Bidvest

30 years

HOMEGROWN ENTREPRENEURSHIP

Audited Consolidated and Separate Annual Financial Statements

2018

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director's 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 2018, were approved by the board of directors and are signed on its behalf by:

Lorato Phalatse
Chairperson

Lindsay Ralphs
Chief Executive

Mark Steyn
Chief Financial Officer

31 August 2018

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 2018, 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.

Xoliswa Makasi
Company Secretary

31 August 2018

Preparer of financial statements

The consolidated and separate financial statements have been prepared under the supervision of the Chief Financial Officer, MJ Steyn BCom CA(SA).

independent auditor's report

Deloitte.

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Gauteng

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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 112 which comprise the statements of financial position as at 30 June 2018, and the income statements, 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 2018, 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 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 R988 million (2017: R940 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 Dollars and translated to the Group reporting currency Rands, 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 historic Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") multiplied by a listed peer median earnings multiple which was discounted to reflect the unlisted nature of MIAL. The directors also considered the value realised in the sale of a similar sized stake in MIAL six years ago. We identified the valuation 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 audited financial statements for the year ended 31 March 2018 and the median multiple used was agreed to publically available industry data. We performed a sensitivity analysis on the discount rate applied to the earnings multiple (to cater for the discount for lack of marketability) and noted that it was within an acceptable range. Our audit procedures included a comparison between the consideration received for the 6,75% interest disposed of during the 2012 financial year-end, 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 range of fair values and that the valuation utilises the appropriate exchange rate at year-end. Subsequent to the year-end, the directors launched a formal process to sell the Group's stake in MIAL, which has been disclosed as a non-adjusting subsequent event. We interrogated the facts and circumstances surrounding the sale process and considered the directors' subsequent events disclosure in note 43. We found the classification of the investment to be appropriate at 30 June 2018 and the disclosures relevant to the valuation of the investment, to be appropriate in all material respects.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT

Acquisition of Noonan

During the year, the Group acquired 100% of the shares of Noonan TopCo ("Noonan") with effect from 1 September 2017, as described in notes 12 and 41 to the consolidated financial statements.

The directors performed a purchase price allocation ("PPA") in accordance with IFRS 3: *Business Combinations* ("IFRS 3"), with the assistance of an independent expert appointed by the directors.

The PPA resulted in the Group recognising and measuring significant intangible assets.

Included in the intangible assets acquired are assets with both finite and indefinite useful lives. The valuation and identification of intangible assets is complex and involves judgement.

Goodwill of R891 million and intangible assets of R1 573 million were recognised as a result of the acquisition.

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 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 valuation experts 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 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 and verified their qualifications, ethics and independence.
- 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 directors' judgement that there is no foreseeable limit to the period, over which the identified indefinite useful life intangibles will generate cash flows.
- We assessed the reasonableness of the assumptions used in determining the useful lives of the definite life 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 assessed the disclosures included in notes 12 and 41 against the relevant IFRS disclosure requirements.

We concur with the directors' IFRS 3 acquisition date accounting treatment including the valuation, identification and conclusions on useful lives of the identified intangible assets and the resultant goodwill. We found that the disclosures required by IFRS 3 were presented appropriately 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 Declaration by company secretary 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 International Financial Reporting Standards 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's and the 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 ISAs 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 ISAs, 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's and the 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's and the 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.

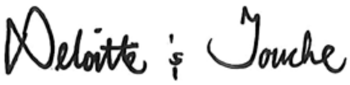
We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 11 years.



Deloitte & Touche

The Woodlands
Woodmead, Johannesburg

Registered auditor
Per: **Mark Hugh Holme**
Partner

31 August 2018

directors' report

The directors have pleasure in presenting their report for the year ended 30 June 2018.

Nature of business

The Company is an investment holding company, listed on the Main Board of the JSE Limited, with subsidiaries operating in the services, trading and distribution industries.

Financial results

The directors are of the opinion that the financial statements set out on pages 14 to 112 fairly present the financial position of the Company and of the Group as at 30 June 2018 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.

Acquisitions and disposals

During the period the Group acquired 100% of the share capital of the Noonan Services Group of companies (Noonan) with effect from 1 September 2017. Noonan, which is based and operates throughout the Republic of Ireland and in the United Kingdom, has a clear leadership position and 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 Service division. The purchase price was funded by way of a three-year euro denominated offshore credit facility at an attractive variable interest rate.

Effective 1 October 2017 the Group acquired 100% of the share capital of Ultimate Security Services (USS). USS, a building security company operating primarily in London (United Kingdom), provides building security risk management solutions, "front of house" security management, reception services and mail-room handling services to more than 240 of London's most prestigious and iconic locations. USS was founded in 1999 and currently has a staff complement of 2 100 experienced security officers. The acquisition enhances the service offerings provided by Noonan. The purchase price was funded by way of the euro denominated offshore credit facility arranged to fund the acquisition of Noonan.

The Group also made a number of less significant acquisitions and disposals during the year. These acquisitions were funded from existing cash resources.

Share capital

30 million unissued ordinary shares were placed under the control of the directors at the Annual General Meeting (AGM) held on 27 November 2017. The Company issued 2 058 823 shares during the year (2017: nil) to settle share appreciation rights. Further details of the authorised and issued share capital appears in note 25 of the annual financial statements.

Movement in treasury shares

In terms of general authorities granted to the Company to repurchase its ordinary shares, the latest being shareholder authority obtained at the AGM of shareholders held on 27 November 2017, a maximum of 67 080 842 ordinary shares may be acquired by the Company or any of its subsidiaries. No treasury shares were acquired or sold during the year (2017: 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).

Special resolutions

Special resolutions were passed at the AGM held on 27 November 2017 in regard to a general authority to acquire (repurchase) shares, approval of non-executive directors' remuneration for 2017/2018 and general authority to provide direct or indirect financial assistance to all related and inter-related entities in terms of sections 44 and 45 of the Companies Act.

Special resolutions were passed by certain subsidiaries to accommodate the acquisition and disposal of various businesses, for the issue and allotment of shares, general authority to provide financial assistance to related or inter-related companies and corporations in terms of sections 44 and 45 of the Companies Act and to approve the remuneration of their non-executive directors. A number of subsidiaries further passed resolutions for amendments to their MOI's.

Dividends

The directors declared an interim gross cash dividend of 255,0 cents (204,0 cents net of dividend withholding tax, where applicable) per ordinary share paid to ordinary shareholders recorded in the register on the record date, being Friday, 16 March 2018. The dividend was declared from income reserves.

Subsequent to year end the board has declared final gross cash dividend of 301,0 cents (240,8 cents net of withholding tax, where applicable) per ordinary shares for the year ended 30 June 2018 to those shareholders recorded in the register on the record date, being Friday, 21 September 2018. The salient dates are:

Declaration date	Monday, 3 September 2018
Last day to trade *cum* dividend	Tuesday, 18 September 2018
First day to trade *ex*-dividend	Wednesday, 19 September 2018
Record date	Friday, 21 September 2018
Payment date	Tuesday, 25 September 2018

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.

Subsequent events

Subsequent to year-end R1 billion of the cumulative redeemable preference share funding (detailed in note 29), with a maturity date of 11 September 2019 was settled using existing facilities.

During August 2018 the Group initiated a formal process to dispose of its 6,75% equity investment in MIAL.

Directorate

The names of the directors who were in office during the period 26 August 2017 to 31 August 2018 are as follows:

Lorato Phalatse (chairman)	
Lindsay Ralphs (CEO)	
Doug Band	
Anthony Dawe	
Eric Diack	
Mpumi Madisa	
Alex Maditse	
Bongi Masinga	
Gillian McMahon	
Renosi Mokate	appointed 1 May 2018
Nosipho Molope	
Nigel Payne	
Tania Slabbert	
Mark Steyn	appointed 1 March 2018
Norman Thomson	appointed 1 May 2018

Directors' interest

The aggregate interests of the directors in the share capital of the Company at 30 June 2018 were:

	2018	2017
Beneficial	**114 389**	175 178
Non-beneficial	**640 582**	1 020 596
Held in terms of The Bidvest Incentive Scheme		
Replacement rights	**330 365**	428 448
Appreciation rights	**80 000**	–

Directors' shareholdings

Beneficial

The individual beneficial interests declared by the current directors and officers in the Company's share capital at 30 June 2018, held directly or indirectly, were:

	2018 Number of shares		2017 Number of shares	
Director	**Direct**	**Indirect**	Direct	Indirect
AW Dawe	**3 465**	**–**	3 465	
B Joffe[1]	**–**	**–**	21 544	
HP Meijer[2]	**–**	**–**	35 245	4 000
LP Ralphs	**110 924**	**–**	110 924	
Total	**114 389**	**–**	171 178	4 000

[1] Resigned 18 August 2017.

[2] Retired 28 February 2018.

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

Non-beneficial

In addition to the aforementioned holdings:

- I Roux is a trustee of the Group's retirement funds holding 640 582 shares (2017: 460 636).
- B Joffe is a trustee and potential beneficiary of a discretionary trust that held 559 960 shares at 30 June 2017.

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

Mr CA Brighten, resigned as Company Secretary with effect from 1 January 2018. Ms I Roux was appointed in his stead for an interim period until 30 June 2018. With effect from 1 July 2018 Ms X Makasi was appointed as Group Company 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 and Ms I Roux, the Company Secretaries, and was satisfied that they were competent, suitably qualified and experienced. Furthermore, since they were not directors, nor were they related to or connected to any of the directors, thereby negating a potential conflict of interest, it was agreed that they maintained 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 Group audit committee ("the committee") is pleased to present its report in terms of section 94 of the Companies Act, 71 of 2008 as amended ("the Companies Act), the King Code of Governance for South Africa, 2016 ("King IV") and the Johannesburg Stock Exchange (JSE) Listings Requirements for the financial year ended 30 June 2018. The committee has conducted its work in accordance with the written terms of reference approved by the board.

The Bidvest board has mandated the committee as the audit committee of all Group companies which have a statutory requirement to have an audit committee, with the exception of those which have established committees under banking or insurance legislation.

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

Composition

Ms S Masinga resigned from the committee with effect from 17 November 2017. Ms RD Mokate and Mr NW Thomson were appointed to the audit committee on 1 May 2018 as Independent Non-executive members. As at the date of this report 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) – appointed 2006
- Mr EK Diack (Lead Independent Non-executive director) – appointed 2012
- Ms RD Mokate (Independent Non-executive director) – appointed 2018
- Mrs CWN Molope (Independent Non-executive director) – appointed 2017
- Mr NW Thomson (Independent Non-executive director) – appointed 2018

The appointment of all members of the committee is subject to the shareholders' approval at the next annual general meeting to be held on Wednesday, 28 November 2018. The profiles of the members, including their qualifications, can be viewed in the governance report.

In addition to the Group audit committee, divisional audit committees have been established as sub-committees of the Group audit committee. 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, five meetings were held:

Audit	23 November 2017	24 February 2018	28 May 2018	27 August 2018	30 August 2018
NG Payne (chair)	√	√	√	√	√
EK Diack	√	√	√	√	√
CWN Molope	√	A	√	√	A
NW Thomson[1]			√	√	√
RD Mokate[1]			√	√	√
A = Apology					

[1] Appointed as director 1 May 2018.

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 and other responsibilities.

There were no Reportable Irregularities for The Bidvest Group Limited, 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 2018 financial year.

The committee satisfied itself that the audit firm is accredited and included on the JSE List of Accredited auditors. The committee further satisfied itself that Deloitte & Touche was independent of the Group, which included consideration of compliance with criteria relating to independence proposed by the Independent Regulatory Board for auditors.

The committee ensured that the designated external audit partner has not exceeded five years in this role. The committee also considered requests by certain major shareholder to early adopt mandatory audit firm rotation given that Deloitte has serves as auditors for 11 years.

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

The committee ensured that the auditors did not provide any prohibited services, nor any services that include a threat of self-review. Non audit services are pre-approved by the chairman of the committee, are generally of an assurance nature, and are not material in relation to the external audit fee.

The committee has the following responsibilities for external audit:

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 performance against their audit plan; and
- consider whether the audit firm and the individual auditor that will be responsible for performing the functions of auditor are accredited as such on the JSE List of Accredited auditors, as required by the JSE Listings Requirements.

Key audit matters

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 the acquisition of Noonan, the allocation of its purchase price and identification and accounting for related intangible assets. The accounting for Noonan has resulted in intangibles of R1,6 billion and goodwill of R0,9 billion being recognised; and
- key judgements and estimates used in the determination of the fair value of the unlisted investment in Mumbai International Airport Limited (MIAL). The Group's valuation of the investment in MIAL has been maintained at US$72 million converted to R988 million (2017: US$72 million converted to R940 million).

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.

The committee has reviewed the performance, qualifications and expertise of the Chief audit Executive, Lauren Berrington, and is satisfied with the appropriateness of her expertise.

Internal financial control

We have considered the reports of management, internal audit and external audit in arriving at our conclusion that the Company's system of internal controls and risk management is effective and that the internal financial controls form a sound basis for the preparation of reliable financial statements. No material breakdown in controls was identified during the year.

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. We have considered and relied on the work of the risk committee and the social and ethics committee on the non-financial-related risk areas.

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.

An anonymous ethics line is in place. The service is managed by Deloitte 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. The committee is satisfied that appropriate disciplinary, criminal and civil action has been taken.

