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Value added statement

"Value added" is the value which the Group has added to purchased materials and goods by process of manufacture and conversion, and the sale of its products and services. This statement shows how the value so added has been distributed.

	2007		2006	
	R'000	%	R'000	%
Revenue	95 655 509		77 276 491	
Net cost of raw materials, goods and services	(78 796 629)		(63 330 096)	
Wealth created by trading operations	16 858 880		13 946 395	
Finance income	161 919		116 466	
Total wealth created	17 020 799	100,0	14 062 861	100,0
Distributed as follows				
Employees				
Benefits and remuneration	9 967 448	58,6	8 311 320	59,1
Government				
Current taxation	1 011 364	5,9	915 538	6,5
Providers of capital	1 909 099	11,2	1 448 199	10,3
Finance charges	675 680	4,0	432 607	3,1
Distributions to shareholders	1 233 419	7,2	1 015 592	7,2
Retained for growth	4 132 888	24,3	3 387 804	24,1
Depreciation and amortisation	1 188 788	7,0	984 913	7,0
Impairments	244 046	1,4	14 174	0,1
Profit for the year attributable to shareholders of the Company	2 700 054	15,9	2 388 717	17,0
	17 020 799	100,0	14 062 861	100,0



Exchanges with government including amounts collected on their behalf

	South African		Foreign	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
Employee taxes	828 778	722 350	1 230 678	842 728
Company taxes	732 100	655 910	279 264	259 628
Value added tax and sales tax	4 172 125	3 696 489	350 873	288 633
Customs and excise duty	10 374 224	7 639 345	419 399	273 818
Other	186 284	188 773	144 228	122 955
	16 293 511	12 902 867	2 424 442	1 787 762

Directors' responsibility for the financial statements

To the members of The Bidvest Group Limited

The directors are responsible for the preparation and fair presentation of the Group and Company financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these 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.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Group and Company's ability to continue as a going concern and there is no reason to believe that the businesses will not be going concerns in the year ahead.

The auditors are responsible for reporting on whether the Group and Company financial statements are fairly presented in accordance with the applicable financial reporting framework.

The financial statements of the Group and Company were approved by the board of directors on August 24 2007 and are signed on its behalf by:



Cyril Ramaphosa
Non-executive chairman



Brian Joffe
Chief executive

Declaration by company secretary

In my capacity as company secretary, I hereby confirm, in terms of the Companies Act of South Africa, that for the year ended June 30 2007, the Company has lodged with the Registrar of Companies, all such returns as are required in terms of this Act and that all such returns are true, correct and up to date.



Margaret David
Company secretary

August 24 2007



Independent auditors' report

To the members of The Bidvest Group Limited

We have audited the financial statements and Group financial statements of The Bidvest Group Limited, which comprise the balance sheets at June 30 2007, and the income statements, the statement of recognised income and expenses and cash flow statements for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes and the directors' report as set out on pages 6 to 8 and 129 to 191.

Directors' 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 in the manner required by 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 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 auditors' 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 auditors consider internal controls 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

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company and of the Group at June 30 2007, and their financial performance and 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.

KPMG Inc.

Registered Auditor



Per G Aldrighetti

Chartered Accountant (SA)

Registered Auditor

Director

August 24 2007

The directors have pleasure in presenting their report and audited financial statements for the year ended June 30 2007.

Nature of business

The Company is an investment holding company with subsidiaries operating in services, trading and distribution. Details of the Group's activities are included in the review of operations.

Financial reporting

The directors are required by the Companies Act of South Africa to produce financial statements which fairly present the state of affairs of the Group and the Company as at the end of the financial year and the profit or loss for that year, in conformity with International Financial Reporting Standards (IFRS) and the Companies Act of South Africa.

The financial statements as set out in this report have been prepared by management in accordance with IFRS and the Companies Act of South Africa and are based on appropriate accounting policies, which are supported by reasonable and prudent judgements and estimates.

The directors are of the opinion that the financial statements fairly present the financial position of the Group and of the Company as at June 30 2007 and the results of their operations and cash flows for the year then ended.

The directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group continues to adopt the going-concern basis in preparing the financial statements.

Acquisitions and disposals

Total acquisitions amounted to R908,3 million during the year, including the acquisition of the Angliss Asia Group (refer note 11 of the Group financial statements).

The only disposals during the year were disposals of interests in associates and reductions of shareholdings in subsidiaries.

Results of operations

The results of operations are dealt with in the consolidated income statement, segmental analysis and review of operations.

Share capital

The Company issued a total of 5 575 569 ordinary shares of 5 cents each at premiums of between R17,50 and R108,49 per share, in terms of The Bidvest Incentive Scheme. Of these ordinary shares, 3 923 000 were in respect of the share purchase scheme and the balance in respect of the share option scheme (refer note 26 of the Group financial statements).

Movement in treasury shares

In terms of general authorities granted to the Company to repurchase its ordinary shares, the latest being shareholder authority obtained at the last annual general meeting, a maximum of 66 150 793 ordinary shares could be acquired by the Company of which 33 075 397 can be acquired by its subsidiaries. A subsidiary and The Bidvest Incentive Scheme acquired a total of 21 923 798 ordinary shares at an average price of R86,12 per share. Included in the total acquisitions are 18 000 000 ordinary shares acquired by a subsidiary from Dinatla Investment Holdings (Pty) Limited ("Dinatla") in terms of a special resolution passed at the last annual general meeting. A total of 20 045 632 ordinary shares was disposed of by a subsidiary at an average price of R59,29 per share, of which 17 928 046 shares were issued in terms of the Group's obligation to the Bidvest option holders, with the balance being issued to staff members on exercise of their share options.



Directors' report

Distributions out of share premium in lieu of dividends

A cash distribution out of share premium of 207,0 cents per share, in lieu of a dividend, was paid to shareholders on October 2 2006.

A cash distribution out of share premium of 198,0 cents per share, in lieu of a dividend, was paid to shareholders on April 2 2007.

Subsequent to year end a distribution out of share premium of 248,4 cents per share, in lieu of a dividend, was awarded. The salient dates are:

Distribution dates:

Last day to trade cum-distribution	Friday, September 14 2007
Trading ex-distribution commences	Monday, September 17 2007
Record date	Friday, September 21 2007
Payment date	Tuesday, September 25 2007

Payments to shareholders

Approval was obtained at the last annual general meeting for the Company to make payments which would reduce its share capital, share premium, reserves and/or any capital redemption reserve fund in terms of section 90 of the Companies Act of South Africa.

Shareholders will be requested at the forthcoming annual general meeting of the Company to be held on November 7 2007 to consider the ordinary resolution to pay by way of a reduction of share capital or share premium, in lieu of a dividend, an amount equal to the amount which directors of the Company would have declared and paid out of profits in respect of the Company's interim and final dividends for the financial year ending June 30 2008.

Special resolutions

Special resolutions were passed at the annual general meeting of shareholders held on October 31 2006 in regard to:

- a general authority to enable the Company to acquire its own shares;
- the cancellation of the articles of association and adoption of new articles in order to incorporate amendments to the Companies Act, including the electronic transmission of documents and to take into account special resolutions passed since 1990, previously approved by shareholders; and
- authorisation to repurchase 18 000 000 ordinary shares in the Company, being a specific repurchase from Dinatla by BB Investment Holdings (Pty) Limited, a wholly owned subsidiary of the Company.

Special resolutions were passed by certain subsidiaries to accommodate the acquisition of various businesses, to amend articles of associations and to change their names.

Directorate

The following changes to the board were recorded:

MBN Dube resigned as an executive director on September 1 2006 but retains her position on the board as a non-executive director; CH Kretzmann retired on June 26 2007; DE Cleasby, formerly an alternate director to P Nyman, was appointed as financial director on July 9 2007; G Marcus and BE Moffat resigned on August 21 2007; and T Slabbert, previously an alternate director, was appointed as a non-executive director on August 21 2007.

In terms of the Company's articles of association the following directors retire at the forthcoming annual general meeting:

FJ Barnes, MC Berzack, B Joffe, S Koseff, P Nyman, JL Pamensky, MC Ramaphosa and AC Salomon retire by rotation. DE Cleasby and T Slabbert retire in terms of article 53.3 of the articles of association. All retiring directors are eligible and available for re-election.

The names of the directors who were in office during the period September 2 2006 to August 24 2007 and the number of meetings attended by each of the directors is:

Director	Board	Acquisition committee	Audit committee	Nomination committee	Remuneration committee	Risk committee	Transformation committee
Non-executive							
MC Ramaphosa	5/5			0/1			
DDB Band	4/5	1/1	5/5	1/1	2/2		
LG Boyle ^(A)	5/5						
AA Da Costa	5/5						
MBN Dube ^(A)	5/5						0/2
S Koseff	4/5						
RM Kunene	3/5						
D Masson	4/5	1/1	2/5		0/2	4/4	
JL Pamensky	5/5	1/1	5/5	1/1	2/2		
NG Payne	4/5		5/5			4/4	
T Slabbert ^(B)	3/3 ^(C)			0/1			1/2
FDP Tlakula	2/5						0/2
Executive							
B Joffe	5/5	1/1		1/1	2/2 ^(E)	4/4	2/2
FJ Barnes	5/5						
BL Berson	4/5						
MC Berzack	5/5	1/1				4/4	2/2
DE Cleasby ^(B)	5/5 ^(D)	1/1	5/5 ^(D)		2/2	4/4 ^(D)	
AW Dawe	5/5					4/4	1/2
LI Jacobs	5/5						2/2
P Nyma	5/5		5/5		2/2	4/4	
SG Pretorius	5/5					4/4	1/2
LP Ralphs	5/5	1/1				3/4	1/2
AC Salomon	5/5		5/5			3/4	
Alternates							
LJ Mokoena	n/a						
Former directors							
CH Kretzmann	4/4					3/3	1/1
G Marcus	4/4						
BE Moffat	0/2		0/3				

^(A)formerly an executive director.

^(B)formerly an alternate director.

^(C)two meetings representing BE Moffat.

^(D)four board meetings, four audit committee meetings and three risk committee meetings by invitation.

^(E)by invitation.

Directors' interests

The aggregate interests of the directors in the capital of the Company at June 30 2007 were:

	Number of shares	
	2007	2006
Beneficial	4 963 022	6 853 281
Non-beneficial	28 073 469	43 381 528
Held in terms of The Bidvest Incentive Scheme		
Options	2 990 282	3 837 283
Shares	1 160 000	—



Directors' report

Directors' shareholdings

The individual interests declared by the current directors and officers in the Company's share capital at June 30 2007 held directly or indirectly were:

Beneficial Director	2007		2006	
	Direct	Indirect	Direct	Indirect
BL Berson	8		8	
MC Berzack	44 386		41 456	
AA Da Costa		144 771		241 209
LI Jacobs		1 858 396		1 841 471
B Joffe	129 068		449 032	
S Koseff	8		8	
RM Kunene		442 289		737 129
D Masson	8	3 242	8	3 028
LJ Mokoena		220 860		368 114
P Nyman	93 528		87 761	
JL Pamensky	8		8	
SG Pretorius	25 000		25 000	
LP Ralphs	242 657		274 986	
MC Ramaphosa		1 558 741		2 597 501
AC Salomon	189 321		175 831	
Former directors	10 731		10 731	
Total	734 723	4 228 299	1 064 829	5 788 452

Held in terms of The Bidvest Incentive Scheme

The Bidvest Incentive Scheme grants loans to staff and directors for the acquisition of shares in the Company. The numbers of shares and carrying values of the loans issued to directors as at June 30 2007 were:

Director	2007		2006	
	Number of shares	Carrying value of loan R'000	Number of shares	Carrying value of loan R'000
FJ Barnes	100 000	12 600		
BL Berson	50 000	6 300		
MC Berzack	150 000	16 205		
DE Cleasby	75 000	8 102		
AW Dawe	100 000	10 803		
LI Jacobs	50 000	5 402		
B Joffe	200 000	21 607		
P Nyman	50 000	5 402		
SG Pretorius	150 000	16 205		
LP Ralphs	150 000	16 205		
AC Salomon	75 000	8 102		
MA David (Secretary)	10 000	1 080		
Total	1 160 000	128 013	—	—

Non-beneficial

In addition to the aforementioned holdings:

- B Joffe is a trustee and potential beneficiary of a discretionary trust holding 3 363 488 (2006: 3 363 484) shares;
- P Nyman is a trustee of various trusts holding 5 357 049 (2006: 5 046 549) shares but has no beneficial interest in these shares;
- D Masson and P Nyman are trustees of the Group's retirement funds which hold 938 798 (2006: 783 724) shares. P Nyman is also a trustee of a Group medical aid society which holds 29 825 (2006: 30 175) shares; and
- AA Da Costa, LI Jacobs, RM Kunene and LJ Mokoena are directors and shareholders of Dinatla and their indirect beneficial holdings have been included in the table of holdings. P Nyman and T Slabbert are also directors of Dinatla but have no beneficial interest in Dinatla's shares. Dinatla holds 27 001 744 (2006: 45 001 744) shares.

The only director who was directly or indirectly interested in excess of 1% of the Company's issued share capital was B Joffe.

	Number of shares	
	2007	2006
Beneficial	129 068	449 032
Held in terms of The Bidvest Incentive Scheme	200 000	—
Non-beneficial	3 363 488	3 363 484
	3 692 556	3 812 516

The interests of the directors remained unchanged from the end of the financial year to the date of this report.

Directors' remuneration

The remuneration paid to directors while in office of the Company during the year ended June 30 2007 can be analysed as follows:

Executive	Basic remuneration R'000	Other benefits R'000	Retirement/medical benefits R'000	Cash incentives R'000	Total emoluments R'000	Share-based payment expense R'000	2007 Total R'000	2006 Total R'000
FJ Barnes	4 184	237	240	2 092	6 753	183	6 936	6 042
BL Berson	2 050	145	445	2 042	4 682	156	4 838	3 668
MC Berzack	2 413	320	419	2 800	5 952	1 443	7 395	5 869
DE Cleasby	1 185	207	134	1 000	2 526	545	3 071	
AW Dawe	1 920	89	289	1 800	4 098	723	4 821	
LJ Jacobs	892	122	129	600	1 743	576	2 319	1 752
B Joffe	5 836	586	372	7 422	14 216	2 033	16 249	13 528
P Nyman	1 303	79	117	1 000	2 499	731	3 230	2 781
SG Pretorius	2 366	180	483	3 000	6 029	1 249	7 278	6 146
LP Ralphs	2 388	365	283	2 500	5 536	1 443	6 979	5 190
AC Salomon	1 820	187	206	1 800	4 013	1 023	5 036	4 075
Former directors								
LG Boyle		3 196			3 196		3 196	2 512
MBN Dube	212		22		234	51	285	1 550
CH Kretzmann	1 856	91	175	600	2 722	783	3 505	3 727
Directors who resigned in 2006								16 493
2007 Total	28 425	5 804	3 314	26 656	64 199	10 939	75 138	73 333
2006 Total	30 650	3 365	3 793	23 010	60 818	12 515	73 333	

Non-executive	Directors' fees R'000	Other services R'000	Total emoluments R'000	Share-based payment expense R'000	2007 Total R'000	2006 Total R'000
DDB Band	223		223		223	128
LG Boyle†	72		72	662	734	
AA Da Costa	72		72		72	39
MBN Dube†	56		56	257	313	
S Koseff	54		54		54	33
RM Kunene	54		54		54	33
D Masson	207	153	360		360	278
LJ Mokoena	14		14		14	17
JL Pamensky	214	83	297		297	137
NG Payne	198		198		198	
MC Ramaphosa	400		400		400	360
T Slabbert	32		32		32	34
FDP Tlakula	45		45		45	
Former directors						
G Marcus	72		72		72	33
BE Moffat	81		81		81	82
Directors who resigned in 2006						508
2007 Total	1 794	236	2 030	919	2 949	1 682
2006 Total	1 226	170	1 396	286	1 682	

† formerly an executive director.

Directors' service contracts

Directors do not have fixed-term contracts.



Directors' report

Directors' and officers' disclosure of interest in contracts

During the financial year no contracts were entered into in which directors and officers of the Company had an interest and which significantly affected the business of the Group. The directors had no interest in any third party or company responsible for managing any of the business activities of the Group.

Details of the directors' and officers' outstanding share options

Director	Share options at June 30 2006		Share options exercised			Share options at June 30 2007	
	Number	Average price R	Number	Average price R	Benefit arising on exercise of options R'000	Number	Average price R
FJ Barnes	55 000	47,64	18 750	43,00	1 866	36 250	50,04
BL Berson	42 000	48,56				42 000	48,56
MC Berzack	296 252	44,89	20 000	17,55	2 078	276 252	46,86
DE Cleasby	78 250	53,95	8 250	39,29	840	70 000	55,68
AW Dawe	124 250	48,86	30 000	39,10	3 061	94 250	51,96
LI Jacobs	80 000	57,97				80 000	57,97
B Joffe	474 080	47,71	150 000	35,32	12 687	324 080	53,45
P Nyman	526 200	41,68				526 200	41,68
SG Pretorius	135 000	58,11				135 000	58,11
LP Ralphs	615 000	43,99				615 000	43,99
AC Salomon	460 000	45,29				460 000	45,29
MA David (Secretary)	36 250	53,67	15 000	46,19	1 399	21 250	58,96
Former executive directors							
LG Boyle	355 000	46,20	130 000	42,65	11 634	225 000	48,26
MBN Dube	85 000	55,35				85 000	55,35
	3 362 282	46,46	372 000	38,14	33 565	2 990 282	42,22
Former director							
CH Kretzmann	475 001	46,13	50 000	40,20	5 046		
Total	3 837 283	46,21	422 000	38,39	38 611	2 990 282	42,22

These options are exercisable over the period July 1 2007 to May 31 2015. A detailed register of options outstanding by tranche is available for inspection at the Company's registered office.

