 517</b>		<b>388 517</b>

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

### 16. Non-controlling interests

During the year, the Group acquired the remaining 49% interest in Always On for \$6.4 million, resulting in a decrease in non-controlling interest of \$0.9 million and a charge to the change in holdings reserve of \$5.5 million. The Group also acquired the remaining 49% of Emirates for \$6.4 million, resulting in an increase in non-controlling interest of \$0.4 million and a charge to the change in holdings reserve of \$6.8 million.

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

17. Taxation	2014 \$'000	2013 \$'000
Current tax	64 297	54 164
Withholding and other taxes	6 829	10 305
Adjustments to prior year provision	1 768	(7 125)
<b>Total current tax</b>	<b>72 894</b>	<b>57 344</b>
Deferred tax (refer to note 19)		
Current year movement	(32 190)	(16 207)
Adjustments to prior years' deferred tax provision	1 794	(351)
<b>Total deferred tax</b>	<b>(30 396)</b>	<b>(16 558)</b>
<b>Total tax charge</b>	<b>42 498</b>	<b>40 786</b>
Continuing operations	40 641	40 126
Discontinued operations	1 857	660
	<b>42 498</b>	<b>40 786</b>
Reconciliation to South African corporate tax rate, where the parent company is domiciled for tax purposes.		
Profit before tax – continuing operations	98 345	135 114
South African corporate tax rate 28% (2013: 28%)	27 537	37 832
Expenses not deductible	17 242	8 121
Temporary differences	(2 712)	(4 346)
Tax losses created but not recognised	5 917	7 318
Prior year adjustments	3 562	(7 369)
Non-taxable profits/zero tax jurisdictions	(6 719)	(6 104)
International corporate tax differentials and other	(1 193)	7 770
Share of associates' tax	(2 993)	(3 096)
<b>Tax charge – continuing operations</b>	<b>40 641</b>	<b>40 126</b>

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

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

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

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 17. Taxation (continued)

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets and liabilities are not discounted.

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

	2014 \$'000	2013 \$'000
<b>18. Taxation authorities receivable and payable</b>		
<b>Receivable</b>		
Income taxes	19 841	13 062
Indirect taxes	8 089	6 011
Withholding and other taxes	23 368	16 037
	<b>51 298</b>	<b>35 110</b>
<b>Payable</b>		
Income taxes	73 647	67 551
Indirect taxes	60 123	57 867
Payroll taxes	12 502	10 419
Withholding and other taxes	10 749	3 607
	<b>157 021</b>	<b>139 444</b>

## Dimension Data Holdings plc

### Notes to the financial statements (continued) for the year ended 30 September 2014

#### 19. Deferred tax components

	Campus revaluation \$'000	Prepayments \$'000	Deferred income \$'000	Provisions \$'000	Long term employee benefits \$'000	Tax losses \$'000	Other \$'000	Total \$'000	Asset \$'000	Liability \$'000
At 1 October 2012	(14 250)	(4 155)	9 531	51 106	13 229	12 514	(12 532)	55 443	71 841	(16 398)
Income statement credit - in respect of current year	3 724	112	1 021	1 142	(34)	580	9 662	16 207	13 227	2 980
Income statement credit - in respect of prior year	-	-	-	365	(284)	(93)	363	351	351	-
Charge to OCI for the period	-	-	-	-	-	-	(233)	(233)	(233)	-
Other movements	-	-	-	293	587	-	(880)	-	-	-
Exchange differences	2 236	737	(2 090)	(6 202)	(2 033)	596	(824)	(7 580)	(7 407)	(173)
Subsidiaries acquired	-	-	-	-	-	-	(5 035)	(5 035)	-	(5 035)
At 1 October 2013	(8 290)	(3 306)	8 462	46 704	11 465	13 597	(9 479)	59 153	77 779	(18 626)
Income statement credit - in respect of current year	(139)	(801)	82	19 624	8 254	4 714	456	32 190	45 749	(13 559)
Income statement charge - in respect of prior year	-	(1)	40	(1 002)	199	(2 893)	1 863	(1 794)	(2 059)	265
Charge to OCI for the period	-	-	-	-	-	-	(279)	(279)	(279)	-
Other movements	-	240	4 638	(15 987)	(1 006)	17 839	(6 323)	(599)	204	(803)
Exchange differences	256	248	(1 558)	(4 104)	(1 709)	(1 326)	1 749	(6 444)	(6 135)	(309)
Subsidiaries acquired/disposed	-	(22)	1 950	740	(484)	5 692	(12 177)	(4 301)	834	(5 135)
At 30 September 2014	(8 173)	(3 642)	13 614	45 975	16 719	37 623	(24 190)	77 926	116 093	(38 167)

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 19. Deferred tax components (continued)

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

	2014		2013	
	Provided \$'000	Not provided \$'000	Provided \$'000	Not provided \$'000
Campus revaluation	(8 173)	-	(8 290)	-
Provisions	45 975	4 047	46 704	3 357
Deferred income	13 614	8 645	8 462	11 244
Prepayments	(3 642)	-	(3 306)	74
Long term employee benefits	16 719	2 617	11 465	1 920
Tax losses	37 623	114 648	13 597	107 666
Other	(24 190)	15 477	(9 479)	5 127
	<b>77 926</b>	<b>145 434</b>	<b>59 153</b>	<b>129 388</b>

At reporting date, the Group has tax losses available for offset against future profits of \$488.5 million (2013: \$388.6 million), predominantly in Europe and North America, against \$133.5 million (2013: \$49.0 million) of which deferred tax assets have been recognised. No deferred tax assets have been recognised in respect of the remaining \$355.0 million (2013: \$339.6 million) of such losses due to the unpredictability of future profit streams. \$50.3 million (2013: \$60.6 million) of such losses expire within five years, while the majority expires in later than ten years' time.

