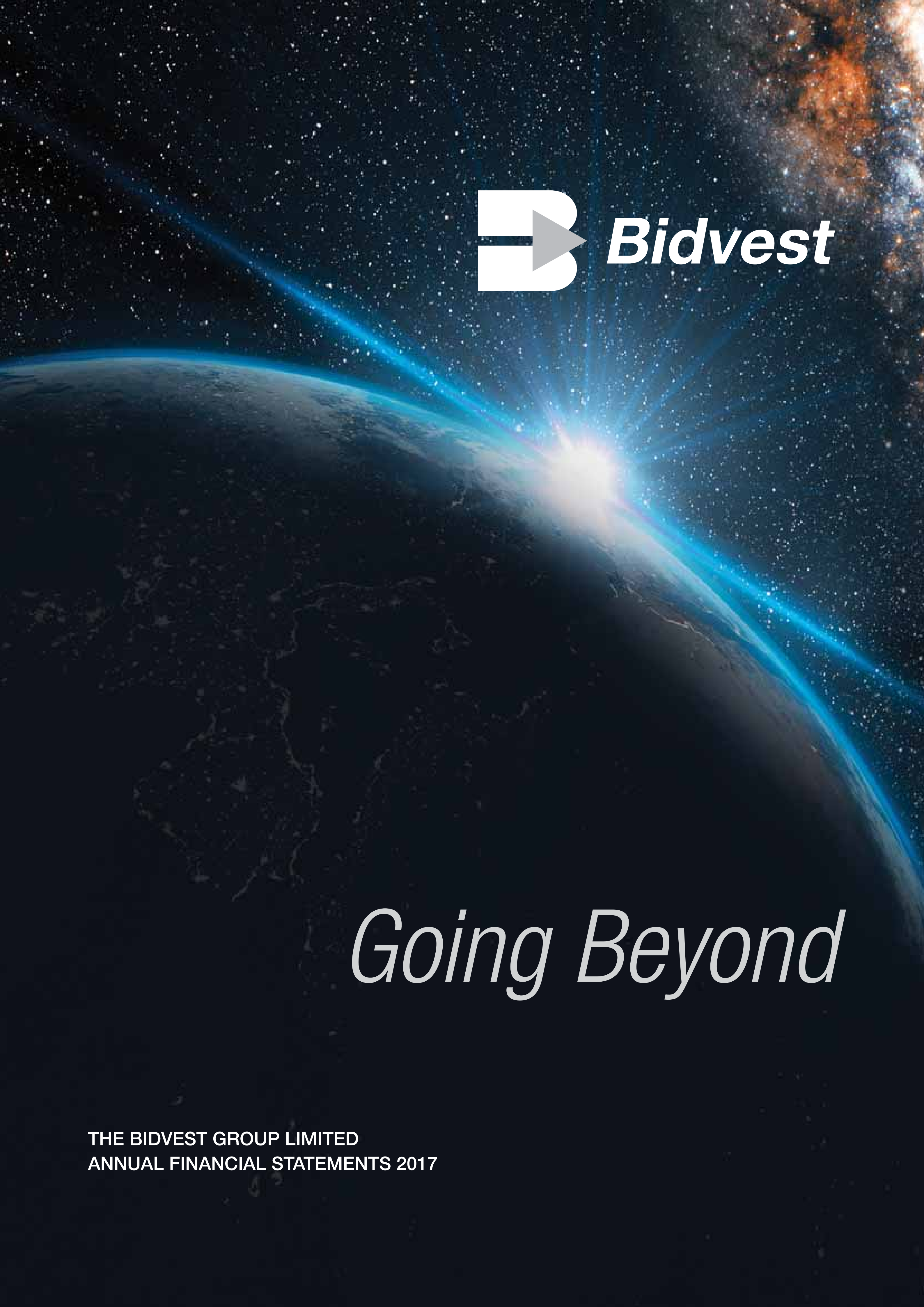

Bidvest

Going Beyond

THE BIDVEST GROUP LIMITED
ANNUAL FINANCIAL STATEMENTS 2017

Contents

Directors' responsibility for the financial statements

To the shareholders of The Bidvest Group Limited

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRS), the interpretations adopted by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in terms of the requirements of the Companies Act of South Africa.

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

The directors have made an assessment of the Group's 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 consolidated and separate financial statements are fairly presented in accordance with IFRS, the interpretations adopted by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in terms of the requirements of the Companies Act of South Africa.

The consolidated and separate financial statements of the Group and Company for the year ended 30 June 2017, were approved by the board of directors and are signed on its behalf by:

Lorato Phalatse
Chairperson

Lindsay Ralphs
Chief executive

Peter Meijer
Group financial director

25 August 2017

Declaration by company secretary

In my capacity as company secretary, I hereby confirm, in terms of section 88(2)(e) of the Companies Act of South Africa, that for the year ended 30 June 2017, 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 Brighten
Company secretary

25 August 2017

Preparer of financial statements

The consolidated and separate financial statements have been prepared under the supervision of HP Meijer (BCompt MBL) – Group financial director.

Independent auditor's report

TO THE SHAREHOLDERS OF THE BIDVEST GROUP LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion
We have audited the consolidated and separate financial statements of The Bidvest Group Limited (the Group) set out on pages 14 to 87, which comprise the statements of financial position as at 30 June 2017, and the income statement, the statements of other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group as at 30 June 2017, 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 the requirements of the Companies Act of South Africa.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our audit report with regard to the separate financial statements of the Company for the period.

Key audit matter	How the matter was addressed in the audit
Accounting for unlisted investments	
Included in the Group's investments, is the Group's 6,75% interest in the Indian-based Mumbai International Airport Private Limited (MIAL). The investment in MIAL is recorded in the consolidated financial statements at a fair value of R940 million (2016: R853 million). Fair value has been determined by the directors, in the absence of an observable market price. The valuation process is described in note 19 to the consolidated financial statements. The valuation is determined in US dollar and translated to the Group reporting currency rand, at the official year-end exchange rate. This valuation is a level 3 type valuation in accordance with IFRS 13 *Fair Value Measurement*, where the fair value is not based on observable market data. The directors believe the recorded fair value to be appropriate within a reasonable range of fair values. In determining the range of values, the directors used an earnings before interest, tax, depreciation and amortisation (EBITDA) multiple. The directors obtained a corroborating high-level valuation from an industry expert and considered the value realised in the sale of a similar stake in MIAL five years ago. We identified the valuation of MIAL as a key audit matter due to the significant judgements associated with determining the fair value of this material unlisted investment.	We agreed the data used in the directors valuation to external evidence. We agreed the MIAL EBITDA to their signed financial statements for the year ended 31 March 2017 and the median multiple used was agreed to publicly available industry data. We assessed the competence, capabilities and objectivity of the directors' expert, verified his qualifications and assessed his experience. We discussed the scope of work and confirmed that no scope limitations were imposed upon him by the directors. We confirmed that the valuation techniques used are materially consistent with industry accepted techniques and principles. These valuations support the reasonableness of the range of values used by the directors to determine the fair value of the investment. In addition, our audit procedures included a comparison between the consideration received for the 6.75% interest disposed of in 2011/2012, after an adjustment for a market-related control premium on that transaction, and the current directors' valuation. We are satisfied that the recorded fair value for MIAL is within a supportable reasonable range of fair values and that the valuation utilises the appropriate exchange rate at year-end. We concur with the directors' valuation for MIAL. We also found the disclosures relevant to the investment to be sufficient and appropriate in all material respects.

Independent auditor's report

Key audit matter	How the matter was addressed in the audit
Acquisition of Brandcorp	
During the year, the Group concluded an agreement to acquire the entire equity and shareholder loans of the Brandcorp Group (Brandcorp) with effect from 1 October 2016. A purchase price allocation (PPA) was performed in accordance with IFRS 3 *Business Combinations* (IFRS 3) by the directors with the assistance of an independent expert appointed by the directors. The PPA resulted in the Group recognising and measuring significant tangible and intangible assets and R1,9 billion of external financial liabilities. Included in the intangible assets acquired are assets with both finite and indefinite useful lives. This distinction and the related useful life assumptions are matters where judgement is exercised. Goodwill of R437 million was recognised as a result of the acquisition along with intangible assets of R684 million. This identification, classification and valuation of intangible assets is considered a key audit matter as it has a direct bearing on the amount of goodwill recognised on acquisition date by the Group and the quantum of intangible assets amortised annually.	We confirmed that the effective date of the acquisition was in compliance with IFRS 3 per inspection of the salient terms and conditions of the purchase agreement. We engaged our internal corporate finance specialists to perform an independent assessment of the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date specifically relating to the valuation and identification of intangible assets and the resultant goodwill to be recognised. This independent assessment was evaluated against the directors' expert's assessment by performing the following procedures: ▷ We assessed the competence, capabilities and objectivity of the directors' independent expert acquired and verified their qualifications. ▷ We discussed the scope of work with the experts to determine that there were no matters affecting their independence and objectivity and that no scope limitations were imposed upon them. ▷ We confirmed that the valuation techniques used are consistent with industry norms. ▷ We confirmed that identifiable assets acquired and liabilities assumed were appropriately valued, in all material respects. ▷ We assessed the reasonableness of the assumptions used in determining the useful lives of the intangible assets acquired against those determined by the directors' independent expert. ▷ We confirmed that the goodwill and intangible assets recognised as a result of the PPA allocation are appropriate. We concur with the directors' IFRS 3 acquisition date accounting treatment of the Brandcorp acquisition and the related at acquisition valuation of Brandcorp. We found that the disclosures required by IFRS 3 were sufficient and appropriate in all material respects.

Other information

The directors are responsible for the other information. The other information comprises the directors' report, the audit committee's report and the company secretary's certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the annual integrated report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in *Government Gazette* Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of The Bidvest Group Limited for 10 years.

Deloitte & Touche
Registered Auditor

Per: **Mark Hugh Holme**
Partner
25 August 2017

Directors' report

The directors have pleasure in presenting their report for the year ended 30 June 2017.

Nature of business

The Bidvest Group Limited (the Company) is an investment holding company with subsidiaries operating in the services, trading and distribution industries.

Financial reporting

The directors are required by the Companies Act of South Africa (the Act) 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), the interpretations adopted by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in terms of the requirements of 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 Act and are based on appropriate accounting policies 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 30 June 2017 and the results of their operations and cash flows for the year then ended.

The directors are satisfied that the Group and Company have 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.

Share capital

During the year, the Company did not issue any share capital. In the previous financial year, 241 061 shares of 5 cents were issued at a premium of R342,57 per share in settlement of the conditional share plan awards.

Acquisitions and disposals

The Group acquired 100% of the share capital of Brandcorp Holdings Proprietary Limited (Brandcorp) with effect from 1 October 2016. Brandcorp is a value-added distributor of niche industrial and consumer products trading under the Industrial brands, Matus, Renttech, Burncrete, Moto Quip, Leisure Quip and Consumer brands, Cellini and MIC Prestige. The acquisition forms part of the Bidvest Commercial Products segment and will enable the Group to expand its range of complementary products and services provided by Bidvest Commercial Products. The acquisition has been funded with a combination of long-term borrowings and existing cash resources.

The Group also made a number of less significant acquisitions and disposals during the year. Certain of these acquisitions resulted in insignificant bargain purchase price gains.

Internal restructuring

In order for the Group's statutory structure to more closely resemble its reporting structure, the Company received shares in Bidvest Commercial Products Holdings Proprietary Limited, Bidvest Office and Print Holdings Proprietary Limited, Bidvest Property Holdings Proprietary Limited and Bidvest Properties Proprietary Limited in exchange for certain of its investments in subsidiaries. These transactions resulted in material changes to the cost of underlying investments.

Subsequent events

The Group acquired 100% of the shares of Noonan from Alchemy partners and Noonan's current management. Noonan, which is based and operates throughout the Republic of Ireland and in the United Kingdom, has established a clear leadership position with a 40-year track record of delivering high-quality integrated facility management services and solutions. Its services include soft, technical and ancillary services and range from cleaning and security to building services and facilities management. The board believes that Noonan's business model and geographic presence will be complementary to Bidvest's Services division. Several learnings can be shared and enhanced, thereby improving the Group's overall services offering. The current dual geographic footprint allows for growth optionality into Europe and further afield. South African Reserve Bank approval has been obtained. The transaction is effective 1 September 2017. The EUR175 million (R2,7 billion) purchase price was settled by way of foreign credit facilities. Three-year variable rate, euro denominated funding has been secured at an attractive rate.

Results of operations

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

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 annual general meeting (AGM) of shareholders held on Monday, 28 November 2016, a maximum of 67 080 842 ordinary shares may be acquired by the Company, of which 33 540 421 may be acquired by its subsidiaries. No shares were acquired during the year (2016: Nil).

A total of 2 422 368 ordinary shares were disposed of at an average price (after deducting capital gains tax) of R113,21 per share in settlement of share options exercised by staff.

Dividends

The directors declared an interim gross cash dividend of 227 cents (181,6000 cents net of dividend withholding tax, where applicable) per ordinary share payable to ordinary shareholders recorded in the register on the record date, being Friday, 17 March 2017. The dividend was declared from income reserves.

Subsequent to year-end, the board declared a final gross cash dividend of 264 cents (211,2000 cents net of withholding tax, where applicable) per ordinary share for the year ended 30 June 2017 to those shareholders recorded in the register on the record date, being Friday, 22 September 2017. The salient dates are:

Declaration date	Monday, 28 August 2017
Last day to trade cum dividend	Tuesday, 19 September 2017
First day to trade ex dividend	Wednesday, 20 September 2017
Record date	Friday, 22 September 2017
Payment date	Tuesday, 26 September 2017

The dividend will be paid out of income reserves. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

Payments to shareholders

Approval was obtained at the last AGM for the Company to make payments which would reduce its share capital, share premium and/or reserves in terms of the Act. Other than dividends, no other such payments were made.

Special resolutions

Special resolutions were passed at the AGM held on Monday, 28 November 2016 in regard to a general authority to enable the Company to acquire its own shares, approval of non-executive directors' remuneration for the 2017 financial year and general authority to provide financial assistance to related or inter-related companies and corporations in terms of sections 44 and 45 of the Act.

Special resolutions were passed by certain subsidiaries to accommodate the acquisition of various businesses, to change their names and the general authority to provide financial assistance to related or inter-related companies and corporations in terms of sections 44 and 45 of the Act. A number of subsidiaries passed special resolutions for the adoption of a new Memorandum of Incorporation (MOI) and amendments to the MOIs.

Directorate

The following changes to the board occurred during the year:

- Carol Winifred Nosipho Molope was appointed as an independent non-executive director on 2 August 2017.
- Brian Joffe resigned as a non-executive director on 18 August 2017.

Attendance

The names of the directors who were in office during the period 30 August 2016 to 25 August 2017, and the details of board meetings attended by each of the directors are as follows:

Director	1	2	3	4
Independent non-executive chairman				
CWL Phalatse	✓	✓	✓	✓
Independent non-executive directors				
DDB Band	✓	✓	A	✓
EK Diack	✓	✓	✓	A
AK Maditsi	✓	✓	✓	✓
S Masinga	✓	✓	✓	✓
T Slabbert	✓	✓	✓	✓
NG Payne	✓	✓	✓	✓
CWN Molope[1]				✓
Non-executive director				
B Joffe[2]	✓	✓	A	
Executive directors				
AW Dawe	A	✓	✓	✓
NT Madisa	✓	✓	✓	✓
GC McMahon	✓	✓	✓	✓
HP Meijer	✓	✓	✓	✓
LP Ralphs	✓	✓	✓	✓

Meeting dates:
1 – 28 November 2016 (scheduled)
2 – 24 February 2017 (scheduled)
3 – 26 May 2017 (scheduled)
4 – 25 August 2017 (scheduled)

✓ Attended in person, by video-conference or tele-conference.
A Apologies tendered.
[1] Appointed 2 August 2017.
[2] Resigned 18 August 2017.

Directors' interests

The aggregate interests of the directors in the share capital of the Company at 30 June 2017 were:

	2017	2016
Beneficial	**175 178**	326 435
Non-beneficial	**1 020 596**	1 370 596
Held in terms of The Bidvest Incentive Scheme		
Replacement rights	**428 448**	605 948
Shares	**–**	148 743

Directors' shareholdings

Beneficial

The individual beneficial interests declared by the current directors and officers in the Company's share capital at 30 June 2017, held directly or indirectly, were:

	2017 Number of shares		2016 Number of shares	
Director	**Direct**	**Indirect**	Direct	Indirect
AW Dawe	**3 465**	**–**	3 465	–
B Joffe	**21 544**	**–**	21 544	–
HP Meijer	**35 245**	**4 000**	35 245	4 000
LP Ralphs	**110 924**	**–**	262 181	–
Total	**171 178**	**4 000**	322 435	4 000

Held in terms of The Bidvest Incentive Scheme

The Bidvest Incentive Scheme granted loans to staff and executive directors for the acquisition of shares in the Company. The scheme was concluded in the current year and loans were repaid.

	2017		2016	
	Number of shares	**Carrying value of loan R'000**	Number of shares	Carrying value of loan R'000
LP Ralphs	**–**	**–**	148 743	13 473
Total	**–**	**–**	148 743	13 473

Non-beneficial

In addition to the aforementioned holdings:

- B Joffe is a trustee and potential beneficiary of a discretionary trust holding 559 960 shares (2016: 909 960).
- CA Brighten (company secretary) is a trustee of the Group's retirement funds holding 460 636 shares (2016: 460 636).

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 30 June 2017 is analysed as follows:

Director	Basic remuneration R'000	Other benefits and costs R'000	Retirement/ medical benefits R'000	Cash incentives R'000	Total emoluments R'000
AW Dawe	**4 487**	**76**	**263**	**3 347**	**8 173**
NT Madisa	**3 027**	**89**	**272**	**2 324**	**5 712**
GC McMahon	**1 672**	**154**	**218**	**1 409**	**3 453**
HP Meijer	**3 237**	**164**	**397**	**2 606**	**6 404**
LP Ralphs	**9 164**	**912**	**825**	**7 227**	**18 128**
2017 total	**21 587**	**1 395**	**1 975**	**16 913**	**41 870**

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 30 June 2016, is analysed as follows:

Director	Basic remuneration R'000	Other benefits and costs R'000	Retirement/ medical benefits R'000	Cash incentives R'000	Total emoluments R'000
BL Berson (resigned 23 May 2016)	11 748	253	368	13 625	25 994
DE Cleasby (resigned 23 May 2016)	3 693	495	439	4 858	9 485
AW Dawe	4 119	148	381	3 000	7 648
B Joffe[1] (resigned as executive and appointed as non-executive director)	16 012	1 755	873	17 518	36 158
NT Madisa	2 751	84	248	1 800	4 883
GC McMahon	1 494	144	196	1 250	3 084
HP Meijer[1] (appointed executive director 23 May 2016)	232	12	29	2 500	2 773
LP Ralphs	9 110	942	772	9 400	20 224
2016 total	49 159	3 833	3 306	53 951	110 249

[1] *Not considered a prescribed officer prior to this date.*

Paid by continuing operations	29 532	3 580	2 938	17 950	54 000
Paid by discontinued operations	19 627	253	368	36 001	56 249

The remuneration paid to non-executive directors while in office of the Company during the year ended 30 June 2017 is analysed as follows:

	2017			
Director	**Directors' fees R'000**	**As directors of subsidiary companies and other services R'000**	**Total emoluments R'000**	2016 Total R'000
DDB Band	**551**	**–**	**551**	881
EK Diack	**808**	**775**	**1 583**	1 684
B Joffe	**203**	**4 000**	**4 203**	407
AK Maditsi	**535**	**–**	**535**	400
S Masinga	**582**	**–**	**582**	603
NG Payne	**1 296**	**873**	**2 169**	2 557
CWL Phalatse	**1 350**	**–**	**1 350**	1 120
T Slabbert	**562**	**–**	**562**	566
	5 887	**5 648**	**11 535**	8 218
Former directors	**–**	**–**	**–**	1 914
2017 total	**5 887**	**5 648**	**11 535**	10 132
2016 total	**7 026**	**3 106**	**10 132**	

Prescribed officers
Due to the nature and structure of the Group and the number of executive directors on the board of the Company, the directors have concluded that there are no prescribed officers of the Company.

Directors' long-term incentives
Details of the directors and officers' outstanding replacement rights are as follows:

	Replacement rights at 30 June 2016		Replacement rights granted during the year		Replacement rights exercised		**Replacement rights at 30 June 2017**	
	Number	Average price R	Number	Average price R	Number	Market price[1] R	**Number**	**Average price R**
AW Dawe	133 066	267,27	–	–	–	–	**133 066**	**267,27**
NT Madisa	118 566	266,49	–	–	–	–	**118 566**	**266,49**
GC McMahon	76 250	258,30	–	–	15 000	267,03	**61 250**	**271,44**
HP Meijer	158 066	252,43	–	–	42 500	257,27	**115 566**	**269,29**
LP Ralphs	120 000	61,75	–	–	120 000	410,59	**–**	**–**
	605 948	221,42	–	–	177 500	361,75	**428 448**	**268,19**
Company secretary								
CA Brighten	28 078	253,05	–	–	7 500	237,27	**20 578**	**262,26**
	634 026	222,82	–	–	185 000	356,70	**449 026**	**267,92**

[1] Value of share/replacement right on exercise of replacement rights.

Refer to note 27 of the financial statements for further details.

A share appreciation right (SAR) is a right awarded subject to the appreciation of Company's shares.

	SARs at 30 June 2016		SARs granted during the year		SARs exercised		**SARs at 30 June 2017**	
Company secretary	Number	Average price R	Number	Average price R	Number	Market price R	**Number**	**Average price R**
CA Brighten	–	–	14 000	146,41	–	–	**14 000**	**146,41**

These SARs are exercisable over the period 1 July 2019 to 31 December 2023. A detailed register of SARs outstanding by tranche is available for inspection at the Company's registered office.

Share-based payment expense

Director	**2017 Normal R'000**	2016 Normal R'000	2016 Accelerated vesting R'000
AW Dawe	**3 687**	2 869	9
NT Madisa	**3 086**	2 483	–
GC McMahon	**1 834**	1 483	–
HP Meijer	**3 710**	292	–
LP Ralphs	**3 920**	6 700	5 150
Former directors	**–**	22 671	18 086
	16 237	36 498	23 245
Relating to continuing operations	**16 237**	30 257	
Relating discontinued operations	**–**	6 241	23 245

Details of directors and officers' outstanding conditional share plan (CSP)
A conditional award is a conditional right to a share, which is awarded subject to performance and vesting conditions.

Director	Balance at 30 June 2016 Number	New awards Number	Exchanged for replacement rights Number	Forfeited* Number	Shares awarded Number	**Closing balance 30 June 2017 Number**
AW Dawe	–	28 000	–	–	–	**28 000**
GC McMahon	–	12 000	–	–	–	**12 000**
LP Ralphs	35 000	174 280	(35 000)	–	–	**174 280**
NT Madisa	–	20 000	–	–	–	**20 000**
HP Meijer	–	22 000	–	–	–	**22 000**
Total	35 000	256 280	(35 000)	–	–	**256 280**

** Forfeited as a result of targets not being met.*

Summary of executive directors' long-term incentives (LTIs) including CSPs

Director	Share-based payment expense R'000	Benefit arising from the exercise* of options R'000	Benefit arising from award of CSP R'000	Gross benefit R'000	Previous share-based payment expense in respect of awards R'000	Actual LTI benefit R'000
2017						
AW Dawe	**3 687**	**–**	**–**	**3 687**	**–**	**3 687**
NT Madisa	**3 086**	**–**	**–**	**3 086**	**–**	**3 086**
GC McMahon	**1 834**	**4 005**	**–**	**5 839**	**(1 027)**	**4 812**
HP Meijer	**3 710**	**10 934**	**–**	**14 644**	**(2 945)**	**11 699**
LP Ralphs	**3 920**	**91 865**	**–**	**95 785**	**(6 179)**	**89 606**
2017 total	**16 237**	**106 804**	**–**	**123 041**	**(10 151)**	**112 890**
2016						
BL Berson	11 309	–	40 094	51 403	(22 551)	28 852
DE Cleasby	6 122	–	23 619	29 741	(12 976)	16 765
AW Dawe	2 878	–	8 079	10 957	(3 147)	7 810
B Joffe	23 326	11 408	80 921	115 655	(47 424)	68 231
NT Madisa	2 483	3 920	–	6 403	(872)	5 531
GC McMahon	1 483	2 269	–	3 752	(661)	3 091
HP Meijer	292	3 958	–	4 250	(2 458)	1 792
LP Ralphs	11 850	–	42 487	54 337	(23 854)	30 483
2016 total	59 743	21 555	195 200	276 498	(113 943)	162 555

** Includes taxable benefits arising on the sale of shares and settlement of The Bidvest Incentive Scheme loans.*

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.

Secretary

During the year under review and in compliance with paragraph 3.84(h) of the JSE Listings Requirements, the board evaluated Mr CA Brighten, the company secretary, and is satisfied that he is competent, suitably qualified and experienced. Furthermore, since he is not a director, nor is he related or connected to any of the directors, thereby negating a potential conflict of interest, it was agreed that he maintains an arm's length relationship with the board.

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, 2041, respectively.

Audit committee report

The audit committee (the committee) is pleased to present its report in terms of section 94 of the Companies Act, No 71 of 2008, as amended (the Companies Act), the King Code of Governance for South Africa (King IV) and the Johannesburg Stock Exchange (JSE) Listings Requirements for the financial year ended 30 June 2017. The committee has conducted its work in accordance with the written terms of reference approved by the board.

The committee's main objective is to assist the board in fulfilling its oversight responsibilities, in particular with regard to evaluation of the adequacy and efficiency of accounting policies, internal controls and financial and corporate reporting processes. In addition, the committee assesses the effectiveness of the internal auditors and the independence and effectiveness of the external auditors.

Composition

Mrs CWN Molope was appointed to the audit committee on 2 August 2017 as an independent non-executive member. The committee comprises the following members who have the necessary skills and experience to fulfil the duties of the committee:

- Mr NG Payne (independent non-executive director and chairman)
- Mr EK Diack (independent non-executive director)
- Ms S Masinga (independent non-executive director) and
- Mrs CWN Molope (independent non-executive director).

The appointment of all members of the committee is subject to the shareholders' approval at the next annual general meeting to be held on Monday, 27 November 2017. The profiles of the members, including their qualifications, can be viewed in the annual integrated report.

In addition to the Group audit committee, divisional audit committees have been established. The divisional audit committees are chaired by competent independent non-executives who participate in the Group audit committee.

Frequency and attendance of meetings

During the year under review, six meetings were held.