Combined assurance

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

Expertise of the financial director and finance function

The committee has reviewed the current performance and future requirements for the financial management of the Group and concluded that the current team has the appropriate skills, experience and expertise required to fulfil the finance function. In compliance with 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 Chief Financial Officer, Mr MJ Steyn and is satisfied with the appropriateness thereof.

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 concurred with management's assessment and recommended acceptance of this conclusion to the board.

Recommendation of the annual financial statements for approval by the board

The committee recommended the consolidated annual financial statements and Company annual financial statements for approval by the board.

On behalf of the committee

NG Payne
Chairman

31 August 2018

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 for derivative financial instruments, financial instruments held-for-trading and financial instruments classified as available-for-sale that are stated at their fair value.

The preparation of consolidated and separate financial statements in conformity with IFRS requires the Board of directors 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 rands, 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 and the expected impact on the Group results 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, is exposed, 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 three 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 into line with the Group's accounting policies.

All intragroup 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 (i.e. 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 re-organisations, 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 their interest in the subsidiary to the Group at pre-determined 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.

The Company recognises dividend revenue from its subsidiaries and associates when the right to receive payment is established and can be estimated reliably.

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

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.

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 20 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.

Included in patents, trademarks, tradenames and other intangibles arising on the acquisition of businesses in the current year are indefinite life intangibles. There is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the acquired brands and the level of marketing support.

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 re-organisation.

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 consolidated 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 fair value adjustments arising on consolidation but excluding goodwill, are translated into South African rand at rates of exchange ruling at the statement of financial position date. Goodwill is translated at the rate of exchange on the date of the acquisition. 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 classified as at fair value through profit or loss if it is held-for-trading, is a derivative or is designated as such upon initial recognition.

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

Financial instruments at fair value through profit or loss are measured at fair value, with any resultant gain or loss being recognised in the income statement. The gain or loss recognised in the income statement excludes the interest and dividends earned on the financial asset, which are separately disclosed as such in the income statement. Held-for-trading financial instruments are measured at 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 twelve 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 expenses.

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, The Bidvest Incentive Scheme and The Bidvest Education Trust 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 modified Black Scholes 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 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 twelve 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 Bidvest Insurance Limited (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, liability, accident and health, and miscellaneous.

Claims incurred consists of claims paid during the financial year, together with the movement in the provision for outstanding claims and are charged to income as incurred. The provision for outstanding claims comprise Bidvest Insurance Limited's estimate of the undiscounted ultimate cost of settling all claims incurred but unpaid at statement of financial position date, whether reported or not. 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. 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.

26. Life assurance

Insurance contracts are those contracts under which Bidvest Life Limited (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.

Bidvest Life Limited defines significant insurance risk as the possibility of having to pay benefits, on the occurrence of an insured event, that are significantly more than the benefits payable if the insured event did not occur.

Insurance contracts are classified into two main categories, depending on the duration of the risk and the type of risk insured, individual life insurance and group life insurance.

Individual life insurance contracts insure against a comprehensive spectrum of risks, including life, disability, severe illness and income protection cover. These contracts are long-term in nature.

The actuarial value of policyholder liabilities is determined based on a prospective discounted cash flow valuation basis calculated as the difference between the present value of future benefit payments plus expenses and the present value of future premiums. Best estimate assumptions regarding the future expected claims experience, premium income, expenses and commission are used. Where the value of policyholder liabilities is negative in aggregate, this is shown as assets arising from insurance contracts.

For individual life insurance contracts, premiums are recognised as revenue when due. Premiums are shown before deducting reinsurance and commission.

Insurance benefits and claims relating to individual life insurance contracts are recognised in profit or loss based on the estimated liability for benefits owed to the contract holder. Death, disability and severe illness claims are accounted for when notified and paid. An estimate of the expected claim amount is charged to profit or loss and included in liabilities under insurance contracts.

Liabilities are held to reflect incurred but not yet reported (IBNR) claims. The IBNR liabilities are modified to reflect actual current operating conditions. The liabilities are calculated gross of reinsurance. An asset is then raised to allow for the expected recoveries from reinsurers.

Acquisition costs for individual life insurance contracts represent commission and other costs that relate to the securing of new contracts and the renewing of existing contracts. The valuation basis for valuing insurance contracts makes implicit allowance for the deferral of acquisition costs and hence no explicit deferred acquisition cost asset is recognised in the statement of financial position. These are expensed in profit or loss.

Group life insurance contracts insure against a comprehensive spectrum of protection benefits on a group basis. Life cover, severe illness, disability and income protection benefits are offered. These contracts are short-term in nature and are renewable annually.

For group life insurance contracts, premiums are recognised as revenue when due. Premiums are shown before the deducting reinsurance and commission.

Insurance benefits and claims relating to group life insurance contracts are recognised in profit or loss based on the estimated liability for benefits owed to the contract holder. Death, disability and severe illness are accounted for when notified and paid. An estimate of the expected claim amount is charged to profit or loss and included in liabilities under insurance contracts. Liabilities are held to reflect IBNR claims. The IBNR is modified to reflect actual current operating conditions. The liabilities are calculated gross of reinsurance. An asset is then raised to allow for the expected recoveries from reinsurers.

Acquisition costs for group life insurance contracts comprise all direct costs arising from the sale of insurance contracts. Commissions are expensed as incurred.

Contracts entered into with reinsurers under which Bidvest Life Limited is compensated for insured events on one or more contracts that meet the classification requirements for insurance contracts are classified as reinsurance contracts. Contracts that do not meet these classification requirements are classified as financial assets.

Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. The amounts Bidvest Life Limited is required to pay under its reinsurance contracts held are recognised as reinsurance liabilities (liabilities arising from reinsurance contracts). Outward reinsurance premiums are recognised as an expense and are accounted for when due under the reinsurance contract.

The amounts due to Bidvest Life Limited under its reinsurance contracts are recognised as reinsurance assets.

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.

27. 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, acquisition costs and acquired customer contracts amortisation and is the basis on which management's performance is assessed.

Segment operating assets and liabilities include property, plant and equipment, investments, inventories, associates, trade and other receivables, trade and other payables, banking assets and liabilities, insurance funds and post-retirement obligations but excludes cash, borrowings, vendors for acquisition, puttable non-controlling interest liabilities, current taxation, and deferred taxation.

consolidated income statement

for the year ended **30 June**

	Notes	2018 R'000	2017 R'000
Revenue	1	**76 963 472**	70 998 001
Cost of revenue		**(54 716 818)**	(50 342 325)
Gross profit		**22 246 654**	20 655 676
Operating expenses		**(16 199 932)**	(15 131 637)
Other income		**319 558**	282 122
Trading result		**6 366 280**	5 806 161
Income from investments		**142 795**	210 776
Trading profit		**6 509 075**	6 016 937
Share-based payment expense		**(154 986)**	(143 145)
Acquisition costs and customer contracts amortisation		**(82 901)**	(24 230)
Net capital items	2	**(351 977)**	1 027 588
Operating profit	2	**5 919 211**	6 877 150
Net finance charges	3	**(1 020 730)**	(1 059 560)
Finance income		**158 709**	232 069
Finance charges		**(1 179 439)**	(1 291 629)
Share of profit of associates		**423 729**	379 231
Current period earnings		**431 857**	354 966
Net capital items	2	**(8 128)**	24 265
Profit before taxation		**5 322 210**	6 196 821
Taxation	4	**(1 436 597)**	(1 328 232)
Profit for the year		**3 885 613**	4 868 589
Attributable to			
Shareholders of the Company		**3 817 996**	4 769 940
Non-controlling interests		**67 617**	98 649
		3 885 613	4 868 589
Basic earnings per share (cents)	6	**1 137,3**	1 430,3
Diluted basic earnings per share (cents)	6	**1 132,4**	1 423,4
Supplementary information			
Normalised headline earnings per share (cents)	6	**1 254,9**	1 115,4
Headline earnings per share (cents)	6	**1 231,6**	1 108,2
Diluted headline earnings per share (cents)	6	**1 226,3**	1 102,9
Dividends per share (cents)	7	**556,0**	491,0

consolidated statement of **other comprehensive income**

for the year ended **30 June**

	2018 R'000	2017 R'000
Profit for the year	**3 885 613**	4 868 589
Other comprehensive income (expense) net of taxation		
Items that may be reclassified subsequently to profit or loss	**(41 894)**	(134 297)
Decrease in foreign currency translation reserve		
Exchange differences arising during the year	**(31 331)**	(117 787)
(Decrease) increase in fair value of available-for-sale financial assets	**(3 111)**	2 527
Decrease in fair value of cash flow hedges	**(7 452)**	(19 037)
Fair value loss arising during the year	**(10 350)**	(26 440)
Taxation effect for the year	**2 898**	7 403
Items that will not be reclassified subsequently to profit or loss		
Defined benefit obligations	**2 031**	7 394
Net remeasurement of defined benefit obligations during the year	**2 920**	10 278
Taxation effect for the year	**(889)**	(2 884)
Total comprehensive income for the year	**3 845 750**	4 741 686
Attributable to		
Shareholders of the Company	**3 785 885**	4 654 904
Non-controlling interest	**59 865**	86 782
	3 845 750	4 741 686

consolidated statement of **cash flows**

for the year ended **30 June**

	Notes	2018 R'000	2017 R'000
Cash flows from operating activities		**4 968 427**	2 816 458
Cash generated by operations	8	**9 367 686**	6 879 769
Finance income		**158 709**	232 069
Finance charges	9	**(1 197 508)**	(1 262 484)
Taxation paid	10	**(1 297 155)**	(1 373 927)
Distributions to shareholders	11	**(2 063 305)**	(1 658 969)
Cash effects of investment activities		**(5 872 506)**	(1 621 011)
Proceeds on disposal of investments		**390 009**	935 776
Investments acquired		**(431 933)**	(466 306)
Additions to property, plant and equipment		**(2 554 217)**	(2 363 499)
Additions to vehicle rental fleet		**(1 035 398)**	(1 560 241)
Additions to intangible assets		**(123 754)**	(159 421)
Proceeds on disposal of property, plant and equipment		**349 864**	468 242
Proceeds on disposal of vehicle rental fleet		**1 108 643**	1 667 640
Proceeds on disposal of intangible assets		**21 710**	18 355
Acquisition of businesses, subsidiaries and associates	12	**(3 272 999)**	(203 496)
Proceeds on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	13	**(324 431)**	41 939
Cash effects of financing activities		**671 239**	(21 223)
Proceeds from issue of shares (net of costs)		**418 028**	–
Sale of treasury shares		**–**	274 229
Borrowings raised		**3 669 023**	2 902 588
Borrowings repaid		**(3 415 812)**	(3 198 040)
Net (decrease) increase in cash and cash equivalents		**(232 840)**	1 174 224
Cash and cash equivalents at beginning of year		**3 886 417**	2 706 226
Cash and cash equivalents of the Bidvest Education Trust		**23 094**	–
Cash and cash equivalents of the disposal group held for sale		**(122 651)**	–
Effects of exchange rate fluctuations on cash and cash equivalents		**(39 622)**	5 967
Cash and cash equivalents at end of year		**3 514 398**	3 886 417
Cash and cash equivalents comprise			
Cash and cash equivalents	24	**6 168 293**	5 132 550
Bank overdrafts included in short-term portion of borrowings	29	**(2 653 895)**	(1 246 133)
		3 514 398	3 886 417

consolidated statement of **financial position**

for the year ended **30 June**

	Notes	2018 R'000	2017 R'000
ASSETS			
Non-current assets		**28 950 541**	25 323 700
Property, plant and equipment	14	**11 173 458**	10 474 205
Intangible assets	15	**3 367 806**	1 667 710
Goodwill	16	**4 447 769**	3 167 700
Deferred taxation assets	17	**761 368**	728 913
Defined benefit pension surplus	30	**224 577**	202 886
Interest in associates	18	**5 342 027**	5 375 328
Life assurance fund	28	**21 324**	–
Investments	19	**2 802 905**	2 843 132
Banking and other advances	20	**809 307**	863 826
Current assets		**29 131 418**	26 067 498
Vehicle rental fleet	21	**1 205 591**	992 942
Inventories	22	**8 515 551**	8 595 692
Short-term portion of banking and other advances	20	**1 082 937**	1 026 974
Trade and other receivables	23	**12 033 937**	10 136 307
Taxation		**125 109**	183 033
Cash and cash equivalents	24	**6 168 293**	5 132 550
Disposal group assets held for sale	5	**253 919**	–
Total assets		**58 335 878**	51 391 198
EQUITY AND LIABILITIES			
Capital and reserves		**24 980 709**	23 044 323
Capital and reserves attributable to shareholders of the Company	25	**23 957 082**	21 697 305
Non-controlling interests		**1 023 627**	1 347 018
Non-current liabilities		**8 899 765**	7 165 102
Deferred taxation liabilities	17	**1 209 549**	1 014 705
Life assurance fund	28	**10 545**	311 355
Long-term portion of borrowings	29	**7 122 485**	5 408 072
Post-retirement obligations	30	**76 943**	77 197
Puttable non-controlling interest liabilities	31	**90 530**	60 990
Long-term portion of provisions	35	**248 633**	149 907
Long-term portion of operating lease liabilities	33	**141 080**	142 876
Current liabilities		**24 423 619**	21 181 773
Trade and other payables	34	**12 983 511**	11 033 424
Short-term portion of provisions	35	**281 532**	278 582
Vendors for acquisition		**22 708**	39 523
Taxation		**168 844**	109 771
Amounts owed to bank depositors	32	**5 621 142**	4 412 104
Short-term portion of borrowings	29	**5 345 882**	5 308 369
Disposal group liabilities held for sale	5	**31 785**	–
Total equity and liabilities		**58 335 878**	51 391 198