Deferred tax assets have not been recognised in respect of deductible temporary differences of \$79.8 million (2013: \$55.7 million) due to the unpredictability of future profit streams.

Deferred tax liabilities have not been recognised in respect of taxable temporary differences totalling \$735.0 million (2013: \$578.8 million) arising on investments in subsidiaries, associates and interests in joint ventures as the Group is in a position to control the reversal of the temporary differences and it is unlikely that such temporary differences will reverse in the foreseeable future.

## Dimension Data Holdings plc

### Notes to the financial statements *(continued)*

for the year ended 30 September 2014

#### 20. Other financial instruments

	Asset		Liability	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Derivative financial instruments	8 413	6 661	2 003	4 440
Investments available for sale	3 310	2 159		
Put options			11 987	14 069
Contingent consideration			51 301	4 520
Other liabilities			7 464	180
<b>Total</b>	<b>11 723</b>	<b>8 820</b>	<b>72 755</b>	<b>23 209</b>
Non-current	3 315	2 159	49 197	568
Current	8 408	6 661	23 558	22 641
	<b>11 723</b>	<b>8 820</b>	<b>72 755</b>	<b>23 209</b>

#### *Derivative financial instruments*

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

#### *Put options*

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

Subsequent to initial recognition, the Group recognises changes in the carrying amount of the put liability in equity. If the put option expires unexercised, the put liability is derecognised and the non-controlling interest is recognised.

#### *Contingent consideration*

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

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 21. Financial risk factors

#### Financial assets

					Sensitivity analysis	
	Trade and other receivables \$'000	Cash and cash equivalents \$'000	Other \$'000	Total \$'000	Profit or loss \$'000	Equity \$'000
<b>2014</b>						
<b>Interest rate</b>						
Floating interest rates	1 188	422 128	151	423 467	4 235	
Fixed interest rates	13 431	53 267	-	66 698	-	
Non-interest bearing	1 633 553	1 940	11 573	1 647 066	-	
	<b>1 648 172</b>	<b>477 335</b>	<b>11 724</b>	<b>2 137 231</b>	<b>4 235</b>	
<b>Currency profile</b>						
Australian dollars	134 653	23 988	-	158 641	(113)	1 699
Euro	264 537	70 361	1 195	336 093	482	2 879
Sterling	91 445	(946)	2 329	92 828	10 292	(9 364)
US dollars	633 866	177 637	4 191	815 694	(22 624)	30 781
SA rand	105 765	64 445	1 695	171 905	(4 208)	5 927
Other	417 906	141 850	2 314	562 070	5 601	20
	<b>1 648 172</b>	<b>477 335</b>	<b>11 724</b>	<b>2 137 231</b>	<b>(10 570)</b>	<b>31 942</b>
<b>2013</b>						
<b>Interest rate</b>						
Floating interest rates	34 296	370 939	-	405 235	4 053	
Fixed interest rates	3 210	-	-	3 210	-	
Non-interest bearing	1 311 729	-	8 819	1 320 548	-	
	<b>1 349 235</b>	<b>370 939</b>	<b>8 819</b>	<b>1 728 993</b>	<b>4 053</b>	
<b>Currency profile</b>						
Australian dollars	193 648	20 486	142	214 276	2 424	3 803
Euro	151 179	57 088	767	209 034	2 478	1 576
Sterling	75 915	37 449	215	113 579	(5 155)	(2 312)
US dollars	433 878	101 720	4 281	539 879	4 681	(1 575)
SA rand	191 497	31 463	3 346	226 306	6 977	(26)
Other	303 118	122 733	68	425 919	2 796	1 465
	<b>1 349 235</b>	<b>370 939</b>	<b>8 819</b>	<b>1 728 993</b>	<b>14 201</b>	<b>2 931</b>

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 21. Financial risk factors (continued)