Audit	15 September 2016	2 November 2016	23 February 2017	25 May 2017	22 August 2017	24 August 2017
NG Payne (chair)	✓	✓	✓	✓	✓	✓
EK Diack	✓	✓	✓	✓	✓	A
S Masinga	✓	✓	✓	✓	A	A
CWN Molope (appointed 2/8/2017)					A	✓

A = *Apology*

Statutory duties

The committee is satisfied that it has performed the statutory requirements for an audit committee as set out in the Companies Act as well as the functions set out in the terms of reference and that it has therefore complied with its legal, regulatory or other responsibilities as may be assigned by the board.

There were no reportable irregularities during the year, nor were any complaints or queries about our financial reporting brought to the attention of the audit committee.

External auditor

The committee nominated and recommended the appointment of the external auditor, Deloitte & Touche, to the shareholders in compliance with the Companies Act and the JSE Listings Requirements and the appointment of Mr MH Holme as designated auditor for the 2017 financial year.

The committee satisfied itself that the audit firm and designated auditor are accredited and appear on the JSE List of Accredited Auditors. The committee further satisfied itself that Deloitte & Touche was independent of the Company, which includes consideration of compliance with criteria relating to independence proposed by the Independent Regulatory Board for Auditors.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees.

The committee has the following responsibilities for external audit:

1. Recommends the appointment of external auditor and oversees the external audit process and in this regard the committee must:
   - nominate the external auditor for appointment by the shareholders;
   - approve the annual audit fee and terms of engagement of the external auditor;
   - monitor and report on the independence of the external auditor in the annual financial statements;
   - define a policy for non-audit services and pre-approve non-audit services to be provided by the external auditor;
   - ensure that there is a process for the committee to be informed of any reportable irregularities as defined in the Auditing Profession Act, 2005, identified and reported by the external auditor;
   - review the quality and effectiveness of the external audit process; and
   - consider whether the audit firm and where appropriate the individual auditor that will be responsible for performing the functions of auditor are accredited as such on the JSE List of Accredited Auditors and their advisers as required by the JSE Listings Requirements.

2. The committee has applied its mind to the key audit areas and key audit matters identified by the external auditors and is comfortable that they have been adequately addressed and disclosed. These items, which required significant judgement, were:
   - accounting for, valuation of and disclosures relating to the Group's unlisted 6,75% interest in Mumbai International Airport Private Limited (MIAL), at US$72 million converted to R940 million (2016: US$60 million converted to R853 million); and
   - accounting for the acquisition of Brandcorp, which resulted in intangibles of R684 million and goodwill of R436 million being recognised.

Internal audit
The committee has satisfied itself that the internal audit function was appropriately independent. The internal audit charter and the internal audit plan were approved by the committee. Internal audit has access to the committee, primarily through its chairman.

The committee has the following responsibilities for internal audit:
- the appointment, performance assessment and/or dismissal of the internal auditor;
- to approve the internal audit charter and the internal audit plan; and
- to ensure that the internal audit function is subject to an independent quality review as and when the committee determines appropriate.

Internal financial control
Nothing has come to the attention of the committee that caused it to believe that the company's system of internal controls and risk management is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

Risk management
The committee is responsible for reviewing the effectiveness of systems for internal control, financial reporting and financial risk management and considering the major findings of any internal investigations into control weaknesses, fraud or misconduct and management's response thereto. The committee receives, in conjunction with the risk committee, regular reports provided as part of the enterprise-wide risk management framework to assist in evaluating the Group's internal controls.

Combined assurance
The committee is of the view that the arrangements in place for combined assurance are adequate and are achieving the objective of an effective, integrated approach across the disciplines of risk management, compliance and audit.

Duties assigned by the board
The committee oversees the preparation of the Company's annual integrated report and the reporting process, including the system of internal financial control. During the year under review, the committee met with the external auditor without management being present.

Expertise of the financial director and finance function
The committee has reviewed the current performance and future requirements for the financial management of the Company and concluded that the current team has the appropriate skills, experience and expertise required to fulfil the finance function. In compliance with paragraph 3.84(h) of the JSE Listings Requirements, the committee satisfied itself of the appropriateness of the expertise and experience of the financial management team as a whole.

The committee has reviewed the performance, qualifications and expertise of the Group financial director, Mr HP Meijer, and is satisfied with the appropriateness of the expertise and experience of the Group financial director.

Going concern
The committee reviewed the documents prepared by management in which they assessed the going concern status of the Company and its subsidiaries at year-end and the foreseeable future. Management has concluded that the Group is a going concern. The committee resolved and recommended acceptance of this conclusion to the board.

Consolidated financial statements
In our opinion, the consolidated financial statements present fairly, in all material respects the consolidated financial position of the Company and its subsidiaries as at 30 June 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Fraud prevention
An anonymous ethics line is in place. The service is managed by Deloitte & Touche and is independent of Bidvest. All calls reported are in total anonymity and without fear of discrimination. Monthly reports are provided by the independent service provider. The monitoring of reports from this service is shared between this committee and the social and ethics committee.

Information technology governance
The committee, in conjunction with the risk committee, is responsible for:
- obtaining independent assurance on the effectiveness of the IT internal controls;
- overseeing the value delivery on IT and monitoring the return on investments on significant IT projects; and
- ensuring that IT forms an integral part of the Company's risk management.

Recommendation of the annual financial statements for approval by the board
The committee recommended the Group annual financial statements and Company annual financial statements for approval by the board.

On behalf of the committee

N Payne
Chairman

Accounting policies

The consolidated and separate financial statements (financial statements) have been prepared in accordance with International Financial Reporting Standards (IFRS), the interpretations adopted by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in terms of the requirements of the Companies Act of South Africa.

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.

The preparation of consolidated and separate 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 41.

Except as detailed below, the accounting policies have been applied consistently to all periods presented in these financial statements. The 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.

The principal accounting policies set out below apply to both the consolidated and separate financial statements.

2. New and revised accounting standards

There were no changes to the Group's accounting policies during the year.

Details of new standards and interpretations not yet effective that may apply to the Group are contained in note 44 to the financial statements.

3. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. Control is achieved when the Company has the power over an investee, or has rights, to a variable return from its involvement with an investee; and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders; potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between either the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (ie reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS).

The Company carries its investments in subsidiaries at cost less accumulated impairment losses. Investments subject to Group reorganisations, which are between the Company and its subsidiaries, are undertaken at fair value and increase the cost of investments.

4. Puttable non-controlling interests

Put options held by non-controlling interests in the Group's subsidiaries entitle the non-controlling interest to sell its interest in the subsidiary to the Group at predetermined values and on contracted dates. In such cases the Group consolidates the non-controlling interests' share of the equity in the subsidiary and recognises the fair value of the non-controlling interest's put option, being the present value of the estimated future purchase price, as a financial liability in the statement of financial position. In raising this liability, the non-controlling interest is derecognised and any excess or shortfall is charged or realised directly in retained earnings in the statement of changes in equity.

The unwinding of the present value discount on these liabilities is recorded within finance charges in the income statement using the effective interest rate method. The financial liability is fair valued at the end of each financial year and any changes in the value of the liability as a result of changes in assumptions used to estimate the future purchase price are recorded directly in retained income in the statement of changes in equity.

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 and losses on the revaluation of foreign currency denominated assets and liabilities are also included in revenue.

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

Insurance premiums are stated before deducting reinsurance and commission.

Finance income comprises interest receivable on funds invested. Finance income 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.

6. Distributions to shareholders

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

7. Finance charges

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

8. Cash and cash equivalents

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

9. 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 to anticipated residual values. Estimate useful lives are:

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 15 years
Vessels	28 to 55 years
Rental and full maintenance lease assets	Over the period of the contract
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 to the item itself, these parts are depreciated over their individual estimated useful lives.

10. 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.

11. Goodwill

Goodwill arising on acquisition of a business is carried at cost, as established at the date of the acquisition of the business, less accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the business combination. Goodwill is monitored at an operational segment level.

12. Intangible assets

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

Development cost and other intangible assets 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 when 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 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 or indefinite life
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.

13. Impairment of assets

The carrying value of tangible and intangible assets are reviewed annually 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 each year. For intangible 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 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 not larger than any operational segment. Refer to accounting policy 11.

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.

14. Taxation

Income taxation comprises current and deferred tax. An 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 financial position date, and any adjustment of tax payable for previous years.

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 taxation 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.

15. Associates

An associate is a company over which the Group has significant influence, but not control. Significant influence is the power to participate in the financial and operating policy decisions of a company but is not control over those policies.

The equity method of accounting for associates is applied 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.

16. 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. 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.

17. Financial instruments

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

An instrument is measured 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 cost if the fair value cannot be reliably determined.

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

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 held-for-trading 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 and bond 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 and loss.

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.

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.

18. 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 portfolio 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 portfolio 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 portfolio impairments made during the year are charged to the income statement.

19. Vehicle rental fleet

The Bidvest Car 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.

20. 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. The cost of manufactured inventory and work-in-progress includes materials and parts, direct labour, other direct costs and includes an appropriate portion of overheads, but excludes interest expense.

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

21. 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.

22. 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.

23. Share-based payments

The Bidvest Incentive Scheme grants share appreciation rights to acquire shares in the Company to employees. The fair value of appreciation rights 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 appreciation right is measured using a binomial model, taking into account the terms and conditions upon which the appreciation rights were granted. The amount recognised as an expense is adjusted to reflect the actual number of appreciation rights that vest except where staff are unable to meet the scheme's employment requirements.

In terms of the conditional share plan scheme, a conditional right to a share is awarded to executive directors subject to performance and vesting conditions. 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 less discounted by anticipated future distribution flows.

24. 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 other comprehensive income.

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.

Past service costs are recognised in the income statement in the period of a plan amendment.

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.

25. 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, travel and warranty.

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 consist 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.

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. Deferred acquisition costs are recognised on a basis consistent with the related provisions for earned premiums. A provision 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 is maintained. The calculation is based on the preceding six years' insurance premium revenue per insurance category multiplied by percentages as specified in the Short-Term Insurance Act.

26. 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 unmatured policies, are valued in terms of the Financial Soundness Valuation (FSV) basis contained in PGN104.

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 deposit's 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.

27. 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 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.

28. 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.

"Segmental operating profit" includes revenue and expenses directly relating to a business segment but excludes net finance charges and taxation, which cannot be allocated to any specific segment. 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.

Consolidated income statement

for the year ended 30 June

	Notes	2017 R'000	2016 R'000
Continuing operations			
Revenue	1	**70 998 001**	68 241 101
Cost of revenue		**(50 342 325)**	(48 342 240)
Gross profit		**20 655 676**	19 898 861
Operating expenses		**(15 131 637)**	(14 602 043)
Sales and distribution expenses		**(9 719 858)**	(9 361 693)
Administration expenses		**(3 698 671)**	(3 683 769)
Other expenses		**(1 713 108)**	(1 556 581)
Other income		**282 122**	299 967
Trading result		**5 806 161**	5 596 785
Income from investments		**210 776**	156 694
Trading profit		**6 016 937**	5 753 479
Share-based payment expense		**(143 145)**	(139 698)
Acquisition costs		**(24 230)**	(8 416)
Net capital items	2	**1 027 588**	(1 175 240)
Operating profit	2	**6 877 150**	4 430 125
Net finance charges	3	**(1 059 560)**	(922 114)
Finance income		**232 069**	194 617
Finance charges		**(1 291 629)**	(1 116 731)
Share of profit of associates		**379 231**	149 983
Dividends received		**114 494**	138 689
Share of current year earnings		**264 737**	11 294
Profit before taxation		**6 196 821**	3 657 994
Taxation	4	**(1 328 232)**	(1 215 487)
Profit for the year from continuing operations		**4 868 589**	2 442 507
Discontinued operations			
Profit after taxation from discontinued operations	5	**–**	79 253 352
Profit for the year		**4 868 589**	81 695 859
Attributable to			
Shareholders of the Company		**4 769 940**	81 501 555
From continuing operations		**4 769 940**	2 285 850
From discontinued operations		**–**	79 215 705
Non-controlling interests		**98 649**	194 304
From continuing operations		**98 649**	156 657
From discontinued operations		**–**	37 647
		4 868 589	81 695 859
Basic earnings per share (cents) – from continuing operations (cents)	6	**1 430,3**	692,6
Diluted basic earnings per share (cents) – from continuing operations (cents)	6	**1 423,4**	690,2
Headline earnings per share (cents) – from continuing operations (cents)	6	**1 108,2**	1 054,1
Diluted headline earnings per share (cents) – from continuing operations (cents)	6	**1 102,9**	1 050,4
Basic earnings per share (cents) – from discontinued operations (cents)	6	**–**	24 002,2
Diluted basic earnings per share (cents) – from discontinued operations (cents)	6	**–**	23 917,0
Dividends per share (cents)	7	**491,0**	714,0

Consolidated statement of other comprehensive income

for the year ended 30 June

	2017 R'000	2016 R'000
Profit for the year	**4 868 589**	81 695 859
Other comprehensive income (expense) net of taxation		
Items that may be reclassified subsequently to profit or loss	**(134 297)**	4 170 310
(Decrease) increase in foreign currency translation reserve		
Exchange differences arising during the year	**(117 787)**	4 170 535
Increase (decrease) in fair value of available-for-sale financial assets	**2 527**	(2 244)
(Decrease) increase in fair value of cash flow hedges	**(19 037)**	2 019
Fair value (loss) profit arising during the year	**(26 440)**	2 257
Taxation effect for the year	**7 403**	(238)
Items that will not be reclassified subsequently to profit or loss		
Defined benefit obligations	**7 394**	9 648
Net remeasurement of defined benefit obligations during the year	**10 278**	14 795
Taxation effect for the year	**(2 884)**	(5 147)
Total comprehensive income for the year	**4 741 686**	85 875 817
Attributable to		
Shareholders of the Company	**4 654 904**	85 658 409
Non-controlling interest	**86 782**	217 408
	4 741 686	85 875 817

Consolidated statement of cash flows

for the year ended 30 June

	Notes	2017 R'000	2016 R'000
Cash flows from operating activities		**2 816 458**	3 148 537
Cash generated by operations	8	**6 879 769**	7 033 769
Finance income		**232 069**	194 617
Finance charges	9	**(1 262 484)**	(1 045 988)
Taxation paid	10	**(1 373 927)**	(1 191 426)
Distributions to shareholders	11	**(1 658 969)**	(3 277 746)
Net operating cash flows from discontinued operations	5	**–**	1 435 311
Cash effects of investment activities		**(1 621 011)**	(5 646 310)
Amounts repaid by associates		**–**	1 929
Proceeds on disposal of investments		**935 776**	645 077
Investments acquired		**(466 306)**	(626 360)
Additions to property, plant and equipment		**(2 363 499)**	(3 023 194)
Additions to vehicle rental fleet		**(1 560 241)**	(1 475 509)
Additions to intangible assets		**(159 421)**	(117 491)
Proceeds on disposal of property, plant and equipment		**468 242**	619 132
Proceeds on disposal of vehicle rental fleet		**1 667 640**	1 397 514
Proceeds on disposal of intangible assets		**18 355**	3 966
Acquisition of businesses, subsidiaries and associates	12	**(203 496)**	(865 108)
Proceeds on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	13	**41 939**	57 590
Net investing cash flows from discontinued operations	5	**–**	(2 263 856)
Cash effects of financing activities		**(21 223)**	1 577 560
Proceeds from issue of shares – Company		**–**	82 506
Sale of treasury shares		**274 229**	1 265 277
Borrowings raised		**2 902 588**	2 434 616
Borrowings repaid		**(3 198 040)**	(3 376 015)
Net financing cash flows from discontinued operations	5	**–**	1 171 176
Net increase (decrease) in cash and cash equivalents		**1 174 224**	(920 213)
Cash and cash equivalents at beginning of year		**2 706 226**	5 818 512
Effects of exchange rate fluctuations on cash and cash equivalents		**5 967**	824 389
Cash disposed from discontinued operations	5	**–**	(3 016 462)
Cash and cash equivalents at end of year		**3 886 417**	2 706 226
Cash and cash equivalents comprise			
Cash and cash equivalents	24	**5 132 550**	3 911 927
Bank overdrafts included in short-term portion of borrowings	29	**(1 246 133)**	(1 205 701)
		3 886 417	2 706 226

Consolidated statement of financial position

at 30 June

	Notes	2017 R'000	2016 R'000
ASSETS			
Non-current assets		**25 323 700**	21 846 083
Property, plant and equipment	14	**10 474 205**	9 700 907
Intangible assets	15	**1 667 710**	929 960
Goodwill	16	**3 167 700**	2 537 036
Deferred taxation assets	17	**728 913**	618 192
Defined benefit pension surplus	30	**202 886**	180 035
Interest in associates	18	**5 375 328**	4 190 496
Investments	19	**2 843 132**	2 869 822
Banking and other advances	20	**863 826**	819 635
Current assets		**26 067 498**	23 215 161
Vehicle rental fleet	21	**992 942**	1 318 581
Inventories	22	**8 595 692**	7 996 103
Short-term portion of banking and other advances	20	**1 026 974**	878 627
Trade and other receivables	23	**10 136 307**	9 098 345
Taxation		**183 033**	11 578
Cash and cash equivalents	24	**5 132 550**	3 911 927
Total assets		**51 391 198**	45 061 244
EQUITY AND LIABILITIES			
Capital and reserves		**23 044 323**	19 746 080
Capital and reserves attributable to shareholders of the Company	25	**21 697 305**	18 459 474
Non-controlling interests		**1 347 018**	1 286 606
Non-current liabilities		**7 165 102**	7 459 037
Deferred taxation liabilities	17	**1 014 705**	882 847
Life assurance fund	28	**311 355**	24 761
Long-term portion of borrowings	29	**5 408 072**	6 138 900
Post-retirement obligations	30	**77 197**	79 128
Puttable non-controlling interest liabilities	31	**60 990**	49 167
Long-term portion of provisions	35	**149 907**	163 887
Long-term portion of operating lease liabilities	33	**142 876**	120 347
Current liabilities		**21 181 773**	17 856 127
Trade and other payables	34	**11 033 424**	11 016 386
Short-term portion of provisions	35	**278 582**	278 830
Vendors for acquisition		**39 523**	28 534
Taxation		**109 771**	–
Amounts owed to bank depositors	32	**4 412 104**	3 689 161
Short-term portion of borrowings	29	**5 308 369**	2 843 216
Total equity and liabilities		**51 391 198**	45 061 244

Consolidated statement of changes in equity

for the year ended 30 June

	2017 R'000	2016 R'000
Equity attributable to shareholders of the Company	**21 697 305**	18 459 474
Share capital	**16 770**	16 770
Balance at beginning of year	**16 770**	16 758
Shares issued during the year	**–**	12
Share premium	**379 792**	379 792
Balance at beginning of year	**379 792**	297 298
Shares issued during the year	**–**	82 580
Share issue costs	**–**	(86)
Foreign currency translation reserve	**286 628**	393 429
Balance at beginning of year	**393 429**	5 149 394
Realisation of reserve on disposal and or unbundling of subsidiaries and associates	**(916)**	(8 903 324)
Movement during the year	**(105 885)**	4 147 359
Hedging reserve	**6 489**	25 526
Balance at beginning of year	**25 526**	25 383
Fair value (loss) profit arising during the year	**(26 440)**	2 257
Realisation of reserve on disposal and or unbundling of subsidiaries and associates	**–**	(1 876)
Taxation recognised directly in reserve	**7 403**	(238)
Equity-settled share-based payment reserve	**(14 787)**	67 002
Balance at beginning of year	**67 002**	310 416
Arising during current year	**143 712**	259 226
Taxation recognised directly in reserve	**81 779**	146 745
Utilisation during the year	**(307 280)**	(762 053)
Realisation of reserve on disposal and or unbundling of subsidiaries and associates	**–**	3 205
Transfer to retained earnings	**–**	109 463
Movement in retained earnings	**20 279 261**	17 108 032
Balance at beginning of year	**17 108 032**	31 558 166
Attributable profit	**4 769 940**	81 501 555
Change in fair value of available-for-sale financial assets	**2 527**	(2 244)
Net remeasurement of defined benefit obligations during the year	**7 359**	9 721
Net dividends paid	**(1 529 585)**	(3 149 552)
Dividend in specie on unbundling of subsidiaries	**–**	(92 533 240)
Taxation direct in equity arising from dividend in specie	**–**	(120 532)
Taxation direct in equity arising from transactions with subsidiaries	**47 664**	–
Net remeasurement of put option liability	**(8 676)**	(787)
Transfer of reserves as a result of changes in shareholding of subsidiaries and other transactions with subsidiaries	**(118 000)**	(45 592)
Transfer from share-based payment reserve	**–**	(109 463)
Treasury shares	**743 152**	468 923
Balance at beginning of year	**468 923**	(985 225)
Shares disposed of in terms of share incentive scheme	**274 229**	1 265 277
Shares disposed of with on the unbundling of subsidiaries	**–**	420 288
Reduction in the value of treasury shares arising on receipt of unbundled shares	**–**	(231 417)
Equity attributable to non-controlling interests of the Company	**1 347 018**	1 286 606
Balance at beginning of year	**1 286 606**	1 338 044
Other comprehensive income	**86 782**	217 408
Attributable profit	**98 649**	194 304
Movement in foreign currency translation reserve	**(11 902)**	23 176
Net remeasurement of defined benefit obligations during the year	**35**	(72)
Dividends paid	**(129 384)**	(141 302)
Movement in equity-settled share-based payment reserve	**(567)**	562
Changes in shareholding	**(14 419)**	(6 686)
Grant of put options to non-controlling interests	**–**	(68 944)
Transfer of reserves as a result of changes in shareholding of subsidiaries	**118 000**	45 592
Non-controlling interest of unbundled subsidiaries	**–**	(98 068)
Total equity	**23 044 323**	19 746 080

Consolidated segmental analysis

for the year ended 30 June

	2017 R'000	2016 R'000	% change
Segmental revenue			
Trading division			
Bidvest South Africa	**69 679 523**	67 298 077	3,5
Automotive	**24 182 054**	24 062 557	0,5
Commercial Products	**8 025 202**	6 013 106	33,5
Electrical	**5 667 087**	5 375 014	5,4
Financial Services	**4 009 127**	3 336 302	20,2
Freight	**4 986 641**	6 013 814	(17,1)
Office and Print	**9 670 916**	10 076 465	(4,0)
Services	**13 138 496**	12 420 819	5,8
Bidvest Namibia	**3 794 668**	3 858 949	(1,7)
Bidvest Corporate	**1 592 071**	1 726 387	(7,8)
Properties	**489 124**	411 938	18,7
Corporate and investments	**1 102 947**	1 314 449	(16,1)
	75 066 262	72 883 413	3,0
Inter-group eliminations	**(4 068 261)**	(4 642 312)	
	70 998 001	68 241 101	4,0
Segmental trading profit			
Trading division			
Bidvest South Africa	**5 632 476**	5 295 391	6,4
Automotive	**663 395**	674 709	(1,7)
Commercial Products	**688 571**	463 654	48,5
Electrical	**350 173**	317 440	10,3
Financial Services	**625 303**	582 204	7,4
Freight	**1 070 257**	1 019 816	4,9
Office and Print	**657 692**	706 295	(6,9)
Services	**1 577 085**	1 531 273	3,0
Bidvest Namibia	**86 470**	296 662	(70,9)
Bidvest Corporate	**297 991**	161 426	84,6
Properties	**428 566**	366 583	16,9
Corporate and investments	**(130 575)**	(205 157)	(36,4)
	6 016 937	5 753 479	4,6
Segmental operating profit			
Trading division			
Bidvest South Africa	**5 559 664**	5 029 461	10,5
Automotive	**638 753**	601 206	6,2
Commercial Products	**687 983**	460 816	49,3
Electrical	**348 809**	316 200	10,3
Financial Services	**624 770**	574 625	8,7
Freight	**1 058 299**	974 070	8,6
Office and Print	**626 570**	602 265	4,0
Services	**1 574 480**	1 500 279	4,9
Bidvest Namibia	**96 980**	295 886	(67,2)
Bidvest Corporate	**1 363 651**	(755 524)	(280,5)
Properties	**439 802**	366 813	19,9
Corporate and investments	**923 849**	(1 122 337)	(182,3)
	7 020 295	4 569 823	53,6
Share-based payment expense	**(143 145)**	(139 698)	
	6 877 150	4 430 125	55,2

Consolidated segmental analysis

for the year ended 30 June

	2017 R'000	2016 R'000	% change
Segmental operating assets			
Trading division			
Bidvest South Africa	**29 122 500**	26 436 051	10,2
Automotive	**5 339 287**	5 455 063	(2,1)
Commercial Products	**3 551 648**	2 279 857	55,8
Electrical	**2 667 671**	2 245 360	18,8
Financial Services	**5 563 759**	4 743 376	17,3
Freight	**4 645 695**	4 234 132	9,7
Office and Print	**3 323 661**	3 724 090	(10,8)
Services	**4 030 779**	3 754 173	7,4
Bidvest Namibia	**2 015 270**	2 104 142	(4,2)
Bidvest Corporate	**10 125 882**	9 139 356	10,8
Properties	**2 476 202**	2 269 682	9,1
Corporate and investments	**7 649 680**	6 869 674	11,4
	41 263 652	37 679 549	9,5
Inter-group eliminations	**(752 360)**	(626 998)	
	40 511 292	37 052 551	9,3
Segmental operating liabilities			
Trading division			
Bidvest South Africa	**16 308 453**	15 112 404	7,9
Automotive	**2 022 061**	2 007 087	0,7
Commercial Products	**1 250 266**	922 570	35,5
Electrical	**1 026 649**	910 558	12,7
Financial Services	**5 798 434**	4 723 242	22,8
Freight	**2 556 096**	2 730 970	(6,4)
Office and Print	**1 472 161**	1 759 038	(16,3)
Services	**2 182 786**	2 058 939	6,0
Bidvest Namibia	**448 478**	421 314	6,4
Bidvest Corporate	**400 874**	465 780	(13,9)
Properties	**8 900**	24 615	(63,8)
Corporate and investments	**391 974**	441 165	(11,2)
	17 157 805	15 999 498	7,2
Inter-group eliminations	**(752 360)**	(626 998)	
	16 405 445	15 372 500	6,7
Segmental depreciation			
Trading division			
Bidvest South Africa	**1 191 506**	1 196 284	(0,4)
Automotive	**69 809**	63 069	10,7
Commercial Products	**72 825**	49 317	47,7
Electrical	**34 569**	28 810	20,0
Financial Services	**234 730**	282 547	(16,9)
Freight	**257 425**	257 854	(0,2)
Office and Print	**112 262**	123 296	(8,9)
Services	**409 886**	391 391	4,7
Bidvest Namibia	**76 005**	71 301	6,6
Bidvest Corporate	**61 404**	75 216	(18,4)
Properties	**4 708**	4 653	1,2
Corporate and investments	**56 696**	70 563	(19,7)
	1 328 915	1 342 801	(1,0)

