

Proudly Bidvest

Financial statements

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Value added statement

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

	2010		2009	
	R'000	%	R'000	%
Revenue	109 789 207		112 427 831	
Net cost of raw materials, goods and services	(88 314 088)		(91 739 113)	
Wealth created by trading operations	21 475 119		20 688 718	
Finance income	193 386		199 069	
Dividend income	44 411		46 533	
Total wealth created	21 712 916	100,0	20 934 320	100,0
<i>Distributed as follows</i>				
Employees				
Benefits and remuneration	12 779 474	58,9	12 817 317	61,2
Governments				
Current taxation	1 301 059	6,0	1 046 344	5,0
Providers of capital	2 168 348	10,0	2 297 762	11,0
Finance charges	866 803	4,0	1 119 803	5,4
Distribution to shareholders	1 301 545	6,0	1 177 959	5,6
Retained for growth	5 464 035	25,1	4 772 897	22,8
Depreciation and amortisation	1 870 465	8,6	1 743 812	8,3
Impairments	248 395	1,1	226 699	1,1
Profit for the year attributable to shareholders of the Company	3 345 175	15,4	2 802 386	13,4
	21 712 916	100,0	20 934 320	100,0



Exchanges with governments

including amounts collected on their behalf

	South African		Foreign	
	2010	2009	2010	2009
	R'000	R'000	R'000	R'000
Employee taxes	975 875	920 519	1 183 573	1 407 957
Company taxes	782 913	672 859	518 146	373 485
Value added tax and sales tax	3 739 474	3 925 681	417 325	408 768
Customs and excise duty	8 012 461	10 721 353	470 965	608 701
Other	250 236	256 298	265 712	237 767
	13 760 959	16 496 710	2 855 721	3 036 678

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, the interpretations adopted by the International Accounting Standards Board, South African interpretations of Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act of South Africa.

The directors' responsibility includes: designing, implementing and maintaining internal control 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 Group and Company will not be going concerns in the year ahead.

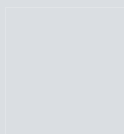
The auditors are responsible for reporting on whether the Group and Company financial statements are fairly presented in accordance with the applicable financial reporting framework.

The Group financial statements and financial statements of the Company as identified in the first paragraph, were approved by the board of directors and are signed on its behalf by:

Cyril Ramaphosa

Chairman

August 28 2010



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 2010, 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.

Craig Andrew Brighten

Company secretary

August 28 2010

To the members of The Bidvest Group Limited

We have audited the Group annual financial statements and the annual financial statements of The Bidvest Group Limited, which comprise the consolidated and separate income statements, the consolidated and separate statements of other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended and the consolidated and separate statements of financial position as at June 30 2010, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 8 to 13 and 127 to 211.

Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, South African interpretations of statements of Generally Accepted Accountancy Practice 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of The Bidvest Group Limited as at June 30 2010, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Deloitte & Touche

Per Trevor J Brown

Partner

August 28 2010

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Deloitte Place
The Woodlands
Woodmead, Sandton
Docex 10 Johannesburg

National executive: GG Gelinck (Chief Executive) AE Swiegers (Chief Operating Officer) GM Pinnock (Audit)
DL Kennedy (Tax and Legal and Financial Advisory) L Geeringh (Consulting) L Bam (Corporate Finance) CR Beukman (Finance)
TJ Brown (Clients and Markets) NT Mtoba (Chairman of the Board) MJ Comber (Deputy Chairman of the Board)

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

Member of Deloitte Touche Tohmatsu Limited

The directors have pleasure in presenting their report and audited financial statements for the year ended June 30 2010.

Nature of business

The Company is an investment holding company with subsidiaries operating in the services, trading and distribution industries. Details of the Group's activities are included in *Bidvest at a glance: our structure*, and *Operational review*.

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 Company and the Group as at the end of the financial year and the profit or loss for that financial 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 Company and of the Group as at June 30 2010 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 directors continue to adopt the going-concern basis in preparing the financial statements.

Declaration by the audit committee

The audit committee has complied with its terms of reference as established by the board of directors and is satisfied that the external auditors, whose appointment it recommended to shareholders, were independent of the Group from July 1 2009 to the date of this report. The audit committee assisted the board in discharging its duties relating to the safeguarding of assets, accounting systems and practices, internal control processes and the preparation of accurate financial reports and statements and assisted the directors in ensuring that there is an adequate and effective system of internal control in place and supported the overall effectiveness of corporate governance processes. The audit committee determines the fees of and also sets the principles for recommending the use of the external auditors for non-audit services. To ensure that the committee can effectively comply with its terms of reference, the group financial director, the external auditors, and the head of internal audit attend the meetings as invitees. In addition, the audit committee holds separate meetings with management, external audit and the head of internal audit to ensure that all relevant matters have been identified and discussed without undue influence. Furthermore the audit committee has considered the expertise and experience of the group financial director and is satisfied to the appropriateness thereof.

Share capital

The Company issued a total of 3 889 939 (2009: 1 120 842) ordinary shares of 5 cents each at premiums of between R6,95 and R90,00 (2009: R32,00 and R71,99) per share, in terms of The Bidvest Share Incentive Scheme. The Company also issued a total of 9 555 865 ordinary shares of 5 cents each at premiums of between R98,41 and R115,21 per share, in order to facilitate the acquisition of Nowaco, and issued 414 375 ordinary shares of 5 cents each at a premium of R119,95 per share, for the acquisition of 29 250 000 ordinary shares in Amalgamated Appliances Limited.

Acquisitions

The Group acquired 100% of the issued share capital of the Nowaco group (Nowaco) of companies with effect from July 1 2009 for an enterprise value of €250 million. Nowaco includes Nowaco Czech Republic s.r.o. which focuses on the Czech Republic and Slovakia and Farutex Sp.z.o.o. which serves the Polish market. The purchase consideration was settled with cash of €119 million and the assumption of debt equating to €131 million. The Group also undertook a number of smaller acquisitions during the year. Details of assets acquired and liabilities assumed are contained in note 11 to these financial statements.

Subsequent events

No reportable events took place subsequent to the year-end.

Results of operations

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

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 of shareholders held on November 17 2009, a maximum of 67 256 913 ordinary shares could be acquired by the Company of which 33 628 447 can be acquired by its subsidiaries. Subsidiaries acquired a total of 522 480 ordinary shares at an average price (including costs) of R47,80 per share. A total of 386 567 ordinary shares were disposed of at an average price of R42,33 per share in settlement of share options exercised.

Distributions

A cash distribution out of share premium of 190,0 cents per share (2009: 190,0 cents per share), in lieu of a dividend, was awarded to shareholders recorded in the register at the close of business on March 26 2010.

Subsequent to year-end, a dividend of 225,0 cents per share (2009: refund of share premium in lieu of dividend 190,0 cents per share) was awarded to shareholders recorded in the register at the close of business on Thursday, September 23 2010. The salient dates are:

Distribution dates:

Last day to trade cum-distribution	Thursday, September 16 2010
Trading ex-distribution commences	Friday, September 17 2010
Record date	Thursday, September 23 2010
Payment date	Monday, September 27 2010

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.

Special resolutions

A special resolution was passed at the annual general meeting of shareholders held on November 17 2009 in regard to a general authority to enable the Company to acquire its own shares.

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

Directorate

Mr FJ Barnes resigned as an executive director with effect from June 30 2010 but remains on the board as a non-executive director.

In terms of the Company's articles of association the directors who retire by rotation at the forthcoming annual general meeting are CM Ramaphosa, FJ Barnes, LG Boyle, AA da Costa, MBN Dube, S Koseff, NG Payne and FDP Tlakula. All retiring directors are eligible and available for re-election.

The names of the directors who were in office during the period September 1 2009 to August 27 2010 and the details of board meetings attended by each of the directors are:

Director	Date of appointment	November 16 2009	February 26 2010	June 4 2010	August 27 2010
Chairman					
MC Ramaphosa	July 6 2004	^	^	^	Apol
Independent non-executive directors					
DDB Band	October 27 2003	^	^	^	^
LG Boyle	January 23 2001	^	^	^	^
S Koseff	June 17 1997	Apol	^	^	^
NP Mageza	August 28 2009	^	^	^	^
D Masson	March 10 1992	^	^	^	^
JL Pamensky	January 8 1990	^	^	^	^
NG Payne	June 30 2006	^	^	^	^
FDP Tlakula	June 30 2006	Apol	^	^	^
Non-executive directors					
AA da Costa	December 8 2003	^	^	^	^
FJ Barnes	October 27 2003	^	Apol	^	^
MBN Dube	October 27 2003	^	^	^	Apol
RM Kunene	December 8 2003	^	^	^	^
T Slabbert	August 20 2007	^	Apol	Apol	^
Executive					
B Joffe	March 1 1989	^	^	^	^
BL Berson	October 27 2003	^	^	^	^
MC Berzack	April 29 2002	^	^	^	^
DE Cleasby	July 9 2007	^	^	^	^
AW Dawe	June 30 2006	^	^	^	^
LI Jacobs	October 27 2003	^	^	^	^
P Nyman	February 1 1991	^	^	^	^
SG Pretorius	February 19 2004	^	^	^	^
LP Ralphs	May 19 1992	^	^	^	^
AC Salomon	September 10 1990	^	^	^	^
Alternate					
LJ Mokoena (AA da Costa)	December 8 2003	N/A	N/A	N/A	N/A

^ Attended in person, by video-conference or tele-conference.

Apol – Apologies tendered.

Audit committee

The names of the members who were in office during the period September 1 2009 to August 27 2010 and the details of audit committee meetings attended by each of the members are:

Director	November 11 2009	(Special) February 10 2010	February 25 2010	May 27 2010	August 23 2010	August 24 2010
Independent non-executive chairman						
NG Payne	^	^	^	^	^	^
Independent non-executive directors						
NP Mageza	^	^	^	^	^	^
D Masson	^	^	^	^	^	^
JL Pamensky	^	^	Apol	^	^	^

^ Attended in person, by video-conference or tele-conference.

Apol – Apologies tendered.

Executive committee

No formal meetings were held during the period September 1 2009 to August 27 2010.

Nominations committee

No meetings were held during the period September 1 2009 to August 27 2010.

Acquisition committee

No meetings were held during the period September 1 2009 to August 27 2010.

Remuneration committee

The names of the members who were in office during the period September 1 2009 to August 27 2010 and the details of remuneration committee meetings attended by each of the directors are:

Director	December 9 2010	August 13 2010
Independent non-executive chairman		
DDB Band	^	^
Independent non-executive directors		
D Masson	^	^
JL Pamensky	^	^

^ Attended in person.

Messrs DE Cleasby and P Nyman resigned as members with effect from September 1 2009.

Risk committee

The names of the members who were in office during the period September 1 2009 to August 27 2010 and the details of the risk committee meetings attended by each of the members are:

Director	October 22 2009	January 26 2010	April 19 2010	July 29 2010
Independent non-executive chairman				
NG Payne	^	^	^	^
Independent non-executive directors				
D Masson	^	^	^	^
Executive				
FJ Barnes	^	^	**	
BL Berson	^	Apol	Apol	Alt
MC Berzack	^	^	^	^
NW Birch	^	^	^	Apol
DE Cleasby	^	^	^	^
AW Dawe	^	^	^	^
B Joffe	^	^	^	Apol
M Notrica	^	^	^	^
P Nyman	^	^	^	^
SG Pretorius	Apol	^	^	^
LP Ralphs	^	^	^	^
AC Salomon	^	Apol	^	^
CE Singer	^	^	^	^
BM Varcoe	^	^	^	^

^ Attended in person, by video-conference or tele-conference.

Alt – Apologies tendered, meeting attended by divisional representative.

Apol – Apologies tendered.

** Resigned February 28 2010.

Transformation committee

The names of the members who were in office during the period September 1 2009 to August 27 2010 and the number of transformation committee meetings attended by each of the members are:

Director	November 16 2009	March 1 2010	May 17 2010	August 20 2010
Executive chairman				
LI Jacobs	^	^	^	^
Non-executive directors				
T Slabbert	^	Apol	Apol	Apol
FDP Tlakula	Apol	^	Apol	Apol
Executive				
MC Berzack	^	^	^	^
NW Birch	^	^	^	^
AW Dawe	^	^	^	Alt
MJ Finger	Apol	^	^	^
B Joffe	^	^	Apol	^
SG Mahlalela	^	^	Apol	^
GC McMahon	^	^	^	^
M Notrica	Alt	^	Alt	Alt
SG Pretorius	^	^	Apol	^
LP Ralphs	Alt	Alt	^	Alt
CE Singer	^	^	Alt	Alt
SA Thwala	^	^	^	^
BM Varcoe	^	^	Alt	^

^ Attended in person, by video-conference or tele-conference.

Alt – Apologies tendered, meeting attended by divisional representative.

Apol – Apologies tendered.

Directors' interests

The aggregate interests of the directors in the capital of the Company at June 30 2010 were:

	Number of shares	
	2010	2009
Beneficial	5 130 863	5 194 523
Non-beneficial	25 654 244	26 724 120
Held in terms of The Bidvest Share Incentive Scheme		
Options	1 381 750	2 212 502
Shares	1 140 362	1 140 362

Directors' shareholdings

The individual beneficial interests declared by the current directors and officers in the Company's share capital at June 30 2010 held directly or indirectly were:

Beneficial Director	2010 Number of shares		2009 Number of shares	
	Direct	Indirect	Direct	Indirect
BL Berson	8		8	
MC Berzack	24 014		44 014	
LG Boyle	101 000		101 000	
AA da Costa	110 257	223 810	110 257	223 810
LI Jacobs		1 808 003		1 808 003
B Joffe	127 986		127 986	
S Koseff	8		8	
RM Kunene		434 239		434 239
D Masson	8	5 235	8	5 235
LJ Mokoena (alternate)		216 840		216 840
P Nyman	78 000	78 000	70 000	70 000
JL Pamensky	9		9	
SG Pretorius	24 790		24 790	
LP Ralphs	180 624		240 360	
MC Ramaphosa		1 530 372		1 530 372
AC Salomon	187 660		187 584	
Total	834 364	4 296 499	906 024	4 288 499

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 and officers as at June 30 2010 were:

Director	2010		2009	
	Number of shares	Carrying value of loan R'000	Number of shares	Carrying value of loan R'000
FJ Barnes	99 162	11 459	99 162	11 824
BL Berson	49 581	5 729	49 581	5 912
MC Berzack	148 743	16 498	148 743	16 484
DE Cleasby	74 371	8 249	74 371	8 242
AW Dawe	99 162	10 999	99 162	10 989
LI Jacobs	49 581	5 499	49 581	5 495
B Joffe	198 324	21 386	198 324	21 979
P Nyman	49 581	5 499	49 581	5 495
SG Pretorius	148 743	16 498	148 743	16 484
LP Ralphs	148 743	16 498	148 743	16 484
AC Salomon	74 371	8 249	74 371	8 242
Total	1 140 362	126 563	1 140 362	127 630

Non-beneficial

In addition to the aforementioned holdings:

- B Joffe is a trustee and potential beneficiary of a discretionary trust holding 3 335 296 (2009: 3 335 237) shares;
- P Nyman is a trustee of various trusts holding 4 163 215 (2009: 4 345 398) shares but has no beneficial interest in these shares;
- D Masson and P Nyman are trustees of the Group's retirement funds which hold 863 260 (2009: 837 781) shares. P Nyman is also a trustee of a Group medical aid society which holds nil (2009: 29 575) shares; and
- AA da Costa, LI Jacobs and RM Kunene are directors and shareholders of Dinatla Investment Holdings (Pty) Limited (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 26 510 312 (2009: 26 510 312) 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	
	2010	2009
Beneficial – Direct	127 986	127 986
Held in terms of The Bidvest Incentive Scheme	198 324	198 324
Non-beneficial	3 335 296	3 335 237
	3 661 606	3 661 547

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 executive directors while in office of the Company during the year ended June 30 2010 can be analysed as follows:

Director	Basic remuneration R'000	Other benefits R'000	Retirement/ medical benefits R'000	Cash incentives R'000	Total emoluments R'000
FJ Barnes*	2 936	3 856	1 174	1 205	9 171
BL Berson	4 515	174	168	4 917	9 774
MC Berzack	3 463	564	98	3 700	7 825
DE Cleasby	2 180	231	234	2 500	5 145
AW Dawe	2 530	107	270	3 000	5 907
LI Jacobs	1 415	119	189	1 000	2 723
B Joffe	8 049	765	525	9 168	18 507
P Nyman	1 905	182	171	600	2 858
SG Pretorius†	2 425	134	355	2 000	4 914
LP Ralphs	3 470	391	418	4 000	8 279
AC Salomon	2 416	114	270	2 750	5 550
2010 Total	35 304	6 637	3 872	34 840	80 653

* In terms of a compromise agreement entered into with Mr FJ Barnes in March 2010, a total benefit of £1,0 million will be paid over a two-year period ending in February 2012, based on certain terms and conditions. Included in Mr FJ Barnes's 2010 remuneration is an amount of R3,9 million which was paid to him on the cessation of his executive services.

† As a result of an administrative error, Mr SG Pretorius was erroneously paid an amount of R586 320 in the 2009 financial year. This amount has been repaid to the Group in the current financial year. (Shareholders are referred to the SENS announcement on November 20 2009). The remuneration as disclosed in the 2009 annual report has not been restated, however, the current year's remuneration is shown net of this repayment.

• Certain executive directors serve as non-executive directors of companies outside of the Group. Directors' fees in this regard, are paid to the Group.

For comparative purposes the remuneration paid to executive directors while in office of the Company during the year ended June 30 2009 can be analysed as follows:

Director	Basic remuneration R'000	Other benefits R'000	Retirement/ medical benefits R'000	Cash incentives R'000	Total emoluments R'000
FJ Barnes	4 703	246	290	–	5 239
BL Berson	4 239	170	349	3 804	8 562
MC Berzack	3 252	377	381	2 600	6 610
DE Cleasby	2 007	236	207	1 800	4 250
AW Dawe	2 362	58	250	2 700	5 370
LI Jacobs	1 300	134	175	750	2 359
B Joffe	7 200	289	471	7 453	15 413
P Nyman	1 727	205	164	–	2 096
SG Pretorius	3 371	217	476	1 800	5 864
LP Ralphs	3 254	404	375	3 600	7 633
AC Salomon	2 181	192	249	2 500	5 122
2009 Total	35 596	2 528	3 387	27 007	68 518

Directors' long-term incentives

Director	2010 R'000	2009 R'000
Share-based payment expense		
FJ Barnes	993	918
BL Berson	2 178	471
MC Berzack	2 257	1 269
DE Cleasby	1 546	612
AW Dawe	1 886	798
LI Jacobs	473	461
B Joffe	3 304	1 741
P Nyman	207	480
SG Pretorius	575	1 256
LP Ralphs	2 257	1 269
AC Salomon	636	689
	16 312	9 964
Cash incentive		
BL Berson	–	5 169
	16 312	15 133

The remuneration paid to non-executive directors while in office of the Company during the year ended June 30 2010 can be analysed as follows:

Director	Directors' fees R'000	Other services as directors of subsidiary companies R'000	Total emoluments R'000	Share-based payment expense R'000	2010 Total R'000	2009 Total R'000
DDB Band	305		305		305	222
LG Boyle	103		103	32	135	206
AA da Costa	103		103		103	75
MBN Dube	103		103		103	75
S Koseff	89		89		89	53
RM Kunene	103		103		103	64
NP Mageza	176		176		176	–
D Masson	406	244	650		650	484
LJ Mokoena	45		45		45	16
JL Pamensky	284	143	427		427	307
NG Payne	625	128	753		753	472
MC Ramaphosa	530		530		530	478
T Slabbert	97		97		97	107
FDP Tlakula	122		122		122	43
2010 Total	3 091	515	3 606	32	3 638	2 602
2009 Total	2 113	358	2 471	131	2 602	

Directors' service contracts

Directors do not have fixed-term contracts.

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/officer	Share options at June 30 2009		Share options exercised			Share options at June 30 2010	
	Number	Average price R	Number	Average price R	Benefit arising on exercise of options R'000	Number	Average price R
BL Berson	42 000	48,56	12 000	41,20	1 138	30 000	51,51
MC Berzack	251 252	47,63	63 752	30,11	6 424	187 500	53,60
DE Cleasby	50 000	61,58	–	–	–	50 000	61,58
AW Dawe	94 250	51,96	50 000	42,49	3 751	44 250	62,89
LI Jacobs	80 000	57,97	45 000	47,06	3 161	35 000	71,99
B Joffe	150 000	65,16	–	–	–	150 000	65,16
P Nyman	330 000	44,21	40 000	40,20	3 841	290 000	44,77
SG Pretorius	135 000	58,11	–	–	–	135 000	58,11
LP Ralphs	615 000	43,99	190 000	37,65	18 487	425 000	46,83
AC Salomon	335 000	47,50	335 000	47,60	27 321	–	–
Former executive directors							
FJ Barnes	36 250	50,04	36 250	50,04	2 438	–	–
MBN Dube	85 000	55,35	50 000	43,70	3 680	35 000	79,99
	2 203 752	47,21	822 002	40,20	70 241	1 381 750	52,83
Former company secretary							
MA David	8 750	63,21					
	2 212 502	47,21					

These options are exercisable over the period July 1 2009 to May 31 2015. A detailed register of options outstanding by tranche is available for inspection at the Company's registered office.

