ANNUAL REPORT

2010

datacentrix

www.datacentrix.co.za

Vision

Datacentrix intends to become the preferred ICT partner to the majority of South Africa's corporate and public sector organisations.

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Financial Overview

Revenue decreased 14.7% to R1.3 billion

EBITDA decreased 23.6% to R126.6 million

Basic earnings per share (EPS) decreased 33.2% to 41.1 cents

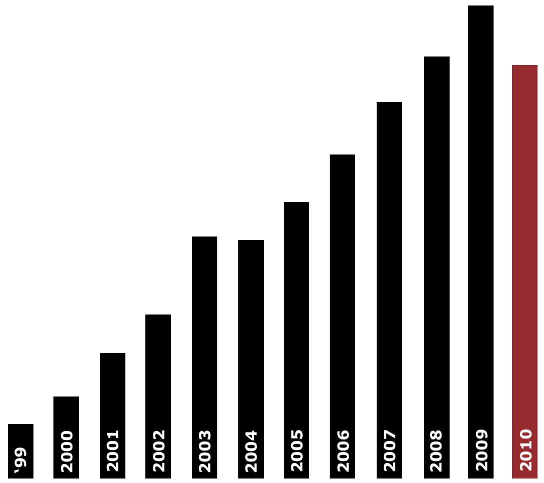
Basic headline earnings per share (HEPS) decreased 33.3% to 41.1 cents

Cash on hand of R284.8 million, with no interest-bearing debt

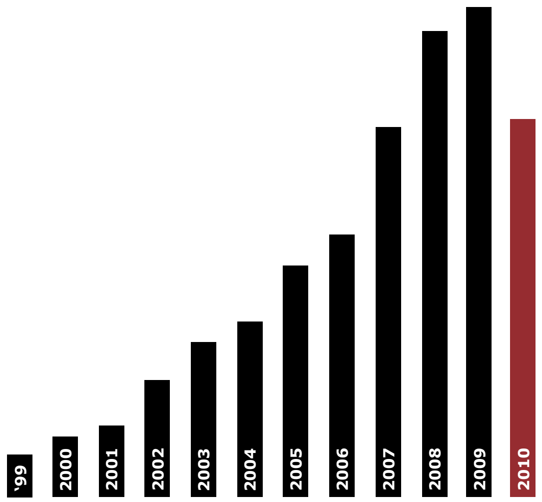
Cash generated from operations of R153 million

Final dividend declared of 16.6 cents per share, bringing annual dividend to 30 cents per share

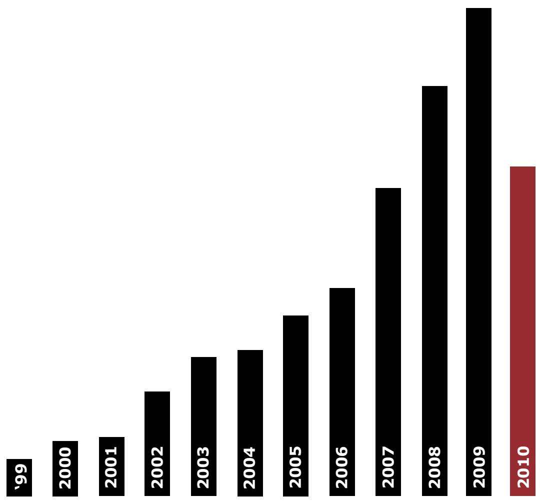
Tangible net asset value per share increased 6.6% from 175.4 to 186.9 cents per share



Revenue - R1.3 billion



EBITDA - R126.6 million



HEPS - 41 cents

Corporate Overview

Our Business

Datacentrix is a leading, empowered ICT integrator that provides high performing and secure ICT solutions to corporate South Africa and the country's public services sector. The company listed on the JSE Limited in 1998.

Our Footprint

Datacentrix operates from regional branch offices in Pretoria, Samrand, Johannesburg, Cape Town, Port Elizabeth, East London and Durban. A network of small medium enterprises (SMEs) and service personnel around South Africa are responsible for servicing remote areas.

Our Mission

Datacentrix strives to maximise stakeholder wealth by providing leading solutions in the core ICT areas of infrastructure, business solutions, outsourcing and other related IT services to enterprise South Africa. To achieve this, Datacentrix invests in its people through training and education, embracing broad-based black economic empowerment, while actively partnering and representing leading technology partners with distinction.

Our Partners

Datacentrix' global partnerships with its technology partners remain critical to the company's success. The company is accredited by its vendors at the highest possible level both in the technical and sales arenas. Datacentrix receives multiple partner awards each year for its expertise that continuously sees client technology requirements satisfied through best in class solutions. The technology partnerships form part of the company's business value chain. The company boasts a competitive and attractive pricing model as a result of direct purchases from its global technology partners. Some of these key partners include Hewlett Packard, IBM and Microsoft.

Our Focus

The group's business activities focus on the following areas:

Infrastructure
The Datacentrix Infrastructure division offers large-scale IT infrastructure hardware and software solutions. It provides professionally managed infrastructure cycles from design to operation.

Managed Services
The division is a cost effective partner for the supply, installation and maintenance of equipment over its entire lifecycle. Its support services include procurement, setup and configuration, logistics and deployment, through to ongoing management and maintenance services.

Business Solutions
Datacentrix Business Solutions extends the life of key systems investments and improves the return on information by providing superior business insight into all business functions. It customises and integrates software applications and data in order to enhance data processing and automate workflow.

Five-Year Review

	2010	2009	2008	2007	2006
Revenue (R'000)	**1 290 781**	1 513 322	1 346 971	1 201 904	1 034 397
EBITDA (R'000)	**126 619**	165 534	157 096	124 564	88 661
Total assets (R'000)	**590 254**	610 333	548 529	457 345	450 141
Cash holdings (R'000)	**284 836**	232 841	221 896	173 841	165 615
HEPS (cents)	**41.0**	61.5	52.0	40.4	28.7
EPS (cents)	**41.1**	61.5	52.0	40.0	25.5
Net asset value (cents)	**195.7**	184.2	150.4	127.0	124.9
Tangible net asset value (cents)	**186.9**	175.4	141.3	118.6	116.2
Actual number of shares in issue ('000)	**195 798**	195 785	195 785	195 655	195 647
Number of employees	**876**	820	707	670	568
Group EE: % Black staff	**55%**	53%	51%	51%	51%
Group EE: % Designated staff	**68%**	66%	66%	66%	67%

EBITDA: Earnings before interest, taxation, depreciation and amortisation

EE: Employment equity

Datacentrix Infrastructure

The Datacentrix Infrastructure division offers large-scale IT infrastructure hardware and software solutions. It provides professionally managed infrastructure cycles from design to operation. The procurement and deployment of leading edge computer systems has been a core business line at Datacentrix since its establishment. The company's technology expertise spans both Windows and UNIX environments.

The focus on Infrastructure includes:

Data Centre Solutions
The Enterprise business unit removes the time and the risk factors from data centre design and installation. The unit's intelligent server and storage solutions process, store, protect and manage client data efficiently, reliably and flexibly.

Networking
The Networking business unit provides network, optimisation and unified communication solutions to enterprise clients. This comprehensive suite of network solutions and services encompasses all enterprise network requirements, from requirements definition, procurement, implementation, through to management and support.

Software Infrastructure Solutions (licensing and services)
Datacentrix provides software offerings - including infrastructure and messaging systems and systems management solutions - to enterprise clients. The services span the entire software lifecycle from requirements definition, procurement, implementation, through to licensing management.

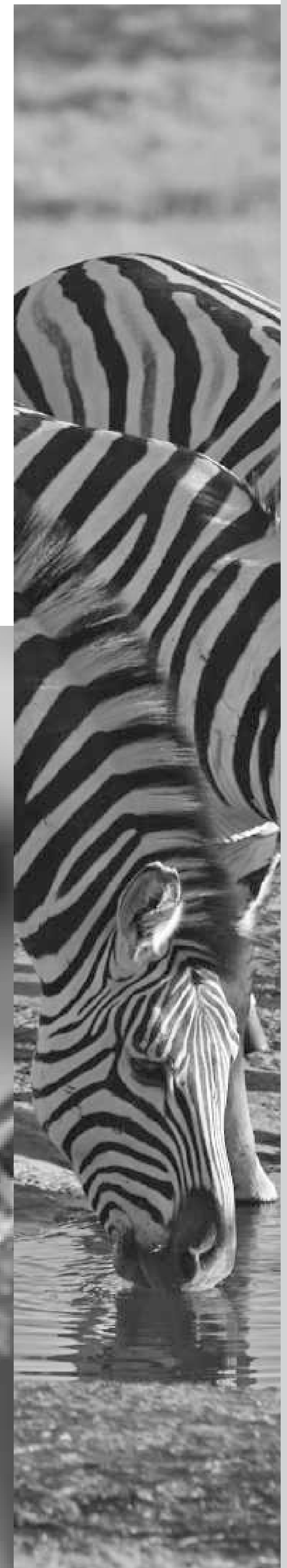
Security
Datacentrix provides a comprehensive range of information security products, services and solutions. The company's solutions stretch from protecting clients' most valuable information assets on the desktop, to the most advanced, state of the art non-repudiation, application and transaction security systems.

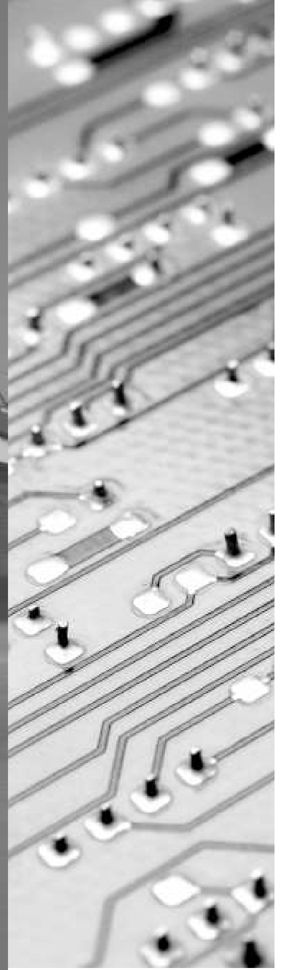
End User Computing (volume products)
Datacentrix is one of South Africa's largest value added resellers - providing volume IT hardware to corporate clients and public service organisations across the country. The company offers complete technical support packages and is authorised to conduct warranty and non-warranty repairs on all Hewlett Packard, IBM and Lenovo products.

Logistics
The business unit plans, procures, manages, and moves high-tech equipment and goods by road, rail and air, to the whole of South Africa. Datacentrix ensures that its infrastructure clients receive their equipment in time and without damage - every time.

Professionally managed **infrastructure**

Leading edge **computer systems**





Datacentrix Managed Services

The Datacentrix Managed Services division ensures maximum infrastructure uptime for its clients through the provision of systems deployment, management and support services. These services range from procurement, setup, configuration and deployment through to ongoing management and maintenance services.

The focus on Managed Services includes:

Outsource Services
Offers clients an opportunity to use outsourcing as a business tool, and to leverage the economies, efficiencies and know-how that Datacentrix' outsourcing model provides.

Resourcing
Provides select on-site human resources that add further value to client operations and which are underlined by an in depth understanding of the client's short- and long-term resourcing requirements.

Managed Print Services (MPS)
Achieves user efficiency, not only in terms of cost savings, but also through cutting the average time to print documents by increasing device availability. MPS provides organisations with access to fast, reliable, state of the art equipment for a best-fit solution.

Hardware Services
Provides lifecycle services for desktop, notebook, printer and server equipment from procurement to end-of-life decommissioning. In-warranty services are rendered on behalf of Hewlett Packard, IBM and Lenovo.

Projects
Ensures that project deliverables are met within time and budget constraints, and that client expectations are exceeded.

Whatever the project, be it an infrastructure roll-out, upgrade, re-location or decommission, the Projects business unit provides complete lifecycle involvement - from solution analysis and implementation, to testing and post-implementation evaluation.

Service Desk
Operates internally with highly trained personnel using proven processes to support users and clients. An integrated technology layer underpins the service desk model and enables the team to support computer hardware systems, software applications, Internet and Intranet environments and business systems.

Maximum infrastructure uptime

Ongoing management and maintenance services

Datacentrix Business Solutions

The Datacentrix Business Solutions division offers a line of integrated, adaptable business management solutions that automate and streamline business processes in a way that helps drive business success.

Customising and integrating software applications and data helps businesses enhance data processing and automates business processes. This provides decision makers with greater insight into all the business functions from supply chain, manufacturing, sales and customer relationship management to finance.

The focus on Business Solutions includes:

Enterprise Resource Planning (ERP)
The ERP business unit offers a line of integrated, adaptable business management solutions that automate and streamline financial and supply chain processes in a way that helps drive business success.

Business Intelligence (BI)
BI provides the ability to transform data into valuable information through data and information strategy, data warehousing, analytical applications and corporate reporting solutions.

Enterprise Content Management (ECM)
ECM helps clients manage and gain true value from their business content. This is achieved through an in-depth understanding of all types of content and managing the content from creation through to disposal.

Business Process Management (BPM)
BPM simplifies and streamlines business processes, ensuring that the right work is delivered to the right people at the right time. BPM optimises the processing time within a company's operations, saves costs and increases the efficiency of the business operations.

Archiving
Datacentrix Business Solutions is a provider of data archiving, test data management, data privacy and data classification and discovery software. These offerings enable clients to overcome information management challenges and improve database performance.

The Datacentrix Business Solutions division provides the resources and expertise to create new systems definitions and extends the life of key system investments.

Integrated, adaptable business management solutions

Streamlined business processes

Board of Directors and Executive Management

Non-Executive Directors

1. Gary Morolo (51)
Chairman
BA, MBA, AEP
Date of appointment: August 1998
Other directorships: Aka Capital (Pty) Ltd, Savcio Holdings Ltd, Vametco Holdings

2. Alwyn Martin (71)
Independent Director
BCom CA (SA)
Date of appointment: May 2005
Other directorships: Trans Hex Group Ltd, Medi-Clinic Corporation Ltd, Barnard Jacobs Mellet Holdings Ltd, Petmin Ltd, Northam Platinum Ltd

3. Joan Joffe (72)
Independent Director
BA (Mathematics)
Date of appointment: September 1998
Other directorships and memberships: Freeplay Foundation (Section 21 Company)

4. Dudu Nyamane (53)
Independent Director
BA (Social Sciences), MBA
Date of appointment: June 2009
Other directorships: South African Roads Agency Ltd (SANRAL)

5. Thenjiwe Chikane (44)
Independent Director
BCom Honours, Chartered Accountant
Date of appointment: April 2009
Other directorships: Nedbank Group and Nedbank Ltd, Africa Rice Board of Trustees

Executive Directors

6. Ahmed Mahomed (48)
Chief Executive Officer
Date of appointment: March 2003
Appointed CEO: March 2008

7. Elizabeth Naidoo (36)
Financial Director
BCom, BAcc, CA (SA)
Date of appointment: October 2003

Executive Management

8. Johann Coetzee (47)
Managing Director: Commercial
BEng: Industrial Engineering, MBA

9. Juane Peacock (51)
Managing Director: Coastal Infrastructure and Enterprise Content Management Solutions

10. Vernon Tutton (51)
Managing Director: Managed Services
Diploma in Electronic Engineering

11. Charl Joubert (51)
Managing Director: Business Solutions
BCom (Hons) (Marketing)

12. Rainer Jeske (57)
Managing Director: Technology Solutions

13. Kenny Nkosi (49)
Managing Director: Government
Diploma in Business Administration
Executive Development Program

Committees

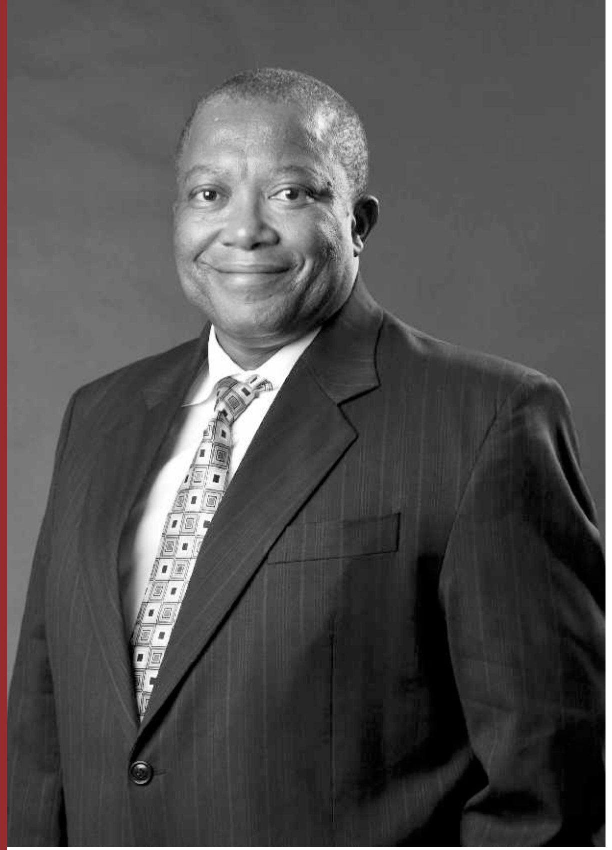
Audit Committee
Alwyn Martin* (Chairman), Joan Joffe*, Thenjiwe Chikane*

Risk Committee
Thenjiwe Chikane* (Chairman), Alwyn Martin*, Joan Joffe*

Remuneration and Human Resources Committee
Joan Joffe* (Chairman), Dudu Nyamane*#, Thenjiwe Chikane*

** Independent, non-executive director*
 # Chairman effective 18 March 2010

Chairman's Report



The chairman's report in the last annual report alludes to the evolving nature of Datacentrix' product offerings and business proposition from a basic infrastructure integrator and services provider to a full solutions supplier. As it was put to the market last year, Datacentrix' product and service mix has been slowly evolving from small transactional deals to bigger, more complex solutions as the company increasingly sells into the data centre as opposed to primarily the desktop environment.