	2017 R'000	2016 R'000	% change
Segmental capital expenditure			
Trading division			
Bidvest South Africa	**2 086 703**	1 703 903	22,5
Automotive	**98 332**	96 241	2,2
Commercial Products	**112 390**	82 043	37,0
Electrical	**44 869**	46 072	(2,6)
Financial Services	**707 485**	407 956	73,4
Freight	**537 402**	466 560	15,2
Office and Print	**135 198**	171 186	(21,0)
Services	**451 027**	433 845	4,0
Bidvest Namibia	**59 004**	120 669	(51,1)
Bidvest Corporate	**240 430**	395 467	(39,2)
Properties	**212 639**	335 658	(36,7)
Corporate and investments	**27 791**	59 809	(53,5)
	2 386 137	2 220 039	7,5
Segmental amortisation and impairments on intangible assets			
Trading division			
Bidvest South Africa	**82 300**	134 026	(38,6)
Automotive	**5 602**	40 236	(86,1)
Commercial Products	**7 314**	4 831	51,4
Electrical	**10 572**	7 740	36,6
Financial Services	**12 438**	11 167	11,4
Freight	**16 801**	18 806	(10,7)
Office and Print	**15 842**	26 417	(40,0)
Services	**13 731**	24 829	(44,7)
Bidvest Namibia	**9 417**	9 581	(1,7)
Bidvest Corporate	**3 487**	65 154	(94,6)
Properties	**–**	(1 068)	–
Corporate and investments	**3 487**	66 222	(94,7)
	95 204	208 761	(54,4)
Segmental goodwill and intangible assets			
Trading division			
Bidvest South Africa	**4 515 848**	3 153 672	43,2
Automotive	**244 629**	247 716	(1,2)
Commercial Products	**1 836 768**	715 411	156,7
Electrical	**149 063**	85 888	73,6
Financial Services	**303 073**	255 006	18,8
Freight	**135 241**	101 876	32,8
Office and Print	**292 823**	255 095	14,8
Services	**1 554 251**	1 492 680	4,1
Bidvest Namibia	**287 719**	297 829	(3,4)
Bidvest Corporate	**31 843**	15 495	105,5
Properties	**21 034**	7 552	178,5
Corporate and investments	**10 809**	7 943	36,1
	4 835 410	3 466 996	39,5

Consolidated segmental analysis

for the year ended 30 June

	2017 R'000	2016 R'000	% change
Employee benefits and remuneration			
Trading division			
Bidvest South Africa	**13 691 642**	12 927 605	5,9
Automotive	**1 918 878**	1 929 686	(0,6)
Commercial Products	**1 072 150**	758 463	41,4
Electrical	**612 587**	556 872	10,0
Financial Services	**553 438**	451 665	22,5
Freight	**1 270 689**	1 281 344	(0,8)
Office and Print	**1 669 132**	1 665 358	0,2
Services	**6 594 768**	6 284 217	4,9
Bidvest Namibia	**597 977**	595 728	0,4
Bidvest Corporate	**535 033**	679 041	(21,2)
Properties	**25 405**	23 508	8,1
Corporate and investments	**509 628**	655 533	(22,3)
	14 824 652	14 202 374	4,4
Share-based payment expense	**143 145**	139 698	
	14 967 797	14 342 072	4,4
Number of employees			
Trading division			
Bidvest South Africa	**113 441**	110 592	2,6
Automotive	**5 766**	6 189	(6,8)
Commercial Products	**5 905**	4 236	39,4
Electrical	**2 537**	2 411	5,2
Financial Services	**1 622**	1 493	8,6
Freight	**4 116**	4 723	(12,9)
Office and Print	**6 653**	7 690	(13,5)
Services	**86 842**	83 850	3,6
Bidvest Namibia	**3 481**	2 732	27,4
Bidvest Corporate	**783**	861	(9,1)
Properties	**15**	16	(6,3)
Corporate and investments	**768**	845	(9,1)
	117 705	114 185	3,1

Refer note 45

	2017 R'000	2016 R'000
1. Revenue		
Sale of goods	**48 078 961**	46 521 243
Rendering of services	**20 591 417**	19 294 729
Commissions and fees earned	**4 037 805**	3 505 763
Net billings relating to clearing and forwarding transactions	**1 911 866**	3 140 949
Insurance	**446 214**	420 729
	75 066 263	72 883 413
Inter-group eliminations	**(4 068 262)**	(4 642 312)
Revenue	**70 998 001**	68 241 101
2. Operating profit		
Determined after charging (crediting)		
Auditor's remuneration (Deloitte & Touche)	**72 292**	61 592
Audit fees	**64 472**	56 884
Audit-related expenses	**1 021**	705
Consulting fees	**3 836**	1 665
Taxation services	**570**	401
Other attest services	**2 393**	1 937
Auditors' remuneration (other auditors)	**8 191**	5 909
Audit fees	**5 685**	3 415
Audit-related expenses	**47**	22
Consulting fees	**332**	120
Taxation services	**625**	842
Other attest services	**1 502**	1 510
Depreciation of property, plant and equipment	**1 328 915**	1 342 801
Buildings	**350**	1 367
Leasehold premises	**72 584**	71 037
Plant and equipment	**361 967**	364 172
Office equipment, furniture and fittings	**260 050**	250 305
Vehicles, vessels and craft	**251 490**	243 029
Rental assets	**185 746**	163 223
Capitalised leased assets	**453**	472
Full maintenance lease assets	**196 275**	249 196
Depreciation of vehicle rental fleet	**217 449**	137 399
Amortisation of intangible assets	**95 204**	106 740
Patents, trademarks, tradenames and other intangibles	**16 710**	23 984
Computer software	**78 494**	82 756
Impairment of assets	**91 749**	287 955
Property, plant and equipment#	**(1 147)**	34 995
Intangible assets#	**–**	102 021
Goodwill#	**–**	52 111
Banking and other advances	**11 429**	2 325
Trade receivables	**81 467**	96 503
Remeasurement to recoverable fair value of associates#	**(1 144 633)**	760 764
Gain on a bargain purchase#	**(11 374)**	(9 310)
Directors' emoluments*		
Executive directors	**41 870**	54 000
Basic remuneration	**21 587**	29 532
Retirement and medical benefits	**1 975**	3 580
Other benefits and costs	**1 395**	2 938
Cash incentives	**16 913**	17 950
Non-executive directors	**11 535**	10 132
Fees – Company	**5 887**	7 026
– subsidiaries	**5 648**	3 106
Employer contributions to	**1 048 153**	988 448
Defined contribution pension funds	**50 195**	48 593
Provident funds	**627 910**	593 612
Retirement funds	**56 894**	55 925
Social securities	**6 448**	6 712
Medical aids	**306 706**	283 606

** Refer directors' report for detailed disclosure*

RESPONSIBILITY REPORTING | GROUP FINANCIAL STATEMENTS | COMPANY FINANCIAL STATEMENTS | ADDITIONAL INFORMATION

	2017 R'000	2016 R'000
2. Operating profit *(continued)*		
Determined after charging (crediting) *(continued)*		
Net expense related to post-retirement obligations for current service costs	**4 485**	40 552
Defined benefit pension plans	**4 713**	35 971
Post-retirement medical aid obligations	**(228)**	948
Defined benefit early retirement plan	**–**	3 633
Share-based payment expense	**143 145**	139 698
Staff	**126 908**	109 441
Executive directors	**16 237**	30 257
Fees for administrative, managerial and technical services	**7 293**	5 057
Research and development expenditure	**1 578**	1 041
Foreign exchange losses (gains) on hedging activities	**2 827**	9 309
Forward exchange contracts	**(2 525)**	10 338
Foreign bank accounts	**5 352**	(1 029)
Other foreign exchange losses (gains)	**58 543**	(100 303)
Realised	**13 943**	(66 141)
Unrealised	**44 600**	(34 162)
Income from investments	**(210 776)**	(156 694)
Dividends received from listed investments	**(30 796)**	(41 048)
Dividends received from unlisted investments	**(12)**	(700)
Profit on disposal	**(81 374)**	(47 851)
Fair value adjustments on investments held-for-trading	**(98 594)**	(67 095)
Net capital loss#	**129 566**	234 659
Net (profit) loss on disposal of property, plant and equipment	**(8 446)**	5 601
Net loss on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	**147 383**	228 171
Net (profit) loss on disposal of intangible assets	**(9 371)**	887
Operating lease charges	**1 464 665**	1 400 323
Land and buildings	**1 259 850**	1 188 203
Equipment and vehicles	**204 815**	212 120
#Items above included as capital items on consolidated income statement	**(1 027 588)**	1 175 240
3. Net finance charges		
Finance income	**575 607**	426 462
Interest income on banking and other advances	**460 712**	343 687
Interest income on bank balances	**81 751**	56 126
Interest imputed on post-retirement assets	**16 950**	12 217
Interest income on available-for-sale financial investments	**16 194**	14 432
Finance charges	**(1 502 458)**	(1 263 188)
Interest expense on amounts owed to bank depositors	**(270 625)**	(181 900)
Interest expense on bank overdrafts	**(73 858)**	(100 829)
Interest expense on listed bonds and commercial paper	**(240 032)**	(277 338)
Interest expense on financed assets	**(4 273)**	(8 972)
Interest expense on vehicle lease creditors and floorplan creditors	**(91 909)**	(104 160)
Interest expense on other borrowings	**(618 372)**	(392 037)
Interest imputed on post-retirement obligations	**(6 189)**	(7 000)
Unwinding of discount on puttable non-controlling interest liabilities	**(3 147)**	(2 124)
Dividends on preference shares included in borrowings	**(216 691)**	(200 789)
Less: Borrowing costs capitalised to property, plant and equipment	**22 638**	11 961
	(926 851)	(836 726)
Less: Net finance income from banking operations included in operating profit	**(132 709)**	(85 388)
Income	**(343 538)**	(231 845)
Charges	**210 829**	146 457
	(1 059 560)	(922 114)

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

	2017 R'000	2016 R'000
4. Taxation		
Current taxation	**1 288 023**	1 178 821
Current year	**1 310 451**	1 216 771
Prior years' overprovision	**(22 428)**	(37 950)
Deferred taxation	**33 698**	27 146
Current year	**21 626**	32 823
Prior years' underprovision	**11 873**	1 326
Change in rate of taxation	**199**	(7 003)
Foreign withholding taxation	**6 511**	9 520
Total taxation per consolidated income statement	**1 328 232**	1 215 487
Comprising		
South African taxation	**1 249 134**	1 128 583
Foreign taxation	**79 098**	86 904
	1 328 232	1 215 487
The reconciliation of the effective taxation rate with the South African company taxation rate is:	**%**	%
Taxation for the year as a percentage of profit before taxation	**21,4**	33,2
Associates	**1,7**	1,1
Effective rate excluding associate income	**23,1**	34,3
Dividend and exempt income	**2,0**	3,0
Foreign taxation rate differential	**(0,2)**	(0,8)
Net change in remeasurement and changes in shareholding of associates	**5,1**	(6,3)
Impairment of goodwill	**–**	(0,4)
Preference share funding	**(1,0)**	(1,6)
Other non-deductible expenses	**(1,0)**	(1,0)
Changes in recognition of deferred tax assets	**(0,2)**	(0,3)
Capital gains rate differential	**(0,2)**	(0,1)
Changes in prior years' estimation	**0,2**	1,0
Change in rate of taxation	**0,2**	0,2
Rate of South African company taxation	**28,0**	28,0
	R'000	R'000
Estimated tax losses available for offset against future taxable income	**1 013 193**	1 137 091
Utilised in the computation of deferred taxation	**(530 221)**	(618 884)
Not accounted for in deferred taxation	**482 972**	518 207

Deferred taxation assets have not been recognised in respect of certain 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.

5. Discontinued operations

On 16 May 2016 the shareholders approved the unbundling and separate listing (unbundling) of the Group's foodservices businesses as Bid Corporation Limited (Bidcorp/discontinued operations) via a distribution in specie. This unbundling was undertaken in order to implement a strategic decision to restructure the business operations and management focus of the Group and to provide shareholders the opportunity to participate directly in the Group's foodservices operations.

The contribution of discontinued operations included in the Group's results until the loss of control, 30 May 2016, is detailed below:

	2017 R'000	2016 R'000
Income statement – discontinued operations		
Revenue	–	127 857 294
Cost of revenue	–	(101 476 483)
Gross profit	–	26 380 811
Operating expenses	–	(22 358 944)
Sales and distribution expenses	–	(16 281 954)
Administration expenses	–	(3 985 391)
Other expenses	–	(2 091 599)
Other income	–	181 401
Trading result	–	4 203 268
Income from investments	–	23 352
Trading profit	–	4 226 620
Share-based payment expense	–	(96 845)
Acquisition costs	–	(7 555)
Net capital items	–	25 531
Operating profit	–	4 147 751
Net finance charges	–	(281 169)
Finance income	–	45 779
Finance charges	–	(326 948)
Share of profit of associates	–	22 580
Profit before taxation	–	3 889 162
Taxation	–	(913 755)
Profit for the year from discontinued operations	–	2 975 407
Net profit on unbundling	–	76 277 945
Profit after taxation	–	79 253 352
Attributable to		
Shareholders of the Company	–	79 215 705
Non-controlling interest	–	37 647
	–	79 253 352
The total comprehensive income attributable to shareholders of the Company from discontinued operations was	–	83 321 374

	2017 R'000	2016 R'000
5. Discontinued operations *(continued)*		
Cash flows from discontinued operations		
Net operating cash flows from discontinued operations	–	1 435 311
Net investing cash flows from discontinued operations	–	(2 263 856)
Net financing cash flows from discontinued operations	–	1 171 176
Net increase in cash and cash equivalents from discontinued operations	–	342 631
Effects of exchange rate fluctuations on cash and cash equivalents from discontinued operations	–	814 703
Cash disposed from discontinued operations	–	(3 016 462)
Net decrease in cash and cash equivalents from discontinued operations	–	(1 859 128)
Net profit on unbundling of Bidcorp		
Net carrying value of assets unbundled	–	(26 008 009)
Property, plant and equipment	–	(11 750 945)
Intangible assets	–	(1 363 482)
Goodwill	–	(14 251 736)
Deferred taxation assets	–	(180 945)
Interest in associates	–	(128 680)
Investments	–	(379 625)
Inventories	–	(9 044 363)
Trade and other receivables	–	(17 462 210)
Cash and cash equivalents	–	(3 016 462)
Deferred taxation liabilities	–	(420 288)
Borrowings	–	7 891 652
Post-retirement obligations	–	11 688
Puttable non-controlling interest liabilities	–	1 253 373
Long-term portion of provisions	–	831 997
Long-term portion of operating lease liabilities	–	13 755
Trade and other payables	–	20 955 904
Taxation	–	481 798
Vendors for acquisition	–	550 560
Non-controlling interest	–	98 068
Group's portion of net assets unbundled	–	(25 909 941)
Reserves realised on unbundling	–	8 920 305
Foreign currency translation reserve	–	8 921 634
Hedging reserve	–	1 876
Equity-settled share-based payment reserve	–	(3 205)
	–	(16 989 636)
Fair value of businesses unbundled	–	93 302 744
Profit on unbundling before transaction costs	–	76 313 108
Transaction costs	–	(41 672)
Accelerated vesting of conditional share plan	–	(23 245)
Other transaction costs	–	(18 427)
Profit on unbundling before taxation	–	76 271 436
Tax relief	–	6 509
Net profit on unbundling	–	76 277 945

The fair value of Bidcorp was determined with reference to the volume weighted average price of Bidcorp's trading on the JSE over the first 10 days of trading, being 27 818 cents per share.

Included in the net assets unbundled were 3 614 487 Bidvest shares (treasury shares) held by Bidcorp. These shares have been treated as shares issued without a corresponding change in resources, in terms of IAS 33 *Earnings Per Share*, and the current and comparative total, weighted average and diluted weighted average number of shares in issue have been restated to include these shares, for the basic, diluted basic, headline and diluted headline earnings per share calculations; and the net asset and net tangible assets values per share calculations.

	2017	2016
6. 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 before adjustment	**333 497**	326 422
Shares issued without a corresponding change in resources (note 5)	**–**	3 614
Re-presented weighted average number of shares in issue for basic earnings per share and headline earnings per share calculations	**333 497**	330 036
Potential dilutive impact of outstanding staff share appreciation rights and conditional awards	**1 601**	1 174
Number of outstanding staff share appreciation right equivalent shares	**5 942**	6 975
Number of shares deemed to be issued at fair value	**(4 377)**	(5 806)
Contingent issuable shares in terms of conditional share plan to be issued at fair value	**36**	5
Adjusted weighted average number of shares in issue used for the calculation of diluted earnings and diluted headline earnings per share	**335 098**	331 210
Attributable earnings from continuing operations		
Basic earnings per share and diluted earnings per share are based on profit attributable to shareholders of the Company from continuing operations (R'000)	**4 769 940**	2 285 850
Basic earnings per share – continuing operations (cents)	**1 430,3**	692,6
Diluted basic earnings per share – continuing operations (cents)	**1 423,4**	690,2
Dilution (%)	**0,5**	0,4
Attributable earnings from discontinued operations		
Basic earnings per share and diluted earnings per share are based on profit attributable to shareholders of the Company from discontinued operations (R'000) (refer note 5)	**–**	79 215 705
Basic earnings per share – discontinued operations (cents)	**–**	24 002,2
Diluted basic earnings per share – discontinued operations (cents)	**–**	23 917,0
Dilution (%)	**–**	0,4
Headline earnings from continuing operations	**R'000**	R'000
Profit attributable to shareholders of the Company from continuing operations	**4 769 940**	2 285 850
Impairment of property, plant and equipment; goodwill and intangible assets	**(1 403)**	153 475
Property, plant and equipment	**(1 147)**	34 995
Goodwill	**–**	52 111
Intangible assets	**–**	102 021
Taxation effect	**158**	(35 652)
Non-controlling interest	**(414)**	–
Net loss on disposal of interests in subsidiaries and disposal and closure of businesses	**50 874**	139 001
Loss on disposal and closure	**65 311**	178 176
Taxation effect	**(14 437)**	(39 175)
Net (profit) loss on disposal and remeasurement	**(1 080 926)**	810 759
Net loss on change in shareholding in associates	**82 072**	49 995
Remeasurement to recoverable fair value of associates	**(1 144 633)**	760 764
Taxation effect	**(18 365)**	–
Net (profit) loss on disposal of property, plant and equipment and intangible assets	**(7 114)**	2 265
Property, plant and equipment	**(8 446)**	5 601
Intangible assets	**(9 371)**	887
Taxation effect	**2 909**	(2 843)
Non-controlling interest	**7 794**	(1 380)
Non-headline earnings items included in equity-accounted earnings of associated companies	**(24 265)**	96 961
Gain on a bargain purchase	**(11 374)**	(9 310)
Headline earnings	**3 695 732**	3 479 001
Headline earnings per share – continuing operations (cents)	**1 108,2**	1 054,1
Diluted headline earnings per share – continuing operations (cents)	**1 102,9**	1 050,4
Dilution (%)	**0,5**	0,4

	2017	2016
7. Dividends per share		
Interim distribution (cents)		
Dividend paid to shareholders on 20 March 2017 (2016: dividend paid to shareholders on 11 April 2016)	**227,0**	482,0
Final dividend (cents)		
Dividend payable to shareholders on 26 September 2017 (2016: dividend paid to shareholders on 26 September 2016)	**264,0**	232,0
	491,0	714,0
Dividend in specie (cents)		
Distribution of Bid Corporation Limited shares on 6 June 2016	**–**	27 818,0

	R'000	R'000
8. Cash generated by operations		
Profit before taxation	**6 196 821**	3 657 994
Costs incurred in respect of acquisitions	**24 230**	8 416
Net finance charges	**1 059 560**	922 114
Share of current year earnings of associates	**(264 737)**	(11 294)
Depreciation and amortisation	**1 641 568**	1 586 940
Share-based payment expense	**143 145**	139 698
Share-based payment settlements	**(307 280)**	(586 186)
Impairment of property, plant and equipment and intangible assets	**(1 147)**	137 016
Impairment of goodwill	**–**	52 111
Remeasurement to recoverable fair value of associates	**(1 144 633)**	760 764
Net loss on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	**147 383**	228 171
Other non-cash items	**(223 596)**	(156 943)
Remeasurement of post-retirement obligations	**(14 503)**	363
Decrease in life assurance fund	**(9 156)**	(1 972)
Working capital changes	**(367 886)**	296 577
Increase in inventories	**(35 952)**	(205 059)
(Increase) decrease in trade and other receivables	**(464 142)**	148 808
Increase in banking and other advances	**(192 537)**	(410 708)
Decrease in trade and other payables and provisions	**(398 198)**	(271 763)
Increase in amounts owed to bank depositors	**722 943**	1 035 299
Cash generated by operations	**6 879 769**	7 033 769
9. Finance charges		
Charge per income statement	**(1 291 629)**	(1 116 731)
Unwinding of discount on puttable non-controlling interest liabilities	**3 147**	2 124
Amounts capitalised to borrowings	**48 636**	80 580
Amounts capitalised to property, plant and equipment	**(22 638)**	(11 961)
Amounts paid	**(1 262 484)**	(1 045 988)
10. Taxation paid		
Amounts receivable at beginning of year	**11 578**	8 501
Current taxation charge	**(1 294 534)**	(1 188 341)
Businesses acquired	**(14 557)**	(4 401)
Businesses disposed of	**(649)**	35
Exchange rate adjustments	**(2 503)**	4 358
Amounts payable at end of year	**109 771**	–
Amounts receivable at end of year	**(183 033)**	(11 578)
Amounts paid	**(1 373 927)**	(1 191 426)
11. Distributions to shareholders		
Dividends paid to shareholders	**(1 539 505)**	(3 235 486)
Dividends received by subsidiaries on treasury shares	**9 920**	85 934
Dividends paid to non-controlling interests	**(129 384)**	(128 194)
Amounts paid	**(1 658 969)**	(3 277 746)

	2017 R'000	2016 R'000
12. Acquisition of businesses, subsidiaries and associates		
Property, plant and equipment	**(248 992)**	(116 936)
Deferred taxation	**124 198**	23 366
Interest in associates	**(60 416)**	(241 052)
Investments and advances	**(43 818)**	(262)
Inventories	**(631 214)**	(264 650)
Trade and other receivables	**(513 987)**	(229 171)
Cash and cash equivalents	**(178 524)**	(17 484)
Borrowings	**1 956 179**	292 224
Trade and other payables and provisions	**536 040**	272 588
Taxation	**14 557**	4 401
Net fair value of liabilities (assets)	**954 023**	(276 976)
Goodwill	**(634 198)**	(423 090)
Gain on a bargain purchase	**11 374**	9 310
Intangible assets	**(684 799)**	(132 520)
Non-controlling interest	**(15 179)**	(84 943)
Total value of acquisitions	**(368 779)**	(908 219)
Less: Cash and cash equivalents acquired	**178 524**	17 484
Vendors for acquisition at beginning of year	**(28 534)**	(14 955)
Vendors for acquisition at end of year	**39 523**	28 534
Transfer to NCI put option liability	**–**	20 464
Costs incurred in respect of acquisitions	**(24 230)**	(8 416)
Net amounts paid	**(203 496)**	(865 108)

The Group acquired 100% of the share capital of Brandcorp with effect from 1 October 2016. Brandcorp is a value-added distributor of niche industrial and consumer products trading under the Industrial brands, Matus, Renttech, Burncrete, Moto Quip, Leisure Quip and Consumer brands, Cellini and MIC Prestige. The acquisition forms part of the Bidvest Commercial Products segment and will enable the Group to expand its range of complementary products and services provided by Bidvest Commercial Products. The acquisition has been funded with a combination of long-term borrowings and existing cash resources.

The Group also made a number of less significant acquisitions and disposals during the year. Certain of these acquisitions resulted in insignificant bargain purchase price gains.

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 marketplace.

Trade receivables acquired above are stated net of impairment allowances of R31,1 million (2016: R9,2 million). There were no significant contingent liabilities identified in the businesses acquired.

The impact of these acquisitions on the Group's results can be summarised as follows:

	Brandcorp R'000	Other smaller acquisitions R'000	Total R'000
Identifiable assets and liabilities acquired			
Property, plant and equipment	185 302	63 690	**248 992**
Deferred taxation	(116 534)	(7 664)	**(124 198)**
Interest in associates	27 626	32 790	**60 416**
Investments and advances	–	43 818	**43 818**
Inventories	572 519	58 695	**631 214**
Trade and other receivables	480 411	33 576	**513 987**
Cash and cash equivalents	118 444	60 080	**178 524**
Borrowings	(1 945 120)	(11 059)	**(1 956 179)**
Trade and other payables and provisions	(434 490)	(101 550)	**(536 040)**
Taxation	(9 277)	(5 280)	**(14 557)**
Intangible assets	684 282	517	**684 799**
Total net identifiable (liabilities) assets	(436 837)	167 613	**(269 224)**
Contribution to results for the year			
Revenue	1 811 047	281 451	**2 092 498**
Operating profit before acquisition costs	198 298	30 907	**229 205**
Contribution to results for the year if the acquisitions had been effective on 1 July 2016			
Revenue	2 570 713	445 717	**3 016 430**
Operating profit before acquisition costs	251 701	50 057	**301 758**

	2017 R'000	2016 R'000

13. Proceeds on disposal of interest in subsidiaries and associates, and disposal and closure of businesses

	2017 R'000	2016 R'000
Property, plant and equipment	**9 191**	61 143
Intangibles	**94**	1 768
Goodwill	**3 212**	–
Deferred taxation	**(14 437)**	(41 560)
Interest in associates	**288 441**	58 808
Investments and advances	**6 087**	–
Inventories	**56 976**	28 896
Trade and other receivables	**16 552**	144 325
Cash and cash equivalents	**(3 176)**	25 997
Borrowings	**(108)**	(13 152)
Trade and other payables and provisions	**11 494**	(11 917)
Taxation	**649**	(35)
Carrying value of net tangible assets	**374 975**	254 273
Non-controlling interest	**760**	–
Realisation of foreign currency translation reserves	**(916)**	18 310
Net loss on disposal of interest in subsidiaries and associates, and disposal and closure of businesses	**(132 946)**	(188 996)
Less cash and cash equivalents disposed of	**3 176**	(25 997)
Less other receivable arising on disposal of associate (see note 23)	**(203 110)**	–
Net proceeds	**41 939**	57 590

14. Property, plant and equipment

	2017 R'000	2016 R'000
Freehold land and buildings	**2 918 554**	2 495 144
Cost	**3 058 850**	2 600 574
Accumulated depreciation and impairments	**(140 296)**	(105 430)
Leasehold premises	**1 041 257**	927 218
Cost	**1 640 302**	1 468 086
Accumulated depreciation and impairments	**(599 045)**	(540 868)
Plant and equipment	**2 070 243**	1 959 112
Cost	**4 740 355**	4 440 156
Accumulated depreciation and impairments	**(2 670 112)**	(2 481 044)
Office equipment, furniture and fittings	**812 432**	762 081
Cost	**2 764 356**	2 552 953
Accumulated depreciation and impairments	**(1 951 924)**	(1 790 872)
Vehicles, vessels and craft	**1 182 555**	1 313 606
Cost	**2 613 431**	2 656 772
Accumulated depreciation and impairments	**(1 430 876)**	(1 343 166)
Rental assets	**404 254**	379 974
Cost	**1 009 687**	782 931
Accumulated depreciation and impairments	**(605 433)**	(402 957)
Capitalised leased assets	**968**	958
Cost	**21 740**	21 277
Accumulated depreciation and impairments	**(20 772)**	(20 319)
Full maintenance leased assets	**1 707 427**	1 489 960
Cost	**2 270 692**	2 109 823
Accumulated depreciation and impairments	**(563 265)**	(619 863)
Capital work-in-progress	**336 515**	372 854
	10 474 205	9 700 907

Property, plant and equipment with an estimated carrying value of R188 million (2016: R242 million) were pledged as security for borrowings of R106 million (2016: R137 million) (refer note 29).