Details of the directors' and officers' conditional share awards

Director/officer	Conditional awards at June 30 2009	New awards	Lapsed	Conditional awards 2009
				Number
B Joffe	150 000	–	–	150 000
FJ Barnes	100 000	–	(100 000)	–
BL Berson	100 000	–	–	100 000
MC Berzack	100 000	–	–	100 000
DE Cleasby	75 000	–	–	75 000
AW Dawe	75 000	–	–	75 000
LI Jacobs	40 000	–	–	40 000
LP Ralphs	100 000	–	–	100 000
AC Salomon	50 000	–	–	50 000
CA Brighten	10 000	–	–	10 000
Total	800 000	–	(100 000)	700 000

A conditional award is a conditional right to a share, which is awarded subject to performance and vesting conditions.

Secretary

Mr CA Brighten is the company secretary. The business and postal addresses of the secretary, which are also the registered addresses of the Company, are Bidvest House, 18 Crescent Drive, Melrose Arch, Melrose, Johannesburg, 2196 and PO Box 87274, Houghton, Johannesburg, 2041, respectively.

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:

	2010 R'000	2009 R'000
Profits	3 373 361	3 333 374
Losses	(69 169)	(115 627)

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the interpretations adopted by the International Accounting Standards Board and South African interpretations of statements of Generally Accepted Accounting Practice.

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 39.

The accounting policies 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 Group's functional currency. All financial information has been rounded to the nearest thousand unless stated otherwise.

2. Adoption of new and revised accounting standards

There have been no changes in accounting policies. However the Group and Company adopted the following new and revised accounting standards, amendments to standards and new interpretations during the year: IFRS 2 *Share-based Payments*; IFRS 3 *Business Combinations*; IFRS 7 *Financial Instruments*, IFRS 8 *Operating Segments*; IAS 1 *Presentation of Financial Statements*; IAS 16 *Property, Plant and Equipment*, IAS 19 *Employee Benefits*, IAS 23 *Borrowing Costs*, IAS 27 *Consolidated and Separate Financial Statements*; IAS 28 *Investments in Associates*; IAS 31 *Interests in Joint Ventures*, IAS 32 *Financial Instruments: Presentation*, IFRS 39 *Financial Instruments*, IFRIC 16 *Hedges of a Net Investment in a Current Operation*, IFRIC 17 *Distribution of Non-Cash Assets to Owners* and IFRIC 18 *Transfer of Assets from Customers*.

The adoption of the amendments to IFRS 3 has resulted in costs relating to acquisitions of R61,2 million being charged to profit during the period as compared to prior periods, where these costs were included as part of the cost of the acquisition. Changes to IAS 27 have resulted in a surplus of R82,6 million resulting from changes in shareholding in a subsidiary being recognised directly in equity as opposed to being included in profit for the period.

The adoption of IFRS 3 and IAS 27 has resulted in a reduction to profit attributable to shareholders of the Company of R143,8 million. Had these changes not taken place basic earnings per share for the half year would have been 1 109,3 cents an increase of 20,0%, and headline earnings per share would have been 1 089,4 cents, an increase of 17,1%.

Results for the comparative periods have not been restated as the transitional arrangements for both IFRS 3 and IAS 27 provide exemption from retrospective application.

On review of how the operating segments are managed in accordance with IFRS 8 it was decided to remove the costs in respect of share-based payment expenses from each of the operating segments, and disclose this cost as a reconciling item in the segmental analysis of trading profit and segmental result, as this is not a criterion used in the measurement of management of the various segments.

In addition to this, the leasing and fleet management business previously included with Bidvest Automotive, has been reallocated to the Bidvest Services segment. The comparative period's results have been restated to reflect these changes.

Other than the aforementioned, the adoption of the new and modified standards and interpretations, has only affected disclosure, and has had no effect on the results of the Group or Company.

3. 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 statement of financial position at their estimated fair values to the Group at acquisition date.

Any increases and decreases in ownership interests in subsidiaries without a change in control are recognised as equity transactions in the Group financial statements. Accordingly, any premiums or discounts on subsequent purchases of equity instruments from, or sales of equity instruments to non-controlling shareholders are recognised directly in the equity of the Group.

Transaction costs that the Group incurs with respect to an acquisition of a business are expensed as incurred.

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.

4. Revenue

Revenue comprises amounts invoiced to customers for goods and services and include finance charges, insurance premiums, gross billings, and 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.

5. 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 statement of financial position date. The stage of completion is assessed by reference to the terms of the contracts.

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 or 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 reinsurance and commission. Gross premiums are accounted for when they become due.

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

Interest is recognised on an accrual 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.

6. 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 cost 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 determined 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.

7. Distributions to shareholders

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

8. Finance income and 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.

9. 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.

10. 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.

11. 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 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 and craft	3 to 10 years
Vessels	28 to 55 years
Rental assets	3 to 5 years
Full maintenance leased assets	Over the period of the lease
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.

12. 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 statement of financial position. 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.

13. 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.

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 investment in the associate.

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

14. 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.

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 statement of financial position 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 8 years

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

15. Impairment of assets

The carrying value of assets is reviewed at each statement of financial position 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 statement of financial position 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.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. For unlisted shares classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the counterparty; or
- default in interest or principal payments; or
- it becoming probable that the counterparty will enter bankruptcy or financial reorganisation.

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.

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

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.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and banking advances, where the carrying amount is reduced through the use of an impairment allowance account. When a trade receivable or banking advance is considered uncollectible, it is written off against the impairment allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the impairment allowance account are 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.

16. 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 statement of financial position date, and any adjustment of tax payable for previous years.

Deferred taxation is recognised using the statement of financial position liability method based on temporary differences between the tax base of an asset or liability and its statement of financial position 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 statement of financial position 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.

17. 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.

18. 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.

19. 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 statement of financial position date. Income, expenditure and cash flow items are translated into South African rand at rates approximating to 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.

The revenues and expenses of foreign operations in hyperinflationary economies are translated to South African rand at the foreign exchange rates ruling at the statement of financial position 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.

20. 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 or 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.

A financial asset is classified as held-for-trading if it has been acquired principally for the purpose of selling in the near future or it has been part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-making.

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. The gain or loss recognised in the income statement excludes the interest and dividends earned on the financial asset, which are separately disclosed as such 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 or foreign exchange gains or 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.

Listed government bonds held in terms of statutory requirements are accounted for as available-for-sale financial assets.

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 statement of financial position 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 amortised cost less an allowance for impairment losses.

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at statement of financial position 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 or 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 or loss.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position 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.

Financial instruments have been grouped into classes for the purpose of financial instrument risk disclosure. The classes are the segments as disclosed in the segmental report as the operations within each segment have similar types of risks.

21. 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 statement of financial position date. The specific and general impairments made during the year are charged to the income statement.

22. 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 12 months.

23. 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 such is when significant risks or 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.

24. 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.

25. 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 statement of financial position 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.

26. 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 model, 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 model taking into account the expected contractual life of the loan obligation.

27. 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 12 months are discounted using the market yields at the statement of financial position 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.

28. Short-term insurance

Insurance contracts are those contracts under which the Company (as insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects them. Short-term insurance is provided in terms of benefits under short-term policies which cover motor, property and warranty.

Premiums are earned from the date the risk attaches, over the indemnity period, based on the pattern of the risk underwritten. Unearned premiums, which represent the proportion of premiums written in the current year which relate to risks that have not expired by the end of the financial year, are calculated on a time proportionate basis.

Receipts and payments under investment contracts are not classified as insurance transactions in the income statement but instead are deposit accounted in the statement of financial position in accordance with IAS 39. The deposits liability recognised in the statement of financial position represents the expected amounts payable to the holders of the insurance contract. Claims incurred consists of claims paid during the financial year, together with the movement in the provision for outstanding claims and are charged to income as incurred. The provision for outstanding claims comprise the Company's estimate of the undiscounted ultimate cost of settling all claims incurred but unpaid at statement of financial position date, whether reported or not. Related anticipated reinsurance recoveries are disclosed separately as assets.

A provision for claims incurred but not reported, is maintained at 7% of net premium income, 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 premium income. The reserve can be utilised in the case of catastrophe, subject to the approval of the Financial Services Board. Transfers to this reserve are reflected in the statement of changes in equity.

29. Life assurance

Insurance contracts are those contracts under which the Company (as insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects them. 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 finance 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 dread disease, retrenchment and funeral benefit. Policyholder liabilities under insurance contracts, representing the liability in respect of unmaturing policies, are valued in terms of the Financial Soundness Valuation (FSV) basis contained in PGN104. The actuaries' report is included as a separate statement.

Receipts and payments under investment contracts are not classified as insurance transactions in the income statement but instead are deposit accounted in the statement of financial position, in accordance with IAS 39. The deposits liability recognised in the statement of financial position represents the expected amounts payable to the holders of the insurance contract. Claims expenses are charged to the income statement as incurred based on the liability in terms of the policy at the date of the claim.

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

30. 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.

Customer loyalty points are accounted for at fair value of the consideration received or receivable in respect of the initial sale, and are allocated between the loyalty points and the other components of the sale. The consideration allocated to the customer loyalty points is measured by reference to their fair value, which is the amount for which the loyalty points could be sold at, multiplied by the probability of their redemption. This amount is recognised as a provision until such time as the customer loyalty points are redeemed. Once the loyalty points are redeemed, the amount will be recognised as revenue.

31. Segmental reporting

The reportable segments of the Group have been identified based on the nature of the businesses. This basis is representative of the internal structure for management purposes. Information is also supplied for the various geographies in which the Group operates.

"Segmental operating profit" includes revenue and expenses directly relating to a business segment but exclude net finance charges and taxation which cannot be allocated to any specific segment. Share-based payment costs are also excluded from the result as this is not a criteria used in the management of the reportable segments.

"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 excludes cash, borrowings, current taxation, and deferred taxation. Intangible assets are allocated to the cash-generating unit in the segment to which they relate.

32. Reclassifications

Expenses of a capital nature, non-trading items and acquisition costs have been separately disclosed on the face of the income statement with the profit before the recognition of these items being termed trading profit. This aligns the reporting to shareholders with that used in assessing management's performance.

Consolidated income statement

for the year ended June 30

	Note	2010 R'000	2009 R'000
Total revenue	1	110 027 004	112 673 433
Revenue		109 789 207	112 427 831
Cost of revenue		(86 778 366)	(89 482 780)
Gross income		23 010 841	22 945 051
Other income		424 725	198 815
Operating expenses		(17 880 870)	(18 007 297)
Sales and distribution expenses		(12 115 597)	(12 726 832)
Administration expenses		(4 069 739)	(3 955 068)
Other expenses		(1 695 534)	(1 325 397)
Trading profit		5 554 696	5 136 569
Acquisition costs		(61 202)	–
Non-trading items		–	(164 240)
Net capital items		(30 151)	(37 701)
Operating profit	2	5 463 343	4 934 628
Net finance charges	3	(758 479)	(1 029 243)
Finance income		64 408	40 982
Finance charges		(822 887)	(1 070 225)
Share of profit of associates		40 983	49 238
Dividends received		30 785	29 298
Share of current year retained earnings		10 198	19 940
Profit before taxation		4 745 847	3 954 623
Taxation	4	(1 301 059)	(1 046 344)
Profit for the year		3 444 788	2 908 279
Attributable to			
Shareholders of the Company		3 345 175	2 802 386
Minority shareholders		99 613	105 893
		3 444 788	2 908 279
Basic earnings per share (cents)	5	1 063,6	929,6
Diluted earnings per share (cents)	5	1 057,1	924,5
Headline earnings per share (cents)	5	1 070,0	930,0
Diluted headline earnings per share (cents)	5	1 063,4	924,9
Distributions per share (cents)	6	432,0	380,0

Consolidated statement of other comprehensive income

for the year ended June 30

	2010 R'000	2009 R'000
Profit for the year	3 444 788	2 908 279
Shareholders of the Company	3 345 175	2 802 386
Minority shareholders	99 613	105 893
Other comprehensive income (expense) net of tax		
Decrease in foreign currency translation reserve	(675 601)	(1 281 836)
Shareholders of the Company	(671 219)	(1 277 229)
Minority shareholders	(4 382)	(4 607)
Increase (decrease) in fair value of available-for-sale financial assets	(12 831)	2 428
Increase (decrease) in fair value of available-for-sale financial assets before tax	(17 877)	2 523
Tax relief	5 046	(95)
Total comprehensive income for the year	2 756 356	1 628 871
Attributable to		
Shareholders of the Company	2 661 125	1 527 585
Minority shareholders	95 231	101 286
	2 756 356	1 628 871

Consolidated statement of cash flows

for the year ended June 30

	Note	2010 R'000	2009 R'000
Cash flows from operating activities		4 856 127	3 322 584
Cash generated by operations	7	7 984 220	6 748 868
Finance income		64 408	40 982
Finance charges	8	(724 042)	(1 065 811)
Taxation paid	9	(1 166 914)	(1 223 496)
Distributions to shareholders	10	(1 301 545)	(1 177 959)
Cash flows from investing activities		(4 846 526)	(1 862 306)
Amounts advanced to associates		(5 680)	(3 489)
Investments disposed of		149 099	579 315
Investments acquired		(244 445)	(544 559)
Additions to property, plant and equipment		(2 730 411)	(2 241 322)
Additions to vehicle rental fleet		(1 150 070)	(826 972)
Additions to intangible assets		(149 880)	(184 928)
Proceeds on disposal of property, plant and equipment		398 169	280 646
Proceeds on disposal of vehicle rental fleet		767 248	669 795
Proceeds on disposal of intangible assets		9 762	2 293
Acquisition of businesses, subsidiaries and associates	11	(1 951 556)	(243 001)
Proceeds on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	12	61 238	649 916
Cash flows from financing activities		1 732 990	(278 123)
Proceeds from share issues			
– Company		1 233 119	51 116
– subsidiaries		300 772	–
Purchase of treasury shares		(24 975)	(64 803)
Sale of treasury shares		48 689	58 432
Borrowings raised		7 513 034	2 906 368
Borrowings repaid		(7 337 649)	(3 229 236)
Net increase in cash and cash equivalents		1 742 591	1 182 155
Cash and cash equivalents at beginning of year		1 239 538	308 554
Effects of exchange rate fluctuations on cash and cash equivalents		(76 676)	(251 171)
Cash and cash equivalents at end of year		2 905 453	1 239 538
Cash and cash equivalents comprise			
Cash and cash equivalents	24	4 138 722	3 212 425
Bank overdrafts included in short-term portion of borrowings	28	(1 233 269)	(1 972 887)
		2 905 453	1 239 538

Consolidated statement of changes in equity

for the year ended June 30

	2010 R'000	2009 R'000
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	16 736 503	13 929 132
Share capital	17 507	16 814
Balance at beginning of the year	16 814	16 592
Shares issued during the year	693	56
Capitalisation issue	–	166
Share premium	81 258	228 301
Balance at beginning of the year	228 301	1 090 068
Shares issued during the year	1 236 462	51 060
Share issue costs	(4 036)	(108)
Capitalisation issue	–	(166)
Refund of share premium to shareholders	(1 379 469)	(912 553)
Foreign currency translation reserve	20 527	691 746
Balance at beginning of the year	691 746	1 968 975
Total comprehensive income for the year	(671 219)	(1 277 229)
Statutory reserves	15 215	13 033
Balance at beginning of the year	13 033	13 049
Transfer from (to) retained earnings	2 182	(16)
Equity-settled share-based payment reserve	328 640	253 936
Balance at beginning of the year	253 936	220 559
Arising during the year	74 704	33 377
Retained earnings	18 619 202	15 206 432
Balance at beginning of the year	15 206 432	12 706 171
Total comprehensive income for the year	3 332 344	2 804 814
Dividends paid	–	(304 569)
Transfer of reserves as a result of changes in shareholding of subsidiaries	82 608	–
Transfer from (to) statutory reserves	(2 182)	16
Treasury shares	(2 345 846)	(2 481 130)
Balance at beginning of the year	(2 481 130)	(2 547 785)
Purchase of shares by subsidiaries	(24 975)	(49 384)
Shares disposed of in terms of share incentive scheme	48 689	43 013
Refund of share premium received by subsidiaries	111 570	73 026
EQUITY ATTRIBUTABLE TO MINORITY SHAREHOLDERS OF THE COMPANY	656 434	368 495
Balance at beginning of the year	368 495	310 456
Total comprehensive income for the year	95 231	101 286
Dividends paid	(33 646)	(33 863)
Share-based payment reserve	5 525	60
Capital invested by minority shareholders	300 772	–
Transactions with minority shareholders	2 665	(9 444)
Transfer of reserves as a result of changes in shareholding of subsidiaries	(82 608)	–
TOTAL EQUITY	17 392 937	14 297 627

Consolidated statement of financial position

at June 30

	Note	2010 R'000	2009 R'000
ASSETS			
Non-current assets		19 371 091	16 119 562
Property, plant and equipment	13	10 367 571	9 409 702
Intangible assets	14	651 094	512 286
Goodwill	15	5 709 169	3 966 950
Deferred taxation assets	16	426 822	378 603
Defined benefit pension surplus	29	129 850	120 985
Interest in associates	18	656 865	449 889
Investments	19	1 157 190	908 884
Banking and other advances	20	272 530	372 263
Current assets		23 973 829	22 364 822
Vehicle rental fleet	21	915 042	684 205
Inventories	22	8 030 752	7 443 252
Short-term portion of banking and other advances	20	350 086	279 862
Trade and other receivables	23	10 539 227	10 745 078
Cash and cash equivalents	24	4 138 722	3 212 425
Total assets		43 344 920	38 484 384
EQUITY AND LIABILITIES			
Capital and reserves		17 392 937	14 297 627
Capital and reserves attributable to shareholders of the Company	25	16 736 503	13 929 132
Minority shareholders		656 434	368 495
Non-current liabilities		4 669 207	4 155 520
Deferred taxation liabilities	16	378 992	255 402
Life assurance fund	27	13 734	20 672
Long-term portion of borrowings	28	3 448 501	2 990 232
Post-retirement obligations	29	394 527	460 803
Long-term portion of provisions	33	235 253	218 972
Long-term portion of operating lease liabilities	31	198 200	209 439
Current liabilities		21 282 776	20 031 237
Trade and other payables	32	15 032 357	14 570 716
Short-term portion of provisions	33	251 635	297 080
Vendors for acquisition		539	15 629
Taxation		364 558	262 080
Short-term portion of banking liabilities	30	1 080 366	591 200
Short-term portion of borrowings	28	4 553 321	4 294 532
Total equity and liabilities		43 344 920	38 484 384

Notes to the consolidated financial statements

for the year ended June 30

	2010 R'000	2009 R'000
1. Total revenue		
Sale of goods	87 005 106	86 604 840
Rendering of services	10 523 020	10 488 580
Commissions and fees earned	991 589	998 991
Gross billings relating to clearing and forwarding transactions	13 985 042	16 731 080
Insurance	180 993	129 371
	112 685 750	114 952 862
Inter-group eliminations	(2 896 543)	(2 525 031)
Revenue	109 789 207	112 427 831
Dividend income	44 411	46 533
Finance income	193 386	199 069
Total revenue	110 027 004	112 673 433
2. Operating profit		
Determined after charging (crediting):		
Auditors' remuneration	67 493	57 807
Audit fees	52 624	46 635
Audit related expenses	512	914
Taxation services	4 546	4 094
Other services	9 811	6 164
Depreciation of property, plant and equipment	1 599 512	1 476 300
Buildings	60 423	41 695
Leasehold premises	66 729	60 426
Plant and equipment	425 924	382 788
Office equipment, furniture and fittings	263 310	231 720
Vehicles, vessels and craft	411 589	424 235
Rental assets	62 656	86 199
Capitalised leased assets	6 947	7 229
Full maintenance lease assets	301 934	242 008
Depreciation of vehicle rental fleet	151 985	127 224
Amortisation of intangible assets	118 968	140 828
Patents, trademarks, tradenames and other intangibles	33 182	71 000
Computer software	85 786	69 828
Impairment of assets	248 395	226 699
Property, plant and equipment and intangible assets	36 429	16 361
Goodwill	5 528	19 910
Banking and other advances	2 552	3 835
Trade receivables	203 886	186 593
Provision for (reversal of) impairment of associates	(25 900)	200 000
Negative goodwill arising on acquisition of subsidiaries	-	(389)
Directors' emoluments		
Executive directors	80 653	73 687
Basic remuneration	35 304	35 596
Retirement and medical benefits	3 872	3 387
Other benefits	6 637	2 528
Cash incentives	34 840	32 176
Non-executive directors	3 606	2 471
Fees	3 091	2 113
Emoluments for other services	515	358

Notes to the consolidated financial statements

for the year ended June 30

	2010 R'000	2009 R'000
2. Operating profit (continued)		
Employer contributions to	760 356	752 257
Defined contribution pension funds	148 535	161 045
Provident funds	347 559	329 173
Retirement funds	42 668	49 871
Medical aid funds	221 594	212 168
Expenses (income) related to post-retirement obligations	(46 972)	36 462
Defined benefit pension plans	(30 297)	7 568
Post-retirement medical aid obligations	292	16 985
Defined benefit early retirement plan	(16 967)	11 909
Share-based payment expense	79 054	33 377
Staff	45 754	23 282
Executive directors	15 319	9 964
Former executive directors	993	131
In respect of empowerment transaction of subsidiary	16 988	–
Staff costs excluding directors' emoluments and employer contributions	11 919 765	11 919 063
Fees for administrative, managerial and technical services	5 308	8 274
Research and development expenditure	1 649	559
Foreign exchange losses (gains) on hedging transactions	(20 216)	28 170
Forward exchange contracts	(18 605)	11 956
Foreign bank accounts	(1 611)	16 214
Other foreign exchange losses (gains)	(10 925)	(27 319)
Realised	(9 785)	(9 722)
Unrealised	(1 140)	(17 597)
Dividends received	(13 626)	(17 235)
Listed investments	(13 609)	(17 235)
Unlisted investments	(17)	–
Fair value adjustments on investments held-for-trading	(192 383)	(50 860)
Net capital (profit) loss	10 525	(198 181)
Profit on disposal of property, plant and equipment	8 814	54 685
Loss on disposal of intangible assets	1 711	–
Net profit on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	–	(252 866)
JSE fees	189	174
Operating lease charges	1 467 884	1 405 478
Land and buildings	1 035 728	1 099 849
Equipment and vehicles	432 156	305 629

	2010 R'000	2009 R'000
3. Net finance charges		
Finance income	193 386	199 069
Preference dividends	4 566	5 307
Interest income on banking and other advances	72 480	64 114
Interest income on vehicle lease debtors	28 155	49 245
Interest income on bank balances	85 049	76 783
Interest income on unimpaired available-for-sale financial investments	3 136	3 620
Finance charges	(866 803)	(1 119 803)
Interest expense on banking liabilities	(42 695)	(60 853)
Interest expense on bank overdrafts	(251 944)	(544 829)
Interest expense on financed assets	(7 029)	(10 387)
Interest expense on vehicle lease creditors and floorplan creditors	(23 681)	(50 588)
Interest expense on other borrowings	(544 334)	(462 825)
Less: Borrowing costs capitalised to property, plant and equipment	2 880	9 679
	(673 417)	(920 734)
Less: Net finance income from banking operations included in operating profit	(85 062)	(108 509)
Income	(128 978)	(158 087)
Charges	43 916	49 578
	(758 479)	(1 029 243)

The applicable weighted average interest rate is used to determine the amount of borrowing costs eligible for capitalisation.

