

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

|                                                                                                                                                                                                                                                                                                                                                                                                              | 2015<br>R'000 | 2014<br>R'000 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>15. Goodwill</b>                                                                                                                                                                                                                                                                                                                                                                                          |               |               |
| Carrying value at beginning of year                                                                                                                                                                                                                                                                                                                                                                          | 11 723 176    | 8 853 973     |
| Acquisition of businesses                                                                                                                                                                                                                                                                                                                                                                                    | 1 910 777     | 1 731 787     |
| Disposal of businesses                                                                                                                                                                                                                                                                                                                                                                                       | (20 556)      | –             |
| Exchange rate adjustments                                                                                                                                                                                                                                                                                                                                                                                    | (46 365)      | 1 137 416     |
| Carrying value at end of year                                                                                                                                                                                                                                                                                                                                                                                | 13 567 032    | 11 723 176    |
| Goodwill acquired through business combinations, is allocated for impairment testing purposes to cash-generating units (CGU) which reflect how it is monitored for internal management purposes, namely the various segments of the Group. The carrying amount of goodwill was subject to an annual impairment test using either the fair value less costs to sell method or the discounted cash flow basis. |               |               |
| The carrying amount of goodwill was allocated to cash-generating units as follows:                                                                                                                                                                                                                                                                                                                           |               |               |
| Bidvest Automotive                                                                                                                                                                                                                                                                                                                                                                                           | 229 132       | 229 132       |
| Bidvest Consumer Products                                                                                                                                                                                                                                                                                                                                                                                    | 117 253       | 117 253       |
| Bidvest Electrical                                                                                                                                                                                                                                                                                                                                                                                           | 58 066        | 39 577        |
| Bidvest Financial Services                                                                                                                                                                                                                                                                                                                                                                                   | 117 710       | 33 811        |
| Bidvest Freight                                                                                                                                                                                                                                                                                                                                                                                              | 58 132        | 40 133        |
| Bidvest Industrial                                                                                                                                                                                                                                                                                                                                                                                           | 34 520        | 34 520        |
| Bidvest Office                                                                                                                                                                                                                                                                                                                                                                                               | 65 051        | 71 201        |
| Bidvest Paperplus                                                                                                                                                                                                                                                                                                                                                                                            | 143 605       | 142 529       |
| Bidvest Rental and Products                                                                                                                                                                                                                                                                                                                                                                                  | 113 881       | 110 714       |
| Bidvest Services                                                                                                                                                                                                                                                                                                                                                                                             | 951 339       | 952 670       |
| Bidvest Travel and Aviation                                                                                                                                                                                                                                                                                                                                                                                  | 95 380        | 62 897        |
| Bidvest Foodservice Australasia                                                                                                                                                                                                                                                                                                                                                                              | 2 536 138     | 2 448 931     |
| Bidvest Foodservice United Kingdom                                                                                                                                                                                                                                                                                                                                                                           | 2 737 755     | 2 165 104     |
| Bidvest Foodservice Europe                                                                                                                                                                                                                                                                                                                                                                                   | 5 010 493     | 3 789 125     |
| Bidvest Foodservice Emerging Markets                                                                                                                                                                                                                                                                                                                                                                         | 1 117 707     | 1 310 643     |
| Bidvest Namibia                                                                                                                                                                                                                                                                                                                                                                                              | 123 042       | 123 042       |
| Bidvest Properties                                                                                                                                                                                                                                                                                                                                                                                           | 4 501         | 142           |
| Bidvest Corporate and Investments                                                                                                                                                                                                                                                                                                                                                                            | 53 327        | 51 752        |
|                                                                                                                                                                                                                                                                                                                                                                                                              | 13 567 032    | 11 723 176    |

The most significant portion of the Group's goodwill relates to the Bidvest Foodservice Europe, Bidvest Foodservice United Kingdom, Bidvest Foodservice Australasia, Bidvest Foodservice Emerging Markets and Bidvest Services CGUs. The recoverable amount of each of these CGUs was determined using the fair value less costs to sell method. The calculations used projected annualised earnings based on actual operating results. A price earnings multiple was applied to obtain the recoverable amount for each business unit. The earnings yields are considered to be consistent with similar companies within the various industry and geographic segments. A price earnings multiple of 12,8 (2014: 12,4) was used in the valuation of Bidvest Foodservice Europe, 12,8 (2014: 12,8) for Bidvest Foodservice United Kingdom, 13,0 (2014: 13,0) for Bidvest Foodservice Australasia, 11,6 (2014: 10,9) for Bidvest Foodservice Emerging Markets and 9,2 (2014: 8,6) for Bidvest Services. The valuations resulted in significant surpluses over carrying values of the CGUs and thus the directors believe that a reasonably possible change in these multiples would not result in an impairment of the carrying value of goodwill. The valuation method is consistent with that used in the prior years and is considered a level 3 type valuation in accordance with IFRS 13 *Fair Value Measurement*.

The remaining goodwill of R1,2 billion (2014: R1,1 billion) is allocated across multiple CGUs. The recoverable amount for these remaining units was calculated on the aforementioned basis. No impairment was identified for the current financial year (2014: nil).