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

	2017 R'000	2016 R'000
14. Property, plant and equipment *(continued)*		
Movement in property, plant and equipment		
Carrying value at beginning of year	**9 700 907**	18 301 434
Capital expenditure	**2 386 137**	4 039 770
Freehold land and buildings	**260 584**	786 349
Leasehold premises	**192 378**	203 133
Plant and equipment	**522 219**	897 189
Office equipment, furniture and fittings	**306 331**	539 614
Vehicles, vessels and craft	**310 389**	675 541
Rental assets	**207 862**	214 722
Capitalised leased assets	**463**	101 536
Full maintenance leased assets	**622 068**	334 008
Capital work-in-progress	**(36 157)**	287 678
Expenditure	**437 198**	712 214
Transfers to other categories	**(473 355)**	(424 536)
Acquisition of businesses	**248 992**	345 806
Freehold land and buildings	**180 091**	184 602
Leasehold premises	**698**	6 567
Plant and equipment	**11 689**	88 233
Office equipment, furniture and fittings	**24 722**	23 223
Vehicles, vessels and craft	**15 913**	26 446
Rental assets	**15 879**	–
Capital work-in-progress	**–**	16 735
Disposals	**(459 797)**	(676 732)
Freehold land and buildings	**(7 926)**	(10 500)
Leasehold premises	**–**	(3 383)
Plant and equipment	**(52 208)**	(49 322)
Office equipment, furniture and fittings	**(15 435)**	(2 711)
Vehicles, vessels and craft	**(163 052)**	(152 079)
Rental assets	**(12 708)**	(11 603)
Full maintenance leased assets	**(208 327)**	(446 707)
Capital work-in-progress	**(141)**	(427)
Disposal and or unbundling of businesses	**(9 191)**	(11 831 263)
Freehold land and buildings	**–**	(6 337 127)
Leasehold premises	**–**	(849 840)
Plant and equipment	**(4 472)**	(1 849 097)
Office equipment, furniture and fittings	**(2 956)**	(475 233)
Vehicles, vessels and craft	**(1 763)**	(1 656 097)
Capitalised leased assets	**–**	(255 700)
Capital work-in-progress	**–**	(408 169)
Exchange rate adjustments	**(65 075)**	1 883 490
Freehold land and buildings	**(8 991)**	1 028 380
Leasehold premises	**(6 453)**	131 849
Plant and equipment	**(4 482)**	279 958
Office equipment, furniture and fittings	**(1 062)**	69 125
Vehicles, vessels and craft	**(43 021)**	279 069
Rental assets	**(1 023)**	754
Capitalised leased assets	**–**	42 900
Capital work-in-progress	**(43)**	51 455
Depreciation – continuing operations (refer note 2)	**(1 328 915)**	(1 342 801)
– discontinued operations	**–**	(983 802)
Impairment losses – continuing operations (refer note 2)	**1 147**	(34 995)
Carrying value at end of year	**10 474 205**	9 700 907

	2017 R'000	2016 R'000
15. Intangible assets		
Patents, trademarks, tradenames and other intangibles	**1 321 143**	659 893
Cost	**2 249 644**	1 578 950
Accumulated amortisation and impairments	**(928 501)**	(919 057)
Computer software	**295 323**	263 899
Cost	**928 996**	831 078
Accumulated amortisation and impairments	**(633 673)**	(567 179)
Capital work-in-progress	**51 244**	6 168
	1 667 710	929 960
Movement in intangible assets		
Carrying value at beginning of year	**929 960**	2 093 480
Additions	**159 421**	228 936
Patents, trademarks, tradenames and other intangibles	**5 126**	41 215
Computer software	**109 219**	163 188
Capital work-in-progress	**45 076**	24 533
Expenditure	**45 219**	66 371
Transfers to other categories	**(143)**	(41 838)
Acquisition of businesses	**684 799**	133 319
Patents, trademarks, tradenames and other intangibles	**678 076**	132 306
Computer software	**6 723**	638
Capital work-in-progress	**–**	375
Disposals	**(8 984)**	(4 977)
Patents, trademarks, tradenames and other intangibles	**(3 050)**	(558)
Computer software	**(5 934)**	(3 308)
Capital work-in-progress	**–**	(1 111)
Disposal and or unbundling of businesses	**(94)**	(1 366 171)
Patents, trademarks, tradenames and other intangibles	**(8)**	(822 150)
Computer software	**(86)**	(479 578)
Capital work-in-progress	**–**	(64 443)
Exchange rate adjustments	**(2 188)**	256 994
Patents, trademarks, tradenames and other intangibles	**(2 183)**	152 771
Computer software	**(5)**	96 646
Capital work-in-progress	**–**	7 577
Amortisation – continuing operations (refer note 2)	**(95 204)**	(106 740)
Amortisation – discontinued operations	**–**	(199 010)
Impairment – continuing operations	**–**	(102 021)
Impairment – discontinued operations	**–**	(3 850)
Carrying value at end of year	**1 667 710**	929 960

Indefinite life intangibles

Included in patents, trademarks, tradenames and other intangibles arising on the acquisition of businesses are multiple indefinite life intangibles totalling R678 million, which relate to Bidvest Commercial Products. Indefinite life intangibles arising on previous acquisitions amounts to R580 million, R285 million relating to Bidvest Commercial Products and R295 million to Bidvest Services. These intangibles were subject to review for impairment, together with the goodwill relating to these cash-generating units (CGUs) (refer note 16). Significant surpluses were identified over the carrying values of the CGUs and thus the directors believe that a reasonable possible change in the multiples would not result in an impairment of the carrying value of these intangibles. The valuation method used is considered a level 3 type valuation in accordance with IFRS 13 *Fair Value Measurement*.

The amortisation and impairment charges are included in operating expenses in the consolidated income statement.

		2017 R'000	2016 R'000
16.	**Goodwill**		
	Carrying value at beginning of year	**2 537 036**	13 567 032
	Exchange rate adjustments	**(322)**	2 382 503
	Acquisition of businesses	**634 198**	906 293
	Disposal and unbundling of businesses	**(3 212)**	(14 266 681)
	Impairment of goodwill	**–**	(52 111)
	Carrying value at end of year	**3 167 700**	2 537 036

Goodwill acquired through business combinations, is allocated for impairment testing purposes to CGUs 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 CGUs as follows:

	2017 R'000	2016 R'000
Bidvest Automotive	**226 455**	229 132
Bidvest Commercial Products	**841 822**	404 987
Bidvest Electrical	**128 223**	58 066
Bidvest Financial Services	**164 848**	156 028
Bidvest Freight	**58 132**	58 132
Bidvest Office and Print	**242 810**	196 956
Bidvest Services	**1 232 448**	1 177 306
Bidvest Namibia	**250 144**	250 144
Bidvest Properties	**21 034**	4 501
Bidvest Corporate and Investments	**1 784**	1 784
	3 167 700	2 537 036

The recoverable amounts of the CGUs were determined using the fair value less cost to sell method, except for Bidvest Namibia which was evaluated using a DCF valuation.

The fair value less cost to sell calculation used projected annualised earnings based on actual operating results. A price earnings multiple ranging from 10,0 to 18,1 was applied to obtain the recoverable amount for the business units. The earnings yield is considered to be consistent with similar companies within the various industries in which the CGUs operate. The most significant portion of the Group's goodwill relates to the Bidvest Services and Bidvest Commercial Products CGUs. A price earnings multiple of 9,0 (2016: 9,0) was used for the Bidvest Services valuation and 9,3 (2016: 9,3) for the Bidvest Commercial Products valuation. The valuations resulted in a significant surplus over the carrying values of the CGUs and thus the directors believe that a reasonably possible change in the multiple would not result in an impairment of the carrying value of goodwill.

The recoverable amount for Bidvest Namibia was calculated using the value-in-use method. Projected future cash flows were discounted at the Group's weighted average cost of capital of 11,0% and perpetuity growth rate of 5%. The valuation method is a level 3 type valuation in accordance with IFRS 13 *Fair Value Measurement*.

	2017 R'000	2016 R'000
17. Deferred taxation		
Deferred taxation assets	**728 913**	618 192
Deferred taxation liabilities	**(1 014 705)**	(882 847)
Net deferred taxation liability	**(285 792)**	(264 655)
Movement in net deferred taxation assets and liabilities		
Balance at beginning of year	**(264 655)**	(156 037)
Per consolidated income statement – continuing operations	**(33 698)**	(27 146)
– discontinued operations	**–**	76 987
Items recognised directly in equity and other comprehensive income	**133 962**	20 828
On acquisition of businesses	**(124 198)**	(18 340)
On disposal and or unbundling of businesses	**14 437**	(131 295)
Exchange rate adjustments	**(11 640)**	(29 652)
Balance at end of year	**(285 792)**	(264 655)

	Assets R'000	Liabilities R'000	Net R'000
Temporary differences			
2017			
Differential between carrying values and tax values of property, plant and equipment	**(25 883)**	**(686 085)**	**(711 968)**
Differential between carrying values and tax values of intangible assets	**(14 286)**	**(367 713)**	**(381 999)**
Estimated taxation losses	**81 815**	**41 109**	**122 924**
Staff related allowances and liabilities	**435 027**	**65 832**	**500 859**
Operating lease liabilities	**47 283**	**(2 337)**	**44 946**
Inventories	**49 886**	**(9 481)**	**40 405**
Investments	**(1 249)**	**(129 890)**	**(131 139)**
Trade and other receivables	**29 956**	**(4 432)**	**25 524**
Trade, other payables and provisions	**126 364**	**78 292**	**204 656**
	728 913	**(1 014 705)**	**(285 792)**
2016			
Differential between carrying values and tax values of property, plant and equipment	**(43 089)**	**(650 474)**	**(693 563)**
Differential between carrying values and tax values of intangible assets	**(12 929)**	**(176 415)**	**(189 344)**
Estimated taxation losses	**111 236**	**56 614**	**167 850**
Staff related allowances and liabilities	**367 575**	**75 708**	**443 283**
Operating lease liabilities	**39 959**	**(1 839)**	**38 120**
Inventories	**52 095**	**(16 127)**	**35 968**
Investments	**–**	**(231 428)**	**(231 428)**
Trade and other receivables	**20 026**	**497**	**20 523**
Trade, other payables and provisions	**83 319**	**60 617**	**143 936**
	618 192	**(882 847)**	**(264 655)**

Deferred taxation has been provided at rates ranging between 10% and 35% (2016: 10% and 35%). The variance in rates arises as a result of the differing taxation and capital gains taxation rates present in the various countries in which the Group operates.

	2017 R'000	2016 R'000
18. Interest in associates		
Listed associates	**4 661 516**	3 628 411
Net asset value at acquisition	**1 425 513**	1 492 853
Inherent goodwill	**4 073 768**	4 318 229
Remeasurement allowances	**(837 765)**	(2 182 671)
Unlisted associates	**104 182**	119 077
Net asset value at acquisition	**205 876**	119 319
Inherent goodwill	**6 732**	(242)
Remeasurement allowances	**(108 426)**	–
Investments in associates at cost less impairments	**4 765 698**	3 747 488
Attributable share of post-acquisition reserves of associates	**608 790**	442 176
At beginning of year	**442 176**	409 573
Share of current year earnings net of dividend – continuing operations	**264 737**	11 294
– discontinued operations	**–**	(772)
Share of movement in other reserves – continuing operations	**(69 191)**	83 389
– discontinued operations	**–**	(311)
Reversal of prior year reserves on unbundling, disposal, and or change in shareholding	**(28 932)**	(60 997)
Advances to associates	**840**	832
	5 375 328	4 190 496

Unsecured advances to associates are interest free and have no fixed terms of repayment.

A list of the Group's significant associates, their country of incorporation and principal place of business, the Group's percentage shareholding and an indication of their nature of business is included on annexure A to these financial statements.

The Group's most significant associate is Adcock Ingram Holdings Limited (Adcock). Adcock is a leading South African pharmaceutical manufacturer, listed on the Johannesburg Stock Exchange. The company manufactures, markets and distributes a wide range of healthcare products to both the private and public sectors of the market.

The Group holds 38,4% of the net ordinary shares in issue in Adcock, but equity accounts for 45,0% of its results as a consequence of treating the sale of 15% of its holding, in terms of the Adcock BEE scheme to Ad-izinyosito, as a deferred sale.

Full details of Adcock's results can be found at www.adcock.co.za.

	For the year ended 30 June 2017 R'000	For the year ended 30 June 2016 R'000
Summarised aggregated financial information of Adcock:		
Revenue	**5 957 700**	5 559 896
Profit for the period	**553 534**	168 801
Other comprehensive income for the period	**(147 966)**	110 935
Total comprehensive income for the period	**405 568**	279 736
Dividends received from Adcock during the period	**77 024**	85 436

		2017 R'000	2016 R'000
18.	**Interest in associates** *(continued)*		
	Summarised aggregated financial information of Adcock: *(continued)*		
	Current assets	**3 326 463**	3 460 786
	Non-current assets	**2 236 510**	2 135 821
	Current liabilities	**(1 726 546)**	(1 749 148)
	Non-current liabilities	**(341 423)**	(592 862)
	Non-controlling interests	**(7 522)**	(26 024)
	Reconciliation of the above summarised financial information to the carrying amount of Adcock recognised in the consolidated financial statements:		
	Net assets of Adcock	**3 487 482**	3 228 573
	Proportion of Group's interest in Adcock	**1 570 947**	1 454 321
	Inherent goodwill	**3 767 061**	3 777 372
	Provision for remeasurement of carrying value	**(773 352)**	(1 810 904)
	Carrying value of Group's interest in Adcock	**4 564 656**	3 420 789
	Market value as at 30 June	**4 564 656**	3 420 789

The investment in Adcock forms part of the Corporate and Investments operating segment. The recoverable amount of the investment has been assessed with reference to the fair value determined based on the quoted market price at the year ended 30 June 2017. This measurement is considered to be "level 1" in the fair value hierarchy. The Group assessed the carrying value and remeasured the investment to recoverable fair value.

The same remeasurement considerations have been applied to other listed investments in associates.

	2017 R'000	2016 R'000
Summarised aggregated financial information of associates that are not individually material:		
The Group's share of profit – continuing operations	**129 728**	20 786
– discontinued operations	**–**	(772)
The Group's share of other comprehensive income (loss)		
– continuing operations	**(637)**	23 835
– discontinued operations	**–**	(310)
The Group's share of total comprehensive income		
– continuing operations	**129 091**	44 621
– discontinued operations	**–**	(1 082)
Aggregate carrying amount of the Group investment in these associates	**810 672**	769 707

		2017 R'000	2016 R'000
19.	**Investments**		
	Listed held-for-trade	**1 529 987**	1 561 958
	Unlisted held-for-trade	**995 069**	853 038
	Listed available-for-sale	**254 407**	283 417
	Unlisted available-for-sale	**63 669**	171 409
		2 843 132	2 869 822
	Fair value hierarchy of investments		
	Investments and loans held at cost or amortised cost	**62 149**	88 984
	Investments held at fair value as determined on inputs based on:	**2 780 983**	2 780 838
	Unadjusted quoted prices in an active market for identical assets	**1 785 022**	1 845 821
	Factors that are not based on observable market data	**995 961**	935 017
		2 843 132	2 869 822
	Analysis of investments at a fair value not determined by observable market data:		
	Balance at the beginning of year	**935 017**	847 403
	On acquisition of business	**39 087**	–
	On disposal or unbundling of business	**(6 087)**	(1 051)
	Purchases, loan advances or transfers from other categories	**5 700**	28 047
	Fair value adjustment arising during the year recognised in the income statement	**95 326**	94 354
	Proceeds on disposal, unbundling or repayment of loans or transfers to other categories	**(72 679)**	(88 517)
	Profit on disposal of investments	**–**	53 136
	Exchange rate adjustments	**(403)**	1 645
		995 961	935 017

19. Investments *(continued)*

Listed held-for-trade investments include a unitised indirect holding of R141 million in interest-bearing listed government bonds via the Investec Gilt Fund. The bonds included in the Investec Gilt Fund have yields that range from 2,9% to 9,8% and the portfolio has a duration of six years. Bidvest Insurance holds R119 million of the investment with Bidvest Life holding the balance. This investment may be realised in whole or part before its maturity date. The prior year (2016) listed held-for-trade investments included a direct holding of listed government bonds of R128 million with coupon interest rates of between 6,5% and 10,5% and maturity periods of between two and 15 years.

Listed held-for-trade investments include life insurance policy holder assets, which amount to R296 million. The corresponding R296 million policy holder investment contract liability is detailed in note 28 (Life assurance fund).

Listed available-for-sale investments include an interest-bearing listed government bond (R204) which amounts to R229 million (2016: R229 million), with a coupon interest rate of 8,0% (2016: 8,0% to 13,5%) which matures on 21 December 2018 (2016: between one and three years). This investment is held by Banking operations and may be realised prior to its maturity date.

The valuations of all listed investments are considered level 1 type valuations in accordance with IFRS 13 *Fair Value Measurement*.

The Group's effective beneficial interest in MIAL is included in unlisted investments held-for-trade, where the fair value is not based on observable market data (level 3). The carrying value of this investment, based on the directors' valuation at 30 June 2017, is R940 million (US$72 million) (2016: R853 million (US$60 million)).

When the Group performs an analysis and notes significant changes in the underlying variables included in the valuation, the value of the investment is reconsidered. As a result of consistent increases in earnings driven off increased passenger volumes the MIAL asset has been revalued in the current year. The updated value was determined as fair value less cost to sell. The calculation used the actual operating results for MIAL based on its most recent financial statements and a median multiple for the peer group which is in a range of 11,6 to 12,5x EBITDA. A 1% change in the multiple or EBITDA used will result in US$1,6 million change in the value. Consideration was also given to an independent expert valuation as well as the Group's prior disposal of the identical sized interest in the 2012 financial year, after adjusting for a control premium achieved in that transaction.

MIAL is also a foreign-based asset and the ruling year-end exchange rate, US$1 = R13,06 (2016: US$1 = R14,79), is another factor that affects the carrying value. The valuation is considered a level 3 type valuation in accordance with IFRS 13 *Fair Value Measurement*.

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

	2017 R'000	2016 R'000
20. Banking and other advances		
Instalment finance	**1 076 327**	859 832
Mortgages	**318 002**	362 368
Call and term loans	**156 962**	166 880
Other advances	**369 427**	338 552
	1 920 718	1 727 632
Impairment allowances	**(29 918)**	(29 370)
	1 890 800	1 698 262
Maturity analysis		
Maturing in one year	**1 026 974**	878 627
Maturing after one year but within five years	**641 339**	532 992
Maturing after five years	**222 487**	286 643
	1 890 800	1 698 262

Interest rates are based on contractual agreements with customers.

More detailed disclosure for banking and other advances can be found in the Bidvest Bank Limited financial statements published on the website, www.bidvestbank.co.za.

Refer note 38 for further disclosure.

	2017 R'000	2016 R'000
21. Vehicle rental fleet		
Cost	**1 105 496**	1 496 183
Accumulated depreciation	**(112 554)**	(177 602)
	992 942	1 318 581
Movement in vehicle rental fleet		
Carrying value at beginning of year	**1 318 581**	1 376 295
Additions	**1 560 241**	1 475 509
Disposals	**(1 667 640)**	(1 397 514)
Depreciation	**(217 449)**	(137 399)
Exchange rate adjustments	**(791)**	1 690
Carrying value at end of year	**992 942**	1 318 581

		2017 R'000	2016 R'000
22.	**Inventories**		
	Raw materials	**442 149**	361 463
	Work-in-progress	**107 513**	100 095
	Finished goods	**4 224 251**	3 956 717
	New vehicles and motorcycles	**1 407 258**	1 342 905
	Used vehicles	**1 135 708**	986 443
	Demonstration vehicles	**896 577**	870 611
	Parts and accessories	**382 236**	377 869
		8 595 692	7 996 103
	New and used motor vehicle inventory acquired under floorplan arrangements remains as security to the respective floorplan provider until the purchase price has been paid.		
	Amounts included in borrowings relating to these assets (refer note 29)	**860 276**	976 356
	Amounts included in trade and other payables relating to these assets (refer note 34)	**838 293**	766 443
		1 698 569	1 742 799
	Write-down of inventory to net realisable value charged to the income statement	**243 042**	238 310

		2017 R'000	2016 R'000
23.	**Trade and other receivables**		
	Trade receivables	**8 216 919**	7 533 544
	Impairment allowances	**(298 557)**	(257 003)
	Net trade receivables	**7 918 362**	7 276 541
	Forward exchange contracts asset	**5 587**	10 265
	Interest rate swaps	**9 016**	35 456
	Receivables relating to customer contracts	**68 879**	95 558
	Receivable arising on disposal of associate*	**203 110**	–
	Prepayments and other receivables	**1 931 353**	1 680 525
		10 136 307	9 098 345

** The proceeds in settlement of the receivable arising on disposal of associate were received on 21 July 2017*

The majority of trade and other receivables are fixed in the subsidiaries' local currency. As trade and other receivables have limited exposure to exchange rate fluctuations, a currency analysis has not been included.

Refer note 38 for further disclosure on trade receivables, impairment allowances, forward exchange contracts and interest rate swaps.

		2017 R'000	2016 R'000
24.	**Cash and cash equivalents**		
	Cash on hand and at bank	**5 132 550**	3 911 927
	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	**493 854**	626 755
	Amounts included in cash and cash equivalents relating to customer contracts	**37 766**	52 040

		2017 R'000	2016 R'000
25.	**Capital and reserves attributable to shareholders of the Company**		
	Share capital		
	Issued share capital	**16 770**	16 770
	Share premium	**379 792**	379 792
	Reserves	**20 557 591**	17 593 989
	Foreign currency translation reserve	**286 628**	393 429
	Hedging reserve	**6 489**	25 526
	Equity-settled share-based payment reserve	**(14 787)**	67 002
	Retained earnings	**20 279 261**	17 108 032
		20 954 153	17 990 551
	Shares held by subsidiary as treasury shares	**743 152**	468 923
	Share capital	**(16)**	(137)
	Share premium	**743 168**	469 060
	Capital and reserves attributable to shareholders of the Company	**21 697 305**	18 459 474
	Reserves comprise		
	Company and subsidiaries	**19 948 801**	17 151 813
	Associates	**608 790**	442 176
		20 557 591	17 593 989

	2017 R'000	2016 R'000
25. Capital and reserves attributable to shareholders of the Company *(continued)*		
Share capital		
Authorised		
540 000 000 (2016: 540 000 000) ordinary shares of 5 cents each	**27 000**	27 000
	Number	Number
Issued		
Number of shares in issue	**335 404 212**	335 404 212
Balance at beginning of year	**335 404 212**	335 163 151
Shares issued in terms of the share incentive scheme	**–**	241 061
Less: Shares held by subsidiary as treasury shares	**(310 024)**	(2 509 812)
Balance at beginning of year	**(2 509 812)**	(9 568 669)
Shares disposed of with the unbundling of subsidiaries (refer note 5)	**–**	3 614 487
Sale of shares by subsidiary to staff in terms of share incentive scheme	**2 199 788**	3 444 370
Less: Shares held by share purchase scheme	**–**	(222 580)
Balance at beginning of year	**(222 580)**	(542 110)
Shares acquired by staff in terms of share incentive scheme	**222 580**	319 530
Net shares in issue	**335 094 188**	332 671 820

30 000 000 (2016: 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 foreign exchange differences arising from the translation of the financial statements of foreign operations.

Hedging reserve

The hedging reserve represents the effective portion of gains or losses arising on changes in fair value of hedging instruments entered into as cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the hedging reserve will be reclassified to profit or loss when the hedged transaction takes place. Where the hedged transaction is for the acquisition of non-monetary assets, the relevant hedging reserve will be offset against the acquisition cost.

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 recognised in the income statement. The reserve also includes a share-based cost resulting from an empowerment transaction entered into by a subsidiary.

26. Subsidiaries

A list of the Group's significant subsidiaries, their country of incorporation and principal place of business, the Group's percentage shareholding and an indication of their nature of business is included in Annexure A of these financial statements.

The only subsidiary that has material non-controlling interests is Bidvest Namibia Limited (Bidvest Namibia) a subsidiary listed on the Namibian Stock Exchange. The Group owns 52,3% (2016: 52,3%) of the issued capital of Bidvest Namibia, but accounts for 66,0% (2016: 66,0%) of its result as a result of a deferred sale of 13,7% (2016: 13,7%) of the shares it previously held.