#### Financial liabilities

					Sensitivity analysis	
	Loans and borrowings \$'000	Trade and other payables \$'000	Other \$'000	Total \$'000	Profit or loss \$'000	Equity \$'000
<b>2014</b>						
<b>Maturity analysis</b>						
Within one year	632 254	902 105	3 132	1 537 491		
Within two to five years	529 675	101	48 219	577 995		
More than five years	104	3 248	-	3 352		
	<b>1 162 033</b>	<b>905 454</b>	<b>51 351</b>	<b>2 118 838</b>		
<b>Interest rate</b>						
Floating interest rates	987 496	696	-	988 192	9 882	
Fixed interest rates	130 645	236	-	130 881	-	
Non-interest bearing	8 302	903 881	51 351	963 534	-	
	<b>1 126 443</b>	<b>904 813</b>	<b>51 351</b>	<b>2 082 607</b>	<b>9 882</b>	
<b>Currency profile</b>						
Australian dollars	28 000	63 526	1 239	92 765	(3 823)	4 751
Euro	4 688	58 271	1 511	64 470	(6 201)	6 846
Sterling	-	23 830	746	24 576	9 418	(9 172)
US dollars	986 873	489 224	45 894	1 521 991	(35 837)	51 057
SA rand	79 013	19 060	-	98 073	(5 127)	6 108
Other	27 869	250 902	1 961	280 732	2 356	451
	<b>1 126 443</b>	<b>904 813</b>	<b>51 351</b>	<b>2 082 607</b>	<b>(39 214)</b>	<b>60 041</b>
<b>2013</b>						
<b>Maturity analysis</b>						
Within one year	285 034	990 759	4 440	1 280 233		
Within two to five years	335 949	-	566	336 515		
More than five years	99	-	-	99		
	<b>621 082</b>	<b>990 759</b>	<b>5 006</b>	<b>1 616 847</b>		
<b>Interest rate</b>						
Floating interest rates	407 478	-	206	407 684	4 077	
Fixed interest rates	138 106	-	108	138 214	-	
Non-interest bearing	20 869	990 759	4 692	1 016 320	-	
	<b>566 453</b>	<b>990 759</b>	<b>5 006</b>	<b>1 562 218</b>	<b>4 077</b>	

## Dimension Data Holdings plc

### Notes to the financial statements (continued)

for the year ended 30 September 2014

#### 21. Financial risk factors (continued)

##### Financial liabilities (continued)

					Sensitivity analysis	
	Loans and borrowings \$'000	Trade and other payables \$'000	Other \$'000	Total \$'000	Profit or loss \$'000	Equity \$'000
2013 (continued)						
Currency profile						
Australian dollars	30 555	145 516	468	176 539	5 407	3 793
Euro	32	48 417	205	48 654	6 990	-
Sterling	-	43 835	386	44 221	(2 864)	(5 785)
US dollars	397 439	522 706	3 230	923 375	(2 945)	2 077
SA rand	96 385	104 065	571	201 021	7 005	(14)
Other	42 042	126 220	146	168 408	(7 692)	9 652
	566 453	990 759	5 006	1 562 218	5 901	9 723

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

Financial liabilities comprise amortised cost (consisting of trade and other receivables, finance lease obligations, loans and borrowings and other long term liabilities) and fair value through profit or loss (derivative financial instruments). The carrying values have been disclosed in the notes within the financial statements.

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

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

The carrying amounts of financial assets and liabilities approximate their fair values, other than the bank loans relating to the property in South Africa which have a fair value of \$83.5 million (2013: \$107.1 million) and a carrying value of \$72.1 million (2013: \$90.8 million).

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

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 21. Financial risk factors (continued)

#### *Liquidity risk*

Liquidity risk is managed through tight control over operational metrics (especially working capital) coupled with active cash flow planning. In this regard, the Group ensures that sufficient funding facilities are available from a range of different lenders, including the Group's shareholder, various banks and vendors. Internal funding is orchestrated centrally, with Group subsidiaries required to source their liquidity requirements from the Group's Central treasury.

The Group's total borrowings increased over the period from \$565.6 million to \$1 140.0 million, reflecting the conclusion of a number of acquisitions, as well as an aggressive organic investment program. Funding for these investments was provided with the close involvement and support of our parent company NTT Holdings.

#### *Credit risk*

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

#### *Currency risk*

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

The Group does however manage the currency risk of local subsidiary earnings, where exchange rate movements give rise to fluctuations in the value of financial assets and liabilities denominated in currencies other than the functional currency of the local subsidiary. This is achieved through the use of forward exchange contracts.

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

#### *Interest rate risk*

The Group is not exposed to significant fixed rate financial assets or liabilities, other than the bank loans associated with the Campus.

#### *Capital risk management*

The Group's net debt to equity ratio increased to 98% for the period (2013: 20%). Net debt consists of loans and borrowings (note 14), finance lease and loan receivables (note 11.2) and cash and cash equivalents. The increase in net debt arose as a result of an aggressive acquisition and internal investment program, undertaken with the full involvement and funding support from our parent company, NTT Holdings.

#### *Sensitivity analysis*

##### *Currency sensitivity*

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

##### *Interest rate sensitivity*

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

## Dimension Data Holdings plc

### Notes to the financial statements (continued)

for the year ended 30 September 2014

#### 22. Goodwill

	2014 \$'000	2013 \$'000
<b>Cost</b>		
At 1 October	489 043	465 407
Recognised on acquisition of subsidiaries and businesses	329 824	34 435
Derecognition on sale of subsidiary	(6 165)	-
Measurement period adjustments	3 692	-
Exchange differences	(16 910)	(10 799)
<b>At 30 September</b>	<b>799 484</b>	<b>489 043</b>
<b>Accumulated impairment</b>		
At 1 October	13 579	14 633
Impairment loss recognised in profit or loss	2 588	-
Exchange differences	(1 072)	(1 054)
<b>At 30 September</b>	<b>15 095</b>	<b>13 579</b>
<b>Net carrying value at the end of the year</b>	<b>784 389</b>	<b>475 464</b>