Gary Morolo, Chairman

The intended effect has been to make Datacentrix a more strategic long-term partner to clients as opposed to merely a purveyor of infrastructure hardware and services, away from commoditised offerings. Added to this mix has been the planned growth of our selective outsource business, not only in IT infrastructure and services, but also in print output market and resource provisioning. This has meant that Datacentrix' deal cycles have become longer, with each deal having proportionately more potential impact on the bottom line than has been the case in the past. Deal slippage has consequently become an issue with potential significant impact on the bottom line in any reporting period. Datacentrix embarked on this strategy by investing significantly in resources and competencies that we could otherwise only have got on board through acquisitions, thus further impacting the bottom line.

The strategy shift has yielded very pleasing results in many of our operating business units, growing the overall business in the private sector and repositioning the company favourably in the market. While in the last annual financial year we expressed positive views about government's anticipated IT spend and fairly bearish views about IT spend in the private sector, ironically Datacentrix delivered traditionally pleasing results that the market has come to expect of Datacentrix in all business units with a private sector exposure. The strategy evolution referred to above has delivered the desired results that also went a substantial way towards compensating for the lack of performance in the public sector. All these businesses with a private sector bias, such as outsourcing, managed print services, resourcing, technology solutions, enterprise content management, and of course the traditional commercial (private sector) infrastructure division, have showed excellent growth. We continue to build on these areas and anticipate extracting the desired performance from them.

On the other hand the developments in the public sector outpaced the company and a combination of factors contributed to a very poor performance in this sector. It has become apparent over the last few years that Datacentrix' market positioning was coming under threat principally because of increasing commoditisation of infrastructure hardware and the concomitant increased ability of SMMEs to play in this space.

Additionally, in the public sector some of the departments and government entities, especially SOEs, prefer or are obliged to implement parallel BEE evaluation criteria, which invariably require black equity ownership of at least 25%. Datacentrix has fully vested and unencumbered black ownership of just over 10%.

This requirement is putting Datacentrix under increasing competitive pressure, especially from the aforementioned well established SMMEs. Datacentrix anticipated that its business model would come under pressure and that it needed to move up the value chain. The move up the value chain has been organic, measured, and gradual, to build a strong and sustainable competency.

In our half yearly results, we flagged the poor performance of the divisions, which serve the government. For the reasons alluded to above, and further elucidated upon below, Datacentrix has a lf good understanding and even some measure of anticipation of this poor performance. The company had reasonable expectation that it would overcome the poor performance of the first half but this did not materialise.

While measures were put in place to address this issue or even substitute this business, the results have taken longer than anticipated, hence the failure to match, much less improve, on last year's performance. Firstly, government's policy to favour SMMEs where appropriate has been implemented more aggressively, leading to an intensely competitive environment.

Datacentrix can no longer compete effectively in the commoditised space because some of the SMMEs have graduated in the scale of their offerings to occupy the space that Datacentrix has occupied for many years during its own early growth phase. Some of the other reasons we outlined at our half yearly results. These included delays in tender awards occasioned by the anticipation of elections and the hiatus created by change in decision-making office bearers and officials.

Associated with this was a freeze on all major spending, and a re-direction of funding to re-prioritised areas. Also, as we have moved up the value chain in government, the deal cycle has become much longer and the adjudication process often aborted or subjected to a lot of pressure and unanticipated delays. A substantial portion of the business we anticipated from government remains unawarded, some of it for periods exceeding the last twelve months under review.

Governance

In line with implementing the pertinent aspects of King III, the roles of some directors have changed. Joan Joffe has assumed the role of Lead Independent Director because the Chairman is not an independent non-executive director in line with King III.

Risk management has been separated from the Audit Committee and a new Risk Committee of the board has been set up under the chairmanship of Thenjiwe Chikane. Alwyn Martin continues with his role as Chairman of the Audit Committee. Dudu Nyamane assumed the chairmanship of the Remuneration and Human Resources Committee.

A full review of King III and the new Companies Act is underway to ensure full compliance with the pertinent aspects at the earliest opportunity.

Black Economic Empowerment

Datacentrix has recently been awarded Level 3 Contributor status (EmpowerDex "AA" Rating) based on the DTI Codes of Good Governance. Ordinarily this would be regarded as excellent, sufficient to satisfy BEE requirements. As mentioned above, this is not necessarily the case, with some state-owned entities requiring at least 25% black-owned equity. Discussions on the promulgation of the ICT Charter especially on equity ownership have also resurfaced. The board has tasked the Lead Director, Joan Joffe, to have proposals developed on how best to address this imminent equity ownership requirement.

"The strategy shift has yielded very pleasing results in many of our operating business units, growing the overall business in the private sector and repositioning the company favourably in the market."

It also remains a concern of the board that the current management and other key members of staff are not invested in the business and this presents a risk to the company in terms of senior executive retention.

Prospects

Management has been driving a strategy to reposition Datacentrix to operate higher up the value chain. This has borne fruit so far and indications are that it will set Datacentrix up for its next growth phase. While our optimism in government related business was misplaced, a significant portion of the business that Datacentrix was in line for is yet to be awarded and we continue to have faith in our tender submissions.

Recent wins in the outsourcing businesses have substantially augmented the base for annuity income going forward. While Datacentrix has a bias towards organic growth, management and the board are actively considering bolt-on acquisitions to kick-start a strategic revitalisation of specific aspects of the Business Solutions division.

I thank the board for its wise counsel and its support to management, and to management and staff for effecting significant strategic shifts while growing most parts of the business and setting the stage for further growth.

Gary Morolo
Chairman

Chief Executive Officer's Report

Ahmed Mahomed, CEO

Datacentrix announces its annual financial results for the year ended 28 February 2010.

The group continues to maintain solid disciplines across the business, which is visible in the strong operating cash flows of R153.3 million generated, resulting in cash of R284.4 million on hand with no interest-bearing debt. Tangible net asset value improved by 7% to 187 cents.

Gross revenue contracted to R1.3 billion from R1.5 billion, because of poor results in parts of the Infrastructure division, while EBITDA dropped from R165.5 million to R126.6 million. Group interest earned declined by R8 million, due to lower interest rates over the past year impacting on both headline earnings per share and basic earnings per share from 61.5 cents to 41 cents.

Operational Review

Datacentrix is a leading South African company that operates within the Information and Communication Technology (ICT) sector. The group has three operating divisions, namely Infrastructure, Managed Services and Business Solutions, providing an end-to-end IT solutions offering, that is generic in nature and hence well suited to all sectors within the local market.

The group is pleased with the performance of its divisions with the exception of a component of Infrastructure. The group's historical principal revenue earner, the Infrastructure division, contributed 56% to group profit before taxation.

The Managed Services and Business Solutions divisions reflected healthy year-on-year profit before taxation (PBT) growth of 19% and 13% respectively. The Managed Services offering, and the success achieved in this division, has improved annuity revenue, decreasing the group's reliance on transactional business. The effect of growing annuity revenue will stand the group in good stead in the future.

The commercial sector reflected strong growth, however the results in the public sector were less than expected. A number of tenders submitted have not been awarded, due to a change in public sector priorities. Given the historic high contribution of this segment to group revenues, it has had a significant impact on group results, dampening the good performance of the rest of the Infrastructure business.

Datacentrix' investment in a variety of value based offerings ranges from selective outsourcing, Managed Print Services (MPS), data centre solutions, Enterprise Content Management (ECM), IBM and Microsoft technical and management capabilities. The group also expanded its geographical footprint to the Eastern Cape with the official opening of an office in Port Elizabeth, and an office in East London, which opened on 1 April 2010.

A number of these targeted growth areas have performed well, showing significant new client wins. Datacentrix also renewed expiring selective outsourcing contracts in the last financial year, testimony to the organisation's ability to execute and deliver on client expectations.

The company maintained its deliberate strategy to invest in both technical and management capacity taking advantage of a volatile market. The group still boasts healthy operating margins viewed within the context of the market despite lower revenue streams from government and continued investment in resources.

Infrastructure

The Infrastructure division remains a foremost provider for the supply of products, deployments, maintenance and support of integrated IT infrastructure in the country, as well as being the largest and most broadly certified HP integrator in the local marketplace. Although the year has been challenging for this division, the commercial sector business achieved double digit growth as a result of new client wins in all regions.

"Datacentrix' investment in a variety of value based offerings ranges from selective outsourcing, Managed Print Services (MPS), data centre solutions, Enterprise Content Management (ECM), IBM and Microsoft technical and management capabilities."

The division successfully deployed end-to-end data centre solutions utilising some of the newest technologies in the market. In doing so, it leveraged its entire portfolio of services, from end user computing to business critical hardware and software technologies and expertise.

The division has also performed well in the specialist technology areas. It has made significant progress in strengthening its IBM capabilities, securing the services of pre-eminent management and technical resources in this space.

The Security business unit has successfully deployed an upgraded biometrics security solution. Furthermore, the company is encouraged by the developments in the focused Networking business unit addressing two main areas, bandwidth optimisation, which deals with solutions designed to improve bandwidth utilisation; and the provisioning of network infrastructure, which focuses on new network technologies.

Managed Services

Strong performances were delivered within the Managed Services division, with Managed Print Services (MPS), outsourcing and resourcing reflecting healthy double digit growth. The Outsourcing business unit in particular closed three deals in the latter part of 2009. The MPS unit is recognised in the information technology market as a leader in its field.

In support of these businesses, Datacentrix continues to invest in improved operational capacity, strengthening both the MPS and outsourcing execution engines and continuing in its single minded approach to provide uncompromising service delivery to which its clients have become accustomed.

Business Solutions

This division has also shown healthy growth. The Enterprise Content Management (ECM) business in particular showed remarkable growth, resulting in a solid performance from the Business Solutions division.

The ECM and Business Process Management (BPM) business units won local and international accolades for the solutions deployed. The business unit has one of the largest services capabilities in the market and is focused primarily on the ECM, BPM and Information Lifecycle Management (ILM) spaces. The Enterprise Resource Planning (ERP) business offering, whilst profitable, remains under pressure.

Investment in People

Datacentrix' investment in technical, sales and managerial resources remains a key feature of its organic growth strategy. The company continues to guardedly invest in targeted growth areas as identified resources become available. Staff complement has grown to 876 permanent employees and 181 contractors bringing the total complement to 1,057. This expansion was driven primarily by requirements in the Managed Services and Business Solutions businesses and the need for key technical skills in the Technology Solutions units.

Vendors

The commitment to technical excellence and driving value for both its clients and vendors has contributed to the Infrastructure division earning a number of accolades from its vendors, including being named as HP's partner with the Highest Overall HP Revenue 2009, scooping the Highest Growth in HP Revenue ProCurve Networking 2009. The company was also announced as the IBM Systems and Technology Group Top Win-back Solution Provider for the year and top IBM Business Partner for WebSphere in general business.

2009 saw two Datacentrix clients in the Business Solutions division receive BPM Excellence awards at ITWeb's inaugural BPM Excellence awards ceremony.

Loyal existing client base and strong value proposition

Proven execution capability, expertise and ability to integrate offerings

Clients

The company's pre-sales, consulting and post-sales capabilities focus on assisting clients at every stage of the solutions lifecycle - ranging from needs determination, product evaluation, configuration, instalation and support. This is in line with the group objective of continuous service improvement, in order to meet and exceed client requirements and expectations, adding strategic business value to our clients. The group's long-term partnership philosophy has found favour and it is validated by the long standing relationships we have with our clients.

Industry Review

In the previous calendar year the South African IT industry, according to International Data Corporation (IDC) contracted by 8%. Reflective of the economic issues that plagued 2009, which have shown no respite in 2010, the industry is continuously evolving.

Local businesses continue to look for cost saving solutions, which enable them to run more efficiently and productively. The primary objective is always to support strategic business objectives, providing competitive advantages and adding tangible value to clients.

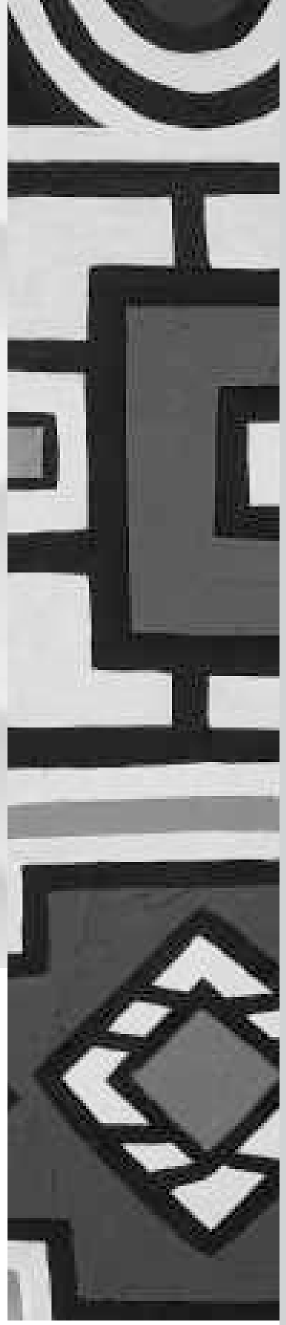
Prospects

The current climate will continue to fuel consolidation in the market, offering opportunities to access new clients and resources. The strategy to grow the total solutions portfolio will continue, specifically with regard to the biometrics and access management's security offering, data centre solutions, enterprise content management, managed print services and outsourcing.

Management has been driving a strategy to position Datacentrix to operate higher up the value chain. This has borne fruit so far and indications are that it will set Datacentrix up for its next growth phase. While our optimism this year in government related business did not materialise, a significant portion of the business that Datacentrix was in line for is yet to be awarded and we continue to have confidence in our tender submissions.

Recent wins in the outsourcing business have augmented the base for annuity income going forward. While Datacentrix has a bias towards organic growth, management and the board are actively considering bolt-on acquisitions to strengthen the Business Solutions division.

Ahmed Mahomed
Chief Executive Officer



King III

The Board is committed to maintaining high standards of corporate governance, which it regards as critical to business integrity and maintaining stakeholders trust. The company has in the past complied with the principles of the King II code in all material respects unless otherwise indicated. The King Report on Governance for South Africa and the King Code of Governance Principles (collectively referred to as King III) became effective from 1 March 2010, while the new Companies Act of 2008 (which legislates aspects of King III) is expected to come into effect during 2010. The board has already commenced the process to identify the areas where improved governance processes and procedures can be implemented based on the recommendation of King III.

This report outlines our system of governance. It is our view that governance is not just a matter for the board; a culture of good governance must be fostered throughout the organisation.

Structure, Governance and Operation of the Board of Directors

The company's board consists of the chairman, four non-executive directors, all of whom are independent, and two executive directors. Directors' biographies are provided on page 8 and 9.

The non-executive directors ensure impartial and objective viewpoints in decision making processes and standards of conduct. The non-executives have continued to demonstrate the characteristics of independence, such as objectively challenging management and taking part in rigorous debates, while at the same time possessing an outstanding knowledge of the business.

The simple decision making structure, the independence, and the character of the individual board members provide for open and transparent governance. In addition to the board, key operating executives, responsible for significant operations, attend board meetings by invitation.

The board is led by a non-executive chairman, Gary Morolo, whilst Ahmed Mahomed is the Chief Executive Officer (CEO). The chairman is not an independent chairman as recommended in King III, but the board is of the opinion that he is best suited to lead the board of directors at this point in time and this decision will be reviewed on an ongoing basis. Joan Joffe has assumed the role of Lead Independent director as recommended in King III, effective 18 March 2010.

The CEO is instrumental in developing and recommending to the board the business plans that support the long-term strategy and sets the tone in creating an ethical environment. He plays a critical role in the operations and success of the business. The chairman and the chairpersons of the board committees communicate regularly with the CEO, financial director and other executive members.

The board is happy to announce the re-appointment of Thenjiwe Chikane and Dudu Nyamane to the board with effect 19 April 2009 and 29 June 2009 respectively. Thenjiwe Chikane rejoins the board and will be a member of all the sub committees, including chairman of the Risk Committee. Dudu Nyamane rejoins the board after serving for a brief period. She also joined the Remuneration and Human Resources Committee and has recently assumed chairmanship of the committee. She is a member of the Risk Committee.

The composition of the board remains under constant review, not only to maintain required balance in terms of independence of directors, but to ensure the optimum mix of skills and experience as well as demographic profile.

The Board Charter

The board operates under an approved charter, which sets out the duties and responsibilities of the board and regulates the way business is conducted by the board in line with the principles of sound corporate governance.

Roles and Responsibilities
The board is accountable to shareholders for determining strategy and the overall conduct of the business. The board has the responsibility for the management and performance of the group and is required to exercise objective judgement, independent from management on corporate matters.

A corporate governance framework defines the roles and responsibilities of the constituent elements of the group's management structure. This enables the board to plan, execute, control and monitor the group's activities in accordance with strategic objectives.

The chairman is responsible for leadership, promoting the highest standards of governance and effectiveness of the board. The CEO is responsible for the leadership and operational management of the group within the strategy agreed upon by the board. The CEO ensures that there are appropriate management structures to effectively implement the group's objectives, strategy and business plans.

The matters that the board has specifically reserved for its decision are:

- approval of the group's strategy and annual budget;
- review of the group's performance;
- monitoring and reviewing of the effectiveness of the group's internal controls and risk management system;
- appointment, removal and remuneration of executive directors and company secretary;
- determination of the terms of reference of board committees; and
- approval of major capital expenditure or disposals, material contracts, material acquisitions and developments.

The general powers of the directors are conferred in the company's Articles of Association. Subject to specific fundamental, strategic and formal matters reserved for its decision, the board may delegate certain responsibilities to a number of standing committees, which operate within defined terms of reference laid down by the board, as referred to below.

The board has at least eight scheduled meetings annually. A formal performance evaluation of the board and committees is conducted annually by means of a series of self evaluation questionnaires, with the aim of evaluating and improving the effectiveness of the board and its committees.

During the 2010 financial year, none of the company's directors were materially interested in any proposed transaction or company that the group does business with.

The board delegates specific responsibility to three committees, namely the Audit Committee, Risk Committee, and the Remuneration and Human Resources Committee.

Executive Committee
The Executive Committee comprises seven executives (including two directors), under the chairmanship of Ahmed Mahomed, CEO.

The Executive Committee meets monthly, has the responsibility for the day-to-day running of the business and the execution of the group's strategy.