Secretary

Ms MA David is the company secretary. The business and postal addresses of the secretary, which are also the registered addresses of the Company, are reflected on page 208 of the report.

Subsidiaries and joint ventures

The attributable interest of the Company in the aggregate net profits and losses for the year of its subsidiaries and joint ventures was:

	2007 R'000	2006 R'000
Profits	2 840 163	2 421 210
Losses	(33 257)	(32 493)

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).

1. Basis of preparation

The consolidated and separate financial statements are prepared on the historical cost basis except that derivative financial instruments, financial instruments held-for-trading and financial instruments classified as available-for-sale are stated at their fair value.

Non-current assets and disposal groups held-for-sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances (the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources), the actual outcome may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing 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.

Judgements made in the application of IFRS that have had an effect on the financial statements and estimates with a risk of adjustment in the next year are discussed in note 38.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

These financial statements are presented in South African rand, which is the Company's functional currency. All financial information has been rounded to the nearest thousand unless stated otherwise.

2. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. Operating results of businesses acquired or disposed of during the year are included from or to the effective date of acquisition or disposal, being the date that control commences until the date control ceases. The assets and liabilities of companies acquired are assessed and included in the balance sheet at their estimated fair values to the Group at acquisition date.

Inter-group transactions and balances are eliminated on consolidation. Unrealised gains arising from transactions with jointly controlled entities and equity accounted associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The Company carries its investments in subsidiaries at cost less accumulated impairment losses.

3. Revenue

Revenue comprises amounts invoiced to customers for goods and services and includes finance charges, insurance premiums, gross billings, commissions related to clearing and forwarding transactions and excludes value added tax. Revenue is net of returns and allowances, trade discounts and volume rebates. Total revenue also includes dividends received and finance income.

4. Revenue recognition

The sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer, recovery of the consideration is considered probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to the terms of the contracts.



Accounting policies

4. Revenue recognition *(continued)*

Revenue relating to banking activities consists primarily of margins earned on the purchase and sale of foreign exchange products and general commissions and transaction fees and is recognised when the services are provided. Net profits and losses on the revaluation of foreign currency denominated assets and liabilities are also included in revenue.

In the event that a profit or loss arises from full maintenance motor contracts, this is recognised on termination of individual contracts after taking cognisance of any additional costs required. Provision is made for known losses during the contract period on an individual contract basis.

Insurance premiums are stated before deducting reinsurances and commissions, and are accounted for when they become due.

Finance income comprises interest receivable on funds and dividend income on preference shares.

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Dividends are recognised when the right to receive payment is established.

5. Non-current assets held-for-sale and discontinued operations

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held-for-sale and are carried at the lower of carrying value and fair value less costs to sell. Immediately before classification as assets held-for-sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable IFRS. Then, on initial classification as assets held-for-sale, non-current assets and disposal groups are recognised at the lower of the carrying amounts and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

A discontinued operation results from the sale or abandonment of an operation that represents a separate major line of business or geographical area of operations and of which the assets, net profit or loss and activities can be distinguished physically, operationally and for financial reporting purposes. A subsidiary acquired exclusively with the view to resale is also classified as a discontinued operation. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.

6. Distributions to shareholders

Distributions to shareholders are accounted for once they have been approved by the board of directors.

7. Finance charges

Finance charges comprise interest payable on borrowings calculated using the effective interest rate method. The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

8. Capitalisation of expenditure/borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially complete. Capitalisation is suspended during extended periods in which active development is interrupted. All other borrowing costs are expensed in the period in which they are incurred.

9. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks net of bank overdrafts, investment in money market instruments and variable rate cumulative redeemable preference shares, all of which are available for use by the Group unless otherwise stated.

10. Property, plant and equipment

Property, plant and equipment are reflected at cost to the Group, less accumulated depreciation and accumulated impairment losses. Land is stated at cost. The present value of the estimated cost of dismantling and removing items and restoring the site in which they are

located is provided for as part of the cost of the asset. Depreciation is provided for on the straight-line basis over the estimated useful lives of the property, plant and equipment which are currently as follows:

Buildings	Up to 50 years
Leasehold premises	Over the period of the lease
Plant and equipment	5 to 20 years
Office equipment, furniture and fittings	3 to 15 years
Vehicles, vessels and craft	3 to 10 years
Rental assets	3 to 5 years
Capitalised leased assets	The same basis as owned assets

Residual values, depreciation method and useful lives are reassessed annually.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense when incurred.

11. Leases

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the Group are classified as finance leases. Assets acquired in terms of finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments at inception of the lease, and depreciated over the estimated useful life of the asset. The capital element of future obligations under the leases is included as a liability in the balance sheet. Lease payments are allocated using the effective interest rate method to determine the lease finance cost, which is charged against income over the lease period, and the capital repayment, which reduces the liability to the lessor.

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Operating leases, which have a fixed determinable escalation, are charged against income on a straight-line basis. Leases with contingent escalations are expensed as and when incurred.

12. Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures. All business combinations are accounted for by applying the purchase method. In respect of business acquisitions that have occurred since March 31 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the identifiable assets, liabilities and contingent liabilities acquired.

As part of its transition to IFRS, the Group elected to restate only those business combinations that occurred on or after March 31 2004. In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, being cost less accumulated amortisation at March 31 2004, which represents the amount recorded under previous South African Generally Accepted Accounting Practice.

Goodwill is stated at deemed cost or cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in the associate.

Negative goodwill arising on an acquisition is recognised immediately in the income statement.

Goodwill arising on the acquisition of a minority interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the net assets acquired at the date of exchange.

13. Intangible assets

Software development costs are capitalised and are stated at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on research, internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.



Accounting policies

13. Intangible assets *(continued)*

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are currently:

Patents, trademarks, tradenames and other intangibles	3 to 12 years
Computer software	3 to 7 years

Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

14. Impairment of assets

The carrying value of assets is reviewed at each balance sheet date to assess whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Where the carrying value exceeds the estimated recoverable amount, such assets are written down to their recoverable amount.

The recoverable amount of cash-generating units to which goodwill is allocated is estimated annually on March 31 each year. For assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

Impairment losses are recognised whenever the carrying amount of the asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the income statement even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the income statement is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the income statement.

The recoverable amount of the Group's investments in held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (the effective interest rate is computed on initial recognition of these financial assets). Receivables with a short duration are not discounted. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The recoverable amount of other assets is the greater of their fair value less costs to sell and their value in use. In assessing their value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through the income statement. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed, with the amount of the reversal recognised in the income statement.

Impairment losses in respect of goodwill are not reversed.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount.

Impairment losses are reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

15. Taxation

Income tax comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current taxation comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted or substantially enacted at the balance sheet date, and any adjustment of tax payable for previous years.

Deferred taxation is recognised using the balance sheet liability method based on temporary differences between the tax base of an asset or liability and its balance sheet carrying amount. Temporary differences are differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred taxation is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effects on deferred taxation of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Secondary taxation on companies is accounted for as a tax charge in the income statement as incurred.

16. Associates

An associate is a company over which the Group has the ability to exercise significant influence, but not control, over its financial and operating policies.

The equity method of accounting for associates is adopted in the Group financial statements. In applying the equity method, account is taken of the Group's share of accumulated retained earnings and movements in reserves from the effective dates on which the companies became associates and up to the effective dates of disposal. In the event of associates making losses, the Group recognises the losses to the extent of the Group's exposure.

The Company carries its investment in associates at cost less any accumulated impairment losses.

Goodwill inherent in the cost of an associate is accounted for in accordance with the Group's accounting policy for goodwill. This goodwill has been included in the carrying value of associates.

17. Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. The Group's interests in joint ventures are accounted for using the proportionate consolidation method and its shares of the underlying assets, liabilities, income, expenditures and cash flows are included in the consolidated financial statements on a line-by-line basis from the date that joint control commences until the date joint control ceases.

The Company carries its investments in joint ventures at cost less accumulated impairment losses.

18. Foreign operations

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into South African rand at rates of exchange ruling at the balance sheet date. Income, expenditure and cash flow items are translated into South African rand at rates approximating the foreign exchange rates ruling at the dates of the transactions. Since July 1 2004, the Group's date of transition to IFRS, foreign exchange differences arising on translation are recognised directly in equity as a foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to the income statement.



Accounting policies

18. Foreign operations *(continued)*

The revenues and expenses of foreign operations in hyperinflationary economies are translated to South African rand at the foreign exchange rates ruling at the balance sheet date. Foreign exchange differences arising on retranslation are recognised directly in a separate component of equity.

Acquisitions and disposals of foreign operations are accounted for at the rate ruling on the date of the transaction.

19. Financial instruments

Financial instruments are recognised when the Group or Company becomes party to the contractual provisions of the arrangement.

Financial instruments are initially measured at fair value plus, for instruments not carried at fair value through profit and loss, any directly attributable transaction costs.

An instrument is classified as at fair value through profit or loss if it is held-for-trading, is a derivative or is designated as such upon initial recognition. Financial instruments at fair value through profit or loss are measured at fair value, with any resultant gain or loss being recognised in the income statement. Held-for-trading financial instruments are measured at amortised cost if the fair value cannot be determined.

Financial instruments classified as available-for-sale financial assets are carried at fair value with any resultant gain or loss, other than impairment losses and foreign exchange gains and losses on monetary items, being recognised directly in equity. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest bearing, interest calculated using the effective interest rate method is recognised in profit or loss.

If the Group has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Investments that meet the criteria for classification as held-to-maturity financial assets are carried at amortised cost.

Where the instrument is not classified as one of the above, it is carried at amortised cost.

Listed and unlisted investments are classified as investments at fair value through profit or loss or available-for-sale financial assets. Fair value of listed investments is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Fair value of unlisted investments is determined by using appropriate valuation models.

Trade and other receivables originated by the Group or Company are stated at fair value less impairment losses.

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at balance sheet date.

Financial liabilities other than derivatives are recognised at amortised cost using the effective interest rate method.

Derivative instruments are measured at fair value through profit and loss.

Where a derivative financial instrument is used to economically hedge the foreign exchange exposure of a recognised financial asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in the income statement. It is the policy of the Group not to trade in derivative financial instruments for speculative purposes.

Gains and losses arising from measuring the hedging instruments relating to a fair value hedge at fair value are recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gains or losses recognised in the income statement.

Where a derivative is designated as a cash flow hedge, the effective part of the gains or losses from remeasuring the hedging instruments to fair value are initially recognised directly in equity. If the hedged firm commitment or forecast transaction results in the recognition of a non-financial asset or liability, the cumulative amount recognised in equity up to the transaction date is adjusted against the initial measurement of the non-financial asset or liability. The ineffective part of any gain or loss is recognised in the income statement immediately. For other cash flow hedges, the cumulative amount recognised in equity is included in net profit or loss in the period when the commitment or forecast transaction affects profit or loss.

Where the hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative unrealised gain or loss at that point remains in equity and is recognised in accordance with the aforementioned policy when the transaction occurs. If the hedged transaction is no longer expected to occur, the cumulative unrealised gain or loss is recognised in the income statement immediately.

A financial asset is derecognised (or, where applicable, a part of a financial asset or a part of a group of similar financial assets is derecognised) if the Group's contractual rights to the cash flows from the financial asset expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

Where the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit and loss.

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

20. Banking advances

Advances are stated at amortised cost after the deduction of amounts that, in the opinion of the directors, are required as specific and general impairments. Specific impairments are raised for doubtful advances, including amounts in respect of interest not being serviced and after taking security values into account, and are deducted from advances where the outstanding balance exceeds the value of the security held. A general impairment based on historic experience is raised to cover doubtful advances, which may not be specifically identified at the balance sheet date. The specific and general impairments made during the year are charged to the income statement.

21. Vehicle rental fleet

Vehicle rental fleet is stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis to write off the cost of the vehicles to their residual value over their estimated useful life of between nine and twelve months.

22. Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Estimated net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of raw materials, finished goods, parts and accessories is determined on either the first in, first out or average cost basis. New vehicles, motorcycles, power and marine products are stated on an actual unit cost basis. Used and demonstrator vehicles are stated at the lower of actual cost or net realisable value. The cost of manufactured inventory and work in progress includes materials and parts, direct labour, other direct costs and includes an appropriate portion of overheads, but excludes interest expense.

Vehicles and vehicle parts purchased in terms of manufacturers' standard franchise agreements or floorplan facilities, are recognised as assets when received as this is when significant risks and rewards have been transferred. This policy is applied irrespective of the fact that certain agreements provide that the legal ownership of this inventory shall remain with the supplier or floorplan provider until the purchase price has been paid.

23. Treasury shares

Shares in the Company, held by its subsidiary and the Bidvest Incentive Scheme are classified in the Group's shareholders' interest as treasury shares. These shares are treated as a deduction from the issued and weighted average number of shares. The cost price of the shares is presented as a deduction from total equity. Distributions received on treasury shares are eliminated on consolidation.

24. Foreign currencies

Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Translation differences are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to South African rand at foreign exchange rates ruling at the dates that the fair value was determined.



Accounting policies

25. Share-based payments

The Bidvest Incentive Scheme grants options to acquire shares in the Company to executive directors and staff. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options is measured using a binomial method, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where staff are unable to meet the scheme's employment requirements.

The Bidvest Incentive Scheme grants loans to staff for the acquisition of shares in the Company. The fair value of services received in return for shares allotted is measured based on a binomial method taking into account the expected contractual life of the loan obligation.

26. Employee benefits

Leave benefits due to employees are recognised as a liability in the financial statements.

The Group's liability for post-retirement benefits, accruing to past and current employees in terms of defined benefit schemes, is actuarially calculated. Where the plan is funded, the obligation is reduced by the fair value of the plan assets. Unfunded obligations are recognised as a liability in the financial statements.

The Group's obligation for post-retirement medical aid to past and current employees is actuarially determined and provided for in full.

The projected unit-credit method is used to determine the present value of the defined benefit obligations and the related current service cost and, where applicable, past service cost.

Actuarial gains or losses in respect of defined benefit plans are recognised in the income statement if the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceed the greater of:

- 10% of the present value of the defined benefit obligation at that date, before deducting plan assets; or
- 10% of the fair value of any plan assets at that date.

However, when the actuarial calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

The amount recognised is the excess in terms of the aforementioned formula, divided by the expected average remaining working lives of the employees participating in that plan.

Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits have vested, past service costs are recognised immediately.

Liabilities for employee benefits which are not expected to be settled within twelve months are discounted using the market yields at the balance sheet date on high quality bonds with terms that most closely match the terms of maturity of the related liabilities.

Contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

27. Short-term insurance

Short-term insurance is provided in terms of benefits under short-term policies which cover motor, property and warranty. Premiums are accounted for as income when they come due, before deducting commission. Claims expenses are charged to the income statement as incurred based on the liability owed to the contract holder at the date of the claim. A provision for unearned premiums is created, based on the 24th and 48th methods and actual incidence of risk, that represents that part of the current year's premiums that relate to risk periods that extend to the following year. Provision is made on a prudent basis for the estimated final cost of all claims that had not been settled on the accounting date. Provision is also made for claims arising from events that occurred before the close of the accounting period, but which have not been reported to the Company by that date. A contingency reserve is maintained at 10% of the net written premiums. The reserve can be utilised in case of catastrophe, subject to the approval of the Financial Services Board. Transfers to this reserve are reflected in the capital and reserves note.

28. Life assurance

Life assurance benefits are provided in terms of individual credit life contracts. These contracts are decreasing term assurance designed to pay outstanding loans provided by financing houses to purchasers of motor vehicles. The outstanding loan is settled (subject to certain limits) following death or disability of the contract holder. In addition there is a dreaded disease, retrenchment and funeral benefit. Premiums consist of single and monthly premiums and are recognised when the insurance risk cover commences. Premiums are shown before deducting reinsurance and commission. Claims expenses are charged to the income statement as incurred based on the liability owed to the contract holder at the date of the claim. Policyholder liabilities under insurance contracts, representing the liability in respect of unexpired policies, are valued in terms of the Financial Soundness Valuation basis contained in Practice Guidance Note 104.

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group are classified as reinsurance contracts held. The benefits to which the Group is entitled under its reinsurance contracts are recognised as reinsurance assets. These assets and liabilities consist of short-term balances due to and from reinsurers, as well as longer-term receivables (classified as reinsurance assets) that are dependent on the expected claims and benefits arising under the related reinsurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable and are recognised as an expense when due. The Group assesses its reinsurance assets for impairment on an annual basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises the impairment loss in the income statement. The Group gathers the objective evidence that a reinsurance asset is impaired using the same process adopted for financial assets held at amortised cost.

29. Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

The Group recognises a provision calculated as the present value of the estimated cost of dismantling and removing items and restoring the site in which they are located when the legal or constructive obligation arises or when the damage to the site occurs.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net costs of continuing the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

30. Segmental reporting

The principal segments of the Group have been identified on a primary basis by the nature of the business and on a secondary basis by geographic segment. The basis is representative of the internal structure for management purposes.

Segmental result includes revenue and expenses directly relating to a business segment but excludes net finance charges and taxation which cannot be allocated to any specific segment. Segmental trading profit is defined as operating profit excluding items of a capital nature and is the basis on which management's performance is assessed.