4. Taxation

Current taxation	1 246 025	990 010
Current year	1 223 563	963 716
Prior years	22 462	26 294
Deferred taxation	44 803	43 732
Current year	54 155	40 095
Prior years	(8 171)	2 920
Change in rate of taxation	(1 181)	717
Secondary taxation on companies	2 315	7 590
Foreign withholding taxation	7 916	5 012
Total taxation per income statement	1 301 059	1 046 344
Comprising		
South African taxation	782 913	672 859
Foreign taxation	518 146	373 485
	1 301 059	1 046 344

Notes to the consolidated financial statements

for the year ended June 30

	2010 %	2009 %
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	27,4	26,5
Associates	0,4	0,3
Secondary taxation on companies	–	(0,1)
Effective rate excluding secondary taxation on companies and associate income	27,8	26,7
Dividend and exempt income	1,2	2,5
Foreign taxation rate differential	(0,3)	(1,0)
Non-deductible expenses	(1,0)	(2,8)
Utilisation of deferred tax assets not previously raised	0,1	1,2
Capital gains taxation exempt portion	0,5	1,9
Changes in prior year's estimation	(0,3)	(0,5)
Rate of South African company taxation	28,0	28,0
	R'000	R'000
Estimated tax losses available for offset against future taxable income	376 078	295 757
Utilised in the computation of deferred taxation	(184 836)	(104 931)
Not accounted for in deferred taxation	191 242	190 826
Deferred tax assets have not been recognised in respect of these tax losses as the directors believe 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	103 693	35 029
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 calculations	314 510	301 462
Potential dilutive impact of outstanding staff share options and conditional awards	1 929	1 647
Number of outstanding staff share options	8 342	12 522
Number of share options deemed to be issued at fair value	(6 427)	(10 875)
Contingent issuable shares in terms of conditional share plan to be issued at fair value	14	–
Adjusted weighted average number of shares in issue used for the calculation of diluted earnings and diluted headline earnings per share	316 439	303 109
Attributable earnings (R'000)		
Basic earnings per share and diluted earnings per share are based on profit attributable to shareholders of the Company	3 345 175	2 802 386
Basic earnings per share (cents)	1 063,6	929,6
Diluted basic earnings per share (cents)	1 057,1	924,5
Dilution (%)	0,6	0,6

	2010 R'000	2009 R'000
5. Earnings per share (continued)		
Headline earnings		
Profit attributable to shareholders of the Company	3 345 175	2 802 386
Impairment of property, plant and equipment; goodwill and intangible assets	41 070	34 952
Property, plant and equipment	30 271	16 361
Goodwill	5 528	19 910
Intangible assets	6 158	–
Tax relief	(816)	(1 319)
Minority shareholders	(71)	–
Net loss on disposal of interest in subsidiaries and disposal and closure of businesses	–	110 770
Loss on disposal and closure	–	138 272
Tax relief	–	(27 502)
Profit on disposal, and impairment of investment in associate	(22 331)	(181 709)
Net loss (profit) on disposal of associate	3 569	(391 138)
Impairment (reversal of impairment) of investment in associate	(25 900)	200 000
Tax charge	–	9 429
Net loss on disposal of property, plant and equipment and intangible assets	1 208	37 561
Property, plant and equipment	8 814	54 685
Intangible assets	1 711	–
Tax relief	(4 076)	(17 124)
Minority shareholders	(5 241)	–
Negative goodwill arising on acquisition of subsidiaries	–	(389)
Headline earnings	3 365 122	2 803 571
Headline earnings per share (cents)	1 070,0	930,0
Diluted headline earnings per share (cents)	1 063,4	924,9
Dilution (%)	0,6	0,6

6. Distribution per share

Interim distribution (cents)

Refund of share premium per share in lieu of dividend paid on March 29 2010
(2009: Dividend paid to shareholders on March 30 2009)

207,0 100,0

Capitalisation issue to shareholders on one new Bidvest share for every
100 Bidvest shares held on March 30 2009

– 90,0

Final distribution (cents)

Dividend payable to shareholders on September 27 2010 (2009: Refund of share
premium per share in lieu of dividend paid on November 30 2009)

225,0 190,0

432,0 380,0

It is expected that the final dividend declared for payment on September 27 2010 will result in a secondary tax on companies charge of approximately R68,0 million.

Notes to the consolidated financial statements

for the year ended June 30

	2010 R'000	2009 R'000
7. Cash generated by operations		
Profit before taxation	4 745 847	3 954 623
Costs incurred in respect of acquisitions	61 202	–
Net finance charges	758 479	1 029 243
Share of current year earnings of associates	(32 529)	(19 940)
Adjustment for depreciation and amortisation	1 870 465	1 745 220
Adjustment for other non-cash items	(60 845)	193 966
Reduction in post-retirement obligations	(36 431)	(10 646)
Decrease in life assurance fund	(6 938)	(12 806)
Working capital changes	684 970	(130 792)
Decrease (increase) in inventories	(487 076)	347 435
Decrease (increase) in trade and other receivables	(39 806)	482 383
Decrease (increase) in banking and other advances	14 004	(29 205)
Increase (decrease) in trade and other payables and provisions	708 681	(1 166 475)
Increase in banking liabilities	489 167	235 070
Cash generated by operations	7 984 220	6 748 868
8. Finance charges		
Charge per income statement	(822 887)	(1 070 225)
Amounts capitalised to borrowings	101 725	14 093
Amounts capitalised to property, plant and equipment	(2 880)	(9 679)
Amounts paid	(724 042)	(1 065 811)
9. Taxation paid		
Amounts payable at beginning of year	(262 080)	(511 427)
Current taxation charge	(1 256 256)	(1 002 612)
Businesses acquired	(19 952)	(149)
Exchange rate adjustments	6 816	28 612
Amounts payable at end of year	364 558	262 080
Amounts paid	(1 166 914)	(1 223 496)
10. Distributions to shareholders		
Dividends paid to shareholders	–	(332 645)
Dividends received by subsidiaries on treasury shares	–	28 076
Refund of share premium to shareholders in lieu of dividend	(1 379 469)	(912 553)
Refund of share premium received by subsidiary on treasury shares	111 570	73 026
Dividends paid to minority shareholders by subsidiaries	(33 646)	(33 863)
Amounts paid	(1 301 545)	(1 177 959)

	2010 R'000	2009 R'000
11. Acquisition of businesses, subsidiaries and associates		
Property, plant and equipment	(623 231)	(32 310)
Deferred taxation	27 884	(405)
Interest in associates	(180 419)	(78 033)
Investments and advances	11 444	–
Inventories	(410 932)	(50 399)
Trade and other receivables	(391 503)	(54 815)
Cash and cash equivalents	(45 784)	16 521
Borrowings	1 374 270	2 027
Trade and other payables and provisions	703 233	72 873
Taxation	19 952	149
Net fair value of liabilities (tangible assets)	484 914	(124 392)
Goodwill	(2 167 927)	(51 448)
Negative goodwill	–	389
Intangible assets	(179 927)	(44 659)
Minority shareholders	(58 108)	(15 872)
Total value of acquisitions	(1 921 048)	(235 982)
Less: Cash and cash equivalents acquired	45 784	(16 521)
Vendors for acquisition at beginning of year	(15 629)	(6 127)
Vendors for acquisition at end of year	539	15 629
Costs incurred in respect of acquisitions	(61 202)	–
Net amounts paid	(1 951 556)	(243 001)

The Group acquired 100% of the issued share capital of the Nowaco group (Nowaco) of companies with effect from July 1 2009 for an enterprise value of €250 million. Nowaco includes Nowaco Czech Republic s.r.o. which focuses on the Czech Republic and Slovakia and Farutex Sp.z.o.o. which serves the Polish market. The purchase consideration was settled with cash of €119 million and the assumption of debt equating to €131 million. An independent valuation of the fair value of assets and liabilities was undertaken which identified €16 million of intangible assets relating mainly to the tradenames of the operations within Nowaco. Goodwill amounting to €182 million has been recognised as a result of this transaction, which can be attributed to the distribution network of the operations within Nowaco, the skills and expertise of the workforce and the synergies expected to be achieved as a result of integrating Nowaco into the European foodservice operations of the Group. None of the goodwill recognised is expected to be deductible for income tax purposes.

The Group also undertook a number of other smaller acquisitions during the year.

Notes to the consolidated financial statements

for the year ended June 30

	Nowaco R'000	Other R'000	Total R'000
11. Acquisition of businesses, subsidiaries and associates <i>(continued)</i>			
The impact of the above acquisitions on the Group's results can be summarised as follows:			
Identifiable assets acquired and liabilities assumed			
Property, plant and equipment	579 203	44 028	623 231
Deferred taxation	(30 295)	2 411	(27 884)
Interest in associates	–	180 419	180 419
Investments and advances	–	(11 444)	(11 444)
Inventories	374 696	36 236	410 932
Trade and other receivables	371 701	19 802	391 503
Cash and cash equivalents	29 705	16 079	45 784
Borrowings	(1 368 231)	(6 039)	(1 374 270)
Trade and other payables and provisions	(635 476)	(67 757)	(703 233)
Taxation	(19 019)	(933)	(19 952)
Intangible assets	178 550	1 377	179 927
Total net identifiable assets (liabilities)	(519 166)	214 179	(304 987)
Contribution to results of the year			
Revenue	4 094 762	330 054	4 424 816
Operating profit	225 875	17 258	243 133
Contribution to results for the year if the acquisitions had been effective on July 1 2009			
Revenue	4 094 762	702 885	4 797 647
Operating profit	225 875	28 845	254 720
		2010	2009
		R'000	R'000
12. Proceeds on disposal of interest in subsidiaries and associates, and disposal and closure of businesses			
Property, plant and equipment	–	2 331	
Deferred taxation	134	20 868	
Interest in associates	–	71 746	
Investments and advances	–	4	
Inventories	731	142 758	
Trade and other receivables	–	3 309	
Cash and cash equivalents	–	(9 234)	
Trade and other payables and provisions	(401)	(82 132)	
Net fair value of tangible assets	464	149 650	
Minority shareholders	60 774	–	
Profit on disposal of interest in subsidiaries and associates, and disposal and closure of businesses	–	491 032	
Less: Cash and cash equivalents disposed of	–	9 234	
Net proceeds	61 238	649 916	

	2010 R'000	2009 R'000
13. Property, plant and equipment		
Freehold land and buildings	2 894 264	2 376 528
Cost	3 538 144	2 888 799
Accumulated depreciation	(643 880)	(512 271)
Leasehold premises	853 528	752 435
Cost	1 250 551	1 091 353
Accumulated depreciation	(397 023)	(338 918)
Plant and equipment	2 412 013	2 008 571
Cost	5 054 345	4 289 972
Accumulated depreciation	(2 642 332)	(2 281 401)
Office equipment, furniture and fittings	782 189	718 148
Cost	2 255 190	2 005 834
Accumulated depreciation	(1 473 001)	(1 287 686)
Vehicles, vessels and craft	1 693 001	1 563 218
Cost	3 627 601	3 352 983
Accumulated depreciation	(1 934 600)	(1 789 765)
Rental assets	258 528	216 642
Cost	550 683	475 874
Accumulated depreciation	(292 155)	(259 232)
Capitalised leased assets	18 062	34 257
Cost	49 277	65 158
Accumulated depreciation	(31 215)	(30 901)
Full maintenance leased assets	1 263 241	1 237 742
Cost	2 029 010	1 934 912
Accumulated depreciation	(765 769)	(697 170)
Capital work in progress	192 745	502 161
	10 367 571	9 409 702

Property, plant and equipment with an estimated carrying value of R68,4 million (2009: R80,7 million) were pledged as security for borrowings of R61,8 million (2009: R51,2 million) (refer note 28).

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

Notes to the consolidated financial statements

for the year ended June 30

	2010 R'000	2009 R'000
13. Property, plant and equipment <i>(continued)</i>		
<i>Movement in property, plant and equipment</i>		
Carrying value at beginning of year	9 409 702	9 556 529
Capital expenditure	2 733 291	2 251 001
Freehold land and buildings	399 854	158 601
Leasehold premises	209 348	132 727
Plant and equipment	838 272	362 787
Office equipment, furniture and fittings	309 301	258 886
Vehicles, vessels and craft	611 092	582 694
Rental assets	129 380	106 996
Capitalised leased assets	852	16 199
Full maintenance leased assets	529 363	352 744
Capital work in progress	(294 171)	279 367
Expenditure	257 008	540 918
Transfers to other categories	(551 179)	(261 551)
Acquisition of businesses	623 231	32 310
Freehold land and buildings	339 208	5 896
Leasehold premises	5 298	–
Plant and equipment	96 395	8 379
Office equipment, furniture and fittings	43 234	1 608
Vehicles, vessels and craft	100 392	16 427
Rental assets	11 927	–
Capital work in progress	26 777	–
Disposals	(406 982)	(304 164)
Freehold land and buildings	(17 696)	(37)
Leasehold premises	–	(12 328)
Plant and equipment	(37 024)	(11 865)
Office equipment, furniture and fittings	(15 933)	(14 359)
Vehicles, vessels and craft	(76 984)	(134 596)
Rental assets	(36 440)	(18 862)
Capitalised leased assets	(7 326)	(384)
Full maintenance leased assets	(195 277)	(108 135)
Capital work in progress	(20 302)	(3 598)
Disposal of businesses	–	(2 331)
Exchange rate adjustments	(361 888)	(631 850)
Freehold land and buildings	(143 208)	(204 211)
Leasehold premises	(30 045)	(62 894)
Plant and equipment	(66 803)	(117 811)
Office equipment, furniture and fittings	(7 138)	(11 436)
Vehicles, vessels and craft	(89 875)	(195 608)
Rental assets	(325)	(90)
Capitalised leased assets	(2 774)	(2 848)
Capital work in progress	(21 720)	(36 952)
Depreciation (refer note 2)	(1 599 512)	(1 476 300)
Impairment losses	(30 271)	(15 493)
Carrying value at end of year	10 367 571	9 409 702

	2010 R'000	2009 R'000
14. Intangible assets		
Patents, trademarks, tradenames and other intangibles	241 871	111 533
Cost	1 123 420	1 000 504
Accumulated amortisation and impairments	(881 549)	(888 971)
Computer software	218 040	195 227
Cost	716 227	613 672
Accumulated amortisation	(498 187)	(418 445)
Capital work in progress	191 183	205 526
	651 094	512 286

Movement in intangible assets

Carrying value at beginning of year	512 286	486 471
Additions	149 880	184 928
Patents, trademarks, tradenames and other intangibles	17 909	25 649
Computer software	123 957	151 577
Capital work in progress	8 014	7 702
Expenditure	13 646	7 707
Transfers to other categories	(5 632)	(5)
Acquisition of businesses	179 927	44 659
Patents, trademarks, tradenames and other intangibles	174 928	44 646
Computer software	4 842	13
Capital work in progress	157	–
Disposals	(11 473)	(2 922)
Patents, trademarks, tradenames and other intangibles	(7 747)	(1 638)
Computer software	(3 322)	(1 284)
Capital work in progress	(404)	–
Exchange rate adjustments	(54 400)	(59 154)
Patents, trademarks, tradenames and other intangibles	(18 491)	(24 710)
Computer software	(13 293)	(12 412)
Capital work in progress	(22 616)	(22 032)
Amortisation (refer note 2)	(118 968)	(140 828)
Impairment losses	(6 158)	(868)
Carrying value at end of year	651 094	512 286

Notes to the consolidated financial statements

for the year ended June 30

	2010 R'000	2009 R'000
15. Goodwill		
Carrying value at beginning of year	3 966 950	4 556 137
Acquisition of businesses	2 167 927	51 448
Impairment of goodwill	(5 528)	(19 910)
Exchange rate adjustments	(420 180)	(620 725)
Carrying value at end of year	5 709 169	3 966 950

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 the at fair value less costs to sell method. An amount of R5,5 million (2009: R19,9 million) was identified as being impaired for the current financial year.

The most significant portion of the Group's goodwill, R4,8 billion (2009: R3,2 billion), relates to operations in Bidvest Europe and Asia Pacific. The recoverable amount of each cash-generating units within these divisions was determined using the fair value less costs to sell method and exceeds the carrying value by some R9,5 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 operations amounted to R996,9 million (2009: R929,4 million) for the year.

The remaining goodwill of R0,9 billion (2009: R0,7 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 and a permanent diminution had taken place, an impairment was recognised.

16. Deferred taxation		
Deferred taxation assets	426 822	378 603
Deferred taxation liabilities	(378 992)	(255 402)
Net deferred taxation asset	47 830	123 201

Movement in net deferred taxation assets and liabilities

Balance at beginning of year	123 201	176 304
Per income statement	(44 803)	(43 732)
Items recognised directly in other comprehensive income	5 046	–
Arising on acquisition or disposal of businesses	(28 018)	(20 463)
Exchange rate adjustments	(7 596)	11 092
Balance at end of year	47 830	123 201

	Assets R'000	Liabilities R'000	Net R'000
16. Deferred taxation (continued)			
<i>Temporary differences</i>			
2010			
Differential between carrying values and tax values of property, plant and equipment	1 141	(473 089)	(471 948)
Differential between carrying values and tax values of intangible assets	324	(31 750)	(31 426)
Estimated taxation losses	42 686	8 943	51 629
Staff related allowances and liabilities	181 003	84 564	265 567
Operating lease liabilities	55 054	8 442	63 496
Inventories	68 043	(16 115)	51 928
Investments	7 643	(31 749)	(24 106)
Trade and other receivables	38 614	18 116	56 730
Trade, other payables and provisions	32 314	53 646	85 960
	426 822	(378 992)	47 830
2009			
Differential between carrying values and tax values of property, plant and equipment	(61 261)	(310 205)	(371 466)
Differential between carrying values and tax values of intangible assets	(1 256)	(5 856)	(7 112)
Estimated taxation losses	12 996	26 974	39 970
Staff related allowances and liabilities	135 535	70 752	206 287
Operating lease liabilities	50 487	11 601	62 088
Inventories	58 440	(12 622)	45 818
Investments	(161)	(14 077)	(14 238)
Trade and other receivables	34 720	4 234	38 954
Trade, other payables and provisions	149 103	(26 203)	122 900
	378 603	(255 402)	123 201

Deferred taxation has been provided at rates ranging between 10% and 36% (2009: 14% and 36%). The variance in rates arises as a result of the differing tax and capital gains tax rates present in the various countries in which the Group operates.