The Executive Committee is actively involved in performing the following functions:

- formulating group strategies and monitoring their implementation according to the board's directives;
- monitoring the performance of the group and the group's system of internal control;
- assisting the CEO and the financial director in preparing the annual budget for review and approval by the board;
- compiling and presenting non-financial information to the board;
- succession management and the planning and development of management;

Meetings of the Board of Directors:

Name	27 May '09	23 Jul '09	2 Sep '09	23 Sep '09	5 Oct '09	24 Nov '09	20 Jan '10	18 Mar '10	19 Apr '10
Gary Morolo (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ahmed Mahomed	✓	✓	✓	✓	✓	✓	✓	✓	✓
Alwyn Martin*	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dudu Nyamane*	Appointed	✓	✓	✓	✓	✓	✓	✓	✓
Elizabeth Naidoo	✓	✓	✓	✓	✓	✓	×	✓	✓
Joan Joffe*	✓	✓	✓	✓	✓	✓	✓	✓	✓
Thenjiwe Chikane*	✓	✓	✓	✓	✓	✓	✓	✓	✓

* independent, non-executive director

- designing, implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the company; and
- ensuring compliance to all relevant statutory and regulatory requirements, including applicable codes of best business practice as identified.

Meetings of the Executive Committee:

Name	16 Apr '09	14 May '09	18 Jun '09	16 Jul '09	13 Aug '09	17 Sep '09	15 Oct '09	12 Nov '09	10 Dec '09	14 Jan '10	18 Feb '10	18 Mar '10
Ahmed Mahomed (Chairman)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Charl Joubert	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Elizabeth Naidoo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Johann Coetzee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Juane Peacock	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kenny Nkosi	–	–	–	–	Appointed	✓	✓	✓	✓	✓	✓	✓
Rainer Jeske	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Vernon Tutton	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Audit Committee
The Audit Committee has four scheduled meetings annually. Meetings are attended by the external and internal auditor and, on invitation, members of executive management, including those involved in risk management, control and finance.

The composition of the committee complies with the requirements of the Act and consists only of independent, non-executive directors. The chairman of the Board occasionally attends the meetings as an invitee. The internal and external auditors have unlimited access to the chairman of the Audit Committee.

It operates under the chairmanship of Alwyn Martin, an independent, non-executive director and includes two other independent, non-executive members. The Chairman of the committee reports on proceedings at the next board meeting.

The specific responsibilities of the committee, which include all statutory duties required in terms of the Companies Act as amended by the Corporate Laws Amendment Act 24 of 2006 (CLAA) (the Act), include inter alia the following:

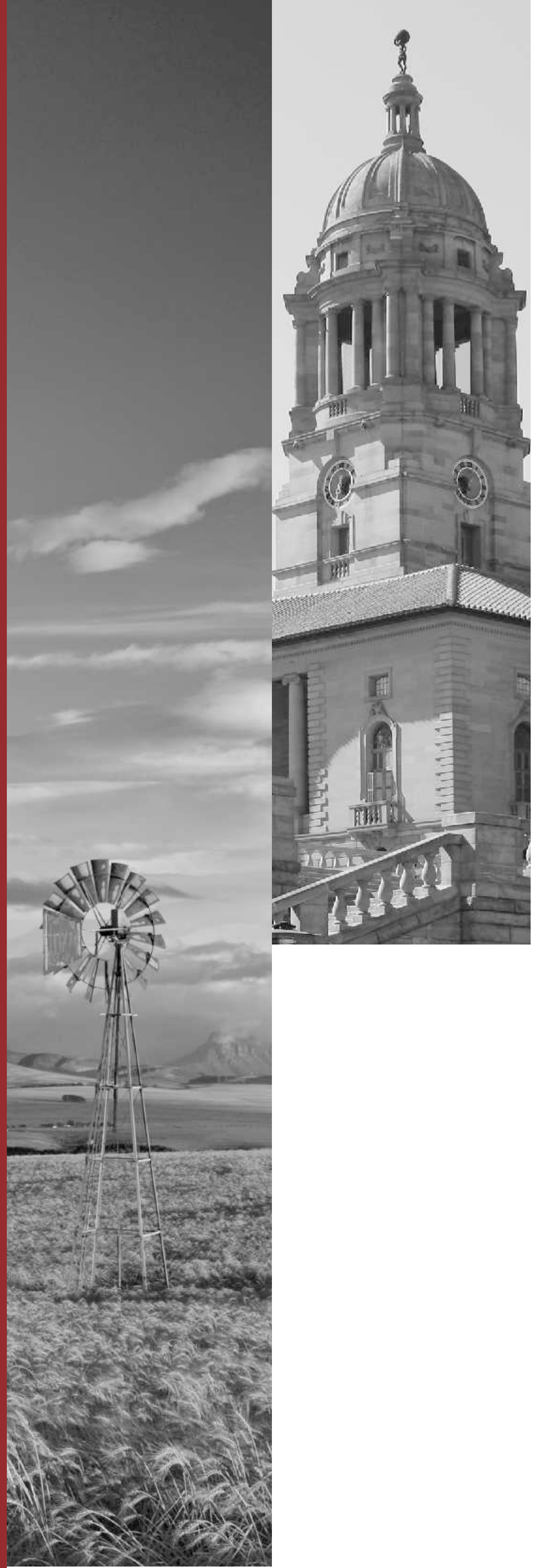
- overseeing the integrity of the financial statements;
- overseeing the appointment, remuneration, qualifications, independence and performance of the external auditor and the integrity of the audit process as a whole;
- approving the audit fees;
- specifying the nature and extent of non-audit services;
- overview of the internal audit function;
- pre-approving contracts for non-audit services;
- dealing with concerns or complaints relating to the accounting policies, the internal audit, the audit and content of the annual financial statements and the internal financial controls;
- verifying the effectiveness of risk management, controls and governance processes as well as the competence of the financial director;
- ensuring compliance with applicable legal and regulatory requirements; and
- ensuring compliance by management with constraints imposed by the board.

The directors believe that there is an adequate and effective system of internal control in place to mitigate the significant risks faced by the group to an acceptable level.

The committee operates within defined terms of reference as set out in its charter, and authority granted to it by the board. The committee is satisfied that it has met its responsibilities for the year with respect to its terms of reference.

The committee evaluates its performance and effectiveness as part of the formal annual board evaluation process. Self evaluation questionnaires are used for this purpose. Based on the results, the committee and board believe that the committee functions effectively and complies with its terms of reference.

As required in terms of the Act, the committee is satisfied that it has complied with its requirements and performed its functions, and that the company's external auditor is independent of the company, as evident from the description above of how the committee performed its function.



Timely, comprehensive and relevant disclosure

The JSE Listings Requirements were amended with effect from 1 September 2008, requiring all listed companies to have a Financial Director (FD), to which the company has always complied. A brief curriculum vitae of the current Financial Director, Elizabeth Naidoo, appears on page 9 of the annual report. The committee has considered and has satisfied itself of the appropriateness of the expertise and experience of Elizabeth Naidoo.

Meetings of the Audit Committee:

Name	19 Jun '09	29 Sep '09	20 Nov '09	12 Apr '10
Alwyn Martin* (Chairman)	✓	✓	✓	✓
Joan Joffe*	✓	✓	✓	✓
Thenjiwe Chikane*	✓	✓	✓	✓
Ahmed Mahomed (invitee)	✓	✓	✓	✓
Elizabeth Naidoo (invitee)	✓	✓	✓	✓

*independent, non-executive director

Risk Committee

The Risk Committee has four scheduled meetings annually. Meetings are attended by the CEO and financial director and on invitation, members of executive management, including those involved in risk management, control and finance.

The committee comprises at least three non-executive directors. Members of this committee and its chairman are nominated by the board. The chairman of the Audit Committee is an ex officio member of this committee. The members of the committee as a whole must have sufficient qualifications and experience to fulfil their duties.

It operates under the chairmanship of Thenjiwe Chikane, an independent, non-executive director and includes two other independent, non-executive members. The chairman of the committee reports on proceedings at the next board meeting.

The executives and management are responsible, through delegated authority, to manage the company risk.

The company has implemented an effective policy and plan for risk management that will enhance the company's ability to achieve its strategic objectives; and the disclosure regarding risk is comprehensive, timely and relevant. The Risk Committee undertakes this by:

- overseeing the development and annual review of a policy and plan for risk management to recommend for approval to the board;
- monitoring implementation of the policy and plan for risk management taking place by means of risk management systems and processes;
- making recommendations to the board concerning the levels of tolerance and appetite and monitoring that risks are managed within the levels of tolerance and appetite as approved by the board;
- overseeing that the risk management plan is widely disseminated throughout the company and integrated in the day-to-day activities of the company;
- ensuring that risk management assessments are performed on a continuous basis;
- ensuring that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks;
- ensuring that management considers and implements appropriate risk responses;
- ensuring that continuous risk monitoring by management takes place;
- liaising closely with the Audit Committee to exchange information relevant to risk;
- expressing the committee's formal opinion to the board on the effectiveness of the system and process of risk management;
- reviewing reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive and relevant; and
- reporting to the board on risk management by the company at least quarterly.

Meetings of the Risk Committee:

Name	20 Jan '10	12 Apr '10
Thenjiwe Chikane* (Chairman)	✓	✓
Joan Joffe*	✓	✓
Alwyn Martin*	✓	✓
Ahmed Mahomed (invitee)	✓	✓
Elizabeth Naidoo (invitee)	✗	✓

*independent, non-executive director

Remuneration and Human Resources Committee

The Remuneration and Human Resources Committee is responsible for agreeing with the board, the policy for the remuneration of the CEO, chairman and executive directors of the company, and is responsible for recommending board appointments and considering succession planning. It also has the responsibility for the remuneration of members of the executive committee.

The members of the Remuneration and Human Resources Committee are considered by the company to be independent, non-executive directors. This committee comprises two independent, non-executive directors and was chaired by Joan Joffe. Dudu Nyamane now chairs the committee effective 18 March 2010.

The Remuneration and Human Resources Committee is responsible for the remuneration strategy of the group, the approval of mandates for incentive schemes within the group and the determination of the remuneration of executive committee members, relative to local and international industry benchmarks. It reviews the balance of experience, knowledge and skills of the board to ensure that it delivers strategic direction and leadership required for success.

It also makes recommendations to the board regarding the structure and policy on executive, non-executive and senior management remuneration and the appointment of new directors to the board.

The role of the committee is to assist the board in its oversight of:

- the remuneration policy and its specific application to the CEO, the executive directors and the CEO's direct reports, and its general application to all employees;
- the adoption of annual and longer-term incentive plans;
- the determination of levels of reward for the CEO and approval of reward to the CEO's direct reports;
- the annual evaluation of the performance of the CEO, by giving guidance to the chairman;

- the communication to shareholders on remuneration policy and the committee's work on behalf of the board; and
- compliance with applicable legal and regulatory requirements associated with human resources matters such as skills development and employment equity.

The board applies the principles of good corporate governance relating to directors' remuneration. The group/committee strives to strike a balance between protecting the group's interests while at the same time considering the interests of all stakeholders and providing the appropriate incentives to management and staff to ensure that sustainable value is being developed and maintained.

The group's primary executive remuneration objective is to reward executive directors and other members of the executive management team to ensure that their interests, as far as possible, commensurate with the interests of shareholders.

In line with the group's remuneration philosophy, remuneration is reviewed annually by the Remuneration and Human Resources Committee after evaluating each executive director's performance, including that of the group CEO.

In addition, the remuneration packages are benchmarked individually taking into account local, regional and national responsibilities. Details of the remuneration of the directors and information on share options are set out in note 3 of the financial statements.

Fees for non-executive directors are recommended to the board by the Remuneration and Human Resources Committee and reviewed annually with reference to external benchmarks. The committee takes cognisance of market norms and practices, as well as the additional responsibilities placed on board members by new acts, regulations and corporate governance guidelines. Non-executive directors receive an annual fixed fee. In addition, a fee is paid for attending and contributing to board and committee meetings.

Datacentrix Holdings Share Trust

The two trustees, Joan Joffe and Gary Morolo, both non-executive directors, manage the Datacentrix Holdings Share Trust. The trustees are responsible for the financial management of the trust and ensure adherence to the rules of the Share Trust Deed.

Ethics and whistle blowing

The group embraces the highest standards of professional and ethical conduct in its business activities, operating in accordance with an Ethics Code that is distributed to employees via the company's intranet. Too often wrongdoing of this nature goes unreported and undetected, to the detriment of all stakeholders.

There is an anonymous hotline available, which provides a channel for employees, clients, vendors and other stakeholders to voice concerns in a responsible and effective manner. The aim is to encourage an open and transparent environment, where wrongdoing can be safely reported.

Insider Trading

Trading in the company's shares and options is conducted on completion of an application form. Authorisation is given in writing by the chairman of the board or the CEO as appropriate. The written authority is kept by the company secretary with the record of the particular transaction.

The group operates a closed period prior to the publication of its year end and interim results. During this time, the group's directors, officers and employees are restricted from dealing, whether directly or indirectly, in the company's shares on the basis of privileged, price-sensitive information before it has been publicly announced to the market. Additional closed periods can be enforced as required in terms of any corporate activity.

Company Secretary

The company secretary is a central source of guidance and advice to the board on matters of ethics and governance and is available to individual directors in respect of board procedures.

Meetings of the Remuneration and Human Resources Committee:

Name	23 Jul '09	19 Oct '09	20 Nov '09	20 Jan '10	12 Apr '10
Joan Joffe* (Chairman)	✓	✓	✓	✓	✓
Dudu Nyamane*#	✓	✓	✓	✓	✓
Thenjiwe Chikane*	✓	✓	✓	✓	✓
Ahmed Mahomed (invitee)	✓	✓	✓	✓	✓
Elizabeth Naidoo (invitee)	✓	✓	✓	×	×

* independent, non-executive director

\# Chairman effective 18 March 2010

The company secretary is Ithemba Governance and Statutory Solutions (Proprietary) Limited, appointed in October 2008, represented by Annamarie van der Merwe who has extensive experience in the listed environment and who is also a member of the King Committee on Corporate Governance.

The company secretary is responsible for the duties set out in section 268G of the Companies Act. The certificate required to be signed in terms of subsection (d) of this section appears on page 24.

Sponsor

Barnard Jacobs Mellet (Proprietary) Limited (BJM) is the company's sponsor. BJM's services include advising the board on the interpretation of and compliance with the Listing Requirements of the JSE Limited (JSE) and reviewing all notices required in terms of its statutes and the JSE rules and regulations.

External Audit

The board has recommended the re-appointment of Deloitte & Touche to perform an independent and objective audit on the group's financial statements. These financial statements are prepared in terms of International Financial Reporting Standards (IFRS). Interim reports to shareholders are not audited.

Risk Management and Internal Controls

Ultimate responsibility for risk management and setting the group's risk appetite lies with the board. A key part of risk management is to provide assurance to the board on all matters concerning group risk, including strategic, operational, financial risk and compliance.

Internal controls are designed to manage rather than eliminate risks, and to provide reasonable, rather than absolute assurance against material misstatement or loss. The internal audit function performs a structured review of identified internal controls based on risk assessment.

IT governance is also an area to which the directors have paid attention. There are no systems outsourced to any third parties. However, the integrity, confidentiality, and functionality of the system is reviewed on a constant basis to ensure that there are no risks, which are not managed, controlled and reported on. System security and authorised access is a key component of ensuring the above controls and this is managed at senior levels.

The group also attaches importance to clear principles and procedures designed to achieve appropriate accountability and control. There are various policies, which mandate that business units establish processes for managing and monitoring risks significant to their businesses and the group.

The board is satisfied that the necessary actions that are reasonable in the circumstances have been taken to remedy minor weaknesses identified from the review of the internal control system.

Internal Audit

The board has identified the necessity for an internal audit function within Datacentrix and the Audit Committee and Risk Committee has recommended the appointment of an internal audit team, which was approved by the board. A risk-based approach has been followed as it will allow the internal audit to be more effective in providing feedback to the board as to the controls for the mitigation of these risks, which arise from the implemented strategy.

Comprehensive internal controls have been implemented to assist management and the directors in fulfilling their responsibility for the preparation of the annual financial statements, safeguarding of assets and providing answers on all transactions.

Transactions are executed and recorded in terms of the group's policies and procedures. The group's policies and procedures are also managed and governed by an Internal Quality Management System to ensure all areas are covered and properly documented.

Corporate Responsibility
Datacentrix believes in not only achieving its financial and economic goals, but also using its influence to help the society in which it operates. Datacentrix is aware of its responsibilities as a corporate citizen not only to deliver value and profit to shareholders, but also to adhere to a code of ethical conduct, to deliver solutions that answer the environmental requirements of our clients, and to ensure that we operate as sustainably as is practical. Datacentrix embraces differences that every employee brings to the company as we recognise that a workforce, which is as diversified as its clients, is better able to understand the needs and more likely to have the skills and knowledge needed to deliver innovative solutions.

The group takes responsibility for the health and safety of its employees and of all visitors to its sites. It aims to create an environment, which facilitates and supports practicable, safe and healthy conditions for everyone. Training and supervision is provided to all staff members who work in this environment.

Datacentrix is committed to responsible environmental stewardship and sustainable business practices. In the interest of all, we are firmly committed to minimising the impact we may have on the environment through continual improvement of our own business practices and to developing and implementing IT solutions and services that assist in preventing pollution.

Datacentrix has a relatively low environmental impact. However we acknowledge that climate change is a global problem and we are committed to responsible environmental practices.

Social and community engagement initiatives are organised to address the various needs in society. Education, old age and health are three key areas where investments continue to be made to support those in need.

Broad-Based Black Economic Empowerment
Datacentrix has strengthened its empowerment credentials. The company regained an "AA" rating (Level three contributor) from EmpowerDex in an independent audit of its progress in the elements of BBBEE as required by the Department of Trade and Industry BEE Codes of Good Practice.

Enterprise Development
Datacentrix commenced its Enterprise Development Programme in 1998 by partnering with a pool of black owned and empowered Small, Medium Enterprises (SMEs) to service and cover South Africa's widely dispersed geographical regions.

The main objective of this programme is to incorporate SME partners in various value adding operations as part of the delivery mechanism to clients, to build capacity within these enterprises, and also accelerate the development, sustainability and ultimate financial and operational independence of the same SME partners.

