

Westcon Group Middle East Holdings Limited

Annual Report and Financial Statements For the year ended 28 February 2023

Registered number: 07319103

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Westcon Group Middle East Holdings Limited

Company Registration No.07319103

## Officers and Professional Advisors

For the year ended 28 February 2023

### Directors

C McGregor D  
Grant

### Registered Office

Merchants House  
Love Lane  
Cirencester  
Gloucestershire  
GL7 1YG England

### Independent Auditors

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
3 Forbury Place  
23 Forbury Road  
Reading  
RG1 3JH  
Strategic report

For the year ended 28 February 2023

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

### Statement on s172(1)

The Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors.

Through an open dialogue with our key stakeholders, including our vendors, customers, employees, business partners and local communities, we have been able to develop a clear understanding of the needs and perspectives of a range of contributors to consider the impact on the Company's strategy and culture. As p the Directors have regard to a number of broader factors, including the impact of the Company's operations on the art of the decision-making process, community and environment, responsible business practices and the likely consequences of decisions in the long term.

#### Business review and future expectations

During the financial year the Company continued to act as a holding company and did not trade. As the company acts only as an investment vehicle there are no KPIs monitored by the directors.

The Company made a profit of \$1,350k (2022: \$3,678k) in the current year, arising from a dividend received from a subsidiary which was subsequently liquidated. As at 28 February 2023 the Company held net assets of \$12,761k (2022: \$6,411k), mainly due to the investments held in its subsidiaries. During the year, the Company subscribed for a further \$5,000k shares in its wholly owned subsidiary Westcon Middle East FZE.

There are currently no plans to change the nature of the operations of the Company in the coming period and the directors are not aware of any proposed changes in the operations of the subsidiary undertakings which would result in an expected change in the investment values.

#### Principal risks and uncertainties

The company is an investment holding company, so therefore the risks and uncertainties facing the Company are those that affect the carrying value of its investments. These would principally include the subsidiaries trading, funding from the Group companies to sustain the subsidiary businesses and economic or political factors in the countries of operation.

### Strategic report (continued)

For the year ended 28 February 2023

#### Going concern review


The Directors have reviewed the future profit and cash flow projections in conjunction with the current economic climate, in order to express an opinion on the adequacy of working capital and the ability to continue as a going concern for the foreseeable future.

These projections covered future financial performance, solvency and liquidity for a period of 12 months from the date of approval of these financial statements.

The Company's projections and sensitivity analysis shows that the Company has sufficient capital and liquidity to continue to meet its short-term obligations as a result it is appropriate to prepare these Annual Financial Statements on a going concern basis.

Although the company continues to forecast that it will operate within its financial constraints for the period of 12 months from the approval of the financial statements, the Directors have also obtained formal confirmation from the Parent company, Westcon Group European Operations Limited, that it intends to continue to provide financial support to the Company for the foreseeable future.

Approved by the Board of Directors and signed on its behalf by:

DocuSigned by:  
  
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C McGregor

Director

13 July 2023

## Directors' report

For the year ended 28 February 2023

The directors present their annual report on the affairs of Westcon Group Middle East Holdings Limited (hereinafter referred to as 'the Company'), together with the financial statements and auditors' report, for the year ended 28 February 2023.

### Principal activities and future expectations

Westcon Group Middle East Holdings Limited (the Company) is a private limited company incorporated on 20 July 2010 in the United Kingdom (England and Wales) under the Companies Act 2006.

The principal activity of the Company is that of a non-trading holding company whose subsidiaries are value added distributors of category leading security, unified communications, network infrastructure and data centre solutions with a wide network of speciality resellers throughout the Middle East.

There are currently no plans to change the nature of the operations of the Company in the coming period and the directors are not aware of any proposed changes in the operations of the subsidiary undertakings which would result in an expected change in the investment values.

### Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

C McGregor D  
Grant

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the financial year and to the date of approval of these financial statements. Employees

The Company had no employees at any point during the financial year.

#### Post balance sheet events

There have been no events subsequent to the year end that require adjustment or disclosure in these financial statements.

#### Directors' report (continued)

For the year ended 28 February 2023

#### Dividends

During the year a dividend of \$nil (2022: \$36,603k) was paid to the parent undertaking. No further dividends were proposed or paid during the year.

#### Financial risk management objectives and policies

The Company does not trade and holds only investments and intercompany balances. The Company's highest risk is the carrying value of its investments. The value of these investments is affected by the risks faced by subsidiaries, such as credit risk and economic or political environment risk which could impact future cash flows.

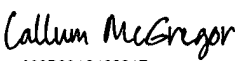
The directors review the carrying value of the investments in subsidiary companies at each balance sheet date to determine whether a provision is required for impairment.