	2010 R'000	2009 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:		
<i>Income statement</i>		
Revenue	26 481	24 730
Operating profit	6 200	7 077
Net finance charges	(1 250)	(1 322)
Profit before taxation	4 950	5 755
Taxation	(1 437)	(2 154)
Profit for the year	3 513	3 601
<i>Statement of financial position</i>		
Assets		
Property, plant and equipment and intangible assets	9 062	8 208
Intangibles	4	–
Deferred taxation	1 824	1 703
Net current assets	9 511	7 852
	20 401	17 763
Equity and liabilities		
Capital and reserves	11 808	8 295
Borrowings	8 593	9 468
	20 401	17 763

Details of major joint ventures are reflected on page 210 of this report.

Notes to the consolidated financial statements

for the year ended June 30

	2010 R'000	2009 R'000
18. Interest in associates		
Associates		
Listed associates	355 075	186 967
Net asset value at acquisition	278 818	113 234
Inherent goodwill	250 357	273 733
Provision for impairment	(174 100)	(200 000)
Unlisted associates	132 526	93 114
Net asset value at acquisition	92 456	78 994
Inherent goodwill	40 070	14 120
Investments in associates at cost less impairments	487 601	280 081
Attributable share of post-acquisition reserves of associates	82 592	88 816
At beginning of year	88 816	189 210
Share of current year retained earnings	10 198	19 940
Share of foreign currency translation reserve	(4 279)	1 264
Other movements recognised directly in equity	(8 573)	9 853
Reversal of prior year on becoming subsidiary, disposal or change in shareholding	(3 570)	(131 451)
Advances	86 672	80 992
	656 865	449 889
Advances to associates bear interest at rates of between 0% and 11% and have no fixed terms of repayment.		
Market value of listed associates	436 200	222 353
Directors' valuation of unlisted associates	277 900	280 000
	714 100	502 353
Summarised financial information of associates (aggregated):		
Income statement		
Revenue	5 346 729	4 558 068
Operating profit	308 442	223 658
Net finance charges	(52 731)	(54 207)
Profit before taxation	255 711	169 451
Taxation	(85 024)	(57 544)
Profit for the year	170 687	111 907
Statement of financial position		
Assets		
Property, plant and equipment and intangible assets	1 535 257	1 293 531
Investments	850	–
Net current assets	607 948	327 472
	2 144 055	1 621 003
Equity and liabilities		
Capital and reserves	1 374 154	933 244
Deferred taxation	86 289	64 462
Borrowings	683 612	623 297
	2 144 055	1 621 003

Details of major associates are reflected on page 211 of this report.

	2010 R'000	2009 R'000
19. Investments		
Listed held-for-trading	492 635	391 882
Unlisted held-for-trading	571 288	454 194
Listed available-for-sale	58 672	62 443
Unlisted available-for-sale	34 595	365
	1 157 190	908 884

The Group accounts for its effective beneficial interest in Mumbai International Airport as an unlisted investment held-for-trading. The carrying value of this investment, based on a conservative directors' valuation at June 30 2010, is R499,9 million (2009: R337,0 million).

Included in listed investments are available-for-sale interest-bearing listed bonds which amount to R37,9 million (2009: R43,6 million), with coupon interest rates of between 13,0% and 13,5% (2009: 13,0% and 13,5%) which mature in one to six years (2009: one to seven years). These investments may be realised prior to their maturity date.

Fair value and hierarchy of investments

The table below analyses investments by valuation method:

Investments held at cost	32 118	32 248
Investments held at fair value as determined on inputs based on:	1 125 072	876 636
Unadjusted quoted prices in an active market for identical assets	521 795	447 398
Factors that are observable for the asset either as prices or derived from prices	564 959	404 581
Factors that are not based on observable market data	38 318	24 657
	1 157 190	908 884

A register of investments is available for inspection by members at the registered office of the Company.

20. Banking and other advances

Instalment finance	51 810	58 572
Vehicle lease receivables	214 917	343 198
Call and term loans	156 972	168 054
Other	221 494	89 373
	645 193	659 197
Impairment allowance	(22 577)	(7 072)
	622 616	652 125

Maturity analysis

Maturing in one year	350 086	279 862
Maturing after one year but within five years	272 530	360 106
Maturing after five years	–	12 157
	622 616	652 125

Interest rates are based on contractual agreements with customers.

Refer note 36 for further disclosure.

Notes to the consolidated financial statements

for the year ended June 30

	2010 R'000	2009 R'000
21. Vehicle rental fleet		
Cost	1 001 864	777 087
Accumulated depreciation	(86 822)	(92 882)
	915 042	684 205
<i>Movement in vehicle rental fleet</i>		
Carrying value at beginning of year	684 205	654 252
Additions	1 150 070	826 972
Disposals	(767 248)	(669 795)
Depreciation	(151 985)	(127 224)
Carrying value at end of year	915 042	684 205
22. Inventories		
Raw materials	323 505	254 106
Work in progress	99 398	105 980
Finished goods	5 353 692	4 903 534
New vehicles and motor cycles	748 740	614 210
Used vehicles	627 369	499 869
Demonstration vehicles	550 527	674 602
Power and marine products	111 595	125 519
Parts and accessories	215 926	265 432
	8 030 752	7 443 252
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)	560 035	417 319
Amounts included in trade and other payables relating to these assets (refer note 32)	406 300	538 827
	966 335	956 146
Writedown of inventory charged to the income statement	104 201	70 357
23. Trade and other receivables		
Trade receivables	10 044 178	10 018 841
Impairment allowances	(426 848)	(389 935)
Total trade receivables	9 617 330	9 628 906
Forward exchange contracts asset	8 959	9 049
Prepayments and other receivables	912 938	1 107 123
	10 539 227	10 745 078
The majority of trade and other receivables are 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.		
Refer note 36 for further disclosure on trade receivables and impairment allowances.		

	2010 R'000	2009 R'000
24. Cash and cash equivalents		
Cash on hand and at bank	4 138 722	3 162 425
Variable rate redeemable cumulative preference shares earning dividends at rates of between 61,5% and 80% of the prime overdraft rate, subject to redemption and/or repurchase on 30 days' notice.	–	50 000
	4 138 722	3 212 425
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	1 160 553	903 559
25. Capital and reserves attributable to shareholders of the Company		
<i>Share capital</i>		
Issued share capital	17 507	16 814
Share premium	81 258	228 301
<i>Reserves</i>	18 983 584	16 165 147
Foreign currency translation reserve	20 527	691 746
Statutory reserves	15 215	13 033
Equity-settled share-based payment reserve	328 640	253 936
Retained earnings	18 619 202	15 206 432
	19 082 349	16 410 262
<i>Less: Shares held by subsidiary as treasury shares</i>	(2 345 846)	(2 481 130)
<i>Capital and reserves attributable to shareholders of the Company</i>	16 736 503	13 929 132
<i>Reserves comprise</i>		
Company and subsidiaries	18 889 685	16 068 537
Joint ventures	11 307	7 794
Associates	82 592	88 816
	18 983 584	16 165 147

Notes to the consolidated financial statements

for the year ended June 30

	2010 R'000	2009 R'000
25. Capital and reserves attributable to shareholders of the Company		
Share capital (continued)		
Authorised		
540 000 000 (2009: 540 000 000) ordinary shares of 5 cents each	27 000	27 000
Issued		
Number of shares issued	350 144 746	336 284 567
Balance at beginning of year	336 284 567	331 837 415
Capitalisation issue	–	3 326 310
Issue for cash	9 970 240	–
Shares issued in terms of share incentive scheme	3 889 939	1 120 842
Less: Shares held by subsidiary as treasury shares	(27 843 230)	(27 571 595)
Balance at beginning of year	(27 571 595)	(27 441 028)
Purchase of shares by subsidiary	(658 202)	(635 114)
Capitalisation issue	–	(280 761)
Sale of shares by subsidiary to staff in terms of share incentive scheme	386 567	785 308
Less: Shares held by share purchase scheme	(3 295 121)	(3 717 917)
Balance at beginning of year	(3 717 917)	(3 820 644)
Capitalisation issue	–	(36 837)
Shares acquired by staff in terms of share incentive scheme	287 074	–
Shares repurchased from staff	135 722	139 564
Net shares in issue	319 006 395	304 995 055

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 and conditional share awards made, to executive directors and staff, which have been recognised over the vesting period at fair value with a corresponding expense to the income statement. The reserve also includes a share-based cost resulting from an empowerment transaction entered into by a subsidiary.

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.

A conditional share plan, which awards employees a conditional right to receive shares in the Company, free of any cost, is also operated by the Group. As it is anticipated that the participants will receive shares in settlement of their awards, a share-based payment reserve has been recognised.

During the year the Company concluded agreements with empowerment partners to facilitate the disposal of an effective interest of 15,46% in its subsidiary, Bidvest Namibia Limited. An equity-settled share-based payment reserve has been recognised in respect of this transaction by Bidvest Namibia Limited.

26. Share-based payments (continued)

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 to the trustees of the Bidvest Share Incentive Trust.

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:

	2010		2009	
	Number	Average price R	Number	Average price R
Beginning of the year	8 804 506	51,36	10 770 406	51,36
Granted	63 000	100,00	–	–
Lapsed	(28 510)	55,37	(59 750)	61,37
Exercised	(3 791 939)	47,17	(1 906 150)	46,43
End of the year	5 047 057	55,72	8 804 506	52,18

The options outstanding at June 30 2010 have an exercise price in the range of R35,03 to R112,00 (2009: R17,55 to R112,00) and a weighted average contractual life of 1,0 to 8,5 years (2009: 1,0 to 6,5 years). The average share price of The Bidvest Group Limited during the year was R123,28 (2009: R97,18).

Share options outstanding at June 30 2010 by year of grant are:

2003 and prior	1 769 920	40,53	3 734 184	40,00
2004	1 384 350	50,53	2 463 906	50,30
2005	1 637 537	69,18	2 351 416	69,10
2006	157 250	89,61	220 000	89,74
2008	35 000	112,00	35 000	112,00
2010	63 000	100,00		
	5 047 057	55,72	8 804 506	52,18

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

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

	2010
Fair value at measurement date (rand)	19,01
Exercise price (rand)	100,00
Expected volatility (%)	31,21
Option life (years)	3,25 – 4,25
Distribution yield (%)	4,72
Risk-free interest rate (based on national government bonds) (%)	7,19

The volatility is based on the historic volatility.

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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.

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:

	2010		2009	
	Number	Average price R	Number	Average price R
Beginning of the year	3 717 917	111,03	3 820 644	109,21
Repurchased	(135 722)	111,00	(139 564)	110,47
Shares taken up by staff	(287 105)	112,60	–	–
Capitalisation issue	–	–	36 837	–
End of the year	3 295 090	110,76	3 717 917	111,03

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

No shares were allotted during the year.

Conditional share plan

In terms of the conditional share plan scheme, a conditional right to a share is awarded to employees subject to performance and vesting conditions. The vesting period is as follows: 50% of total number of awards vest at the expiry of three years; 75% of total number of awards vest at the expiry of four years; and 100% of total number of allotted awards vest at the expiry of five years from the date of the holder's acceptance of the award, unless otherwise determined by the board. These share awards do not carry voting rights attributable to ordinary shareholders. An additional 3 501 447 (2009: 3 362 846) conditional share awards are available to be granted to employees in the forthcoming year.

The fair value of services received in return for the conditional share awards has been determined by multiplying the number of conditional share awards expected to vest, by the share price at the date of the award, discounted by anticipated future distribution flows. A total number of 670 119 of the 2 785 600 shares are expected to vest, taking into account the performance of the various operations to date and forecasts to the end of the performance period, against the targets set at the time of the award. The average discounted share price used in the calculation is R119,81 per share. These awards will vest in the next one to three years.

The number of conditional share awards allotted in terms of the conditional share award scheme are:

	2010 Number	2009 Number
Beginning of the year	800 000	–
Allotted during the year	2 085 600	800 000
Lapsed during the year	(100 000)	–
End of the year	2 785 600	800 000

Empowerment transaction

The Monte Carlo simulation method has been used to determine the fair value of the empowerment transaction between the Company and the empowerment partners in its subsidiary Bidvest Namibia Limited. The following inputs have been used in the determination of the fair value to be recognised as a result of the transaction: share price at transaction date – NAD7,20; expected volatility – 14,2%; expected dividend yield – 4,7%; valuation date – June 1 2010 and maturity date – June 30 2014; which has resulted in a charge against the income statement of R16,9 million.

	2010 R'000	2009 R'000
27. Life assurance fund		
The assurance fund 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	20 672	33 478
Gross	25 209	40 557
Reinsurer's share	(4 537)	(7 079)
Transfer to income statement	(6 938)	(12 806)
Gross	(7 826)	(15 347)
Reinsurer's share	888	2 541
Net assurance fund at end of year	13 734	20 672
28. Borrowings		
Loans secured by mortgage bonds over fixed property (refer note 13)	21 282	25 860
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements (refer note 13)	40 566	25 388
Unsecured loans	6 146 670	4 821 432
Vehicle lease creditors secured by a pledge of inventories (refer note 22)	–	21 878
Floorplan creditors secured by pledge of inventories (refer note 22)	560 035	417 319
Borrowings	6 768 553	5 311 877
Bank overdrafts	1 233 269	1 972 887
Total borrowings	8 001 822	7 284 764
Short-term portion of borrowings	(4 553 321)	(4 294 532)
Long-term portion of borrowings	3 448 501	2 990 232
Schedule of repayment of borrowings		
Year to June 2010		2 321 645
Year to June 2011	3 320 052	706 857
Year to June 2012	219 889	62 526
Year to June 2013	568 571	58 190
Year to June 2014	213 061	57 046
Year to June 2015	1 598 922	1 556 837
Year to June 2016	793 600	239 425
Thereafter	54 458	309 351
	6 768 553	5 311 877
Total borrowings comprise		
Borrowings	6 768 553	5 311 877
Local subsidiaries	4 429 325	3 628 774
Foreign subsidiaries	2 339 228	1 683 103
Overdrafts	1 233 269	1 972 887
Local subsidiaries	1 216 775	1 970 574
Foreign subsidiaries	16 494	2 313
	8 001 822	7 284 764
	%	%
Effective weighted average rate of interest on		
Local borrowings excluding overdrafts	9,1	9,7
Foreign borrowings excluding overdrafts	2,9	3,0

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for the year ended June 30

	Currency	Nominal interest rate %	2010 Year of maturity	Carrying value R'000	2009 Carrying value R'000
28. Borrowings (continued)					
Terms and debt repayment schedule					
Terms and conditions of outstanding loans were:					
Borrowings of local subsidiaries				4 429 325	3 628 774
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	ZAR	5,0 – 10,0	2012 – 2013	127	15 819
Unsecured loans	ZAR	6,0 – 11,0	2011 – 2018	3 869 163	3 173 758
Vehicle lease creditors secured by a pledge of inventories	ZAR	–	–	–	21 878
Floorplan creditors secured by pledge of inventories	ZAR	8,25 – 10,0	2011	560 035	417 319
Borrowings of foreign subsidiaries				2 339 228	1 683 103
Loans secured by mortgage bonds over fixed property	GBP			–	26 115
	PLN	5,62 – 5,67	2013 – 2016	21 282	–
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	GBP	5,0	2012 – 2013	24 756	7 147
	PLN	5,49	2013	14 739	–
	EUR	5,0	2013	616	1 002
	Other	5,0 – 12,0	2011 – 2014	328	1 419
Unsecured loans	EUR	5,0 – 6,0	2011 – 2015	13 062	457 891
	USD	1,5 – 1,7	2011	196 434	42 752
	HKD	1,1 – 2,27	2011	551 083	543 730
	SGD	1,3 – 1,38	2011	479 659	570 220
	CZK	3,51 – 4,37	2011 – 2016	974 023	–
	NAD	9	2015	62 445	–
	AUD	5,7	2011	801	–
	NZD			–	32 646
	Other			–	181
Total interest-bearing borrowings				6 768 553	5 311 877

The expected maturity dates are not expected to differ from the contractual maturity dates.

Refer note 36 for further disclosure.

	2010 R'000	2009 R'000
29. Post-retirement obligations		
Defined benefit pension surplus	(129 850)	(120 985)
	394 527	460 803
Post-retirement medical aid obligations	174 465	182 884
Unfunded defined benefit early retirement plan	220 062	277 919
	264 677	339 818

Pension and provident funds

The Group provides retirement benefits for its permanent employees through pension funds with defined benefit and defined contribution categories and defined contribution provident funds 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 defined benefit funds

Number of members at June 30	1 020	993
	R'000	R'000
Employer contribution	5 036	8 587
Employee contribution	1 041	1 006
<i>Total pension fund asset</i>		
Actuarial present value of defined benefit obligations	(444 957)	(468 574)
Fair value of plan assets	709 702	668 804
Surplus in the plans	264 745	200 230
Unrecognised actuarial gains	(54 266)	(47 866)
Surplus in the plans not recognised due to the uncertainties relating to the apportionment of these surpluses	(71 754)	(22 504)
Limitation of the Bidcorp Group Pension Fund surplus to the extent it has been allocated to the employer	(8 875)	(8 875)
	129 850	120 985
<i>Movement in the liability for defined benefit obligations</i>		
Balance at beginning of year	(468 574)	(474 008)
Benefits paid by plans	52 107	31 099
Current service costs	(8 868)	(7 786)
Interest	(38 506)	(43 150)
Member contributions	(1 041)	(1 006)
Actuarial gains (losses)	7 601	4 763
Exchange rate adjustments on foreign plans	12 324	21 514
Balance at end of year	(444 957)	(468 574)

Notes to the consolidated financial statements

for the year ended June 30

	2010 R'000	2009 R'000
29. Post-retirement obligations (continued)		
<i>Movement in the plans' assets</i>		
Balance at beginning of year	668 804	728 892
Contributions paid into the plans	6 077	9 593
Benefits paid by the plans	(52 107)	(31 099)
Expected return on plans' assets	57 485	72 603
Actuarial gains (losses)	44 628	(98 448)
Exchange rate adjustments on foreign plans	(15 185)	(12 737)
Balance at end of year	709 702	668 804
<i>The plans' assets comprise</i>		
Cash	131 216	169 662
Equity securities	266 879	237 836
Bonds	232 847	169 892
Property	23 655	36 418
Other	55 105	54 996
	709 702	668 804
<i>Amounts recognised in income statement</i>		
Current service costs	8 868	7 786
Interest on obligations	38 506	43 150
Expected return on plans' assets	(57 485)	(72 603)
Net actuarial gains (losses) recognised in current year	(45 977)	35 617
Net amounts not recognised in income statement or statement of financial position of the Group due to the uncertainties relating to the apportionment of the pension fund surpluses	25 791	(6 382)
	(30 297)	7 568
Actual return on plan assets	(24 610)	(15 020)
<i>Key actuarial assumptions</i>	%	%
Expected rate of return on plan assets	5,8 – 9,8	5,8 – 11,3
Discount rate	2,5 – 9,3	3,1 – 10,8
Inflation rate	2,5 – 6,1	2,5 – 8,3
Salary increase rate	4,0 – 6,8	4,0 – 9,0
Pension increase allowance	3,6 – 5,0	4,2 – 5,0
Date of valuation	June 30 2010	June 30 2009

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

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

	2010 R'000	2009 R'000	2008 R'000	2007 R'000	2006 R'000
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29. Post-retirement obligations (continued)

The Group expects to pay R10 134 244 in contributions to defined benefit plans in the year ending June 30 2011.

Historical information

Present value of the defined benefit obligations	(444 957)	(468 574)	(474 008)	(419 090)	(372 659)
Fair value of plans' assets	709 702	668 804	728 892	653 920	509 327
Surpluses in the plans	264 745	200 230	254 884	234 830	136 668
Experience adjustments arising on plans' liabilities – losses (gains)	7 601	4 763	(44 057)	11 606	(8 436)
Experience adjustments arising on plans' assets – losses (gains)	44 628	(98 448)	41 789	57 838	(7 001)

2010 R'000	2009 R'000
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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.

Provision for post-retirement medical aid obligations

Opening provision raised against unfunded obligation	182 884	174 649
Expense recognised in income statement	292	16 985
Payments charged against provisions	(8 711)	(8 750)
Closing provision raised against unfunded obligation	174 465	182 884

Actuarially determined present value of total obligation using projected unit credit valuation method

174 465	182 884
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Key actuarial assumptions

	%	%
Discount rate	9,3	7,3
Inflation rate (CPI)	5,5	4,4
Healthcare cost inflation	8,0	6,6

A change in the medical inflation rates will not have a significant impact on the post-retirement medical aid costs and relating obligations.

2010 R'000	2009 R'000	2008 R'000	2007 R'000	2006 R'000
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Historical information

Present value of the unfunded obligations	(174 465)	(182 884)	(174 649)	(160 663)	(198 618)
Experience adjustments arising on plans' liabilities – losses (gains)	1 816	148	(392)	(21 059)	9 470

Unfunded defined benefit early retirement plan

A subsidiary provides an early retirement plan for its employees. The liability recognised is based on the actuarial valuation performed as at June 30.