	2017 R'000	2016 R'000
26. Subsidiaries *(continued)*		
Contribution to non-controlling interests		
Profit allocated to non-controlling interests		
Bidvest Namibia	**28 118**	113 483
Non-controlling interests of Bidvest Namibia	**16 910**	62 591
Non-controlling interests of Bidvest Namibia subsidiaries	**11 208**	50 892
Other non-controlling interests	**70 531**	80 821
Non-controlling interests discontinued operations	**–**	(37 647)
Total profit allocated to non-controlling interests continuing operations	**98 649**	156 657
Accumulated non-controlling interests		
Bidvest Namibia	**1 009 274**	1 083 632
Non-controlling interests of Bidvest Namibia	**624 401**	628 107
Non-controlling interests of Bidvest Namibia subsidiaries	**384 873**	455 525
Other non-controlling interests	**337 744**	202 974
Total accumulated non-controlling interests	**1 347 018**	1 286 606
The summarised financial information below of Bidvest Namibia represents amounts before inter-group eliminations		
Statement of financial position items		
Current assets	**1 886 213**	1 844 326
Non-current assets	**1 200 637**	1 315 698
Current liabilities	**(690 583)**	(650 663)
Non-current liabilities	**(166 487)**	(205 450)
Non-controlling interests	**(384 874)**	(455 218)
Equity attributable to the owners of the Company	**(1 844 906)**	(1 848 693)
Statement of comprehensive income items		
Revenue	**3 776 448**	3 858 596
Expenses	**(3 714 630)**	(3 623 482)
Profit attributable to the owners of the Company	**50 610**	184 222
Profit attributable to minorities	**11 208**	50 892
Profit for the year	**61 818**	235 114
Other comprehensive income attributable to owners of the Company	**(8 127)**	11 645
Other comprehensive income attributable to minorities	**(8 571)**	12 341
Other comprehensive income for the year	**(16 698)**	23 986
Dividends paid to minorities	**72 981**	50 354
Statement of cash flow items		
Cash (outflow) inflow from operating activities	**(12 160)**	134 851
Cash inflow (outflow) from investing activities	**8 518**	(413 649)
Cash inflow from financing activities	**6 723**	53 862
Net cash inflow (outflow)	**3 081**	(224 936)

Full details of Bidvest Namibia's results can be found at www.bidvest.com.na.

27. Share-based payments

The Bidvest Share Incentive Scheme (BIS) 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.

The Bidvest Group Share Appreciation Rights (SARs) Plan was adopted to replaced the BIS, and has been classified as an equity-settled scheme, and therefore an equity-settled share-based payment reserve has been recognised. Executive directors do not participate in the SARs Plan.

A conditional share plan (CSP), which awards executive directors with 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.

Replacement rights scheme (previously share option scheme)

Following the unbundling of Bidcorp, Bidvest option holders exchanged each one of their existing options for one right over one Bidcorp share and one Bidvest share (replacement right). In terms of the amended scheme rules, the original option price was not adjusted, but on exercise of the replacement right, the original option price will be deducted from the combined value of the Bidcorp share and the Bidvest share. The vesting date and lapse dates of the replacement rights will be the same as those of the original options.

The terms and conditions of the replacement rights are:

Replacement right holders are only entitled to exercise their rights 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.

Replacement right holders may exercise the rights at such times as the right 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 rights must be exercised no later than the 10th anniversary on which the original options were granted unless approval is obtained from the trustees of The Bidvest Share Incentive Trust.

The number and weighted average exercise prices of replacement rights are:

	2017		2016	
	Number	**Average price R**	Number	Average price R
Beginning of year	**6 751 951**	**233,00**	11 331 766	199,62
Granted	**–**	**–**	2 291 125	301,54
Lapsed	**(244 858)**	**251,15**	(654 956)	221,91
Exercised	**(1 408 696)**	**178,96**	(3 020 509)	161,90
Transfer on unbundling	**–**	**–**	(3 195 475)	233,25
End of year	**5 098 397**	**247,06**	6 751 951	233,00

The replacement rights outstanding at 30 June 2017 have an exercise price in the range of R100,00 to R301,54 (2016: R51,51 to R301,54) and a weighted average contractual life of 1,3 to 8,4 (2016: 0,3 to 9,5) years. The average combined value of the Bidvest and Bidcorp shares during the year was R424,51 (2016: R354,36).

Replacement rights outstanding at 30 June by year of grant are:

	2017 Number	**2017 Average price R**	2016 Number	2016 Average price R
2006	**–**	**–**	120 000	61,75
2009	**1 500**	**100,00**	11 500	100,00
2011	**149 290**	**135,00**	196 215	135,00
2012	**273 000**	**134,56**	733 000	134,80
2013	**613 938**	**208,91**	932 250	208,91
2014	**1 308 524**	**235,63**	1 850 164	235,47
2015	**1 312 620**	**252,85**	1 400 197	252,82
2016	**1 439 525**	**301,54**	1 508 625	301,54
	5 098 397	**247,06**	6 751 951	233,00

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

The fair value of the replacement rights allotted during the current year and the assumptions used are:

	2017	2016
Fair value at measurement date (Rand)	**–**	86,12
Exercise price (Rand)	**–**	301,54
Expected volatility (%)	**–**	23,78
Option life (years)	**–**	4,00 – 6,00
Distribution yield (%)	**–**	3,06
Risk-free interest rate (based on National Government Bonds) (%)	**–**	9,21

The volatility is based on the recent historic volatility.

27. Share-based payments *(continued)*

SARs Plan

The terms and conditions of the SARs Plan are:

SAR holders are only entitled to exercise their rights 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.

SAR holders in the scheme may exercise the SARs at such times as the 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 appreciation right. All SARs must be exercised no later than the seventh anniversary on which they were granted unless approval is obtained from the trustees of The Bidvest Share Incentive Trust.

The number and weighted average exercise prices of share appreciation rights are:

	2017		2016	
	Number	**Average price R**	Number	Average price R
Beginning of year	**–**	**–**	–	–
Granted	**3 600 000**	**146,55**	–	–
Lapsed	**(15 000)**	**146,61**	–	–
Exercised	**–**	**–**	–	–
End of year	**3 585 000**	**146,55**	–	–
SARs outstanding at 30 June by year of grant are:				
2017	**3 585 000**	**146,55**	–	–
	3 585 000	**146,55**	–	–

The SARs outstanding at 30 June 2017 have an exercise price in the range of R138,48 to R146,61 and a weighted average contractual life of 6,4 to 6,8 years. The average value of the Bidvest share during the year was R160,89.

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

The fair value of the SARs allotted during the current year and the assumptions used are:

	2017	2016
Fair value at measurement date (Rand)	**162,90**	–
Exercise price (Rand)	**146,61**	
Expected volatility (%)	**27,84**	–
Option life (years)	**4,00 – 6,00**	–
Distribution yield (%)	**2,78**	–
Risk-free interest rate (based on the ZAR bond static yield curve) (%)	**7,77**	–

The volatility is based on the recent historic volatility.

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 10th 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 of directors.

In terms of the unbundling, participants received one Bidcorp share for every Bidvest share they held. The Bidcorp shares are subject to the same terms and conditions as the Bidvest shares in terms of the scheme.

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.

27. Share-based payments *(continued)*

Share purchase scheme *(continued)*

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

	2017		2016	
	Number	Average price R	Number	Average price R
Beginning of year	222 580	89,94	542 140	92,98
Shares taken up by staff	(222 580)	87,50	(319 560)	95,10
End of year	–	0,00	222 580	89,94

Conditional share plan

In terms of the CSP scheme, a conditional right to a share is awarded to employees subject to performance and vesting conditions. The vesting period is as follows: 75% of total number of awards vest at the expiry of three years; and 25% of total number of awards vest at the expiry of four years from the date of the award, unless otherwise determined by the board. These share awards do not carry voting rights attributable to ordinary shareholders.

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 less discounted by anticipated future distribution flows. A total number of 117 120 (2016: 26 131) of the 256 280 shares (2016: 35 000) are expected to vest, taking into account the performance of the Group 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 of the share-based payment charge on the conditional share awards allotted during the year is R122,78 (2016: R273,91) per share. These awards will vest in the next three years.

As a result of the unbundling, the 2015 awards were restructured into replacement conditional rights (replacement right) in the successor companies – ie each conditional right in terms of the 2015 awards was exchanged for a replacement right over either a Bidvest share or a Bidcorp share, depending on which successor company the participant was employed. On 24 October 2016, 35 000 original conditional share awards were exchanged for 94 280 replacement conditional rights over Bidvest shares.

The Group will continue to use the existing CSP for new awards to its executive directors, and the CSP rules will regulate the replacement rights received as a result of the unbundling.

There were no conditional share awards (2016: 173 755) forfeited as a result of performance conditions not being met.

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

	2017 Number	2016 Number
Beginning of year	35 000	742 029
Allotted during the year	256 280	159 000
Awarded during the year	–	(241 061)
Awarded during the year as a result of accelerated vesting	–	(327 213)
Forfeited during the year	–	(173 755)
Exchanged for replacement rights	(35 000)	–
Transfer on unbundling	–	(124 000)
End of year	256 280	35 000

Following the adoption of the SARs Plan, the maximum number of shares which may be allocated at any one time under the SARs Plan and existing CSP shall not exceed 16 750 000 shares (5% of shares in issue). A total of 12 908 720 shares remain available for allocation.

Other equity-settled share-based payment schemes

Bidvest Namibia Limited, a subsidiary, also operates its own share option scheme, the expense of which has been included in the consolidated income statement and the resulting reserve in the consolidated share-based payment reserve in equity. Details as to how this expense has been calculated have not been included above, but are published in the annual integrated report of Bidvest Namibia Limited, which can be found at www.bidvest.com.na.

	2017 R'000	2016 R'000

28. Life assurance fund

The carrying value of the assurance funds agree with the amount of the actuarial values of liabilities under life insurance policies and contracts at that date. Policyholder liabilities include liabilities for insurance contracts and investment contracts.

	2017 R'000	2016 R'000
Insurance contract liabilities	**15 605**	24 761
Balance at beginning of year	**24 761**	26 733
Movement during the year	**(9 156)**	(1 972)
Investment contract liabilities	**295 750**	–
Balance at beginning of year	**–**	–
Movement during the year	**295 750**	–
Net assurance fund at end of year	**311 355**	24 761
Gross assurance fund	**310 028**	29 579
Reinsurer's share	**1 327**	(4 818)
Net assurance fund	**311 355**	24 761

Insurance contracts

Insurance contracts are predominantly credit life policies sold by motor dealerships.

Investment contracts

Investment contracts are linked living annuities sold by independent financial advisers and administered by Global Fund Administrators, who operate under an underwriting manager agreement. Bidvest Life commenced the investment contracts business on 1 October 2016.

29. Borrowings

	2017 R'000	2016 R'000
Loans secured by mortgage bonds over fixed property (refer note 14)	**30 644**	8 462
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements (refer note 14)	**75 786**	130 187
Unsecured borrowings	**8 503 602**	6 661 410
Listed bonds	**3 675 000**	2 925 000
Cumulative redeemable preference shares	**3 080 000**	3 080 000
Other borrowings	**1 748 602**	656 410
Floorplan creditors secured by pledge of inventories (refer note 22)	**860 276**	976 356
Borrowings	**9 470 308**	7 776 415
Bank overdrafts	**1 246 133**	1 205 701
Total borrowings	**10 716 441**	8 982 116
Less: Short-term portion of borrowings	**(5 308 369)**	(2 843 216)
Long-term portion of borrowings	**5 408 072**	6 138 900
Schedule of repayment of borrowings		
Year to June 2017	**–**	1 637 515
Year to June 2018	**4 062 236**	1 488 088
Year to June 2019	**1 523 669**	1 515 194
Year to June 2020	**2 660 084**	2 214 955
Year to June 2021	**885 768**	887 820
Thereafter	**338 551**	32 843
	9 470 308	7 776 415
Total borrowings comprise		
Borrowings	**9 470 308**	7 776 415
Local subsidiaries	**9 233 362**	7 477 676
Foreign subsidiaries	**236 946**	298 739
Overdrafts	**1 246 133**	1 205 701
Local subsidiaries	**1 217 107**	1 031 685
Foreign subsidiaries	**29 026**	174 016
	10 716 441	8 982 116
Effective weighted average rate of interest on	**%**	%
Local borrowings excluding overdrafts	**7,8**	7,7
Foreign borrowings excluding overdrafts	**8,5**	8,0

29. Borrowings *(continued)*

Terms and debt repayment schedule

Terms and conditions of outstanding loans were:

	2017 Currency	2017 Nominal interest rate %	2017 Financial year of maturity	2017 Carrying value R'000	2016 Carrying value R'000
Borrowings of local subsidiaries				**9 233 362**	7 477 676
Loans secured by mortgage bonds over fixed property	**ZAR**	**9,5 – 11,23**	**2018 – 2025**	**24 031**	–
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**ZAR**	**12,1 – 17,8**	**2018 – 2019**	**3 396**	3 569
Listed bonds	**ZAR**	**7,2 – 9,1**	**2018 – 2019**	**3 675 000**	2 925 000
Cumulative redeemable preference shares	**ZAR**	**6,9 – 7,0**	**2020 – 2021**	**3 080 000**	3 080 000
Other borrowings	**ZAR**	**7,9 – 10,7**	**2018 – 2022**	**1 738 845**	645 563
Floorplan creditors secured by pledge of inventories and property bonds	**ZAR**	**8,3 – 9,3**	**2018**	**712 090**	823 544
Borrowings of foreign subsidiaries				**236 946**	298 739
Loans secured by mortgage bonds over fixed property	**GBP**	**2,5**	**2018**	**3 442**	4 697
	NAD	**10,8**	**2018 – 2023**	**3 171**	3 765
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**GBP**	**2,4**	**2018 – 2022**	**44 672**	85 524
	BWP	**7,5**	**2018 – 2019**	**14 108**	20 173
	AOA	**11,0**	**2018 – 2021**	**12 927**	20 740
	NAD	**10,8**	**2018 – 2020**	**463**	182
	MUR	**12,0**	**2018 – 2020**	**220**	–
Floorplan creditors secured by pledge of inventories	**ZAR**	**11,5**	**2018**	**82 530**	111 858
	NAD	**10,0 – 10,3**	**2018**	**65 656**	40 954
Other borrowings	**BWP**	**7,5**	**2018**	**6 258**	6 749
	Other	**29,0**	**2017 – 2018**	**3 499**	4 097
Total interest-bearing borrowings				**9 470 308**	7 776 415

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

Refer note 38 for further disclosure.

	2017 R'000	2016 R'000
30. Post-retirement obligations		
Post-retirement assets		
Defined benefit pension surplus	**(202 886)**	(180 035)
Post-retirement obligations		
Post-retirement medical aid obligations	**77 197**	79 128
	(125 689)	(100 907)

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.

The Group operates a defined benefit fund through The Bidvest South Africa Pension Fund.

Employer contributions to defined contribution funds are set out in note 2.

Summarised details of the defined benefit pension fund

	2017 R'000	2016 R'000
Defined benefit pension assets of the fund		
The Bidvest South Africa Pension Fund	**(202 886)**	(180 035)
	(202 886)	(180 035)
Contributions to the funds		
Employer contributions	**–**	57 527
Employee contributions	**384**	7 290
Total pension fund asset (unfunded pension liability)		
Fair value of plan assets	**601 441**	609 475
Actuarial present value of defined benefit obligations	**(382 356)**	(420 903)
Net surplus in the plans	**219 085**	188 572
Amounts not recognised due to ceiling adjustments and other limitations	**(16 199)**	(8 537)
	202 886	180 035
Movement in the liability for defined benefit obligations		
Balance at beginning of year	**(420 903)**	(1 743 892)
Benefits paid	**49 889**	83 120
Risk premiums and expenses	**1 078**	1 236
Current service costs	**(2 920)**	(49 445)
Interest expense	**(39 633)**	(56 385)
Member contributions	**(384)**	(7 290)
Actuarial gains (losses)	**30 517**	(71 654)
Settlements (Zwitserleven Pension Plan)	**–**	1 512 733
Discontinued operations	**–**	136 971
Exchange rate adjustments on foreign plans	**–**	(226 297)
Balance at end of year	**(382 356)**	(420 903)
Movement in the plans' assets		
Balance at beginning of year	**609 475**	1 916 900
Contributions paid into the plans	**384**	64 817
Benefits paid	**(49 889)**	(83 120)
Risk premiums and expenses	**(2 051)**	(4 597)
Interest income	**57 403**	70 762
Return on plan assets in excess of interest income	**(13 881)**	49 130
Settlements (Zwitserleven Pension Plan)	**–**	(1 494 371)
Discontinued operations	**–**	(138 482)
Exchange rate adjustments on foreign plans	**–**	228 436
Balance at end of year	**601 441**	609 475

	2017 R'000	2016 R'000
30. Post-retirement obligations *(continued)*		
Pension and provident funds *(continued)*		
Summarised details of the defined benefit pension funds *(continued)*		
The plans' assets comprise		
Cash	**53 528**	44 492
Equity securities	**433 638**	503 426
Bills, bonds and securities	**84 202**	41 444
Property	**21 652**	13 408
Other	**8 421**	6 705
	601 441	609 475
Amounts recognised in the income statement		
Current service costs	**2 920**	49 445
Interest on obligations	**39 633**	56 385
Interest income on plan assets	**(57 403)**	(70 762)
Ceiling adjustments and other limitations	**820**	1 527
Risk premiums and expenses	**973**	3 361
Gain arising from settlements, plan amendments and curtailments	**–**	(18 362)
	(13 057)	21 594
Amounts recognised in other comprehensive income		
Return on plan assets in excess of interest income	**13 881**	(49 130)
Actuarial (gains) losses	**(30 517)**	71 654
Ceiling adjustments and other limitations	**6 842**	(35 465)
	(9 794)	(12 941)
Key actuarial assumptions used in the actuarial valuations:		
The Bidvest South Africa Pension Fund		
Number of in service members 30 June	**23**	30
Number of pensioners 30 June[#]	**652**	681
Discount rate (%)	**9,9**	9,6
Inflation rate (%)	**6,8**	7,4
Salary increase (%)	**7,8**	8,4
Pension increase allowance (%)	**4,8**	5,2
Date of valuation of all funds	**30 June 2017**	30 June 2016

[#] *Includes suspended pensioners.*

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

Sensitivity analysis

The table below summarises the impact that a reasonably possible change in the respective assumption, occurring at the end of the year, would have, by increasing (decreasing) the net surplus in the plan, while holding all the other assumptions constant.

	2017 Impact of an increase in assumption R'000	2016 Impact of an increase in assumption R'000
The Bidvest South Africa Pension Fund		
Discount rate – 1%	**7 246**	12 901
Pension increase – 1%	**(14 241)**	(18 121)
Salary increase – 1%	**(4 653)**	(6 080)

The sensitivity analyses presented above may not be representative of the actual change in the net surplus in the plans as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	2017 R'000	2016 R'000

30. Post-retirement obligations *(continued)*

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.

	2017 R'000	2016 R'000
Provision for post-retirement medical aid obligations		
Opening provision raised against unfunded obligation	**79 128**	94 727
Current service (relief) costs	**(228)**	948
Interest expense	**6 670**	7 370
Benefits paid	**(7 889)**	(19 206)
Actuarial adjustments recognised in other comprehensive income	**(484)**	(4 355)
Disposal of businesses	**–**	(356)
Closing provision raised against unfunded obligation	**77 197**	79 128
	%	%
Key actuarial assumptions		
Discount rate	**9,6**	9,6
Inflation rate (CPI)	**7,0**	7,0
Healthcare cost inflation	**9,0**	9,0
Date of valuation	**30 June 2017**	30 June 2016

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

31. Puttable non-controlling interest liabilities

The acquisition of certain subsidiaries in prior years, resulted in put options being agreed with certain of the non-controlling shareholders. The put options entitle the non-controlling shareholders to sell their holdings in the subsidiaries to the Group at contracted dates and amounts.

There were no acquisitions that resulted in put option liabilities during the year:

	2017 R'000	2016 R'000
The affect of granting these put options on the Group's results can be summarised as follows:		
Balance at beginning of year	**49 167**	939 430
Arising on the granting of put options to non-controlling interests during the year	**–**	68 944
Fair value adjustments recorded directly in retained income	**8 676**	787
Unwinding of present value discount recognised in the income statement		
– continuing operations	**3 147**	2 124
– discontinued operations	**–**	21 486
Exchange rate adjustments	**–**	269 769
Unbundling of puttable non-controlling interest liabilities	**–**	(1 253 373)
	60 990	49 167
Discount rate	**6,0%**	7,5%
Expected settlement dates	**1 July 2019 – 30 June 2021**	1 July 2019 – 30 June 2021

		2017 R'000	2016 R'000
32.	**Amounts owed to bank depositors**		
	Call deposits	**2 489 187**	2 204 579
	Fixed and notice deposits	**1 922 917**	1 484 582
		4 412 104	3 689 161
	All amounts owed to bank depositors mature within one year.		
	Effective rates of interest	**%**	%
	Call deposits	**2,5**	3,0
	Fixed and notice deposits	**8,4**	7,9

Amounts owed to bank depositors other than fixed and notice deposits are at floating interest rates. Refer note 38 for further disclosure.

More detailed disclosure for amounts owing to bank depositors can be found in the Bidvest Bank Limited financial statements published on the website, www.bidvestbank.co.za.

33. Operating leases

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.

	2017 R'000	2016 R'000
Operating lease liabilities	**162 790**	146 845
Less: Short-term portion included in trade and other payables	**(19 914)**	(26 498)
Long-term portion	**142 876**	120 347
Operating lease commitments		
Land and buildings	**5 025 773**	5 426 536
Due in one year	**989 048**	992 798
Due after one year but within five years	**2 071 016**	2 297 086
Due after five years	**1 965 709**	2 136 652
Equipment and vehicles	**293 236**	170 364
Due in one year	**102 040**	72 752
Due after one year but within five years	**134 948**	97 612
Due after five years	**56 248**	–
	5 319 009	5 596 900
Less: Amounts raised as liabilities	**(162 790)**	(146 845)
	5 156 219	5 450 055

34. Trade and other payables

	2017 R'000	2016 R'000
Trade payables	**5 981 648**	6 559 593
Non-interest-bearing floorplan creditors	**838 293**	766 443
Forward exchange contracts liability	**18 870**	19 856
Payables relating to customer contracts	**105 630**	147 598
Other payables and accrued expenses	**4 088 983**	3 522 896
	11 033 424	11 016 386

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 38 for further disclosure.

	2017 R'000	2016 R'000
35. Provisions		
Long-term portion	**149 907**	163 887
Short-term portion	**278 582**	278 830
	428 489	442 717

	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 1 July 2015	73 678	350 971	348 239	99 669	140 300	1 012 857
Created	31 402	245 765	128 644	33 491	83 738	523 040
Utilised	(12 769)	(240 371)	(53 046)	(23 399)	(66 961)	(396 546)
Net acquisition of businesses	(72 202)	–	(493 139)	(130 310)	(134 196)	(829 847)
Exchange rate adjustments	13 831	–	73 893	20 549	24 940	133 213
Balance at 30 June 2016	33 940	356 365	4 591	–	47 821	442 717
Created	**2 008**	**349 873**	**322**	**–**	**44 764**	**396 967**
Utilised	**(26 127)**	**(376 975)**	**(483)**	**–**	**(16 537)**	**(420 122)**
Net disposal and or unbundling of businesses	**–**	**–**	**–**	**–**	**9 641**	**9 641**
Exchange rate adjustments	**–**	**–**	**(653)**	**–**	**(61)**	**(714)**
Balance at 30 June 2017	**9 821**	**329 263**	**3 777**	**–**	**85 628**	**428 489**

Onerous contracts

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

Insurance liabilities

Insurance liabilities include amounts provided for: 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 and are calculated on a time proportionate basis; deferred acquisition costs, which are recognised on a basis consistent with the related provisions for unearned premiums; claims, which are calculated on the settlement amount outstanding at year-end; and claims incurred but not reported, 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, and are calculated based on the preceding six years' insurance premium revenue multiplied by percentages specified in the Short-Term Insurance Act.

Dismantling and site restoration

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

Other

Included in other is a provision raised for the estimated cost of honouring warranties on certain products sold where the manufacture warranty is inadequate or not available, R40 million (2016: R16 million). Also included is a provision for insurance raised for the estimated cost of claims not covered by the Group's insurance policies and in certain instances for the cost of claims below the Group's inner deductibles, R25 million (2016: R26 million).

		2017 R'000	2016 R'000
36.	**Commitments**		
	Capital expenditure approved		
	Contracted for	**553 832**	660 323
	Not contracted for	**1 441 298**	521 681
		1 995 130	1 182 004

Capital expenditure amounting to R1 939 million (2016: R1 138 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.

In addition to the above, the Group has commitments for acquisitions of businesses, where conditions precedent had not as yet been met (refer note 43).

		2017 R'000	2016 R'000
37.	**Contingent liabilities**		
	Guarantees issued in respect of obligations of associates and investments	**16 000**	166 000

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 are significant.

Refer note 38 for further disclosure in respect of guarantees.

38. Nature and extent of risks arising from financial instruments

38.1 Risk management overview

The Group has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; foreign currency risk; interest rate 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 which the Group has determined 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 secondly through decentralisation. Bidvest is an international group with operations in South Africa, United Kingdom, 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, 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 industries is not considered to be material to the 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 reports to the Group's board of directors. The divisional management is also held responsible for managing financial risks of the operations within the divisions. Operational management's remuneration is based on its operation's performance and divisional management based on its division's performance resulting in a decentralised and entrepreneurial environment.

Due to the diverse structure and decentralised management of the Group, the Group risk committee has implemented guidelines of acceptable practices and basic procedures to be followed by divisional and operational management. 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 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 committee of the Group board of directors in the discharge of its duties and responsibilities in this regard. The Group 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;
– to identify the risk profile and agree the risk appetite of the Group;
– to satisfy the risk management reporting requirements;
– to coordinate the Group's risk management and assurance efforts;
– to 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
– to 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:
– to place accountability on management for designing, implementing and monitoring the process of risk management;
– to place responsibility on management for integrating the risk management process into the day-to-day activities and operations of the Group; and
– to ensure that the risk strategy is communicated to all stakeholders so that it may be incorporated into the culture of the Group.

The Group has operations trading in the banking, short-term insurance and life assurance industries (Financial Services segment). 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. While the financial risks to which these particular operations are exposed could have a significant effect on the individual operations, they 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.

38. Nature and extent of risks arising from financial instruments *(continued)*

38.1 Risk management overview *(continued)*

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 committee meetings are submitted to the Group risk committee.

Each division has its own audit committee, which subscribes to the same philosophies and practices as the Group audit committee. 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 relevant divisional audit committee.

38.2 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 types of 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 into account the value of any collateral obtained. The carrying values, net of impairment allowances, amount to R7 918 million (2016: R7 277 million) for trade receivables (refer note 23), R1 891 million (2016: R1 698 million) for banking and other advances (refer note 20), and R2 843 million (2016: R2 870 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 directly against the respective assets.

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. Certain operations in the Group have a policy of taking out credit insurance to cover a portion of their risk. Operational management is also held responsible for monitoring the operations' credit exposure.

38.2.1 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 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. It was noted that the Group's largest exposure to a single customer group across multiple geographies is R218 million (2016: R165 million). Management, in the various geographies, has assessed the recoverability of these amounts due in its geographies, and believes that the amounts due and not impaired are recoverable in full.