consolidated statement of **changes in equity**

for the year ended **30 June**

	2018 R'000	2017 R'000
Equity attributable to shareholders of the Company	**23 957 082**	21 697 305
Share capital	**16 873**	16 770
Balance at beginning of the year	**16 770**	16 770
Shares issued during the year	**103**	–
Share premium	**797 717**	379 792
Balance at beginning of the year	**379 792**	379 792
Shares issued during the year	**418 505**	–
Share issue costs	**(580)**	–
Foreign currency translation reserve	**262 787**	286 628
Balance at beginning of the year	**286 628**	393 429
Realisation of reserve on disposal of subsidiaries and associates	**(673)**	(916)
Movement during the year	**(23 168)**	(105 885)
Hedging reserve	**(963)**	6 489
Balance at beginning of the year	**6 489**	25 526
Fair value loss arising during the year	**(10 350)**	(26 440)
Taxation recognised directly in reserve	**2 898**	7 403
Equity-settled share-based payment reserve	**(243 388)**	(14 787)
Balance at beginning of year	**(14 787)**	67 002
Arising during current year	**155 637**	143 712
Taxation recognised directly in reserve	**36 540**	81 779
Utilisation during the year	**(419 756)**	(307 280)
Realisation of reserve on disposal of subsidiaries and associates	**(1 022)**	–
Movement in retained earnings	**22 486 993**	20 279 261
Balance at beginning of the year	**20 279 261**	17 108 032
Attributable profit	**3 817 996**	4 769 940
Change in fair value of available-for-sale financial assets	**(3 111)**	2 527
Net remeasurement of defined benefit obligations during the year	**1 620**	7 359
Net dividends paid	**(1 740 197)**	(1 529 585)
Taxation direct in equity arising from transactions with subsidiaries	**–**	47 664
Net remeasurement of put option liability	**(5 025)**	(8 676)
Retained earnings arising on consolidation of the Bidvest Education Trust	**222 155**	–
Transfer of reserves as a result of changes in shareholding of subsidiaries and other transactions with subsidiaries	**(85 706)**	(118 000)
Treasury shares	**637 063**	743 152
Balance at beginning of the year	**743 152**	468 923
Shares disposed of in terms of share incentive scheme	**–**	274 229
Treasury shares arising on consolidation of the Bidvest Education Trust	**(106 089)**	–
Equity attributable to non-controlling interests of the Company	**1 023 627**	1 347 018
Balance at beginning of the year	**1 347 018**	1 286 606
Total comprehensive income	**59 865**	86 782
Attributable profit	**67 617**	98 649
Movement in foreign currency translation reserve	**(8 163)**	(11 902)
Net remeasurement of defined benefit obligations during the year	**411**	35
Dividends paid	**(319 984)**	(129 384)
Movement in equity-settled share-based payment reserve	**(651)**	(567)
Changes in shareholding	**(125 405)**	(14 419)
Grant of put options to non-controlling interests	**(22 922)**	–
Transfer of reserves as a result of changes in shareholding of subsidiaries	**85 706**	118 000
Total equity	**24 980 709**	23 044 323

consolidated **segmental analysis**

for the year ended **30 June**

	2018 R'000	2017 R'000	% change
Segmental revenue			
Trading operations	**75 866 401**	69 679 523	8,9
Services	**18 968 423**	13 138 496	44,4
Freight	**5 713 055**	4 986 641	14,6
Commercial Products	**8 920 467**	8 025 202	11,2
Office and Print	**9 304 937**	9 670 916	(3,8)
Financial Services	**2 562 848**	4 009 127	(36,1)
Automotive	**24 701 500**	24 182 054	2,1
Electrical	**5 695 171**	5 667 087	0,5
Namibia	**3 381 027**	3 794 668	(10,9)
Corporate	**1 577 260**	1 592 071	(0,9)
Properties	**531 981**	489 124	8,8
Corporate and investments	**1 045 279**	1 102 947	(5,2)
	80 824 688	75 066 262	7,7
Inter-group eliminations	**(3 861 216)**	(4 068 261)	
	76 963 472	70 998 001	8,4
Segmental trading profit			
Trading operations	**6 241 094**	5 632 476	10,8
Services	**1 991 786**	1 577 085	26,3
Freight	**1 303 807**	1 070 257	21,8
Commercial Products	**710 492**	688 571	3,2
Office and Print	**700 748**	657 692	6,5
Financial Services	**631 868**	625 303	1,0
Automotive	**602 136**	663 395	(9,2)
Electrical	**300 257**	350 173	(14,3)
Namibia	**75 281**	86 470	(12,9)
Corporate	**192 700**	297 991	(35,3)
Properties	**475 639**	428 566	11,0
Corporate and investments	**(282 939)**	(130 575)	116,7
	6 509 075	6 016 937	8,2

	2018 R'000	2017 R'000	% change
Segmental operating profit			
Trading operations	**6 100 239**	5 559 664	9,7
Services	**1 865 718**	1 574 480	18,5
Freight	**1 385 621**	1 058 299	30,9
Commercial Products	**710 196**	687 983	3,2
Office and Print	**631 966**	626 570	0,9
Financial Services	**626 218**	624 770	0,2
Automotive	**589 789**	638 753	(7,7)
Electrical	**290 731**	348 809	(16,7)
Namibia	**17 211**	96 980	(82,3)
Corporate	**(43 253)**	1 363 651	(103,2)
Properties	**477 905**	439 802	8,7
Corporate and investments	**(521 158)**	923 849	(156,4)
	6 074 197	7 020 295	(13,5)
Share-based payment expense	**(154 986)**	(143 145)	
	5 919 211	6 877 150	(13,9)

Consolidated segmental analysis (continued)

	2018 R'000	2017 R'000	% change
Segmental operating assets			
Trading operations	**31 639 003**	29 122 500	8,6
Services	**5 209 904**	4 030 779	29,3
Freight	**5 551 181**	4 645 695	19,5
Commercial Products	**3 762 876**	3 551 648	5,9
Office and Print	**3 199 313**	3 323 661	(3,7)
Financial Services	**5 502 744**	5 563 759	(1,1)
Automotive	**5 783 899**	5 339 287	8,3
Electrical	**2 629 086**	2 667 671	(1,4)
Namibia	**1 843 265**	2 015 270	(8,5)
Corporate	**10 420 119**	10 125 882	2,9
Properties	**2 801 996**	2 476 202	13,2
Corporate and investments	**7 618 123**	7 649 680	(0,4)
	43 902 387	41 263 652	6,4
Inter-group eliminations	**(690 773)**	(752 360)	
	43 211 614	40 511 292	6,7
Segmental operating liabilities			
Trading operations	**19 010 833**	16 308 453	16,6
Services	**3 060 388**	2 182 786	40,2
Freight	**3 118 671**	2 556 096	22,0
Commercial Products	**1 296 969**	1 250 266	3,7
Office and Print	**1 535 893**	1 472 161	4,3
Financial Services	**6 766 924**	5 798 434	16,7
Automotive	**2 317 409**	2 022 061	14,6
Electrical	**914 579**	1 026 649	(10,9)
Namibia	**526 100**	448 478	17,3
Corporate	**517 226**	400 874	29,0
Properties	**26 402**	8 900	196,7
Corporate and investments	**490 824**	391 974	25,2
	20 054 159	17 157 805	16,9
Inter-group eliminations	**(690 773)**	(752 360)	
	19 363 386	16 405 445	18,0
Segmental depreciation			
Trading operations	**1 296 522**	1 191 506	8,8
Services	**476 750**	409 886	16,3
Freight	**282 177**	257 425	9,6
Commercial Products	**97 084**	72 825	33,3
Office and Print	**124 501**	112 262	10,9
Financial Services	**212 972**	234 730	(9,3)
Automotive	**70 994**	69 809	1,7
Electrical	**32 044**	34 569	(7,3)
Namibia	**62 942**	76 005	(17,2)
Corporate	**50 324**	61 404	(18,0)
Properties	**4 765**	4 708	1,2
Corporate and investments	**45 559**	56 696	(19,6)
	1 409 788	1 328 915	6,1

	2018 R'000	2017 R'000	% change
Segmental capital expenditure			
Trading operations	**2 088 865**	2 086 703	0,1
Services	**558 087**	451 027	23,7
Freight	**814 224**	537 402	51,5
Commercial Products	**163 430**	112 390	45,4
Office and Print	**89 309**	135 198	(33,9)
Financial Services	**294 669**	707 485	(58,3)
Automotive	**121 638**	98 332	23,7
Electrical	**47 508**	44 869	5,9
Namibia	**79 882**	59 004	35,4
Corporate	**409 494**	240 430	70,3
Properties	**345 971**	212 639	62,7
Corporate and investments	**63 523**	27 791	128,6
	2 578 241	2 386 137	8,1
Segmental amortisation and impairments on intangible assets			
Trading operations	**126 400**	82 300	53,6
Services	**46 705**	13 731	240,1
Freight	**17 437**	16 801	3,8
Commercial Products	**8 716**	7 314	19,2
Office and Print	**14 131**	15 842	(10,8)
Financial Services	**24 802**	12 438	99,4
Automotive	**5 897**	5 602	5,3
Electrical	**8 712**	10 572	(17,6)
Namibia	**8 679**	9 417	(7,8)
Corporate	**2 809**	3 487	(19,4)
Properties	**–**	–	
Corporate and investments	**2 809**	3 487	(19,4)
	137 888	95 204	44,8
Segmental goodwill and intangible assets			
Trading operations	**7 532 953**	4 515 848	66,8
Services	**4 424 966**	1 554 251	184,7
Freight	**132 398**	135 241	(2,1)
Commercial Products	**1 837 841**	1 836 768	0,1
Office and Print	**282 754**	292 823	(3,4)
Financial Services	**437 710**	303 073	44,4
Automotive	**272 740**	244 629	11,5
Electrical	**144 544**	149 063	(3,0)
Namibia	**250 174**	287 719	(13,0)
Corporate	**32 448**	31 843	1,9
Properties	**21 034**	21 034	-
Corporate and investments	**11 414**	10 809	5,6
	7 815 575	4 835 410	61,6

Consolidated segmental analysis (continued)

	2018 R'000	2017 R'000	% change
Employee benefits and remuneration			
Trading operations	**18 655 187**	13 691 642	36,3
Services	**11 116 376**	6 594 768	68,6
Freight	**1 436 269**	1 270 689	13,0
Commercial Products	**1 230 498**	1 072 150	14,8
Office and Print	**1 569 998**	1 669 132	(5,9)
Financial Services	**670 790**	553 438	21,2
Automotive	**1 992 924**	1 918 878	3,9
Electrical	**638 332**	612 587	4,2
Namibia	**574 411**	597 977	(3,9)
Corporate	**527 230**	535 033	(1,5)
Properties	**23 151**	25 405	(8,9)
Corporate and investments	**504 079**	509 628	(1,1)
	19 756 828	14 824 652	33,3
Share-based payment expense	**154 986**	143 145	
	19 911 814	14 967 797	33,0
Number of employees			
Trading operations	**126 761**	113 441	11,7
Services	**99 990**	86 842	15,1
Freight	**4 191**	4 116	1,8
Commercial Products	**6 237**	5 905	5,6
Office and Print	**6 434**	6 653	(3,3)
Financial Services	**1 810**	1 622	11,6
Automotive	**5 597**	5 766	(2,9)
Electrical	**2 502**	2 537	(1,4)
Namibia	**3 401**	3 481	(2,3)
Corporate	**715**	783	(8,7)
Properties	**14**	15	(6,7)
Corporate and investments	**701**	768	(8,7)
	130 877	117 705	11,2

notes to the consolidated **financial statements**

for the year ended **30 June**

	2018 R'000	2017 R'000
1. Revenue		
Sale of goods	**48 875 808**	48 078 961
Rendering of services	**26 751 473**	20 591 417
Commissions and fees earned	**2 497 425**	4 037 805
Net billings relating to clearing and forwarding transactions	**2 252 914**	1 911 866
Insurance	**447 068**	446 214
	80 824 688	75 066 263
Inter-group eliminations	**(3 861 216)**	(4 068 262)
Revenue	**76 963 472**	70 998 001
2. Operating profit		
Determined after charging (crediting)		
Auditor's remuneration (Deloitte & Touche)	**78 527**	72 292
Audit fees	**68 565**	64 472
Audit related expenses	**781**	1 021
Consulting fees	**6 270**	3 836
Taxation services	**1 240**	570
Other attest services	**1 671**	2 393
Auditors' remuneration (other auditors)	**12 218**	8 191
Audit fees	**9 022**	5 685
Audit related expenses	**55**	47
Consulting fees	**155**	332
Taxation services	**840**	625
Other attest services	**2 146**	1 502
Depreciation of property, plant and equipment	**1 409 788**	1 328 915
Buildings	**2 188**	350
Leasehold premises	**84 579**	72 584
Plant and equipment	**400 158**	361 967
Office equipment, furniture and fittings	**291 532**	260 050
Vehicles, vessels and craft	**257 361**	251 490
Rental assets	**202 522**	185 746
Capitalised leased assets	**351**	453
Full maintenance lease assets	**171 097**	196 275
Depreciation of vehicle rental fleet	**134 077**	217 449
Amortisation of intangible assets	**136 773**	95 204
Patents, trademarks, tradenames and other intangibles	**46 672**	16 710
Computer software	**90 101**	78 494