	2010 R'000	2009 R'000
Number of members June 30	539	566
Total unfunded pension liability	177 190	210 715
Actuarial present value of defined benefit obligations	42 872	67 204
Unrecognised actuarial gains	220 062	277 919

Notes to the consolidated financial statements

for the year ended June 30

	2010 R'000	2009 R'000
29. Post-retirement obligations <i>(continued)</i>		
Unfunded defined benefit early retirement plan <i>(continued)</i>		
<i>Movement in the liability for unfunded defined benefit early retirement plan</i>		
Balance at beginning of year	210 715	261 127
Benefits paid by employer	(30 060)	(12 264)
Current service costs	5 383	9 893
Interest	13 001	16 068
Actuarial gains (losses)	10 543	(35 940)
Exchange rate adjustments on foreign plans	(32 392)	(28 169)
Balance at end of year	177 190	210 715
<i>Amounts recognised in income statement</i>		
Current service costs	5 383	9 893
Interest on obligations	13 001	16 068
Net actuarial gains recognised in current year	(35 351)	(14 052)
	(16 967)	11 909
<i>Key actuarial assumptions</i>		
	%	%
Discount rate	4,6	6,3
Salary increase rate	2,0	2,0
Date of valuation	June 30 2010	June 30 2009
	2010 R'000	2009 R'000
	2008 R'000	2007 R'000
	2006 R'000	
<i>Historical information</i>		
Present value of the unfunded obligations	(177 190)	(210 715)
Experience adjustments arising on plans' liabilities – losses (gains)	(10 543)	(35 940)
	3 283	(29 870)
	(5 733)	
	2010 R'000	2009 R'000
30. Banking liabilities		
Call deposits	649 897	490 866
Fixed and notice deposits	430 469	100 334
	1 080 366	591 200
All banking liabilities mature within one year		
Effective rates of interest		
	%	%
Call deposits	3,6	6,4
Fixed and notice deposits	7,3	8,2
Banking liabilities other than fixed and notice deposits are at floating interest rates.		
Refer note 36 for further disclosure.		

2010
R'000

2009
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

Included in trade and other payables

Long-term portion

Operating lease commitments

Land and buildings

Due in one year

Due after one year but within five years

Due after five years

Equipment and vehicles

Due in one year

Due after one year but within five years

Due after five years

Less: Amounts raised as liabilities

225 787

219 355

(27 587)

(9 916)

198 200

209 439

7 183 619

7 220 549

884 116

833 137

2 598 564

2 564 826

3 700 939

3 822 586

224 311

284 884

61 402

110 060

162 909

174 753

–

71

7 407 930

7 505 433

(225 787)

(219 355)

7 182 143

7 286 078

32. Trade and other payables

Trade payables

Floorplan creditors

Forward exchange contracts liability

Other payables and accrued expenses

10 626 644

9 849 027

406 300

538 827

8 666

67 548

3 990 747

4 115 314

15 032 357

14 570 716

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.

Refer note 36 for further disclosure.

Notes to the consolidated financial statements

for the year ended June 30

	2010 R'000		2009 R'000	
33. Provisions				
Short-term portion	251 635		297 080	
Long-term portion	235 253		218 972	
	486 888		516 052	

	Onerous contracts R'000	Insurance liabilities R'000	Dismantling and site restoration R'000	Customer loyalty programme R'000	Other R'000	Total R'000
Balance at June 30 2008	86 574	186 915	140 881	25 880	68 299	508 549
Created	145 753	16 547	11 047	19 007	138 228	330 582
Utilised	(77 078)	(1 484)	(2 374)	(18 153)	(178 180)	(277 269)
Exchange rate adjustments	(20 285)	–	(18 072)	(4 719)	(2 734)	(45 810)
Balance at June 30 2009	134 964	201 978	131 482	22 015	25 613	516 052
Created	39 597	295 448	4 893	26 434	185 292	551 664
Utilised	(75 085)	(307 063)	(13 103)	(17 907)	(145 236)	(558 394)
Net acquisition of businesses	–	–	541	–	247	788
Exchange rate adjustments	(10 942)	–	(11 629)	545	(1 196)	(23 222)
Balance at June 30 2010	88 534	190 363	112 184	31 087	64 720	486 888

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 deem 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 are calculated on the settlement amount outstanding at year-end; and claims incurred but not reported 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 cost 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.

Customer loyalty programme

This is a customer loyalty programme introduced by certain operations within the Group, whereby customers can earn points for redemption in the form of gift certificates and products of the operations. The provision is calculated based on the points outstanding at year-end.

Other

Consists of various individually insignificant provisions.

	2010 R'000	2009 R'000
34. Commitments		
Capital expenditure approved		
Contracted for	506 384	745 704
Not contracted for	247 226	252 231
	753 610	997 935

Capital expenditure amounting to R673,8 million (2009: R930,2 million) is in respect of property, plant and equipment and the remaining balance is in respect of computer software.

It is anticipated that capital expenditure will be financed out of existing cash resources.

35. Contingent liabilities		
Guarantees issued in respect of obligations of associates and investments	117 295	162 815

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

The Dinatla Investment Holdings (Pty) Limited (Dinatla) refinancing arrangements was concluded in November 2006. In terms of this arrangement, Bidvest granted Dinatla the right to require Bidvest to purchase 15 million Bidvest shares from Dinatla at R75 per Bidvest share if the 10-day volume weighted average price per Bidvest share is equal to or less than R75 per Bidvest share ("the put option"). The put option expires on the earlier of the date on which Dinatla discharges all of its obligations under its funding arrangements in full or on March 30 2012.

Refer note 36 for further disclosure in respect of guarantees.

36. Financial instruments

36.1 Risk management overview

The Group has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; interest rate risk; foreign currency risk and market price risk.

This note presents information about the Group's exposure to each of the aforementioned risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. IFRS 7 requires certain disclosures by class of instrument. The Group has determined that its classes of instruments would be the segments as disclosed in the segmental report.

The Group's major financial risks are mitigated in the way that it operates firstly through diversification of industry and geography and secondly through decentralisation. Bidvest is an international group with operations in South Africa, United Kingdom, Europe, Far East, Australia, New Zealand, Namibia and various other southern African countries. The Group also comprises a variety of businesses within the services, trading and distribution industries. As a result of this diversification in terms of industry and geographical location, the Group is exposed to a range of financial risks, each managed in appropriate ways. However the impact of any one particular financial risk within any of these geographies or industries, is not considered to be material to the consolidated Group.

The Group's philosophy has always been to empower management through a decentralised structure thereby making them responsible for the management and performance of their operations, including managing the financial risks of the operation. The operational management report to divisional management who in turn report to the Group's board of directors. The divisional management are also held responsible for managing financial risks of the operations within the divisions. Operational management's remuneration is based on their operation's performance and divisional management based on their division's performance resulting in a decentralised and entrepreneurial environment.

Due to the diverse structure and decentralised management of the Group, the Group risk management committee ("the Group risk committee") has implemented guidelines of acceptable practices and basic procedures to be followed by divisional and operational management. There is no formal Group policy regarding the management of financial risks. The information provided below for each financial risk has been collated for disclosure based on the manner in which the business is managed and what is believed to be useful information for shareholders.

The Group has small operations trading in the banking, short-term insurance and life insurance industries (included in the Bidserv and Bidauto segments). These operations are exposed to financial risks which are unique to these industries and differ significantly to the remainder of the Group's operations operating within the services, trading and distribution sectors. Whilst the financial risks to which these particular operations are exposed could have a significant effect on the individual operations, they

36. Financial instruments *(continued)*

36.1 Risk management overview *(continued)*

would not have a significant impact on the Group. For this reason, the information provided below mainly provides qualitative and quantitative information regarding the management and exposure to financial risks to which the trading operations of the Group are exposed based on what is believed to be useful to shareholders. Bidvest Bank Limited is a public company for which financial statements are prepared including detailed disclosure in accordance with the requirements of IFRS 7.

The total process of risk management in the Bidvest Group, which includes the related system of control, is the responsibility of the board of directors. The Group risk committee has been constituted as a subcommittee of the Group board of directors in the discharge of its duties and responsibilities in this regard. The risk committee has a charter and reports regularly to the board of directors on its activities.

The primary purposes of the Group risk committee are to:

- establish and maintain a common understanding of the risk universe (framework), which needs to be addressed in order to meet Bidvest Corporate objectives;
- identify the risk profile and agree the risk appetite of the Group;
- satisfy the risk management reporting requirements;
- coordinate the Group's risk management and assurance efforts;
- report to the board of directors on the risk management work undertaken and the extent of any action taken by management to address areas identified for improvement; and
- report to the board of directors on the Company's process for monitoring compliance with laws and regulations.

The Group risk committee has documented a formal policy framework in order to achieve the following:

- place accountability on management for designing, implementing and monitoring the process of risk management;
- place responsibility on management for integrating the risk management process into the day-to-day activities and operations of the Group; and
- ensure that the risk strategy is communicated to all stakeholders so that it may be incorporated into the culture of the Group.

The Bidvest Group has, due to the diversity of its operations in nature and geography, determined that it would be better to develop an in-house strategy, as opposed to adopting a recognised strategy and forcing its operations to adapt to the constraints of the strategy selected. The Group has determined that utilising a common framework for the identification of risk would assist the divisions to reduce the implementation time and cost and would give some assurance that all inherent risks have been considered. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

To assist the Group risk committee in discharging its responsibilities, it has:

- assigned risk management responsibilities to divisional/operational risk committees; and
- determined that each division should appoint risk/compliance officers on a divisional (operational) level as nominated by the divisional risk committees. The role of the risk officer is to develop, communicate, coordinate and monitor the enterprise-wide risk management.

Through the divisional risk committees, each division has a forum for the discussion and identification of risks relevant to the particular division. Only risk matters that affect the Group as a whole are escalated to the Group risk committee. The minutes of the divisional risk committees are submitted to the Group risk committee. The Group risk committee is authorised to attend the divisional risk committee meetings, or the segment of the divisional audit committee dealing with risk management if a separate committee has not been established, and to provide guidance to and coordinate the efforts of these committees in providing the Group adequate risk management.

The Group audit committee supports and endorses the establishment of the Group risk committee. The Group risk committee has a responsibility to monitor and review the risk management strategy of the Group and the Group audit committee assists in fulfilling this responsibility.

Each division has its own audit committee, which subscribes to the same Group audit committee philosophies and practices. The divisional audit committees report to both the divisional board and the Group audit committee. The Group audit committee reviews the divisional audit committee reports. The divisional audit committees oversee how divisional management monitors compliance with the Group's policies and guidelines in respect of the financial reporting process, the system of internal control, the management of financial risks, the audit process (both internal and external) and code of business conduct. The divisional audit committees are assisted in their oversight role by the Group's internal audit department. Divisional internal audit undertakes both regular and ad hoc reviews of financial and operational risk management controls and procedures, the results of which are reported to the divisional audit committee.

36. Financial instruments *(continued)*

36.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, banking advances, investments and guarantees.

The Group risk committee with the assistance of internal audit has implemented a "Delegation of authority matrix" which provides guidelines by division, as to the level of authorisation required for various transactions.

Except as detailed below in respect of guarantees issued, the carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk after taking account of the value of any collateral obtained. The carrying values, net of impairment allowances, amount to R9 617,3 million (2009: R9 628,9 million) for trade receivables (refer note 23), R629,1 million (2009: R612,0 million) for banking and other advances (refer note 20), and R1 157,2 million (2009: R908,9 million) for investments (refer note 19).

The impairment allowance account in respect of trade receivables and banking advances are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point, the amount which is considered irrecoverable is written off against the financial assets directly.

Impairments of investments classified as available-for-sale or held-for-trading are written off against the investment directly and an impairment allowance account is not utilised.

The Group has a general credit policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In accordance with the decentralised structure, the operational management, under the guidance of the divisional management, are responsible for implementation of policies to meet the above objective. This includes credit policies under which new customers are analysed for creditworthiness before the operation's standard payment and delivery terms and conditions are offered, determining whether collateral is required, and if so the type of collateral to be obtained, and setting of credit limits for individual customers based on their references and credit ratings. Operational management are also held responsible for monitoring the operations' credit exposure.

36.2.1 Trade receivables

Refer note 23 for further disclosure.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed by the operational management on the financial condition of the operation's customers.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The largest 10 trade debtors based on the turnover derived from these trade debtors was reported by class. On compilation of the information, it was noted that the Group's exposure to any one specific trade debtor is limited.

The total number of debtors per reporting division was obtained and the average turnover per trade debtor was calculated for each reporting division. Based on the average turnover per trade debtor in comparison to the Group's total turnover for the year, there was no significant concentration of credit risk to any single trade debtor. The concentration of credit risk is therefore limited due to the customer base being large and independent.

Each operation establishes an impairment allowance that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

As a result of the decentralised structure, operational management have the responsibility of determining the impairment allowance in respect of trade receivables. The operations average credit period depend on the type of industry in which they operate as well as the creditworthiness of their customers. The majority of the customers are given credit terms ranging from cash on delivery to 60 days from statement. The largest impairment raised for a specific trade receivable was obtained for each reporting operation and calculated as a percentage of the Group's total impairment allowance at year-end and it was determined that the percentage did not exceed 2,0% (2009: 2,0%) of the total allowance raised.

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	2010 R'000	2009 R'000
36. Financial instruments (continued)		
36.2 Credit risk (continued)		
36.2.1 Trade receivables (continued)		
<i>Movement in impairment allowance in respect of trade receivables</i>		
Balance at July 1	389 935	354 104
Allowance raised during the year	242 413	256 555
Bidvest Freight	22 458	6 999
Bidvest Services	17 542	11 434
Bidvest Foodservice		
Europe	44 278	44 492
Asia Pacific	37 981	67 719
Southern Africa	16 357	21 754
Bidvest Industrial and Commercial	47 193	48 165
Bidvest Paper Plus	4 564	3 439
Bidvest Automotive	47 596	48 715
Bidvest Namibia	4 083	–
Bidvest Corporate	361	3 838
Allowance utilised during the year	(142 567)	(82 095)
Bidvest Freight	(2 314)	(1 158)
Bidvest Services	(5 870)	(15 507)
Bidvest Foodservice		
Europe	(53 303)	(4 388)
Asia Pacific	(22 328)	(21 457)
Southern Africa	(20 000)	(5 248)
Bidvest Industrial and Commercial	(24 944)	(24 381)
Bidvest Paper Plus	(2 316)	(1 564)
Bidvest Automotive	(8 624)	(5 781)
Bidvest Namibia	(1 913)	(2 611)
Bidvest Corporate	(955)	–
Net acquisition of businesses and inter-class transfers	13 145	(4 314)
Bidvest Freight	–	284
Bidvest Services	3 202	(188)
Bidvest Foodservice		
Europe	19 967	(5 227)
Bidvest Industrial and Commercial	–	1 100
Bidvest Paper Plus	–	409
Bidvest Automotive	(10 024)	–
Bidvest Namibia	–	60
Bidvest Corporate	–	(752)
Impairment recovered (written off) against trade receivables	(61 319)	(104 498)
Bidvest Freight	(1 032)	(1 672)
Bidvest Services	(5 144)	(5 349)
Bidvest Foodservice		
Europe	5 973	(24 250)
Asia Pacific	(10 791)	(20 341)
Southern Africa	(4 471)	(6 310)
Bidvest Industrial and Commercial	(19 619)	(21 743)
Bidvest Paper Plus	(4 206)	(754)
Bidvest Automotive	(19 925)	(24 328)
Bidvest Namibia	(2 104)	527
Bidvest Corporate	–	(278)
Exchange rate adjustments	(14 759)	(29 817)
Balance at June 30	426 848	389 935

36. Financial instruments (continued)

36.2 Credit risk (continued)

36.2.1 Trade receivables (continued)

Ageing of trade receivables at June 30

	Gross trade receivables R'000	2010 Impairment allowance R'000	Net trade receivables R'000	Gross trade receivables R'000	2009 Impairment allowance R'000	Net trade receivables R'000
<i>Not past due</i>	7 489 164	(24 724)	7 464 440	7 405 203	(12 342)	7 392 861
Bidvest Freight	1 078 209	(713)	1 077 496	915 931	(304)	915 627
Bidvest Services	618 668	(4 861)	613 807	548 611	(2 522)	546 089
Bidvest Foodservice						
Europe	2 407 262	(6 539)	2 400 723	2 789 111	(3 128)	2 785 983
Asia Pacific	1 154 697	(4 484)	1 150 213	1 073 488	(3 502)	1 069 986
Southern Africa	602 103	(168)	601 935	519 324	(20)	519 304
Bidvest Industrial and Commercial	902 436	(14)	902 422	770 800	(10)	770 790
Bidvest Paper Plus	173 184	–	173 184	213 704	–	213 704
Bidvest Automotive	396 389	(7 899)	388 490	410 347	(2 772)	407 575
Bidvest Namibia	122 590	(46)	122 544	127 873	(84)	127 789
Bidvest Corporate	33 626	–	33 626	36 014	–	36 014
<i>Past due</i>	2 555 014	(402 124)	2 152 890	2 613 638	(377 593)	2 236 045
<i>0 – 30 days</i>	1 496 615	(29 061)	1 467 554	1 505 004	(34 914)	1 470 090
Bidvest Freight	70 475	(9 821)	60 654	58 755	(15 176)	43 579
Bidvest Services	284 579	(1 314)	283 265	279 604	(1 000)	278 604
Bidvest Foodservice						
Europe	186 716	(753)	185 963	128 788	(524)	128 264
Asia Pacific	507 544	(5 199)	502 345	421 228	(6 855)	414 373
Southern Africa	46 008	(230)	45 778	80 994	–	80 994
Bidvest Industrial and Commercial	217 432	(594)	216 838	311 783	(467)	311 316
Bidvest Paper Plus	51 341	–	51 341	44 980	(133)	44 847
Bidvest Automotive	100 499	(10 447)	90 052	145 454	(10 632)	134 822
Bidvest Namibia	19 015	(703)	18 312	15 783	(127)	15 656
Bidvest Corporate	13 006	–	13 006	17 635	–	17 635
<i>31 – 180 days</i>	758 648	(196 565)	562 083	874 514	(184 232)	690 282
Bidvest Freight	31 309	(6 526)	24 783	37 053	(13 885)	23 168
Bidvest Services	80 460	(13 255)	67 205	86 526	(4 990)	81 536
Bidvest Foodservice						
Europe	75 312	(39 497)	35 815	111 274	(31 660)	79 614
Asia Pacific	213 394	(40 192)	173 202	147 184	(28 532)	118 652
Southern Africa	54 352	(24 994)	29 358	120 070	(35 706)	84 364
Bidvest Industrial and Commercial	191 745	(35 357)	156 388	224 629	(38 051)	186 578
Bidvest Paper Plus	17 982	(2 982)	15 000	8 373	(4 720)	3 653
Bidvest Automotive	78 170	(27 925)	50 245	106 455	(20 300)	86 155
Bidvest Namibia	10 377	(4 849)	5 528	18 872	(4 631)	14 241
Bidvest Corporate	5 547	(988)	4 559	14 078	(1 757)	12 321
<i>181 + days</i>	299 751	(176 498)	123 253	234 120	(158 447)	75 673
Bidvest Freight	43 141	(31 510)	11 631	6 730	(400)	6 330
Bidvest Services	17 348	(6 018)	11 330	23 128	(7 270)	15 858
Bidvest Foodservice						
Europe	67 903	(62 398)	5 505	78 035	(72 990)	5 045
Asia Pacific	50 939	(36 170)	14 769	40 372	(40 143)	229
Southern Africa	3 662	(3 263)	399	1 209	(1 046)	163
Bidvest Industrial and Commercial	76 859	(26 915)	49 944	52 551	(22 013)	30 538
Bidvest Paper Plus	326	(326)	–	454	(454)	–
Bidvest Automotive	35 106	(7 183)	27 923	25 681	(10 727)	14 954
Bidvest Namibia	4 099	(2 715)	1 384	3 947	(3 404)	543
Bidvest Corporate	368	–	368	2 013	–	2 013
Total	10 044 178	(426 848)	9 617 330	10 018 841	(389 935)	9 628 906

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36. Financial instruments (continued)

36.2 Credit risk (continued)

36.2.1 Trade receivables (continued)

Collateral held on past due amounts

	2010		2009	
	Fair value of collateral held R'000	Trade receivables net of impairment allowance R'000	Fair value of collateral held R'000	Trade receivables net of impairment allowance R'000
Personal surety	*	63 712	*	79 622
Bidvest Freight		5 218		5 385
Bidvest Services		—		1 259
Bidvest Foodservice				
Europe		12 963		—
Southern Africa		—		—
Bidvest Industrial and Commercial		37 864		52 654
Bidvest Automotive		5 821		17 682
Bidvest Namibia		1 596		1 805
Bidvest Corporate		250		837
Cover by credit insurance	252 369	257 298	268 914	330 757
Bidvest Freight	5 564	5 564	6 776	6 776
Bidvest Foodservice				
Europe	27 218	27 218	—	—
Asia Pacific	49 587	49 587	53 864	53 864
Southern Africa	1 387	1 387	15 058	17 715
Bidvest Industrial and Commercial	168 613	173 542	190 325	249 501
Bidvest Automotive	—	—	2 853	2 853
Bidvest Namibia	—	—	38	48
Pledge of assets	19 019	19 019	31 275	31 275
Bidvest Services	16 226	16 226	25 345	25 345
Bidvest Foodservice				
Southern Africa	1 921	1 921	5 500	5 500
Bidvest Industrial and Commercial	469	469	17	17
Bidvest Automotive	403	403	413	413
Other	15 333	15 333	36 595	31 211
Bidvest Freight	—	—	16 773	11 389
Bidvest Services	—	—	186	186
Bidvest Automotive	15 241	15 241	14 339	14 339
Bidvest Namibia	92	92	5 297	5 297
Total	286 721	355 362	336 784	472 865

*An accurate fair value cannot be attached to personal surety.