Segment operating assets and liabilities include property, plant and equipment, investments, inventories, trade and other receivables, trade and other payables, banking assets and liabilities, insurance funds and post-retirement obligations but exclude cash, borrowings, current taxation and deferred taxation. Intangible assets are allocated to the cash-generating unit in the segment to which they relate.

31. Reclassifications

Capital work in progress, previously included in the various property, plant and equipment categories has been separately disclosed in order to achieve more appropriate presentation (refer note 13).

To achieve consistent reporting throughout the Group certain operations reconsidered their allocation of expenses within the various income statement categories. Prior year results have been restated to take account of these reclassifications. This restatement has resulted in an increase in cost of revenue of R217,4 million, an increase in sales and distribution expenses of R160,8 million and a decrease in administration expenses and other expenses of R6,7 million and R371,5 million respectively.



Consolidated income statement

for the year ended June 30

	Note	2007 R'000	2006 R'000
Total revenue	1	95 857 250	77 426 249
Revenue		95 655 509	77 276 491
Cost of revenue		(77 330 818)	(61 807 227)
Gross income		18 324 691	15 469 264
Other income		419 408	140 331
Operating expenses		(14 247 529)	(11 918 088)
Sales and distribution expenses		(9 432 053)	(7 376 156)
Administration expenses		(3 940 085)	(3 599 715)
Other expenses		(875 391)	(942 217)
Operating profit	2	4 496 570	3 691 507
Net finance charges	3	(566 181)	(342 392)
Finance income		79 521	66 296
Finance charges		(645 702)	(408 688)
Share of profit of associates		68 354	48 846
Dividends received		9 083	4 991
Share of retained earnings		59 271	43 855
Impairment of investment in associate		(178 339)	–
Profit before taxation		3 820 404	3 397 961
Taxation	4	(1 033 248)	(933 418)
Profit for the year		2 787 156	2 464 543
Attributable to			
Shareholders of the Company		2 700 054	2 388 717
Minority shareholders		87 102	75 826
		2 787 156	2 464 543
Basic earnings per share (cents)	5	899,4	796,3
Diluted earnings per share (cents)	5	878,3	761,2
Headline earnings per share (cents)	5	970,0	804,6
Diluted headline earnings per share (cents)	5	947,2	769,1
Distributions per share (cents)	6	446,4	369,0

Consolidated statement of recognised income and expenses

for the year ended June 30

	2007 R'000	2006 R'000
Net income recognised directly in equity	351 592	365 681
Effective movement in foreign currency translation reserve	352 058	364 235
Increase (decrease) in fair value of available-for-sale financial assets, net of taxation	(466)	1 446
Profit for the year	2 787 156	2 464 543
Total recognised income and expenses for the year	3 138 748	2 830 224
Attributable to		
Shareholders of the Company	3 050 706	2 751 739
Minority shareholders	88 042	78 485
	3 138 748	2 830 224
Details of the movement in capital and reserves is contained in note 25.		



Consolidated cash flow statement

for the year ended June 30

	Note	2007 R'000	2006 R'000
Cash flow from operating activities		1 378 605	2 352 689
Cash generated by operations	7	4 236 895	4 490 358
Finance income		79 521	66 296
Finance charges	8	(552 218)	(324 878)
Taxation paid	9	(1 152 174)	(863 495)
Distributions to shareholders	10	(1 233 419)	(1 015 592)
Cash effects of investment activities		(3 103 803)	(2 368 372)
Amounts advanced to associates		(13 876)	(687)
Investments disposed of		284 771	293 037
Investments acquired		(556 083)	(252 886)
Additions to property, plant and equipment		(1 982 374)	(1 605 371)
Additions to vehicle rental fleet		(733 778)	(685 454)
Additions to intangible assets		(130 450)	(100 965)
Proceeds on disposal of property, plant and equipment		259 200	151 218
Proceeds on disposal of vehicle rental fleet		599 728	387 203
Proceeds on disposal of intangible assets		8 898	352
Acquisition of businesses, subsidiaries and associates	11	(863 989)	(1 155 920)
Proceeds on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	12	24 150	601 101
Cash effects of financing activities		(335 250)	842 777
Proceeds from share issues		494 094	180 274
Repurchase of treasury shares		(1 888 094)	(508 810)
Sale of treasury shares		1 188 501	–
Borrowings raised		979 690	1 722 823
Borrowings repaid		(1 109 441)	(551 510)
Net increase (decrease) in cash and cash equivalents		(2 060 448)	827 094
Cash and cash equivalents at beginning of year		2 546 995	1 497 683
Effects of exchange rate fluctuations on cash and cash equivalents		129 918	222 218
Cash and cash equivalents at end of year		616 465	2 546 995
Cash and cash equivalents comprise			
Cash and cash equivalents	24	2 374 442	3 255 457
Bank overdrafts included in short-term portion of borrowings	28	(1 757 977)	(708 462)
		616 465	2 546 995

Consolidated balance sheet

as at June 30

	Note	2007 R'000	2006 R'000
ASSETS			
Non-current assets		13 037 827	10 606 995
Property, plant and equipment	13	6 732 602	5 511 253
Intangible assets	14	388 145	378 808
Goodwill	15	3 772 297	3 123 722
Deferred taxation	16	431 525	398 411
Interest in associates	18	454 865	574 893
Investments	19	1 031 670	544 923
Banking and other advances	20	226 723	74 985
Current assets		19 806 022	17 387 506
Vehicle rental fleet	21	527 524	479 326
Inventories	22	6 813 187	5 092 821
Short-term portion of banking and other advances	20	183 983	142 718
Trade and other receivables	23	9 906 886	8 417 184
Cash and cash equivalents	24	2 374 442	3 255 457
Total assets		32 843 849	27 994 501
EQUITY AND LIABILITIES			
Capital and reserves	25	10 824 966	9 158 695
Capital and reserves attributable to shareholders of the Company		10 626 509	8 928 995
Minority shareholders		198 457	229 700
Non-current liabilities		3 114 180	3 777 646
Deferred taxation	16	265 323	202 907
Life assurance fund	27	50 457	32 795
Long-term portion of borrowings	28	2 229 892	3 093 184
Post-retirement obligations	29	156 582	221 092
Long-term portion of provisions	33	245 757	99 869
Long-term portion of banking liabilities	30	73	278
Long-term portion of operating lease liabilities	31	166 096	127 521
Current liabilities		18 904 703	15 058 160
Trade and other payables	32	14 192 506	12 562 695
Short-term portion of provisions	33	200 375	224 798
Vendors for acquisition		27 007	41 795
Taxation		372 789	501 245
Short-term portion of banking liabilities	30	203 025	113 265
Short-term portion of borrowings	28	3 909 001	1 614 362
Total equity and liabilities		32 843 849	27 994 501



Notes to the consolidated financial statements

for the year ended June 30

	2007 R'000	2006 R'000
1. Total revenue		
Sale of goods	71 510 747	57 372 616
Rendering of services	8 212 209	7 058 714
Commissions and fees earned	515 886	421 506
Gross billings relating to clearing and forwarding transactions	17 136 630	13 893 019
Insurance	240 141	180 547
Dividend income	39 822	33 292
Finance income	161 919	116 466
	97 817 354	79 076 160
Inter-group eliminations	(1 960 104)	(1 649 911)
	95 857 250	77 426 249
2. Operating profit		
Determined after charging (crediting):		
Auditors' remuneration	63 131	43 402
Paid to Group auditors in respect of	32 730	25 953
Audit fees	22 243	19 808
Audit related expenses	833	775
Consulting services on acquisitions	5 969	–
Taxation advice	3 632	3 087
Other services	53	2 283
Paid to other auditors in respect of	30 401	17 449
Audit fees	15 762	13 780
Audit related expenses	212	82
Taxation advice	872	723
Internal audit services	559	2 184
Software implementation	11 089	–
Other services	1 907	680
Depreciation of property, plant and equipment	958 651	779 739
Buildings	40 839	25 603
Leasehold premises	46 398	30 178
Plant and equipment	271 686	223 453
Office equipment, furniture and fittings	170 079	145 581
Vehicles, vessels and craft	308 357	261 723
Rental assets	90 571	78 921
Capitalised leased assets	6 449	3 955
Full maintenance lease assets	24 272	10 325
Depreciation of vehicle rental fleet	85 852	68 080
Amortisation of intangible assets	144 285	137 094
Patents, trademarks, tradenames and other intangibles	73 182	67 283
Computer software	71 103	69 811
Impairment of goodwill and other intangibles	65 707	14 174
Goodwill	65 122	9 574
Patents, trademarks, tradenames and other intangibles	585	4 600
Negative goodwill arising on acquisition of subsidiaries included in other income	–	(3 780)
Impairment of trade receivables	26 053	17 174

	2007 R'000	2006 R'000
2. Operating profit (continued)		
Directors' emoluments		
Executive directors	64 199	60 818
Basic remuneration	28 425	30 650
Retirement and medical benefits	3 314	3 793
Other benefits	5 804	3 365
Cash incentives	26 656	23 010
Non-executive directors	2 030	1 396
Fees	1 794	1 226
Emoluments for other services	236	170
Employer contributions to	621 857	521 884
Defined contribution pension funds	203 121	157 115
Provident funds	237 918	172 458
Retirement funds	18 924	39 954
Medical aid funds	161 894	152 357
Expenses related to post-retirement obligations	30 221	35 513
Defined benefit pension plans	37 345	17 103
Post-retirement medical aid obligations	(7 124)	18 410
Share-based payment expense	58 083	50 050
Staff	46 225	37 249
Executive directors	10 105	12 515
Former executive directors	1 753	286
Staff costs excluding directors' emoluments and employer contributions	9 191 058	7 641 659
Fees for administrative, managerial and technical services	1 363	7 130
Foreign exchange losses (gains)	(12 546)	(16 398)
Realised	(11 522)	(20 445)
Unrealised	(1 024)	4 047
Dividends received	(30 739)	(28 301)
Listed investments	(23 793)	(14 213)
Unlisted investments	(6 946)	(14 088)
Fair value adjustments on investments held-for-trading	(214 630)	(45 577)
Net capital profits	(15 493)	(44 901)
Profit on disposal of property, plant and equipment	(15 409)	(15 689)
Profit on closure and disposal of businesses	(84)	(29 212)
JSE Limited fees	177	128
Operating lease charges	1 170 365	812 874
Land and buildings	901 917	616 301
Equipment and vehicles	268 448	196 573



Notes to the consolidated financial statements

for the year ended June 30

	2007 R'000	2006 R'000
3. Net finance charges		
Finance income	161 919	116 466
Preference dividends	8 163	7 591
Interest income on banking and other advances	25 017	15 440
Interest income on vehicle lease debtors	14 964	3 250
Interest income on bank balances	112 068	88 157
Interest income on unimpaired available-for-sale financial assets	1 707	2 028
Finance charges	(675 680)	(432 607)
Interest expense on banking liabilities	(29 823)	(23 688)
Interest expense on bank overdrafts	(405 524)	(207 022)
Interest expense on financed assets	(10 238)	(7 524)
Interest expense on vehicle lease creditors and floorplan creditors	(49 491)	(25 148)
Interest expense on other borrowings	(181 845)	(179 072)
Less borrowing costs capitalised to property, plant and equipment	1 241	9 847
	(513 761)	(316 141)
Less net finance income from banking operations included in operating profit	(52 420)	(26 251)
Income	(82 398)	(50 170)
Charges	29 978	23 919
	(566 181)	(342 392)
The applicable weighted average interest rate is used to determine the amount of borrowing costs eligible for capitalisation.		
4. Taxation		
Current taxation	1 006 713	910 653
Current year	1 032 322	924 111
Prior years	(25 609)	(13 458)
Deferred taxation	21 884	17 880
Current year	27 246	27 019
Prior years	(4 681)	(9 139)
Change in rate of taxation	(681)	–
Secondary taxation on companies	4 492	3 585
Foreign withholding taxes	159	1 300
Total taxation per income statement	1 033 248	933 418
Comprising		
South African normal taxation	761 441	638 612
Foreign taxes	271 807	294 806
	1 033 248	933 418

	2007 %	2006 %
4. Taxation (continued)		
The reconciliation of the effective tax rate with the company tax rate is:		
Taxation for the year as a percentage of profit before taxation	27,0	27,5
Secondary taxation on companies	(0,1)	(0,1)
Effective rate excluding secondary taxation on companies	26,9	27,4
Dividend and exempt income	2,1	1,1
Foreign taxation	1,9	0,9
Expenses not taxable or allowed	(3,0)	(1,6)
Utilisation of deferred tax assets not previously raised	0,3	0,8
Capital gains taxation exempt portion	–	(0,3)
Changes in prior years' estimation	0,8	0,7
Rate of South African company taxation	29,0	29,0
	2007 R'000	2006 R'000
Estimated tax losses available for set-off against future taxable income	613 127	487 642
Utilised in the computation of deferred taxation	(287 336)	(145 660)
Not accounted for in deferred taxation	325 791	341 982
Deferred tax assets have not been recognised in respect of these tax losses because it is not probable that the relevant companies will generate taxable profit in the near future, against which the benefits can be utilised.		
Secondary taxation on companies – dividend credits available	166 804	108 987
5. Earnings per share		
Weighted average number of shares ('000)		
Weighted average number of shares in issue for basic earnings per share and headline earnings per share	300 206	299 976
Potential dilutive impact of outstanding staff share options	7 215	7 213
Number of outstanding staff share options	19 126	18 886
Number of share options deemed to be issued at fair value	(11 911)	(11 673)
Potential dilutive impact of outstanding shareholder options	–	6 637
Number of outstanding shareholder options	–	18 000
Number of shareholder options deemed to be issued at fair value	–	(11 363)
Adjusted weighted average number of shares in issue used for the calculation of diluted earnings per share	307 421	313 826
Attributable earnings (R'000)		
Basic earnings per share and diluted earnings per share are based on profit attributable to shareholders of the Company	2 700 054	2 388 717
Basic earnings per share (cents)	899,4	796,3
Diluted earnings per share (cents)	878,3	761,2
Dilution (%)	2,3	4,4



Notes to the consolidated financial statements

for the year ended June 30

	2007	2006
5. Earnings per share (continued)		
Headline earnings (R'000)		
Profit attributable to shareholders of the Company	2 700 054	2 388 717
Impairment of goodwill and intangible assets	65 707	14 174
Net loss on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	595	19 951
Profit on disposal and closure	(84)	(29 212)
Tax charge	679	49 638
Minority shareholders	–	(475)
Net profit on disposal of property, plant and equipment	(12 835)	(11 915)
Profit on disposal	(15 409)	(15 689)
Tax charge	1 984	3 774
Minority shareholders	590	–
Negative goodwill	–	(2 457)
Arising on acquisition of subsidiaries	–	(3 780)
Minority shareholders	–	1 323
Impairment of investment in associate	178 339	–
Share of capital items in associates	(19 874)	5 059
Headline earnings	2 911 986	2 413 529
Headline earnings per share (cents)	970,0	804,6
Diluted headline earnings per share (cents)	947,2	769,1
Dilution (%)	2,3	4,4
6. Distributions per share		
Interim distribution (cents)		
Refund of share premium per share in lieu of dividend paid on April 2 2007 (2006: paid on March 27 2006)	198,0	162,0
Final distribution (cents)		
Refund of share premium per share in lieu of dividend payable on September 25 2007 (2006: paid on October 2 2006)	248,4	207,0
	446,4	369,0

	2007 R'000	2006 R'000
7. Cash generated by operations		
Profit before taxation	3 820 404	3 397 961
Net finance charges	566 181	342 392
Share of retained earnings and impairment of associates	119 068	(43 855)
Adjustment for depreciation and other non-cash items	1 083 040	954 879
Increase (reduction) in post-retirement obligations	(66 555)	16 943
Increase in life assurance fund	17 662	19 530
Utilised to finance working capital	(1 302 905)	(197 492)
Increase in inventories	(1 196 186)	(708 058)
Increase in trade and other receivables	(826 294)	(796 580)
Increase in banking and other advances	(193 003)	(70 524)
Increase in trade and other payables and provisions	823 023	1 358 750
Increase in banking liabilities	89 555	18 920
Cash generated by operations	4 236 895	4 490 358
8. Finance charges		
Charge per income statement	(645 702)	(408 688)
Amounts capitalised to borrowings	93 484	83 810
Amounts paid	(552 218)	(324 878)
9. Taxation paid		
Amounts payable at beginning of year	(501 245)	(448 242)
Per income statement	(1 011 364)	(915 538)
Businesses acquired	(4 479)	4 964
Businesses disposed of	–	5 487
Exchange rate adjustments	(7 875)	(11 411)
Amounts payable at end of year	372 789	501 245
Amounts paid	(1 152 174)	(863 495)
10. Distributions to shareholders		
Refund of share premium to shareholders in lieu of dividend	(1 326 028)	(1 074 023)
Refund of share premium received by subsidiary on treasury shares	120 395	81 615
Dividends paid to minority shareholders by subsidiaries	(27 786)	(23 184)
Amounts paid	(1 233 419)	(1 015 592)



Notes to the consolidated financial statements
for the year ended June 30

	2007 R'000	2006 R'000
11. Acquisition of businesses, subsidiaries and associates		
Property, plant and equipment	(222 647)	(729 903)
Deferred taxation	4 146	(28 822)
Interest in associates	(10 301)	(3 404)
Investments and advances	–	(11 851)
Inventories	(410 438)	(308 258)
Trade and other receivables	(373 069)	(910 795)
Cash and cash equivalents	(59 349)	(50 454)
Post-retirement obligations	(3 835)	592
Borrowings	227 326	32 993
Trade and other payables and provisions	567 474	1 430 586
Taxation	4 479	(4 964)
Net fair value of tangible assets	(276 214)	(584 280)
Goodwill	(515 568)	(591 227)
Intangible assets	(24 845)	(86 133)
Minority shareholders	(91 642)	13 471
Total value of acquisitions	(908 269)	(1 248 169)
Less cash and cash equivalents acquired	59 349	50 454
Vendors for acquisition at beginning of year	(41 795)	–
Exchange rate adjustments	(281)	–
Vendors for acquisition at end of year	27 007	41 795
Net amounts paid	(863 989)	(1 155 920)

Pre-acquisition carrying amounts are determined based on applicable IFRS immediately before the acquisition. The pre-acquisition carrying amounts approximated the amounts recognised on acquisition date with the exception of the following: trade receivables in respect of the Angliss Asia Group acquisition was impaired by R6,1 million to the recoverable value; and the recognition of an intangible asset equal to the fair value of distribution rights of R9,6 million in respect of the acquisition of Inyanga Motors. The values of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values (refer note 39 for methods used in determining fair values).