2. Operating profit (continued)

	2018 R'000	2017 R'000
Determined after charging (crediting)		
Impairment of assets	**110 541**	91 749
Property, plant and equipment#	**3 311**	(1 147)
Intangible assets#	**1 115**	–
Goodwill#	**15 258**	–
Banking and other advances	**16 108**	11 429
Trade receivables	**74 749**	81 467
Compensation received on scrapping, loss or impairment of property plant and equipment#	**(85 702)**	–
Remeasurement to recoverable fair value of associates#	**248 709**	(1 144 633)
Gain on a bargain purchase#	**–**	(11 374)
Directors' emoluments		
Executive directors*	**64 408**	41 870
Basic remuneration	**25 329**	21 587
Retirement and medical benefits	**2 214**	1 975
Other benefits and costs	**1 891**	1 395
Cash incentives	**34 974**	16 913
Non-executive directors*	**8 566**	11 536
Fees – Company	**6 587**	5 888
– subsidiaries	**1 979**	5 648
Employer contributions to	**1 122 165**	1 048 153
Defined contribution pension funds	**77 920**	50 195
Provident funds	**648 321**	627 910
Retirement funds	**70 922**	56 894
Social securities	**6 052**	6 448
Medical aids	**318 950**	306 706
Net expense related to post-retirement obligations for current service costs	**2 515**	4 485
Defined benefit pension plans	**5 017**	4 713
Post-retirement medical aid obligations	**(2 502)**	(228)
Defined benefit early retirement plan	**–**	–

** Refer Annexure B for detailed disclosure*

	2018 R'000	2017 R'000
Share-based payment expense	**154 986**	143 145
Staff	**131 729**	126 908
Executive directors	**23 257**	16 237
Fees for administrative, managerial and technical services	**7 182**	7 293
Research and development expenditure	**1 233**	1 578
Foreign exchange (gains) losses on hedging activities	**(40 675)**	2 827
Forward exchange contracts	**(40 004)**	(2 525)
Foreign bank accounts	**(671)**	5 352
Other foreign exchange losses	**15 514**	58 543
Realised	**13 470**	13 943
Unrealised	**2 044**	44 600
Income from investments	**(142 795)**	(210 776)
Dividends received from listed investments	**(22 274)**	(30 796)
Dividends received from unlisted investments	**(28 637)**	(12)
Profit on disposal	**(18 608)**	(81 374)
Fair value adjustments on investments held-for-trading	**(73 276)**	(98 594)
Net capital loss#	**169 286**	129 566
Net profit on disposal of property, plant and equipment	**(39 796)**	(8 446)
Net loss on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	**185 654**	147 383
Impairment of disposal groups held for sale	**39 323**	–
Net (profit) loss on disposal of intangible assets	**(15 895)**	(9 371)
Operating lease charges	**1 651 715**	1 464 665
Land and buildings	**1 317 433**	1 259 850
Equipment and vehicles	**334 282**	204 815
# *Items above included as capital items on consolidated income statement*	**351 977**	(1 027 588)

3. Net finance charges

	2018 R'000	2017 R'000
Finance income	**603 909**	575 607
Interest income on banking and other advances	**443 386**	460 712
Interest income on bank balances	**114 953**	81 751
Interest imputed on post-retirement assets	**19 796**	16 950
Interest income on available-for-sale financial investments	**25 774**	16 194
Finance charges	**(1 459 856)**	(1 502 458)
Interest expense on amounts owed to bank depositors	**(317 059)**	(270 625)
Interest expense on bank overdrafts	**(71 904)**	(73 858)
Interest expense on listed bonds and commercial paper	**(238 918)**	(240 032)
Interest expense on financed assets	**(5 074)**	(4 273)
Interest expense on vehicle lease creditors and floorplan creditors	**(82 327)**	(91 909)
Interest expense on other borrowings	**(546 813)**	(618 372)
Interest imputed on post-retirement obligations	**(6 190)**	(6 189)
Unwinding of discount on puttable non-controlling interest liabilities	**(4 717)**	(3 147)
Dividends on preference shares included in borrowings	**(210 878)**	(216 691)
Less borrowing costs capitalised to property, plant and equipment **	**24 024**	22 638
	(855 947)	(926 851)
Less net finance income from banking operations included in operating profit	**(164 783)**	(132 709)
Income	**(445 200)**	(343 538)
Charges	**280 417**	210 829
	(1 020 730)	(1 059 560)

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

4. Taxation

	2018 R'000	2017 R'000
Current taxation	**1 416 788**	1 288 023
Current year	**1 432 909**	1 310 451
Prior years' overprovision	**(16 121)**	(22 428)
Deferred taxation	**14 927**	33 698
Current year	**35 091**	21 626
Prior years' (overprovision) underprovision	**(20 164)**	11 873
Change in rate of taxation	**–**	199
Foreign withholding taxation	**4 882**	6 511
Total taxation per consolidated income statement	**1 436 597**	1 328 232
Comprising		
South African taxation	**1 325 750**	1 249 134
Foreign taxation	**110 847**	79 098
	1 436 597	1 328 232
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	**27,0**	21,4
Net change in remeasurement and changes in shareholding of associates	**(1,2)**	5,1
Associates	**2,2**	1,7
Effective rate excluding associate income	**28,0**	28,2
Dividend and exempt income	**3,3**	2,0
Foreign taxation rate differential	**0,4**	(0,2)
Impairment of goodwill	**(0,1)**	–
Preference share funding	**(1,1)**	(1,0)
Other non deductible expenses	**(1,8)**	(1,0)
Changes in recognition of deferred tax assets	**(1,5)**	(0,2)
Capital gains rate differential	**–**	(0,2)
Changes in prior years' estimation	**0,8**	0,2
Change in rate of taxation	**–**	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	**1 432 442**	1 013 193
Utilised in the computation of deferred taxation	**(777 256)**	(530 221)
Not accounted for in deferred taxation	**655 186**	482 972

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. Disposal group held for sale

Bidvest Namibia has identified a purchaser and agreed terms for the disposal group, Comet Investments Capital Inc.(Comet), a company incorporated in the Peoples Republic of Angola. Bidvest Namibia has a 69,55% interest in Comet, which in turn owns 49% of Pesca Fresca Limitada, an Angolan fishing company with a strong focus on sardinella fishing. These net assets form a disposal group held for sale and are measured as follows:

	2018 R'000	2017 R'000
Property, plant and equipment	**103 445**	–
Intangible assets	**9 784**	–
Inventories	**17 213**	–
Trade and other receivables	**40 149**	–
Cash and cash equivalents	**122 651**	–
Impairment of disposal group assets	**(39 323)**	–
Disposal group assets held for sale	**253 919**	–
Disposal group assets are represented as follows:		
Attributable to ordinary shareholders	**96 763**	–
Foreign currency translation reserve	**23 599**	–
Non-controlling interest	**101 772**	–
Disposal group liabilities held for sale	**31 785**	
	253 919	–

6. Earnings per share

	2018	2017
Weighted average number of shares ('000)		
Weighted average number of shares in issue for basic earnings per share and headline earnings per share calculations	**335 718**	333 497
Potential dilutive impact of outstanding staff share appreciation rights and conditional awards	**1 443**	1 601
Number of outstanding staff share appreciation right equivalent shares	**5 668**	5 942
Number of shares deemed to be issued at fair value	**(4 324)**	(4 377)
Contingent issuable shares in terms of conditional share plan to be issued at fair value	**99**	36
Weighted average number of shares in issue used for the calculation of diluted earnings and diluted headline earnings per share	**337 161**	335 098
Attributable earnings		
Basic earnings per share and diluted earnings per share are based on profit attributable to shareholders of the Company (R'000)	**3 817 996**	4 769 940
Basic earnings per share	**1137,3**	1430,3
Diluted basic earnings per share	**1132,4**	1423,4
Dilution (%)	**0,4**	0,5
Headline earnings	**R'000**	R'000
Profit attributable to shareholders of the Company	**3 817 996**	4 769 940
Impairment of property plant and equipment; goodwill and intangible assets	**12 840**	(1 403)
Property, plant and equipment	**3 311**	(1 147)
Goodwill	**15 258**	–
Intangible assets	**1 115**	–
Taxation effect	**–**	158
Non-controlling interest	**(6 844)**	(414)

	2018 R'000	2017 R'000
Net loss on disposal of interests in subsidiaries and disposal and closure of businesses	**155 828**	50 874
Loss on disposal and closure	**188 635**	65 311
Impairment of disposal group assets held for sale	**39 323**	–
Taxation effect	**(37 407)**	(14 437)
Non-controlling interest	**(34 723)**	–
Net loss (profit) on disposal and remeasurement to recoverable fair value of associates	**234 338**	(1 080 926)
Net change in shareholding in associates	**(2 981)**	82 072
Remeasurement to recoverable fair value of associates	**248 709**	(1 144 633)
Taxation effect	**–**	(18 365)
Non-controlling interest	**(11 390)**	–
Net profit on disposal of property, plant and equipment and intangible assets	**(24 185)**	(7 114)
Property, plant and equipment	**(39 796)**	(8 446)
Intangible assets	**(15 895)**	(9 371)
Taxation effect	**1 400**	2 909
Non-controlling interest	**30 106**	7 794
Compensation received on loss or impairment of property plant and equipment	**(70 263)**	–
Compensation received	**(85 702)**	–
Taxation effect	**15 439**	–
Non-headline earnings items included in equity accounted earnings of associated companies	**8 128**	(24 265)
Gain on a bargain purchase	**–**	(11 374)
Headline earnings	**4 134 682**	3 695 732
Headline earnings per share (cents)	**1 231,6**	1 108,2
Diluted headline earnings per share (cents)	**1 226,3**	1 102,9
Dilution (%)	**0,4**	0,5

Normalised headline earnings per share

Normalised headline earnings per share is a measurement used by the chief operating decision maker. The calculation of normalised headline earnings per share excludes acquisition costs and amortisation of acquired customer contracts and is based on the normalised headline profit attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the year. The presentation of normalised headline earnings is not an IFRS requirement.

	2018 R'000	2017 R'000
Headline earnings	**4 134 682**	3 695 732
Acquisition costs	**50 190**	24 230
Amortisation of customer contracts	**32 711**	–
Taxation effect	**(4 522)**	–
Normalised headline earnings	**4 213 061**	3 719 962
Normalised headline earnings per share (cents)	**1 254,9**	1 115,4

7. Dividends per share

	2018	2017
Interim distribution (cents)		
Dividend paid to shareholders on 19 March 2018 (2017: Dividend paid to shareholders on 20 March 2017)	**255,0**	227,0
Final dividend (cents)		
Dividend payable to shareholders on 25 September 2018 (2017: Dividend paid to shareholders on 26 September 2017)	**301,0**	264,0
	556,0	491,0

	2018 R'000	2017 R'000
8. Cash generated by operations		
Profit before taxation	**5 322 210**	6 196 821
Costs incurred in respect of acquisitions	**50 190**	24 230
Net finance charges	**1 020 730**	1 059 560
Share of current year earnings of associates	**(217 004)**	(264 737)
Depreciation and amortisation	**1 680 638**	1 641 568
Share based payment expense	**154 986**	143 145
Share based payment settlements	**(419 756)**	(307 280)
Impairment of property, plant and equipment and intangible assets	**4 426**	(1 147)
Impairment of goodwill	**15 258**	–
Remeasurement to recoverable fair value of associate	**248 709**	(1 144 633)
Loss on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	**185 654**	147 383
Other non-cash items	**(145 659)**	(223 596)
Remeasurement of post-retirement obligations	**(19 025)**	(14 503)
Decrease in life assurance fund	**(36 929)**	(9 156)
Working capital changes	**1 523 258**	(367 886)
Decrease (increase) in inventories	**45 270**	(35 952)
Increase in trade and other receivables	**(776 913)**	(464 142)
Increase in banking and other advances	**(421 236)**	(192 537)
Increase (decrease) in trade and other payables and provisions	**1 467 099**	(398 198)
Increase in amounts owed to bank depositors	**1 209 038**	722 943
Cash generated by operations	**9 367 686**	6 879 769
9. Finance charges		
Charge per income statement	**(1 179 439)**	(1 291 629)
Unwinding of discount on puttable non-controlling interest liabilities	**4 717**	3 147
Amounts capitalised to borrowings	**1 238**	48 636
Amounts capitalised to property, plant and equipment	**(24 024)**	(22 638)
Amounts paid	**(1 197 508)**	(1 262 484)
10. Taxation paid		
Net amounts receivable at beginning of year	**73 262**	11 578
Current taxation charge	**(1 421 670)**	(1 294 534)
Businesses acquired	**5 749**	(14 557)
Businesses disposed of	**3 151**	(649)
Arising on consolidation of the Bidvest Education Trust	**92**	–
Exchange rate adjustments	**(1 474)**	(2 503)
Amounts payable at end of year	**168 844**	109 771
Amounts receivable at end of year	**(125 109)**	(183 033)
Amounts paid	**(1 297 155)**	(1 373 927)
11. Distributions to shareholders		
Dividends paid to shareholders	**(1 743 812)**	(1 539 505)
Dividends received by subsidiaries on treasury shares	**3 615**	9 920
Dividends paid to non-controlling interests	**(319 984)**	(129 384)
Dividends paid to put-call option holders	**(3 124)**	–
Amounts paid	**(2 063 305)**	(1 658 969)

12. Acquisition of businesses, subsidiaries and associates

	2018 R'000	2017 R'000
Property, plant and equipment	**(138 031)**	(248 992)
Deferred taxation	**224 249**	124 198
Interest in associates	**(35 221)**	(60 416)
Investments and advances	**–**	(43 818)
Inventories	**(56 318)**	(631 214)
Trade and other receivables	**(1 165 623)**	(513 987)
Cash and cash equivalents	**(127 069)**	(178 524)
Borrowings	**34 966**	1 956 179
Trade and other payables and provisions	**947 292**	536 040
Taxation	**(5 749)**	14 557
Net fair value of (assets) liabilities	**(321 504)**	954 023
Goodwill	**(1 340 215)**	(634 198)
Gain on a bargain purchase	**–**	11 374
Intangible assets	**(1 666 779)**	(684 799)
Non-controlling interest	**(27 487)**	(15 179)
Total value of acquisitions	**(3 355 985)**	(368 779)
Less: Cash and cash equivalents acquired	**127 069**	178 524
Vendors for acquisition at beginning of year	**(39 523)**	(28 534)
Vendors for acquisition at end of year	**22 708**	39 523
Transfer to NCI put option liability	**22 922**	–
Costs incurred in respect of acquisitions	**(50 190)**	(24 230)
Net amounts paid	**(3 272 999)**	(203 496)

The values stated above represent the final at acquisition fair values consolidated by the Group.