Socio-Economic Development
Datacentrix continuously seeks to accurately align itself with all the principles of good practice. Datacentrix believes in actively investing in socio-economic strategies that have the potential to deliver a positive, long-term impact on the company's business, clients, employees and the South African community. In that regard, Datacentrix' programme support is biased towards education and training, old age and health.

Affirmative Procurement
Datacentrix annually reviews its supplier base and is committed to procure directly from those suppliers who have made significant progress in developing and supporting BBBEE.

Ownership
Direct black equity in Datacentrix was first established in 1998. Over time this shareholding has settled at a totally unencumbered equity of 10% of the business. There is further indirect black ownership via institutional shareholding and the share incentive scheme. It is Datacentrix' stated goal to improve this aspect as circumstances allow.

Management Control
Since listing in 1998, the black shareholders have exercised management control, including formally assuming the roles of CEO and chairman. This involvement continues through active participation in various processes of governance and operations, ranging from the board to management committees. In addition the two most senior positions in the company are occupied by black individuals.

Employment Equity
The group currently employs 876 permanent employees of which 55% are black. 68% of the staff complement is previously disadvantaged.

Skills Development
This refers to the skills development expenditure for black employees on any program specified in the learning programme's matrix, including learnerships.

Datacentrix' learnership programme is managed in conjunction with various accredited educational institutions that develop and provide the theoretical component of the programme.

This includes the Datacentrix Microsoft Learning Academy, which offers an NQF level 5 (MCSE or MCSD) programme on a 12-month period. Based on the students' performance they have an equal opportunity to be permanently placed within the group.

Empowerment Scorecard	Actual Score	Target Score
Enterprise development	15.00	15.00
Socio-economic development	5.00	5.00
Affirmative procurement	19.74	20.00
Ownership	10.39	20.00
Management control	9.91	20.00
Employment equity	7.56	15.00
Skills development	8.08	15.00
Total Score	**75.68**	**110.00**

Directors' Statement of Responsibility

The annual financial statements are prepared in accordance with the appropriate accounting policies based on International Financial Reporting Standards (IFRS) and incorporate appropriate and responsible disclosure, supported by reasonable and prudent judgements and estimates, which have been used consistently. The responsibility of the external auditor is to independently audit and report on the fair presentation of the financial statements in all material respects and their report is presented on page 25.

The directors accept responsibility for the integrity, objectivity and reliability of the financial statements of the company and group. Complete accounting records have been kept to support this. The directors support the principle of transparent reporting and delegated the responsibility for the preparation and presentation of the financial statements to management.

The directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurances as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitable, trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The directors believe that the group has adequate resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors are satisfied that the financial statements fairly present the financial situation and results of operations and cash flows of the company and the group for the year ended 28 February 2010.

The directors of the group, whose names are given on pages 8 and 9 of this Annual Report, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted, which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Annual Report contains all the information required by the Listings Requirements of the JSE Limited.

The annual financial statements appearing on pages 26 to 63 were approved by the board of directors on 19 April 2010, and are signed on its behalf by:

Gary Morolo

Gary Morolo
Chairman

Ahmed Mahomed
Chief Executive Officer

Pretoria
19 April 2010

Certificate of the Company Secretary

I certify, in my capacity as company secretary and in accordance with section 268G (d) of the Companies Act of South Africa, Act 61 of 1973, as amended, that for the year ended 28 February 2010 the company has lodged with the Registrar of Companies all such returns as are required from a public company in terms of the Act and that these returns are true, correct and up to date.

Annamarie van der Merwe
Ithemba Governance and Statutory Solutions (Proprietary) Limited
Company Secretary

Pretoria
19 April 2010

Independent Auditor's Report

To the members of Datacentrix Holdings Limited
We have audited the accompanying financial statements and group financial statements of Datacentrix Holdings Limited, which comprise the consolidated and separate statements of financial position as at 28 February 2010, and the consolidated and separate statements of comprehensive income, changes in equity and of cash flow for the year then ended, a summary of significant accounting policies and other explanatory notes, and the directors' and audit committee report set out on pages 26 to 63.

Director's Responsibility for the Financial Statements
The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with statements of International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Datacentrix Holdings Limited as at 28 February 2010, and of its consolidated and separate financial performances and its consolidated and seperate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

Deloitte + Touche

Deloitte & Touche
Registered Auditors
Per Zuleka Jasper
Partner

PO Box 11007, Hatfield, 0028
221 Waterkloof Road, Waterkloof, Pretoria, 0181

19 April 2010

Directors’ Report

The directors have pleasure in presenting their report on the activities of the group and company for the year ended 28 February 2010.

General Review
The year under review is fully covered in the chairman's and the CEO's reports.

Share Capital
There were no movements in the share capital of the company. Details of the authorised and issued share capital, together with details of shares issued during the year, appear in note 21 to the annual financial statements.

Directors and Secretary
Biographical notes of the current directors are shown within this report. Details of directors' remuneration, share appreciation rights and options are reported on in note 3.

During the financial year under review, Dudu Nyamane was re-appointed to the board as an independent, non-executive director and as a member of the Remuneration and Human Resources Committee.

According to the company's Articles of Association, at the forthcoming Annual General Meeting, seven directors should retire by rotation. All are eligible and have offered themselves for re-election.

The company secretary is Ithemba Statutory and Governance Solutions (Proprietary) Limited.

Auditors
Deloitte & Touche were the auditors for the year ended 28 February 2010 and will be proposed for re-appointed as auditors for the forthcoming year at the Annual General Meeting.

Directors' Responsibilities
The annual financial statements are the responsibility of the directors of the company. The directors fulfil this responsibility primarily by establishing and maintaining accounting systems and practices adequately supported by internal accounting controls. Such controls provide assurance that the group's assets are safeguarded, that transactions are executed in accordance with management's authorisation and that the financial records are reliable.

Going Concern
The directors consider that the group and company have adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the annual financial statements. The directors have satisfied themselves that the group and company are in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

Audit Committee and Risk Committee
Details of the Audit Committee and Risk Committee are reported under the corporate governance report.

Subsidiaries
Details of principal subsidiary companies appear within note 15.

Holding Companies and Major Shareholders
Shareholders holding beneficially, directly or indirectly, in excess of 5% of the issued share capital of the company, are detailed in note 31.

Financial Results
The financial results for the year ended 28 February 2010 are set out in detail within these annual financial statements.

Capital Expenditure
The company spent R19 million on assets. R15.5 million was spent on spares stock, which is also classified as fixed assets.

Dividends
Details of the dividends and distributions declared and paid are shown in note 10.

Events Subsequent to Financial Year End
The directors are not aware of any other matters or circumstances arising since the end of the financial year until the date of this report, not otherwise dealt with in the annual financial statements, which would significantly affect the financial position of the group or the results of its operations, apart from the decision to transfer the business of Datacentrix Solutions (Proprietary) Limited to Datacentrix (Proprietary) Limited. This will have no impact on the group results in future periods.

Interests of Directors
Details of directors' interest in contracts or share or reference to, are dealt with in the financial statements. Refer note 3.

Directors' Remuneration
Details of directors' remuneration or reference to are dealt with in the financial statements in note 3.

Insurance
The group has placed cover in the South African traditional insurance markets to ensure that all categories of risk are covered adequately. Additional cover on a per risk basis has been purchased where appropriate.

Audit Committee Report

The Corporate Laws Amendment Act 24 of 2006 (CLAA) came into effect on 14 December 2007. In compliance with the CLAA, an audit committee was appointed by the board of directors. This committee comprises of Alwyn Martin (Chairman), Thenjiwe Chikane and Joan Joffe.

During the financial year ended 28 February 2010, in addition to the duties set out in the audit committee's terms of reference, the audit committee carried out its functions as follows:
- nominated the appointment of Deloitte & Touche as the registered independent auditor after satisfying itself through enquiry that Deloitte & Touche is independent as defined in terms of the CLAA;
- determined the fees to be paid to Deloitte & Touche and their terms of engagement;
- ensured that the appointment of Deloitte & Touche complied with the CLAA and any other legislation relating to the appointment of auditors;
- approved a non-audit services policy, which determines the nature and extent of any non-audit services, which Deloitte & Touche may provide to the company;
- pre-approved any proposed contract with Deloitte & Touche for the provision of non-audit services to the company; and
- satisfied itself with the appropriateness and expertise of the director responsible for finance.

The audit committee has satisfied itself through enquiry that Deloitte & Touche and Zuleka Jasper, the designated auditor, are independent of the company.

The audit committee recommended the annual financial statements for the year ended 28 February 2010 for approval to the board. The board has subsequently approved the annual financial statements, which will be open for discussion at the forthcoming Annual General Meeting.

Alwyn Martin
Audit Committee Chairman

Pretoria
19 April 2010

Statements of Comprehensive Income

for the year ended 28 February 2010

	Notes	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Revenue	4	**1 290 781**	1 513 322	**-**	-
Changes in inventories of finished goods and work in progress		**(2 444)**	538	**-**	-
Finished goods sold		**(811 567)**	(1 037 120)	**-**	-
Employee benefits expense		**(295 314)**	(269 021)	**-**	-
Depreciation, amortisation and impairments		**(19 446)**	(12 358)	**-**	-
Operating expenses		**(54 837)**	(42 185)	**(723)**	(536)
Income from investments	5	**14 945**	19 832	**28 011**	68 012
Finance costs	6	**(21)**	3 472	**-**	-
Profit before taxation	7	**122 097**	176 480	**27 288**	67 476
Income taxation expense	8	**(41 692)**	(56 061)	**(6 240)**	(5 739)
Profit for the year attributable to ordinary shareholders		**80 405**	120 419	**21 048**	61 737
Total comprehensive income for the year attributable to ordinary shareholders		**80 405**	120 419	**21 048**	61 737
Basic earnings per ordinary share (cents)	9	**41.1**	61.5		
Diluted basic earnings per ordinary share (cents)	9	**40.6**	61.0		
Dividend and proposed dividend per share (cents)	10	**30.0**	30.0		

Statements of Financial Position

as at 28 February 2010

	Notes	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
ASSETS					
Non-current assets		**72 099**	82 623	**52 325**	90 984
Property and equipment	11	**39 297**	41 275	**-**	-
Goodwill	12	**15 596**	15 596	**-**	-
Intangible assets - software	13	**1 680**	1 542	**-**	-
Long-term receivables	14	**1 036**	3 256	**-**	-
Investment in subsidiaries	15	**-**	-	**52 325**	90 984
Deferred taxation assets	16	**14 490**	20 954	**-**	-
Current assets		**518 155**	527 710	**6 873**	6 834
Loan to share trust	17	**-**	-	**6 627**	6 627
Inventories	18	**12 882**	10 438	**-**	-
Trade and other receivables	19	**220 437**	284 431	**147**	26
Cash and cash equivalents	20	**284 836**	232 841	**99**	181
TOTAL ASSETS		**590 254**	610 333	**59 198**	97 818
EQUITY AND LIABILITIES					
Capital and reserves		**383 152**	360 625	**59 035**	97 787
Share capital	21	**21**	21	**21**	21
Share premium	21	**37 442**	37 366	**39 280**	39 280
Treasury shares	21	**(38 200)**	(37 166)	**-**	-
Equity-settled share scheme reserve	21	**17 872**	15 272	**17 872**	15 272
Retained earnings		**366 017**	345 132	**1 862**	43 214
Non-current liability		**11 921**	16 328	**-**	-
Deferred revenue	22	**11 921**	16 328	**-**	-
Current liabilities		**195 181**	233 380	**163**	31
Deferred revenue	22	**32 520**	43 505	**-**	-
Trade and other payables	23	**158 019**	179 511	**163**	31
Current taxation liabilities		**1 098**	8 087	**-**	-
Provisions	24	**1 849**	1 132	**-**	-
Lease smoothing liability		**1 695**	1 145	**-**	-
TOTAL EQUITY AND LIABILITIES		**590 254**	610 333	**59 198**	97 818

Statements of Changes in Equity
for the year ended 28 February 2010

	Share capital R'000	Share premium R'000	Treasury shares R'000	Equity-settled share scheme reserve R'000	Retained earnings R'000	Total R'000
GROUP						
Balance at 29 February 2008	21	38 145	(35 901)	12 672	279 539	294 476
Total comprehensive income for the year	-	-	-	-	120 419	120 419
Treasury shares - movement during the year	-	-	(1 265)	-	-	(1 265)
Share-based payments	-	-	-	2 600	-	2 600
Dividend paid	-	-	-	-	(54 826)	(54 826)
Loss on sale of treasury shares	-	(779)	-	-	-	(779)
Balance at 28 February 2009	**21**	**37 366**	**(37 166)**	**15 272**	**345 132**	**360 625**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**80 405**	**80 405**
Treasury shares - movement during the year	**-**	**-**	**(1 034)**	**-**	**-**	**(1 034)**
Share-based payments	**-**	**-**	**-**	**2 600**	**-**	**2 600**
Dividend paid	**-**	**-**	**-**	**-**	**(59 520)**	**(59 520)**
Profit on sale of treasury shares	**-**	**76**	**-**	**-**	**-**	**76**
Balance at 28 February 2010	**21**	**37 442**	**(38 200)**	**17 872**	**366 017**	**383 152**
COMPANY						
Balance at 29 February 2008	21	39 280	-	12 672	38 953	90 926
Total comprehensive income for the year	-	-	-	-	61 737	61 737
Share-based payments	-	-	-	2 600	-	2 600
Dividend paid	-	-	-	-	(57 476)	(57 476)
Balance at 28 February 2009	**21**	**39 280**	**-**	**15 272**	**43 214**	**97 787**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**21 048**	**21 048**
Share-based payments	**-**	**-**	**-**	**2 600**	**-**	**2 600**
Dividend paid	**-**	**-**	**-**	**-**	**(62 400)**	**(62 400)**
Balance at 28 February 2010	**21**	**39 280**	**-**	**17 872**	**1 862**	**59 035**

Statements of Cash Flow
for the year ended 28 February 2010

	Notes	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
CASH FLOW FROM OPERATING ACTIVITIES					
Cash receipts from clients		**1 355 701**	1 463 983	**-**	-
Cash paid to suppliers and employees		**(1 202 368)**	(1 331 343)	**(712)**	(488)
Cash generated from (utilised in) operations	**35**	**153 333**	132 640	**(712)**	(488)
Interest received		**14 945**	19 832	**11**	12
Interest paid		**(21)**	3 472	**-**	-
Dividend received from subsidiaries		**-**	-	**28 000**	68 000
Dividend paid		**(59 520)**	(54 826)	**(62 400)**	(57 476)
Taxation paid	**36**	**(42 217)**	(70 335)	**(6 240)**	(5 743)
Net cash inflow (outflow) from operating activities		**66 520**	30 783	**(41 341)**	4 305
CASH FLOW FROM INVESTING ACTIVITIES					
Additions to property and equipment to maintain operations		**(18 985)**	(20 555)	**-**	-
Proceeds from sale of property and equipment		**3 162**	137	**-**	-
Decrease in amounts receivable under finance leases		**3 914**	4 383	**-**	-
Decrease (increase) in investment and advance payments		**-**	-	**41 259**	(4 244)
Acquisition of intangible assets		**(1 582)**	(531)	**-**	-
Net cash (outflow) inflow from investing activities		**(13 491)**	(16 566)	**41 259**	(4 244)
CASH FLOW FROM FINANCING ACTIVITIES					
Increase in treasury shares		**(1 034)**	(1 265)	**-**	-
Decrease in finance lease obligation		**-**	(2 007)	**-**	-
Net cash outflow from financing activities		**(1 034)**	(3 272)	**-**	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**51 995**	10 945	**(82)**	61
Cash and cash equivalents at the beginning of the year		**232 841**	221 896	**181**	120
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**284 836**	232 841	**99**	181

Annual Financial Statements

for the year ended 28 February 2010

1. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The following Standards and Interpretations have been adopted during the year:

International Financial Reporting Standard		Effective Date
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendment relating to cost of an investment on first-time adoption	Annual periods beginning on or after 1 January 2009
IFRS 2	Share-based Payment - Amendment relating to vesting conditions and cancellations	Annual periods beginning on or after 1 January 2009
IFRS 7	Financial Instruments: Disclosures - Amendments enhancing disclosures about fair value and liquidity risk	Annual periods beginning on or after 1 January 2009
IFRS 8	Operating Segments	Annual periods beginning on or after 1 January 2009
IAS 1	Presentation of Financial Statements - Comprehensive revision including requiring a statement of comprehensive income	Annual periods beginning on or after 1 January 2009
IAS 1	Presentation of Financial Statements - Amendments relating to disclosure of puttable instruments and obligations arising on liquidation	Annual periods beginning on or after 1 January 2009
IAS 1	Presentation of Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2009
IAS 16	Property, Plant and Equipment - Amendments resulting from May 2008 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2009
IAS 19	Employee Benefits - Amendments resulting from May 2008 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2009
IAS 20	Government Grants and Disclosure of Government Assistance - Amendments resulting from May 2008 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2009
IAS 23	Borrowing Costs - Comprehensive revision to prohibit immediate expensing	Borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009
IAS 23	Borrowing Costs - Amendments resulting from May 2008 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2009
IAS 27	Consolidated and Separate Financial Statements - Amendment relating to cost of an investment on first-time adoption	Annual periods beginning on or after 1 January 2009
IAS 27	Consolidated and Separate Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2009
IAS 28	Investments in Associates - Amendments resulting from May 2008 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2009
IAS 29	Financial Reporting in Hyperinflationary Economies - Amendments resulting from May 2008 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2009
IAS 31	Interests in Joint Ventures - Amendments resulting from May 2008 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2009
IAS 32	Financial Instruments: Presentation - Amendments relating to puttable instruments and obligations arising on liquidation	Annual periods beginning on or after 1 January 2009
IAS 36	Impairment of Assets - Amendments resulting from May 2008 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2009
IAS 38	Intangible Assets - Amendments resulting from May 2008 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2009
IAS 39	Financial Instruments: Recognition and Measurement - Amendments resulting from May 2008 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2009
IAS 39	Financial Instruments: Recognition and Measurement - Amendments for embedded derivatives when reclassifying financial instruments	Annual periods ending on or after 30 June 2009

1. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (continued)

International Financial Reporting Standard		Effective Date
IFRS 40	Investment Property - Amendments resulting from May 2008 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2009
IAS 41	Agriculture - Amendments resulting from May 2008 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2009
IFRIC 15	Agreements for the Construction of Real Estate	Annual periods beginning on or after 1 January 2009
IFRIC 18	Transfers of Assets from Customers	Transfers received on or after 1 July 2009

Improvement to IFRSs
The group adopted all of the amendments to accounting standards and interpretations arising from the annual improvements to IFRSs published in May 2008 and April 2009.