Goodwill is reflected at cost less accumulated impairment losses. Cash generating units (CGU) to which goodwill is attributed included Dimension Data Asia Pacific (\$252.5 million), Dimension Data Cloud Solutions (\$64.3 million), Nexus (\$149.0 million), NextiraOne (renamed Dimension Data Communications) (\$163.1 million) and Internet Solutions' (\$40.3 million). Goodwill of \$2.6 million relating to the Group's operations in Nigeria and Morocco was impaired in full during the year

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

The key assumptions used in determining value in use of a CGU relate to expected growth in earnings during the forecast period, terminal growth rates and discount rates. Reference is made to the Group's five or eight year business plans. Discount rates and terminal growth rates vary according to the entity, currency and jurisdiction, and range between 10.0% and 20.9%, and 2.35% and 6.35% respectively. The CGUs located in European, American, Asian and Australian regions had lower discounts rates and terminal growth rates than Middle East and Africa regions. Management believes that any reasonable change in the key assumptions would not cause the carrying amounts to exceed their recoverable amounts.

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 23. Business combinations

The Group acquired 100% of the share capital of certain subsidiaries of NextiraOne, a European systems integrator, with effect from 1 January 2014.

The Group also acquired 100% of the share capital of Nexus, a systems integrator in the USA, with effect from 1 April 2014.

Both transactions afford the Group access to a new client base, establish substantial scale across the USA and Europe with very complimentary geographic locations, and offer extensive market and skills synergies.

The goodwill and intangible asset calculations in relation to Nexus and NextiraOne are provisional and will be finalised within a year of acquisition.

#### Consideration transferred

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

	Nexus \$'000	NextiraOne \$'000	Other \$'000	Total \$'000
Cash	103 425	158 052	17 918	279 395
Contingent consideration	45 844	2 258	-	48 102
Disposal of associate	-	-	4 674	4 674
<b>Total</b>	<b>149 269</b>	<b>160 310</b>	<b>22 592</b>	<b>332 171</b>

The contingent consideration relating to Nexus will be settled in January 2016 subject to certain performance criteria. Costs of \$6.2 million were incurred on legal fees, due diligence and other advisory fees during the year.

#### Identifiable assets acquired and liabilities assumed

	Nexus \$'000	NextiraOne \$'000	Other \$'000	Total \$'000
Property, plant and equipment	2 406	12 468	10 218	25 092
Intangible assets	24 446	27 333	6 443	58 222
Deferred tax assets	-	14 174	822	14 996
Inventories	572	17 170	775	18 517
Trade and other receivables	107 681	267 566	11 672	386 919
Cash and cash equivalents	3 603	14 417	5 608	23 628
Other liabilities	(53 571)	(50 063)	(9 024)	(112 658)
Deferred tax liabilities	(7 025)	(8 051)	(1 685)	(16 761)
Provisions	-	(5 186)	-	(5 186)
Trade and other payables	(77 824)	(298 589)	(14 009)	(390 422)
<b>Total identifiable net assets acquired</b>	<b>288</b>	<b>(8 761)</b>	<b>10 820</b>	<b>2 347</b>

## Dimension Data Holdings plc

### Notes to the financial statements (continued)

for the year ended 30 September 2014

#### 23. Business combinations (continued)

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

	Nexus \$'000	NextiraOne \$'000	Other \$'000	Total \$'000
Consideration transferred	149 269	160 310	22 592	332 171
Fair value of identifiable net assets	288	(8 761)	10 820	2 347
<b>Goodwill</b>	<b>148 981</b>	<b>169 071</b>	<b>11 772</b>	<b>329 824</b>
<i>Revenue and profit from acquired businesses since acquisition</i>				
Revenue	254 650	461 015	30 533	746 218
Profit/(loss)	13 063	(16 445)	2 076	(1 306)

The purchase price allocations of certain prior year acquisitions were finalised during the period, and the following adjustments were made.

	Earthwave		AccessKenya	
	Original \$'000	Revised \$'000	Original \$'000	Revised \$'000
Intangible assets	8 886	6 076	7 894	5 088
Goodwill	16 126	18 092	16 811	18 537
Deferred tax liability	(2 667)	(1 823)	(2 368)	(1 526)
Contingent liability	-	-	(990)	(752)
	<b>22 345</b>	<b>22 345</b>	<b>21 347</b>	<b>21 347</b>

The acquisition of subsidiaries is accounted for using the acquisition method, whereby the cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition.

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 23. Business combinations (continued)

*Adjustments within measurement period (continued).*

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

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

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

### 24. Discontinued and held for sale operations

The Group sold its shares in Express Data with effect from 1 April 2014. Certain other non-core operations were also recognised as 'held for sale' during the period.