With effect from May 8 2007 the Group acquired 100% of Angliss Asia Group, a leading foodservice wholesaler for R513,9 million, satisfied in cash. During the period from date of acquisition, the business contributed R370,7 million to revenue and R10,8 million to operating profit. Had the acquisition occurred on July 1 2006, the business would have contributed R2,2 billion to revenue and R42,2 million to operating profit for the year.

Goodwill of R330,9 million arose on this acquisition as a result of the potential that management believed the business has, as well as the benefits that the Group will bring to the business that were not previously available to it. Furthermore the acquisition of Angliss complemented the existing Bidvest Asia Pacific operations as well as assisting the Group in realising synergies in the area of product sourcing between countries.

Several less significant acquisitions were also made during the course of the year. Goodwill arose on these acquisitions as the anticipated value of future cash flows that were taken into account in determining the purchase consideration exceeded the net assets acquired at fair value. Furthermore these acquisitions have enabled the Group to expand its range of complementary products and services and, as a consequence have broadened the Group's base in the market place.

These acquisitions contributed R577,3 million to revenue and R17,2 million to operating profit for the year and would have contributed R1,3 billion to revenue and R4,2 million to operating profit had the acquisitions been made with effect from July 1 2006.

	2007 R'000	2006 R'000
12. Proceeds on disposal of interests in subsidiaries and associates, and disposal and closure of businesses		
Property, plant and equipment	–	459 365
Intangible assets	–	2 268
Goodwill	–	198 949
Deferred taxation	–	(33 801)
Interest in associates	24 066	(33 264)
Inventories	–	97 591
Trade and other receivables	–	310 982
Cash and cash equivalents	–	34 945
Post-retirement obligations	–	(17 804)
Borrowings	–	(26 662)
Trade and other payables and provisions	–	(358 095)
Taxation	–	(5 487)
Net fair value of tangible assets	24 066	628 987
Minority shareholders	–	(1 591)
Realisation of foreign currency translation reserves	–	(20 562)
Profit on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	84	29 212
Less cash and cash equivalents disposed of	–	(34 945)
Net proceeds	24 150	601 101
The only disposals during the current year were disposals of interests in associates and reductions of shareholdings in subsidiaries.		



Notes to the consolidated financial statements

for the year ended June 30

	2007 R'000	2006 R'000
13. Property, plant and equipment		
Freehold land and buildings	1 911 592	1 561 538
Cost	2 332 074	1 916 110
Accumulated depreciation	(420 482)	(354 572)
Leasehold premises	648 595	519 834
Cost	902 352	713 304
Accumulated depreciation	(253 757)	(193 470)
Plant and equipment	1 638 440	1 316 356
Cost	3 346 619	2 729 548
Accumulated depreciation	(1 708 179)	(1 413 192)
Office equipment, furniture and fittings	565 927	435 094
Cost	1 612 495	1 353 234
Accumulated depreciation	(1 046 568)	(918 140)
Vehicles, vessels and craft	1 383 735	1 153 301
Cost	3 090 883	2 730 292
Accumulated depreciation	(1 707 148)	(1 576 991)
Rental assets	190 904	180 254
Cost	476 104	448 179
Accumulated depreciation	(285 200)	(267 925)
Capitalised leased assets	21 887	30 944
Cost	44 895	44 754
Accumulated depreciation	(23 008)	(13 810)
Full maintenance leased assets	120 101	62 674
Cost	145 590	72 999
Accumulated depreciation	(25 489)	(10 325)
Capital work in progress	251 421	251 258
	6 732 602	5 511 253

Property, plant and equipment with an estimated carrying value of R195 161 000 (2006: R115 041 000) were pledged as security for borrowings of R88 340 000 (2006: R90 256 000) (refer note 28).

A register of land and buildings is available for inspection by members at the registered office of the Company.

Capital work in progress, previously included in the various property, plant and equipment categories, has been separately disclosed in order to achieve more appropriate presentation. Comparative amounts were reclassified for consistency, which resulted in R251 258 000 being reclassified from the existing categories to the capital work in progress category.

	2007 R'000	2006 R'000
13. Property, plant and equipment <i>(continued)</i>		
<i>Movement in property, plant and equipment</i>		
Carrying value at beginning of year	5 511 253	4 303 123
Capital expenditure	1 982 374	1 605 371
Freehold land and buildings	348 596	182 935
Leasehold premises	120 885	224 353
Plant and equipment	506 508	471 858
Office equipment, furniture and fittings	277 744	198 481
Vehicles, vessels and craft	531 192	359 062
Rental assets	110 369	76 466
Capitalised leased assets	195	1 559
Full maintenance lease assets	102 159	72 999
Capital work in progress	(15 274)	17 658
Expenditure	482 685	288 911
Transfers to other categories	(497 959)	(271 253)
Acquisition of businesses	222 647	729 903
Freehold land and buildings	61 184	440 126
Leasehold premises	40 450	–
Plant and equipment	65 174	146 886
Office equipment, furniture and fittings	35 031	6 820
Vehicles, vessels and craft	14 947	97 752
Capitalised leased assets	465	16 302
Capital work in progress	5 396	22 017
Disposals	(243 791)	(135 529)
Freehold land and buildings	(82 532)	(41 875)
Leasehold premises	(14 773)	(5 245)
Plant and equipment	(20 382)	(13 584)
Office equipment, furniture and fittings	(19 494)	(7 648)
Vehicles, vessels and craft	(72 396)	(45 642)
Rental assets	(9 113)	(21 535)
Capitalised leased assets	(4 640)	–
Full maintenance lease assets	(20 461)	–
Disposal of businesses	–	(459 365)
Freehold land and buildings		(80 840)
Leasehold premises		(69 207)
Plant and equipment		(19 109)
Office equipment, furniture and fittings		(18 732)
Vehicles, vessels and craft		(269 981)
Capitalised leased assets		(58)
Capital work in progress		(1 438)
Exchange rate adjustments	218 770	247 489
Freehold land and buildings	63 645	89 194
Leasehold premises	28 597	36 712
Plant and equipment	42 469	48 932
Office equipment, furniture and fittings	7 633	5 673
Vehicles, vessels and craft	65 049	43 738
Rental assets	(35)	–
Capitalised leased assets	1 370	10 007
Capital work in progress	10 042	13 233
Depreciation (refer note 2)	(958 651)	(779 739)
Carrying value at end of year	6 732 602	5 511 253



Notes to the consolidated financial statements

for the year ended June 30

	2007 R'000	2006 R'000
14. Intangible assets		
Patents, trademarks, tradenames and other intangibles	236 362	235 313
Cost	961 512	874 837
Accumulated amortisation	(725 150)	(639 524)
Computer software	151 783	143 495
Cost	453 065	380 916
Accumulated amortisation	(301 282)	(237 421)
	388 145	378 808
Movement in intangible assets		
Carrying value at beginning of year	378 808	321 246
Additions	130 450	100 965
Patents, trademarks, tradenames and other intangibles	54 827	14 575
Computer software	75 623	86 390
Acquisition of businesses	24 845	86 133
Patents, trademarks, tradenames and other intangibles	24 350	77 506
Computer software	495	8 627
Disposals	(9 483)	(352)
Patents, trademarks, tradenames and other intangibles	(8 912)	(211)
Computer software	(571)	(141)
Disposal of businesses	–	(2 268)
Patents, trademarks, tradenames and other intangibles		(509)
Computer software		(1 759)
Exchange rate adjustments	8 395	14 778
Patents, trademarks, tradenames and other intangibles	4 715	9 212
Computer software	3 680	5 566
Amortisation and impairments (refer note 2)	(144 870)	(141 694)
Patents, trademarks, tradenames and other intangibles	(73 767)	(71 883)
Computer software	(71 103)	(69 811)
Carrying value at end of year	388 145	378 808
The amortisation and impairment charges are included in other expenses in the income statement.		

	2007 R'000	2006 R'000
15. Goodwill		
Carrying amount	3 857 349	3 143 587
Accumulated impairment	(85 052)	(19 865)
	3 772 297	3 123 722
<i>Movement in goodwill</i>		
Carrying value at beginning of year	3 123 722	2 530 700
Acquisition of businesses	515 568	595 007
Disposal of businesses	–	(198 949)
Impairment of goodwill	(65 122)	(9 574)
Exchange rate adjustments	198 129	206 538
Carrying value at end of year	3 772 297	3 123 722
Goodwill acquired through business combinations has been attributed to individual cash-generating units. The carrying amount of goodwill was subject to an annual impairment test as at March 31 using either the discounted cash flow basis or at fair value less costs to sell method. An amount of R65,1 million (2006: R9,6 million) was identified as being impaired for the current financial year. The most significant portion of the Group's goodwill, R3,0 billion (2006: R2,5 billion), relates to operations in Bidvest Europe and Bidvest Asia Pacific. The recoverable amount of each cash-generating unit within these divisions was determined using the fair value less costs to sell method and exceeds the carrying value by some R5,3 billion. These calculations use projected annualised earnings based on actual operating results. A price earnings ratio was applied to obtain the recoverable amount for each business unit. The earning yields are considered to be consistent with similar companies within the industry and geographic segments. Attributable earnings for these divisions amounted to R798,7 million (2006: R555,8 million) for the year. The remaining goodwill of R0,8 billion (2006: R0,6 billion) is allocated across multiple cash-generating units. The recoverable amount for these remaining units was calculated on the aforementioned basis. For those units where the carrying amount was in excess of the recoverable amount, an impairment was recognised. Included in the impairment of R65,1 million, is R41,6 million in respect of the security services businesses within the Bidserv division. The impairment arose as a result of the continuing pressures being experienced within our security businesses and the difficulties in passing on increasing wage costs to customers.		
16. Deferred taxation		
Deferred tax assets	431 525	398 411
Deferred tax liabilities	(265 323)	(202 907)
Net deferred tax asset	166 202	195 504
<i>Movement in deferred tax assets and liabilities</i>		
Balance at beginning of year	195 504	134 122
Per income statement	(21 884)	(17 880)
Items recognised directly in equity	190	(591)
Arising on acquisition or disposal of businesses	(4 146)	62 623
Exchange rate adjustments	(3 462)	17 230
Balance at end of year	166 202	195 504



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for the year ended June 30

	Assets R'000	Liabilities R'000	Net R'000
16. Deferred taxation (continued)			
Temporary differences			
2007			
Differential between carrying values and tax values of property, plant and equipment	(52 243)	(258 607)	(310 850)
Differential between carrying values and tax values of intangible assets	1 057	(1 130)	(73)
Tax losses	77 589	4 541	82 130
Leave pay liability	32 978	59 472	92 450
Post-retirement obligations	23 884	62 838	86 722
Operating lease liabilities	34 407	34 407	68 814
Staff-related liabilities	56 214	96 015	152 229
Other items	257 639	(262 859)	(5 220)
	431 525	(265 323)	166 202
2006			
Differential between carrying values and tax values of property, plant and equipment	(122 644)	(93 238)	(215 882)
Differential between carrying values and tax values of intangible assets	(13 361)	(3 050)	(16 411)
Tax losses	21 355	11 969	33 324
Leave pay liability	47 161	30 840	78 001
Post-retirement obligations	59 976	25 880	85 856
Operating lease liabilities	33 694	11 402	45 096
Staff-related liabilities	118 623	3 282	121 905
Other items	253 607	(189 992)	63 615
	398 411	(202 907)	195 504

Other items consist of various individually insignificant amounts.

Deferred taxation has been provided at rates ranging between 23% – 35%.

The variance in rates arises as a result of the differing tax rates present in the various countries in which the Group operates.

	2007 R'000	2006 R'000
17. Interest in joint ventures		
The Group's proportional interest in joint ventures has been incorporated in the Group's assets, liabilities and results, as follows:		
Income statement		
Revenue	226 260	197 757
Operating profit	7 298	7 787
Net finance charges	(1 844)	(2 050)
Profit before taxation	5 454	5 737
Taxation	(1 650)	(1 979)
Profit for the year	3 804	3 758
Balance sheet		
Assets		
Property, plant and equipment and intangible assets	9 040	10 778
Deferred taxation	1 463	1 430
Net current assets	25 421	6 729
	35 924	18 937
Equity and liabilities		
Capital and reserves	11 422	8 726
Borrowings	24 502	10 211
	35 924	18 937
Details of major joint ventures are reflected on page 191 of this report.		

	2007 R'000	2006 R'000
18. Interest in associates		
Listed investments	203 144	385 267
Fair value at acquisition	39 241	209 337
Goodwill	163 903	175 930
Unlisted investments	64 888	67 533
Fair value at acquisition	54 471	57 642
Goodwill	10 417	9 891
Investments in associates at cost	268 032	452 800
Attributable share of post-acquisition retained reserves of associates	143 732	92 868
At beginning of year	92 868	49 215
Share of retained income	59 271	43 855
Share of foreign currency translation reserve	(1 072)	–
Reversal of prior year on becoming subsidiary, disposal or change in shareholding	(7 335)	(202)
Advances	43 101	29 225
	454 865	574 893
The Group's interest in Tiger Wheels Limited of R178,3 million was fully impaired as a result of its suspension on the Johannesburg Stock Exchange following the announcement that its 74%-owned subsidiary ATS Beteiligungs GmbH was unable to gather support from its funders to continue operating.		
Advances to associates bear interest at rates of between 0% and 14% and have no fixed terms of repayment.		
Market value of listed associates	612 302	479 221
Directors' valuation of unlisted associates	205 138	133 845
	817 440	613 066
Summarised financial information of associates (aggregated):		
Income statement		
Revenue	4 056 173	4 533 617
Operating profit	290 187	343 917
Net finance charges	(5 257)	(31 444)
Profit before taxation	284 930	312 473
Taxation	(45 147)	(69 817)
Profit for the year	239 783	242 656
Balance sheet		
Assets		
Property, plant and equipment and intangible assets	691 436	1 517 824
Investments	62 665	27 750
Net current assets	349 558	500 642
	1 103 659	2 046 216
Equity and liabilities		
Capital and reserves	853 222	1 574 178
Deferred taxation	31 481	39 591
Borrowings	218 956	432 447
	1 103 659	2 046 216
Details of major associates are reflected on page 191 of this report.		