In certain instances the Group's operations reserve the right to collect inventory sold when the outstanding debt is not settled by the customer. Where it is the business of the operation to finance assets, the assets are held as collateral in respect of the outstanding debt. The collateral detailed above is in addition to these aforementioned measures taken to reduce credit risk in respect of trade receivables.

36. Financial instruments (continued)

36.2 Credit risk (continued)

36.2.2 Banking and other advances

Refer note 20 for further disclosure.

The impairment allowance account comprises a specific and general impairment allowance. 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 allowance based on historic experience is raised to cover doubtful advances, which may not be specifically identified at the statement of financial position date. The specific and general impairments made during the year are charged to the income statement.

Since the leasing and fleet management operations are now managed by the Bidvest Services division, the banking advances for the prior year have been included under the Bidvest Services division.

Movement in impairment allowance in respect of banking and other advances

	2010 R'000	2009 R'000
<i>Bidvest Services</i>		
Balance at July 1	7 072	8 630
Allowance raised during the year	18 057	2 277
Allowance utilised during the year	(1 587)	(2 080)
Impairment written off against banking and other advances	(965)	(1 755)
Balance at June 30	22 577	7 072

Ageing of banking and other advances at June 30

	2010			2009		
	Gross banking and other advances R'000	Impairment allowance R'000	Net banking and other advances R'000	Gross banking and other advances R'000	Impairment allowance R'000	Net banking and other advances R'000
Not past due	644 631	(22 478)	622 153	616 240	(5 368)	610 872
Past due	563	(99)	464	2 856	(1 704)	1 152
0 – 30 days	71	–	71	655	(327)	328
31 – 180 days	492	(99)	393	41	(41)	–
181 + days	–	–	–	2 160	(1 336)	824
Total	645 194	(22 577)	622 617	619 096	(7 072)	612 024

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for the year ended June 30

36. Financial instruments (continued)

36.2 Credit risk (continued)

36.2.2 Banking and other advances (continued)

Collateral held on past due amounts

	2010		2009	
	Fair value of collateral held R'000	Banking and other advances net of impairment allowance R'000	Fair value of collateral held R'000	Banking and other advances net of impairment allowance R'000
Personal surety	*	—	*	301
Pledge of assets	431	431	327	26
Total	431	431	327	327

*An accurate fair value cannot be attached to personal surety.

36.2.3 Investments

Refer note 19 for further disclosure.

The classes for investments are listed held-for-trading, unlisted held-for-trading, listed available-for-sale and unlisted available-for-sale, refer note 19 for the carrying amounts for each of these categories.

There were no impairment losses recognised in respect of investments (2009: Nil).

36.2.4 Guarantees

Over and above the guarantees issued to subsidiaries of the Group, the Group has provided guarantees for fixed amounts in respect of obligations to associates and investments.

The maximum exposure to credit risk in respect of guarantees at the reporting date was as follows:

	2010 R'000	2009 R'000
Guarantees issued in respect of obligations of associates	56 000	56 000
Guarantees issued in respect of obligations of investments	61 295	106 815
	117 295	162 815

36.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its borrowings centrally for each of the following countries and regions: South Africa, United Kingdom and continental Europe and Asia Pacific. The divisions within each region are therefore not responsible for the management of liquidity risk but rather senior management for each of these regions is responsible for implementing procedures to manage the regional liquidity risk.

36. Financial instruments (continued)

36.3 Liquidity risk (continued)

36.3.1 Contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements

	Carrying amount R'000	Total R'000	6 months or less R'000	6 – 12 months R'000	1 – 2 years R'000	2 – 5 years R'000	More than 5 years R'000
2010							
Total borrowings (refer note 28)							
Loans secured by mortgage bonds over fixed property	21 282	21 421	2 854	2 830	5 657	8 756	1 324
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	40 566	58 899	6 525	8 518	10 175	19 627	14 054
Unsecured loans	6 146 670	7 163 565	2 792 823	214 762	427 287	3 031 302	697 391
Floorplan creditors secured by pledge of inventories	560 035	560 035	560 035	–	–	–	–
Bank overdrafts	1 233 269	1 233 269	–	1 233 269	–	–	–
	8 001 822	9 037 189	3 362 237	1 459 379	443 119	3 059 685	712 769
Trade and other payables (refer note 32)							
Trade and other payable (excluding forward exchange contracts)	15 023 691	15 024 223	15 024 223	–	–	–	–
	15 023 691	15 024 223	15 024 223	–	–	–	–
Banking liabilities (refer note 30)							
Call deposits	649 897	649 897	649 897	–	–	–	–
Fixed and notice deposits	430 469	430 469	408 103	22 366	–	–	–
	1 080 366	1 080 366	1 058 000	22 366	–	–	–
2009							
Borrowings							
Loans secured by mortgage bonds over fixed property	25 860	25 860	754	754	1 636	5 478	17 238
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	25 388	25 388	6 504	6 463	8 985	3 436	–
Unsecured loans	4 821 432	6 143 328	1 603 788	664 745	890 498	783 420	2 200 877
Vehicle lease creditors secured by a pledge of inventories	21 878	21 878	10 939	10 939	–	–	–
Floorplan creditors secured by pledge of inventories	417 319	417 319	417 319	–	–	–	–
Bank overdrafts	1 972 887	1 972 887	–	1 972 887	–	–	–
	7 284 764	8 606 660	2 039 304	2 655 788	901 119	792 334	2 218 115
Trade and other payables							
Trade and other payable (excluding forward exchange contracts)	14 503 168	14 503 045	14 352 371	141 960	8 714	–	–
	14 503 168	14 503 045	14 352 371	141 960	8 714	–	–
Banking liabilities (refer note 30)							
Call deposits	490 866	490 866	490 866	–	–	–	–
Fixed and notice deposits	100 334	100 334	85 667	14 445	222	–	–
	591 200	591 200	576 533	14 445	222	–	–

The expected maturity of financial liabilities is not expected to differ from the contractual maturities as disclosed above.

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for the year ended June 30

	2010 R'000	2009 R'000
36. Financial instruments <i>(continued)</i>		
36.3 Liquidity risk <i>(continued)</i>		
36.3.2 Trade and other payables by class		
Refer note 32 for further disclosure.		
Trade payables		
Bidvest Freight	1 695 036	1 423 797
Bidvest Services	682 503	573 060
Bidvest Foodservice	6 269 245	5 777 980
Europe	3 848 396	3 535 642
Asia Pacific	1 850 487	1 734 741
Southern Africa	570 362	507 597
Bidvest Industrial and Commercial Products	872 284	885 449
Bidvest Paper Plus	210 233	230 462
Bidvest Automotive	617 476	694 575
Bidvest Namibia	233 008	206 432
Bidvest Corporate	46 859	57 272
	10 626 644	9 849 027
36.3.3 Undrawn facilities		
The Group has the following undrawn facilities at its disposal to further reduce liquidity risk:		
Unsecured bank overdraft facility, reviewed annually and payable on 364 days' notice		
utilised	1 229 760	1 969 124
unutilised	10 289 044	9 420 996
	11 518 804	11 390 120
Secured bank overdraft facility, reviewed annually and payable on call		
utilised	3 509	3 763
unutilised	1 380	1 469
	4 889	5 232
Unsecured loan facilities with various maturity dates through to 2017 and which may be extended by mutual agreement		
utilised	6 146 670	4 821 432
unutilised	3 937 903	4 409 983
	10 084 573	9 231 415
Secured loan facilities with various maturity dates through to 2023 and which may be extended by mutual agreement		
utilised	621 883	490 445
unutilised	—	—
	621 883	490 445
Total facilities		
utilised	8 001 822	7 284 764
unutilised	14 228 327	13 832 448
	22 230 149	21 117 212

36.4 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

36.4.1 Currency risk

The Group's financial instruments are not exposed to currency risk for the reasons provided below. A sensitivity analysis has therefore not been performed.

Borrowings are matched to the same foreign currency as the division raising the loan thereby limiting the divisions' exposure to changes in a foreign currency which differs to their functional currency. Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying divisions of the Group thereby providing an economic hedge for each class of borrowing.

36. Financial instruments (continued)

36.4 Market risk (continued)

36.4.1 Currency risk (continued)

Banking advances (refer note 20), banking liabilities (refer note 30) and investments (refer note 19) are all fixed in the same foreign currency as the operation in which it is held, thus these financial instruments are not exposed to currency risk.

The Group incurs currency risk as a result of purchases and sales which are denominated in a currency other than the Group entities' functional reporting currency. It is Group policy that Group entities hedge all trade receivables and trade payables denominated in a foreign currency which differs to its functional currency. At any point in time the entities also take out economic hedges over their estimated foreign currency exposure resulting from sales and purchases. The Group entities hedge their foreign currency risk exposure either by taking out forward exchange contracts (FECs) or alternatively by purchasing in advance the foreign currency, which will be required to settle the trade payables. Most of the forward exchange contracts have maturities of less than one year after the statement of financial position date. Where necessary, the forward exchange contracts are rolled over at maturity. It is the Group's policy not to trade in derivative financial instruments for speculative purposes with the exception of Bidvest Bank Limited whose business is to trade in derivatives.

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

The periods in which the cash flows associated with the forward exchange contracts are expected to occur are detailed below under the heading "Settlement". The periods in which the cash flows are expected to impact the income statement are believed to be in the same timeframe as when the actual cash flows occur.

	Settlement	Contract value Foreign amount 000's	Rand amount 000's
2010			
In respect of forward exchange contracts relating to foreign liabilities as at June 30 2010			
Japanese yen	July 2010 to September 2010	(1 850 220)	(156 971)
US dollar	July 2010 to December 2010	(33 598)	(256 261)
Euro	July 2010 to November 2010	(6 309)	(61 679)
Sterling	July 2010 to September 2010	(325)	(3 723)
AUD	July 2010 to January 2010	(1 586)	(10 655)
Other	July 2010 to September 2010	(738)	(1 162)
In respect of forward exchange contracts relating to foreign assets as at June 30 2010			
Japanese yen	July 2010 to August 2010	20 242	1 704
US dollar	July 2010 to October 2010	3 468	26 565
Euro	July 2010 to September 2010	1 547	14 752
Sterling	July 2010 to August 2010	239	2 708
AUD	July 2010 to August 2010	1 016	999
Other	July 2010 to August 2010	175	1 205
	July 2010 to September 2010	1 194	2 824
In respect of forward exchange contracts relating to goods and services ordered not accounted for as June 30 2010			
Japanese yen	July 2010 to December 2010	(666 229)	(57 873)
US dollar	July 2010 to March 2012	(67 835)	(516 607)
Euro	July 2010 to February 2011	(2 227)	(21 308)
Sterling	September 2010 to December 2010	(143)	(1 623)
CHF	July 2010 to August 2010	(597)	(4 040)
AUD	July 2010 to October 2010	(1 332)	(9 074)
Other	September 2010	(163)	(164)

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36. Financial instruments (continued)

36.4 Market risk (continued)

36.4.1 Currency risk (continued)

		Contract value	
	Settlement	Foreign amount 000's	Rand amount 000's
2009			
In respect of forward exchange contracts relating to foreign liabilities as at June 30 2009			
Japanese yen	July 2009 to September 2009	(1 658 706)	(138 161)
US dollar	July 2009 to October 2009	(41 812)	(345 030)
Euro	July 2009 to November 2009	(8 838)	(99 256)
Sterling	July 2009 to October 2009	(198)	(2 646)
Other	July 2009 to October 2009	(1 483)	(8 222)
In respect of forward exchange contracts relating to foreign assets as at June 30 2009			
US dollar	July 2009 to October 2009	5 295	43 586
AUD	July 2009 to August 2009	428	2 759
In respect of forward exchange contracts relating to goods and services ordered not accounted for as at June 30 2009			
Japanese yen	August 2009 to September 2009	(577 796)	(47 467)
US dollar	July 2009 to April 2009	(60 446)	(454 705)
Euro	July 2009 to December 2009	(34 499)	(378 849)
Sterling	July 2009	(133)	(1 703)
Other	July 2009 to December 2009	(486)	(3 132)

The total value of trade receivables and trade payables whose payment terms are fixed in a foreign currency other than its operational currency are R365,0 million (2009: R368,6 million) and R1 055,4 million (2009: R206,6 million), respectively.

36. Financial instruments (continued)

36.4 Market risk (continued)

36.4.2 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 and banking advances and liabilities are exposed to a risk of change in fair value due to movements 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.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2010 R'000	2009 R'000
Fixed rate instruments		
Financial assets		
Available-for-sale listed bonds	37 949	43 607
Banking and other advances	19 749	–
Financial liabilities		
Borrowings	(3 834 232)	(3 309 661)
Banking liabilities	(51 636)	(88 924)
	(3 828 170)	(3 354 978)
Variable rate instruments		
Financial assets		
Other investments	44 802	55 228
Cash and cash equivalents	4 138 722	3 212 425
Banking and other advances	625 445	619 096
Financial liabilities		
Borrowings	(2 374 286)	(2 002 216)
Banking liabilities	(1 028 731)	(502 276)
Overdrafts	(1 233 269)	(1 972 887)
	172 683	(590 630)

The Group's exposure to interest rates on financial assets and liabilities are detailed in the various notes within the financial statements. The variable rates are influenced by movements in the prime borrowing rates.

Sensitivity analyses

The effect of a change in interest rate on the fair value of the listed bonds accounted for as held-for-trading and available-for-sale is not believed to have a significant effect on the Group's profit for the period and equity.

Group borrowings have been categorised by geographical location and the percentage change used for each category has been selected based on what could reasonably be expected as a change in interest rates within that region based on historical movements in interest rates within that particular region. This sensitivity analysis has been prepared using the average borrowings for the financial year as the actual borrowings at June 30 are not representative of the borrowings during the year. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analyses are performed on the same basis for 2009. A decrease in interest rates would have an equal and opposite effect on profit after taxation as detailed below.

	2010		2009	
	Increase in interest rates %	Decrease in profit after taxation R'000	Increase in interest rates %	Decrease in profit after taxation R'000
Variable rate borrowings including overdrafts				
Southern Africa	0,50	15 553	0,50	13 212
United Kingdom and continental Europe	0,25	6 156	0,25	2 790
Asia Pacific	0,25	4 421	0,25	4 516
		26 130		20 518

Notes to the consolidated financial statements

for the year ended June 30

36. Financial instruments (continued)

36.4 Market risk (continued)

36.4.3 Market price risk

Equity price risk arises from investments classified as held-for-trading and available-for-sale (refer note 19). Available-for-sale financial assets comprise listed bonds held by the Group's wholly owned subsidiary Bidvest Bank Limited. Held-for-trading investments comprise a listed share portfolio whose performance is monitored closely by senior management and the Group actively trades in these shares. The Group's subsidiaries McSure Limited and McLife Assurance Company Limited hold investment portfolios with a fair value of R225,0 million (2009: R181,8 million) and R141,4 million (2009: R120,1 million), respectively for the purpose of being utilised to cover liabilities arising under the life assurance fund. These portfolios comprise domestic equity investments and international equity and money market funds. Unlisted investments comprise unlisted shares and loans which are classified as held-for-trading and are valued at fair value using a price earnings (PE) model.

36.5 Fair values

The carrying amount of all financial assets and liabilities approximate fair value with the exception of borrowings (which have been accounted for at amortised cost and certain investments where fair value cannot be determined). The fair value of borrowings, together with the carrying amounts shown in the statement of financial position, classified by class (being geographical location), are as follows:

	2010		2009	
	Carrying amount R'000	Fair value R'000	Carrying amount R'000	Fair value R'000
Borrowings (refer note 28)				
Southern Africa	5 725 435	5 650 699	5 600 767	5 555 716
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	523	523	17 238	17 239
Unsecured loans	3 931 608	3 856 872	3 173 758	3 128 706
Vehicle lease creditors secured by a pledge of inventories	–	–	21 878	21 878
Floorplan creditors secured by pledge of inventories	560 035	560 035	417 319	417 319
Bank overdrafts	1 233 269	1 233 269	1 970 574	1 970 574
Europe	1 048 410	1 048 410	492 082	492 082
Loans secured by mortgage bonds over fixed property	21 282	21 282	25 860	25 860
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	40 043	40 043	8 150	8 150
Unsecured loans	987 085	987 085	458 072	458 072
Bank overdrafts	–	–	–	–
Asia Pacific	1 227 926	1 227 976	1 191 915	1 199 104
Unsecured loans	1 227 976	1 227 976	1 189 602	1 196 791
Bank overdrafts	–	–	2 313	2 313
	8 001 821	7 927 085	7 284 764	7 246 902
Unrecognised gain	74 736		37 864	

The methods used to estimate the fair values of financial instruments are discussed in note 40.

The interest rates used to discount cash flows, in order to determine fair values, are based on market-related rates at June 30 2010 plus an adequate constant credit spread, and range from 1,1% to 18% (2009: 0,5% to 21%).

37. Capital management

The board of directors' policy is to maintain a strong capital base so as to maintain investor, supplier and market confidence whilst also being able to sustain future development of the businesses. The board of directors monitors both the demographic spread of shareholders, as well as the return on capital, which the Group defines as total shareholders' equity, excluding minority interests and the level of distributions to ordinary shareholders. The Group's objective is to maintain a distribution cover of approximately two and a half times headline earnings for the foreseeable future. The methods of distribution include dividends, return of share premium, capitalisation issues as well as share buybacks in lieu of distributions. The level of cover of distributions takes into account prevailing market conditions, future cash requirements of the businesses, Group liquidity requirements, as well as capital adequacy ratios.

The board seeks to maintain a balance between the higher returns that might be possible with higher levels of gearing and the advantages and security afforded by a sound equity position. The Group's target is to achieve a return on shareholders' interest of between 25% and 30%. In 2010 the return was 24,0% (2009: 20,8%). Refer to page 14 of the annual report for the historical return on total shareholders' interest since 2000.

In the early days of the Group, acquisition activity was generally funded via the raising of equity capital however over the past five years, far more favourable credit markets have enabled the use of debt as a more effective tool of capital. The current credit markets have fundamentally changed, increasing the cost of debt in the weighted average cost of capital for the Group thereby enabling a potential return to tapping the equity markets to fund future growth.

From time to time the Group purchases its own shares on the market, the timing of these purchases depends on market prices. Primarily the shares are intended to be used for issuing shares under the Bidvest Share Incentive Scheme (refer note 26). The maximum number of share options which can be issued to employees under the Bidvest Share Incentive Scheme is limited to 10% of the issued share capital. The Group does not have a defined share buyback plan. A specific buyback transaction was completed during the 2009 financial year in lieu of an interim distribution. These shares are currently held as treasury shares.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The Group has principally a target debt/equity ratio of 40%, however in a trading and services business, the debt/equity ratio is a poor measure of the funding capacity of the Group. In order to ensure a more reflective measure of debt capacity is utilised, the Group has adopted an interest cover target of between five to six times. Interest cover for the year to June 30 2010 was seven times (2009: five times).

38. Related parties

Identity of related parties

The Group has a related party relationship with its subsidiaries, associates and joint ventures. 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 beneficially control 2% (2009: 2%) of the voting shares of the Company.

Independent non-executive directors do not participate in the Group's share option, share purchase schemes or conditional share awards.

Details pertaining to executive directors' compensations are set out in the directors' report. 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:

Notes to the consolidated financial statements

for the year ended June 30

	2010 R'000	2009 R'000
38. Related parties <i>(continued)</i>		
Transactions with key management personnel <i>(continued)</i>		
Sales and services provided by the Group	22 148	31 780
Purchases	3 598	680
Outstanding amounts due to the Group at year-end included in respect of the share purchase scheme	126 563	127 630
Outstanding amounts due to the Group at year-end included in trade receivables	3 721	4 800
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	180	1 257
Purchases	123 755	210
Outstanding amounts due to the Group at year-end included in advances to associates	86 672	80 992
Outstanding amounts due to the Group at year-end included in trade receivables	1 011	–
Outstanding amounts due by the Group at year-end included in banking liabilities	–	11 174
Outstanding amounts due by the Group at year-end included in borrowings	68 486	61 732
Outstanding amounts due by the Group at year-end included in trade payables	27 819	58
Guarantees issued	56 000	56 000
Details of effective interest, investments and loans to associates are disclosed in note 18.		