IFRS 8 Operating Segments
The group has adopted IFRS 8 Operating Segments with effect from 1 March 2009. The adoption of IFRS 8 did not have any impact on the financial results of the group as it is a disclosure standard which has resulted in a change to the group's reportable segments. IFRS 8 requires operating segments to be identified on the basis of internal reports about operations of the group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance.

Under the previous Standard (IAS 14 Segment Reporting), an entity was required to identify two sets of segments (business and geographical), using a risks and rewards approach. This approach involved using the group's organisational structure and internal financial reporting systems to identify the business and geographical systems.

As a result, following the adoption of IFRS 8, the identification of the group's reportable segments has changed. In prior years, segment information reported externally was analysed on the basis of business segments. Three segments were identified: Infrastructure, Managed Services and Business Solutions. The group's reportable segments under IFRS 8 are included in note 33.

At the date of authorisation of the annual financial statements, the following Standards and Interpretations applicable to the company were in issue, but not yet effective.

IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendments relating to oil and gas assets and determining whether an arrangement contains a lease	Annual periods beginning on or after 1 January 2010
IFRS 1	First-time Adoption of International Financial Reporting Standards - Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	Annual periods beginning on or after 1 July 2010
IFRS 2	Share-based Payment - Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 July 2009
IFRS 2	Share-based Payment - Amendments relating to group cash-settled share-based payment transactions	Annual periods beginning on or after 1 January 2010
IFRS 3	Business Combinations - Comprehensive revision on applying the acquisition method	Annual periods beginning on or after 1 July 2009
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from May 2008 Annual Improvements to IFRSs	Annual periods beginning on or after 1 July 2009
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2010
IFRS 8	Operating Segments - Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2010
IFRS 9	Financial Instruments - Classification and Measurement	Annual periods beginning on or after 1 January 2013
IFRS for SMEs	International Financial Reporting Standard for Small and Medium-sized Entities	Effective immediately on issue
IAS 1	Presentation of Financial Statements - Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2010
IAS 7	Statement of Cash Flows - Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2010

1. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (continued)

International Financial Reporting Standard		Effective Date
IAS 17	Leases - Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2010
IAS 24	Related Party Disclosures - Revised definition of related parties	Annual periods beginning on or after 1 January 2011
IAS 27	Consolidated and Separate Financial Statements - Consequential amendments arising from amendments to IFRS 3	Annual periods beginning on or after 1 July 2009
IAS 28	Investments in Associates - Consequential amendments arising from amendments to IFRS 3	Annual periods beginning on or after 1 July 2009
IAS 31	Interests in Joint Ventures - Consequential amendments arising from amendments to IFRS 3	Annual periods beginning on or after 1 July 2009
IAS 32	Financial Instruments: Presentation - Amendments relating to classification of rights issues	Annual periods beginning on or after 1 February 2010
IAS 36	Impairment of Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2010
IAS 38	Intangible Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 July 2009
IAS 39	Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items	Annual periods beginning on or after 1 July 2009
IAS 39	Financial Instruments: Recognition and Measurement - Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2010
IFRIC 9	Reassessment of Embedded Derivatives: Scope of IFRIC9 and revised IFRS 3	Annual periods beginning on or after 1 July 2009
IFRIC 17	Distributions of Non-cash Assets to Owners	Annual periods beginning on or after 1 July 2009
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	Annual periods beginning on or after 1 July 2009

IAS 24 (revised)
The International Accounting Standard Board (IASB) has revised IAS 24 - Related Party Disclosures, to provide a partial exemption from the disclosure requirements for government-related entities and to clarify the definition of a related party. The IASB did not change the fundamental approach to related party disclosures contained in previous version of IAS 24 (AC 126), which requires entities to disclose information about related party relationships and transactions. The revised standard is effective for annual periods beginning on or after 1 January 2011, with earlier application permitted.

IAS 27 (revised)
In January 2008, the IASB issued IAS 27 (revised) - Consolidated and Separate Financial Statements (IAS 27). This revised statement is effective for annual periods beginning on or after 1 July 2009. The objective of this statement is to reduce the alternatives in accounting for subsidiaries in consolidated financial statements and in accounting for investments in the separate financial statements of the parent, venturer or investor. The amendments relate primarily to accounting for non-controlling interests and the loss of control of a subsidiary. The statement will be adopted by the group in the next financial year.

IAS 28 (revised) and IAS 31 (revised)
In January 2008, the IASB issued IAS 28 (revised) - Investments in Associates and IAS 31 (revised) - Interests in Joint Ventures. These revised statements are effective for annual periods beginning on or after 1 July 2009. These statements were both revised to reflect the changes made in IAS 27 and IFRS 3 - Business Combinations (IFRS 3) as discussed in this note. These statements will be adopted by the group in the next financial year.

IAS 32 (amended)
In October 2009, the IASB amended IAS 32 - Financial Instruments: Presentation. The amendment addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, the amendment issued requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated. The amendment is applicable for annual periods beginning on or after 1 February 2010, but earlier application is permitted. The group is in the process of evaluating the impact of this amendment on the group's results.

1. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (continued)

IAS 39 (amended)
In August 2008, the IASB amended IAS 39 - Financial Instruments: Recognition and Measurement: Eligible Hedged Items (IAS 39). This amended standard is effective for annual periods beginning on or after 1 July 2009. This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied. The group is in the process of evaluating the impact of this amendment on the group's results.

IFRS 1 (amended)
On 28 January 2010, the IASB amended IFRS 1 to exempt first-time adopters of IFRSs from providing the additional disclosures introduced in March 2009 by Improving Disclosures about Financial Instruments (Amendments to IFRS 7). The amendment gives first-time adopters the same transition provisions that Amendments to IFRS 7 provides to current IFRS preparers. The amendment is effective on 1 July 2010, with earlier application permitted.

IFRS 2 (amended)
On 18 June 2009, the IASB issued amendments to IFRS 2 - Share-based Payment (IFRS 2). These amendments clarify the scope of IFRS 2, as well as the accounting for group cash-settled share-based payment transactions in the separate financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award. Guidance in this area previously provided in IFRIC 8 - Scope of IFRS 2 and IFRIC 11 - Group and Treasury Share Transactions have been incorporated into the amended IFRS 2. The group complies with these IFRIC's and thus the amendments to IFRS 2 should not have a material effect on the group results once adopted.

IFRS 3 (revised)
In January 2008, the IASB issued a revised IFRS 3. This standard is effective for annual periods beginning on or after 1 July 2009. Among other changes it requires transaction costs to be recognised immediately in profit or loss, fair value gains and losses on existing investments in an acquired group to be recognised in profit or loss on the date of acquisition and adjustments to deferred taxation outside of the hindsight period are recorded under IAS 12 - Income Taxes, as opposed to affecting goodwill. In addition, it requires the recognition of subsequent changes in the fair value of contingent consideration in profit or loss rather than against goodwill. The statement will be adopted by the group in the next financial year.

IFRS 9
On 12 November 2009 the International Accounting Standards Board (IASB) issued a new International Financial Reporting Standard (IFRS) on the classification and measurement of financial assets. Publication of the IFRS represents the completion of the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement with a new standard IFRS 9 - Financial Instruments. Proposals addressing the second part, the impairment methodology for financial assets were published for public comment at the beginning of November, while proposals on the third part, on hedge accounting, continue to be developed.

IFRS for SMEs
On 9 July 2009 the International Accounting Standards Board (IASB) issued an International Financial Reporting Standard (IFRS) designed for use by small and medium-sized entities (SMEs), which are estimated to represent more than 95% of all companies. The standard is a result of a five-year development process with extensive consultation of SMEs worldwide. The IFRS for SMEs is a self-contained standard of about 230 pages tailored for the needs and capabilities of smaller businesses. Many of the principles in full IFRSs for recognising and measuring assets, liabilities, income and expenses have been simplified, topics not relevant to SMEs have been omitted, and the number of required disclosures has been significantly reduced. To further reduce the reporting burden for SMEs revisions to the IFRS will be limited to once every three years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) on a basis consistent with the prior year. The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments, which are stated at fair value or amortised cost, as applicable. The principal accounting policies adopted are set out below. All subsidiaries, and other entities controlled by the company complied with these accounting policies.

Basis of Consolidation
The consolidated annual financial statements incorporate the annual financial statements of the company, its subsidiary companies and the Datacentrix Holdings Share Trust, all of which are controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The operating results of subsidiary companies are included from the effective dates of acquisition, up to the effective dates of disposal. All inter-company transactions and balances have been eliminated on consolidation. Premiums that arise on the acquisition of subsidiary companies and any excess of the net assets of a subsidiary company over the cost of acquisition are treated in terms of the group's accounting policy for goodwill and negative goodwill.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business Combinations
The acquisition of subsidiaries is accounted for using the purchase method. 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, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3: Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

If, after reassessment, the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss. The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Property and Equipment
All items of property and equipment, except for land which is stated at cost, are stated at original cost less accumulated depreciation and any impairment losses. Depreciation is charged so as to write-off the cost of assets over their estimated useful lives to their residual values, using the straight-line method. Depreciation commences when the assets are ready for their intended use.

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. Computer equipment utilised in large enterprise outsourcing contracts are depreciated over the term of the contract to their residual values. When the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. In determining the recoverable amount of assets, expected future cash flows are discounted to their present values.

A gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income. Loose tool replacements are written-off as an expense in the year in which the expense is incurred, and are shown at a nominal value in the statement of financial position.

Non-current Assets Held for Sale
Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as being met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

Impairment of Assets
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. Goodwill is reviewed for impairment on an annual basis, regardless of whether there are any indicators of impairment or more frequently when there is an indication that the cash generating unit to which it belongs may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash generating unit to which the asset belongs. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised in profit and loss for the year. It is first allocated to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis.

Other than for goodwill, where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount. This is done so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit and loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

A cash generating unit within the group is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash inflows from other assets or groups of assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible Assets

Goodwill and Negative Goodwill
Goodwill and negative goodwill represents the excess or shortfall of the cost of acquisition of the group's interest over the fair value of the identifiable assets and liabilities of a division, subsidiary, associate or jointly controlled entity at the date of acquisition.

All business combinations are accounted for by applying the purchase method. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and tested annually for impairment. A recognised impairment loss is never reversed in a subsequent period. Negative goodwill arising on an acquisition is recognised directly in income. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Software
All items of software are stated at original cost less accumulated amortisation and impairment losses. Amortisation is charged so as to write-off the cost of assets over their estimated useful lives to residual values, using the straight-line method.

Leases
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.

The Group as Lessor
Amounts due from lessees 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.

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.

The Group as Lessee
Assets held under finance leases are recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. 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 to profit or loss.

Rentals payable under operating leases are charged to profit or loss 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.

Taxation
Income taxation expense represents the sum of the taxation currently payable and deferred taxation. The charge for current taxation is based on the results for the year as adjusted for items, which are non-assessable or disallowed. It is calculated using taxation rates that have been enacted or substantively enacted by the year end.

Deferred taxation is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding taxation basis used in the computation of taxable profit. In principle, deferred taxation liabilities are recognised for all taxable temporary differences and deferred taxation assets are recognised to the extent that it is probable that taxable profit 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 negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction, which affects neither the taxation profit nor the accounting profit.

Deferred taxation liabilities are recognised for taxable temporary differences arising from investment in subsidiaries and associates, 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.

Deferred taxation is calculated at the taxation rates that are expected to apply when the asset is realised or the liability is settled. Deferred taxation is charged or credited in profit and loss for the year, except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the deferred taxation is also dealt with accordingly.

Secondary taxation on companies (STC) is recognised in the year when dividends are declared, net of dividends received on which STC credits arise. A taxation asset is recognised on unutilised STC credits when it is probable that such STC credits will be utilised in future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories
All inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Redundant and slow-moving inventories are identified and written-down with regard to their estimated economic or realisable values.

The net realisable value is determined as the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Financial Instruments
Financial assets and financial liabilities are recognised in the statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Financial Assets
Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at 'fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective Interest Method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

Financial Assets at FVTPL
Financial assets are classified as FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39: Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 30.

AFS Financial Assets
Unlisted shares and listed redeemable notes held by the group that are traded in an active market are classified as being AFS and are stated at fair value. Fair value is determined in the manner described in note 30. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period. Dividends on AFS equity instruments are recognised in profit or loss when the group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at year end. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Assets (continued)

Loans and Receivables
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of Financial Assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 45 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of AFS equity securities, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in other comprehensive income.

Derecognition of Financial Assets
The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities and Equity Instruments issued by the Group

Classification as Debt or Equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities
Financial liabilities are classified as either financial liabilities at 'FVTPL' or 'other financial liabilities'.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Liabilities and Equity Instruments issued by the Group (continued)

Financial Liabilities (continued)

Financial Liabilities at FVTPL
Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if:
- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39: Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner described in note 30.

Other Financial Liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of Financial Liabilities
The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire.

Derivative Financial Instruments
The group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts. Further details of derivative financial instruments are disclosed in note 30.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each year end. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions, or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded Derivatives
Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Fair Value Hedges
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the statement of comprehensive income relating to the hedged item.

Revenue
Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and value-added taxation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue (continued)
Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to the group and the amount of revenue can be measured reliably. Sale of goods is recognised when goods are delivered and title has passed.

The group generates revenue both as a principal and an agent. The group sells certain licences on behalf of software developers and recognises revenue as the difference between the gross sales price to the client and the gross cost paid to the licence provider. For all other classes of revenue the group generates revenue as a principal.

Revenue derived from services rendered relates to service and maintenance contracts taken out over a 12 to 36 month period. The revenue, which is deferred, is recognised over the period of the contract.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Foreign Currencies
Transactions in currencies other than South African Rands are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates ruling at year end. Profit and losses arising on exchange are dealt with in profit or loss.

Retirement Benefits
Payments to defined contribution retirement plans are charged as an expense as they fall due.

Provisions
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 can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation.

Finance Costs
All finance costs are recognised in profit or loss in the period in which they are incurred.

Related Party Transactions
The company does not have a single controlling shareholder. All subsidiaries of the group are related parties. A list of major subsidiaries is included in note 15. Transactions with directors and other key management personnel are disclosed in notes 3 and 34.

Employee Benefits
Options are granted to employees and directors in terms of equity compensation plans at fair value of the company's shares at the date of granting the options. When exercised at a later date, shares are issued at the option value.

Any losses or profits incurred by the group or the Datacentrix Holdings Share Trust on the exercise of options by employees are accounted for against share premium. Shares held by the trust are treated as treasury shares. Any potential losses that could be incurred by the trust where vested options are immediately exercisable are booked against share premium. Potential losses or profit on vested options exercisable at future dates or profits on options exercisable immediately are disclosed by way of a note.

Share-based Payments
The group issues equity-settled payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined with the binomial model at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non-market vesting conditions.

The expected life used in the binomial model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Critical Judgements in Applying the Group's Accounting Policies
In the process of applying the group's accounting policies, which are described earlier in this note, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Critical Judgements in Applying the Group's Accounting Policies (continued)

Revenue Recognition

Note 4 sets out the different types of revenue recognised for the businesses of Infrastructure, Managed Services and Business Solutions. In making its judgement of how to treat the revenue of the various transactions, management considered the detailed criteria for the recognition of revenue from the sale of goods and services, set out in IAS 18: Revenue, and in particular, whether the group had transferred to the buyer the significant risks and rewards of ownership of the goods.

Where a single contract price is negotiated with a client for both goods and services, the split is determined with reference to the usual sales prices for these specific goods and services.

Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of cash generating units to which goodwill has been allocated. The value in use requires the group to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at year end was R15,596 million (2009: R15,596 million) with no impairment losses in the current and prior financial year.

Useful Lives and Residual Values of Assets

Useful lives and residual values of assets are reviewed at least once a year, at year end. Management is of the opinion that the useful lives and residual values of the assets currently carried are in line with industry norms. Refer to note 11 and 13 for details.

Inventory Carried at Net Realisable Value

The net realisable value of inventory represents the estimated selling price in the current market at year end. The group provides for the amount, which the cost of inventory is higher than the net realisable value multiplied by the units of stock on hand at year end. No such provision was required in the current or prior year.

Leave Pay Accrual

The leave pay accrual relates to possible vesting leave pay to which employees may become entitled upon leaving the employment of the group. The accrual arises as employees render a service that increases their entitlement to future compensated leave and is calculated based on an employee's total cost of employment. The accrual is utilised when employees become entitled to and are paid for the accumulated leave pay or utilise compensated leave due to them.

Provision for Bad Debts

The provision for bad debts relates to possible recoverability and ageing issues regarding specific debtors. These are analysed on a one-on-one basis. No provision was raised in the current and prior financial year.

Fair Value of Financial Instruments

As described in note 30, the directors used their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. For derivative financial instruments assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates.

3. DIRECTORS

The directors in office at the date of this report were as follows:

Executive:
Ahmed Mahomed (Chief Executive Officer), Elizabeth Naidoo (Financial Director)

Non-executive:
Gary Morolo (Chairman), Alwyn Martin, Joan Joffe, Dudu Nyamane and Thenjiwe Chikane

Appointments and Resignations during the Year
Dudu Nyamane was appointed to the board on 14 April 2008 as an independent, non-executive director. She resigned from the board on 9 March 2009 and was later reappointed to the board in June 2009.

3. DIRECTORS (continued)

Restraint of Trade Agreements and Long-term Employment Contracts
Both executive directors and most members of senior management are bound by restraint of trade agreements.