The Group acquired 100% of the share capital and voting rights of Noonan Topco Limited (UK), holding company of the Noonan Services Group (Noonan), with effect from 1 September 2017. Noonan, which is based and operates throughout the Republic of Ireland and in the United Kingdom, has a clear leadership position and 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 Service division. The purchase price was funded by way of a three-year euro-denominated offshore credit facility at an attractive variable interest rate.

Effective 1 October 2017 the Group acquired 100% of the share capital of Ultimate Security Services Limited (USS). USS, a building security company operating primarily in London (United Kingdom), provides building security risk management solutions, "front of house" security management, reception services and mail-room handling services to more than 240 of London's most prestigious and iconic locations. USS was founded in 1999 and currently has a staff complement of 2 100 experienced security officers. The acquisition enhances the service offerings provided by Noonan. The purchase price was funded by way of the euro-denominated offshore credit facility arranged to fund the acquisition of Noonan.

The Group also made a number of less significant acquisitions and disposals during the year. These acquisitions were funded from existing cash resources.

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 directors believe that the goodwill of the acquisitions reflects, the expectation that the businesses will continue to generate new customers over time, the acquired workforce (which is not an identifiable asset for financial reporting purposes), and the growth opportunities. 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 and geographic reach in the marketplace.

Trade receivables acquired above are stated net of impairment allowances of R18,0 million (2017: R31,1 million). There were no significant contingent liabilities identified in the businesses acquired.

12. Acquisition of businesses, subsidiaries and associates (continued)

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

	Noonan R'000	USS R'000	Other acquisitions R'000	**Total R'000**
Identifiable assets and liabilities acquired				
Property, plant and equipment	110 555	8 911	18 565	**138 031**
Deferred taxation	(185 673)	–	(38 576)	**(224 249)**
Interest in associates	–	–	35 221	**35 221**
Inventories	2 134	–	54 184	**56 318**
Trade and other receivables	845 610	233 777	86 236	**1 165 623**
Cash and cash equivalents	84 583	4 523	37 963	**127 069**
Borrowings	(33 537)	–	(1 429)	**(34 966)**
Trade and other payables and provisions	(649 430)	(233 320)	(64 542)	**(947 292)**
Taxation	13 032	(6 372)	(911)	**5 749**
Intangible assets	1 573 116	–	93 663	**1 666 779**
Total net identifiable (liabilities) assets	1 760 390	7 519	220 374	**1 988 283**

With effect from 1 February 2018 the USS acquisition was integrated into Noonan Services.

	Combined Noonan/USS R'000	Other acquisitions R'000	**Total R'000**
Contribution to results for the year			
Revenue	5 241 139	612 625	**5 853 764**
Operating profit before acquisition costs	283 655	22 413	**306 068**
Contribution to results for the year if the acquisitions had been effective on 1 July 2017			
Revenue	5 771 167	707 014	**6 478 181**
Operating profit before acquisition costs	293 470	27 086	**320 556**

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

	2018 R'000	2017 R'000
Property, plant and equipment	**213 049**	9 191
Intangibles	**86**	94
Goodwill	**44 868**	3 212
Deferred taxation	**(97 789)**	(14 437)
Interest in associates	**17 645**	288 441
Investments and advances	**2 745**	6 087
Inventories	**75 957**	56 976
Trade and other receivables	**281 449**	16 552
Cash and cash equivalents	**331 412**	(3 176)
Borrowings	**(18 421)**	(108)
Trade and other payables and provisions	**(379 346)**	11 494
Taxation	**(3 151)**	649
Carrying value of net tangible assets	**468 504**	374 975
Non-controlling interest	**(120 840)**	760
Realisation of foreign currency translation reserves	**(673)**	(916)
Realisation of share-based payments reserves	**(1 022)**	–
Net profit (loss) on disposal of interest in subsidiaries and associates, and disposal and closure of businesses	**(148 247)**	(132 946)
Less cash and cash equivalents disposed of	**(331 412)**	3 176
Less other receivables arising on disposal of subsidiaries and associates (see note 23)	**(190 741)**	(203 110)
Net cash impact	**(324 431)**	41 939

Effective 30 June 2018 the Group disposed of its entire interest in Bidvest Namibia Fisheries Holdings Pty Limited (Bidfish) to Tunacor Fisheries Limited. Bidfish was a 100% held subsidiary of Bidvest Namibia Limited (Bidvest Namibia). Bidvest Namibia disposed of the Bidfish shares to Tunacor for a cash consideration equal to the net asset value of Bidfish as at 30 June 2018.

	Bidfish R'000	Other smaller disposals R'000	Total R'000
Identifiable assets and liabilities disposed			
Property, plant and equipment	(193 288)	(19 761)	**(213 049)**
Deferred taxation	62 116	35 673	**97 789**
Interest in associates	(16 965)	(680)	**(17 645)**
Investments and advances	(2 561)	(184)	**(2 745)**
Inventories	(66 510)	(9 447)	**(75 957)**
Trade and other receivables	(125 081)	(156 368)	**(281 449)**
Cash and cash equivalents	(317 700)	(13 712)	**(331 412)**
Borrowings	–	18 421	**18 421**
Trade and other payables and provisions	378 778	568	**379 346**
Taxation	3 096	55	**3 151**
Intangible assets	–	(86)	**(86)**
Total net identifiable liabilities	(278 115)	(145 521)	**(423 636)**

14. Property, plant and equipment

	2018 R'000	2017 R'000
Freehold land and buildings	**3 252 468**	2 918 554
Cost	**3 396 574**	3 058 850
Accumulated depreciation and impairments	**(144 106)**	(140 296)
Leasehold premises	**1 200 859**	1 041 257
Cost	**1 877 299**	1 640 302
Accumulated depreciation and impairments	**(676 440)**	(599 045)
Plant and equipment	**2 203 542**	2 070 243
Cost	**4 998 442**	4 740 355
Accumulated depreciation and impairments	**(2 794 900)**	(2 670 112)
Office equipment, furniture and fittings	**907 664**	812 432
Cost	**2 982 391**	2 764 356
Accumulated depreciation and impairments	**(2 074 727)**	(1 951 924)
Vehicles, vessels and craft	**953 112**	1 182 555
Cost	**2 511 699**	2 613 431
Accumulated depreciation and impairments	**(1 558 587)**	(1 430 876)
Rental assets	**435 537**	404 254
Cost	**1 076 041**	1 009 687
Accumulated depreciation and impairments	**(640 504)**	(605 433)
Capitalised leased assets	**999**	968
Cost	**22 122**	21 740
Accumulated depreciation and impairments	**(21 123)**	(20 772)
Full maintenance leased assets	**1 687 127**	1 707 427
Cost	**2 316 149**	2 270 692
Accumulated depreciation and impairments	**(629 022)**	(563 265)
Capital work-in-progress	**532 150**	336 515
	11 173 458	10 474 205

Property, plant and equipment with an estimated carrying value of R83 million (2017: R188 million) is pledged as security for borrowings of R62 million (2017: R106 million) (refer note 29).

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

	2018 R'000	2017 R'000
Movement in property, plant and equipment		
Carrying value at beginning of year	**10 474 205**	9 700 907
Capital expenditure	**2 578 241**	2 386 137
Freehold land and buildings	**358 772**	260 584
Leasehold premises	**242 538**	192 378
Plant and equipment	**574 204**	522 219
Office equipment, furniture and fittings	**382 982**	306 331
Vehicles, vessels and craft	**305 525**	310 389
Rental assets	**262 464**	207 862
Capitalised leased assets	**382**	463
Full maintenance leased assets	**254 080**	622 068
Capital work-in-progress	**197 294**	(36 157)
Expenditure	**311 709**	437 198
Transfers to other categories	**(114 415)**	(473 355)
Acquisition of businesses	**138 031**	248 992
Freehold land and buildings	**24 233**	180 091
Leasehold premises	**5 574**	698
Plant and equipment	**56 175**	11 689
Office equipment, furniture and fittings	**23 366**	24 722
Vehicles, vessels and craft	**28 683**	15 913
Rental assets	**–**	15 879
Disposals	**(310 069)**	(459 797)
Freehold land and buildings	**(3 754)**	(7 926)
Leasehold premises	**(6 565)**	–
Plant and equipment	**(37 232)**	(52 208)
Office equipment, furniture and fittings	**(10 047)**	(15 435)
Vehicles, vessels and craft	**(126 776)**	(163 052)
Rental assets	**(20 729)**	(12 708)
Full maintenance leased assets	**(103 283)**	(208 327)
Capital work-in-progress	**(1 683)**	(141)
Disposal and or disposal group held for sale	**(316 494)**	(9 191)
Freehold land and buildings	**(44 648)**	–
Plant and equipment	**(58 238)**	(4 472)
Office equipment, furniture and fittings	**(11 101)**	(2 956)
Vehicles, vessels and craft	**(194 280)**	(1 763)
Rental assets	**(8 227)**	–
Exchange rate adjustments	**22 643**	(65 075)
Freehold land and buildings	**1 499**	(8 991)
Leasehold premises	**2 634**	(6 453)
Plant and equipment	**2 575**	(4 482)
Office equipment, furniture and fittings	**848**	(1 062)
Vehicles, vessels and craft	**14 766**	(43 021)
Rental assets	**297**	(1 023)
Capital work-in-progress	**24**	(43)
Depreciation	**(1 409 788)**	(1 328 915)
Impairment (losses) recoupments – (refer note 2)	**(3 311)**	1 147
Carrying value at end of year	**11 173 458**	10 474 205

15. Intangible assets

	2018 R'000	2017 R'000
Patents, trademarks, tradenames and other intangibles	**2 996 158**	1 321 143
Cost	**3 872 610**	2 249 644
Accumulated amortisation and impairments	**(876 452)**	(928 501)
Computer software	**344 502**	295 323
Cost	**1 022 550**	928 996
Accumulated amortisation and impairments	**(678 048)**	(633 673)
Capital work-in-progress	**27 146**	51 244
	3 367 806	1 667 710
Movement in intangible assets		
Carrying value at beginning of year	**1 667 710**	929 960
Additions	**123 754**	159 421
Patents, trademarks, tradenames and other intangibles	**8 919**	5 126
Computer software	**138 811**	109 219
Capital work-in-progress	**(23 976)**	45 076
Expenditure	**18 510**	45 219
Transfers to other categories	**(42 486)**	(143)
Acquisition of businesses	**1 666 779**	684 799
Patents, trademarks, tradenames and other intangibles	**1 663 528**	678 076
Computer software	**3 251**	6 723
Disposals	**(5 816)**	(8 984)
Patents, trademarks, tradenames and other intangibles	**(2 922)**	(3 050)
Computer software	**(2 772)**	(5 934)
Capital work in progress	**(122)**	–
Disposal and disposal groups held for sale	**(9 870)**	(94)
Patents, trademarks, tradenames and other intangibles	**(9 870)**	(8)
Computer software	**–**	(86)
Exchange rate adjustments	**63 137**	(2 188)
Patents, trademarks, tradenames and other intangibles	**63 137**	(2 183)
Computer software	**–**	(5)
Amortisation (refer note 2)	**(136 773)**	(95 204)
Impairment (refer note 2)	**(1 115)**	–
Carrying value at end of year	**3 367 806**	1 667 710

Indefinite life intangibles

Included in patents, trademarks, tradenames and other intangibles arising on the acquisition of businesses in the current year are indefinite life intangibles totalling R883 million, which relate to Bidvest Services. Indefinite life intangibles arising on previous acquisitions amount to R1 259 million, R964 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 CGU's (refer note 16). Significant surpluses were identified over the carrying values of the CGU's and thus the directors believe that a reasonably 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.