#### Results of discontinued and held for sale operations

	2014 \$'000	2013 \$'000
Revenue	378 643	831 080
Cost of sales	(344 170)	(765 726)
<b>Gross profit</b>	<b>34 473</b>	<b>65 354</b>
Operating overheads	(42 777)	(69 558)
<b>Operating loss</b>	<b>(8 304)</b>	<b>(4 204)</b>
Interest and investment income	86	191
Finance costs	(104)	(52)
Other gains and losses	18 098	-
<b>Profit/(loss) before tax</b>	<b>9 776</b>	<b>(4 065)</b>
Taxation	(1 857)	(660)
<b>Profit/(loss) after tax from discontinued operations</b>	<b>7 919</b>	<b>(4 725)</b>

# Dimension Data Holdings plc

## Notes to the financial statements *(continued)*

for the year ended 30 September 2014

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

#### Effect of disposal on the financial position of the Group

	2014 \$'000
<b>Assets</b>	
Property, plant and equipment	1 594
Goodwill	6 165
Other intangible assets	52
Deferred tax asset	2 536
Prepayments	600
Inventories	55 239
Trade and other receivables	104 822
Cash and cash equivalents	7 164
Other financial instruments	433
<b>Liabilities</b>	
Provisions	(1 008)
Trade and other payables	(141 780)
Employee benefits	(3 817)
Taxation authorities payable	(1 538)
Other financial instruments	(1 755)
<b>Net assets</b>	<b>28 707</b>
Consideration received, satisfied in cash	46 953
Cash and cash equivalents disposed of	(7 164)
<b>Net cash inflow</b>	<b>39 789</b>

# Dimension Data Holdings plc

## Notes to the financial statements *(continued)* for the year ended 30 September 2014

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

#### Assets and liabilities held for sale

	2014 \$'000
Property, plant and equipment	2 061
Inventories	1 582
Trade and other receivables	14 403
Prepayments	417
<b>Assets held for sale</b>	<b>18 463</b>
Trade and other payables	6 231
Employee benefits	271
Taxation authorities payable	1 917
Deferred revenue	332
<b>Liabilities held for sale</b>	<b>8 751</b>

Assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use within 12 months after reporting date.

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

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

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 25. Related-party transactions

Related parties include entities with common direct or indirect shareholders and/or directors. The Group, in the ordinary course of business, enters into various sale, purchase, service and investment transactions with fellow subsidiaries, associates and others in which the Group has an interest. These transactions are conducted under terms that are no more favourable than if they had been arranged with third parties. The sales of goods and provision of services between subsidiaries amounted to \$299.6 million (2013: \$357.8 million).

Employee benefits paid to directors is disclosed in note 13.4. Terms of loans with NTT are disclosed in note 14.

*Transactions with the NTT Group were as follows:*

	2014 \$'000	2013 \$'000
Revenue	73 640	58 311
Management fees paid	4 554	5 141
Current trade receivables	7 683	5 927
Current trade payables	2 942	1 892
Shareholder loans – current	375 572	129 450
Shareholder loans – non-current	425 468	175 118
Interest paid	4 622	2 624
Dividends paid	37 000	35 938

### 26. Subsequent events

In November 2014 the Group acquired a 100% interest in Oakton, an IT consulting and outsourcing business based in Australia for \$147.5 million.

In December 2014 the Group acquired various Internet Solutions businesses based in South Africa for \$50.4 million.

### 27. Contingent liabilities

The Group is subject to numerous claims in the ordinary course of business, none of which is significant individually or in aggregate. Guarantees given to banks and other third parties, primarily in respect of contract performance, amounted to \$487.5 million (2013: \$343.1 million).

### 28. Reporting entity

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

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 29. Basis of preparation

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

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

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

#### *New and revised standards and interpretations adopted during the year*

In the current year, the Group has adopted the following standard that is effective for the current financial year and that is relevant to its operations:

- IFRS 13 Fair value measurement

The changes have been made in accordance with the transitional provisions. This standard did not have a material impact on the financial statements.

Standard	Nature and effect of change
IFRS 13 <i>Fair Value Measurement</i>	IFRS 13 describes how to measure fair value. It replaces and expands the disclosure requirements for fair value measurements in other IFRSs, including IFRS 7. As a result the Group has included additional disclosures in this regard. The change had no significant impact on the measurement of the Group's assets and liabilities.

## Dimension Data Holdings plc

### Notes to the financial statements *(continued)*

for the year ended 30 September 2014

#### 30. Other significant accounting policies

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

##### 30.1 Foreign currencies

###### *Functional and presentation currency*

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

###### *Foreign currency transactions*

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

###### *Foreign operations*

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

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

# Dimension Data Holdings plc

## Notes to the financial statements (continued)

for the year ended 30 September 2014

### 30. Significant accounting policies (continued)

#### 30.1 Foreign currencies (continued)

##### Exchange rates

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

	2014		2013	
	Average	Period end	Average	Period end
Australian dollar	1.081	1.144	1.005	1.075
Euro	0.760	0.788	0.762	0.741
South African rand	10.786	11.263	9.393	10.150
Sterling	0.600	0.615	0.641	0.618
Chinese yuan	6.124	6.150	6.199	6.121
Kenyan shilling	87.058	89.100	86.274	86.655
Malaysian ringgit	3.243	3.274	3.110	3.217
Philippine peso	44.088	44.908	41.930	43.395
Singapore dollar	1.257	1.273	1.247	1.253
Thai baht	32.340	32.493	30.600	31.442
Indian rupee	60.850	61.530	56.750	62.520

#### 30.2 Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Management's financial projections used for purposes of impairment testing do not exceed five years.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

#### 30.3 Prepayments

Prepayments comprise mainly vendor maintenance and other prepaid operating expenses.

