

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
Chairman

Pretoria
19 April 2010



Ahmed Mahomed
Chief Executive Officer

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

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

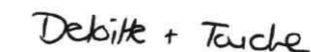
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with statements of International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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 separate 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
Registered Auditors
Per Zuleka Jasper
Partner

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

19 April 2010

National Executive: GG Gelink, Chief Executive; AE Swiegers, Chief Operating Officer; GM Pinnock, Audit; DL Kennedy, Tax & Legal and Risk Advisory; L Geeringh, Consulting; L Bam, Corporate Finance; CR Beukman, Finance; TJ Brown, Clients and Markets; NT Mtoba, Chairman of the Board; CR Qually, Deputy Chairman of the Board
Regional Leader: X Botha

A full list of partners and directors is available on request.

Member of Deloitte Touche Tohmatsu

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

	Notes	Group		Company	
		2010 R'000	2009 R'000	2010 R'000	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		

	Notes	Group		Company	
		2010 R'000	2009 R'000	2010 R'000	2009 R'000
ASSETS					
Non-current assets					
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					
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

	Share capital R'000	Share premium R'000	Equity-settled		Retained earnings R'000	Total R'000
			Treasury shares R'000	share scheme reserve 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

Notes	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	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

Annual Financial Statements

for the year ended 28 February 2010 (continued)

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.

Annual Financial Statements

for the year ended 28 February 2010 (continued)

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.

Annual Financial Statements

for the year ended 28 February 2010 (continued)

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'.

Annual Financial Statements

for the year ended 28 February 2010 (continued)

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:

Annual Financial Statements

for the year ended 28 February 2010 (continued)

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	Retirement		Total
			Benefits	contributions	
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

Annual Financial Statements

for the year ended 28 February 2010 (continued)

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	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		Company	
	2010 R'000	2009 R'000	2010 R'000	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

Interest paid to financial institutions	(21)	3 472	-	-
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7. PROFIT BEFORE TAXATION

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

	Group	
	2010 R'000	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		Company	
	2010 R'000	2009 R'000	2010 R'000	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%).

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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

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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%).

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14. LONG-TERM RECEIVABLES

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

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	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.

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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

Bank balances and cash	284 836	232 841	99	181
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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		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
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, TREASURY SHARES AND EQUITY-SETTLED SHARE SCHEME RESERVE (continued)

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Share Premium				
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

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

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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

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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	Loans and receivables	Total	Fair value
2010	R'000	R'000	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	Other financial liabilities	Total	Fair value
2010	R'000	R'000	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	Loans and receivables	Total	Fair value
2010	R'000	R'000	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

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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

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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		2009	
	Number of shares	%	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	Managed	Business	Other	Group
	R'000	R'000	Solutions R'000	R'000	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

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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				
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)