Directors' Remuneration (all regarded as short-term employee benefits)

Executive Directors	Salaries	Bonuses	Benefits	Retirement contributions	Total
2010	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Ahmed Mahomed	**2 247**	**3 292**	**22**	**286**	**5 847**
Elizabeth Naidoo	**1 316**	**888**	**72**	**176**	**2 452**
Total	**3 563**	**4 180**	**94**	**462**	**8 299**
2009					
Ahmed Mahomed	2 024	1 953	29	258	4 264
Elizabeth Naidoo	1 191	977	71	159	2 398
Total	3 215	2 930	100	417	6 662

No current or retired director receives a pension funded by the group.

Non-executive Directors - Fees for Services as Directors	Total	
	2010	**2009**
	R'000	**R'000**
Gary Morolo#	**756**	688
Alwyn Martin	**349**	353
Dudu Nyamane*	**200**	200
Israel Skosana**	**-**	336
Joan Joffe	**429**	463
Thenjiwe Chikane	**280**	-
Total	**2 014**	2 040

Gary Morolo has an interest in major shareholder Aka Capital (Proprietary) Limited and accordingly the fees were paid to this company.
* Resigned March 2009 and re-appointed June 2009
** Resigned October 2008

Directors' Shareholding

Executive Directors	2010		2009	
	Beneficial		Beneficial	
	Direct	Indirect	Direct	Indirect
Ahmed Mahomed	**36 000**	**-**	36 000	-
Total	**36 000**	**-**	36 000	-

Non-Executive Directors	2010			2009		
	Non-beneficial	Beneficial		Non-beneficial	Beneficial	
	Indirect	Direct	Indirect	Indirect	Direct	Indirect
Joan Joffe	**-**	**502 685**	**-**	-	502 685	-
Gary Morolo	**61 152 467**	**-**	**20 000 000**	61 152 467	-	20 000 000
Total	**61 152 467**	**502 685**	**20 000 000**	61 152 467	502 685	20 000 000

3. DIRECTORS (continued)

Directors' Shareholding (continued)
Gary Morolo is a shareholder in and director of major shareholder Aka Capital (Proprietary) Limited (Co-ordinated Network Investments (Proprietary) Limited and Eglin Investments Number 31 (Proprietary) Limited). There has been no change in shareholding up to the date of these financial statements.

Executive Directors' Share Options
Share option allocations are considered and recommended by the board and approved by the Remuneration and Human Resources Committee.

	Number of options 28/02/2009	New options allocated during the year	Expired, sold or lapsed during the year	Number of options 28/02/2010	Option Price R	Granting date	Value of all options in total R
Ahmed Mahomed	750 000	-	-	**750 000**	R1.00	01/01/2002	750 000
	1 750 000	-	-	**1 750 000**	R3.43	02/10/2006	6 002 500
	1 000 000	-	(500 000)	**500 000**	R3.11	30/01/2009	1 555 000
Elizabeth Naidoo	125 000	-	-	**125 000**	R1.00	08/01/2002	125 000
	1 000 000	-	-	**1 000 000**	R3.43	02/10/2006	3 430 000
	600 000	-	(300 000)	**300 000**	R3.11	30/01/2009	933 000
	5 225 000	-	(800 000)	**4 425 000**			12 795 500

Conditions and exercise periods are set out in the Datacentrix Holdings Share Trust Deed.

4. REVENUE

An analysis of the group's revenue for the year is as follows:

	Group 2010 R'000	Group 2009 R'000
Sale of goods	**833 504**	1 160 082
Services rendered	**413 118**	318 601
Rental income - hardware	**9 186**	21 964
Commission income - sale of licenses	**34 973**	12 675
	1 290 781	1 513 322

5. INCOME FROM INVESTMENTS

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Interest on bank deposits	**14 945**	19 832	**11**	12
Dividends received from subsidiaries	**-**	-	**28 000**	68 000
	14 945	19 832	**28 011**	68 012

6. FINANCE COSTS

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Interest paid to financial institutions	**(21)**	3 472	**-**	-

7. PROFIT BEFORE TAXATION

Profit before taxation for the year has been arrived at after charging (crediting):

	Group 2010 R'000	Group 2009 R'000
Auditors' remuneration		
- external audit fees	**2 200**	2 000
- fees for other services (taxation and advisory services)	**133**	115
	2 333	2 115
Net foreign exchange loss (gains)		
- realised	**3 662**	(472)
- unrealised	**635**	16
	4 297	(456)
Depreciation of property and equipment	**18 013**	11 225
Total employee benefits expense	**295 314**	269 021
Operating lease payments - properties	**11 239**	8 270
Retirement fund contributions (included in employee benefits expense)	**19 564**	18 960
Amortisation of software	**1 433**	1 133
Profit on disposal of property and equipment		
- various assets	**(212)**	(64)
Loss on sale of software	**11**	-

8. INCOME TAXATION EXPENSE

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Taxation charge				
SA normal taxation - current year	**29 112**	52 610	**-**	-
SA normal taxation - prior year	**(124)**	(82)	**2**	(8)
Deferred taxation - current year	**6 383**	(2 164)	**-**	-
Deferred taxation - prior year	**81**	(50)	**-**	-
Secondary taxation on companies	**6 240**	5 747	**6 238**	5 747
	41 692	56 061	**6 240**	5 739

SA normal income taxation is calculated at 28% (2009: 28%) of the estimated assessable profit for the year. Secondary Taxation on Companies (STC) is calculated at 10% (2009: 10%) on the net dividends payable. The company elected to only pay STC on dividends declared by the company and not its subsidiaries. Deferred taxation is calculated at 28% (2009: 28%).

8. INCOME TAXATION EXPENSE (continued)

	Group		Company	
	2010 %	2009 %	2010 %	2009 %
Reconciliation of rate of taxation				
Taxation at statutory rate	**28.0**	28.0	**28.0**	28.0
Expenses (income) not allowed for taxation	**1.1**	0.3	**(28.0)**	(28.0)
Secondary taxation on companies	**5.1**	3.3	**22.9**	8.5
Prior year under provisions	**-**	0.2	**-**	-
Effective taxation rate for the year	**34.2**	31.8	**22.9**	8.5

9. EARNINGS PER SHARE AND OTHER PER SHARE INFORMATION

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the company is based on the following data:

	Group	
	2010 R'000	2009 R'000
Earnings for the purpose of earnings per share	**80 405**	120 419
Number of shares		
Weighted average number of ordinary shares for the purposes of earnings per share	**195 797 991**	195 784 991
Effect of dilutive potential ordinary shares: Share options	**2 459 308**	1 509 903
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**198 257 299**	197 294 894
Earnings per share (cents)		
Basic	**41.1**	61.5
Diluted	**40.6**	61.0
Headline earnings for the purposes of headline earnings per share		
Total comprehensive income attributable to ordinary shareholders	**80 405**	120 419
Profit on disposal of assets	**(212)**	(64)
Headline earnings for the purposes of basic and diluted headline earnings per share	**80 193**	120 355
Number of shares		
Weighted average number of ordinary shares for the purposes of headline earnings per share	**195 797 991**	195 784 991
Effect of dilutive potential ordinary shares: Share options	**2 459 308**	1 509 903
Weighted average number of ordinary shares for the purposes of diluted headline earnings per share	**198 257 299**	197 294 894
Headline earnings per share (cents)		
Basic	**41.0**	61.5
Diluted	**40.5**	61.0
Net asset value per share		
Net asset value per share is calculated by dividing the ordinary shareholder's equity by the issued share capital at year end.		
Number of shares		
Closing number of shares (net of shares held by the Datacentrix Holdings Share Trust)	**195 797 991**	195 784 991

9. EARNINGS PER SHARE AND OTHER PER SHARE INFORMATION (continued)

	Group	
	2010 R'000	2009 R'000
Net asset value		
Ordinary shareholder's equity	**383 152**	360 625
Net asset value (adjusted for treasury shares) per share (cents)	**195.7**	184.2
Tangible net asset value		
Tangible net asset value per share is calculated by dividing the ordinary shareholder's equity, less intangibles, by the issued share capital at year end		
Number of shares		
Closing number of shares (net of shares held by the Datacentrix Holdings Share Trust)	**195 797 991**	195 784 991
Net asset value		
Ordinary shareholder's equity	**383 152**	360 625
Adjustment: less intangible assets	**(17 276)**	(17 138)
Tangible net asset value	**365 876**	343 487
Tangible net asset value (adjusted for treasury shares) per share (cents)	**186.9**	175.4

10. DIVIDEND AND PROPOSED DIVIDEND

On 18 May 2009 a dividend of 17 cents per share was paid to shareholders. In respect of the current year, the directors declared an interim dividend of 13.4 cents, and declared a final normal dividend of 16.6 cents, which is a deviation from the group policy of two times headline earnings per share cover. This brings the dividend to a total of 30 cents declared for the full year. The final dividend has not been included as a liability in these financial statements as it was declared subsequent to year end.

The proposed dividend for 2010 is payable to all shareholders on the Register of Members on 17 May 2010. The total estimated dividend to be paid is R34,074,103.

11. PROPERTY AND EQUIPMENT - GROUP ONLY

2010	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COST				
Land	**1 915**	**-**	**-**	**1 915**
Buildings	**13 548**	**-**	**-**	**13 548**
Motor vehicles	**1 630**	**-**	**-**	**1 630**
Furniture and fittings	**6 153**	**198**	**-**	**6 351**
Computer equipment	**24 021**	**2 985**	**(6 376)**	**20 630**
Office equipment	**5 707**	**298**	**(12)**	**5 993**
Spare parts	**21 483**	**15 504**	**(5 804)**	**31 183**
Leasehold improvements	**1 414**	**-**	**-**	**1 414**
Total	**75 871**	**18 985**	**(12 192)**	**82 664**

11. PROPERTY AND EQUIPMENT - GROUP ONLY (continued)

2010	Opening balance R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
ACCUMULATED DEPRECIATION				
Land	**-**	**-**	**-**	**-**
Buildings	**252**	**-**	**-**	**252**
Motor vehicles	**904**	**275**	**-**	**1 179**
Furniture and fittings	**4 121**	**543**	**-**	**4 664**
Computer equipment	**11 964**	**6 808**	**(3 923)**	**14 849**
Office equipment	**2 882**	**798**	**(12)**	**3 668**
Spare parts	**13 277**	**9 537**	**(5 307)**	**17 507**
Leasehold improvements	**1 196**	**52**	**-**	**1 248**
Total	**34 596**	**18 013**	**(9 242)**	**43 367**

2009	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COST				
Land	1 915	-	-	1 915
Buildings	13 548	-	-	13 548
Motor vehicles	1 522	378	(270)	1 630
Furniture and fittings	4 535	1 648	(30)	6 153
Computer equipment	15 795	9 389	(1 163)	24 021
Office equipment	3 082	2 806	(181)	5 707
Spare parts	16 659	5 961	(1 137)	21 483
Leasehold improvements	1 041	373	-	1 414
Total	58 097	20 555	(2 781)	75 871

	Opening balance R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
ACCUMULATED DEPRECIATION				
Land	-	-	-	-
Buildings	249	3	-	252
Motor vehicles	865	279	(240)	904
Furniture and fittings	3 642	509	(30)	4 121
Computer equipment	8 692	4 392	(1 120)	11 964
Office equipment	2 614	449	(181)	2 882
Spare parts	8 986	5 428	(1 137)	13 277
Leasehold improvements	1 031	165	-	1 196
Total	26 079	11 225	(2 708)	34 596

11. PROPERTY AND EQUIPMENT - GROUP ONLY (continued)

	Group	
	2010 R'000	**2009 R'000**
NET BOOK VALUE AND DEPRECIATION RATES APPLIED		
Land	**1 915**	1 915
Buildings (5%)	**13 296**	13 296
Motor vehicles (25%)	**451**	726
Furniture and fittings (16.7%)	**1 687**	2 032
Computer equipment (33.3%)	**5 781**	12 057
Office equipment (15% to 33.3%)	**2 325**	2 825
Spare parts (33.3%)	**13 676**	8 206
Leasehold improvements (period of lease)	**166**	218
Total	**39 297**	41 275

Land comprises stand number 865 Kosmosdal, Extension 11, Gauteng with buildings and additions thereon at additional costs. The register of land and buildings is open for inspection at the registered office of the company.

Computer equipment includes an amount of R6,040,000 cost (2009: R9,269,000) and R4,371,000 accumulated depreciation (2009: R2,726,000) in relation to printers used within the Managed Print Services business on client premises.

12. GOODWILL

Carrying amount at the beginning of the year	**15 596**	15 596
Goodwill at acquisition	**24 114**	24 114
Accumulated impairments	**(8 518)**	(8 518)
Impairment recognised during the year	**-**	-
Carrying amount at the end of the year	**15 596**	15 596
Goodwill at acquisition net of disposals	**24 114**	24 114
Accumulated impairments	**(8 518)**	(8 518)

The group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The calculations were done with reference to the smallest cash generating units being the Johannesburg unit and the Business Solutions division respectively. The recoverable amounts of the cash generating units are determined based on value in use. This value in use is determined by means of a discounted cash flow model. Three and five year cash flow forecasts respectively were used to assess this. The key assumptions in the calculations included an average discount rate of 14% (2009: 14.5%) and expected volume growth of zero percent. Management considers these rates to be highly conservative.

13. OTHER INTANGIBLE ASSETS - SOFTWARE

Carrying amount at the beginning of the year	**1 542**	2 144
Cost	**7 907**	7 376
Amortised to the beginning of the year	**(6 365)**	(5 232)
Additions during the year	**1 582**	531
Disposals during the year	**(11)**	-
Amortisation recognised during the year	**(1 433)**	(1 133)
Carrying amount at the end of the year	**1 680**	1 542
Cost at acquisition	**9 957**	7 907
Amortised to the end of the year	**(8 277)**	(6 365)

The amortisation rate applied was 33% (2009: 33%).

14. LONG-TERM RECEIVABLES

	Group 2010 R'000	Group 2009 R'000
Amounts receivable under finance leases	**3 108**	7 022
Short-term portion (within one year) (refer note 19)	**2 072**	3 766
Long-term portion (after one year)	**1 036**	3 256

An amount of R10.9 million was prepaid to a supplier in respect of a desktop management outsource transaction with a client. This cost will be recovered over the period of the contract of 48 months. Thirty months have passed and there is a remaining period of 18 months to recover this cost against future billings. The fair value of the long-term receivable approximates its book value. Monthly instalments amount to R172,687 (2009: R172,687).

15. INVESTMENT IN SUBSIDIARIES

	Company 2010 R'000	Company 2009 R'000
Shares at cost	**22 313**	22 313
Amount owing by subsidiary companies	**30 012**	68 671
	52 325	90 984

Name of subsidiary / *Principal activity*	Issued share capital 2010 R'000	Issued share capital 2009 R'000	Effective percentage held 2010 %	Effective percentage held 2009 %	Shares at cost 2010 R'000	Shares at cost 2009 R'000	Net receivable 2010 R'000	Net receivable 2009 R'000
Datacentrix (Proprietary) Limited	**2**	2	**100**	100	**10 857**	10 857	**21 140**	59 799
IT infrastructure and managed services								
Datacentrix Solutions (Proprietary) Limited	**200**	200	**100**	100	**9 799**	9 799	**8 872**	8 872
Business solutions								
Datacentrix Infrastructure Optimisation (Proprietary) Limited	**22 220**	22 220	**100**	100	**1 657**	1 657	**-**	-
Dormant								
Dezzo Trading (Proprietary) Limited	**100**	100	**100**	100	**-**	-	**-**	-
Dormant								
E-centrix (Proprietary) Limited	**100**	100	**100**	100	**-**	-	**-**	-
Dormant								
Datacentrix Properties (Proprietary) Limited*	**100**	100	**100**	100	**-**	-	**-**	-
Property								
Styleprops Services 18 (Proprietary) Limited*	**100**	100	**100**	100	**-**	-	**-**	-
Dormant								
Datacentrix Outsourcing (Proprietary) Limited	**100**	100	**100**	100	**-**	-	**-**	-
Dormant								
Dirigible IT (Proprietary) Limited*	**100**	100	**100**	100	**-**	-	**-**	-
Dormant								
					22 313	22 313	**30 012**	68 671

* Indirect holding, i.e. through a subsidiary

15. INVESTMENT IN SUBSIDIARIES (continued)

The amounts owing by subsidiary companies are interest free with no fixed repayment terms.

The interest of the group in the net income (loss) of its subsidiary companies and special purpose entity is:

	Group 2010 R'000	Group 2009 R'000
Datacentrix (Proprietary) Limited	**69 689**	109 682
Datacentrix Solutions (Proprietary) Limited	**17 359**	16 953
Datacentrix Holdings Share Trust	**34**	74
Datacentrix Properties (Proprietary) Limited	**275**	(27)
	87 357	126 682

16. DEFERRED TAXATION ASSETS

	2010	2009
Provisions, forward exchange contract and lease liabilities	**9 163**	7 716
Property and equipment	**5 369**	4 923
Calculated taxation loss	**367**	361
Prepayments and restraint of trade payments	**(64)**	(26)
Deferred revenue on long-term contracts and finance leases	**(345)**	7 980
	14 490	20 954
Movement in deferred taxation:		
Carrying amount at the beginning of the year	**20 954**	23 168
Movement in:		
Provisions, forward exchange contract and lease liabilities	**1 447**	(1 369)
Property and equipment	**446**	1 185
Calculated taxation loss	**6**	116
Prepayments and restraint of trade payments	**(38)**	(33)
Deferred revenue on long-term contracts and finance leases	**(8 325)**	(2 113)
Carrying amount at the end of the year	**14 490**	20 954

The taxation effects of temporary timing differences of the company and subsidiary companies resulted in deferred taxation assets. It is probable that future taxable income will be sufficient to allow the taxation benefit to be realised.

17. LOAN TO SHARE TRUST

	Company 2010 R'000	Company 2009 R'000
Loan to Datacentrix Holdings Share Trust	**6 627**	6 627

The loan is unsecured, interest-free and there are no fixed terms of repayment. Refer to note 27 for details in respect of the share trust.

18. INVENTORIES

	Group	
	2010 R'000	2009 R'000
Finished goods	**3 510**	3 853
Work in progress	**4 954**	2 217
Consumables	**4 418**	4 368
	12 882	10 438

Consumables stock relates to cartridges, which are supplied by the Managed Print Services business unit to clients. It was not necessary to adjust any inventories to net realisable value.