# Dimension Data Holdings plc

## Notes to the financial statements *(continued)*

for the year ended 30 September 2014

### 30. Significant accounting policies *(continued)*

#### 30.4 Consolidation

##### *Basis of consolidation*

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

##### *Subsidiaries*

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

##### *Loss of control*

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

##### *Interest in equity accounted investees*

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

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

##### *Transactions eliminated on consolidation*

All intra-group transactions, balances, income and expenses with subsidiaries are eliminated on consolidation. Where a Group company transacts with an associate or joint venture of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate or joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### 31. Critical accounting judgements and key sources of estimation uncertainty

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

## Dimension Data Holdings plc

### Notes to the financial statements (continued)

for the year ended 30 September 2014

#### 32. Standards and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 October 2014, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early and will adopt these standard when they are effective.

Standard/ Interpretation	Nature of impending change and possible impact	Effective date/ Periods beginning on or after
IFRS 10 <i>Consolidated Annual Financial Statements</i>	IFRS 10 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. As a result the Group will need to change its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. The Group is in the process of reassessing control over its investees.	1 January 2014
IFRS 11 <i>Joint Arrangements</i>	IFRS 11 addresses only two forms of joint arrangements; joint operations where the entity recognises its assets, liabilities, revenues and expenses and/or its relative share of those items, and joint ventures which is accounted for by applying the equity method. The Group will need to reassess its involvement with joint arrangements, which may lead to changes in the current accounting for these interests. Further, all joint ventures will now be equity accounted as proportionate consolidation is no longer permitted.	1 January 2014
IFRS 12 <i>Disclosure of Interests in Other Entities</i>	IFRS 12 brings together in a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group is currently assessing the disclosure requirements for interests in subsidiaries, interests in joint arrangements and associates and unconsolidated structured entities in comparison with the existing disclosures. IFRS 12 requires the disclosure of information about the nature, risks and financial effects of these interests.	1 January 2014
IFRS 15 <i>Revenue recognition</i>	The standard contains a single revenue model that applies to contracts with customers and has two approaches to recognising revenue: at a point in time or over time. The model features a contract-based comprehensive framework to determine whether, how much and when revenue is recognised.  This new standard may have a significant impact on the Group, which may include a possible change in the timing of revenue recognition and the amount of revenue recognised. The impact of this standard has not yet been determined and the Group is currently in the process of performing an impact assessment.	1 January 2017
IFRS 9 <i>Financial Instruments</i>	This standard includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculation impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The impact of this standard has not yet been determined and the Group is currently in the process of performing an impact assessment.	1 January 2018

# Dimension Data Holdings plc

## Company statement of financial position

as at 30 September 2014

	Notes	2014 \$'000	2013 \$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A	-	11
Investment in subsidiaries	B	1 765 068	1 282 063
Investment in associate at cost		4 952	4 952
		<b>1 770 020</b>	<b>1 287 026</b>
<b>Current assets</b>			
Trade and other receivables	C	50 387	60 342
Derivative financial instruments		366	2 728
Cash and cash equivalents		6	6
		<b>50 759</b>	<b>63 076</b>
<b>Total assets</b>		<b>1 820 779</b>	<b>1 350 102</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital and share premium		576 849	576 849
Capital reserves		-	1 469
Retained earnings		225 496	233 013
<b>Total equity</b>		<b>802 345</b>	<b>811 331</b>
<b>Non-current liabilities</b>			
Loans and borrowings	14	425 468	175 117
		<b>425 468</b>	<b>175 117</b>
<b>Current liabilities</b>			
Loans and borrowings	14	530 859	201 525
Trade and other payables	D	971	809
Bank overdrafts		56 450	158 988
Taxation authorities payable		4 686	2 332
		<b>592 966</b>	<b>363 654</b>
<b>Total liabilities</b>		<b>1 018 434</b>	<b>538 771</b>
<b>Total equity and liabilities</b>		<b>1 820 779</b>	<b>1 350 102</b>

The financial statements were approved by the Board of Directors on 21 January 2015

**Brett Dawson**  
Chief Executive Officer

**Dave Sherriffs**  
Chief Financial Officer

# Dimension Data Holdings plc

## Company statement of cash flows

for the year ended 30 September 2014

	2014 \$'000	2013 \$'000
<b>Operating activities</b>		
Operating (loss)/profit	(599)	11 348
Non-cash adjustments for:	34 164	17 164
Depreciation of property, plant and equipment	11	11
Other non-cash items (translation differences)	34 153	17 153
Cash generated before working capital movements	33 565	28 512
Decrease in trade and other receivables	23 080	1 100
Decrease in payables	(690)	(799)
Movement on amounts due by subsidiaries	(400 909)	(101 288)
Cash utilised in operations	(344 954)	(72 475)
Income taxes paid	(17 538)	(22 397)
<b>Net cash utilised in operating activities</b>	<b>(362 492)</b>	<b>(94 872)</b>
<b>Investing activities</b>		
Interest received	17 202	10 788
Changes in holdings	(127 673)	100
Acquisition of an associate	-	(4 952)
Dividends received	32 912	27 652
<b>Net cash (utilised)/generated by investing activities</b>	<b>(77 559)</b>	<b>33 588</b>
<b>Financing activities</b>		
Interest paid	(96)	(4 542)
Net loans raised	579 685	101 900
Dividends paid	(37 000)	(44 925)
<b>Net cash generated by financing activities</b>	<b>542 589</b>	<b>52 433</b>
Net increase/(decrease) in cash and cash equivalents	102 538	(8 851)
Cash and cash equivalents at beginning of year	(158 982)	(150 131)
Cash and cash equivalents at end of year	(56 444)	(158 982)
Made up as follows:		
Cash and cash equivalents	6	6
Bank overdrafts	(56 450)	(158 988)
	(56 444)	(158 982)

