

	2014 R'000	2013 R'000
11. Acquisition of businesses, subsidiaries and associates		
Property, plant and equipment	(673 623)	(138 467)
Deferred taxation	85 955	(190)
Interest in associates	(3 898 277)	(100 548)
Investments and advances	(18 442)	–
Inventories	(523 327)	(103 497)
Trade and other receivables	(1 561 790)	(197 255)
Cash and cash equivalents	(461 935)	(88 309)
Post-retirement obligations	1 776	–
Borrowings	495 166	227 602
Trade and other payables and provisions	1 776 095	222 899
Taxation	69 858	10 125
Net fair value of assets	(4 708 544)	(167 640)
Goodwill	(1 731 787)	(450 456)
Negative goodwill	24 338	–
Intangible assets	(572 825)	(7 734)
Minority shareholders	(5 196)	(15 899)
Total value of acquisitions	(6 994 014)	(641 729)
Less: Cash and cash equivalents acquired	461 935	88 309
Vendors for acquisition at beginning of year	(113 971)	(61 325)
Vendors for acquisition at end of year	482 937	113 971
Fair value of existing interests	591 220	–
Costs incurred in respect of acquisitions	(74 044)	(14 181)
Net amounts paid	(5 645 937)	(514 955)

The Group acquired the entire issued share capital of Home of Living Brands Holdings Limited (formerly Amalgamated Appliance Holdings Limited) (HoLB) that it did not already own, being 71,7%, for a consideration of R532 million, with effect from July 1 2013; and the entire issued share capital of Mvelaserve Limited (Mvela) that it did not already own, being 65,3%, for a consideration of R847 million, with effect from November 1 2013. Management believes that these acquisitions will enable HoLB and Mvela to continue to service their customers more efficiently, with significantly enhanced offerings. HoLB and Mvela will also benefit from being able to offer their products to the wider customer base of the Group.

A 60% interest in the share capital of Distribuidora E Importadora Irmãos Avelino Limitada (Avelino) in Brazil for a consideration of R\$48,6 million (R524 million) was acquired by the Group with effect from January 1 2014. This acquisition forms part of the Group's strategic expansion plans in the international foodservice industry.

During the year 31,9% of the issued ordinary capital of Adcock Ingram Holdings Limited (Adcock) was acquired by the Group, to add to the 2,3% held at June 30 2013, for a consideration of R3,9 billion. The majority of the shares acquired were acquired in the months of January and February 2014. The Group has accounted for Adcock as an associate with effect from March 1 2014.

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

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

Trade receivables acquired above are stated net of impairment allowances of R11,6 million. There were no significant contingent liabilities identified in the businesses acquired.

Notes to the consolidated financial statements

for the year ended June 30

	Adcock R'000	Mvela R'000	HoLB R'000	Avelino R'000	Other smaller acquisitions R'000	Total R'000
11. Acquisition of businesses, subsidiaries and associates <i>(continued)</i>						
The impact of these acquisitions on the Group's results can be summarised as follows:						
Identifiable assets acquired and liabilities assumed						
Property, plant and equipment		414 324	19 588	21 707	218 004	673 623
Deferred taxation		(38 394)	(37 494)	–	(10 067)	(85 955)
Interest in associates	3 878 145	8 508	–	–	11 624	3 898 277
Investments and advances		18 380	–	55	7	18 442
Inventories		98 453	246 496	48 689	129 689	523 327
Trade and other receivables		1 134 503	178 425	41 552	207 310	1 561 790
Cash and cash equivalents		212 262	208 760	34 088	6 825	461 935
Borrowings		(327 699)	–	(667)	(166 800)	(495 166)
Trade and other payables and provisions		(1 319 318)	(138 188)	(101 138)	(219 227)	(1 777 871)
Taxation		(58 213)	(5 776)	–	(5 869)	(69 858)
Intangible assets		380 225	153 000	1 196	38 404	572 825
Total net identifiable assets	3 878 145	523 031	624 811	45 482	209 900	5 281 369
Contribution to results of the year						
Revenue		4 008 008	1 267 245	313 815	1 609 314	7 198 382
Operating profit before acquisition costs		268 669	102 073	13 931	10 951	395 624
Contribution to results for the year had the acquisitions been effective on July 1 2013						
Revenue		6 001 012	1 267 245	636 752	2 081 129	9 986 138
Operating profit before acquisition costs		181 491	102 073	27 289	26 285	337 138
					2014 R'000	2013 R'000
12. Proceeds on disposal of interest in subsidiaries and associates and disposal and closure of businesses						
Property, plant and equipment					2 436	4 709
Goodwill					–	4 605
Interest in associates					(45 669)	76 049
Inventories					5 949	77 483
Trade and other receivables					12 798	270
Cash and cash equivalents					1 230	379
Trade and other payables and provisions					(3 983)	(9 132)
Taxation					(2 296)	–
Fair value of net tangible assets					(29 535)	154 363
Realisation of foreign currency translation reserves					(2 223)	–
Net profit on disposal of interest in subsidiaries and associates, and disposal and closure of businesses					47 490	30 239
Less: Overdrafts disposed of					(1 230)	(379)
Net proceeds					14 502	184 223