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 has the responsibility of determining the impairment allowances in respect of trade receivables. This is done under the oversight of the divisional audit committees, and ultimately the Group audit committee. The operations' average credit period depends 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. It was determined that such percentage did not exceed 11,2% (2016: 4,0%) of the total allowance raised at year-end.

	2017 R'000	2016 R'000
38. Nature and extent of risks arising from financial instruments *(continued)*		
38.2 Credit risk *(continued)*		
38.2.1 Trade receivables (continued)		
Movement in impairment allowance in respect of trade receivables		
Balance at 1 July	**257 003**	633 232
Allowances raised during the year	**177 000**	164 786
Bidvest South Africa		
Automotive	**15 596**	23 730
Commercial Products	**21 340**	15 115
Electrical	**36 972**	44 211
Financial Services	**33 439**	7 587
Freight	**13 615**	9 460
Office and Print	**42 132**	26 175
Services	**4 833**	18 788
Bidvest Namibia	**7 751**	18 256
Bidvest Corporate	**1 322**	1 464
Bad debts written off during the year	**(95 533)**	(68 283)
Bidvest South Africa		
Automotive	**(9 431)**	(7 709)
Commercial Products	**(21 249)**	(12 956)
Electrical	**(10 844)**	(31 827)
Financial Services	**(7 587)**	–
Freight	**(12 884)**	(858)
Office and Print	**(24 694)**	(5 977)
Services	**(5 026)**	(6 766)
Bidvest Namibia	**(3 818)**	(2 072)
Bidvest Corporate	**–**	(118)
Net acquisition of businesses and inter-class transfers	**31 146**	(747)
Bidvest South Africa		
Commercial Products	**29 035**	5 652
Electrical	**1 894**	–
Freight	**–**	(9 945)
Office and Print	**–**	130
Services	**–**	(671)
Bidvest Namibia	**217**	4 087
Allowances reversed during the year	**(68 091)**	(70 308)
Bidvest South Africa		
Automotive	**(5 429)**	(8 285)
Commercial Products	**(5 607)**	(2 504)
Electrical	**(21 229)**	(19 112)
Freight	**(4 463)**	(8 295)
Office and Print	**(15 384)**	(15 249)
Services	**(6 937)**	(3 672)
Bidvest Namibia	**(7 643)**	(12 979)
Bidvest Corporate	**(1 399)**	(212)
Exchange rate adjustments	**(2 968)**	4 429
Discontinued operations	**–**	(406 106)
Balance at 30 June	**298 557**	257 003

38. Nature and extent of risks arising from financial instruments *(continued)*

38.2 Credit risk *(continued)*

38.2.1 Trade receivables (continued)

Ageing of trade receivables at 30 June

	2017 Gross trade receivables R'000	2017 Impairment allowance R'000	2017 Net trade receivables R'000	2016 Gross trade receivables R'000	2016 Impairment allowance R'000	2016 Net trade receivables R'000
Not past due	**5 636 282**	**(24 503)**	**5 611 779**	5 553 590	(6 268)	5 547 322
Bidvest South Africa						
Automotive	**327 899**	**(2 961)**	**324 938**	327 471	(3 882)	323 589
Commercial Products	**929 101**	**(2 503)**	**926 598**	662 543	(1 609)	660 934
Electrical	**454 211**	**(64)**	**454 147**	511 722	(27)	511 695
Financial Services	**129 384**	**(831)**	**128 553**	146 943	–	146 943
Freight	**1 530 111**	**(6 077)**	**1 524 034**	1 459 706	–	1 459 706
Office and Print	**817 354**	**(304)**	**817 050**	937 684	(130)	937 554
Services	**1 091 504**	**(11 589)**	**1 079 915**	1 121 079	(580)	1 120 499
Bidvest Namibia	**263 855**	**(174)**	**263 681**	291 298	(40)	291 258
Bidvest Corporate	**92 863**	**–**	**92 863**	95 144	–	95 144
Past due						
0 – 30 days	**1 395 959**	**(11 802)**	**1 384 157**	1 026 895	(17 372)	1 009 523
Bidvest South Africa						
Automotive	**103 153**	**(3 635)**	**99 518**	91 854	(5 381)	86 473
Commercial Products	**114 846**	**(3 342)**	**111 504**	58 147	(301)	57 846
Electrical	**337 613**	**(81)**	**337 532**	206 611	(180)	206 431
Financial Services	**95 147**	**(2 597)**	**92 550**	75 962	(7 587)	68 375
Freight	**101 913**	**(12)**	**101 901**	73 922	(1 545)	72 377
Office and Print	**151 002**	**(1 264)**	**149 738**	155 067	(723)	154 344
Services	**395 767**	**(785)**	**394 982**	273 154	(883)	272 271
Bidvest Namibia	**57 916**	**(86)**	**57 830**	48 301	(772)	47 529
Bidvest Corporate	**38 602**	**–**	**38 602**	43 877	–	43 877
31 – 180 days	**809 814**	**(100 941)**	**708 873**	672 517	(83 973)	588 544
Bidvest South Africa						
Automotive	**47 820**	**(7 359)**	**40 461**	96 297	(35 920)	60 377
Commercial Products	**85 580**	**(27 603)**	**57 977**	41 848	(8 160)	33 688
Electrical	**190 770**	**(11 535)**	**179 235**	134 938	(8 615)	126 323
Financial Services	**56 511**	**(22 658)**	**33 853**	50 461	–	50 461
Freight	**29 665**	**(554)**	**29 111**	59 038	(3 487)	55 551
Office and Print	**80 687**	**(12 301)**	**68 386**	64 817	(7 830)	56 987
Services	**259 125**	**(14 854)**	**244 271**	163 912	(15 380)	148 532
Bidvest Namibia	**40 784**	**(1 917)**	**38 867**	19 101	(3 575)	15 526
Bidvest Corporate	**18 872**	**(2 160)**	**16 712**	42 105	(1 006)	41 099
181 + days	**374 864**	**(161 311)**	**213 553**	280 542	(149 390)	131 152
Bidvest South Africa						
Automotive	**84 794**	**(62 446)**	**22 348**	34 856	(30 540)	4 316
Commercial Products	**10 308**	**(2 308)**	**8 000**	8 371	(2 170)	6 201
Electrical	**161 821**	**(33 356)**	**128 465**	110 358	(29 489)	80 869
Financial Services	**7 352**	**(7 352)**	**–**	–	–	–
Freight	**9 110**	**(3 940)**	**5 170**	14 068	(9 370)	4 698
Office and Print	**9 221**	**(9 116)**	**105**	13 357	(12 255)	1 102
Services	**72 523**	**(29 300)**	**43 223**	78 452	(48 762)	29 690
Bidvest Namibia	**19 255**	**(13 013)**	**6 242**	18 233	(14 846)	3 387
Bidvest Corporate	**480**	**(480)**	**–**	2 847	(1 958)	889
Total	**8 216 919**	**(298 557)**	**7 918 362**	7 533 544	(257 003)	7 276 541

38. Nature and extent of risks arising from financial instruments *(continued)*

38.2 Credit risk *(continued)*

38.2.1 Trade receivables (continued)

Collateral held on past due amounts

	2017		2016	
	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	*	**120 190**	*	113 657
Bidvest South Africa				
Automotive		**13 961**		8 692
Commercial Products		**1 379**		2 004
Electrical		**99 531**		102 345
Freight		**5 058**		383
Office and Print		**260**		233
Cover by credit insurance	**368 017**	**368 017**	326 206	326 206
Bidvest South Africa				
Automotive	**1 511**	**1 511**	–	–
Commercial Products	**38 389**	**38 389**	16 403	16 403
Electrical	**293 885**	**293 885**	260 642	260 642
Freight	**10 396**	**10 396**	48 882	48 882
Office and Print	**50**	**50**	–	–
Bidvest Namibia	**23 786**	**23 786**	279	279
Pledge of assets	**59 275**	**59 275**	33 904	33 904
Bidvest South Africa				
Automotive	**–**	**–**	469	469
Commercial Products	**–**	**–**	787	787
Electrical	**25 089**	**25 089**	7 724	7 724
Office and Print	**2 656**	**2 656**	248	248
Services	**31 530**	**31 530**	24 676	24 676
Other	**27 673**	**27 673**	20 997	20 997
Bidvest South Africa				
Commercial Products	**9 077**	**9 077**	3 124	3 124
Freight	**18 526**	**18 526**	17 873	17 873
Office and Print	**70**	**70**	–	–
Total	**454 965**	**575 155**	381 107	494 764

** 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.

38. Nature and extent of risks arising from financial instruments *(continued)*

38.2 Credit risk *(continued)*

38.2.2 Banking and other advances

Refer note 20 for further disclosure.

The impairment allowance account comprises a specific and portfolio 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 portfolio 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 portfolio impairments made during the year are charged to the income statement.

	2017 R'000	2016 R'000
Movement in impairment allowance in respect of banking and other advances		
Financial Services		
Balance at 1 July	**29 370**	5 477
Allowance raised during the year	**11 977**	26 218
Allowance utilised during the year	**(11 429)**	–
Impairment written off against banking and other advances	**–**	(2 325)
Balance at 30 June	**29 918**	29 370

Ageing of banking and other advances at 30 June

	2017			2016		
	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
Financial Services						
Not past due	**1 912 289**	**(26 784)**	**1 885 505**	1 722 191	(26 235)	1 695 956
Past due	**8 429**	**(3 134)**	**5 295**	5 441	(3 135)	2 306
0 – 30 days	**65**	**–**	**65**	3	–	3
31 – 180 days	**20**	**–**	**20**	1 261	–	1 261
181 + days	**8 344**	**(3 134)**	**5 210**	4 177	(3 135)	1 042
Total	**1 920 718**	**(29 918)**	**1 890 800**	1 727 632	(29 370)	1 698 262

Collateral held on past due amounts

	2017		2016	
	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
Pledge of assets	**5 295**	**5 295**	2 306	2 306

More detailed disclosure for banking and other advances can be found in the Bidvest Bank Limited financial statements published on the website, www.bidvestbank.co.za.

38.2.3 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 (2016: Nil).

38.2.4 Guarantees

Over and above the guarantees issued to subsidiaries of the Group, the Group has provided guarantees for fixed amounts in respect of obligations of associates as disclosed in note 37.

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

	2017 R'000	2016 R'000
Guarantees issued in respect of obligations of associates	**16 000**	166 000

38. Nature and extent of risks arising from financial instruments *(continued)*

38.3 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 Namibia. The divisions within each region are therefore not responsible for the management of liquidity risk but rather senior management for each of these regions are responsible for implementing procedures to manage the regional liquidity risk.

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

		Undiscounted contractual cash flows					
	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**
2017							
Puttable non-controlling liabilities (refer note 31)	**60 990**	**71 285**	**–**	**–**	**–**	**71 285**	**–**
Borrowings (refer note 29)							
Loans secured by mortgage bonds over fixed property	**30 644**	**36 733**	**2 967**	**2 967**	**5 934**	**17 618**	**7 247**
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**75 786**	**82 558**	**23 840**	**23 424**	**26 555**	**8 739**	**–**
Unsecured loans	**8 503 602**	**9 614 846**	**3 346 782**	**207 804**	**1 914 395**	**4 060 780**	**85 085**
Floorplan creditors secured by pledge of inventories and bonded property	**860 276**	**860 276**	**860 276**	**–**	**–**	**–**	**–**
Bank overdrafts	**1 246 133**	**1 246 133**	**–**	**1 246 133**	**–**	**–**	**–**
	10 716 441	**11 840 546**	**4 233 865**	**1 480 328**	**1 946 884**	**4 087 137**	**92 332**
Trade and other payables (refer note 34)							
Trade and other payables (excluding forward exchange contracts)	**11 014 554**	**11 014 554**	**11 014 554**	**–**	**–**	**–**	**–**
	11 014 554	**11 014 554**	**11 014 554**	**–**	**–**	**–**	**–**
Amounts owed to bank depositors (refer note 32)							
Call deposits	**2 489 187**	**2 580 019**	**2 580 019**				
Fixed and notice deposits	**1 922 917**	**1 992 667**	**1 341 081**	**651 586**			
	4 412 104	**4 572 686**	**3 921 100**	**651 586**	**–**	**–**	**–**

More detailed disclosure for amounts owed to bank depositors can be found in the Bidvest Bank Limited financial statements published on the website, www.bidvestbank.co.za.

		Undiscounted contractual cash flows					
	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
2016							
Puttable non-controlling liabilities (refer note 31)	49 167	65 142	–	–	–	35 024	30 118
Borrowings (refer note 29)							
Loans secured by mortgage bonds over fixed property	8 462	9 972	1 610	1 610	3 220	2 445	1 087
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	130 187	151 013	37 618	29 673	43 959	39 763	–
Unsecured loans	6 661 410	8 004 584	855 541	247 734	1 835 984	5 040 102	25 223
Floorplan creditors secured by pledge of inventories	976 356	976 356	976 356	–	–	–	–
Bank overdrafts	1 205 701	1 205 701	–	1 205 701	–	–	–
	8 982 116	10 347 626	1 871 125	1 484 718	1 883 163	5 082 310	26 310
Trade and other payables (refer note 34)							
Trade and other payables (excluding forward exchange contracts)	10 996 530	10 996 530	10 996 530	–	–	–	–
	10 996 530	10 996 530	10 996 530	–	–	–	–
Amounts owed to bank depositors (refer note 32)							
Call deposits	2 204 579	2 378 027	2 378 027	–	–	–	–
Fixed and notice deposits	1 484 582	1 535 634	1 079 244	456 390	–	–	–
	3 689 161	3 913 661	3 457 271	456 390	–	–	–

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

There were no defaults or breaches of any of the borrowing terms or conditions.

38. Nature and extent of risks arising from financial instruments *(continued)*

38.3 Liquidity risk *(continued)*

38.3.2 Trade and other payables by class

	2017 R'000	2016 R'000
Trade payables		
Bidvest South Africa		
Automotive	**569 173**	625 512
Commercial Products	**670 515**	514 382
Electrical	**658 817**	692 585
Financial Services	**190 986**	171 878
Freight	**2 093 889**	2 417 511
Office and Print	**832 231**	1 165 113
Services	**559 145**	524 061
Bidvest Namibia	**301 456**	270 987
Bidvest Corporate	**105 436**	177 564
	5 981 648	6 559 593

Refer note 34 for further disclosure.

38.3.3 Undrawn facilities

The Group has the following undrawn facilities at its disposal to further reduce liquidity risk:

	2017 R'000	2016 R'000
Unsecured bank overdraft facility, reviewed annually and payable on 360 days' notice	**11 377 641**	11 130 472
Utilised	**1 246 133**	1 205 701
Unutilised	**10 131 508**	9 924 771
Unsecured loan facility with various maturity dates through to 2021 and which may be extended by mutual agreement	**6 504 445**	4 982 675
Utilised	**4 828 602**	3 736 410
Unutilised	**1 675 843**	1 246 265
Secured loan facilities with various maturity dates through to 2022 and which may be extended by mutual agreement	**3 356 301**	3 436 524
Utilised	**966 706**	1 115 005
Unutilised	**2 389 595**	2 321 519
Other banking facilities	**3 224 608**	1 943 738
Utilised	**75**	608
Unutilised	**3 224 533**	1 943 130
Unsecured domestic medium-term note programme	**9 000 000**	9 000 000
Utilised	**3 675 000**	2 925 000
Unutilised	**5 325 000**	6 075 000
Total facilities	**33 462 995**	30 493 409
Utilised	**10 716 516**	8 982 724
Unutilised	**22 746 479**	21 510 685

38. Nature and extent of risks arising from financial instruments *(continued)*

38.4 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.

38.4.1 Foreign currency risk

The Group's financial instruments are not significantly 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.

Banking advances (refer note 20), amounts owed to bank depositors (refer note 32) and investments, with the exception of the Group's investment in the Indian-based Mumbai International Airport Private Limited (refer note 19), are all denominated in the same functional currency as the operation in which they are 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 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 balance sheet 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 time frame as when the actual cash flows occur.

		Contract value	
	Settlement	Foreign amount '000	Rand amount '000
2017			
In respect of forward exchange contracts relating to foreign liabilities as at 30 June 2017			
Japanese yen	July 2017 to October 2017	**(2 339 913)**	**(278 711)**
US dollar	July 2017 to September 2017	**(12 731)**	**(166 798)**
Euro	July 2017 to October 2017	**(1 871)**	**(27 700)**
Sterling	July 2017 to September 2017	**(126)**	**(2 119)**
Australian dollar	August 2017	**(89)**	**(893)**
Other	July 2017 to August 2017	**(276)**	**(633)**
			(476 854)
In respect of forward exchange contracts relating to foreign assets as at 30 June 2017			
US dollar	July 2017 to November 2017	**260**	**3 385**
Euro	July 2017 to August 2017	**44**	**657**
			4 042
In respect of forward exchange contracts relating to goods and services ordered not accounted for as at 30 June 2017			
Japanese yen	August 2017	**(17 406)**	**(2 028)**
US dollar	July 2017 to February 2018	**(14 532)**	**(197 148)**
Euro	July 2017 to March 2018	**(1 390)**	**(21 664)**
Sterling	July 2017	**(77)**	**(1 316)**
Australian dollar	July 2017	**(28)**	**(278)**
Other	July 2017	**(514)**	**(843)**
			(223 277)

38. Nature and extent of risks arising from financial instruments *(continued)*

38.4 Market risk *(continued)*

38.4.1 Currency risk (continued)

	Settlement	Contract value Foreign amount '000	Contract value Rand amount '000
2016			
In respect of forward exchange contracts relating to foreign liabilities as at 30 June 2016			
Japanese yen	July 2016 to October 2016	(2 789 213)	(397 386)
US dollar	July 2016 to November 2016	(9 680)	(147 970)
Euro	July 2016 to October 2016	(2 139)	(37 107)
Sterling	July 2016 to October 2016	(166)	(3 727)
Australian dollar	July 2016	(35)	(400)
Other	July 2016 to August 2016	(1 117)	(2 260)
			(588 850)
In respect of forward exchange contracts relating to foreign assets as at 30 June 2016			
US dollar	July 2016 to November 2016	1 405	21 474
In respect of forward exchange contracts relating to goods and services ordered not accounted for as at 30 June 2016			
Japanese yen	July 2016	(4 803)	(690)
US dollar	July 2016 to January 2017	(24 702)	(370 125)
Euro	July 2016 to November 2016	(3 222)	(55 187)
Sterling	October 2016 to November 2016	(447)	(8 887)
Australian dollar	July 2016	(28)	(301)
Other	July 2016 to August 2016	(598)	(1 264)
			(436 454)

The total value of trade receivables and trade payables whose payment terms are fixed in a foreign currency other than its operational currency are R356 million (2016: R477 million) and R824 million (2016: R914 million), respectively.

38. Nature and extent of risks arising from financial instruments *(continued)*

38.4 Market risk *(continued)*

38.4.2 Interest rate risk

The Group is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. This risk is managed by maintaining an appropriate mix between fixed and floating borrowings and by the use of interest rate swap contracts. 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:

	2017 R'000	2016 R'000
Fixed rate instruments		
Financial assets		
Available-for-sale listed bonds	**228 834**	229 184
Held-for-trading listed bonds	**140 891**	127 760
Banking and other advances	**136 870**	127 749
Derivative instruments in designated hedge accounting relationships	**9 016**	35 456
Financial liabilities		
Borrowings	**(3 075 301)**	(3 113 172)
Amounts owed to bank depositors	**(1 275 582)**	(778 024)
Variable rate instruments		
Financial assets		
Cash and cash equivalents	**5 132 550**	3 911 927
Banking and other advances	**1 753 930**	1 570 513
Financial liabilities		
Borrowings	**(6 395 007)**	(4 663 243)
Puttable non-controlling interest liabilities	**(60 990)**	(49 167)
Amounts owed to bank depositors	**(3 136 522)**	(2 911 137)
Overdrafts	**(1 246 133)**	(1 205 701)

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 analysis

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 year and equity.

It is estimated that a 0,5% (2016: 0,5%) increase in interest rates would decrease profit after tax by R24 million (2016: R22 million). This sensitivity analysis has been prepared using the average borrowings for the financial year as the actual borrowings at 30 June 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 as 2016. A decrease in interest rates would have an equal and opposite effect on profit after taxation.

Interest rate swap contracts

The Group has entered into interest rate swap contract, in order to fix the interest rates on variable rate corporate bonds and loans as summarised below.

Bonds – The variable three-month JIBAR interest rate plus a spread specific to each bond has been fixed using fixed for floating interest rate swaps at rates set out below. The swap contracts match the duration and expiry dates of the bonds. The difference between the fixed and floating interest rates are settled on a quarterly basis simultaneously with the payment of interest to bondholders. The interest rate swap contracts have enabled the Group to mitigate the risk of fluctuating interest rates on the fair value of the bonds issued. The interest rate swaps have been designated as hedging instruments and accounted for as a cash flow hedge. The fair value of the bond linked interest rate swaps at the reporting date is determined by discounting the future cash flows using the interest rate curves at the reporting date and the credit risk inherent in the contract, resulting in a fair value asset of R9 million (2016: R35 million).

Hedged items – five-year bonds/stock code	BID05	BID04
Principal bond and swap notional value – R'000	260 000	1 425 000
Bond issue date, swap start date	30 June 2014	23 November 2012
Bond redemption date, swap termination date	30 June 2019	23 November 2017
Spread (bps) above three-month JIBAR	125	130
Fixed swap rate, including spread	8,75%	7,15%
Interest settlement periods	Quarterly	Quarterly

38.4.3 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 include a listed bond 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, Bidvest Insurance Limited and Bidvest Life Limited, hold investment portfolios with a fair value of R539 million (2016: R496 million) and R473 million (2016: R93 million), respectively, for the purpose of being utilised to cover liabilities arising from insurance contracts. These portfolios comprise domestic and international equity investments and money market funds. Unlisted investments comprise unlisted shares and loans which are classified as held-for-trading and available-for-sale, and are valued at fair value using a price earnings model.

38. Nature and extent of risks arising from financial instruments *(continued)*

38.5 Fair values

The carrying amounts of all financial assets and liabilities approximate their fair values, with the exception of borrowings which have been accounted for at amortised cost. 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:

	2017		2016	
	Carrying amount R'000	**Fair value R'000**	Carrying amount R'000	Fair value R'000
Borrowings (refer note 29)				
Southern Africa	**10 645 950**	**10 641 708**	8 729 298	8 712 155
Loans secured by mortgage bonds over fixed property	**27 202**	**27 251**	3 765	3 765
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**31 114**	**31 445**	44 663	45 272
Unsecured loans	**8 503 602**	**8 498 980**	6 661 410	6 643 658
Floor plan creditors secured by pledge of inventories	**860 276**	**860 276**	976 356	976 356
Bank overdrafts	**1 223 756**	**1 223 756**	1 043 104	1 043 104
United Kingdom	**70 491**	**70 491**	252 818	252 818
Loans secured by mortgage bonds over fixed property	**3 442**	**3 442**	4 697	4 697
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**44 672**	**44 672**	85 524	85 524
Bank overdrafts	**22 377**	**22 377**	162 597	162 597
	10 716 441	**10 712 199**	8 982 116	8 964 973
Unrecognised gain	**4 242**		17 143	

The methods used to estimate the fair values of financial instruments are discussed in note 42.

The interest rates used to discount cash flows, in order to determine fair values, are based on market-related rates at 30 June 2017 plus an adequate constant credit spread, and range from 1,0% to 10,5% (2016: 1,0% to 10,5%).

39. Capital management

The board of directors' policy is to maintain a strong capital base so as to maintain investor, supplier and market confidence, while 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 quarter times headline earnings for the foreseeable future. The methods of distribution include dividends, return of share premium, capitalisation issues as well as share buy-backs 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 20% and 25%. In 2017 the return from continuing operations was 23,8% (2016: 12,6%). The return has been impacted by the significant net capital items in the year. If these capital items are excluded the return would be 18,6% (2016: 19,2%).

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 far more effective tool of capital. The current credit markets have been extremely volatile, 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 BIS, CSP or the SARs Plan (refer note 27). The maximum number of shares which can be allocated under the SARs Plan and the CSP is limited to 16 750 000 shares. The Group does not have a defined share buy-back plan. These shares are currently held as treasury shares.

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

40. Related parties

Identification of related parties

The Group has a related party relationship with its subsidiaries, associates and joint ventures. Key management personnel have 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

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

Details pertaining to executive and non-executive directors' compensation are set out in the directors' report on pages 9 to 11. Directors' remuneration in total 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:

	2017 R'000	2016 R'000
Sales and services provided by the Group	**309**	–
Purchases	**1 068**	1 060
Outstanding amounts due to the Group at year-end included in respect of the share purchase scheme	**–**	13 473
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	**74 185**	195 130
Purchases	**10 810**	10 067
Outstanding amounts due to the Group at year-end included in advances to associates	**840**	832
Outstanding amounts due to the Group at year-end included in trade receivables	**58 854**	30 295
Outstanding amounts due by the Group at year-end included in trade payables	**156**	388
Guarantees issued	**16 000**	166 000

Details of effective interest, investments and loans to associates are disclosed in note 18.

41. Accounting estimates and judgements

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

Key sources of uncertainty

The trustees have agreed to allocate any future surplus (deficit) arising from experience of the defined benefit in-service member pool to the employer surplus account. We have not made any allowance for the allocation as at 30 June 2017. The amount to be allocated can only be determined at a statutory valuation date and must be allocated to the employer surplus account by the trustees. The amount allocated will come through as a gain or loss in the next valuation period. This is consistent with the methodology applied at the previous valuation date.

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, and rental fleet

The residual values of these assets 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. Certain properties 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 and indefinite life intangible assets

The Group has assessed the carrying value of goodwill and indefinite life intangible assets to determine whether any of the amounts have been impaired. The carrying values were assessed using price earnings methods and 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.

Associates

In determining whether a substantial holding in an entity should be treated as an associate or subsidiary, management reviews the size of its holding, the voting rights it holds, the spread of shareholders and whether it has any arrangement to act in concert with any other investors.

In relation to the holding in Adcock, management concluded that the Group's current treatment of Adcock as an associate is appropriate.

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. Certain investments are of a long-term nature and uncertainty surrounds their valuation, which may result in a significant change in value over time (refer note 19).

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 allowances are made with reference to an inventory age analysis.

Trade receivables and banking advances

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

Provisions

Refer note 35 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.

Puttable non-controlling interest liabilities

The Group has entered into put arrangements where non-controlling interests are entitled to sell certain of their holdings in subsidiaries to the Group at future contracted dates. The puttable non-controlling interest liability is calculated as the present value of the expected redemption value, discounted from the expected redemption date to the reporting date. There are two main assumptions used in the calculation of the liability: the expected redemption value at the expected redemption date; and the discount rate used to discount the expected redemption value to the reporting date.