Company financial statements

## Dimension Data Holdings plc

### Company statement of changes in equity

for the year ended 30 September 2014

	Share capital (note 15) \$'000	Share premium \$'000	Capital reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 30 September 2012</b>	17 760	559 089	1 469	229 131	807 449
Profit for the year	-	-	-	48 807	48 807
Items recognised directly in equity					
Dividends paid	-	-	-	(44 925)	(44 925)
<b>At 30 September 2013</b>	17 760	559 089	1 469	233 013	811 331
Profit for the year	-	-	-	28 014	28 014
Items recognised directly in equity					
Dividends paid	-	-	-	(37 000)	(37 000)
Share-based payment reserve released	-	-	(1 469)	1 469	-
<b>At 30 September 2014</b>	17 760	559 089	-	225 496	802 345

# Adrian Suter

## for the year ended 30 September 2014

	Office furniture and fittings \$'000
<i>Cost</i>	
At 30 September 2013	67
<b>At 30 September 2014</b>	<b>67</b>
<i>Accumulated depreciation</i>	
At 30 September 2013	56
Charge for the year	11
<b>At 30 September 2014</b>	<b>67</b>
<i>Carrying amount</i>	
30 September 2013	11
<b>30 September 2014</b>	<b>-</b>

2014 \$'000	2013 \$'000
----------------	----------------

Investments in subsidiaries are carried at cost less provisions for impairments.

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## Dimension Data Holdings plc

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

for the year ended 30 September 2014

	2014 \$'000	2013 \$'000
<b>C Trade and other receivables</b>		
Rebates receivable	37 283	35 100
Dividends receivable	13 104	25 242
	<b>50 387</b>	<b>60 342</b>
<b>D Trade and other payables</b>		
Accruals	971	809
	<b>971</b>	<b>809</b>

#### E Profit for the year

As permitted by section 408 of the Companies Act 2006, the Company has elected not to present its own income statement and statement of other comprehensive income for the year. The Company reported a profit for the year of \$28.0 million (2013: \$48.8 million).

#### F Financial risk factors

##### Financial assets

	Trade and other receivables \$'000	Cash and cash equivalents \$'000	Other \$'000	Total \$'000	Sensitivity analysis  Profit or loss \$'000
<b>2014</b>					
<b>Interest rate</b>					
Floating interest rates	329 523	6	-	329 529	3 295
Fixed interest rates	-	-	-	-	-
Non-interest bearing	647 789	-	130 272	788 061	-
	<b>977 312</b>	<b>6</b>	<b>130 272</b>	<b>1 107 590</b>	<b>3 295</b>
<b>Currency profile</b>					
Australian dollars	38 673	-	-	38 673	387
Euro	31 289	-	-	31 289	313
Sterling	(628 555)	-	-	(628 555)	(6 286)
US dollars	1 205 591	6	130 272	1 355 869	13 359
SA rand	311 065	-	-	311 065	3 111
Other	19 248	-	-	19 248	192
	<b>977 311</b>	<b>6</b>	<b>130 272</b>	<b>1 107 589</b>	<b>11 076</b>

# Dimension Data Holdings plc

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

for the year ended 30 September 2014

### F Financial risk factors (continued)

#### Financial assets (continued)

	Trade and other receivables \$'000	Cash and cash equivalents \$'000	Total \$'000	Sensitivity analysis  Profit or loss \$'000
2013				
<b>Interest rate</b>				
Floating interest rates	156 976	6	156 982	157
Fixed interest rates	-	-	-	-
Non-interest bearing	3 091 851	-	3 091 851	3 092
	<b>3 248 827</b>	<b>6</b>	<b>3 248 833</b>	<b>3 249</b>
<b>Currency profile</b>				
Australian dollars	512 305	-	512 305	512
Euro	6 713	-	6 713	7
Sterling	1 202 117	-	1 202 117	1 202
US dollars	1 292 317	6	1 292 323	1 292
SA rand	235 375	-	235 375	235
	<b>3 248 827</b>	<b>6</b>	<b>3 248 833</b>	<b>3 248</b>

#### Financial liabilities

	Loans and borrowings \$'000	Trade and other payables \$'000	Total \$'000	Sensitivity analysis  Profit or loss \$'000
2014				
<b>Maturity analysis</b>				
Within one year	587 303	17 344	604 647	
Within two to five years	440 915	-	440 915	
More than five years	732 685	-	732 685	
	<b>1 760 903</b>	<b>17 344</b>	<b>1 778 247</b>	
<b>Interest rate</b>				
Floating interest rates	1 029 749	-	1 029 749	10 297
Fixed interest rates	-	-	-	-
Non-interest bearing	715 707	17 344	733 051	-
	<b>1 745 456</b>	<b>17 344</b>	<b>1 762 800</b>	<b>10 297</b>
<b>Currency profile</b>				
Australian dollars	968	-	968	10
Euro	(42 947)	8 395	(34 552)	(346)
Sterling	(1 033 813)	-	(1 033 813)	(10 338)
US dollars	2 723 755	461	2 724 216	27 242
SA rand	(3 163)	8 487	5 324	53
Other	88 424	1	88 425	884
	<b>1 733 224</b>	<b>17 344</b>	<b>1 750 568</b>	<b>17 505</b>