39. Accounting estimates and judgements

The board of directors 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

Key sources of uncertainty relate to the liabilities to the benefit funds or related assets due to the surplus apportionment in terms of the Pensions Fund Act which have 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. The properties held in Bidvest Properties segment are accounted for as own use assets and are thus held at cost less depreciation. Market indicators reflect, that these properties could realise more than their carrying values, if disposed of.

Goodwill

The Group has assessed the carrying value 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 taxation 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. Investments held are of a long-term nature and uncertainty surrounds their valuation, which may result in a significant change in value.

Inventories

Impairment allowances 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 impairment allowance is made with reference to an inventory age analysis.

Trade receivables

Management identifies impairment of trade receivables on an ongoing basis. An impairment allowance in respect of 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 or allowance provided for. 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.

39. Accounting estimates and judgements *(continued)*

Provisions

Refer note 33 for further disclosure.

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.

40. Determination of fair value

A number of the Group's accounting policies and disclosures requires 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 statement of financial 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 model. 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

41. Standards and interpretations not effective at June 30 2010

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

Standard/interpretation	Description	Effective date
IFRS 2	Amendments to IFRS 2 <i>Share-based Payment – vesting conditions and cancellations</i>	July 1 2010
IFRS 39	<i>Financial Instruments</i>	July 1 2010
IAS 24 (revised)	<i>Related party: Disclosure</i>	July 1 2010
IAS 32 (revised)	<i>Financial Instruments</i>	July 1 2010
IFRIC 14	<i>The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	July 1 2010
IFRIC 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i>	July 1 2010

IFRS 2

The amendment requires an entity that receives the goods or services (receiving entity) in either an equity or a cash settled share-based payment transaction to account for the transaction in its separate or individual financial statements. This applies even if another Group entity or shareholder settles the transaction (settling entity) and the receiving entity has no obligation to settle the payment. The entity that has the obligation to settle the transaction will account for the arrangement as equity-settled if it has to settle in its own equity instruments. Any other settlement arrangement will be accounted for as cash settled.

The amendment is not expected to impact the Group's results significantly, no restatement of comparatives is required.

IFRS 9

IFRS 9 addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39. Under IFRS 9 there are two options in respect of classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value.

The amendment is not expected to impact the Group's results significantly.

IAS 24 (revised)

IAS 24 addresses the disclosure requirements in respect of related parties, with the main changes relating to the definition of a related party. The definition of a related party has been amended with the result that a number of new related-party relationships have been identified.

Management does not expect any significant impact on the financial results.

IAS 32 (revised)

The amendment clarifies that rights, options, or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments (and not financial liabilities) if the entity offers the rights, options, or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Management does not expect any significant impact on the financial results.

IFRIC 14

The amendment applies in limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permits such entity to treat the benefit of such early payment as an asset.

Management does not expect any significant impact on the financial results.

IFRIC 19

IFRIC 19 addresses the accounting treatment for the extinguishment of financial liabilities with equity instruments. Equity instruments issued to a creditor to extinguish all or part of a financial liability would represent "consideration paid". The equity instruments will be measured on initial measurement at their fair value, unless such fair value cannot be reliably measured, in which case the fair value of the financial liability will be used. The difference between the carrying amount of the financial liability (or part thereof) extinguished and the initial measurement amount of the equity instruments shall be recognised in profit or loss.

The interpretation is not expected to impact the Group's results significantly.

Additional guidance is provided on the inclusion of financial guarantee contracts in the liquidity maturity analysis.

IASB 2009 and 2010 annual improvements project

The amendments embodied in the IFRS 2009 improvement project are effective for the Group for the year ending June 30 2011.

The amendments embodied in the IFRS 2010 improvement project are effective for the Group for the year ending June 30 2012.

As part of its annual improvements project, the International Accounting Standards (IASB) made amendments to a number of accounting standards. These amendments were primarily made to resolve conflicts and remove inconsistencies between standards, clarify the status of application guidance in standards, clarify existing IFRS requirements, as well as conforming the terminology used in standards with that used in other standards and to those more widely used.

Management's assessment of the improvements has not revealed any material impact on the Group's results.

	2010	2009
42. 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>		
Closing rate	11,53	13,02
Average rate	12,05	14,47
<i>Rand/euro</i>		
Closing rate	9,34	11,05
Average rate	10,60	12,35
<i>Rand/Australian dollar</i>		
Closing rate	6,56	6,34
Average rate	6,71	6,67
<i>Rand/New Zealand dollar</i>		
Closing rate	5,34	5,10
Average rate	5,35	5,44
<i>Rand/Hong Kong dollar</i>		
Closing rate	0,98	1,02
Average rate	0,98	1,17
<i>Rand/Singapore dollar</i>		
Closing rate	5,47	5,42
Average rate	5,41	6,16

Company income statement

for the year ended June 30

	Note	2010 R'000	2009 R'000
Dividends received		984 682	862 323
Subsidiaries and joint ventures		957 841	834 862
Associates		26 824	27 461
Unlisted investments		17	–
Fair value adjustments and impairment of investment in subsidiaries, joint ventures and associates		(16 985)	(41 707)
Profit on disposal of subsidiaries, joint ventures and associates		200 088	704 638
Profit before taxation		1 167 785	1 525 254
Taxation	1	(802)	(26 424)
Profit for the year attributable to shareholders		1 166 983	1 498 830
Total comprehensive income for the year		1 166 983	1 498 830

Company statement of cash flows

for the year ended June 30

	Note	2010 R'000	2009 R'000
Cash outflow from operating activities		(131 600)	(665 360)
Cash generated by operations	2	1 248 672	606 261
Taxation paid	3	(803)	(26 423)
Refunds of share premium to shareholders in lieu of dividends		(1 379 469)	(912 553)
Dividends paid		–	(332 645)
Cash effects of investment activities		(1 037 103)	532 205
Increase in advances to subsidiaries		(1 113 044)	(254 327)
Acquisition of subsidiaries and associates	4	(540 820)	(38 495)
Proceeds on disposal of subsidiaries, joint ventures and associates	5	616 761	825 027
Cash effects of financing activities		1 233 119	51 116
Proceeds from share issues		1 233 119	51 116
Net increase (decrease) in cash and cash equivalents		64 416	(82 039)
Cash and cash equivalents at beginning of year		51 657	133 696
Cash and cash equivalents at end of year		116 073	51 657

Company statement of changes in equity

for the year ended June 30

	2010 R'000	2009 R'000
Share capital	17 507	16 814
Balance at beginning of year	16 814	16 592
Shares issued during the year	693	56
Capitalisation issue	–	166
Share premium	81 258	228 301
Balance at beginning of year	228 301	1 090 068
Shares issued during the year	1 236 462	51 060
Share issue costs	(4 036)	(108)
Capitalisation issue	–	(166)
Refund of share premium to shareholders	(1 379 469)	(912 553)
Equity-settled share-based payment reserve	283 594	254 483
Balance at beginning of year	254 483	221 049
Arising during the year	29 111	33 434
Movement in retained earnings	7 489 284	6 322 301
Balance at beginning of year	6 322 301	5 156 116
Total comprehensive income for the year	1 166 983	1 498 830
Dividends paid	–	(332 645)
Equity attributable to shareholders of the Company	7 871 643	6 821 899

Company statement of financial position

at June 30

	Note	2010 R'000	2009 R'000
ASSETS			
Non-current assets		7 765 213	6 540 354
Interest in subsidiaries	6	7 664 668	6 441 007
Interest in joint ventures	7	4 540	4 540
Interest in associates	8	95 655	94 457
Investments	9	350	350
Current assets		116 073	308 183
Trade and other receivables		–	256 526
Cash and cash equivalents		116 073	51 657
Total assets		7 881 286	6 848 537
EQUITY AND LIABILITIES			
Capital and reserves	10	7 871 643	6 821 899
Current liabilities		9 643	26 638
Trade and other payables		9 643	11 008
Vendors for acquisition		–	15 629
Taxation		–	1
Total equity and liabilities		7 881 286	6 848 537

Notes to the Company financial statements

for the year ended June 30

	2010 R'000	2009 R'000
1. Taxation		
Current taxation	(8)	25 324
Current year	–	25 317
Prior years	(8)	7
Foreign withholdings tax	810	1 100
Total taxation per income statement	802	26 424
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	1,7
Dividend and exempt income	28,0	15,7
Difference in rate as a result of capital gains taxation	–	11,3
Withholding taxes	(0,1)	–
Expenses not taxable or allowed	–	(0,7)
Rate of South African company taxation	28,0	28,0
	R'000	R'000
Secondary taxation on companies – dividend credits available	100 569	1 908
2. Cash generated by operations		
Profit before taxation	1 167 785	1 525 254
Adjustment for non-cash items	(174 274)	(662 931)
Working capital changes		
Decrease (increase) in trade and other payables and provisions	(1 365)	464
Increase (decrease) in trade and other receivables	256 526	(256 526)
Cash generated by operations	1 248 672	606 261
3. Taxation refund received (taxation paid)		
Amount payable at beginning of year	(1)	–
Per income statement	(802)	(26 424)
Amount payable at end of year	–	1
Amount paid	(803)	(26 423)
4. Acquisition of subsidiaries and associates		
Interest in subsidiaries	(525 191)	(45 686)
Interest in associates	–	(8 438)
Total value of acquisitions	(525 191)	(54 124)
Vendors for acquisition at beginning of year	(15 629)	–
Vendors for acquisition at end of year	–	15 629
Amounts paid	(540 820)	(38 495)

	2010 R'000	2009 R'000
5. Proceeds on disposal of subsidiaries, joint ventures and associates		
Interest in subsidiaries	416 673	76 692
Interest in associates	–	43 697
Net carrying value	416 673	120 389
Profit on disposal	200 088	704 638
Net proceeds	616 761	825 027
6. Interest in subsidiaries		
Shares at cost	3 734 126	3 623 509
Due by subsidiaries	4 245 030	3 125 923
Due to subsidiaries	(314 488)	(308 425)
	7 664 668	6 441 007
Details of major subsidiaries are reflected on pages 205 to 210 of this report.		
7. Interest in joint ventures		
Shares at cost	4 540	4 540
Details of major joint ventures are reflected on page 210 of this report.		
8. Interest in associates		
Listed	5 742	5 742
Unlisted	69 818	68 620
	75 560	74 362
Interest-free advances	20 095	20 095
	95 655	94 457
Market value of listed associates	24 700	24 711
Directors' value of unlisted associates	277 900	233 000
	302 600	257 711
Details of major associates are reflected on pages 211 of this report.		
9. Investments		
Unlisted shares	350	350
Directors' value of unlisted investments	350	350
10. Capital and reserves		
Share capital		
Authorised		
540 000 000 (2005: 540 000 000) ordinary shares of 5 cents each	27 000	27 000
	Number	Number
Issued		
Balance at beginning of year	336 284 567	331 837 415
Capitalisation issue	–	3 326 310
Shares issued for cash	9 970 240	–
Shares issued in terms of the share incentive scheme	3 889 939	1 120 842
Balance at end of year	350 144 746	336 284 567

Notes to the Company financial statements

for the year ended June 30

	2010 R'000	2009 R'000
10. Capital and reserves <i>(continued)</i>		
<i>Issued share capital</i>		
Share capital	17 507	16 814
Share premium	81 258	228 301
<i>Reserves</i>		
Equity-settled share-based payment reserve	283 594	254 483
Retained earnings	7 489 284	6 322 301
	7 871 643	6 821 899

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

11. Contingent liabilities

In respect of guarantees of banking and other facilities granted to subsidiaries and associates

24 956 610 20 691 172

Of which has been utilised

8 001 822 7 566 027

The Dinatla Investment Holdings (Pty) Limited (Dinatla) refinancing arrangements was concluded in November 2006. In terms of this arrangement, Bidvest granted Dinatla the right to require Bidvest to purchase 15 million Bidvest shares from Dinatla at R75 per Bidvest share if the 10-day volume weighted average price per Bidvest share is equal to or less than R75 per Bidvest share (the put option). The put option expires on the earlier of the date on which Dinatla discharges all of its obligations under its funding arrangements in full or on March 30 2012.

12. Borrowing powers

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

13. Related parties

The subsidiaries, joint ventures and associates of the Group are identified in the annexure set out on pages 205 to 211. 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 share capital R'000	Effective holdings		Shares		Indebtedness	
		2010 %	2009 %	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Major subsidiaries							
Bidvest Freight ^(D)							
African Shipping Limited	2 450	100	100	8 996	8 996	–	–
Bidfreight (Pty) Limited [#]	*	100	100	–	–	–	–
Bidfreight Intermodal (Pty) Limited [#]	*	100	100	–	–	–	–
Bidfreight Port Operations (Pty) Limited [#]	*	100	100	–	–	–	–
Bidfreight Terminals (Pty) Limited [#]	*	100	100	–	–	–	–
Bulk Connections (Pty) Limited [#]	*	100	100	–	–	–	–
Durban Coal Terminals Company Limited	14	100	100	–	–	–	5 699
Freightbulk (Pty) Limited	1	100	100	680	652	108	108
Island View Storage Limited	334	100	100	368 244	367 907	–	–
Island View Storage Richards Bay (Pty) Limited	500	100	100	–	–	–	–
Manica (Botswana) (Pty) Limited ⁽⁹⁾	168	100	100	–	–	–	–
Manica (Malawi) Limited ⁽¹³⁾	335	100	100	–	–	–	–
Manica (Zambia) Limited ⁽¹⁴⁾	870	100	100	–	–	–	–
Manica Africa (Pty) Limited	3 088	100	100	–	–	–	–
Manica DRC SPRL	*	60	60	–	–	–	–
Manica Holdings Limited	1	100	100	77 627	77 574	17 638	17 638
Manica Zimbabwe Limited ⁽¹⁶⁾	*	100	100	–	–	–	–
Naval Servicos A Navegacao Limitada ⁽¹⁷⁾	10	100	100	–	–	–	–
P & I Associates (Pty) Limited [#]	*	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	10	100	100	54 000	54 000	–	–
Rennies Ships Agency (Pty) Limited [#]	*	100	100	–	–	–	–
Safcor Freight (Pty) Limited (trading as Safcor Panalpina)	*	100	100	108 786	108 644	–	–
South African Bulk Terminals Limited	2	100	100	51 766	51 742	–	–
South African Container Depots (Pty) Limited [#]	*	100	100	–	–	–	–
South African Container Stevedores (Pty) Limited	1	82	82	77	74	–	–
Bidvest Services ^(F)							
African Consultancy For Transportation Security (Pty) Limited	*	50	50	–	–	–	–
Bid Information Exchange (Pty) Limited [#]	*	100	100	–	–	–	–
Bidair Services (Pty) Limited	*	100	100	921	894	3 326	3 232
Bidprocure (Pty) Limited [#]	*	100	100	–	–	–	–
Bidserv (Pty) Limited [#]	*	100	100	–	–	–	–
Bidserv Industrial Products (Pty) Limited [#]	*	100	100	–	–	–	–
Bidserv Mozambique Limitada ⁽¹⁷⁾	6	70	70	–	–	–	–
Bidtravel (Pty) Limited [#]	*	100	100	–	–	–	–
Bidvest (Zambia) (Pty) Limited ⁽¹⁴⁾	3	100	100	–	–	–	–
Bidvest Bank Holdings Limited	182	100	100	454 768	184 465	–	–
Bidvest Bank Limited	1 800	100	100	–	–	–	–
Bidvest Capital (Proprietary) Limited	8	100	100	–	–	–	–
Bosnandi Laundry (Pty) Limited	1	51	51	–	–	–	–
Commuter Handling Services (Pty) Limited	1	60	60	–	8 063	7 725	7 725
Concorde Travel (Pty) Limited t/a Carlson Wagonlit Travel	*	90	90	47 654	47 045	–	–
Connex Travel (Pty) Limited t/a BCD Travel	*	61	61	28 176	27 984	5 513	5 513
Dinatla Property Services (Pty) Limited	30	100	50	17 109	927	–	–
Execuflora (Pty) Limited [#]	*	100	100	–	–	–	–
Express Air Services (Namibia) (Pty) Limited ⁽¹⁰⁾	1	90	90	–	–	–	–
Express Air Services (Pty) Limited	1	100	100	–	–	–	–

Interest in subsidiaries, joint ventures and associates

as at June 30

	Issued share capital R'000	Effective holdings		Shares		Indebtedness	
		2010 %	2009 %	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Major subsidiaries							
Bidvest Services^(F) (continued)							
First Garment Rental (Pty) Limited [#]	*	100	100	—	—	—	—
First In Staffing Solutions (Pty) Limited	*	100	100	—	—	—	—
Giant Clothing Limited ⁽¹³⁾	1	100	100	—	—	—	—
Global Payment Technologies (Pty) Limited	*	100	100	44 301	44 301	—	—
Harvey World Travel Southern Africa (Pty) Limited	*	50	50	3 464	3 464	—	—
Hotel Amenities Suppliers (Pty) Limited	*	100	100	—	—	—	—
Industro Cleaning Botswana (Pty) Limited ⁽⁹⁾	*	80	80	—	—	—	—
Langa Lethu Risk Management (Pty) Limited	*	51	51	—	—	—	—
Langa Status Property Services (Pty) Limited	*	45	45	—	—	—	—
Macardo Lodge (Pty) Limited t/a Travelwise Travel	45	60	60	—	—	—	—
Magnum Shield Security Services (Pty) Limited [#]	*	100	100	—	—	—	—
Master Currency (Pty) Limited	9 001	100	100	46 476	46 476	38 295	38 295
Masterguard Fabric Protection Africa (Pty) Limited	*	50	50	16	16	—	—
McCarthy Retail Finance (Pty) Limited	*	100	100	—	—	—	—
Minolco (Pty) Limited [#]	*	100	100	—	—	—	—
MyMarketdot Com (Pty) Limited [#]	*	100	100	—	—	—	—
Namibia Bureau de Change (Pty) Limited ⁽¹⁰⁾	500	51	51	—	—	—	—
Nomtsalane Property Services (Pty) Limited	*	43	43	—	—	—	—
Prestige Cleaning Services (Pty) Limited [#]	*	100	100	—	—	—	—
Provicom Risk Solutions (Pty) Limited [#]	*	100	100	—	—	—	—
Puréau Fresh Water Company (Pty) Limited	*	100	100	24 570	—	—	—
QMS Consulting (Pty) Limited [#]	*	100	100	—	—	—	—
Rennies Travel (Pty) Limited t/a HRG Rennies Travel [#]	2	100	100	2 054	2 054	(10 335)	—
Rennies Travel Holdings (Malawi) Limited ⁽¹³⁾	*	100	100	—	—	—	—
Rochester Midlands Industries SA (Pty) Limited	*	50	50	—	—	—	—
Setsebi Property Services (Pty) Limited	*	50	50	—	—	—	—
Steiner Environmental Solutions (Pty) Limited [#]	*	100	100	—	—	—	—
Steiner Hygiene (Pty) Limited [#]	*	100	100	—	—	—	—
Steiner Hygiene Swaziland (Pty) Limited [#]	6	100	100	—	—	—	—
Strategic Corporate Solutions (Pty) Limited [#]	*	100	100	—	—	—	—
Taemane Cleaning Services (Pty) Limited	*	70	70	—	—	—	—
Top Turf Botswana (Pty) Limited ⁽⁹⁾	*	100	100	—	—	—	—
Top Turf Group (Pty) Limited [#]	4	100	100	4	4	(4)	(4)
Top Turf Mauritius (Pty) Limited ⁽¹³⁾	7	100	100	—	—	—	—
Top Turf Seychelles (Pty) Limited ⁽¹³⁾	10	100	100	—	—	—	—
Total Manpower Solutions (Pty) Limited	*	100	100	—	—	—	—
Total Outdoors (Swaziland) (Pty) Limited ⁽²⁰⁾	*	100	100	—	—	—	—
Travel Connections (Pty) Limited	*	60	60	9 216	9 192	—	—
Trustone Investments (Pty) Limited	*	100	100	—	—	—	—
Umoja Property Solutions (Pty) Limited	*	51	51	—	—	—	—
Vericon Outsourcing (Pty) Limited [#]	*	100	100	—	—	—	—
Viamax (Pty) Limited	15	100	100	—	416 981	—	—
Viamax Fleet Solutions (Pty) Limited	*	100	100	—	—	—	—
World Travel (Pty) Limited	3 350	100	100	7 407	7 407	—	—
Bidvest Foodservice^(A)							
Al Diyafa Company for Catering Services LLC ⁽²⁴⁾	614	53	53	—	—	—	—
Amosco Pte Limited ⁽¹⁾	2 735	100	100	—	—	—	—
Andostar (Pty) Limited	*	100	—	—	—	—	—
Angliss (Shenzhen) Food Service Company Limited ⁽²⁾	4 900	100	100	—	—	—	—
Angliss Australia Pty Limited ⁽³⁾	*	100	100	—	—	—	—
Angliss Beijing Food Service Limited ⁽²⁾	1	70	70	—	—	—	—