#### Independent Auditors

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

PricewaterhouseCoopers LLP were appointed to office as auditors from this year and a resolution to appoint them was approved at the AGM.

Approved by the Board and signed on its behalf by:

DocuSigned by:  
  
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C McGregor  
Director  
13 July 2023

## Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

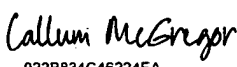
The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

### Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

DocuSigned by:

  
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C McGregor

Director

13 July 2023



**Independent auditor's report to the members of Westcon Group Middle East Holdings Limited**  
(continued)

# Independent auditors' report to the members of Westcon Group Middle East Holdings Limited

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Westcon Group Middle East Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 28 February 2023; the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Independent auditor's report to the members of Westcon Group Middle East Holdings Limited**

(continued)

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 28 February 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

### **Responsibilities for the financial statements and the audit**

#### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## **Independent auditor's report to the members of Westcon Group Middle East Holdings Limited** (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and UK Corporation tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management override of controls and bias relating to estimates. Audit procedures performed by the engagement team included:

- enquiry of management around actual and potential litigation and claims; evaluated management's
- estimates in relation to the impairment review on investments; and auditing management's
- corporation tax calculation and disclosures

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of noncompliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

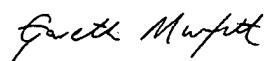
### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Gareth Murfitt (Senior Statutory Auditor) for and on  
behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Reading  
14 July 2023

## Statement of Profit or Loss and Other Comprehensive Income

For the year ended 28 February 2023

	Note	2023 \$'000	2022 \$'000
Net dividend received	6	1,350	3,678
Profit before tax		<u>1,350</u>	<u>3,678</u>
Tax	11	-	-
Profit and total comprehensive income for the financial year		<u>1,350</u>	<u>3,678</u>
Attributable to:		<u>1,350</u>	<u>3,678</u>
Equity holders of the parent		<u>1,350</u>	<u>3,678</u>

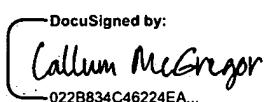
## Statement of Financial Position

As at 28 February 2023

	Note	2023 \$'000	2022 \$'000
Non-current assets			
Investments	6	10,812	5,698
Other receivables	7	1,872	1,872
Current Assets			
Debtors	8	286	286
Total assets		<u>12,970</u>	<u>7,856</u>
Current Liabilities			
Creditors	9	(209)	(1,445)
Net assets		<u>12,761</u>	<u>6,411</u>
Share capital	10	-	-
Share premium	10	5,000	-
Retained earnings		<u>7,761</u>	<u>6,411</u>
Total equity		<u>12,761</u>	<u>6,411</u>

As the Company holds no cash and there have been no cash movements in the current or prior financial years, a Cash Flow Statement has not been included in these financial statements.

The financial statements on pages 10 to 21 were approved by the Board of Directors on 13 July 2023 and signed on its behalf by:

DocuSigned by:  
  
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C McGregor  
 Director

## Statement of Changes in Equity

For the year ended 28 February 2023

	Share Capital \$'000	Share Premium \$'000	Retained earnings \$'000	Total Equity \$'000
At 1 March 2021	-	-	39,336	39,336
Profit for the year and total comprehensive income for the financial year	-	-	3,678	3,678
Dividend paid to parent undertaking (see note 5)	-	-	(36,603)	(36,603)
At 28 February 2022	-	-	-	-
Profit for the year and total comprehensive income for the financial year	-	-	6,411	6,411
Share issue	-	5,000	-	5,000
At 28 February 2023	-	5,000	7,761	12,761

During the year, the issuance of shares to Westcon Group European Operations Limited was settled via transfer/sale of an intercompany receivable of \$5M due to Westcon Group European Operations Limited.

For the year ended 28 February 2023

## General information

Westcon Group Middle East Holdings Limited is a company incorporated and domiciled in England, United Kingdom under the Companies Act 2006. The address of the registered office is provided on page 1. It is a non-trading, holding company. The ultimate parent company and controlling party is Datatec Limited.

The Company uses the United States dollar as its reporting currency because this is its functional currency, being the primary currency of the funding and investments.

### 1. Accounting policies and basis of preparation

The financial statements of Westcon Group Middle East Holdings Limited have been prepared in accordance with UK adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The below accounting policies have been applied consistently, other than where new policies have been adopted.

The financial statements have been prepared on the historical cost basis, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year.

Although these estimates are based on the management's best knowledge of the amount, event or actions; the actual results ultimately may differ from those estimates.

As the Company holds no cash and there have been no cash movements in the current or prior financial years, a Cash Flow Statement has not been included in these financial statements.

A summary of the principal accounting policies are set out below.