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Trade receivables	**211 901**	271 700	**-**	-
Short-term portion of long-term receivables (refer note 14)	**2 072**	3 766	**-**	-
Other receivables	**6 464**	8 965	**147**	26
	220 437	284 431	**147**	26

The average credit period on sale of goods is 45 days (2009: 45 days). No interest is charged on the trade receivables. Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. There has historically been very limited bad debt due to the spread and quality of clients. No provision was raised in the current or prior year.

Before accepting any new client, the group considers bank and trade references to assess the potential client's credit quality and defines credit limits by client. There are no clients who represent more than 10% of the total balance of trade receivables.

Included in the group's trade receivable balance is debtors with a carrying amount of R24 million (2009: R10 million), which is past due at the reporting date for which the group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The group does not hold any collateral over these balances. The average age of these receivables is 58 days (2009: 65 days).

20. CASH AND CASH EQUIVALENTS

	Group 2010	Group 2009	Company 2010	Company 2009
Bank balances and cash	**284 836**	232 841	**99**	181

The group and company had no overdrawn bank accounts at year end and therefore no off-setting of bank accounts has occurred on the statement of financial position. All cash resources are placed with reputable bankers.

21. SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES AND EQUITY-SETTLED SHARE SCHEME RESERVE

Share Capital

	Group 2010	Group 2009	Company 2010	Company 2009
Authorised				
400,000,000 (2009: 400,000,000) ordinary shares of R0,0001 each	**40**	40	**40**	40
Issued				
205,265,683 (2009: 205,265,683) ordinary shares of R0,0001 each	**21**	21	**21**	21

21. SHARE CAPITAL, SHARE PREMIUM, TREASURE SHARES AND EQUITY-SETTLED SHARE SCHEME RESERVE (continued)

	Group		Company	
Share Premium	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Carrying amount at the beginning of the year	**37 366**	38 145	**39 280**	39 280
Profit (Loss) on sale of treasury shares	**76**	(779)	**-**	-
Carrying amount at the end of the year	**37 442**	37 366	**39 280**	39 280
Treasury Shares	**(38 200)**	(37 166)	**-**	-

The number of treasury shares held by the Datacentrix Holdings Share Trust amounts to 9,467,692 (2009: 9,480,692) ordinary shares.

Equity-Settled Share Scheme Reserve

	Group 2010	Group 2009	Company 2010	Company 2009
Carrying amount at the beginning of the year	**15 272**	12 672	**15 272**	12 672
Expensed during the year	**2 600**	2 600	**2 600**	2 600
Carrying amount at the end of the year	**17 872**	15 272	**17 872**	15 272

The share-based payments expense in terms of IFRS 2 has been expensed to the statement of comprehensive income as part of the employee benefits and credited to this equity account.

22. DEFERRED REVENUE

	Group	
	2010 R'000	2009 R'000
Carrying amount at the beginning of the year	**59 833**	46 532
Long-term portion	**16 328**	19 327
Short-term portion	**43 505**	27 205
Deferral of revenue during the year	**65 859**	68 386
Realisation of revenue during the year	**(81 251)**	(55 085)
Carrying amount at the end of the year	**44 441**	59 833
Long-term portion	**11 921**	16 328
Short-term portion	**32 520**	43 505

Deferred revenue relates to service and maintenance contracts contracted for a 12 to 36 month period. The related revenue, which has been deferred, is recognised over the period of the contract.

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Trade payables	**112 448**	130 675	**-**	-
Other accruals and payables	**45 571**	48 836	**163**	31
	158 019	179 511	**163**	31

24. PROVISIONS (short-term in nature)

	Group	
	2010 R'000	**2009 R'000**
Provision for Audit Fee		
Carrying amount at the beginning of the year	**1 132**	2 071
Provision made	**3 054**	2 115
Provision utilised	**(2 337)**	(3 054)
Carrying amount at the end of the year	**1 849**	1 132

Provision for Audit Fee
The audit fee provision is based on the total budget approved by the Audit Committee.

25. CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND LITIGATION STATEMENT

The directors of the company are not aware of any legal or arbitration proceedings, pending or threatened against the group, which may have or have had, from 1 March 2009 up to the date of this notice, a material effect on the group's financial position.

The following bank guarantees were in place for subsidiary companies:

- R108,000 (2009: R108,000) for rental payments for Datacentrix (Proprietary) Limited with the beneficiary being Rosehip Properties 6 (Proprietary) Limited;
- R126,566 (2009: Rnil) for the execution of a services related contract for Datacentrix (Proprietary) Limited with the beneficiary being Acucap Investments (Proprietary) Limited;
- R381,826 (2009: Rnil) for a contract guarantee for Datacentrix (Proprietary) Limited with the beneficiary being Airports Company of South Africa; and
- R2,508,364 (2009: Rnil) for a contract guarantee for Datacentrix (Proprietary) Limited with the beneficiary being 2010 FIFA World Cup Organising Committee.

There are unlimited cross-suretyships between all the subsidiaries and the company for bank facilities. The group has no material contingent liabilities or capital commitments.

26. OPERATING AND FINANCE LEASE ARRANGEMENTS

Minimum lease payments under operating leases are recognised in income for the year. Operating lease payments represent rentals payable by the group for certain of its office properties. At the end of the reporting period, the group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2010 R'000	**2009 R'000**
Within one year	**10 674**	10 965
In the second to fifth year	**12 206**	18 846
	22 880	29 811

Operating leases relate to office facilities with lease terms of between one to three years, with an option to extend for a further three years. All operating lease contracts contain market review clauses in the event that the group exercises its option to renew. The group does not have an option to purchase the leased asset at the expiry of the lease period.

27. SHARE-BASED PAYMENTS

Equity-settled Share Option Plan
The group plan provides for a grant price equal to the average quoted market price of the group shares on the date of grant. The vesting period is 12 to 54 months for employees and 12 to 36 months for directors. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the group before the option vests.

The share option plan is managed by the Datacentrix Holdings Share Trust. Datacentrix Holdings Limited funds the cash flow of the trust and has the obligation to fund the deficit of the trust on termination. The financial year in which an employee may exercise his/her options is as follows:

27. SHARE-BASED PAYMENTS (continued)

Equity-settled Share Option Plan (continued)

Exercise price	2010	2011	2012	2013	2014	2015	Total
92 cents	23 000	-	-	-	-	-	**23 000**
100 cents	1 076 840	-	-	-	-	-	**1 076 840**
130 cents	34 375	-	-	-	-	-	**34 375**
140 cents	50 000	-	-	-	-	-	**50 000**
150 cents	37 000	-	-	-	-	-	**37 000**
170 cents	35 000	-	-	-	-	-	**35 000**
200 cents	49 375	-	-	-	-	-	**49 375**
240 cents	50 000	-	-	-	-	-	**50 000**
245 cents	7 500	-	-	-	-	-	**7 500**
250 cents	154 688	51 562	-	-	-	-	**206 250**
260 cents	9 844	3 281	-	-	-	-	**13 125**
270 cents	14 063	144 062	142 500	142 500	139 375	-	**582 500**
285 cents	11 250	3 750	-	-	-	-	**15 000**
300 cents	700 300	6 250	6 250	6 250	6 250	-	**725 300**
305 cents	39 375	16 250	3 750	3 750	1 875	-	**65 000**
310 cents	35 469	23 906	13 750	13 750	8 750	-	**95 625**
311 cents	216 250	432 500	432 500	432 500	216 250	-	**1 730 000**
315 cents	-	5 000	5 000	5 000	5 000	-	**20 000**
325 cents	12 500	10 000	7 500	5 000	5 000	-	**40 000**
330 cents	31 250	22 500	16 250	10 000	10 000	-	**90 000**
331 cents	2 500	5 000	5 000	5 000	2 500	-	**20 000**
340 cents	-	6 250	6 250	6 250	6 250	-	**25 000**
343 cents	1 718 750	687 500	343 750	-	-	-	**2 750 000**
350 cents	50 000	25 000	15 000	5 000	5 000	-	**100 000**
351 cents	1 875	3 750	3 750	3 750	1 875	-	**15 000**
360 cents	17 500	18 750	18 750	11 250	8 750	-	**75 000**
370 cents	-	19 375	22 500	22 500	22 500	3 125	**90 000**
380 cents	32 500	15 000	12 500	-	-	-	**60 000**
389 cents	-	3 750	3 750	3 750	3 750	-	**15 000**
390 cents	7 500	7 500	7 500	7 500	-	-	**30 000**
395 cents	7 500	7 500	7 500	7 500	-	-	**30 000**
400 cents	28 125	30 000	30 000	30 000	1 875	-	**120 000**
420 cents	7 500	7 500	7 500	7 500	-	-	**30 000**
423 cents	-	1 250	2 500	2 500	2 500	1 250	**10 000**
426 cents	-	3 750	7 500	7 500	7 500	3 750	**30 000**
427 cents	-	3 125	6 250	6 250	6 250	3 125	**25 000**
430 cents	17 500	17 500	17 500	17 500	-	-	**70 000**
437 cents	-	1 875	3 750	3 750	3 750	1 875	**15 000**
439 cents	-	1 875	3 750	3 750	3 750	1 875	**15 000**
450 cents	35 000	17 500	17 500	-	-	-	**70 000**
460 cents	15 625	6 250	3 125	-	-	-	**25 000**
485 cents	9 375	6 250	6 250	3 125	-	-	**25 000**
486 cents	22 500	12 500	12 500	2 500	-	-	**50 000**
495 cents	20 625	13 750	13 750	6 875	-	-	**55 000**
499 cents	38 125	28 750	28 750	19 375	-	-	**115 000**
500 cents	147 500	93 750	93 750	40 000	-	-	**375 000**
520 cents	20 625	13 750	13 750	6 875	-	-	**55 000**
530 cents	15 000	7 500	7 500	-	-	-	**30 000**
533 cents	7 500	5 000	5 000	2 500	-	-	**20 000**
550 cents	13 125	8 750	8 750	4 375	-	-	**35 000**
	4 824 329	1 799 061	1 363 125	855 625	468 750	15 000	**9 325 890**

27. SHARE-BASED PAYMENTS (continued)

The inputs into the binomial model are as follows for both the current and prior year, unless otherwise indicated:

Expected volatility: The historical volatility percentages used, were calculated over the entire period of each grant from listing date of the share.
Expected life: 12 to 54 months
Risk free rate: The zero-coupon bond curve interest rate was used for each grant date in determining this rate.
Expected dividends: A dividend yield of 10% (2009: 8.5%), continuously compounded, was used based on industry averages.

	Group	
	2010 Options	**2009 Options**
Outstanding at beginning of the year	**11 079 640**	9 796 490
Granted during the year	**935 000**	3 995 000
Exercised during the year	**(576 050)**	(871 200)
Forfeited during the year	**(2 112 700)**	(1 840 650)
Outstanding at the end of the year	**9 325 890**	11 079 640

The weighted average share price at the date of exercise for share options exercised during the period was R4.30 (2009: R4.17).

Expected volatility was determined by calculating the historical volatility of the group's share price over the previous years since listing. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. The estimated fair value of the options at year end amounts to R12,326,723 (2009: R13,404,149). The trust has a potential future exposure of Rnil (2009: Rnil) since the shares owned by the trust are more than the options not yet exercised, that are in the money.

28. RETIREMENT BENEFIT PLANS

The Alexander Forbes Provident Fund with 876 members (2009: 786 members) is a defined contribution fund of which the majority of the group's permanent employees are members. These funds have been registered by the Registrar of Pension Funds and are governed by the Pension Funds Act 24 of 1956. The group does not provide any post-retirement medical benefits to its employees.

29. EVENTS AFTER YEAR END

There are no material events after balance sheet date that require additional disclosure, apart from the decision to transfer the business of Datacentrix Solutions (Pty) Ltd to Datacentrix (Pty) Ltd. This will have no impact on the group results in future periods.

30. FINANCIAL INSTRUMENTS

Capital Risk Management
The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from 2009. There is currently no long-term debt on the statement of financial position of the company.

Significant Accounting Policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

30. FINANCIAL INSTRUMENTS (continued)

Categories of Financial Instruments

GROUP 2010	Loans and receivables R'000	Total R'000	Fair value R'000
Financial assets			
Long-term receivables	**1 036**	**1 036**	**1 036**
Trade and other receivables	**219 511**	**219 511**	**219 511**
Cash and cash equivalents	**284 836**	**284 836**	**284 836**
	505 383	**505 383**	**505 383**
2009			
Financial assets			
Long-term receivables	3 256	3 256	3 256
Trade and other receivables	284 431	284 431	284 431
Cash and cash equivalents	232 841	232 841	232 841
	520 528	520 528	520 528

GROUP 2010	Other financial liabilities R'000	Total R'000	Fair value R'000
Financial liabilities			
Trade and other payables	**157 093**	**157 093**	**157 093**
	157 093	**157 093**	**157 093**
2009			
Financial liabilities			
Trade and other payables	179 511	179 511	179 511
	179 511	179 511	179 511

COMPANY 2010	Loans and receivables R'000	Total R'000	Fair value R'000
Financial assets			
Loan to share trust and receivables	**6 627**	**6 627**	**6 627**
Trade and other receivables	**147**	**147**	**147**
Amounts owing by subsidiary companies	**30 012**	**30 012**	**30 012**
Cash and cash equivalents	**99**	**99**	**99**
	36 885	**36 885**	**36 885**
2009			
Financial assets			
Loan to share trust and receivables	6 627	6 627	6 627
Trade and other receivables	26	26	26
Amounts owing by subsidiary companies	68 671	68 671	68 671
Cash and cash equivalents	181	181	181
	75 505	75 505	75 505

30. FINANCIAL INSTRUMENTS (continued)

Categories of Financial Instruments (continued)

COMPANY 2010	Other financial liabilities R'000	Total R'000	Fair value R'000
Financial liabilities			
Trade and other payables	163	163	163
	163	163	163
2009			
Financial liabilities			
Trade and other payables	31	31	31
	31	31	31

Financial Risk Management Objectives
The group's financial function provides services to the business and co-ordinates access to domestic and international financial markets. The Executive Committee monitors and manages the financial risks relating to the operations of the group through monthly analysis reports, which analyses risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market Risk
The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The group only enters into derivative financial instruments to manage its exposure to foreign currency risk; being forward foreign exchange contracts to hedge the exchange rate risk arising on the import of electronic equipment.

Market risk exposures are measured using sensitivity analysis. There has been no change to the group's exposure to market risks or the manner in which it manages and measures the risk.

Foreign Currency Risk Management
The group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

Forward Foreign Exchange Contracts
It is the policy of the group to enter into forward foreign exchange contracts to cover all foreign currency payments and receipts within 100% of the exposure generated.

Foreign exchange contracts are entered into for most transactions as frequent purchases are made from foreign entities. On short-term contracts, currency fluctuations are passed onto clients. Limited currency risks related to long-term contract exist. At year end, the group held no foreign denominated cash balances.

2010	Foreign currency amount R'000	Spot rate	R'000	Fair value R'000
US Dollars	828	7.72	6 388	6 413
Euro	24	10.48	253	252
			6 641	6 665
2009				
US Dollars	1 189	10.10	12 012	12 095
Euro	34	12.76	434	436
			12 446	12 531

30. FINANCIAL INSTRUMENTS (continued)

Foreign Currency Sensitivity
The US Dollar is the primary currency to which the group is exposed. The following table indicates the group's sensitivity at year end to the indicated movements in the US Dollar on financial instruments excluding forward foreign exchange contracts. The rates of sensitivity are the rates used when reporting the currency risk to the group and represents management's assessment of the possible change in the reporting foreign currency exchange rates.

2010	USD 1: R7.10	R7.72	R8.33	R9.00
Forex loss	3 798	4 128	4 458	4 815
Forward exchange contracts	3 380	3 674	3 968	4 285
Creditors	418	454	490	530
2009	**USD 1: R9.35**	**R10.10**	**R10.91**	**R11.78**
Forex gain	(382)	(413)	(446)	(482)
Forward exchange contracts	(115)	(124)	(134)	(145)
Creditors	(267)	(289)	(312)	(337)

2010	Euro 1: R9.64	R10.48	R11.32	R12.22
Forex loss	155	169	182	197
Forward exchange contracts	54	60	64	69
Creditors	101	109	118	128
2009	**Euro 1: R11.82**	**R12.76**	**R13.78**	**R14.88**
Forex gain	(40)	(43)	(46)	(50)
Forward exchange contracts	(141)	(152)	(164)	(177)
Creditors	101	109	118	127

Interest Rate Risk Management
The group is not exposed to any interest rate risk as it has no debt.

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

Trade receivables consist of a large number of clients, spread across diverse industries. The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Except as detailed in the following table, the carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The group has the following amounts due from major clients:

2010	Number of clients	Value R'000	%
Greater than R5 million	8	69 949	33
Greater than R2 million but less than R5 million	16	50 250	24
Less than R2 million	558	91 702	43
	582	211 901	100
2009			
Greater than R5 million	14	118 696	44
Greater than R2 million but less than R5 million	21	67 297	25
Less than R2 million	650	85 707	31
	685	271 700	100

30. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk
Liquidity risk is mainly attributable to the trade and other payables, but current cash and cash equivalents are sufficient to ensure payment of these balances. Suppliers are paid on average within 45 days.

31. SHAREHOLDER ANALYSIS

The analysis excludes shares deemed to be issued (refer to note 21).