	Issued share capital R'000	Effective holdings		Shares		Indebtedness	
<i>Major subsidiaries</i>		2010 %	2009 %	2010 R'000	2009 R'000	2010 R'000	2009 R'000
<i>Bidvest Foodservice^(A) (continued)</i>							
Angliss China Limited (AcI) ⁽⁴⁾	9 800	100	100	—	—	—	—
Angliss Guangzhou Food Service Limited ⁽²⁾	3 382	90	90	—	—	—	—
Angliss Hong Kong Food Service Limited ⁽⁴⁾	156	100	100	—	—	—	—
Angliss International Investment Limited ⁽⁴⁾	1	100	100	—	—	—	—
Angliss Macau Food Service Limited ⁽²⁾	487	100	100	—	—	—	—
Angliss Seafood Pte Limited ⁽¹⁾	*	100	100	—	—	—	—
Angliss Shanghai Food Service Limited ⁽²⁾	11	70	70	—	—	—	—
Angliss Shanghai International Trading ⁽²⁾	136	100	100	—	—	—	—
Angliss Singapore Pte Limited ⁽¹⁾	61 170	100	100	—	—	—	—
Angliss USA Inc. ⁽⁵⁾	—	100	100	—	—	—	—
BFS Group Limited (trading as 3663) ⁽⁶⁾	346 002	100	100	—	—	—	—
Bid Commercial Products (UK) Limited ⁽⁶⁾	*	100	100	—	—	—	—
Bid Food Exports (Pty) Limited [#]	*	100	100	—	—	—	—
Bid Food Ingredients (Pty) Limited [#]	*	100	100	—	—	—	—
Bid Foodservice (Europe) Limited ⁽⁶⁾	115 334	100	100	—	—	—	—
Bid Foodservice (Middle East) Holdings Limited ⁽⁷⁾	*	100	100	—	—	—	—
Bidcorp Finance Limited ⁽⁷⁾	*	100	100	—	—	—	—
Bidfood Technologies (Pty) Limited	*	100	100	—	—	—	—
Bidvest (N.S.W) Limited ⁽³⁾	*	100	100	—	—	—	—
Bidvest (UK) Limited ⁽⁶⁾	*	100	100	—	—	—	—
Bidvest (Victoria) (Pty) Limited ⁽⁹⁾	*	100	100	—	—	—	—
Bidvest (WA) (Pty) Limited ⁽³⁾	*	100	100	—	—	—	—
Bidvest Australia Limited ⁽³⁾	81	100	100	—	—	—	—
Bidvest Foodservice International Limited ⁽⁷⁾	12	100	100	—	—	—	—
Bidvest New Zealand Limited ⁽⁸⁾	34 385	100	100	—	—	—	—
Burleigh Marr Distributions (Pty) Limited ⁽³⁾	71	100	100	—	—	—	—
CCW Catering Supplies (Pty) Limited [#]	*	100	100	—	—	—	—
Caterplus (Botswana) (Pty) Limited ⁽⁹⁾	*	100	100	—	—	—	—
Caterplus (Pty) Limited ⁽³⁾	*	100	100	—	—	—	—
Caterplus (Pty) Limited [#]	*	100	100	—	—	2 429	2 429
Catersales (Pty) Limited [#]	*	100	100	—	—	—	—
Chipkins Bakery Supplies (Pty) Limited [#]	*	100	100	—	—	—	—
Chipkins Catering Supplies (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 XL Belgie NV ⁽¹¹⁾	749 010	100	100	—	—	—	—
Deli XL BV ⁽¹²⁾	110 175	100	100	—	—	—	—
Deli XL Europe BV ⁽¹²⁾	1 597	100	100	—	—	—	—
Deli XL Flanders NV ⁽¹¹⁾	579	100	100	—	—	—	—
Deli XL NV ⁽¹¹⁾	18 531	100	100	—	—	—	—
Everyday Foods (Pty) Limited	*	100	100	—	—	—	—
Farutex Sp.z.o.o ⁽²²⁾	22 492	91	—	—	—	—	—
First Food Distributors (Pty) Limited [#]	*	100	100	—	—	—	—
Horeca KSA Trading FZCO ⁽²³⁾	4 168	53	—	—	—	—	—
Horeca Trade LLC ⁽²³⁾	625	80	80	—	—	—	—
International Bakery Ingredients (Pty) Limited	*	100	100	7 830	8 108	—	—
John Lewis Foodservice (Pty) Limited ⁽³⁾	*	100	100	—	—	—	—
Lou's Wholesalers (Pty) Limited [#]	*	100	100	—	—	—	—
M & M Quality Choice (Pty) Limited [#]	*	100	100	—	—	—	—
N Stephenson (Pty) Limited ⁽³⁾	219	100	100	—	—	—	—

Interest in subsidiaries, joint ventures and associates

as at June 30

	Issued share capital R'000	Effective holdings		Shares		Indebtedness	
		2010 %	2009 %	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Major subsidiaries							
Bidvest Foodservice ^(A) (continued)							
NCP Yeast (Pty) Limited [#]	*	100	100	—	—	—	—
Nowaco Czech Republic s.r.o. ⁽²¹⁾	679 607	94	—	—	—	—	—
Nowaco Slovakia s.r.o.	1 868	94	—	—	—	—	—
Ocean Fresh Asia Limited ⁽⁴⁾	490	100	100	—	—	—	—
Pastry Global Food Service Limited ⁽⁴⁾	10	100	100	—	—	—	—
Patleys (Pty) Limited [#]	*	100	100	—	—	—	—
Pinacles Seafoods Limited ⁽⁶⁾	12	100	100	—	—	—	—
RFS Catering Supplies (Pty) Limited [#]	*	100	100	—	—	—	—
Tri-Mark Industries (Pty) Limited	*	100	100	221	221	—	—
Bidvest Industrial and Commercial ^(B)							
Afcom Group Limited	343	100	100	12 496	10 435	31 587	31 587
African Commerce Developing Company (Pty) Limited [#]	151	100	100	—	—	—	—
Back to School Supplies (Pty) Limited	36	100	100	36	36	(36)	(36)
Bellco Electrical (Pty) Limited	200	100	100	—	—	—	—
Berzack Brothers (Jhb) (Pty) Limited	200	100	100	—	—	—	—
Berzack Brothers (Pty) Limited	4 300	100	100	—	—	—	—
Bidvest Materials Handling (Pty) Limited	*	100	—	—	—	—	—
Bloch & Levitan (Pty) Limited	50	100	100	—	—	—	—
Bonanza Holdings (Pty) Limited	*	100	100	—	—	25	25
Budget Desks and Chairs (Pty) Limited [#]	*	100	100	—	—	—	—
Buffalo Executape (Pty) Limited [#]	*	100	100	—	—	—	—
Buffalo Tapes (Pty) Limited [#]	*	100	100	—	—	—	—
Cecil Nurse (Pty) Limited [#]	*	100	100	—	—	—	—
Contract Office Products (Pty) Limited [#]	*	100	100	—	—	—	—
Dauphin Office Seating SA (Pty) Limited	*	71	71	1 872	1 848	—	—
Ditulo Office (Pty) Limited	*	43	43	143	143	—	—
EastmanStaples Limited ⁽⁶⁾	196	50	50	—	—	—	—
Hortors Stationery (Pty) Limited [#]	*	100	100	—	—	—	—
Kolok (Pty) Limited [#]	*	100	100	—	—	—	—
Nuclear Corporate Furniture (Pty) Limited [#]	*	100	100	—	—	—	—
Offurn Clearance House (Pty) Limited [#]	1	100	100	5 963	5 963	(6 551)	(6 551)
Pago Designs (Pty) Limited	*	100	100	960	960	600	600
Ram Fasteners (Pty) Limited	3 111	100	100	3 525	3 525	6 806	—
Sanlic International (Pty) Limited	*	100	100	—	—	—	—
Seating (Pty) Limited [#]	*	100	100	—	—	—	—
South African Diaries (Pty) Limited [#]	*	100	100	—	—	—	—
Versalec Cables (Pty) Limited	*	100	100	84 876	83 839	—	—
Voltex (Pty) Limited	9	100	100	—	—	—	—
Voltex Holdings Limited	6 630	100	100	269 772	268 546	1 029	24 606
Vulcan Catering Supplies (Pty) Limited	1	100	100	—	—	—	—
Waltons Stationery Company (Pty) Limited [#]	31	100	100	31	31	(31)	(31)
Bidvest Paperplus ^(H)							
Bidpaper Plus (Pty) Limited	*	100	100	—	—	—	—
Bidpaper Plus Holdings Limited	177	100	100	142 776	142 029	—	—
Blesston Printing and Associates (Pty) Limited	*	100	100	—	—	—	—
Email Connection (Pty) Limited	*	100	100	1 708	1 708	—	—
Expressed Solutions (Pty) Limited	1 004	100	100	—	—	—	—
Globe Stationery Manufacturing Company (Pty) Limited	*	100	100	—	—	—	—
Kolok Africa (Pty) Limited	*	100	100	—	—	—	—
Lithotech Afric Mail Cape (Pty) Limited	160	100	100	—	—	—	—
Lithotech Afric Mail JHB (Pty) Limited	*	100	100	—	—	—	—

	Issued share capital R'000	Effective holdings		Shares		Indebtedness	
Major subsidiaries		2010 %	2009 %	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Bidvest Paperplus ^(H) (continued))							
Lithotech Afric Mail Pinetown (Pty) Limited	3	100	100	—	—	—	—
Lithotech Corporate (Pty) Limited	*	100	100	—	—	—	—
Lithotech Group Services (Pty) Limited	*	100	100	—	—	—	—
Lithotech Imaging Data Solutions (Pty) Limited	*	100	100	—	—	—	—
Lithotech International Limited	7 981	100	100	—	—	—	—
Lithotech Labels (Pty) Limited	18 198	100	100	—	—	—	—
Lithotech Listing and Logistics (Pty) Limited	*	100	100	—	—	—	—
Lithotech Manufacturing Cape (Pty) Limited	150	100	100	—	—	—	—
Lithotech Manufacturing Pinetown (Pty) Limited	20 258	100	100	—	—	—	—
Lithotech Sales Bloemfontein (Pty) Limited	*	100	100	—	—	—	—
Lithotech Sales Cape (Pty) Limited	1	100	100	—	—	—	—
Lithotech Sales East London (Pty) Limited	*	100	100	—	—	—	—
Lithotech Sales Johannesburg (Pty) Limited	*	100	100	—	—	—	—
Lithotech Sales KwaZulu-Natal (Pty) Limited	*	100	100	—	—	—	—
Lithotech Sales Port Elizabeth (Pty) Limited	*	100	100	—	—	—	—
Lithotech Sales Pretoria (Pty) Limited	*	100	100	—	—	—	—
Lithotech Solutions (Pty) Limited	*	100	100	—	—	—	—
Lufil Packaging (Pty) Limited	*	100	100	59 244	59 244	—	—
Mocobe Properties (Pty) Limited	*	100	100	—	—	—	—
Ozalid South Africa (Pty) Limited	*	100	100	—	—	—	—
Paragon Business Communications Limited	51 891	100	100	55 819	55 819	—	—
Phakama Print (Pty) Limited	*	40	40	—	—	—	—
Rotolabel (Tvl) (Pty) Limited	*	100	100	—	—	—	—
Silveray Manufacturers (Pty) Limited	58	100	100	—	—	—	—
Silveray Statmark Company (Pty) Limited	11	100	100	6 848	3 759	(3 089)	(3 089)
Bidvest Automotive ^(G)							
Autohaus Centurion (Pty) Limited	*	50	50	—	—	—	—
Coltish Investments (Pty) Limited	*	100	100	—	—	—	—
Eliance (Pty) Limited	*	100	100	—	—	—	—
Inyanga Motors (Pty) Limited	*	80	80	—	—	—	—
Inyanga Plaza Investments (Pty) Limited	*	80	80	—	—	—	—
Kunene Motor Holdings Limited	*	60	60	—	—	—	—
McCarthy Car Hire (Botswana) (Pty) Limited ⁽⁹⁾	*	100	100	—	—	—	—
McCarthy Limited	1 183 907	100	100	792 511	790 460	—	(6 065)
McLife Assurance Company Limited	10 000	100	100	—	—	—	—
McProp Properties (Pty) Limited	90	100	100	—	—	—	—
McSure Limited	10 000	100	100	—	—	—	—
Bidvest Namibia ^(A, B, D, F, G)							
Bidvest Commercial Holdings (Pty) Limited ⁽¹⁰⁾	*	52	66	—	—	—	—
Bidvest Fisheries Holdings (Pty) Limited ⁽¹⁰⁾	1	52	66	—	—	—	—
Bidvest Namibia Limited ⁽¹⁰⁾	2 070	52	66	212 806	212 727	1	1
Caterplus Namibia (Pty) Limited ⁽¹⁰⁾	*	52	66	—	—	—	—
Cecil Nurse Namibia (Pty) Limited ⁽¹⁰⁾	*	52	66	—	—	—	—
Elzet Development (Pty) Limited ⁽¹⁰⁾	*	52	66	—	—	—	—
Kolok (Namibia) (Pty) Limited ⁽¹⁰⁾	*	52	66	—	—	—	—
Lubrication Specialists (Pty) Limited ⁽¹⁰⁾	*	52	66	—	—	—	—
Luderitz Bay Shipping & Forwarding (Pty) Limited ⁽¹⁰⁾	*	52	66	—	—	—	—
Manica Group Namibia (Pty) Limited ⁽¹⁰⁾	279	52	66	—	—	—	—
Manica Information Technology (Pty) Limited ⁽¹⁰⁾	*	52	66	—	—	—	—
McCarthy Car Hire Namibia (Pty) Limited ⁽¹⁰⁾	*	52	66	—	—	—	—

Interest in subsidiaries, joint ventures and associates

as at June 30

	Issued share capital R'000	Effective holdings		Shares		Indebtedness	
		2010 %	2009 %	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Major subsidiaries							
Bidvest Namibia ^(A, B, D, F, G) (continued)							
Minolco (Namibia) (Pty) Limited ⁽¹⁰⁾	*	52	66	—	—	—	—
Namibian Sea Products Limited ⁽¹⁰⁾	45 437	52	46	—	—	—	—
Namsoy Fishing Enterprises (Pty) Limited ⁽¹⁰⁾	100	36	46	—	—	—	—
Namsoy Industrial Properties (Pty) Limited ⁽¹⁰⁾	1	36	46	—	—	—	—
Rennies Travel (Namibia) (Pty) Limited ⁽¹⁰⁾	1	52	50	—	—	—	—
Voltex Namibia (Pty) Limited ⁽¹⁰⁾	*	52	66	—	—	—	—
Waltons Properties Namibia (Pty) Limited ⁽¹⁰⁾	1	52	66	—	—	—	—
Waltons Stationery Company (Namibia) (Pty) Limited ⁽¹⁰⁾	*	52	66	—	—	—	—
Walvis Bay Airport Services (Pty) Limited ⁽¹⁰⁾	5	52	33	—	—	—	—
Walvis Bay Stevedoring Company (Pty) Limited ⁽¹⁰⁾	*	29	36	—	—	—	—
Woker Freight Services (Pty) Limited ⁽¹⁰⁾	29	52	66	—	—	—	—
Trachurus Fishing (Pty) Limited ⁽¹⁰⁾	100	52	66	—	—	—	—
Twafika Fishing Enterprises (Pty) Limited ⁽¹⁰⁾	2	52	66	—	—	—	—
Corporate ^(E)							
Airport Logistics Property Holdings (Pty) Limited	*	50	50	142	142	—	—
BB Investment Company (Pty) Limited	*	100	100	—	—	—	—
Bid Industrial and Commercial Products (IOM) Limited ⁽⁷⁾	*	100	100	—	—	—	—
Bidcorp Limited	12	100	100	—	—	—	—
Bidcorp Outsourced Services Limited ⁽⁶⁾	253 978	100	100	—	—	—	—
Bidcorp Property Limited ⁽⁶⁾	*	100	100	—	—	—	—
Bidvest International Limited ⁽⁷⁾	*	100	100	—	—	—	—
BICP Offshore Holdings (Pty) Limited	*	100	100	—	—	2 018	1 993
Bid Corporate Services (Pty) Limited [#]	*	100	100	4 732	4 429	52	52
Bid Corporation (Pty) Limited	*	100	100	3 001	2 431	2 706 967	1 256 622
Bid Financial Services (Pty) Limited	*	100	100	—	—	25 000	25 000
Bid Industrial and Commercial Products (Pty) Limited	*	100	100	—	—	—	—
Bid Industrial Holdings (Pty) Limited	*	100	100	159 527	154 019	750 530	750 530
Bid Services Division (IOM) Limited	47	100	100	—	—	—	—
Bid Services Division (Pty) Limited	*	100	100	419	371	643 448	621 566
Bid Services Division (UK) Limited ⁽⁶⁾	*	100	100	—	—	—	—
Bidvest Properties (Pty) Limited	*	100	100	—	—	66	11 249
Bidvest Wits University Football Club (Pty) Limited	*	60	60	—	—	33 383	31 556
Ontime Automotive Limited ⁽⁶⁾	28 834	100	100	—	—	—	—
Primeinvest 5 (Pty) Limited	*	100	100	—	—	30 053	272 793
Siki Fox Properties (Pty) Limited	*	100	100	—	—	—	—
Skillion Limited ⁽⁶⁾	12	100	100	—	—	—	—
Silveray Properties (Pty) Limited	*	100	100	8 833	8 833	—	—
Other				466 159	239 457	(355 581)	(275 115)
				3 734 126	3 623 509	3 930 542	2 817 498
Major joint ventures							
Cape Town Bulk Storage (Pty) Limited ^(D)	1 000	50	50	—	—	—	—
Ensimbini Terminals (Pty) Limited ^(D)	2	50	50	4 540	4 540	—	—
Voltex Swaziland (Pty) Limited ^{(B) (20)}	*	50	50	—	—	—	—
				4 540	4 540	—	—

	Issued share capital R'000	Effective holdings		Shares		Indebtedness	
		2010 %	2009 %	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Major associates							
Amalgamated Automobile Distributors (Pty) Limited ^(G)	4	50	50	–	–	–	–
Amalgamated Appliance Holdings Limited ^(B)	2 122	28	–	–	–	–	–
Bidsport (Pty) Limited (trading as MSC Sports) ^(E)	*	50	50	8 807	8 438	–	–
Comair Limited ^(F)	4 736	26	26	–	–	–	–
Compu-Clearing Outsourcing Limited ^(D)	409	21	21	5 742	5 742	–	–
CSAV Group Agencies (South Africa) (Pty) Limited ^(D)	*	40	40	–	–	–	–
Imperial McCarthy (Pty) Limited ^(G)	1	50	50	–	–	–	–
"K" Line Shipping (South Africa) (Pty) Limited (December 31 year-end) ^(D)	*	49	49	–	–	–	–
Sebenza Forwarding & Shipping (Pty) Limited (March 31 year-end) ^(D)	*	45	45	5 011	5 011	–	–
Silapha Office Products (Pty) Limited ^(B)	*	40	40	20	20	–	–
Stellar Africa (Pty) Limited ^(E)	4	25	25	172	–	–	–
Supaswift (Pty) Limited ^(D)	*	36	36	–	–	20 000	20 000
Ubuhe Be Dauphin Office Seating (Pty) Limited ^(B)	*	28	28	–	–	–	–
Waltons Mozambique Limitada ^{(B) (D) (17)}	17	50	50	–	–	–	–
Yeastpro (Pty) Limited (April 30 year-end) ^(A)	*	25	25	32 381	32 381	–	–
Other				23 427	22 770	95	95
				75 560	74 362	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⁾ Singapore	⁽¹⁴⁾ Zambia
⁽²⁾ China	⁽¹⁵⁾ Democratic Republic of Congo
⁽³⁾ Australia	⁽¹⁶⁾ Zimbabwe
⁽⁴⁾ Hong Kong	⁽¹⁷⁾ Mozambique
⁽⁵⁾ United States of America	⁽¹⁸⁾ Mauritius
⁽⁶⁾ United Kingdom	⁽¹⁹⁾ Seychelles
⁽⁷⁾ Isle of Man	⁽²⁰⁾ Swaziland
⁽⁸⁾ New Zealand	⁽²¹⁾ Czechoslovakia
⁽⁹⁾ Botswana	⁽²²⁾ Poland
⁽¹⁰⁾ Namibia	⁽²³⁾ United Arab Emirates
⁽¹¹⁾ Belgium	⁽²⁴⁾ Saudi Arabia
⁽¹²⁾ Netherlands	⁽²⁵⁾ Slovakia
⁽¹³⁾ Malawi	

Nature of business

^(A) Catering supplies, food and allied products
^(B) Electrical, security, office furniture, office supplies and related products
^(C) Financial and related services
^(D) Freight, forwarding, clearing, distribution, warehousing and allied activities
^(E) Group services, investment and property holding
^(F) Linen, rental, laundry, cleaning, travel and other services
^(G) Motor retail and related services
^(H) Printing and stationery products