#### Adoption of new and revised standards

#### New and Amended Standards Adopted by the Company

The company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2022:

For the year ended 28 February 2023

## 2. Accounting policies and basis of preparation (continued)

- Onerous contracts Cost of Fulfilling a Contract Amendments to IAS 37;
- Reference to the Conceptual Framework (Amendments to IFRS 3); and
- Annual Improvements to IFRS Standards 2018 - 2020.

### New Accounting Standards Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 28 February 2023 reporting periods and have not been early adopted by the company. None of these are expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

### Going concern

The Directors have reviewed the future profit and cash flow projections in conjunction with the current economic climate, in order to express an opinion on the adequacy of working capital and the ability to continue as a going concern for the foreseeable future.

These projections covered future financial performance, solvency and liquidity for a period of 12 months from the date of approval of these financial statements.

The Company's projections and sensitivity analysis shows that the Company has sufficient capital and liquidity to continue to meet its short-term obligations as a result it is appropriate to prepare these Annual Financial Statements on a going concern basis.

### Consolidation

The Company has chosen not to prepare consolidated financial statements in accordance with the exemption afforded by s401 of the Companies Act 2006 and IAS 27 Consolidated and Separate Financial Statements paragraph 10, because it is a wholly owned subsidiary of a group headed by Datatec Ltd, registered in South Africa, which prepares consolidated financial statements that are publicly available (Note 13).

### Investments

Fixed asset investments are shown at cost less provision for impairment. Determining whether investments are impaired requires an estimate of the value in use of the cash generating units to which the investment has been allocated. The value in use calculation requires the entity 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.

### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the



For the year ended 28 February 2023

## 2. Accounting policies and basis of preparation (continued)

financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### Foreign currency translation

### Transactions and balances

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Foreign exchange differences are recognised in the statement of profit or loss and other comprehensive income.

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

In the application of the Group's accounting policies, the directors are required to make judgments, estimates and assumptions which may affect the application of accounting policies and reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the financial year.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Management believes that while actual results may differ from these estimates, such judgments and estimates are reasonable.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There have been no critical judgements made in the application of accounting policies during the year.

### Determination of the carrying value of Investments (Note 6)

Determining whether the investments are impaired involves management calculating an estimate of the value in use of the investments.

For the year ended 28 February 2023

## 2. Accounting policies and basis of preparation (continued)

The key assumptions for the value in use calculations are those regarding discount rates and growth rates. Management estimate discount rates using after tax rate of returns that reflect the current market assessments of the time value of money and the risks specific to the various cash generating units to which goodwill is attributable.

The Company prepares cash flow forecasts derived from the most recent financial budgets approved by the management for next year and extrapolates cash flows based on future growth rates.

The weighted average cost of capital used in the current year impairment review was 18.0% (2022: 15.1%).

As a result of the impairment analyses, it was concluded that no impairments were required in the current year. The resulting value-in-use calculations are sensitive to changes in the timing or quantum of future cash flows and weighted average cost of capital. Changes in one or more of these inputs to management's estimations could result in the recognition of an impairment charge.

For the year ended 28 February 2023

2. Auditors' remuneration

Auditors' remuneration of \$12k (2022: \$10k) for the statutory audit of this Company has been borne by another group company. There were no non audit fees paid to the Company's auditors.

3. Directors' remuneration

The directors are not remunerated by the Company and no recharge has been received in respect of their services (2022: nil). The directors are remunerated for their services to the company by a fellow group subsidiary, Westcon Group European Operations Limited.

4. Dividends

	2023	2022
	\$'000	\$'000
Dividends paid to parent company of \$nil (2022: \$12,201) per fully paid share.	-	36,603
	<hr/>	<hr/>

For the year ended 28 February 2023

## 5. Investments

The principal undertakings at 28 February 2023 are shown below.

	Country of incorporation	Principal activity	Ownership of ordinary shares 2022	2022 Holding (\$'000)	Ownership of ordinary shares 2023	2023 Holding (\$'000)
Westcon Middle East Ltd.*	British Virgin Isles	Dormant	100%	-	0%	-
Comstor Middle East Ltd.*	British Virgin Isles	Dormant	100%	-	0%	-
Westcon Middle East Equipments Trading LLC	UAE	Distribution of networking products	49%	-	49%	-
Westcon Africa (Morocco) SARL.	United Kingdom	Distribution of networking products	100%	-	100%	-
Westcon Doha LLC	Qatar	Distribution of networking products	49%	27	49%	27
Westcon Kuwait WLL	Kuwait	Distribution of networking products	49%	16	49%	16
Westcon Middle East Bahrain WLL	Bahrain	Distribution of networking products	99%	7	99%	7
Westcon Middle East FZE	UAE	Distribution of networking products	100%	27	100%	5,027
Westcon Saudi Company LLC Saudi Arabia		Distribution of networking products	75%	5,462	75%	5,462
Westcon LLC	Oman	Distribution of networking products	99%	-	99%	52
Westcon Group Egypt LLC	Egypt	Distribution of networking products	99%	159	99%	159
Westcon Egypt LLC	Egypt	Distribution of networking products	49%	-	49%	62
				<u>5,698</u>		<u>10,812</u>