The discount rate is derived from an applicable government bond yield curve, in the country in which the subsidiary operates, and is applied over the number of years between the reporting date and the redemption date, plus an appropriate credit spread.

42. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair values, 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 report date. Fair value of unlisted investments is determined by using appropriate valuation models (refer note 19).

Forward exchange contracts

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

Borrowings

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

Share-based payments

The fair value of the share options is measured using a binomial method. Measurement inputs include share price at measurement date, exercise price of the instrument, expected volatility (based on the historic volatility), option life, distribution yield and the risk-free interest rate (ZAR bond static yield curve 2016: based on national government bonds).

43. Subsequent events

The Group acquired 100% of the shares of Noonan from Alchemy partners and Noonan's current management. Noonan, which is based and operates throughout the Republic of Ireland and in the United Kingdom, has established a clear leadership position with a 40-year track record of delivering high-quality integrated facility management services and solutions. Its services include soft, technical and ancillary services and range from cleaning and security to building services and facilities management. The board believes that Noonan's business model and geographic presence will be complementary to Bidvest's Services division. Several learnings can be shared and enhanced, thereby improving the Group's overall services offering. The current dual geographic footprint allows for growth optionality into Europe and further afield. South African Reserve Bank approval has been obtained. The transaction is effective 1 September 2017. The EUR175 million (R2,7 billion) purchase price was settled by way of foreign credit facilities. Three-year variable rate, euro denominated funding has been secured at an attractive rate.

As the initial accounting for the acquisition was not completed at the time that the financial statements were authorised for issue, details of the values of assets acquired and liabilities assumed have not been provided.

44. Accounting standards and interpretations not effective at 30 June 2017

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

Standard/interpretation	Description	Reporting period beginning on or after
IFRS 2 *Share-Based Payment*	Amendments dealing with classification and measurement of share-based payments. The amendments address the effects of vesting conditions on the measurement of a cash-settled share-based payment; the accounting requirements for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled; and classification of share-based payment transactions with net settlement features.	1 January 2018
IFRS 4 *Insurance Contracts*	Amendment applying IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts.*	1 January 2017
IFRS 9 *Financial Instruments*	A final version of IFRS 9 has been issued which replaces IAS 39 *Financial Instruments: Recognition and Measurement.* The completed standard comprises guidance on classification and measurement, impairment hedge accounting and derecognition. The statement introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. Changes have been made to the fair value option for financial liabilities to address the issue of own credit risk. The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. The statement contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements. It also carries forward the derecognition requirements of financial assets and liabilities from IAS 39. Bidvest Bank has embarked on a project to consider the impact of the changes in the standard on the Group's financial statements. Preliminary work done indicates that it will not have a material impact on the financial information. However, the expanded disclosure requirement and changes in presentation are expected to change the nature and extent of the Group's disclosure about its financial instruments.	1 January 2018
IFRS 12 *Disclosure of Interests in Other Entities*	Amendments resulting from 2014 – 2016 Annual Improvements Cycle	1 January 2017
IFRS 15 *Revenue from Contracts with Customers*	The standard requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five-step methodology that is required to be applied to all contracts with customers. The standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. Due to the diverse nature of the Group's revenue streams, management will embark on a detailed project to assess the impact on the Group's financial statements. As IFRS 15 requires significant disclosures compared to the current standard, management anticipates that there will be changes to the nature and extend of the Group's disclosure regarding the Group's revenue.	1 January 2018

44. Accounting standards and interpretations not effective at 30 June 2017 *(continued)*

Standard/interpretation	Description	Reporting period beginning on or after
IFRS 16 *Leases*	New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7. The standard contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding on the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The statement also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. A preliminary assessment indicates that the adoption of the new standard will have a material effect on the Group's financial statements, owing to significant high-value long-term operating leases.	1 January 2019
IFRS 17 *Insurance Contracts*	IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021.	1 January 2021
IAS 7 *Cash Flow Statement*	Disclosure Initiative (Amendments to IAS 7), issued in January 2016, added paragraphs 44A – 44E. An entity shall apply those amendments for annual periods beginning on or after 1 January 2017. Earlier application is permitted. When the entity first applies those amendments, it is not required to provide comparative information for preceding periods.	1 January 2017
IAS 28 *Investments in Associates and Joint Ventures*	45E Annual Improvements to IFRS 2014 – 2016 Cycle, issued in December 2016, amended paragraphs 18 and 36A. An entity shall apply those amendments retrospectively in accordance with IAS 8 for annual periods beginning on or after 1 January 2018. Earlier application is permitted. If an entity applies those amendments for an earlier period, it shall disclose that fact.	1 January 2018
IAS 40 *Investment Property*	85G Transfers of Investment Property (Amendments to IAS 40), issued in December 2016, amended paragraphs 57 – 58 and added paragraphs 84C – 84E. An entity shall apply those amendments for annual periods beginning on or after 1 January 2018. Earlier application is permitted. If an entity applies those amendments for an earlier period, it shall disclose that fact.	1 January 2018
IFRIC 22 *Foreign Currency Transactions and Advance Consideration*		1 January 2018
IFRIC 23 *Uncertainty over Income Tax Treatment*		1 January 2019

45. Changes in segmental information

During the year, certain operations were reclassified between segments, as a result of a change in how operations within the segments are managed. The comparative year's segmental information has been re-presented to reflect these changes.

The above reorganisation had no impact on the results of the Group as previously reported, and as such, a restated consolidated financial position for the year to 30 June 2016 has not been included with this report.

46. Foreign currency exchange rates

The following exchange rates were used in the conversion of foreign interests and foreign transactions at 30 June:

	2017	2016
Rand/sterling		
Closing rate	**16,99**	19,81
Average rate	**17,30**	21,49
Rand/US dollar		
Closing rate	**13,06**	14,79
Average rate	**13,63**	14,52
Rand/Japanese yen		
Closing rate	**0,117**	0,144
Average rate	**0,125**	0,125

Company statement of comprehensive income

for the year ended 30 June

	Note	2017 R'000	2016 R'000
Dividends received		**3 902 085**	9 526 430
Subsidiaries		**3 893 823**	9 490 180
Associates		**8 262**	36 250
Administration expenses		**(26)**	(71)
Fair value adjustments and impairment of investment in subsidiaries and associates		**10 996**	(17 280)
Profit on disposal and restructure of subsidiaries and associates		**372 057**	7 083 560
Fair value adjustment on unbundling of Bidcorp		**–**	87 874 728
Loss on disposal/deregistration of subsidiaries and associates		**(80 594)**	–
Operating profit		**4 204 518**	104 467 367
Finance income		**8**	15
Finance charges		**(5)**	(9)
Profit before taxation		**4 204 521**	104 467 373
Taxation	1	**(1 483)**	(2 770)
Profit for the year attributable to shareholders		**4 203 038**	104 464 603
Total comprehensive income for the year		**4 203 038**	104 464 603

Company statement of cash flows

for the year ended 30 June

	Notes	2017 R'000	2016 R'000
Cash inflow (outflow) from operating activities		**21 652**	(1 170 463)
Cash generated by operations	2	**1 562 055**	2 101 564
Taxation paid	3	**(898)**	(36 541)
Dividends paid		**(1 539 505)**	(3 235 486)
Cash effects of investment activities		**(93 749)**	1 116 851
(Increase) decrease in advances to subsidiaries		**(19 379)**	3 893 299
Acquisition of subsidiaries and associates	4	**(37 983)**	(2 776 448)
Proceeds on disposal of subsidiaries and associates	5	**(36 387)**	–
Cash effects of financing activities			
Proceeds from share issues		**–**	82 507
Net (decrease) increase in cash and cash equivalents		**(72 097)**	28 895
Cash and cash equivalents at beginning of year		**89 446**	60 551
Cash and cash equivalents at end of year		**17 349**	89 446

Company statement of financial position

at 30 June

	Notes	2017 R'000	2016 R'000
ASSETS			
Non-current assets		**19 352 731**	16 461 708
Interest in subsidiaries	6	**19 346 187**	16 445 101
Interest in associates	7	**6 544**	16 607
Current assets		**77 349**	172 959
Trade and other receivables		**60 000**	83 000
Taxation		**–**	513
Cash and cash equivalents		**17 349**	89 446
Total assets		**19 430 080**	16 634 667
EQUITY AND LIABILITIES			
Capital and reserves	8	**19 415 462**	16 609 142
Current liabilities		**14 618**	25 525
Trade and other payables		**14 546**	25 525
Taxation		**72**	–
Total equity and liabilities		**19 430 080**	16 634 667

Company statement of changes in equity

for the year ended 30 June

	2017 R'000	2016 R'000
Share capital	**16 770**	16 770
Balance at beginning of year	**16 770**	16 758
Shares issued during the year	**–**	12
Share premium	**379 792**	379 792
Balance at beginning of year	**379 792**	297 297
Shares issued during the year	**–**	82 580
Share issue costs	**–**	(85)
Equity-settled share-based payment reserve	**876 918**	734 131
Balance at beginning of year	**734 131**	738 489
Arising during the year	**142 787**	259 789
On unbundling of food businesses	**–**	(264 147)
Movement in retained earnings	**18 141 982**	15 478 449
Balance at beginning of year	**15 478 449**	7 552 076
Total comprehensive income for the year	**4 203 038**	104 464 603
Dividends paid	**(1 539 505)**	(3 235 486)
In specie dividend on unbundling of food businesses	**–**	(93 302 744)
Equity attributable to shareholders of the Company	**19 415 462**	16 609 142

Notes to the Company financial statements

for the year ended 30 June

		2017 R'000	2016 R'000
	Accounting policies		
	Refer to Group accounting policies.		
1.	**Taxation**		
	Current taxation	**87**	(222)
	Current year	**2**	4
	Prior year	**85**	(226)
	Foreign withholdings tax	**1 396**	2 992
	Total taxation per statement of comprehensive income	**1 483**	2 770
	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	**–**	–
	Dividend and exempt income	**28,5**	28,0
	Changes in prior years' estimation	**–**	–
	Withholding taxes	**–**	–
	Expenses not taxable or allowed	**(0,5)**	–
	Rate of South African company taxation	**28,0**	28,0
2.	**Cash generated by operations**		
	Profit before taxation	**4 204 518**	104 467 367
	Adjustment for non-cash items	**(2 637 984)**	(102 366 017)
	Retained to finance working capital		
	Decrease in trade and other payables	**(4 479)**	214
	Cash generated by operations	**1 562 055**	2 101 564
3.	**Taxation paid**		
	Amount receivable (payable) at beginning of year	**513**	(33 258)
	Per statement of comprehensive income	**(1 483)**	(2 770)
	Amount payable (receivable) at end of year	**72**	(513)
	Amount paid	**(898)**	(36 541)
4.	**Acquisition of subsidiaries and associates**		
	Interest in subsidiaries	**(37 983)**	(2 776 448)
5.	**Proceeds on disposal of subsidiaries and associates**		
	Interest in subsidiaries	**5 842**	7 951 510
	Interest in associates	**10 063**	–
	Net carrying value	**15 905**	7 951 510
	Profit on disposal	**267 271**	94 958 288
	Non-cash proceeds received	**(319 563)**	(9 607 054)
	In specie dividend on unbundling of Bidcorp	**–**	(93 302 744)
	Net proceeds	**(36 387)**	–
6.	**Interest in subsidiaries**		
	Shares at cost less impairment	**18 781 328**	15 992 830
	Share-based payments allocated to subsidiaries	**876 918**	734 131
		19 658 246	16 726 961
	Due by subsidiaries	**197 575**	244 691
	Due to subsidiaries	**(509 634)**	(526 551)
		19 346 187	16 445 101
	Details of significant subsidiaries are reflected in annexure A of these financial statements.		
7.	**Interest in associates**		
	Unlisted	**5 488**	15 551
		5 488	15 551
	Interest-free advances	**1 056**	1 056
		6 544	16 607
	Directors' valuation of unlisted associates	**41 701**	160 525
	Details of significant associates are reflected in annexure A of these financial statements.		

	2017 R'000	2016 R'000
8. Capital and reserves		
Share capital		
Authorised		
540 000 000 (2016: 540 000 000) ordinary shares of 5 cents each	**27 000**	27 000
	Number	Number
Issued		
Balance at beginning of year	**335 404 212**	335 163 151
Shares issued in terms of share incentive scheme	**–**	241 061
Balance at end of year	**335 404 212**	335 404 212
	R'000	R'000
Issued share capital		
Issued share capital	**16 770**	16 770
Share premium	**379 792**	379 792
Reserves		
Equity-settled share-based payment reserve	**876 918**	734 131
Retained earnings	**18 141 982**	15 478 449
	19 415 462	16 609 142
In total, 30 000 000 (2016: 30 000 000) of the unissued shares are under the control of the directors until the next annual general meeting.		
9. Contingent liabilities		
In respect of guarantees of banking and other facilities granted to subsidiaries and associates	**31 417 608**	28 632 740
Of which has been utilised	**10 716 516**	8 982 724

10. Borrowing powers

Borrowing powers, in terms of the Memorandum of Incorporation, are unlimited.

11. Related parties

The subsidiaries and associates of the Group are related parties of the Company. The Company has made loans to, and has received loans from, certain of these entities, details of which are reflected in annexure A of these financial statements.

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

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

Details pertaining to executive and non-executive directors' compensation are set out in the directors' report on pages 9 to 11. Directors' remuneration in total is included in note 2 of the consolidated financial statements.

12. Subsequent events

The Group acquired 100% of the shares of Noonan from Alchemy partners and Noonan's current management. Noonan, which is based and operates throughout the Republic of Ireland and in the United Kingdom, has established a clear leadership position with a 40-year track record of delivering high-quality integrated facility management services and solutions. Its services include soft, technical and ancillary services and range from cleaning and security to building services and facilities management. The board believes that Noonan's business model and geographic presence will be complementary to Bidvest's Services division. Several learnings can be shared and enhanced, thereby improving the Group's overall services offering. The current dual geographic footprint allows for growth optionality into Europe and further afield. South African Reserve Bank approval has been obtained. The transaction is effective 1 September 2017. The EUR175 million (R2,7 billion) purchase price was settled by way of foreign credit facilities. Three-year variable rate, euro denominated funding has been secured at an attractive rate.

Interest in subsidiaries and associates

as at 30 June

Annexure A

Significant subsidiaries	Country of incorporation if not SA	Note	Effective holdings 2017 %	Effective holdings 2016 %	Company's interests: Shares 2017 R'000	Shares 2016 R'000	Indebtedness 2017 R'000	Indebtedness 2016 R'000
Bidvest Automotive[(A)]								
Autohaus Centurion Pty Ltd			**50**	50	**–**	–	**–**	–
Bidvest Car Rental (Botswana) Pty Ltd	3		**100**	100	**–**	–	**–**	–
Bidvest Car Rental (Namibia) Pty Ltd	12		**100**	100	**–**	–	**–**	–
Bidvest Car Rental Pty Ltd[#]			**100**	100	**–**	–	**–**	–
Coltish Investments Pty Ltd			**100**	100	**–**	–	**–**	–
Inyanga Motors Pty Ltd			**100**	90	**–**	–	**–**	–
Inyanga Plaza Investments Pty Ltd			**90**	90	**–**	–	**–**	–
Kunene Brothers Sandton Pty Ltd			**100**	40	**–**	–	**–**	–
Kunene Motor Holdings Ltd			**64**	64	**–**	–	**–**	–
McCarthy Investments Pty Ltd			**100**	100	**–**	–	**–**	–
McCarthy Ltd			**100**	100	**752 755**	752 755	**–**	–
Bidvest Commercial[(E, M)]								
Academy Brushware Pty Ltd[#]			**100**	100	**–**	–	**–**	–
Afcom Group Ltd			**100**	100	**11 659**	12 496	**–**	31 587
Airport Retail and Luggage Repairs (Coastal) Pty Ltd^			**100**	–	**–**	–	**–**	–
Amalgamated Appliances Pty Ltd			**100**	100	**–**	–	**–**	–
Berzack Brothers Pty Ltd[#]			**100**	100	**–**	–	**–**	–
Bidserv Industrial Products Pty Ltd[#]			**100**	100	**–**	–	**–**	–
Bidvest Afcom Pty Ltd[#]			**100**	100	**–**	–	**–**	–
Bidvest Buffalo Tapes Pty Ltd[#]			**100**	100	**–**	–	**–**	–
Bidvest Commercial Products Holdings Pty Ltd			**100**	100	**3 027 391**	2 117 391	**–**	–
Bidvest Commercial Products Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Industrial Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Industrial Supplies Zambia Ltd	19		**100**	100	**–**	–	**–**	–
Bidvest Materials Handling Pty Ltd[#]			**100**	100	**–**	–	**–**	–
Bloch & Levitan Pty Ltd[#]			**100**	100	**–**	–	**–**	–
Brandcorp Holdings Pty Ltd^			**100**	–	**–**	–	**–**	–
Brandcorp Hong Kong Ltd^	5		**100**	–	**–**	–	**–**	–
Brandcorp Pty Ltd^			**100**	–	**–**	–	**–**	–
Brandcorp Transformation Corporation Pty Ltd^			**100**	–	**–**	–	**–**	–
Clockwork Giant Clothing Pty Ltd	14		**100**	100	**–**	–	**–**	–
G Fox Swaziland Pty Ltd	14		**75**	75	**–**	–	**–**	–
Giant Clothing Ltd	9		**100**	100	**–**	–	**–**	–
Home of Living Brands Group Ltd			**100**	100	**–**	–	**–**	–
Home of Living Brands Pty Ltd			**100**	100	**–**	–	**–**	–
Lamobyte Pty Ltd^			**100**	–	**–**	–	**–**	–
Main Street 573 Pty Ltd^			**100**	–	**–**	–	**–**	–
Plumblink (SA) Pty Ltd			**100**	100	**–**	–	**–**	–
Ram Fasteners Pty Ltd[#]			**100**	100	**–**	–	**(2 419)**	(2 419)
Renttech Holdings Pty Ltd^			**100**	–	**–**	–	**–**	–
Renttech South Africa Pty Ltd^			**100**	–	**–**	–	**–**	–
Renttech Trading Pty Ltd^			**100**	–	**–**	–	**–**	–
Rockvest Distributors Pvt Ltd	20		**51**	51	**–**	–	**–**	–
Sanlic House Of Locks^			**100**	–	**–**	–	**59 713**	59 713
Sellotape Pty Ltd			**100**	100	**–**	–	**–**	–
SMC Sales Logistics Pty Ltd			**100**	100	**–**	–	**–**	–
Southern Africa Welding and Industrial Supplies Pty Ltd^	12		**100**	–	**–**	–	**–**	–
Tedelex Manufacturing Pty Ltd			**100**	100	**–**	–	**–**	–
Tedelex Properties (Atlantis) Pty Ltd			**100**	100	**–**	–	**–**	–
Tuning Fork Pty Ltd t/a Yamaha			**100**	100	**–**	–	**34 500**	34 500
Vulcan Catering Supplies Pty Ltd			**100**	100	**–**	–	**–**	–

Significant subsidiaries	Country of incorporation if not SA	Note	Effective holdings 2017 %	Effective holdings 2016 %	Company's interests Shares 2017 R'000	Company's interests Shares 2016 R'000	Company's interests Indebtedness 2017 R'000	Company's interests Indebtedness 2016 R'000
Bidvest Electrical[B]								
Bellco Electrical Pty Ltd			**100**	100	**–**	–	**–**	–
Eagle Lighting (Pty) Ltd^			**100**	–	**–**	–	**–**	–
Eagle Lighting George (Pty) Ltd^			**74**	–	**–**	–	**–**	–
EMS Invirotel Energy Management Pty Ltd			**60**	60	**–**	–	**–**	–
Mubelo Electrical (Pty) Ltd^	10		**80**	–	**–**	–	**–**	–
Solid State Power Pty Ltd			**50**	50	**–**	–	**–**	–
Technilamp (Pty) Ltd^			**100**	–	**–**	–	**–**	–
Versalec Cables Pty Ltd			**100**	100	**83 315**	83 315	**–**	–
Voltex Botswana Pty Ltd	3		**70**	70	**–**	–	**–**	–
Voltex Holdings Ltd			**100**	100	**245 982**	245 982	**–**	–
Voltex MVLV Solutions Pty Ltd			**56**	56	**–**	–	**–**	–
Voltex Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Financial Services[C]								
Bidvest Bank Holdings Ltd			**100**	100	**540 036**	540 036	**–**	–
Bidvest Bank Ltd			**100**	100	**–**	–	**–**	–
Bidvest Insurance Group Pty Ltd			**100**	100	**797 431**	797 431	**–**	–
Bidvest Insurance Brokers Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Insurance Ltd			**100**	100	**–**	–	**–**	–
Bidvest Leasing Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Life Ltd			**100**	100	**–**	–	**–**	–
Cignet Administration Services (Pty) Ltd		1	**51**	46	**–**	–	**–**	–
Compendium Group Investment Holdings (Pty) Ltd			**51**	51	**–**	–	**–**	–
Compendium Insurance Brokers (Pty) Ltd		1	**45**	45	**–**	–	**–**	–
Compendium Insurance Brokers Cape Town (Pty) Ltd		1	**48**	48	**–**	–	**–**	–
Compendium Insurance Brokers Eastern Cape (Pty) Ltd		1	**46**	28	**–**	–	**–**	–
Compendium Insurance Brokers Gauteng (Pty) Ltd		1	**43**	43	**–**	–	**–**	–
Compendium Insurance Brokers Pietermaritzburg (Pty) Ltd			**48**	51	**–**	–	**–**	–
Financial Management International (Pty) Ltd^			**100**	–	**–**	–	**–**	–
Glassock and Associates (Pty) Ltd			**51**	51	**–**	–	**–**	–
Master Currency Pty Ltd			**100**	100	**16 881**	19 149	**–**	–
McCarthy Retail Finance Pty Ltd			**100**	100	**–**	–	**–**	–
MCY Management Services Pty Ltd			**–**	100	**–**	716	**–**	–
Namibia Bureau de Change Pty Ltd	12		**77**	77	**–**	–	**–**	–
Rennies Foreign Exchange (Botswana) Pty Ltd	3		**51**	51	**–**	–	**–**	–
Swift Auto Brokers (Pty) Ltd		1	**51**	26	**–**	–	**–**	–
Taxi and Transport Brokers (Pty) Ltd		1	**36**	36	**–**	–	**–**	–
Viamax Fleet Solutions Pty Ltd			**100**	100	**–**	–	**–**	–
Viamax Pty Ltd			**100**	100	**–**	–	**–**	–
Tradeflow (Pty) Ltd			**50**	50	**–**	–	**–**	–
Bidvest Freight[D]								
African Shipping Ltd			**100**	100	**–**	–	**–**	–
Bidfreight Intermodal Pty Ltd			**100**	100	**–**	–	**–**	–
Bidfreight Port Operations Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Freight Management Services Pty Ltd			**100**	100				
Bidvest Freight Pty Ltd			**100**	100	**7 435 793**	7 435 793	**–**	–
Bidvest Freight Terminals Pty Ltd			**100**	100	**–**	–	**–**	–
Bulk Connections Pty Ltd			**100**	100	**–**	–	**–**	–
Durban Coal Terminals Company Pty Ltd			**100**	100	**–**	–	**–**	–
Ensimbini Terminals Pty Ltd			**50**	50	**–**	–	**–**	–

Interest in subsidiaries and associates

as at 30 June

Annexure A

Significant subsidiaries	Country of incorporation if not SA	Note	Effective holdings 2017 %	Effective holdings 2016 %	Company's interests – Shares 2017 R'000	Company's interests – Shares 2016 R'000	Company's interests – Indebtedness 2017 R'000	Company's interests – Indebtedness 2016 R'000
Bidvest Freight(D) *(continued)*								
Island View Storage Pty Ltd			**100**	100	**–**	–	**–**	–
Island View Storage Richards Bay Pty Ltd			**100**	100	**–**	–	**–**	–
Naval Servicos A Navegacao LTDA	11		**100**	100	**–**	–	**–**	–
P & I Associates Pty Ltd			**100**	100	**–**	–	**–**	–
Panargo Shipping (Pty) Ltd			**100**	100	**–**	–	**–**	–
Renfreight Pty Ltd			**100**	100	**–**	–	**–**	–
Rennie Murray and Company Pty Ltd			**100**	100	**–**	–	**–**	–
Rennies Ships Agency Mozambique Limitada	11		**100**	100	**–**	–	**–**	–
Rennies Ships Agency Pty Ltd			**100**	100	**–**	–	**–**	–
Safcor Freight Pty Ltd (t/a Bidvest Panalpina Logistics)			**100**	100	**–**	–	**–**	–
South African Bulk Terminals Ltd			**100**	100	**–**	–	**–**	–
South African Container Depots Pty Ltd			**100**	100	**–**	–	**–**	–
South African Container Stevedores Pty Ltd			**82**	82	**–**	–	**(618)**	(618)
Bidvest Office and Print(F,G)								
Africmail Advertising (Pty) Ltd			**100**	100	**–**	–	**–**	–
Back to School Pty Ltd			**100**	100	**–**	–	**(36)**	(36)
Bid Enterprise Development Pty Ltd			**100**	100	**–**	–	**–**	–
Bid Information Exchange Pty Ltd			**100**	100	**–**	–	**–**	–
Bidoffice Furniture Manufacturing Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Medical Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Monitoring Solutions Pty Ltd			**100**	100	**81 000**	81 000	**–**	–
Bidvest Office Holdings (Pty) Ltd			**100**	100	**–**	–	**–**	–
Bidvest Office Pty Ltd			**100**	100	**–**	–	**(2 000)**	–
Bidvest Office and Print Pty Ltd			**100**	100	**1 246 352**	135 874	**–**	–
Bidvest Paperplus Pty Ltd			**100**	100	**–**	–	**–**	–
Blesston Printing and Associates Pty Ltd			**100**	100	**–**	–	**–**	–
BMS Pty Ltd	3		**60**	60	**–**	–	**–**	–
Budget Desks and Chairs Pty Ltd			**100**	100	**–**	–	**–**	–
Business Forms Properties (Pty) Ltd			**100**	100	**–**	–	**–**	–
Cecil Nurse Pty Ltd			**100**	100	**–**	–	**–**	–
Contract Office Products Pty Ltd			**100**	100	**–**	–	**–**	–
Dauphin Office Seating S.A. Pty Ltd			**71**	71	**1 329**	1 329	**–**	–
Ditulo Office Pty Ltd			**100**	49	**2 656**	656	**–**	–
Email Connection Pty Ltd			**100**	100	**1 708**	1 708	**–**	–
Expressed Solutions Pty Ltd			**100**	100	**–**	–	**–**	–
Federal Business Communications (Pty) Ltd			**100**	100	**–**	–	**–**	–
Hortors Stationery Pty Ltd			**100**	100	**–**	–	**–**	–
Kolok Mozambique Ltd	11		**–**	70	**–**	–	**–**	–
Kolok Pty Ltd			**100**	100	**–**	–	**–**	–
Lithotech Afric Mail Cape Pty Ltd			**100**	100	**–**	–	**–**	–
Lithotech Afric Mail JHB Pty Ltd			**100**	100	**–**	–	**–**	–
Lithotech Corporate Pty Ltd		2	**49**	100	**–**	–	**–**	–
Lithotech Group Services Pty Ltd			**100**	100	**–**	–	**–**	–
Lithotech International Ltd	18		**100**	100	**–**	–	**–**	–
Lithotech Labels Pty Ltd			**100**	100	**–**	–	**–**	–
Lithotech Mailing Services (Pty) Ltd			**100**	100	**–**	–	**–**	–
Lithotech Manufacturing Pinetown Pty Ltd			**100**	100	**–**	–	**–**	–
Lithotech Sales Cape Pty Ltd			**100**	100	**–**	–	**–**	–
Lithotech Sales Johannesburg Pty Ltd			**100**	100	**–**	–	**–**	–
Lithotech Sales Port Elizabeth Pty Ltd			**100**	100	**–**	–	**–**	–
Lithotech Sales Pretoria Pty Ltd			**100**	100	**–**	–	**–**	–
Lithotech Solutions (Pty) Ltd			**100**	100				
Lufil Packaging Pty Ltd			**100**	100	**59 244**	59 244	**(73 462)**	(73 462)