Notes to the consolidated financial statements

for the year ended June 30

	2007 R'000	2006 R'000
19. Investments		
Held-for-trading		
Listed	744 085	309 976
Unlisted	271 514	218 217
Available-for-sale		
Listed	16 071	16 730
	1 031 670	544 923
Included in listed investments are interest bearing, listed bonds which amount to R32 629 000 (2006: R24 495 000), with coupon interest rates of between 10,7% to 13,5% and mature in one to eight years. These bonds may be realised prior to their maturity dates.		
A register of investments is available for inspection by members at the registered office of the Company.		
20. Banking and other advances		
Instalment finance	26 711	39 141
Mortgages	1 191	1 503
Other	399 964	195 658
	427 866	236 302
Less impairments	(17 160)	(18 599)
	410 706	217 703
Maturity analysis		
Maturing in one year	183 983	142 718
Maturing after one year but within five years	225 804	73 966
Maturing after five years	919	1 019
	410 706	217 703
Interest rates are based on contractual agreements with customers.		
21. Vehicle rental fleet		
Cost	583 385	512 576
Accumulated depreciation	(55 861)	(33 250)
	527 524	479 326
Movement in vehicle rental fleet		
Carrying value at beginning of year	479 326	249 155
Additions	733 778	685 454
Disposals	(599 728)	(387 203)
Depreciation	(85 852)	(68 080)
Carrying value at end of year	527 524	479 326
22. Inventories		
Raw materials	189 187	161 522
Work in progress	89 847	61 291
Finished goods	4 316 079	3 184 216
New vehicles and motor cycles	879 260	681 177
Used vehicles	550 352	425 532
Demonstration vehicles	513 631	394 968
Power and marine products	83 026	30 135
Parts and accessories	191 805	153 980
	6 813 187	5 092 821

	2007 R'000	2006 R'000
22. Inventories (continued)		
Demonstration vehicles and used vehicles are leased in terms of a rental agreement, with a right of first refusal to repurchase the vehicles at the end of the rental period. In the majority of the cases this option is taken up and, consequently, these vehicles are disclosed with inventory. The total value of vehicles leased amounts to	29 251	18 285
Amounts included in borrowings relating to these assets (refer note 28)	29 251	18 285
Ownership of inventory, acquired under floorplan arrangements, remains with the respective floorplan provider until the purchase price has been paid		
Amounts included in borrowings relating to these assets (refer note 28)	449 337	202 496
Amounts included in trade and other payables relating to these assets (refer note 32)	775 927	355 971
	1 225 264	558 467
Write down of inventory charged to income statement	140 116	60 274
23. Trade and other receivables		
Trade receivables	9 155 520	7 564 654
Trade receivables due from related parties	7 471	9 504
	9 162 991	7 574 158
Impairment adjustment	(288 814)	(234 873)
Total trade receivables	8 874 177	7 339 285
Prepayments and other receivables	1 032 709	1 077 899
	9 906 886	8 417 184
The majority of trade and other receivables is fixed in the subsidiaries' local currency. Since trade and other receivables have limited exposure to exchange rate fluctuations, a currency analysis has not been included.		
24. Cash and cash equivalents		
Cash on hand and at bank	2 279 442	3 160 457
Variable rate redeemable cumulative preference shares earning dividends at rates of between 61,5% and 80,0% of prime overdraft rate, subject to redemption and/or repurchase on 30 days' notice.	95 000	95 000
	2 374 442	3 255 457
Amounts included in cash and cash equivalents relating to banking and insurance subsidiaries where the balances form part of the reserving requirements as required by the Financial Services Act.	318 970	350 189
25. Capital and reserves		
Share capital		
Authorised		
540 000 000 (2006: 540 000 000) ordinary shares of 5 cents each	27 000	27 000
	Number	Number
Issued		
Number of shares issued	330 753 967	325 178 398
Balance at beginning of year	325 178 398	320 421 750
Shares issued in terms of the share incentive scheme	5 575 569	4 756 648
Less shares held by subsidiary as treasury shares	(27 902 182)	(26 024 016)
Balance at beginning of year	(26 024 016)	(21 001 198)
Net repurchase of shares by subsidiary	(1 878 166)	(5 022 818)
Net shares in issue	302 851 785	299 154 382



Notes to the consolidated financial statements

for the year ended June 30

	2007 R'000	2006 R'000
25. Capital and reserves (continued)		
Share capital (continued)		
Issued share capital	16 538	16 259
Balance at beginning of year	16 259	16 021
Shares issued in terms of share incentive scheme	279	238
Share premium	1 863 743	2 695 956
Balance at beginning of year	2 695 956	3 589 943
Arising on shares issued in terms of share incentive scheme	493 815	180 217
Refunds of share premium to shareholders in lieu of dividends	(1 326 028)	(1 074 023)
Share issue expenses	–	(181)
Non-distributable and other reserves	1 340 506	924 770
Foreign currency translation reserve	1 158 151	807 033
Balance at beginning of year	807 033	466 019
Realisation of reserve on disposal of subsidiaries	–	(20 562)
Arising during current year	351 118	361 576
Statutory reserves	16 691	10 013
Balance at beginning of year	10 013	6 039
Transfer from retained earnings	6 678	3 974
Equity-settled share-based payment reserve	165 664	107 724
Balance at beginning of year	107 724	57 828
Arising during current year	57 940	49 896
Distributable reserve	9 453 517	6 760 607
Retained earnings	6 760 607	4 374 418
Balance at beginning of year	(466)	1 446
Change in fair value of available-for-sale financial assets	2 700 054	2 388 717
Profit attributable to shareholders of the Company	(6 678)	(3 974)
Transfer to statutory reserves		
	12 674 304	10 397 592
Less shares held by subsidiary as treasury shares	(2 047 795)	(1 468 597)
Share capital	(1 395)	(1 301)
Balance at beginning of year	(1 301)	(1 050)
Sale of shares by subsidiary	1 002	–
Repurchase of shares by subsidiary	(1 096)	(251)
Share premium	(2 046 400)	(1 467 296)
Balance at beginning of year	(1 467 296)	(1 040 352)
Proceeds on sale of shares by subsidiary	1 187 499	–
Cost of shares repurchased by subsidiary	(1 886 998)	(508 559)
Refunds of share premium received by subsidiary on treasury shares	120 395	81 615
Capital and reserves attributable to shareholders of the Company	10 626 509	8 928 995

	2007 R'000	2006 R'000
25. Capital and reserves <i>(continued)</i>		
Minority shareholders		
Balance at beginning of year	229 700	173 558
Share of recognised income and expenses	88 042	78 485
Dividends and capitalisation issues	(27 786)	(23 184)
Share of movement in equity-settled share-based payment reserve	143	154
Changes in shareholding	(91 642)	687
	198 457	229 700
Total capital and reserves comprise		
Amounts attributable to shareholders of the Company	10 626 509	8 928 995
Amounts attributable to minority shareholders	198 457	229 700
	10 824 966	9 158 695
Retained earnings comprise		
Company and subsidiaries	9 298 500	6 661 330
Joint ventures	10 213	6 409
Associates	144 804	92 868
	9 453 517	6 760 607

30 000 000 of the unissued ordinary shares are under the control of the directors until the next annual general meeting.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Statutory reserves

A contingency reserve is maintained at 10% of the net premium income. The reserve can be utilised in the case of a catastrophe, subject to the approval of the Financial Services Board.

A statutory reserve is maintained by a banking subsidiary to meet the minimum general provision against advances as prescribed by the Banks Act.

Equity-settled share-based payment reserve

The equity-settled share-based payment reserve includes the fair value of the options granted to executive directors and staff which have been recognised over the vesting period at fair value with a corresponding expense to the income statement.

26. Share-based payments

The Bidvest Share Incentive Scheme ("Scheme") grants options and advances loans to employees of the Group to acquire shares in the Company. Both the share options scheme and share purchase scheme have been classified as equity-settled schemes and, therefore an equity-settled share-based payment reserve has been recognised.

Share options scheme

The Group elected to account only for the cost of options granted subsequent to November 7 2002 which had not vested by January 1 2005 in terms of the transitional provisions on conversion to IFRS.

The terms and conditions of the options are:

Option holders are only entitled to exercise their options if they are in the employment of the Group in accordance with the terms referred to hereafter, unless otherwise recommended by the Board of the Company.



Notes to the consolidated financial statements

for the year ended June 30

26. Share-based payments (continued)

Option holders in the Scheme may exercise the options at such times as the option holder deems fit, but not so as to result in the following proportions of the holder's total number of instruments being purchased prior to: 50% of total number of instruments at the expiry of three years; 75% of total number of instruments at the expiry of four years; and 100% of total number of instruments at the expiry of five years from the date of the holder's acceptance of an option. All options must be exercised no later than the tenth anniversary on which they were granted unless approval is obtained from the trustees.

The number and weighted average exercise prices of share options are:

	2007		2006	
	Number	Average price R	Number	Average price R
Beginning of year	18 885 909	49,17	24 291 760	46,30
Granted	–	–	280 000	89,86
Lapsed	(368 433)	46,77	(929 203)	41,70
Exercised	(3 766 652)	41,86	(4 756 648)	37,94
End of year	14 750 824	51,10	18 885 909	49,17
The options outstanding at June 30 2007 have an exercise price in the range of R23,25 to R90,05 and a weighted average contractual life of 2,0 to 8,5 years.				
Share options outstanding at June 30 2007 by year of grant are:				
2002 and prior	3 773 160	40,49	5 645 228	40,12
2003	2 881 504	38,79	3 961 021	38,51
2004	3 976 810	50,17	5 046 260	49,92
2005	3 849 350	68,94	3 953 400	68,93
2006	270 000	89,85	280 000	89,86
	14 750 824	51,10	18 885 909	49,17

The fair value of services received in return for shares allotted is measured based on a binomial method. The contractual life of the option is used as an input into this model.

The fair value of the shares allotted during the prior year and the assumptions used were:

	2006
Fair value at measurement date (Rand)	19,95 – 21,84
Exercise price (Rand)	83,15 – 91,65
Expected volatility (%)	24,60 – 24,67
Option life (years)	3,50 – 5,50
Distribution yield (%)	3,36 – 3,57
Risk-free interest rate (based on national government bonds) (%)	7,52 – 7,94

The volatility is based on the historic volatility and is not expected to differ materially from the expected volatility.

26. Share-based payments *(continued)*

Share purchase scheme

In terms of the share purchase scheme, the Scheme advances loans to employees to acquire shares in the Company. Interest is charged on the loans at interest rates determined by the Board of directors of the Company, the loans must be settled no later than the tenth anniversary on which the shares were allotted and the shares are held by the Scheme as security for the loans.

The employees are entitled to settle the loans at such times as they deem fit, but not so as to result in the following proportions of the employees' total number of allotted shares being paid for prior to: 50% of total number of allotted shares at the expiry of three years; 75% of total number of allotted shares at the expiry of four years; and 100% of total number of allotted shares at the expiry of five years from the date of the holder's acceptance of the allotted share, unless otherwise determined by the Board.

Options acquired, valid for 3, 4 or 5 years, by the Trust to buy back shares are offset against share premium. No options were acquired during the period.

Distributions arising on the allotted shares are utilised to settle any interest or income tax obligations with any excess being applied to settle the outstanding liability.

The number and weighted average exercise prices of shares allotted in terms of the share purchase scheme are:

	2007	Average price R
	Number	
Beginning of year	–	
Allotted	4 423 000	110,51
Repurchased	(48 050)	108,02
End of year	4 374 950	110,07
The fair value of services received in return for shares allotted is measured based on a binomial method. The expected contractual life of the loan obligation is used as an input into this model.		
The fair value of the shares allotted during the year and the assumptions used are:		
	2007	
Fair value at measurement date (Rand)	108,54 – 126,00	
Price on date of allotment (Rand)	108,54 – 126,00	
Expected volatility (%)	25,89 – 26,22	
Expected life (years)	3,00 – 5,00	
Distribution yield (%)	2,89 – 3,04	
Risk-free interest rate (based on national government bonds) (%)	8,16 – 8,73	
The volatility is based on the historic volatility and is not expected to differ materially from the expected volatility.		



Notes to the consolidated financial statements

for the year ended June 30

	2007 R'000	2006 R'000
27. Life assurance fund		
The assurance fund at June 30 agrees with the amount of the actuarial value of liabilities under life insurance policies and contracts at that date.		
Net assurance fund at beginning of year	32 795	13 265
Gross	41 994	21 410
Reinsurer's share	(9 199)	(8 145)
Transfer from income statement	17 662	19 530
Gross	20 302	20 584
Reinsurer's share	(2 640)	(1 054)
Net assurance fund at end of year	50 457	32 795
28. Borrowings		
Loans secured by mortgage bonds over fixed property (refer note 13)	9 626	10 014
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements (refer note 13)	78 714	80 242
Unsecured loans	3 813 988	3 688 047
Vehicle lease creditors secured by pledge of inventories (refer note 22)	29 251	18 285
Floorplan creditors secured by pledge of inventories (refer note 22)	449 337	202 496
Borrowings	4 380 916	3 999 084
Bank overdrafts	1 757 977	708 462
Total borrowings	6 138 893	4 707 546
Short-term portion of borrowings	(3 909 001)	(1 614 362)
Long-term portion of borrowings	2 229 892	3 093 184
Schedule of repayment of borrowings		
Year to June 2007		905 900
Year to June 2008	2 151 024	1 806 696
Year to June 2009	1 226 278	720 200
Year to June 2010	423 037	80 631
Year to June 2011	25 598	–
Year to June 2017	531 629	485 657
Thereafter	23 350	–
	4 380 916	3 999 084
Borrowings comprise		
Borrowings of local subsidiaries	2 200 742	1 834 354
Borrowings of foreign subsidiaries	2 180 174	2 164 730
	4 380 916	3 999 084
	%	%
Effective weighted average rate of interest on		
Local borrowings	9,7	9,7
Foreign borrowings	5,5	4,8

				2007 R'000	2006 R'000
28. Borrowings <i>(continued)</i>					
Terms and debt repayment schedule					
Terms and conditions of outstanding loans were:					
	Currency	Nominal interest rate %	Year of maturity	Carrying value	Carrying value
Borrowings of local subsidiaries				2 200 742	1 834 354
Loans secured by mortgage bonds over fixed property		11,5	2008	9 626	232
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements		8,6 – 18,0	2010 – 2016	12 322	–
Unsecured loans		6,0 – 16,0	2008 – 2017	1 700 206	1 613 341
Vehicle lease creditors secured by pledge of inventories		11,0	2008	29 251	18 285
Floorplan creditors secured by pledge of inventories		11,0 – 11,5	2008	449 337	202 496
Borrowings of foreign subsidiaries				2 180 174	2 164 730
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements					
	Sterling	2,0 – 7,0	2008 – 2046	47 241	78 261
	Euro	6,0	2012	14 393	–
	Other	3,0 – 24,0	2008 – 2014	4 758	12 161
Unsecured loans					
	Euro	5,0	2010	927 811	1 161 314
	Australian \$	6,0	2009	907 276	329 093
	Hong Kong \$	4,0	2008	125 512	–
	Singapore \$	4,0	2008	79 966	–
	New Zealand \$	9,0	2008	44 225	–
	Sterling	6,0	2009	21 270	566 477
	Other	8,0	2008	7 722	17 424
Total interest bearing borrowings				4 380 916	3 999 084
The expected maturity dates are not expected to differ from the contractual maturity dates.					



Notes to the consolidated financial statements

for the year ended June 30

	2007 R'000	2006 R'000
29. Post-retirement obligations		
Total unfunded pension liability (pension fund asset)	(4 081)	22 474
Post-retirement medical aid obligations	160 663	198 618
	156 582	221 092
<i>Pension and provident funds</i>		
The Group provides retirement benefits for its permanent employees through pension funds with defined benefit and defined contribution categories. The major defined benefit pension funds are the Bidcorp Group Pension Fund, McCarthy Group 1977 Pension Fund, Jacobs Pension Fund and Angliss Hong Kong Foodservice Limited Retirement Fund, which was acquired on acquisition of the Angliss business during the current year. During the prior year the Ropner Pension Fund was disposed of with the sale of the Dartline business. Defined contribution provident funds include the Bidcorp Group Provident Fund and the Rennies Group Provident Fund; or appropriate industry funds. There are also a number of small funds within various employers of the Group. All funds are administered independently of the Group and are subject to the relevant pension fund legislation. Employer contributions are set out in note 2. Summarised details of the Bidcorp Group Pension Fund, McCarthy Group 1977 Pension Fund, Jacobs Pension Fund and Angliss Hong Kong Foodservice Limited Retirement Fund		
Number of members at June 30	1 013	950
	R'000	R'000
Employer contribution	61 323	9 280
Employee contribution	1 591	2 028
<i>Total pension fund asset (unfunded pension liability)</i>		
Actuarial present value of defined benefit obligations	(419 090)	(372 659)
Fair value of plan assets	653 920	509 327
Surplus in the plans	234 830	136 668
Unrecognised actuarial gains	(113 484)	(43 453)
Surplus in the plans not recognised due to the uncertainties relating to the apportionment of these surpluses	(117 265)	(115 689)
	4 081	(22 474)
<i>Movement in the liability for defined benefit obligations</i>		
Balance at beginning of year	(372 659)	(502 974)
Benefits paid by plans	28 156	16 510
Current service costs	(7 649)	(5 020)
Interest	(27 565)	(29 459)
Member contributions	(1 176)	(1 775)
Actuarial gains (losses)	11 606	(8 436)
Past service costs	(37 476)	–
Settlement	13 307	–
Acquisition of businesses	(17 154)	–
Disposal of businesses	–	161 479
Exchange rate adjustments on foreign plans	(8 480)	(2 984)
Balance at end of year	(419 090)	(372 659)

	2007 R'000	2006 R'000
29. Post-retirement obligations <i>(continued)</i>		
<i>Movement in the plans' assets</i>		
Balance at beginning of year	509 327	622 916
Contributions paid into the plans	62 914	11 308
Benefits paid by the plans	(28 156)	(16 510)
Expected return on plans' assets	42 879	41 454
Actuarial gains (losses)	57 838	(7 001)
Transfer on settlement	(22 002)	–
Acquisition of businesses	23 625	–
Disposal of businesses	–	(144 177)
Exchange rate adjustments on foreign plans	7 495	1 337
Balance at end of year	653 920	509 327
<i>The plans' assets comprise</i>		
Cash	219 290	98 589
Equity securities	268 114	250 004
Bonds	77 046	93 234
Property	17 671	23 497
Other	71 799	44 003
	653 920	509 327
<i>Amounts recognised in income statement</i>		
Current service costs	7 649	5 020
Interest on obligations	27 565	29 459
Past service costs	37 476	–
Settlement cost	8 695	–
Expected return on plans' assets	(42 879)	(41 454)
Net actuarial losses (gains) recognised in current year	(2 321)	8 302
Net amounts not recognised in income statement or balance sheet of the Group due to the uncertainties relating to the apportionment of the pension fund surpluses.	1 160	15 776
	37 345	17 103
Actual return on plan assets	103 763	34 146
<i>Key actuarial assumptions</i>	%	%
Expected rate of return on plan assets	5,8 – 8,0	5,2 – 9,0
Discount rate	4,8 – 8,4	3,1 – 9,0
Inflation rate	3,3 – 5,5	1,0 – 5,0
Salary increase rate	4,0 – 6,5	6,0
Pension increase allowance	1,9 – 3,9	2,4 – 4,0
Date of valuation	June 30 2007	June 30 2006

Assumptions regarding future mortality are based on published statistics and mortality tables.