16. Goodwill

	2018 R'000	2017 R'000
Carrying value at beginning of year	**3 167 700**	2 537 036
Exchange rate adjustments	**(20)**	(322)
Acquisition of businesses	**1 340 215**	634 198
Disposal of businesses	**(44 868)**	(3 212)
Impairment of goodwill	**(15 258)**	–
Carrying value at end of year	**4 447 769**	3 167 700
Goodwill acquired through business combinations, is allocated for impairment testing purposes to cash-generating units ("CGU") which reflect how it is monitored for internal management purposes, namely the various segments of the Group. The carrying amount of goodwill was subject to an annual impairment test using either the fair value less costs to sell method or the discounted cash flow basis.		
The carrying amount of goodwill was allocated to CGUs as follows:		
Services	**2 443 508**	1 232 448
Freight	**58 132**	58 132
Commercial Products	**843 822**	841 822
Office and Print	**239 717**	242 810
Financial Services	**231 870**	164 848
Automotive	**249 420**	226 455
Electrical	**128 223**	128 223
Namibia	**230 259**	250 144
Properties	**21 034**	21 034
Corporate and investments	**1 784**	1 784
	4 447 769	3 167 700

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 Discounted Cash Flow ("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 8,0 – 18,1 (2017: 10,0 – 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 10,0 (2017: 9,0) was used for the Bidvest Services valuation and 10,0 (2017: 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 cashflows were discounted at the Group's weighted average cost of capital of 11,0% (2017: 11,0%) and perpetuity growth rate of 5% (2017: 5%). The valuation method is a Level 3 type valuation in accordance with IFRS 13 – Fair Value measurement.

17. Deferred taxation

	2018 R'000	2017 R'000
Deferred taxation assets	**761 368**	728 913
Deferred taxation liabilities	**(1 209 549)**	(1 014 705)
Net deferred taxation liability	**(448 181)**	(285 792)
Movement in net deferred taxation assets and liabilities		
Balance at beginning of year	**(285 792)**	(264 655)
Per consolidated income statement	**(14 927)**	(33 698)
Arising on consolidation of the Bidvest Education Trust	**(22 830)**	–
Items recognised directly in equity, other comprehensive income	**38 549**	133 962
On acquisition of businesses	**(224 249)**	(124 198)
On disposal of business	**97 789**	14 437
Exchange rate adjustments	**(36 721)**	(11 640)
Balance at end of year	**(448 181)**	(285 792)

	Assets R'000	Liabilities R'000	Net R'000
Temporary differences			
2018			
Differential between carrying values and tax values of property, plant and equipment	**(11 788)**	**(609 759)**	**(621 547)**
Differential between carrying values and tax values of intangible assets	**(14 423)**	**(582 863)**	**(597 286)**
Estimated taxation losses	**120 789**	**30 324**	**151 113**
Staff-related allowances and liabilities	**449 545**	**55 357**	**504 902**
Operating lease liabilities	**43 837**	**2 055**	**45 892**
Inventories	**41 771**	**6 156**	**47 927**
Investments	**(1 189)**	**(166 479)**	**(167 668)**
Trade and other receivables	**25 976**	**(22 306)**	**3 670**
Trade, other payables and provisions	**106 850**	**77 966**	**184 816**
	761 368	**(1 209 549)**	**(448 181)**
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)

Deferred taxation has been provided at rates ranging between 10% – 45% (2017: 10% – 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.

18. Interest in associates

	2018 R'000	2017 R'000
Listed associates	**4 469 751**	4 661 516
Net asset value at acquisition	**1 430 447**	1 425 513
Inherent goodwill	**4 083 041**	4 073 768
Remeasurement allowances	**(1 043 737)**	(837 765)
Unlisted associates	**54 841**	104 182
Net asset value at acquisition	**199 272**	205 876
Inherent goodwill	**6 584**	6 732
Remeasurement allowances	**(151 015)**	(108 426)
Investments in associates at cost net of remeasurement allowances	**4 524 592**	4 765 698
Attributable share of post-acquisition reserves of associates	**817 416**	608 790
At beginning of year	**608 790**	442 176
Share of current year earnings net of dividend	**217 004**	264 737
Share of movement in other reserves	**(19 172)**	(69 191)
Reversal of prior year reserves on unbundling, disposal, and or change in shareholding	**10 794**	(28 932)
Advances to associates	**19**	840
	5 342 027	5 375 328

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 an effective 38,5% (2017: 38,4%) of the net ordinary shares in issue in Adcock, but equity accounts for 45,2% (2017: 45,0%) of its results as a consequence of treating the sale of 15% of its holding, in terms of the new 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 2018 R'000	For the year ended 30 June 2017 R'000
18. Interest in associates (continued)		
Summarised aggregated financial information of Adcock:		
Revenue	**6 562 865**	5 957 700
Profit for the year	**637 943**	553 534
Other comprehensive income for the year	**7 040**	(147 966)
Total comprehensive income for the year	**644 983**	405 568
Dividends received from Adcock during the year	**106 848**	77 024
Current assets	**3 617 934**	3 326 463
Non-current assets	**2 652 791**	2 236 510
Current liabilities	**(2 220 552)**	(1 726 546)
Non-current liabilities	**(135 254)**	(341 423)
Non-controlling interests	**(2 413)**	(7 522)
Reconciliation of the above summarised financial information to the carrying amount of Adcock recognised in the consolidated financial statements:		
Net assets of Adcock	**3 912 506**	3 487 482
Proportion of Group's interest in Adcock	**1 767 699**	1 570 947
Inherent goodwill	**3 734 763**	3 767 061
Provision for impairment of carrying value	**(842 742)**	(773 352)
Carrying value of Group's interest in Adcock	**4 659 720**	4 564 656
Market value as at 30 June	**4 659 720**	4 564 656

The investment in Adcock forms part of the corporate and investment 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 2018. 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 impairment considerations have been applied to other listed investments in associates.

	2018 R'000	2017 R'000
Summarised aggregated financial information of associates that are not individually material:		
The Group's share of profit	**141 223**	129 728
The Group's share of other comprehensive loss	**(830)**	(637)
The Group's share of total comprehensive income	**140 393**	129 091
Aggregate carrying amount of the Group investment in these associates	**682 308**	810 672

19. Investments

	2018 R'000	2017 R'000
Listed held-for-trade	**1 337 689**	1 529 987
Unlisted held-for-trade	**1 049 559**	995 069
Listed available-for-sale	**376 072**	254 407
Unlisted available-for-sale	**39 585**	63 669
	2 802 905	2 843 132
Fair value hierarchy of investments		
Investments and loans held at cost or amortised cost	**31 542**	62 149
Investments held at fair value as determined on inputs based on:	**2 771 363**	2 780 983
Unadjusted quoted prices in an active market for identical assets	**1 714 376**	1 785 022
Factors that are not based on observable market data	**1 056 987**	995 961
	2 802 905	2 843 132
Analysis of investments at a fair value not determined by observable market data		
Balance at the beginning of year	**995 961**	935 017
On acquisition of business	**–**	39 087
On disposal of business	**–**	(6 087)
Purchases, loan advances or transfers from other categories	**5 434**	5 700
Fair value adjustment arising during the year recognised in the income statement	**56 559**	95 326
Proceeds on disposal, unbundling or repayment of loans or transfers to other categories	**–**	(72 679)
Exchange rate adjustments	**(966)**	(403)
	1 056 988	995 961

Listed held-for-trade investments includes a unitised indirect holding of R157 million (2017: R141 million) in interest-bearing listed Government and corporate bonds via the Investec Gilt Fund. The bonds included in the Investec Gilt Fund have yields that range from 2,7% to 9,8% (2017: 2,9% to 9,8%) and the portfolio has a duration of 5,7 years (2017: 6 years). Bidvest Insurance holds R132 million (2017: R119 million) of the investment with Bidvest Life holding R25 million (2017: R22 million), this investment may be realised in whole or part before its maturity date.

Listed available-for-sale investments include an interest-bearing listed Government bond (R186) which amounts to R331 million (2017: R228 million Government bond R204), with a coupon interest rate of 10,5% (2017: 8,0%) which matures on 21 December 2027 (2017: 21 December 2018). 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 2018, is R988 million (US$72 million) (2017: R940 million (US$72 million)).

The valuation of MIAL is at fair value in accordance with IFRS 13. The calculation used the pleasing underlying performance of MIAL (EBITDA +13% for the year to March 2018), takes consideration of the illiquid nature of the asset and applies a discount to the median peer group multiple, which is in a range of between 12,5x and 14,1x EBITDA. A 1% change in the multiple or EBITDA will result in US$1,4 million change in the value.

During August 2018, the Group launched a public process to dispose of the stake.

MIAL is also a foreign-based asset and the ruling year-end exchange rate, US$1 = R13,72 (2017: US$1 = R13,06), 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.

	2018 R'000	2017 R'000
20. Banking and other advances		
Instalment finance	**715 004**	1 076 327
Mortgages	**403 587**	318 002
Call and term loans	**120 093**	156 962
Other advances	**672 123**	369 427
	1 910 807	1 920 718
Impairment allowances	**(18 563)**	(29 918)
	1 892 244	1 890 800
Maturity analysis		
Maturing in one year	**1 082 937**	1 026 974
Maturing after one year but within five years	**658 191**	641 339
Maturing after five years	**151 116**	222 487
	1 892 244	1 890 800

Interest rates are based on contractual agreements with customers.
Refer note 38 for further disclosure.

	2018 R'000	2017 R'000
21. Vehicle rental fleet		
Cost	**1 316 540**	1 105 496
Accumulated depreciation	**(110 949)**	(112 554)
	1 205 591	992 942
Movement in vehicle rental fleet		
Carrying value at beginning of year	**992 942**	1 318 581
Additions	**1 035 398**	1 560 241
Disposals	**(688 851)**	(1 667 640)
Depreciation	**(134 077)**	(217 449)
Exchange rate adjustments	**179**	(791)
Carrying value at end of year	**1 205 591**	992 942
22. Inventories		
Raw materials	**374 401**	442 149
Work-in-progress	**107 617**	107 513
Finished goods	**4 316 201**	4 224 251
New vehicles and motor cycles	**1 258 541**	1 407 258
Used vehicles	**1 145 804**	1 135 708
Demonstration vehicles	**944 042**	896 577
Parts and accessories	**368 945**	382 236
	8 515 551	8 595 692
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)	**666 104**	860 276
Amounts included in trade and other payables relating to these assets (refer note 34)	**946 088**	838 293
	1 612 192	1 698 569
Write down of inventory to net realisable value charged to the income statement	**233 183**	243 042

	2018 R'000	2017 R'000
23. Trade and other receivables		
Trade receivables	**9 359 995**	8 216 919
Impairment allowances	**(288 687)**	(298 557)
Net trade receivables	**9 071 308**	7 918 362
Forward exchange contracts asset	**53 845**	5 587
Interest rate swaps	**–**	9 016
Receivables relating to customer contracts	**–**	68 879
Vehicles purchased with guaranteed buy backs from OEM's	**287 398**	–
Dividend receivable from disposed subsidiary	**188 494**	–
Receivables arising from disposal of subsidiaries and/or associates	**190 741**	203 110
Other receivables	**2 242 151**	1 931 353
	12 033 937	10 136 307

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.

24. Cash and cash equivalents

	2018 R'000	2017 R'000
Cash on hand and at bank	**6 168 293**	5 132 550
Amounts included in cash on hand and at bank relating to banking and insurance subsidiaries where the balances form part of the reserving requirements as required by the Financial Services Act	**605 372**	493 854
Amounts included in cash on hand and at bank relating to customer contracts	**38 905**	37 766

25. Capital and reserves attributable to shareholders of the Company

	2018 R'000	2017 R'000
Share capital		
Issued share capital	**16 873**	16 770
Share premium	**797 717**	379 792
Reserves	**22 505 429**	20 557 591
Foreign currency translation reserve	**262 787**	286 628
Hedging reserve	**(963)**	6 489
Equity-settled share-based payment reserve	**(243 388)**	(14 787)
Retained earnings	**22 486 993**	20 279 261
Shares held by subsidiary as treasury shares	**637 063**	743 152
Share capital	**(35)**	(16)
Share premium	**637 098**	743 168
Capital and reserves attributable to shareholders of the Company	**23 957 082**	21 697 305
Reserves comprise		
Company and subsidiaries	**21 688 013**	19 948 801
Associates	**817 416**	608 790
	22 505 429	20 557 591
Share capital		
Authorised		
540 000 000 (2017: 540 000 000) ordinary shares of 5 cents each	**27 000**	27 000

25. Capital and reserves attributable to shareholders of the Company (continued)

	2018 R'000	2017 R'000
Issued		
Number of shares in issue	**337 463 035**	335 404 212
Balance at beginning of year	**335 404 212**	335 404 212
Issue for cash	**2 058 823**	–
Less: Shares held by subsidiary as treasury shares	**(696 625)**	(310 024)
Balance at beginning of year	**(310 024)**	(2 509 812)
Shares held by the Bidvest Education Trust	**(386 601)**	–
Sale of shares by subsidiary to staff in terms of share incentive scheme	**–**	2 199 788
Net shares in issue	**336 766 410**	335 094 188

30 000 000 (2017: 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 share appreciation rights granted and conditional share awards made to staff and executive directors, 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 on 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% (2017: 52,3%) of the issued capital of Bidvest Namibia, but accounts for 66,0% (2017: 66,0%) as a result of a deferred sale of 13,7% (2017:13,7%) of the shares it previously held.