Major Shareholders	2010 Number of shares	%	2009 Number of shares	%
Aka Capital (Proprietary) Limited [Co-ordinated Network Investments (Proprietary) Limited and Eglin Investments Number 31 (Proprietary) Limited]	**81 152 467**	**40**	81 152 467	40
Nedbank Group	**-**	**-**	22 177 719	11
Gerhard Uys	**-**	**-**	6 053 031	3
Directors, management and staff	**1 283 160**	**1**	2 477 226	1
Datacentrix Holdings Share Trust	**9 467 692**	**4**	9 480 692	5
General public and corporate investors				
- Investec	**18 361 193**	**9**	27 826 746	13
- Other	**95 001 171**	**46**	56 097 802	27
Total	**205 265 683**	**100**	205 265 683	100

2010	Number of shareholders	%	Number of shares	%
1 to 10 000 shares	**1 373**	**79**	**4 043 962**	**2**
10 001 to 50 000 shares	**208**	**12**	**5 384 006**	**3**
50 001 to 100 000 shares	**46**	**3**	**3 414 466**	**2**
100 001 to 500 000 shares	**70**	**4**	**16 236 823**	**8**
500 001 to 1 000 000 shares	**25**	**1**	**17 246 982**	**8**
1 000 001 shares and over	**26**	**1**	**158 939 444**	**77**
Total	**1 748**	**100**	**205 265 683**	**100**
2009				
1 to 10 000 shares	1 237	80	3 531 186	2
10 001 to 50 000 shares	171	11	4 307 181	2
50 001 to 100 000 shares	30	2	2 340 233	1
100 001 to 500 000 shares	61	4	14 764 572	7
500 001 to 1 000 000 shares	20	1	14 861 267	7
1 000 001 shares and over	22	2	165 461 244	81
Total	1 541	100	205 265 683	100

32. BORROWING POWERS OF THE COMPANY AND ITS SUBSIDIARIES

The borrowing powers of Datacentrix Holdings Limited's directors are unlimited.

The directors of the subsidiaries are governed by an approval framework, which is renewed by the Datacentrix Holdings Limited board from time to time.

33. SEGMENTAL ANALYSIS

All the group's activities are conducted within South Africa. For reporting purposes, the group is organised into three operating divisions. These divisions are the basis on which the group reports its primary segment information.

Principal activities are as follows:

- Infrastructure - supply of IT infrastructure;
- Managed Services - supply of IT services;
- Business Solutions - supply of business solutions; and
- Other - remaining subsidiaries, special purpose entities of the group and consolidation adjustments.

Segment assets and liabilities and segment cash flows are not separately reported to the chief operating decision maker (CEO).

2010	Infrastructure R'000	Managed Services R'000	Business Solutions R'000	Other R'000	Group R'000
Revenue	**974 282**	**281 537**	**97 874**	**(62 912)**	**1 290 781**
Changes in inventories of finished goods, work in progress and finished goods sold	**(728 004)**	**(119 719)**	**(30 855)**	**64 567**	**(814 011)**
Employee benefit expense	**(138 432)**	**(109 342)**	**(47 540)**	**-**	**(295 314)**
Depreciation, amortisation and impairments	**(5 299)**	**(13 510)**	**(637)**	**-**	**(19 446)**
Operating expenses	**(33 564)**	**(12 526)**	**(6 750)**	**(1 997)**	**(54 837)**
Income from investments	**-**	**-**	**-**	**14 945**	**14 945**
Finance costs	**-**	**-**	**-**	**(21)**	**(21)**
Profit before taxation	**68 983**	**26 440**	**12 092**	**14 582**	**122 097**
Income taxation expense	**(19 677)**	**(7 538)**	**(3 446)**	**(11 031)**	**(41 692)**
Earnings for the year attributable to ordinary shareholders	**49 306**	**18 902**	**8 646**	**3 551**	**80 405**
2009					
Revenue	1 243 185	262 590	81 063	(73 516)	1 513 322
Changes in inventories of finished goods, work in progress and finished goods sold	(962 125)	(121 967)	(25 063)	72 573	(1 036 582)
Employee benefit expense	(128 170)	(101 257)	(39 594)	-	(269 021)
Depreciation, amortisation and impairments	(4 583)	(7 166)	(609)	-	(12 358)
Operating expenses	(27 477)	(9 940)	(5 137)	369	(42 185)
Income from investments	-	-	-	19 832	19 832
Finance costs	-	-	-	3 472	3 472
Profit before taxation	120 830	22 260	10 660	22 730	176 480
Income taxation expense	(34 454)	(6 344)	(3 038)	(12 225)	(56 061)
Earnings for the year attributable to ordinary shareholders	86 376	15 916	7 622	10 505	120 419

34. RELATED PARTY TRANSACTIONS

During the year the company and its subsidiaries, in the ordinary course of business, entered into various sale and purchase transactions with related parties. These transactions with related parties occurred under terms that are not less favourable than those arranged with third parties.

Subsidiaries
Details of investments in subsidiaries are disclosed in note 15. No goods and services were sold by the company to its subsidiaries. Dividends received are disclosed in the statement of comprehensive income and in note 5.

Directors
Details relating to the directors' emoluments are disclosed in note 3. The directors did not purchase any equipment or inventory during the current and prior years.

Shareholders
The principal shareholders of the company are detailed in the shareholder analysis in note 31.

Other Key Management Personnel
The total amount paid to key management personnel comprises short-term employee benefits to the amount of R11,773,495 (2009: R10,448,948).

35. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM (UTILISED IN) OPERATIONS

	Group		Company	
	2010 R'000	**2009 R'000**	**2010 R'000**	**2009 R'000**
Profit before taxation	**122 097**	176 480	**27 288**	67 476
Adjusted for:	**7 547**	(8 259)	**(28 011)**	(68 012)
Profit on sale of property and equipment	**(212)**	(64)	**-**	-
Depreciation of property and equipment	**18 013**	11 225	**-**	-
Impairment of goodwill and amortisation of software	**1 433**	1 133	**-**	-
Interest received	**(14 945)**	(19 832)	**(11)**	(12)
Loss on disposal of software	**11**	-	**-**	-
Dividend received from subsidiary	**-**	-	**(28 000)**	(68 000)
Straight-line accounting for leases	**550**	930	**-**	-
Share-based payments	**2 600**	2 600	**-**	-
Loss on sale of treasury shares	**76**	(779)	**-**	-
Interest paid	**21**	(3 472)	**-**	-
Operating profit (loss) before working capital changes	**129 644**	168 221	**(723)**	(536)
Working capital changes	**23 689**	(35 581)	**11**	48
Inventories	**(2 444)**	538	**-**	-
Trade and other accounts receivable	**62 300**	(49 339)	**(121)**	110
Trade, other accounts payable and provisions	**(36 167)**	13 220	**132**	(62)
Cash generated from (utilised in) operations	**153 333**	132 640	**(712)**	(488)

36. TAXATION PAID

	Group 2010	Group 2009	Company 2010	Company 2009
Opening balance	**(8 087)**	(24 575)	**-**	(4)
Statement of comprehensive income charge - current and secondary taxation	**(41 692)**	(56 061)	**(6 240)**	(5 739)
Movement in deferred taxation balance	**6 464**	2 214	**-**	-
Closing balance	**1 098**	8 087	**-**	-
	(42 217)	(70 335)	**(6 240)**	(5 743)

DATACENTRIX HOLDINGS LIMITED
(Incorporated in the Republic of South Africa), (Registration number: 1998/006413/06)
JSE code: DCT, ISIN: ZAE000016051, ("the company")

Notice is hereby given of the twelfth Annual General Meeting of members of the Company, which will be held at the registered office of the company, Block 7, Sanwood Park, 379 Queens Crescent, Lynnwood, Pretoria on Friday, 4 June 2010 at 10:00 to consider and if deemed fit, to pass, with or without modification, the following resolutions:

Ordinary Resolutions

1. "To receive, consider and adopt the annual financial statements for the year ended 28 February 2010, incorporating the reports of the directors, the auditors and the audit committee therein."
2. "To re-elect by way of separate resolutions the retiring directors in accordance with the provisions of the company's Articles of Association. The following retiring directors, being eligible, offer themselves for re-election: Gary Morolo, Ahmed Mahomed, Elizabeth Naidoo, Alwyn Martin, Dudu Nyamane, Joan Joffe and Thenjiwe Chikane.
   Abbreviated curriculum vitae in respect of each of these directors appear on pages 8 and 9 of this Annual Report."
3. "To confirm the re-appointment of Deloitte & Touche, Registered Auditors, with Zuleka Jasper as designated auditor, as the group's auditors until the next Annual General Meeting."
4. "To authorise the board of directors to approve the non-executive directors' fees for the financial year ending 28 February 2011 as set out below:

Non-executive Fees	Present	Proposed
Chairman of the Board - annually	R725 000	R797 500
Chairman of a Committee - per meeting	R29 948	R32 943
Members of the Committees - per meeting	R19 965	R21 962

5. "Resolved that in terms of the Listing Requirements of the JSE Limited ("JSE") and subject to the requirements of section 90 of the Companies Act, Act 61 of 1973, the mandate given to the directors of the company in terms of an authority to make general payments to shareholders be renewed subject to the following conditions:
   - that this authority to make general payments to shareholders be valid until the company's next Annual General Meeting or for 15 months (fifteen) from the date of the resolution, whichever period is shorter;
   - that the general payment will be made pro-rata to all shareholders;
   - that any general payment(s) may not exceed 15% of the company's issued share capital, including reserves but excluding minority interests, and re-valuations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, in any one financial year, measured as at the beginning of such financial year;
   - an announcement be published containing the terms of the payment, the date of the general meeting at which the authority was obtained, the date on which payment is to be made and the effect of the payment on the company's earnings, headline earnings, net asset value and tangible net asset value per share; and
   - the company will not proceed with any general payments to shareholders until the company's sponsor has confirmed the adequacy of the company's working capital."

   The purpose of this resolution is to authorise the directors to make general payments to shareholders in terms of this resolution.
6. "Resolved that the authorised but unissued shares in the capital of the company be and are hereby placed under the control of the directors for allotment and issue at the discretion of the directors of the company subject to the applicable legislation and the requirements of any stock exchange on which the shares in the capital of the company may from time to time be listed."

AUTHORITY TO DIRECTORS TO ISSUE UNISSUED SHARES FOR CASH

It was proposed that in terms of the Listings Requirements of the JSE Limited ("JSE"), the directors be given the general authority to issue up to a maximum of 5% of the ordinary shares of one cent each for cash to the public as and when suitable situations arise, subject to the following conditions:

- the equity securities, which are the subject of the issue for cash, must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- the equity securities must be issued to public shareholders, as defined in paragraph 4.25 to 4.27 of the Listings Requirements of the JSE, and not to related parties;
- securities, which are the subject of general issues for cash of a particular class, will be aggregated with any securities that are compulsorily convertible into securities of that class, and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible;

AUTHORITY TO DIRECTORS TO ISSUE UNISSUED SHARES FOR CASH (continued)

- securities, which are the subject of general issues for cash as regards the number of securities, which may be issued, shall be based on the number of securities of that class in issue added to those that may be issued in future (arising from the conversion of options/convertible securities), at the date of such application:
  - less any securities of the class issued, or to be issued in future arising from options/convertible securities issued, during the current financial year;
  - plus any securities of that class to be issued pursuant to:
    - a rights issue, which has been announced, is irrevocable and is fully underwritten; or
    - acquisition (which has had final terms announced) may be included as though they were securities in issue at the date of application;
- that this authority is in the form of a renewable mandate and is valid until the company's next Annual General Meeting, but it shall not extend beyond 15 (fifteen) months from the date of this Annual General Meeting;
- that a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one year, 5% of the number of shares of that class in issue prior to the issues;
- that issues in the aggregate in any one year may not exceed 5% of the number of shares of that class of the company's issued share capital; and
- that, in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the average ruling price of the shares in question, as determined over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the company.

JSE Disclosures

In terms of the JSE Listing Requirements, the following disclosures are required with reference to the general authorities to make payments to shareholders and the repurchase of the company's shares as set out in ordinary resolution number 5. These disclosures are set out elsewhere in the Annual Report of which this notice forms part:

- Directors and management: refer pages 8 - 9;
- Directors' responsibility and approval: refer page 24;
- Litigation statement: refer page 54;
- Material change: refer page 56;
- Major shareholders of the company: refer page 60;
- Directors' interests in the company's securities: refer pages 43 - 44; and
- Share capital: refer pages 52 - 53.

Voting and Proxies

On a show of hands, each shareholder who, being a natural person, is present in person or by proxy or, being a body corporate, is present by representative or proxy, shall have one vote. On a poll, if requested, each shareholder, whether present in person or by proxy or by representation, is entitled to one vote for each ordinary share held.

A form of proxy is included for completion by registered certificated shareholders and dematerialised shareholders with own name registration that are unable to attend the Annual General Meeting and wish to be represented thereat. Forms of proxy must be completed and received by the company secretary by no later than 10:00 on Wednesday, 2 June 2010. Registered certificated shareholders and dematerialised shareholders with own name registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the Annual General Meeting to the exclusion of their appointed proxy(ies) should such member wish to do so.

Dematerialised shareholders, other than with own name registration, must inform their CSDP or broker of their intention to attend the Annual General Meeting and obtain the necessary Letter of Representation from their CSDP or broker to attend the Annual General Meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the Annual General Meeting. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, speak and to vote in his/her stead.

By order of the board

Annamarie van der Merwe
Ithemba Governance and Statutory Solutions (Proprietary) Limited
Company Secretary

Pretoria
19 April 2010

Financial year end	28 February 2011
Annual General Meeting	4 June 2010

Results Announcements

Interim results for six months to 31 August 2010	6 October 2010
Announcement of annual results to 28 February 2011	April 2011
Annual financial statements for the year ended 28 February 2011	May 2011

Dividend

An annual dividend of 30 cents per share has been declared. This is a deviation from the group's stated dividend policy of two times cover on HEPS.

Declaration date:	Tuesday, 20 April 2010
Last day to trade:	Friday, 07 May 2010
Share trade ex dividend:	Monday, 10 May 2010
Record date:	Friday, 14 May 2010
Payment date:	Monday, 17 May 2010

Share certificates may not be dematerialised or rematerialised between Monday, 10 May 2010 and Friday, 14 May 2010, both days inclusive.

Datacentrix Holdings Limited ("the company")
Registration Number: 1998/006413/06
JSE Code: DCT
ISIN: ZAE000016051

For use at the twelfth Annual General Meeting of members to be held at 10:00 on Friday, 4 June 2010, at the registered office of the company. To be completed by certificated shareholders and dematerialised shareholders with own name registration only.

If shareholders have dematerialised their shares with a CSDP or broker, other than with own name registration, they must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the general meeting or the shareholders concerned must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

I/We (name in block letters) ______________________________

of (address) ______________________________

Being the holder(s) of ________ ordinary shares, hereby appoint:

1. ______________________ of ______________________ or failing him/her
2. ______________________ of ______________________ or failing him/her
3. The chairman of the meeting, as my/our proxy to be present and act on my/our behalf and vote on a poll on my/our behalf as indicated below at the Annual General Meeting of shareholders of the company.

Insert X in the appropriate block if you wish to vote all your shares in the same manner.
If not, insert the number of votes in the appropriate block.

Agenda items	For	Against	Abstain
1. To receive and adopt the annual financial statements			
2. Re-election of the retiring directors:			
2.1 Gary Morolo (Chairman)			
2.2 Ahmed Mahomed (Chief Executive Officer)			
2.3 Elizabeth Naidoo (Financial Director)			
2.4 Alwyn Martin (Non-executive Director)			
2.5 Dudu Nyamane (Non-executive Director)			
2.6 Joan Joffe (Non-executive Director)			
2.7 Thenjiwe Chikane (Non-executive Director)			
3. To re-appoint Deloitte & Touche Registered Auditors as auditors			
4. Authorise the board of directors to approve the non-executive directors' fees for the financial year ending 28 February 2011			
5. Renew the directors' authority to make general payments to the shareholders			
6. Directors' authority to control, allot and issue shares			

Signed at ______________________ on ______________________ 2010

Signature ______________________ Assisted by (if applicable) ______________________

Notes to the Proxy Form

Postal:
Computershare Investor Services Limited
Attention: Share Transfer Secretary
PO Box 61051, Marshalltown, 2107

Physical:
Computershare Investor Services Limited
70 Marshall Street
Johannesburg, 2001

Fax:
Computershare Investor Services Limited
Attention: Share Transfer Secretary
+27 11 688 7717

Forms of proxy duly completed and signed by the shareholder must be faxed, lodged or posted to the share transfer secretary, to be received by no later than 10:00 on Wednesday, 2 June 2010.

1. If no indication is given, the proxy will vote as (s)he thinks fit.
2. Any alteration to the form of proxy must be signed, not initialled.
3. Each shareholder is entitled to appoint one or more proxies who need not be shareholders of the company, to attend, speak and, on a poll, vote in place of that shareholder at the annual general meeting. This does not preclude the shareholder from attending and speaking at the general meeting.
4. Relevant power of attorney or authorisation of representatives must be attached, unless recorded by the company, or waived by the chairman of the meeting.
5. The chairman of the general meeting may reject or accept any completed proxy form other than in accordance with these instructions, provided (s)he is satisfied with the manner in which a member wishes to vote.
6. Shareholders who have dematerialised their shares with a CSDP or broker, other than own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the annual general meeting or the shareholders concerned must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.
7. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as (s)he deems fit in respect of the shareholder's votes exercisable at the meeting. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.
8. Where there are joint holders of shares and if more than one of such joint holders is present or represented, then the person whose name appears first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.
9. Registered certificated shareholders and dematerialised shareholders with own name registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting to the exclusion of their appointed proxy(ies) should such member wish to do so.
10. Proxies will only be valid for the purpose of the annual general meeting if delivered or faxed to the share transfer secretary at the company's registered address, to reach him/her by no later than 10:00 on Wednesday, 2 June 2010.

Contact Information

Datacentrix Holdings Limited
(Incorporated in the Republic of South Africa)
Registration Number: 1998/006413/06
JSE Code: DCT
ISIN: ZAE000016051

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Email: info@datacentrix.co.za
Website: www.datacentrix.co.za

Company Secretary
Ithemba Governance and Statutory (Proprietary) Limited
Office 202, Block 3, Monument Office Park
79 Steenbok Avenue, Monument Park
PO Box 4896, Rietvalleirand, 0174
Tel: +27 86 111 1010
Fax: +27 86 604 1315

Share Transfer Secretaries
Computershare Investor Services Limited
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107
Tel: +27 11 370 5000
Fax: +27 11 688 7717

Auditors and Reporting Accountants
Deloitte & Touche Registered Auditors
221 Waterkloof Road, Waterkloof, Pretoria, 0181
PO Box 11007, Hatfield, Pretoria, 0028
Tel: +27 12 482 0000
Fax: +27 12 460 3633

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Corporate and Business Bank
2nd Floor, Loerie Place, Hillcrest Office Park
177 Dyer Road, Hillcrest, Pretoria, 0083
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