## Dimension Data Holdings plc

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

for the year ended 30 September 2014

#### F Financial risk factors *(continued)*

##### Financial liabilities *(continued)*

	Loans and borrowings \$'000	Sensitivity analysis Profit or loss \$'000
2013		
<b>Maturity analysis</b>		
Within one year	201 525	
Within two to five years	175 117	
More than five years	3 638 376	
	<u>4 015 018</u>	
<b>Interest rate risk</b>		
Floating interest rates	535 625	5 357
Fixed interest rates	-	-
Non-interest bearing	3 479 394	-
	<u>4 015 019</u>	<u>5 357</u>
<b>Currency profile</b>		
Euro	18 546	185
Sterling	827 454	8 274
US dollars	2 609 334	26 093
Other	559 684	5 596
	<u>4 015 018</u>	<u>40 148</u>

#### G Parent Company guarantees

The Company has outstanding guarantees issued as support for several third party financial commitments of its subsidiaries. These guarantees would be due by the Company in the event of default by the subsidiary. In the ordinary course of business, the Company has issued contract performance guarantees (refer note 27). At 30 September 2014 the Company has issued total guarantees of \$1 495.2 million (2014: \$1 516.3 million).

# Dimension Data Holdings plc

## Principal subsidiaries, associates and joint ventures

for the year ended 30 September 2014

Name	Country of incorporation/ operation	Activity	Effective interest	
			2014 %	2013 %
<b>Subsidiaries</b>				
<b>Middle East and Africa</b>				
AccessKenya Group Ltd	Kenya	Internet solutions	90.2	90.4
Dimension Data (Pty) Limited	South Africa	IT Systems Integration	90.2	90.4
Dimension Data Middle East and Africa (Pty) Limited	South Africa	Investment holding	90.2	90.4
Dimension Data Facilities (Pty) Limited	South Africa	Investment property	100	90.4
Internet Solutions (Pty) Ltd	South Africa	Internet service provider	90.2	90.4
Merchants SA (Pty) Limited	South Africa	Contact centres	90.2	100
Plessey (Pty) Limited	South Africa	Telecommunications infrastructure	90.2	90.4
<b>Asia</b>				
Dimension Data Asia Pacific PTE Limited	Singapore	Investment holding	100	100
Dimension Data Hong Kong Limited	Hong Kong	IT Systems Integration	100	100
Dimension Data India Limited	India	IT Systems Integration	100	100
Dimension Data (Singapore) PTE Limited	Singapore	IT Systems Integration	100	100
<b>Europe</b>				
Dimension Data Austria GmbH (formerly NextiraOne Austria GmbH)	Austria	IT Systems Integration	100	-
Dimension Data Belgium SA	Belgium	IT Systems Integration	100	100
Dimension Data Communications Belgium NV (formerly NextiraOne NV/ SA)	Belgium	IT Systems Integration	100	-
Dimension Data Communications Deutschland GmbH (formerly NextiraOne Deutschland GmbH)	Germany	IT Systems Integration	100	-
Dimension Data Communications UK Limited (formerly NextiraOne UK Limited)	United Kingdom	IT Systems Integration	100	-
Dimension Data France SA	France	IT Systems Integration	100	100
Dimension Data Germany AG & Co	Germany	IT Systems Integration	100	100
Dimension Data Nederland BV	Netherlands	IT Systems Integration	100	100
Dimension Data Network Services Limited	United Kingdom	IT Systems Integration	100	100
<b>Americas</b>				
Dimension Data North America Inc	United States of America	IT Systems Integration	100	100
Dimension Data Cloud Solutions Inc	United States of America	Cloud solutions	100	100
Dimension Data Chile SA	Chile	IT Systems Integration	100	100
Dimension Data Comercia e Servicos de Tecnologia LTDA	Brazil	IT Systems Integration	100	100
Nexus IS Inc.	United States of America	IT Systems Integration	100	-

## Dimension Data Holdings plc

### Principal subsidiaries, associates and joint ventures *(continued)*

for the year ended 30 September 2014

Name	Country of incorporation/ operation	Activity	Effective interest	
			2014 %	2013 %
<b>Australia</b>				
Dimension Data Australia Pty Limited	Australia	IT Systems Integration	100	100
Dimension Data Cloud Solutions Australia Pty Ltd	Australia	Cloud solutions	100	100
Earthwave Corporation Pty Limited	Australia	Security services	100	100
<b>Associates and joint ventures</b>				
Britehouse Holdings (Pty) Limited	South Africa	IT Systems Integration	40	40
Tradebridge (Pty) Limited	South Africa	Messaging solutions	27.8	35.6
Hatch Investments (Mauritius) Limited	Mauritius	IT consulting	50	50
Fibreco Telecommunications (Pty) Limited	South Africa	Fibre optic network	30	30.1

*A full list of subsidiaries, associates and joint ventures is available from the registered office of the Company.*