Significant subsidiaries	Country of incorporation if not SA	Note	Effective holdings 2017 %	Effective holdings 2016 %	Company's interests – Shares 2017 R'000	Company's interests – Shares 2016 R'000	Company's interests – Indebtedness 2017 R'000	Company's interests – Indebtedness 2016 R'000
Bidvest Office and Print[F, G] *(continued)*								
Minolco Pty Ltd			**100**	100	**–**	–	**–**	–
Mocobe Properties Pty Ltd			**100**	100	**–**	–	**–**	–
nVision IT Pty Ltd			**60**	60	**–**	–	**–**	–
nVision Mauritius Pty Ltd	10		**60**	60	**–**	–	**–**	–
nVisionIT Australia Pty Ltd	2		**60**	60	**–**	–	**–**	–
Office Technique Pty Ltd	3		**60**	60	**–**	–	**–**	–
Ozalid South Africa Pty Ltd			**100**	100	**–**	–	**–**	–
Pago Design Pty Ltd			**100**	100	**–**	–	**600**	600
Paragon Business Communications Ltd			**100**	100	**58 809**	58 809	**–**	–
Rangecom Pty Ltd	3		**60**	60	**–**	–	**–**	–
Rotolabel (Tvl) Pty Ltd			**100**	100	**–**	–	**–**	–
Seating Pty Ltd			**100**	100	**–**	–	**–**	–
Silveray Manufacturers Pty Ltd			**100**	100	**–**	–	**–**	–
Silveray Statmark Company Pty Ltd			**100**	100	**9 844**	9 844	**(9 844)**	(9 844)
South African Diaries Pty Ltd			**100**	100	**–**	–	**–**	–
The Stationary Centre Pty Ltd			**100**	100	**–**	–	**–**	–
Waltons Pty Ltd			**100**	100	**31**	31	**(31)**	(31)
Zonke Gaming Systems Pty Ltd			**100**	100	**–**	–	**–**	–
Zonke Monitoring Systems Pty Ltd			**78**	78	**–**	–	**–**	–
Bidvest Services[H, I, J]								
Al Jaber Coin LLC	17	2	**49**	49	**–**	–	**–**	–
B M O Food Services Pty Ltd			**100**	100	**–**	–	**–**	–
Bidair Services Pty Ltd			**100**	100	**–**	–	**(11 734)**	(11 734)
Bidtrack Pty Ltd			**100**	100	**–**	–	**–**	–
Bidtravel Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest (Zambia) Pty Ltd	19		**100**	100	**3 661**	3 661	**–**	–
Bidvest Cleaning Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Facilities Management Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Media Pty Ltd			**50**	50	**–**	–	**–**	–
Bidvest Prestige Cleaning Pty Ltd	12		**100**	100	**–**	–	**–**	–
Bidvest Protea Coin Assets In Transit And Armed Reaction Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Protea Coin Cargo Protection Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Protea Coin Fencing Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Protea Coin Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Protea Coin Technical And Physical Security Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Services Holdings Ltd			**100**	100	**–**	–	**–**	–
Bidvest Services Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Steripic and Promosachets Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Travel Holdings Pty Ltd			**100**	100	**–**	–	**(11 500)**	(5 000)
Bosnandi Laundry Pty Ltd			**51**	51	**–**	–	**–**	–
Brookfield Investments 315 Pty Ltd			**100**	100	**–**	–	**–**	–
Bushbreaks & More Pty Ltd			**100**	100	**20 409**	20 409	**–**	–
CI Services Pty Ltd^			**60**	–	**–**	–	**–**	–
Coin Aviation Security Pty Ltd			**100**	100	**–**	–	**–**	–
Commuter Handling Services Pty Ltd			**60**	60	**8 063**	8 063	**–**	–
Concorde Travel Pty Ltd t/a Carlson Wagonlit Travel			**90**	90	**47 045**	47 045	**–**	–
Connex Travel Pty Ltd t/a BCD Travel			**61**	61	**27 984**	27 984	**6 738**	6 738
Cruises International Pty Ltd^			**100**	–	**–**	–	**–**	–
Cudha SARL	11		**100**	60	**–**	–	**–**	–
Dinatla Property Services Pty Ltd			**100**	100	**3 120**	3 120	**–**	–
Dinosi Cleaning Services Pty Ltd			**55**	55	**–**	–	**–**	–

Interest in subsidiaries and associates

as at 30 June

Annexure A

Significant subsidiaries	Country of incorporation if not SA	Note	Effective holdings 2017 %	Effective holdings 2016 %	Company's interests – Shares 2017 R'000	Shares 2016 R'000	Indebtedness 2017 R'000	Indebtedness 2016 R'000
Bidvest Services[H, I, J] *(continued)*								
EAS Kenya Ltd	7		**100**	99	**–**	–	**–**	–
EAS Tanzania Ltd	15		**100**	100	**–**	–	**–**	–
EAS Uganda Ltd	16		**100**	100	**–**	–	**–**	–
EAS Zambia Ltd	19		**60**	60	**1 231**	1 231	**–**	–
EAS Zimbabwe Pvt Ltd	20		**70**	100	**2 921**	2 921	**–**	–
Execuflora Pty Ltd			**100**	100	**–**	–	**–**	–
Experience Delivery Company Pty Ltd		1	**48**	48	**–**	–	**–**	–
Express Air Services (Namibia) Pty Ltd	12		**100**	90	**–**	–	**–**	–
Express Air Services Pty Ltd[#]			**100**	100	**–**	–	**–**	–
First Garment Rental Pty Ltd			**100**	100	**–**	–	**–**	–
Global Payment Technologies Pty Ltd			**100**	100	**44 301**	44 301	**(71 734)**	(71 734)
Harvey World Travel Southern Africa Pty Ltd			**100**	100	**9 912**	9 912	**–**	–
Hotel Amenities Suppliers Pty Ltd			**100**	100	**–**	–	**–**	–
Ikhayelihle Royalserve Cleaning Services Pty Ltd			**100**	100	**–**	–	**–**	–
Industro-Clean Botswana Pty Ltd	3		**100**	100	**–**	–	**–**	–
Ithabeleng Food Services Pty Ltd			**100**	100	**–**	–	**–**	–
King Pie Holdings Pty Ltd			**100**	100	**–**	–	**–**	–
Macardo Lodge Pty Ltd t/a Travelwise	3		**51**	51	**–**	–	**–**	–
Masterguard Fabric Protection Africa Pty Ltd			**100**	100	**2 597**	2 597	**(3 248)**	(3 248)
Mediguard WIC Cleaning Services (Lesotho) Pty Ltd	8		**51**	51	**–**	–	**–**	–
MSCSports Sponsorships Pty Ltd			**50**	50	**–**	–	**–**	–
MyMarketdot Com Pty Ltd			**100**	100	**–**	–	**–**	–
Nelimax Pty Ltd			**–**	55	**–**	–	**–**	–
Nomtsalane Property Services Pty Ltd			**86**	86	**–**	–	**–**	–
Protea Aviation Pty Ltd			**100**	100	**–**	–	**–**	–
Protea Coin Ghana Ltd	4		**100**	50	**–**	–	**–**	–
Protea Security Services (West Rand) Pty Ltd			**100**	100	**–**	–	**–**	–
Pureau Fresh Water Company Pty Ltd			**82**	82	**24 570**	24 570	**–**	–
QMS Consulting Pty Ltd			**100**	100	**–**	–	**–**	–
Rebserve Facilities Management Pty Ltd			**80**	80	**–**	–	**–**	–
Rennies Travel Pty Ltd t/a HRG Rennies Travel			**100**	100	**–**	–	**–**	–
Retro Viral Online Branding Pty Ltd			**35**	35	**–**	–	**–**	–
RMI SA Pty Ltd			**100**	100	**7 266**	7 266	**(7 266)**	(7 266)
Royal Mozambique Ltda	11		**60**	60	**–**	–	**–**	–
Royalmnandi Duduza Pty Ltd			**60**	60	**–**	–	**–**	–
Royalmnandi Pty Ltd			**100**	100	**–**	–	**–**	–
SA Water Cycle Group Pty Ltd			**100**	100	**–**	–	**–**	–
Steiner Hygiene Pty Ltd			**100**	100	**–**	–	**–**	–
Steiner Hygiene Swaziland Pty Ltd	14		**100**	100	**–**	–	**–**	–
Taemane Cleaning Services Pty Ltd			**100**	100	**–**	–	**–**	–
TFMC Holdings Pty Ltd			**100**	100	**–**	–	**–**	–
TFMC Maintenance Services Pty Ltd			**70**	70	**–**	–	**–**	–
TMS Group Industrial Services Pty Ltd			**100**	100	**–**	–	**–**	–
TMS Group Pty Ltd			**100**	100	**–**	–	**–**	–
Top Turf Botswana Pty Ltd	3		**100**	100	**–**	–	**–**	–
Top Turf Group Pty Ltd			**100**	100	**4**	4	**(4)**	(4)
Top Turf Lesotho Pty Ltd	8		**100**	100	**–**	–	**–**	–
Top Turf Mauritius Pty Ltd	10		**100**	100	**–**	–	**–**	–
Top Turf Seychelles Pty Ltd	13		**100**	100	**–**	–	**–**	–
Top Turf Swaziland Pty Ltd	14		**100**	100	**–**	–	**–**	–
Travel Connections Pty Ltd			**100**	100	**20 500**	20 500	**–**	–
Umoja Property Solutions Pty Ltd			**51**	51	**–**	–	**–**	–
World Travel Pty Ltd			**100**	100	**3 350**	3 350	**(3 350)**	(3 350)

Significant subsidiaries	Country of incorporation if not SA	Note	Effective holdings 2017 %	Effective holdings 2016 %	Company's interests Shares 2017 R'000	Company's interests Shares 2016 R'000	Company's interests Indebtedness 2017 R'000	Company's interests Indebtedness 2016 R'000
Bidvest Namibia[(B, D, F, J, K, L)]								
Atlantic Harvesters of Namibia Pty Ltd	12		**36**	36	**–**	–	**–**	–
Bidvest Namibia Automotive Pty Ltd	12		**52**	52	**–**	–	**–**	–
Bidvest Namibia Commercial and Industrial Services Pty Ltd	12		**52**	52	**–**	–	**–**	–
Bidvest Namibia Commercial Holdings Pty Ltd	12		**52**	52	**–**	–	**–**	–
Bidvest Namibia Fisheries Holdings Pty Ltd	12		**52**	52	**–**	–	**–**	–
Bidvest Namibia Information Technology Pty Ltd	12		**52**	52	**–**	–	**–**	–
Bidvest Namibia Ltd	12		**52**	52	**249 253**	249 253	**(1)**	(1)
Bidvest Namibia Management Services Pty Ltd	12		**52**	52	**–**	–	**–**	–
Bidvest Namibia Plumblink Pty Ltd	12		**52**	52				
Bidvest Namibia Property Holdings Pty Ltd	12		**52**	52	**–**	–	**–**	–
Bidvest Prestige Cleaning Pty Ltd	12		**52**	100	**–**	–	**–**	–
Carheim Investments Pty Ltd	12		**52**	52	**–**	–	**–**	–
Caterplus Namibia Pty Ltd	12		**52**	52	**–**	–	**–**	–
Cecil Nurse Namibia Pty Ltd	12		**52**	52	**–**	–	**–**	–
Comet Investments Capital Incorporated	1	1	**36**	36	**–**	–	**–**	–
Diroyal Motor (SWA) Pty Ltd	12		**52**	52	**–**	–	**–**	–
Elzet Development Pty Ltd	12		**52**	52	**–**	–	**–**	–
Frigocentre Limitada	1	1	**18**	18	**–**	–	**–**	–
Glenryck South Africa (Pty) Ltd^		1	**27**	–	**–**	–	**–**	–
Kolok (Namibia) Pty Ltd	12		**52**	52	**–**	–	**–**	–
Lenkow Pty Ltd	12		**52**	52	**–**	–	**–**	–
Lubrication Specialists Pty Ltd	12		**52**	52	**–**	–	**–**	–
Luderitz Bay Shipping & Forwarding Pty Ltd	12		**52**	52	**–**	–	**–**	–
Manica Group Namibia Pty Ltd	12		**52**	52	**–**	–	**–**	–
Matador Enterprises Pty Ltd	12		**52**	52	**–**	–	**–**	–
Minolco (Namibia) Pty Ltd	12		**52**	52	**–**	–	**–**	–
Monjasa Namibia Pty Ltd	12	1	**30**	30	**–**	–	**–**	–
Mukorob Pelagic Processors Pty Ltd	12	1	**36**	36	**–**	–	**–**	–
Namfish Pelagic Industries Pty Ltd	12	1	**36**	36	**–**	–	**–**	–
Namibian Sea Products Ltd	12	1	**36**	36	**–**	–	**–**	–
Namsov Fishing Enterprises (Pty) Ltd	12	1	**36**	36	**–**	–	**–**	–
Namsov Industrial Properties (Pty) Ltd	12	1	**36**	36	**–**	–	**–**	–
Ocean Fresh Pty Ltd	12	1	**36**	36	**–**	–	**–**	–
Orca Marine Service (Pty) Ltd	12	1	**31**	31	**–**	–	**–**	–
Pesca Fresca Ltd	1		**18**	18	**–**	–	**–**	–
Rennies Travel (Namibia) Pty Ltd	12		**52**	52	**–**	–	**–**	–
Sarusas Development Corporation Pty Ltd	12	1	**36**	36	**–**	–	**–**	–
Shelfco Investments One Five Three Pty Ltd	12		**52**	52	**–**	–	**–**	–
Starting Right Investments Two Zero Five Pty Ltd	12	1	**36**	36	**–**	–	**–**	–
T&C Properties Namibia Pty Ltd	12		**52**	52	**–**	–	**–**	–
T&C Trading Pty Ltd	12		**52**	52	**–**	–	**–**	–
Taeuber & Corssen SWA Pty Ltd	12		**52**	52	**–**	–	**–**	–
Tetelestai Mariculture Pty Ltd	12	1	**36**	36	**–**	–	**–**	–
Trachurus Fishing Pty Ltd	12	1	**36**	36	**–**	–	**–**	–
Twafika Fishing Enterprises Pty Ltd	12		**27**	27	**–**	–	**–**	–
United Fishing Enterprises Pty Ltd	12	1	**36**	36	**–**	–	**–**	–
Voltex Namibia Pty Ltd	12		**52**	52	**–**	–	**–**	–
Waltons Namibia Pty Ltd	12		**52**	52	**–**	–	**–**	–
Walvis Bay Airport Services Pty Ltd	12		**52**	52	**–**	–	**–**	–
Walvis Bay Stevedoring Company Pty Ltd	12	1	**29**	29	**–**	–	**–**	–
Woker Freight Services Pty Ltd	12		**52**	52	**–**	–	**–**	–

Interest in subsidiaries and associates

as at 30 June

Annexure A

					Company's interests			
			Effective holdings		Shares		Indebtedness	
Significant subsidiaries	Country of incorporation if not SA	Note	**2017 %**	2016 %	**2017 R'000**	2016 R'000	**2017 R'000**	2016 R'000
Bidvest Corporate(L)								
Airport Logistics Property Holdings Pty Ltd			**50**	50	**–**	142	**–**	–
BB Investment Company Pty Ltd#			**100**	100	**–**	–	**–**	–
Bid Services Division (IOM) Ltd	6		**100**	100	**–**	–	**–**	–
Bid Services Division (UK) Ltd	18		**100**	100	**–**	–	**–**	–
Bid Services Division Mauritius Ltd	10		**100**	100	**–**	–	**–**	–
Bid Services Division Pty Ltd			**100**	100	**–**	–	**867**	(25 414)
Bidcorp Outsourced Services Ltd	18		**100**	100	**–**	–	**–**	–
Bidcorp Property Ltd	18		**100**	100	**–**	–	**–**	–
Bidvest Corporate Services Pty Ltd#			**100**	100	**–**	–	**52**	52
Bidvest Freight UK Limited	18		**100**	100	**–**	–	**–**	–
Bidvest Industrial Holdings Pty Ltd			**100**	100	**2 759 837**	2 759 837	**28 365**	1 796
Bidvest Procurement Pty Ltd#			**100**	100	**–**	–	**–**	–
Bidvest Properties Holdings Pty Ltd			**100**	100	**319 563**			
Bidvest Properties Pty Ltd			**100**	100	**604 024**	125 662	**–**	12 107
Bidvest Treasury Services Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Wits University Football Club Pty Ltd			**60**	60	**45 953**	–	**–**	–
Bidvestco Ltd			**100**	100	**44 068**	44 068	**(44 068)**	(44 068)
Brentwood Technical Services Ltd	18		**100**	100	**–**	–	**–**	–
DH Mansfield Group Ltd	18		**80**	80	**–**	–	**–**	–
DH Mansfield Ltd	18		**80**	80	**–**	–	**–**	–
Gerlan Properties Pty Ltd			**50**	50	**5 700**	5 700	**–**	–
Mercland Pty Ltd			**50**	50	**–**	–	**–**	–
Micawber 239 (Pty) Ltd			**50**	50	**–**	–	**–**	100
Micawber 240 (Pty) Ltd			**50**	50	**–**	–	**–**	–
Ontime Automotive Ltd	18		**100**	100	**–**	–	**–**	–
Ontime Global Automotive Transport Services Ltd	18		**100**	100	**–**	–	**–**	–
Rennies Property Holdings Pty Ltd			**100**	100	**–**	54 000	**–**	–
Road One Ltd	18		**80**	80	**–**	–	**–**	–
Silveray Properties Pty Ltd			**100**	100	**–**	8 833	**–**	–
Skillion Ltd	18		**100**	100	**–**	–	**–**	–
Trustone Investments (Pty) Ltd			**100**	100	**–**	–	**–**	–
Other					**153 780**	164 842	**(201 579)**	(170 824)
					18 781 328	15 992 830	**(312 059)**	(281 860)

Significant associates	Country of incorporation if not SA	Note	Effective holdings 2017 %	Effective holdings 2016 %	Company's interests Shares 2017 R'000	Company's interests Shares 2016 R'000	Company's interests Indebtedness 2017 R'000	Company's interests Indebtedness 2016 R'000
"K" Line Shipping (South Africa) Pty Ltd[(D)]			**49**	49	**–**	–	**–**	–
Adcock Ingram Holdings Ltd[(N)]			**38**	38	**–**	–	**–**	–
Amalgamated Automobile Distributors Pty Ltd[(A)]			**–**	50	**–**	10 000	**–**	–
Comair Ltd[(J)]			**27**	27	**–**	–	**–**	–
Compendium Insurance Brokers Zululand (Pty) Ltd[(C)]		3	**17**	17	**–**	–	**–**	–
Cullinan Holdings Ltd (30 September year-end)[(J)]			**–**	20	**–**	–	**–**	–
Imperial McCarthy Pty Ltd[(A)]			**–**	50	**–**	–	**–**	–
Sebenza Forwarding & Shipping Pty Ltd (31 March year-end)[(D)]			**45**	45	**5 011**	5 011	**–**	–
Watersure Pty Ltd[(C)]		3	**13**	13	**–**	–	**–**	–
Other					**477**	540	**1 056**	1 056
					5 488	15 551	**1 056**	1 056

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

^ *Acquired during 2017.*
# *Trading as an agent.*

Country of incorporation if not South Africa

1	Angola	11	Mozambique
2	Australia	12	Namibia
3	Botswana	13	Seychelles
4	Ghana	14	Swaziland
5	Hong Kong	15	Tanzania
6	Isle of Man	16	Uganda
7	Kenya	17	United Arab Emirates
8	Lesotho	18	United Kingdom
9	Malawi	19	Zambia
10	Mauritius	20	Zimbabwe

Nature of business

(A) Motor vehicle retailing and related services
(B) Manufacturer and distributor of electrical products and services
(C) Banking products and services, foreign exchange and insurance
(D) Freight, forwarding, clearing, distribution, warehousing and allied activities
(E) Distributor of forklifts, power and marine products, music and sound equipment, packaging closures and catering equipment
(F) Distributor of office stationery; furniture and office automation products and related services
(G) Manufacturer, supplier and distributor of commercial office products, printer products, services, stationery and packaging products
(H) Rental hygiene equipment, garments and water coolers; suppliers of consumables, specialised clothing and laundry services
(I) Cleaning, hygiene, security, and interior and exterior landscaping services
(J) Travel management services, aviation services and car rental
(K) Catering supplies, food and allied products
(L) Group services, investment and property holding
(M) Distributor of electrical appliances
(N) Manufacturer, marketer and distributor of healthcare products

Notes

1 The investment in this subsidiary is held indirectly. Control is obtained through the shareholding in the respective subsidiary's holding company.

2 The Group has power over this subsidiary as it has the ability to direct the relevant activities of the subsidiary unilaterally.

3 The investment in this associate is held indirectly. Significant interest is obtained through the shareholding in the respective associate's holding company.

Shareholder information
as at 30 June

	Number of share held	% of shares issued	% of effective holding
Beneficial shareholding			
Major shareholders holding 3% or more of the shares in issue			
Government Employees Pension Funds	52 800 245	15,74	15,76
GIC Asset Management Private Limited	14 425 758	4,30	4,30
	67 226 003	20,04	20,06
Investment management holdings			
Fund managers holding 3% or more of the shares in issue			
PIC	49 732 297	14,83	14,84
Lazard Asset Management LLC Group	23 437 542	7,00	7,00
JP Morgan Asset Management	19 435 889	5,79	5,80
GIC Asset Management Private Limited	13 980 775	4,17	4,17
BlackRock Inc	13 545 883	4,04	4,04
The Vanguard Group Inc	12 492 585	3,72	3,73
Old Mutual PLC	10 279 968	3,06	3,07
	142 904 939	42,61	42,65
Shares in issue			
Total number in issue	335 404 212		
BB Investment Company Proprietary Limited (treasury shares)	(310 024)		
Effective number of shares in issue	335 094 188		

	Number of shares held	% of shares issued
Shareholder categories		
Unit trusts/mutual fund	106 407 357	31,73
Pension funds	104 241 970	31,08
Sovereign wealth	28 578 846	8,52
Other managed funds	28 140 483	8,39
Private investor	18 881 855	5,63
Insurance companies	12 714 770	3,79
Exchange – traded fund	8 768 503	2,61
Custodians	8 637 596	2,58
Trading position	6 953 299	2,07
American depository receipts	4 297 962	1,28
Black economic empowerment	2 129 081	0,63
Investment trust	1 585 536	0,47
Hedge fund	859 697	0,26
Charity	637 673	0,19
University	327 620	0,10
Corporate holding	324 894	0,10
Local authority	296 934	0,09
Unclassified	276 823	0,08
Medical aid scheme	201 560	0,06
Delivery by value	112 042	0,03
Foreign government	51 985	0,02
Remainder	977 726	0,29
	335 404 212	100,00

	Number of shares held	% of shares issued
Geographic split of beneficial shareholders		
South Africa	150 662 132	44,92
United States of America and Canada	98 622 397	29,40
United Kingdom	10 925 255	3,26
Rest of Europe	40 019 992	11,93
Rest of world	35 174 436	10,49
	335 404 212	100,00

Analysis of shareholdings	Number of shareholders	% of all shareholders	Number of shares held	% of shares issued
1 – 1 000	31 872	81,92	8 824 858	2,63
1 001 – 10 000	5 943	15,27	15 558 424	4,64
10 001 – 100 000	841	2,16	25 802 804	7,70
100 001 – 1 000 000	211	0,54	65 144 489	19,42
1 000 001 – and more	41	0,11	220 073 637	65,61
	38 908	100	335 404 212	100,00

Shareholder spread				
Public shareholders	38 897	99,97	333 511 813	99,44
Non-public shareholders	11	0,03	1 892 399	0,56
BB Investment Company Proprietary Limited	1	–	310 024	0,09
Bidcorp Group Retirement Fund	2	0,01	460 636	0,14
Bidvest Education Trust	1	–	386 601	0,11
Directors and family trusts	7	0,02	735 138	0,22
	38 908	100,00	335 404 212	100,00

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ADDITIONAL INFORMATION

Shareholders' diary

Financial year-end	30 June
Annual general meeting	November

Reports and accounts	
Interim report for the half year ending 31 December	February
Announcement of annual results	September
Annual report	October

Distributions	**Declaration**	**Payment**
Interim distribution	February/March	March/April
Final distribution	August/September	September/October

Administration

The Bidvest Group Limited
Incorporated in the Republic of South Africa
Registration number: 1946/021180/06
ISIN: ZAE000117321
Share code: BVT

Group company secretary
Craig Brighten

Auditors
Deloitte & Touche

Legal advisers
Baker & McKenzie
Edward Nathan Sonnenbergs
Werksmans Inc

Bankers
ABSA Bank Limited
FirstRand Group Limited
Investec Bank Limited
Nedbank Limited
The Standard Bank of South Africa Limited

Share transfer secretaries
Computershare Investor Services
Proprietary Limited
PO Box 61051
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2107
0861 100 950

Sponsor
Investec Bank Limited

Group financial director
Peter Meijer

Investor relations
Ilze Roux

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