The expected long-term rate of return is based on the expected rates of return on the individual asset categories. The return is based exclusively on historical returns, without adjustments.

The Group expects to pay R8 823 000 in contributions to defined benefit plans in the year ending June 30 2008.



Notes to the consolidated financial statements

for the year ended June 30

	2007 R'000	2006 R'000	2005 R'000	2004 R'000	2003 R'000
29. Post-retirement obligations (continued)					
<i>Historical information</i>					
Present value of the defined benefit obligations	(419 090)	(372 659)	(502 974)	(234 551)	(281 337)
Fair value of plans' assets	653 920	509 327	622 916	210 747	236 782
Suplus (deficits) in the plans	234 830	136 668	119 942	(23 804)	(44 555)
Experience adjustments arising on plans' liabilities – losses (gains)	11 606	(8 436)	(100 270)	(33 882)	17 018
Experience adjustments arising on plans' assets – losses (gains)	57 838	(7 001)	(49 413)	(10 302)	11 222
	2007 R'000	2006 R'000			
Post-retirement medical aid obligations					
The Group provides post-retirement medical benefit subsidies to certain retired employees and is responsible for the provision of post-retirement medical benefit subsidies to a limited number of current employees.					
<i>Provision for post-retirement medical aid obligations</i>					
Opening provision raised against unfunded obligation	198 618	188 491			
Expense (income) recognised in income statement	(7 124)	18 410			
Payments charged against provisions	(30 897)	(8 372)			
Acquisition of businesses	66	591			
Disposal of businesses	–	(502)			
Closing provision raised against unfunded obligation	160 663	198 618			
Actuarially determined present value of total obligation using projected unit credit valuation method	160 663	198 618			
<i>Key actuarial assumptions</i>	%	%			
Discount rate	8,1	7,7			
Inflation rate (CPI)	4,8	4,6			
Health care cost inflation	7,2	6,7			
A change in the medical inflation rates will not have a significant impact on the post-retirement medical aid costs and relating obligations.					
	R'000	R'000			
30. Banking liabilities					
Call deposits	146 893	63 324			
Loans	15 424	19 301			
Fixed and notice deposits	40 781	30 918			
	203 098	113 543			
Maturity analysis					
Maturing within one year	203 025	113 265			
Maturing after one year but within five years	73	278			
	203 098	113 543			
Effective rates of interest	%	%			
Call deposits	7,0	5,0			
Loans	8,0	6,0			
Fixed and notice deposits	8,0	6,0			
Banking liabilities other than fixed and notice deposits are at floating interest rates.					

	2007 R'000	2006 R'000
31. Operating leases		
The Group has entered into various operating lease agreements in respect of premises.		
Leases which have fixed determinable escalations are charged to the income statement on a straight-line basis and liabilities are raised for the difference between the actual lease expense and the charge recognised in the income statement. The liabilities are classified based on the timing of the reversal which will occur when the actual cash flow exceeds the income statement amounts.		
Operating lease liabilities	178 176	155 152
Included in trade and other payables	(12 080)	(27 631)
Long-term portion	166 096	127 521
Operating lease commitments		
Land and buildings	4 892 132	4 336 600
Due in one year	357 902	467 433
Due after one year but within five years	1 313 184	1 468 799
Due after five years	3 221 046	2 400 368
Equipment and vehicles	338 347	354 900
Due in one year	69 775	60 205
Due after one year but within five years	267 138	293 582
Due after five years	1 434	1 113
	5 230 479	4 691 500
Less amounts raised as liabilities	(178 176)	(155 152)
	5 052 303	4 536 348
32. Trade and other payables		
Trade payables	9 836 418	9 204 332
Trade payables due to related parties	66	61
Floorplan creditors	775 927	355 971
Other payables and accrued expenses	3 580 095	3 002 331
	14 192 506	12 562 695
The majority of trade and other payables are fixed in the subsidiaries' local currency. Since trade and other payables have limited exposure to exchange rate fluctuations, a currency analysis has not been included.		



Notes to the consolidated financial statements

for the year ended June 30

	2007 R'000	2006 R'000
33. Provisions		
Short-term portion	200 375	224 798
Long-term portion	245 757	99 869
	446 132	324 667

Movement in provisions

	Onerous contracts R'000	Insurance liabilities R'000	Dismantling and site restoration R'000	Other R'000	Total R'000
Balance at June 30 2005	65 269	67 820	59 110	62 614	254 813
Created	41 501	20 074	13 422	66 261	141 258
Utilised	(69 317)	(6 954)	–	(47 648)	(123 919)
Net acquisition of businesses	32 788	–	–	3 455	36 243
Exchange rate adjustments	6 656	–	5 491	4 125	16 272
Balance at June 30 2006	76 897	80 940	78 023	88 807	324 667
Created	9 607	68 212	36 454	80 846	195 119
Utilised	(22 036)	–	(7 088)	(90 108)	(119 232)
Net acquisition of businesses	25 875	–	8 707	(59)	34 523
Exchange rate adjustments	2 421	–	7 599	1 035	11 055
Balance at June 30 2007	92 764	149 152	123 695	80 521	446 132

Onerous contracts

Onerous contracts are identified through regular reviews of the terms and conditions of contracts as well as on acquisition of businesses. A provision for onerous contracts is calculated as the present value of the portion which management deems to be onerous in light of the current market conditions, discounted using market-related rates. An annual expense is recognised over the life of the contracts.

Insurance liabilities

Insurance liabilities include unearned premiums that represent that part of the current year's premiums that relate to risk periods that extend to the following year; claims which are calculated on the settlement amount outstanding at year end; and claims incurred but not reported which are maintained at 7% of net premium income, for claims arising from events that occurred before the close of the accounting period, but which had not been reported to the Group by that date.

Provision for costs of dismantling and restoration of site

A provision is raised for the estimated costs of dismantling and removing items and restoring the site on which they are located. The change in the liability arising as a result of unwinding the discount is recognised in the income statement as a finance charge. The dismantling of the plant and recommissioning of buildings is expected to coincide with the end of the useful life of the plant and lease periods.

Other

Consists of various individually insignificant amounts.

	2007 R'000	2006 R'000
34. Commitments		
Capital expenditure approved		
Contracted for	676 558	540 479
Proposed, not contracted for	525 878	598 371
	1 202 436	1 138 850
It is anticipated that capital expenditure will be financed out of existing cash resources or borrowings.		

	2007 R'000	2006 R'000
35. Contingent liabilities		
Guarantees issued in respect of obligations of associates	16 000	41 000

The Group has provided guarantees to third parties of R100,4 million (2006: R100,9 million) in respect of its investment in Mumbai International Airport Private Limited.

The Group has outstanding legal and other claims arising out of its normal ongoing operating activities which have to be resolved. None of the claims is significant.

36. Financial instruments

Exposure to currency, interest rate and credit risk arises in the normal course of the Group's business.

Currency risk

The Group incurs currency risk as a result of purchases and sales which are denominated in a currency other than the Group's reporting currency. Group entities hedge all trade receivables and trade payables denominated in a foreign currency. At any point in time they also take out economic hedges over their estimated foreign currency exposure resulting from sales and purchases. Most of the forward exchange contracts have maturities of less than one year after the balance sheet date. Where necessary, the forward exchange contracts are rolled over at maturity.

Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied are recognised in the income statement. Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognised in operating profit (refer note 2).

	Settlement	Foreign amount 000's	Rand amount 000's
In respect of forward exchange contracts relating to foreign liabilities as at June 30 2007			
Japanese yen	July 2007 to September 2007	2 395 372	147 041
US dollars	July 2007 to December 2007	22 389	157 798
Euro	July 2007 to October 2007	8 793	85 210
Sterling	July 2007 to October 2007	1 516	21 463
other	July 2007 to September 2007	7 038	4 234
In respect of forward exchange contracts relating to goods and services ordered but not accounted for as at June 30 2007			
Japanese yen	July 2007 to December 2007	1 672 210	101 424
US dollars	July 2007 to November 2007	22 414	161 002
Euro	July 2007 to November 2007	2 785	27 232
Mauritian rupee	July 2007 to August 2007	643	156
Sterling	July 2007 to September 2007	181	2 574
other	July 2007 to August 2007	104	605



Notes to the consolidated financial statements

for the year ended June 30

36. Financial instruments (continued)

Interest rate risk

The Group adopts a policy of ensuring that its borrowings are at market-related rates to address its interest rate risk. The Group's investments in listed bonds, accounted for as available-for-sale and held-for-trading financial assets are exposed to a risk of change in fair value due to changes in interest rates. Investments in equity securities accounted for as held-for-trading financial assets and trade receivables and payables are not exposed to interest rate risk.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Reputable financial institutions are used for investing and cash handling purposes. At balance sheet date there were no significant concentrations of credit risk. The balance sheet amount reflects the maximum credit exposure.

Fair values

The carrying amount of all financial assets and liabilities approximates fair value with the exception of borrowings (which have been accounted for as amortised cost and certain investments where fair value cannot be determined). The fair value of borrowings, together with the carrying amounts shown in the balance sheet, is:

	2007		2006	
	Carrying amount R'000	Fair value R'000	Carrying amount R'000	Fair value R'000
Borrowings				
Loans secured by mortgage bonds over fixed property	9 626	9 626	10 014	10 014
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	78 714	78 714	80 242	80 242
Unsecured loans	3 813 988	3 682 669	3 688 047	3 653 628
Vehicles lease creditors secured by pledge of inventories	29 251	29 251	18 285	18 285
Floorplan creditors secured by pledge of inventories	449 337	449 337	202 496	202 496
Bank overdrafts	1 757 977	1 757 977	708 462	708 462
	6 138 893	6 007 574	4 707 546	4 673 127
Unrecognised gain	(131 319)		(34 419)	

The methods used to estimate the fair values of financial instruments are discussed in note 39.

The interest rates used to discount cash flows, in order to determine fair values, are based on market related rates at June 30 2007 ranging from 2,0% to 24,0%.

Sensitivity analyses

In managing interest rate and currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, permanent changes in foreign exchange and interest rates would have an impact on consolidated earnings.

At June 30 2007, it is estimated that a general increase of one percentage point in interest rates would not have a significant effect on the Group's profit and would amount to a decrease of approximately R34,0 million in profit after taxation. It is estimated that a general increase of one percentage point in the value of the rand against other foreign currencies would decrease the Group's profit before taxation by approximately R11,9 million for the year ended June 30 2007.

37. Related parties

Identity of related parties

The Group has a related party relationship with its subsidiaries, associates and joint ventures (details of major subsidiaries, joint ventures and associates are reflected on page 188 to page 191 of this report). Key management personnel has been defined as the executive and non-executive directors of the Company. The definition of key management includes the close members of family of key management personnel and any other entity over which key management exercises control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group. They may include the individual's domestic partner and children, the children of the individual's domestic partner, and dependants of the individual or the individual's domestic partner.

Transactions with key management personnel

Directors of the Company and their immediate relatives control 2,7% of the voting shares of the Company.

Independent non-executive directors do not participate in the Group's share option and share purchase schemes.

Details pertaining to executive directors' compensations are set out in the directors' report on page 133. Directors' remuneration is included in note 2.

The Group encourages its employees to purchase goods and services from Group companies. These transactions are generally conducted on terms no more favourable than those entered into with third parties on an arm's-length basis, although in some cases nominal discounts are granted. Transactions with key management personnel are conducted on similar terms. No abnormal or non-commercial credit terms are allowed, and no impairments were recognised in relation to any transactions with key management personnel during the year, nor have they resulted in any non-performing debts at year end.

Similar policies are applied to key management personnel at subsidiary level who are not defined as key management personnel at Group level.

Certain of the directors of the Group are also non-executive directors of other public companies which may transact with the Group. The relevant directors do not believe they have significant influence over the financial or operational policies of those companies. Those companies are thus not regarded as related parties.

The following transactions were made on terms equivalent to those that prevail in arm's-length transactions between subsidiaries of the Group and key management personnel (as defined above) and/or organisations in which key management personnel have significant influence:

	2007 R'000
Sales and services provided by the Group	29 452
Purchases	14 191
Outstanding amounts due to the Group at year end included in respect of the share purchase scheme	128 013
Outstanding amounts due to the Group at year end included in trade receivables	7 471
Outstanding amounts due by the Group at year end included in trade payables	66
Guarantees issued	–
Transactions with associates	
The following transactions were made on terms equivalent to those that prevail in arm's-length transactions between subsidiaries and associates of the Group	
Sales and services provided by the Group	2 906
Purchases	13 263
Outstanding amounts due to the Group at year end included in advances to associates	43 101
Outstanding amounts due to the Group at year end included in trade receivables	–
Outstanding amounts due by the Group at year end included in trade payables	–
Guarantees issued	16 000
Details of effective interest, investments and loans to associates are disclosed in note 18 and detailed on page 191.	



Notes to the consolidated financial statements

for the year ended June 30

38. Accounting estimates and judgements

The audit committee has considered the Group's critical accounting policies, key sources of uncertainty and areas where critical accounting judgements were required in applying the Group's accounting policies.

Critical accounting policies

The audit committee is satisfied that the critical accounting policies are appropriate to the Group.

Key source of uncertainty

A key source of uncertainty relates to the liabilities to the benefit funds or related assets due to the surplus apportionment in terms of the Pensions Fund Act which has yet to be finalised and approved. Details relating to the current surpluses and deficits are included in note 29.

Critical accounting judgements in applying the Group's accounting policies

Judgements made in the application of IFRS 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.

Property, plant and equipment

The residual values of the property, plant and equipment are reviewed annually after considering future market conditions, the remaining life of the asset and projected disposal values. The estimation of the useful lives is based on historic performance as well as expectation about future use and, therefore, requires a degree of judgement to be applied. The depreciation rates represent management's current best estimate of the useful lives of the assets.

Impairment of goodwill

The Group has assessed the carrying values of goodwill to determine whether any of the amounts have been impaired. The carrying values were assessed using a combination of discounted cash flow and price earnings methods, the actual results and forecasts for future years.

Deferred taxation

Deferred tax assets are recognised to the extent it is probable that the taxable income will be available against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and taxation rates and competitive forces.

Investments

The Group reflects its held-for-trade and available-for-sale investments at fair value. The directors' value of unlisted investments was determined using a combination of discounted cash flow, net asset value and price earnings methods.

Inventories

Impairment provisions are raised against inventory when it is considered that the amount realisable from such inventory's sale is considered to be less than its carrying amount. The provision is made with reference to an inventory age analysis.

Trade receivables

Management identifies impairment of trade receivables on an ongoing basis. An allowance for doubtful debts is raised against trade receivables when their collectibility is considered to be doubtful. Management believes that the impairment adjustment is conservative and there are no significant trade receivables that are doubtful and have not been impaired. In determining whether a particular receivable could be doubtful, the age, customer's current financial status and disputes with the customer are taken into consideration.

Post-retirement obligations

The Group provides retirement benefits for its permanent employees through pension funds with defined benefit and defined contribution categories. Actuarial valuations are based on assumptions which include the discount rate, inflation rate, salary increase rate, expected return on plan assets and the pension increase allowance rate.

39. Determination of fair value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market values of other assets are based on the quoted market prices for similar items.

Intangible assets

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

Inventory

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the efforts required to complete and sell the inventory.

Investments

Fair value of listed investments is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Fair value of unlisted investments is determined by using appropriate valuation models.

Forward exchange contracts

The fair value of forward exchange contracts is based on their listed market prices.

Borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. The carrying value of the bank overdrafts is the fair value.

Share-based payments

The fair value of the share options is measured using a binomial method. Measurement inputs include share price at measurement date, exercise price of the instrument, expected volatility (based on the historic volatility), option life, distribution yield and the risk-free interest rate (based on national government bonds).



Notes to the consolidated financial statements

for the year ended June 30

40. Standards and interpretations not effective at June 30 2007

At the date of approval of the annual financial statements, the following standards and interpretations that apply to the Group were in issue but not yet effective

Standard/interpretation	Description	Effective date
IFRS 7	Financial Instruments Disclosures (including amendments to IAS 1 Presentation of Financial Statements – Capital Disclosures)	July 1 2007
IFRIC 11	IFRS 2 Group and Treasury Transactions	July 1 2007
IFRIC 14	IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction	July 1 2008
IFRS 8	Operating segments	July 1 2009
IAS 23	Borrowing Costs	July 1 2009

IFRS 7 and amendments to IAS 1

The disclosures provided in respect of financial instruments in the financial statements for the period ending June 30 2008, as well as comparative information, will be compliant with IFRS 7 and IAS 1. The disclosure requirements of IFRS 7 require additional disclosure compared to that required in terms of existing IFRS in respect of:

Qualitative disclosures

Further information regarding each type of financial instrument risk including the exposures to risk and how they arise; the Group's objectives, policies and processes for managing the risk; the methods used to measure the risk; and any changes from the previous period.

Quantitative disclosures

Further information regarding each type of the Group's financial instrument risk including a summary of quantitative data about exposure to that risk at the reporting date including any concentrations of credit risk; financial assets that are either past due or impaired; any collateral and other credit enhancements obtained; liquidity risk; market risk; and capital objectives and policies.

The adoption of IFRS 7 and amendments to IAS 1 will not have any impact on the accounting policies adopted for financial instruments.

IFRIC 11

In terms of IFRIC 11, when a subsidiary grants rights to equity instruments of its parents to its employees, the subsidiary shall account for the transaction with its employees as a cash-settled share-based payment transaction. No such transactions have occurred or are anticipated to take place.

IFRIC 14

IFRIC 14 will be adopted by the Group for the first time for the year ending June 30 2009.