Subsidiaries

## Notes to the financial statements

For the year ended 28 February 2023

## 6. Investments (continued)

## Subsidiary undertakings

	Cost \$'000	Impairment \$'000	Carrying value \$'000
At 1 March 2022	21,315	(15,617)	5,698
Investment in Westcon Middle East FZE <sup>1</sup>	5,000	-	5,000
Investment in Westcon Egypt LLC <sup>2</sup>	62	-	62
Investment in Westcon LLC <sup>3</sup>	52	-	52
Liquidation of Westcon Middle East Ltd. and Comstor Middle East Ltd <sup>4</sup>	(15,617)	15,617	-
28 February 2023	10,812	-	10,812

<sup>1</sup> During the year the Company subscribed for further shares of \$5,000,000 in it's wholly owned subsidiary Westcon Middle East FZE. The investment in Westcon Middle East FZE was settled via transfer/sale of an intercompany receivable of \$5.0M due to the Company.

<sup>2</sup> On 30 November 2021, the Company acquired 49% of the shares in Westcon Egypt LLC. The remaining 51% of the shares are held by Westcon Group Egypt LLC, a subsidiary of the Company.

<sup>3</sup> On 24 September 2019, the Company acquired 99% of the shares in Westcon LLC. The remaining 1% are held by another company in the Datatec Group, Westcon Group European Operations Limited.

<sup>4</sup> On 16th December 2022, Westcon Middle East Ltd. and Comstor Middle East Ltd. were liquidated. As a result, the Company received a dividend in specie of \$1,350 from Westcon Middle East Ltd which offset the payable balance the Company had with the same subsidiary.

## 7. Other receivables

	2023 \$'000	2022 \$'000
Other receivables	1,872	1,872

Other receivables constitutes an amount due from a 25% minority shareholder in Westcon Saudi Company LLC. The company paid the consideration for the shareholding on behalf of the minority shareholder.

## 8. Debtors

2023	2022
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## Notes to the financial statements

For the year ended 28 February 2023

Amounts owed by group companies	\$'000	\$'000
	<u>286</u>	<u>286</u>
	<u>286</u>	<u>286</u>

The amounts owed by group companies are non-interest bearing and repayable on demand.

### 9. Creditors

	2023 \$'000	2022 \$'000
Amounts owed to group companies	<u>209</u>	<u>1,445</u>
	<u>209</u>	<u>1,445</u>

The amounts owed to group companies are non-interest bearing and repayable on demand.

### 10. Share capital

	2023 \$	2022 \$
Allotted, called-up and fully-paid		
4 (2022: 3) ordinary shares of \$1 each	<u>4</u>	<u>3</u>

The Company was created under the Companies Act 2006. The Company has one class of ordinary share which carries no right to fixed income. The Company is limited by shares.

During the year the company issued one share to Westcon Group European Operations for a consideration of \$5,000,000. The difference between the nominal value of the share of \$1 and the consideration was credited to the Share premium account.

### 11. Tax

	2023 \$'000	2022 \$'000
Profit before tax	<u>1,350</u>	<u>3,678</u>
Tax at the UK corporation tax rate of 19.0% (2022:19.0%)	257	699
Effects of:		
Non-deductible charge/ Non-taxable income	<u>(257)</u>	<u>(699)</u>
Tax charge for the year	<u>-</u>	<u>-</u>

## Notes to the financial statements

For the year ended 28 February 2023

There are no tax losses carried forward.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

### 12. Related party transactions

Related party transactions are typically entered into on normal commercial payment terms and are settled in full between each party.

	286	286
	286	286
	2023	2022
	\$'000	\$'000
Amounts due from related parties		
Westcon Group European Operations Limited		
Amounts due to related parties		
Westcon Doha WLL	55	55
Westcon Kuwait WLL	33	33
Westcon Middle East BVI	-	1,350
Westcon Egypt LLC	62	-
Westcon LLC	52	-
Westcon ME Co. Ltd.	7	7
	209	1,445

### 13. Controlling Party

The ultimate parent Company and controlling party is Datatec Limited, a Company registered in South Africa listed on the Johannesburg stock exchange. The financial statements of Datatec Limited may be obtained from the website [www.datatec.co.za](http://www.datatec.co.za) or alternatively may be obtained via mail from Ground Floor, Sandown Chambers, Sandown Village, 16 Maude Street, Sandown, South Africa.

The largest Group of undertakings for which Group financial statements have been drawn up is that headed by Datatec Limited, a company registered in South Africa.