	2018 R'000	2017 R'000
Contribution to non-controlling interests		
Profit allocated to non-controlling interests		
Bidvest Namibia	**(3 390)**	28 118
Other non-controlling interests	**71 007**	70 531
Total profit allocated to non-controlling interests	**67 617**	98 649
Accumulated non-controlling interests		
Bidvest Namibia	**684 747**	1 009 274
Other non-controlling interests	**338 880**	337 744
Total accumulated non-controlling interests	**1 023 627**	1 347 018
The summarised financial information below of Bidvest Namibia represents amounts before intergroup eliminations		
Statement of financial position items		
Current assets	**1 983 038**	1 886 213
Non-current assets	**709 574**	1 200 637
Current liabilities	**(760 375)**	(690 583)
Non-current liabilities	**(77 729)**	(166 487)
Non-controlling interests	**(120 749)**	(384 874)
Equity attributable to the owners of the Company	**(1 733 759)**	(1 844 906)
Statement of comprehensive income items		
Revenue	**3 381 027**	3 776 448
Expenses	**(3 410 969)**	(3 714 630)
Profit attributable to the owners of the Company	**(40 141)**	50 610
Profit attributable to minorities	**10 199**	11 208
Profit for the year	**(29 942)**	61 818
Other comprehensive income attributable to owners of the Company	**1 847**	(8 127)
Other comprehensive income attributable to minorities	**29**	(8 571)
Other comprehensive income for the year	**1 876**	(16 698)
Dividends paid to minorities	**–**	72 981
Statement of cash flow items		
Cash (outflow)/inflow from operating activities	**(157 052)**	(12 160)
Cash inflow/(outflow) from investing activities	**(190 740)**	8 518
Cash inflow from financing activities	**(92 032)**	6 723
Net cash inflow/(outflow)	**(439 824)**	3 081

27. Share-based payments

The Bidvest Share Incentive Scheme (BIS) grants options to employees of the Group to acquire shares in the Company. The share options scheme has 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, in 2016, to replace the BIS and has been classified as an equity-settled scheme, 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 (30 May 2016), 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 they 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:

	2018 Number	**Average price R**	2017 Number	Average price R
Beginning of the year	**5 098 397**	**247,06**	6 751 951	233,00
Lapsed	**(139 144)**	**269,22**	(244 858)	251,15
Exercised	**(1 520 330)**	**220,89**	(1 408 696)	178,96
End of the year	**3 438 923**	**257,73**	5 098 397	247,06
The replacement rights outstanding at 30 June 2018 have an exercise price in the range of R100,00 to R301,54 (2017: R100,00 to R301,54) and a weighted average contractual life of 0,3 to 7,4 (2017:1,3 to 8,4) years. The average combined value of the Bidvest and Bidcorp shares during the year was R486,59 (2017: R424,51).				
Replacement rights outstanding at 30 June by year of grant are:				
2009	**1 500**	**100,00**	1 500	100,00
2011	**72 590**	**135,00**	149 290	135,00
2012	**129 500**	**134,00**	273 000	134,56
2013	**261 875**	**208,91**	613 938	208,91
2014	**807 079**	**235,40**	1 308 524	235,63
2015	**798 154**	**252,67**	1 312 620	252,85
2016	**1 368 225**	**301,54**	1 439 525	301,54
	3 438 923	**257,73**	5 098 397	247,06

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

Share Appreciation Rights 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 7th 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:

	2018 Number	Average price R	2017 Number	Average price R
Beginning of the year	**3 585 000**	**146,55**	–	–
Granted	**3 854 000**	**158,75**	3 600 000	146,55
Lapsed	**(103 500)**	**146,61**	(15 000)	146,61
Exercised	**–**	**–**	–	–
End of the year	**7 335 500**	**152,96**	3 585 000	146,55
Share appreciation rights outstanding at 30 June by year of grant are:				
2017	**3 481 500**	**146,55**	3 585 000	146,55
2018	**3 854 000**	**158,75**	–	–
	7 335 500	**152,96**	3 585 000	146,55

The SARs outstanding at 30 June 2018 have an exercise price in the range of R138,48 to R158,75 (2017: R138,48 to R146,61) and a weighted average contractual life of 5,4 to 6,4 (2017: 6,4 to 6.76) years. The average value of the Bidvest share during the year was R200,88 (2017: R160,89).

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

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

	2018	2017
Fair value at measurement date (Rand)	**176,39**	162,90
Exercise price (Rand)	**158,75**	146,61
Expected volatility (%)	**24,83**	27,84
Option life (years)	**4,00 – 6,00**	4,00 – 6,00
Distribution yield (%)	**2,96**	2,78
Risk-free interest rate (based on the ZAR Bond static yield curve) (%)	**7,93**	7,77

The volatility is based on the recent historic volatility.

27. Share-based payments (continued)

Conditional share plan

In terms of the CSP scheme, a conditional right to a share is awarded to executive directors 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 anticipated future distribution flows. A total number of 323 842 (2017: 117 120) of the 451 280 (2017: 256 280) shares 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 R154,55 (2017: R122,78) per share. These awards will vest in the next three years.

Nil (2017: Nil) conditional share awards were forfeited as a result of performance conditions not being met.

The number of conditional share awards in terms of the conditional share plan are:

	2018 Number	2017 Number
Beginning of the year	**256 280**	35 000
Allotted during the year	**195 000**	256 280
Exchanged for replacement rights	**–**	(35 000)
End of the year	**451 280**	256 280

Following the adoption of the SAR, the maximum number of shares which may be allocated at any one time under the SAR and existing Conditional Share Plan shall not exceed 16 750 000 shares (5% of shares in issue). A total number of 8 963 220 (2017: 12 908 720) 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 integrated annual report of Bidvest Namibia Limited, which can be inspected at their registered office.

28. Life assurance fund

	2018 R'000	2017 R'000
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.		
Insurance contract (assets)/liabilities	**(21 324)**	15 605
Balance at beginning of year	**15 605**	24 761
Movement during the year	**(36 929)**	(9 156)
Investment contract liabilities	**10 545**	295 750
Balance at beginning of year	**295 750**	–
Movement during the year	**(285 205)**	295 750
Net assurance fund at end of year	**(10 779)**	311 355
Gross assurance fund	**(46 643)**	310 028
Reinsuer's share	**35 864**	1 327
Net assurance fund	**(10 779)**	311 355

Insurance contracts

Insurance contracts are predominantly credit life policies sold by motor dealerships and life insurance policies, distributed by independent financial advisors, that provide for death, disability and critical illness benefits.

The insurance contract reserves are established by discounting future expected net claims, net expense and commission outgo less the future net office premiums (if any) on a policy-by-policy basis using the following main assumptions (before the compulsory margins required by SAP104):

- FSB SAM Nominal yield curve is used to determine investment returns;
- Inflation curve as derived from the FSB SAM yield curves;
- Mortality and disability assumptions are set with reference to standard tables or reinsurance rates where appropriate (mortality and morbidity investigations are conducted annually to confirm assumptions);
- Per policy expense assumptions are based on the medium term projected level of expenses and volume of business; and
- Lapse rates are based on the most recent lapse experience investigation.

IBNR (incurred but not recorded) provisions have been created for both Individual and Group business. IBNR's are calculated based on the run-off period on claims reported in the last 12 months. A combination of the basic chain ladder method and simplistic deterministic methods are used depending on the product and the statistical significance of data available.

Policyholder reasonable benefit expectations have been allowed for, all contractual obligations have been considered and all business is written on a non-profit-sharing basis.

Investment contracts

Investment contracts are linked living annuities sold by independent financial advisors. A decision was made during the current year to exit this business, which was executed in a managed and profitable manner. At 30 June 2018, the two remaining investment contracts will be exited within the next 12-month period.

29. Borrowings

	2018 R'000	2017 R'000
Loans secured by mortgage bonds over fixed property (refer note 14)	**–**	30 644
Loans secured by *lien* over certain property, plant and equipment in terms of financial leases and suspensive sale agreements (refer note 14)	**62 072**	75 786
Unsecured borrowings	**9 086 296**	8 503 602
Listed bonds	**2 250 000**	3 675 000
Cumulative redeemable preference shares	**3 080 000**	3 080 000
Syndicated EURO facility	**3 182 552**	–
Other borrowings	**573 744**	1 748 602
Floorplan creditors secured by pledge of inventories (refer note 23)	**666 104**	860 276
Borrowings	**9 814 472**	9 470 308
Bank overdrafts	**2 653 895**	1 246 133
Total borrowings	**12 468 367**	10 716 441
Less short-term portion of borrowings	**(5 345 882)**	(5 308 369)
Long-term portion of borrowings	**7 122 485**	5 408 072
Schedule of repayment of borrowings		
Year to June 2018	**–**	4 062 236
Year to June 2019	**2 691 987**	1 523 669
Year to June 2020	**2 649 313**	2 660 084
Year to June 2021	**4 095 631**	885 768
Year to June 2022	**309 134**	306 855
Thereafter	**68 407**	31 696
	9 814 472	9 470 308
Total borrowings comprise		
Borrowings	**9 814 472**	9 470 308
Local subsidiaries	**6 433 559**	9 233 362
Foreign subsidiaries	**3 380 913**	236 946
Overdrafts	**2 653 895**	1 246 133
Local subsidiaries	**2 444 538**	1 217 107
Foreign subsidiaries	**209 357**	29 026
	12 468 367	10 716 441
Effective weighted average rate of interest on	**%**	%
Local borrowings excluding overdrafts	**7,6**	7,8
Foreign borrowings excluding overdrafts	**2,3**	8,5

	Currency	Nominal interest rate %	Financial year of maturity	2018 Carrying value R'000	2017 Carrying value R'000
Terms and debt repayment schedule					
Terms and conditions of outstanding loans were:					
Borrowings of local subsidiaries				**6 433 559**	9 233 362
Loans secured by mortgage bonds over fixed property	ZAR			**–**	24 031
Loans secured by *lien* over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	ZAR	10,5 – 17,8	2019 – 2020	**294**	3 396
Listed bonds	ZAR	8,5 – 8,8	2019 – 2022	**2 250 000**	3 675 000
Cumulative redeemable preference shares	ZAR	6,6 – 6,7	2020 – 2021	**3 080 000**	3 080 000
Other borrowings	ZAR	0,0 – 10,7	2019 – 2021	**566 135**	1 738 845
Floorplan creditors secured by pledge of inventories and property bonds	ZAR	8,3 – 9,3	2019	**537 130**	712 090
Borrowings of foreign subsidiaries				**3 380 913**	236 946
Loans secured by mortgage bonds over fixed property	GBP			**–**	3 442
	NAD			**–**	3 171
Loans secured by *lien* over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	GBP	2,3 – 18,4	2019 – 2022	**41 035**	44 672
	EUR	7,4 – 16,4	2019 – 2022	**19 871**	–
	BWP			**–**	14 108
	AOA			**–**	12 927
	NAD	10,5 – 13,6	2019 – 2021	**722**	463
	MUR	12,0	2019 – 2020	**149**	220
Floorplan creditors secured by pledge of inventories	ZAR	11,00	2019	**64 610**	82 530
	NAD	9,75 – 10,0	2019	**64 364**	65 656
Other borrowings	EUR	1,8	2021	**3 182 552**	–
	BWP	9,0	2019	**2 184**	6 258
	Other	0,0 – 8,5	2019	**5 426**	3 499
Total interest-bearing borrowings				**9 814 472**	9 470 308

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

Refer note 38 for further disclosure.

30. Post-retirement obligations

	2018 R'000	2017 R'000
Post-retirement assets		
Defined benefit pension surplus	**(224 577)**	(202 886)
Post-retirement obligations		
Post-retirement medical aid obligations	**76 943**	77 197
	(147 634)	(125 689)

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

Defined benefit pension obligations (assets) of the fund

	2018 R'000	2017 R'000
The Bidvest South Africa Pension Fund	**(224 577)**	(202 886)
	(224 577)	(202 886)
Contributions to the fund		
Employee contributions	**337**	384
Total pension fund asset		
Fair value of plan assets	**623 979**	601 441
Actuarial present value of defined benefit obligations	**(390 780)**	(382 356)
Net surplus in the plans	**233 199**	219 085
Amounts not recognised due to ceiling adjustments and other limitations	**(8 622)**	(16 199)
	224 577	202 886
Movement in the liability for defined benefit obligations		
Balance at beginning of year	**(382 356)**	(420 903)
Benefits paid	**27 938**	49 889
Risk premiums and expenses	**1 042**	1 078
Current service costs	**(2 403)**	(2 920)
Interest expense	**(36 966)**	(39 633)
Member contributions	**(337)**	(384)
Actuarial gains	**2 302**	30 517
Balance at end of year	**(390 780)**	(382 356)

	2018 R'000	2017 R'000
Movement in the plans' assets		
Balance at beginning of year	**601 441**	609 475
Contributions paid into the plans	**337**	384
Benefits paid	**(27 938)**	(49 889)
Risk premiums and expenses	**(2 052)**	(2 051)
Interest income	**58 366**	57 403
Return on plan assets in excess of interest income	**(6 175)**	(13 881)
Balance at end of year	**623 979**	601 441
The plans' assets comprise		
Cash	**38 687**	53 528
Equity securities	**460 497**	433 638
Bills, bonds and securities	**94 845**	84 202
Property	**25 583**	21 652
Other	**4 367**	8 421
	623 979	601 441
Amounts recognised in the income statement		
Current service costs	**2 403**	2 920
Interest on obligations	**36 966**	39 633
Interest income on plan assets	**(58 366)**	(57 403)
Ceiling adjustments and other limitations	**1 604**	820
Risk premiums and expenses	**1 010**	973
	(16 383)	(13 057)
Amounts recognised in other comprehensive income		
Return on plan assets in excess of interest income	**6 175**	13 881
Actuarial (gains)/losses	**(2 302)**	(30 517)
Ceiling adjustments and other limitations	**(9 181)**	6 842
	(5 308)	(9 794)
Key actuarial assumptions used in the actuarial valuations:		
The Bidvest South Africa Pension Fund		
Number of in-service members 30 June	**20**	23
Number of pensioners 30 June	**572**	652
Discount rate (%)	**9,7**	9,9
Inflation rate (%)	**6,2**	6,8
Salary increase (%)	**7,2**	7,8
Pension increase allowance (%)	**4,3**	4,8
Date of valuation of all funds	**30 June 2018**	30 June 2017

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.