This interpretation addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 19 of IAS 19 Employee Benefits; how a minimum funding requirement might affect the availability of reductions in future contributions; and when a minimum funding requirement might give rise to a liability.

The effect of adopting IFRIC 13 has not yet been calculated but is not expected to be material.

IFRS 8

In terms of IFRS 8, effective for the year ending June 30 2010, segment reporting will be based on the information that management uses internally for evaluating segment performance and when deciding how to allocate resources to operating segments. Such information may differ from what is used to prepare the income statement and balance sheet.

The adoption of IFRS 8 will have no impact on the Group as the consolidated segmental analysis is already prepared on the aforementioned basis.

IAS 23

This revised standard supersedes the existing IAS 23 and will be adopted by the Group for the first time for the year ending June 30 2010.

The revised IAS 23 states that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset and other borrowing costs are recognised as an expense. Therefore the accounting policy election to either capitalise or expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset no longer exists.

There is no impact on adoption of this statement as the Group's existing accounting policy with regard to the capitalisation of borrowing costs is consistent with the requirements of the revised IAS 23.

	2007	2006
41. Foreign currency exchange rates		
The following exchange rates were used in the conversion of foreign interests and foreign transactions at June 30		
<i>Rand/Sterling</i>		
Opening rate	13,20	11,96
Closing rate	14,18	13,20
Average rate	13,95	11,44
<i>Rand/Euro</i>		
Opening rate	9,16	8,07
Closing rate	9,54	9,16
Average rate	9,41	7,82
<i>Rand/Australian dollar</i>		
Opening rate	5,31	5,09
Closing rate	6,01	5,31
Average rate	5,67	4,81
<i>Rand/United States dollar</i>		
Opening rate	7,27	6,68
Closing rate	7,08	7,27
Average rate	7,22	6,43



Company income statement

for the year ended June 30

	Note	2007 R'000	2006 R'000
Dividends received		1 086 423	994 216
Subsidiaries and joint ventures		1 077 300	991 142
Associates		9 083	3 074
Unlisted investments		40	–
Fair value adjustments and impairment of investments in subsidiaries, joint ventures and associates		(24 634)	(356 199)
Profit on disposals of subsidiaries, joint ventures and associates		2 206	1 332
Profit before taxation		1 063 995	639 349
Taxation	2	(337)	(368)
Profit for the year attributable to shareholders		1 063 658	638 981

Company cash flow statement

for the year ended June 30

	Note	2007 R000	2006 R000
Cash outflow from operating activities		(238 806)	(73 280)
Cash generated by operations	3	1 087 468	996 167
Taxation refund received (taxation paid)	4	(246)	4 576
Refunds of share premium to shareholders in lieu of dividends		(1 326 028)	(1 074 023)
Cash effects of investment activities		(279 529)	(128 201)
Decrease (increase) in advances to subsidiaries		(230 937)	556 985
Increase in advances to associates		–	(20 095)
Acquisitions of subsidiaries and associates	5	(67 262)	(672 783)
Proceeds on disposals of subsidiaries and associates	6	18 670	7 692
Cash effects of financing activities		494 094	180 274
Proceeds from share issues		494 094	180 274
Net decrease in cash and cash equivalents		(24 241)	(21 207)
Cash and cash equivalents at beginning of year		64 371	85 578
Cash and cash equivalents at end of year		40 130	64 371

Company balance sheet

as at June 30

	Note	2007 R'000	2006 R'000
ASSETS			
Non-current assets		5 411 529	5 170 886
Interest in subsidiaries	7	5 246 208	5 010 402
Interest in joint ventures	8	4 540	4 540
Interest in associates	9	160 431	155 094
Investments	10	350	850
Current assets			
Cash and cash equivalents		40 130	64 371
Total assets		5 451 659	5 235 257
EQUITY AND LIABILITIES			
Capital and reserves	11	5 440 873	5 151 066
Current liabilities		10 786	84 191
Trade and other payables		10 467	8 395
Provisions		–	37 578
Vendors for acquisition		–	37 990
Taxation		319	228
Total equity and liabilities		5 451 659	5 235 257



Notes to the Company financial statements
for the year ended June 30

	2007 R'000	2006 R'000
1. Statement of recognised income and expenses		
A statement of recognised income and expenses has not been prepared as there were no amounts recognised directly in equity. Details of changes in capital and reserves are provided in note 11.		
2. Taxation		
Current taxation	337	232
Current year	319	–
Prior years	18	232
Secondary taxation on companies	–	136
Total taxation per income statement	337	368
The reconciliation of the effective tax rate with the company tax rate is as follows	%	%
Taxation for the year as a percentage of profit before taxation	–	(0,1)
Dividend and exempt income	29,7	45,2
Changes in prior years' estimation	–	0,1
Expenses not taxable or allowed	(0,7)	(16,2)
Rate of South African company taxation	29,0	29,0
	R'000	R'000
Secondary taxation on companies – dividend credits available	158 962	91 442
3. Cash generated by operations		
Profit before taxation	1 063 995	639 349
Adjustment for non-cash items	22 428	354 867
Retained to finance working capital		
Increase in trade and other payables and provisions	1 045	1 951
Cash generated by operations	1 087 468	996 167
4. Taxation refund received (taxation paid)		
Amount payable at beginning of year	(228)	4 716
Per income statement	(337)	(368)
Amount payable at end of year	319	228
Refund received (amount paid)	(246)	4 576
5. Acquisitions of subsidiaries and associates		
Interest in subsidiaries	(18 325)	(661 949)
Interest in associates	(10 947)	(48 824)
Total value of acquisitions	(29 272)	(710 773)
Vendors for acquisition at beginning of year	(37 990)	–
Vendors for acquisition at end of year	–	37 990
Amounts paid	(67 262)	(672 783)

	2007 R'000	2006 R'000
6. Proceeds on disposal of subsidiaries and associates		
Interest in subsidiaries	10 354	6 360
Interest in associates	6 110	–
Net carrying value	16 464	6 360
Profit on disposal	2 206	1 332
Net proceeds	18 670	7 692
7. Interest in subsidiaries		
Shares at cost	2 838 505	2 820 262
Due by subsidiaries	2 828 896	2 618 389
Due to subsidiaries	(421 193)	(428 249)
	5 246 208	5 010 402
Details of subsidiaries are reflected on pages 188 to 191 of this report.		
8. Interest in joint ventures		
Shares at cost	4 540	4 540
Details of major joint ventures are reflected on page 191 of this report.		
9. Interest in associates		
Listed	50 625	56 272
Unlisted	89 711	78 727
	140 336	134 999
Interest free advances	20 095	20 095
	160 431	155 094
Market value of listed associates	455 456	213 186
Directors' value of unlisted associates	186 202	131 216
	641 658	344 402
Details of major associates are reflected on page 191 of this report.		
10. Investments		
Unlisted shares	350	850
Directors' value of unlisted investments	350	850



Notes to the Company financial statements

for the year ended June 30

	2007 R'000	2006 R'000
11. Capital and reserves		
Share capital		
Authorised		
540 000 000 (2006: 540 000 000) ordinary shares of 5 cents each	27 000	27 000
	Number	Number
Issued		
Balance at beginning of year	325 178 398	320 421 750
Shares issued in terms of the share incentive scheme	5 575 569	4 756 648
Balance at end of year	330 753 967	325 178 398
	R'000	R'000
Issued share capital	16 538	16 259
Balance at beginning of year	16 259	16 021
Shares issued in terms of the share incentive scheme	279	238
Share premium	1 863 743	2 695 956
Balance at beginning of year	2 695 956	3 589 943
Arising on shares issued in terms of the share incentive scheme	493 815	180 217
Refunds of share premium to shareholders in lieu of dividends	(1 326 028)	(1 074 023)
Share issue expenses	–	(181)
Reserves		
Equity-settled share-based payment reserve	166 028	107 945
Balance at beginning of year	107 945	57 895
Arising during current year	58 083	50 050
Retained earnings	3 394 564	2 330 906
Balance at beginning of year	2 330 906	1 691 925
Profit attributable to shareholders	1 063 658	638 981
Total capital and reserves	5 440 873	5 151 066
30 000 000 of the unissued shares are under the control of the directors until the next annual general meeting.		
12. Contingent liabilities		
In respect of guarantees of banking and other facilities granted to subsidiaries and associates	16 633 942	11 116 200
Of which has been utilised	4 575 525	2 740 463

13. Borrowing powers

Borrowing powers, in terms of the articles of association, are unlimited.

14. Related parties

The subsidiaries, joint ventures and associates of the Group are identified in the annexure set out on pages 188 to 191. All of these entities are related parties of the Company. The Company has made loans to, and has received loans from, certain of these entities as set out in the said annexure.

Details of income received from these related parties are included in the income statement.

All expenditure incurred by the Company is borne by a subsidiary in lieu of administration fees and interest.



Interest in subsidiaries, joint ventures and associates

as at June 30

	Issued capital R'000	Effective holdings 2007 %	2006 %	Shares 2007 R'000	2006 R'000	Company's interest 2007 R'000	Indebtedness 2006 R'000
Major subsidiaries							
Catering supplies, food and allied products							
3663 First for Food Service (Pty) Limited#	*	100	100	—	—	—	—
Angliss Hong Kong Food Service Limited ⁽¹⁾	142	100	—	—	—	—	—
Angliss International Investment Limited ⁽¹⁾	1	100	—	—	—	—	—
Angliss Singapore Pte Limited ⁽²⁾	51 665	100	—	—	—	—	—
Angliss USA Inc ⁽³⁾	1	100	—	—	—	—	—
BFS Group Limited (trading as 3663) ⁽⁴⁾	425 225	100	100	—	—	—	—
Bid Food Ingredients (Pty) Limited#	*	100	100	—	—	—	—
Bid Foodservice (Europe) Limited ⁽⁴⁾	141 798	100	100	—	—	—	—
Bidbake (Pty) Limited#	*	100	100	—	—	—	—
Bidfood (Pty) Limited#	*	100	100	—	—	—	—
Bidvest (N.S.W) Limited ⁽⁵⁾	*	100	100	—	—	—	—
Bidvest (Victoria) (Pty) Limited ⁽⁵⁾	*	100	100	—	—	—	—
Bidvest (W.A.) (Pty) Limited ⁽⁵⁾	*	100	100	—	—	—	—
Bidvest Australia Limited ⁽⁵⁾	954	100	100	—	—	—	—
Blue Marine Frozen Foods (Pty) Limited#	*	100	100	—	—	—	—
Burleigh Marr Distributions (Pty) Limited ⁽⁵⁾	78	100	100	—	—	—	—
C.C.W. Catering Supplies (Pty) Limited#	*	100	100	—	—	—	—
Caterplus (Botswana) (Pty) Limited ⁽⁶⁾	*	100	100	—	—	—	—
Caterplus (Pty) Limited ⁽⁵⁾	*	100	100	—	—	—	—
Caterplus (Pty) Limited#	*	100	100	—	—	2 429	2 429
Caterplus Namibia (Pty) Limited ⁽⁷⁾	*	100	100	—	—	—	—
Catersales (Pty) Limited#	*	100	100	—	—	—	—
Chipkins Bakery Supplies (Pty) Limited#	*	100	100	—	—	—	—
Chipkins Catering Supplies (Pty) Limited#	*	100	100	—	—	—	—
Continental Spice Works (Pty) Limited#	*	100	100	—	—	—	—
Crean Foodservice Limited ⁽⁸⁾	*	100	100	—	—	—	—
Crown National (Pty) Limited#	10	100	100	10	10	(10)	(10)
D and R Lowe Catering Supplies (Pty) Limited#	*	100	100	—	—	(312)	(312)
Deli XI Belgie Nv ⁽⁹⁾	804 065	100	100	—	—	—	—
Deli XI BV ⁽¹⁰⁾	112 594	100	100	—	—	—	—
Deli XI SA ⁽⁹⁾	18 937	100	100	—	—	—	—
Everyday Foods (Pty) Limited	*	100	100	—	1 003	—	—
First Food Distributors (Pty) Limited#	*	100	100	—	—	—	—
Horeca Trade Llc ⁽¹¹⁾	578	80	80	—	—	—	—
Hotel Amenities Suppliers (Pty) Limited	*	100	100	—	—	—	—
International Bakery Ingredients (Pty) Limited	*	100	100	8 108	19 647	—	—
John Lewis Foodservice (Pty) Limited ⁽⁵⁾	*	100	100	—	—	—	—
Lou's Wholesalers (Pty) Limited#	*	100	100	—	—	—	—
Lufil Packaging (Pty) Limited	*	100	100	59 244	59 244	—	—
M & M Quality Choice (Pty) Limited#	*	100	100	—	—	—	—
Modern Packaging (Benoni) (Pty) Limited#	*	100	100	—	—	—	—
N Stephenson (Pty) Limited ⁽³⁾	240	100	100	—	—	—	—
National Spice Works (Pty) Limited#	*	100	100	140	140	(140)	(140)
NCP Yeast (Pty) Limited#	*	100	100	—	—	—	—
Patleys (Pty) Limited#	*	100	100	—	—	—	—
Pinnacle Limited ⁽⁴⁾	14	100	—	—	—	—	—
RFS Catering Supplies (Pty) Limited#	*	100	100	—	—	—	—
The Barton Meat Company Limited ⁽⁴⁾	1	51	51	—	—	—	—
Tri-Mark Industries (Pty) Limited	*	100	100	221	4 044	—	—
Vulcan Catering Equipment (Pty) Limited#	*	100	100	—	—	—	—
Travel, financial and related services							
Bid Financial Services (Pty) Limited	*	100	100	—	—	90 000	90 000
Bidtravel (Pty) Limited#	*	100	100	—	—	—	—
Bidvest Bank Limited	1 800	100	100	—	—	—	—
Concorde Travel (Pty) Limited	*	90	90	47 538	47 433	—	—
Connex Travel (Pty) Limited	100	47	47	28 149	28 040	5 513	5 513
Namibia Bureau de Change (Pty) Limited ⁽⁷⁾	500	51	51	—	—	—	—
Prestige Travel SA (Pty) Limited#	*	100	100	—	—	—	—
Rennies Travel (Namibia) (Pty) Limited ⁽⁷⁾	*	100	100	—	—	—	—
Rennies Travel (Pty) Limited	*	75	75	1 644	1 151	—	—
Travel Connections (Pty) Limited	*	60	60	9 184	9 119	—	—
Uniworld Travel (Pty) Limited#	*	100	100	—	—	—	—
World Travel (Pty) Limited	3 350	100	100	7 369	7 306	—	—
Freight forwarding, clearing, distribution warehousing and allied activities							
African Shipping Limited	2 450	100	100	8 996	8 996	—	—
Bidcorp Outsourced Services Limited ⁽⁴⁾	307 774	100	100	—	—	—	—
Bidcorp Property Limited ⁽⁴⁾	*	100	100	—	—	—	—
Bidfreight (Pty) Limited#	*	100	100	—	—	—	—
Bidfreight Intermodal (Pty) Limited#	*	100	100	—	—	—	—
Bidfreight Logistics (Pty) Limited#	*	100	100	—	—	—	—
Bidfreight Port Operations (Pty) Limited#	*	100	100	—	—	—	—
Bidfreight Terminals (Pty) Limited#	*	100	100	—	—	—	—
Bulk Connections (Pty) Limited#	*	100	100	—	—	—	—
Freightbulk (Pty) Limited	*	100	100	680	672	108	108

	Issued capital R'000	Effective holdings		Shares 2007 R'000	Company's interest		Indebtedness 2006 R'000
		2007	2006		2006	2007	
		%	%		R'000	R'000	
Freight forwarding, clearing, distribution warehousing and allied activities (continued)							
Island View Storage Limited	6 300	100	100	367 592	367 226	—	—
Island View Storage Richards Bay (Pty) Limited	500	100	100	—	—	—	—
Lubrication Specialists (Pty) Limited	*	32	32	—	—	—	—
Luderitz Bay Shipping & Forwarding (Pty) Limited ⁽¹²⁾	*	85	62	—	—	—	—
Manica (Botswana) (Pty) Limited ⁽⁶⁾	170	100	100	—	—	—	—
Manica (Malawi) Limited ⁽¹³⁾	345	100	75	—	—	—	—
Manica Africa (Pty) Limited	3 088	100	100	—	—	—	—
Manica Congo (Pty) Limited ⁽¹⁴⁾	*	100	100	—	—	—	—
Manica Group Namibia (Pty) Limited ⁽⁷⁾	275	85	62	—	—	—	—
Manica Holdings Limited	1	100	100	77 447	77 280	35 300	23 499
Manica Information Technology (Pty) Limited	*	62	62	—	—	—	—
Manica (Zambia) Limited ⁽¹⁵⁾	790	100	100	—	—	—	—
Manica Zimbabwe Limited ⁽¹⁶⁾	*	100	100	—	—	—	—
Naval Servicos A Navegacao Limitada ⁽¹²⁾	10	100	100	—	—	—	—
Ontime Automotive (Prestige Vehicle Distribution) Limited ⁽⁴⁾	*	100	100	—	—	—	—
Ontime Automotive (Specialist Operations) Limited ⁽⁴⁾	1	100	100	—	—	—	—
Ontime Automotive (Technical Services) Limited ⁽⁴⁾	14	100	100	—	—	—	—
Ontime Automotive (Volume Distribution) Limited ⁽⁴⁾	660	100	100	—	—	—	—
Ontime Automotive Limited ⁽⁴⁾	425 236	100	100	—	—	—	—
Ontime Rescue & Recovery Limited ⁽⁴⁾	1	100	100	—	—	—	—
P & I Associates (Pty) Limited#	*	100	100	—	—	—	—
Procdib Limited ⁽⁴⁾	*	100	100	—	—	—	—
Renfreight (Pty) Limited	*	100	100	95 554	95 554	(108)	(108)
Rennie Murray and Company (Pty) Limited#	*	100	100	—	—	—	—
Rennies Distribution Services (Pty) Limited#	*	100	100	—	—	—	—
Rennies Property Holdings (Pty) Limited	54 000	100	100	54 000	54 000	—	—
Rennies Ships Agency (Pty) Limited#	*	100	100	—	—	—	—
Safcor Freight (Pty) Limited (trading as Safcor Panalpina)	*	100	100	107 722	106 512	—	—
South African Bulk Terminals Limited	2	100	100	51 399	51 125	—	—
South African Container Depots (Pty) Limited#	*	100	100	—	—	—	—
South African Container Stevedores (Pty) Limited	1	82	82	61	37	—	—
Walvis Bay Stevedoring Company (Pty) Limited ⁽⁷⁾	*	43	34	—	—	—	—
Woker Freight Services (Pty) Limited ⁽⁷⁾	29	85	62	—	—	—	—
Office furniture, supplies and related products							
Bid Information Exchange (Pty) Limited#	*	100	100	—	—	—	—
Bonanza Holdings (Pty) Limited	*	100	100	—	—	5 076	5 396
Budget Desks and Chairs (Pty) Limited#	*	100	100	—	—	—	—
Cecil Nurse (Pty) Limited#	*	100	100	—	—	—	—
Cecil Nurse Namibia (Pty) Limited ⁽⁷⁾	*	100	100	—	—	—	—
Contract Office Products (Pty) Limited#	*	100	100	—	—	—	—
Dauphin Office Seating SA (Pty) Limited	*	71	71	1 819	1 663	—	—
Ditulo Office (Pty) Limited	*	40	40	—	—	—	—
Hortors Stationery (Pty) Limited#	*	100	100	—	—	—	—
Kolok (Botswana) (Pty) Limited ⁽⁶⁾	*	100	100	—	—	—	—
Kolok (Namibia) (Pty) Limited ⁽⁷⁾	*	100	100	—	—	—	—
Kolok (Pty) Limited#	*	100	100	—	—	—	—
Minolco (Namibia) (Pty) Limited ⁽⁷⁾	*	100	100	—	—	—	—
Minolco (Pty) Limited#	*	100	100	—	—	—	—
Nuclear Corporate Furniture (Pty) Limited#	*	100	100	—	—	—	—
Offurn Clearance House (Pty) Limited#	*	100	100	5 963	5 963	(6 551)	—
Pago Designs (Pty) Limited	*	100	100	960	3 644	600	600
Seating (Pty) Limited#	*	100	100	—	—	—	—
South African Diaries (Pty) Limited#	*	100	100	—	—	—	—
Waltons Stationery Company (Pty) Limited#	31	100	100	31	31	(31)	(31)
Waltons Stationery Company (Namibia) (Pty) Limited ⁽⁷⁾	*	100	100	—	—	—	—
Printing and stationery products							
Bid Commercial Products (UK) Limited ⁽⁴⁾	*	100	100	—	—	—	—
Bidpaper Plus (Pty) Limited	*	100	100	—	—	—	—
Blesston Printing and Associates (Pty) Limited	*	100	—	—	—	—	—
Email Connection (Pty) Limited	*	100	100	1 708	2 606	—	—
Expressed Solutions (Pty) Limited	*	100	100	—	—	7 127	7 687
Globe Stationery Manufacturing Company (Pty) Limited#	*	100	100	—	—	—	—
Kolok Africa (Pty) Limited#	*	100	100	—	—	—	—
Lithotech (Pty) Limited	*	100	100	—	—	—	—
Lithotech Afric Mail (Cape) (Pty) Limited	160	100	100	—	—	—	—
Lithotech Corporate (Pty) Limited	*	100	100	—	—	—	—
Lithotech Holdings Limited	473	100	100	139 593	137 661	—	10 000
Lithotech Solutions (Pty) Limited	*	100	100	—	—	—	—
Ozalid South Africa (Pty) Limited#	*	100	100	—	—	—	—
Silveray Manufacturers (Pty) Limited#	58	100	100	—	—	—	—
Silveray Statmark Company (Pty) Limited#	11	100	100	7 017	7 017	(3 089)	(3 290)
Tension Envelope (Pty) Limited#	*	100	100	—	—	—	—



Interest in subsidiaries, joint ventures and associates

as at June 30

	Issued capital R'000	Effective holdings 2007 %	2006 %	Shares 2007 R'000	2006 R'000	Company's interest 2007 R'000	Indebtedness 2006 R'000
Major subsidiaries (continued)							
Packaging closures and fastening systems							
Afcom Group Limited	343	100	100	10 435	12 412	31 587	31 587
African Commerce Developing Company (Pty) Limited#	151	100	100	—	—	—	—
Buffalo Executape (Pty) Limited#	*	100	100	—	—	—	—
Buffalo Tapes (Pty) Limited#	*	100	100	—	—	—	—
G E Hudson (Pty) Limited#	*	100	100	—	—	—	—
Ram Fasteners (Pty) Limited	*	100	100	3 485	3 441	11 836	11 836
Linen rental, laundry, cleaning and other services							
Airport Handling Services (Pty) Limited	*	40	40	—	—	—	—
Bidair Services (Pty) Limited#	*	100	100	625	409	—	—
Bidprocure (Pty) Limited#	*	100	100	—	—	—	—
Bidserv (Pty) Limited#	*	100	100	—	—	—	—
Bidserv Industrial Products (Pty) Limited#	*	100	100	—	—	—	—
Bidserv Mozambique Limitada ⁽¹²⁾	6	100	100	—	—	—	—
Bidserv Risk Solutions (Pty) Limited#	*	100	100	—	—	—	—
Bidvest (Zambia) (Pty) Limited ⁽¹³⁾	*	100	100	—	—	—	—
Bosnandi Laundry (Pty) Limited	*	51	51	—	—	—	—
Commuter Handling Services (Pty) Limited	1	65	—	8 063	—	7 725	—
Companhia de Fumigações de Mozambique Limitada ⁽¹²⁾	6	100	100	—	—	—	—
Dinatla Property Services (Pty) Limited	30	50	50	939	925	—	—
Execuflores (Pty) Limited#	*	100	100	—	—	—	—
Express Air Services (Pty) Limited	1	100	100	—	—	—	—
First Garment Rental (Pty) Limited#	*	100	100	—	—	—	—
First In Staffing Solutions (Pty) Limited	*	100	100	—	—	—	—
Giant Clothing Limited ⁽¹³⁾	8	100	100	—	—	—	—
Global Payment Technologies Cash Systems (Pty) Limited#	*	100	100	44 301	44 301	—	—
Industro Cleaning Botswana (Pty) Limited ⁽⁶⁾	*	80	—	—	—	—	—
Ingenico SA (Pty) Limited#	*	100	100	8 037	8 037	—	—
Langa Status Property Services (Pty) Limited	*	45	45	—	—	—	—
Magnum Shield Security Services (Pty) Limited#	*	100	100	—	—	—	—
Master Guard Fabric Protection Africa (Pty) Limited	*	50	50	16	16	—	—
MyMarketdot Com (Pty) Limited#	*	100	100	—	—	—	—
Nomtsalane Property Services (Pty) Limited	*	43	43	—	—	—	—
Prestige Cleaning Services (Pty) Limited#	*	100	100	—	—	—	—
Provicom Risk Solutions (Pty) Limited#	*	100	100	—	—	—	—
Pureau Fresh Water Company (Pty) Limited#	*	100	100	—	—	—	—
QMS Consulting (Pty) Limited#	*	100	100	—	—	—	—
Rochester Midlands Industries SA (Pty) Limited	*	50	50	167	167	—	—
Setsebi Property Services (Pty) Limited	*	50	50	—	—	—	—
Steiner Environmental Solutions (Pty) Limited#	*	100	100	—	—	—	—
Steiner Group (Pty) Limited#	*	100	100	—	—	—	—
Steiner Hygiene (Pty) Limited#	*	100	100	—	—	—	—
Steiner Hygiene Swaziland (Pty) Limited ⁽¹⁹⁾	6	100	100	—	—	—	—
Strategic Corporate Solutions (Pty) Limited#	*	100	100	—	—	—	—
Taemane Cleaning Services (Pty) Limited	*	70	70	—	—	—	—
TMS Group Industrial Services (Pty) Limited	1	100	100	—	—	32	32
Top Turf Botswana (Pty) Limited ⁽⁶⁾	*	100	100	—	—	—	—
Top Turf Group (Pty) Limited#	*	100	100	4	4	(4)	(4)
Top Turf Mauritius (Pty) Limited ⁽¹⁷⁾	*	100	100	—	—	—	—
Top Turf Seychelles (Pty) Limited ⁽¹⁸⁾	1	100	100	—	—	—	—
Total Outdoors (Swaziland) (Pty) Limited ⁽¹⁹⁾	*	100	100	—	—	—	—
Umoja Property Solutions (Pty) Limited	*	51	51	—	—	—	—
Vericon Outsourcing (Pty) Limited#	*	100	100	—	—	—	—
Electrical, security and related products							
Bellco Electrical Company (Pty) Limited	200	100	100	—	—	—	—
Berzack Brothers (Jhb) (Pty) Limited	200	100	100	—	—	—	—
Berzack Brothers (Pty) Limited	4 300	100	100	—	—	—	—
Bloch & Levitan (Pty) Limited	50	100	100	—	—	—	—
Eastman Staples Limited ⁽⁴⁾	224	50	50	—	—	—	—
Sanlic International (Pty) Limited	*	100	100	—	—	—	—
Versalec Cables (Pty) Limited	*	100	100	38 131	37 990	—	—
Voltex (Pty) Limited	9	100	100	—	—	—	—
Voltex Holdings Limited	6 630	100	100	261 984	257 049	—	—
Voltex Management Services (Pty) Limited	*	100	100	—	—	—	—
Voltex Namibia (Pty) Limited ⁽⁷⁾	*	100	100	—	—	—	—
Motor retail and related services							
Autohaus Centurion (Pty) Limited	*	50	49	—	—	—	—
Eliance (Pty) Limited	*	100	100	—	—	—	—
Gaz Motor Corporation Southern Africa (Pty) Limited	4	43	43	—	—	—	—
Inyanga Motors (Pty) Limited	50	80	—	—	—	—	—
Inyanga Plaza Investments (Pty) Limited	50	80	—	—	—	—	—
Kunene Motor Holdings Limited	*	60	60	—	—	—	—
McCarthy Car Hire (Botswana) (Pty) Limited ⁽⁶⁾	*	100	100	—	—	—	—
McCarthy Car Hire Namibia (Pty) Limited ⁽⁷⁾	*	100	100	—	—	—	—
McCarthy Fleet Services (Pty) Limited	*	100	100	—	—	—	—
McCarthy Investments (Namibia) (Pty) Limited ⁽⁷⁾	*	85	85	—	—	—	—
McCarthy Limited	1 183 907	100	100	775 132	759 727	—	—
McLife Assurance Company Limited	10 000	100	100	—	—	—	—
McProp Properties (Pty) Limited	90	100	100	—	—	—	—
McSant Motors (Pty) Limited	*	74	—	—	—	—	—
McSure Limited	10 000	100	100	—	—	—	—

	Issued capital R'000	Effective holdings 2007 %	2006 %	Shares 2007 R'000	Company's interest 2006 R'000	Indebtedness 2007 R'000	2006 R'000
Group services, investment, property and dormant companies							
Airport Logistics Property Holdings (Pty) Limited	*	50	50	142	142	—	—
BB Investment Company (Pty) Limited#	*	100	100	—	—	—	—
BICP Offshore Holdings (Pty) Limited	*	100	100	—	—	1 970	1 970
Bid Corporate Services (Pty) Limited#	*	100	100	—	—	52	52
Bid Corporation (Pty) Limited	*	100	100	1 073	583	1 294 987	1 230 549
Bid Corporation Offshore Investments Limited ⁽²⁰⁾	16	100	100	—	—	—	—
Bid Foodservice Products Division (IOM) Limited ⁽²⁰⁾	*	100	100	—	—	—	—
Bid Industrial and Commercial Products (IOM) Limited ⁽²⁰⁾	*	100	—	—	—	—	—
Bid Industrial and Commercial Products (Pty) Limited	*	100	100	—	—	—	—
Bid Industrial Holdings (Pty) Limited	*	100	100	104 777	68 212	203 468	153 900
Bid Property Holdings (Pty) Limited	*	100	100	—	—	11 883	17 996
Bid Services Division (Pty) Limited	*	100	100	182	86	580 500	576 436
Bid Services Division (UK) Limited ⁽⁴⁾	*	100	100	—	—	—	—
Bidcorp Finance Limited ⁽²⁰⁾	*	100	100	—	—	—	—
Bidcorp Limited ⁽⁴⁾	14	100	100	—	—	—	—
Bidvest (UK) Limited ⁽⁴⁾	*	100	100	—	—	—	—
Bidvest International Limited ⁽²⁰⁾	*	100	100	—	—	—	—
Bidvest Namibia Limited ⁽⁷⁾	*	100	100	—	—	70 010	—
G. Fox Properties (Pty) Limited	*	100	100	802	802	—	—
Jacobs Investments Limited ⁽⁴⁾	*	100	100	—	—	—	—
Namsoy Holdings (Pty) Limited ⁽⁷⁾	1	59	62	—	—	—	—
Primeinvest 5 (Pty) Limited	*	100	100	—	—	327 781	325 136
Promoter International Limited ⁽⁴⁾	*	100	100	—	—	—	—
Siki Fox Properties (Pty) Limited	*	100	100	1 000	1 000	—	—
Silveray Properties (Pty) Limited	*	100	100	8 833	8 833	—	—
Skillion Limited ⁽⁴⁾	14	100	100	—	—	—	—
The Globe Foundry (Pty) Limited	32	100	100	1 234	1 234	—	—
Waltons Properties Namibia (Pty) Limited ⁽⁷⁾	1	100	100	4 001	1	—	—
Other				482 993	480 189	(270 036)	(300 691)
				2 838 505	2 782 684	2 407 703	2 190 140
Major joint ventures							
Aeromaritime International Management Services (Pty) Limited ⁽³⁾	4	50	50	—	—	—	—
Cape Town Bulk Storage (Pty) Limited ⁽³⁾	1 000	50	50	—	—	—	—
Ebony Travel (Pty) Limited ⁽⁸⁾	*	49	49	—	—	—	—
Ensimbini Terminals (Pty) Limited ⁽³⁾	2	50	50	4 540	4 540	—	—
Rollex Transport (Pty) Limited ⁽³⁾	*	50	—	—	—	—	—
Voltex Swaziland (Pty) Limited ^{(19)(G)}	*	50	50	—	—	—	—
				4 540	4 540	—	—
Major associates							
Compu-Clearing Outsourcing Limited ⁽³⁾	400	25	25	6 928	8 806	—	—
Enviroserv Holdings Limited ⁽⁷⁾	1 063	33	33	43 697	47 466	—	—
Harvey World Travel Southern Africa (Pty) Limited ⁽⁸⁾	*	50	50	3 464	3 464	—	—
Imperial McCarthy (Pty) Limited ⁽⁴⁾	1	50	50	—	—	—	—
Master Currency (Pty) Limited ⁽⁸⁾	1	45	45	31 760	31 760	—	—
Sebenza Forwarding & Shipping Consultancy (Pty) Limited ⁽³⁾	*	45	45	5 011	5 011	—	—
Silapha Office Products (Pty) Limited ⁽³⁾	*	25	25	20	20	—	—
Supaswift (Pty) Limited ⁽³⁾	*	36	36	—	—	20 000	20 000
Tiger Automotive Limited ⁽¹⁴⁾	596	20	20	—	—	—	—
Ubuhle Be Dauphin Office Seating (Pty) Limited ⁽²⁾	*	28	28	—	—	—	—
Waltons Mozambique Limitada ^{(12)(E)}	*	50	50	—	—	—	—
Yeastpro (Pty) Limited ⁽⁴⁾	*	25	25	32 381	32 381	—	—
Other				17 075	6 091	95	95
				140 336	134 999	20 095	20 095

Amounts owing by or to subsidiaries, joint ventures and associates are unsecured, interest free and have no fixed terms of repayment.

*less than R1 000

#Trading as an agent

Country of incorporation if not South Africa

- | | |
|------------------------------|-----------------------------------|
| (1) Hong Kong | (11) United Arab Emirates |
| (2) Singapore | (12) Mozambique |
| (3) United States of America | (13) Malawi |
| (4) United Kingdom | (14) Democratic Republic of Congo |
| (5) Australia | (15) Zambia |
| (6) Botswana | (16) Zimbabwe |
| (7) Namibia | (17) Mauritius |
| (8) New Zealand | (18) Seychelles |
| (9) Belgium | (19) Swaziland |
| (10) Netherlands | (20) Isle of Man |

Nature of business of joint venture and associates

- (A) Catering supplies, food and allied products
 (B) Travel, financial and related services
 (C) Freight, forwarding, clearing, distribution, warehousing and allied activities
 (D) Office furniture, supplies and related products
 (E) Printing and stationery products
 (F) Linen, rental, laundry, cleaning and other services
 (G) Electrical, security and related products
 (H) Motor retail and related services