	2018 Impact of an increase in assumption R'000	2017 Impact of an increase in assumption R'000

30. Post-retirement obligations (continued)

	2018 Impact of an increase in assumption R'000	2017 Impact of an increase in assumption R'000
The Bidvest South Africa Pension Fund		
Discount rate – 1%	**6 366**	7 246
Pension increase – 1%	**(12 450)**	(14 241)
Salary increase – 1%	**(3 833)**	(4 653)

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.

	2018 R'000	2017 R'000
Post-retirement medical aid obligations		
The Group provides post-retirement medical benefit subsidies to certain retired employees and is responsible for the provision of post-retirement medical benefit subsidies to a limited number of current employees.		
Provision for post-retirement medical aid obligations		
Opening provision raised against unfunded obligation	**77 197**	79 128
Current service costs (relief)	**(2 502)**	(228)
Interest expense	**6 632**	6 670
Benefits paid	**(6 772)**	(7 889)
Actuarial adjustments recognised in other comprehensive income	**2 388**	(484)
Closing provision raised against unfunded obligation	**76 943**	77 197
	%	%
Key actuarial assumptions		
Discount rate	**8,7**	9,6
Inflation rate (CPI)	**5,7**	7,0
Health care cost inflation	**7,7**	9,0
Date of valuation	**30 June 2018**	30 June 2017

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.

The following put option was entered into during the year:

The non-controlling shareholders of FinGlobal Holdings (Pty) Limited (FinGlobal) have the option to put their 30,45% interest in FinGlobal to the Group at a price determined on a multiple of earnings on or about 1 July 2022.

	2018 R'000	2017 R'000
The effect of granting these put options on the Group's results can be summarised as follows:		
Balance at beginning of the year	**60 990**	49 167
Arising on the granting of put options to non-controlling interests during the year	**22 922**	–
Fair value adjustments recorded directly in retained income	**5 025**	8 676
Unwinding of present value discount recognised in the income statement	**4 717**	3 147
Dividends paid	**(3 124)**	–
	90 530	60 990
Discount rate	**6,0% – 7,0%**	6,0%
Expected settlement dates	**1 July 2019 – 1 July 2022**	1 July 2019 – 30 June 2021

32. Amounts owed to bank depositors

	2018 R'000	2017 R'000
Call deposits	**3 067 760**	2 489 187
Fixed and notice deposits	**2 553 382**	1 922 917
	5 621 142	4 412 104
All amounts owed to bank depositors mature within one year.		
Effective rates of interest	**%**	%
Call deposits	**2,6**	2,5
Fixed and notice deposits	**8,1**	8,4

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

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.

	2018 R'000	2017 R'000
Operating lease liabilities	**160 946**	162 790
Less short-term portion included in trade and other payables	**(19 866)**	(19 914)
Long-term portion	**141 080**	142 876
Operating lease commitments		
Land and buildings	**6 877 225**	5 025 773
Due in one year	**959 870**	989 048
Due after one year but within five years	**3 517 256**	2 071 016
Due after five years	**2 400 099**	1 965 709
Equipment and vehicles	**647 539**	293 236
Due in one year	**269 936**	102 040
Due after one year but within five years	**332 263**	134 948
Due after five years	**45 340**	56 248
	7 524 764	5 319 009
Less amounts raised as liabilities	**(160 946)**	(162 790)
	7 363 818	5 156 219

34. Trade and other payables

	2018 R'000	2017 R'000
Trade payables	**7 229 842**	5 981 648
Non-interest-bearing floorplan creditors	**946 088**	838 293
Forward exchange contracts liability	**2 645**	18 870
Interest rate swap liabilities	**1 334**	–
Payables relating to customer contracts	**37 948**	105 630
Other payables and accrued expenses	**4 765 654**	4 088 983
	12 983 511	11 033 424

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.

35. Provisions

	2018 R'000	2017 R'000
Long-term portion	**248 633**	149 907
Short-term portion	**281 532**	278 582
	530 165	428 489

	Onerous contracts R'000	Insurance liabilities R'000	Insurance claims R'000	Other R'000	Total R'000
Balance at 1 July 2016	33 940	356 365	26 835	25 577	442 717
Created	2 008	349 873	6 972	38 114	396 967
Utilised	(26 127)	(376 975)	(8 422)	(8 598)	(420 122)
Net acquisition of businesses	–	–	–	9 641	9 641
Exchange rate adjustments	–	–	(11)	(703)	(714)
Balance at 30 June 2017	9 821	329 263	25 374	64 031	428 489
Created	**19 596**	**28**	**5 658**	**17 435**	**42 717**
Utilised	**(10 126)**	**(5 588)**	**(2 873)**	**(37 341)**	**(55 928)**
Net acquisition of businesses	**3 306**	**–**	**106 698**	**(399)**	**109 605**
Exchange rate adjustments	**–**	**–**	**4 995**	**287**	**5 282**
Balance at 30 June 2018	**22 597**	**323 703**	**139 852**	**44 013**	**530 165**

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 deem to be onerous in light of the current market conditions, discounted using market-related rates. An annual expense is recognised over the life of the contracts.

Insurance liabilities

Insurance liabilities include 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.

Insurance claims

Insurance claims include provisions 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. Insurance claims have long lead times and the provision is determined using actuarial assumptions.

Other

Included in other is a provision raised for the estimated cost of honouring warranties on certain products sold where the manufacturers' warranty is inadequate or not available, R32 million (2017: R40 million).

	2018 R'000	2017 R'000
36. Commitments		
Capital expenditure approved		
Contracted for	**1 285 138**	553 832
Not contracted for	**378 926**	1 441 298
	1 664 064	1 995 130

Capital expenditure amounting to R1 579 million (2017: R1 939 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.

Bidvest Freight has commenced the development of an LPG tank farm in the port of Richards Bay, to 30 June 2018 R201 million has been spent with an additional R736 million committed to the project, the estimated completion date is July 2020. Bidvest Properties and Bidvest Bank are parties to the development of a property in the Sandton CBD and have a combined commitment of R250 million. Bidvest Properties has committed R138 million to build a fit-for-purpose warehouse for Bidvest Panalpina Logistics in Mobeni, KwaZulu-Natal.

	2018 R'000	2017 R'000
37. Contingent liabilities		
Guarantees issued in respect of obligations of associates and investments	**79 000**	16 000

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, Republic of Ireland, 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 report to the Group's Board of directors. The divisional management are also held responsible for managing financial risks of the operations within the divisions. Operational management's remuneration is based on their operation's performance and divisional management based on their division's performance resulting in a decentralised and entrepreneurial environment.

Due to the diverse structure and decentralised management of the Group, the Group risk 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. Whilst 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.

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.

38.2 Credit risk

Through the Divisional risk committees, each division has a forum for the discussion and identification of risks relevant to the particular division. Only risk matters that affect the Group as a whole are escalated to the Group risk committee. The minutes of the Divisional risk committees are submitted to the Group risk committee.

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.

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 R9 071 million (2017: R7 918 million) for trade receivables (refer note 23), R1 892 million (2017: R1 891 million) for banking and other advances (refer note 20), and R2 803 million (2017: R2 843 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 credit worthiness 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 are also held responsible for monitoring the operations' credit exposure.

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

38.2 Credit risk (continued)

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 the operational management on the financial condition of the operation's customers.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. It was noted that the Group's largest exposure to a single customer group, across multiple geographies is R199 million (2017: R218 million). Management, in the various geographies, have assessed the recoverability of these amounts due in their geographies, and believe 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 have 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 depend on the type of industry in which they operate as well as the credit worthiness 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 3,7% (2017: 11,2%) of the total allowance raised at year end.

	2018 R'000	2017 R'000
Movement in impairment allowance in respect of trade receivables		
Balance at 1 July	**298 557**	257 003
Allowances raised during the year	**168 016**	177 000
Trading operations		
Services	**27 299**	4 833
Freight	**1 126**	13 615
Commercial Products	**21 936**	21 340
Office and Print	**17 592**	42 132
Financial Services	**–**	33 439
Automotive	**29 765**	15 596
Electrical	**55 404**	36 972
Namibia	**13 506**	7 751
Corporate	**1 388**	1 322
Bad debts written off during the year	**(93 267)**	(95 533)
Trading operations		
Services	**(7 373)**	(5 026)
Freight	**(2 822)**	(12 884)
Commercial Products	**(22 157)**	(21 249)
Office and Print	**(4 037)**	(24 694)
Financial Services	**–**	(7 587)
Automotive	**(37 889)**	(9 431)
Electrical	**(17 431)**	(10 844)
Namibia	**(1 043)**	(3 818)
Corporate	**(515)**	–
Net acquisition of businesses and inter-class transfers	**12 760**	31 146
Trading operations		
Services	**17 505**	–
Commercial Products	**–**	29 035
Office and Print	**(464)**	–
Electrical	**–**	1 894
Namibia	**(4 281)**	217
Allowances reversed during the year	**(100 171)**	(68 091)
Trading operations		
Services	**(9 362)**	(6 937)
Freight	**–**	(4 463)
Commercial Products	**(5 933)**	(5 607)
Office and Print	**(12 615)**	(15 384)
Financial Services	**(33 439)**	–
Automotive	**(6 597)**	(5 429)
Electrical	**(21 399)**	(21 229)
Namibia	**(9 503)**	(7 643)
Corporate	**(1 323)**	(1 399)
Exchange rate adjustments	**2 792**	(2 968)
Balance at 30 June	**288 687**	298 557

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

	2018 Fair value of collateral held R'000	2018 Trade receivables net of impairment allowance R'000	2017 Fair value of collateral held R'000	2017 Trade receivables net of impairment allowance R'000
Personal surety	*	73 746	*	120 190
Trading operations				
Freight		1 997		5 058
Commercial Products		–		1 379
Office and Print		2 010		260
Automotive		9 311		13 961
Electrical		60 428		99 531
Cover by credit insurance	368 941	369 051	368 017	368 017
Trading operations				
Freight	1 997	1 997	10 396	10 396
Commercial Products	74 194	74 304	38 389	38 389
Office and Print	–	-	50	50
Automotive	1 543	1 543	1 511	1 511
Electrical	257 885	257 885	293 885	293 885
Namibia	33 322	33 322	23 786	23 786
Pledge of assets	30 953	30 953	59 275	59 275
Trading operations				
Services	25 412	25 412	31 530	31 530
Commercial Products	445	445	–	–
Office and Print	14	14	2 656	2 656
Electrical	5 082	5 082	25 089	25 089
Other	39 920	39 920	27 673	27 673
Trading operations				
Freight	31 982	31 982	18 526	18 526
Commercial Products	7 938	7 938	9 077	9 077
Office and Print	–	–	70	70
Total	439 814	513 670	454 964	575 154

* 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.

Ageing of trade receivables at 30 June

	2018			2017		
	Gross trade receivables R'000	**Impairment allowance R'000**	**Net trade receivables R'000**	Gross trade receivables R'000	Impairment allowance R'000	Net trade receivables R'000
Not past due	**6 212 997**	**(30 140)**	**6 182 857**	5 636 282	(24 503)	5 611 779
Trading operations						
Services	**1 608 584**	**(13 730)**	**1 594 854**	1 091 504	(11 589)	1 079 915
Freight	**1 505 559**	**(1 202)**	**1 504 357**	1 530 111	(6 077)	1 524 034
Commercial Products	**922 478**	**(1 827)**	**920 651**	929 101	(2 503)	926 598
Office and Print	**803 619**	**(227)**	**803 392**	817 354	(304)	817 050
Financial Services	**177 337**	**–**	**177 337**	129 384	(831)	128 553
Automotive	**330 010**	**(2 474)**	**327 536**	327 899	(2 961)	324 938
Electrical	**451 116**	**(10 595)**	**440 521**	454 211	(64)	454 147
Namibia	**319 777**	**(85)**	**319 692**	263 855	(174)	263 681
Corporate	**94 517**	**–**	**94 517**	92 863	–	92 863
Past due 0 – 30 days	**1 607 447**	**(13 995)**	**1 593 452**	1 395 959	(11 802)	1 384 157
Trading operations						
Services	**658 815**	**(1 070)**	**657 745**	395 767	(785)	394 982
Freight	**236 925**	**–**	**236 925**	101 913	(12)	101 901
Commercial Products	**132 938**	**(7 211)**	**125 727**	114 846	(3 342)	111 504
Office and Print	**127 442**	**(168)**	**127 274**	151 002	(1 264)	149 738
Financial Services	**37 800**	**–**	**37 800**	95 147	(2 597)	92 550
Automotive	**95 867**	**(1 215)**	**94 652**	103 153	(3 635)	99 518
Electrical	**209 856**	**(1 235)**	**208 621**	337 613	(81)	337 532
Namibia	**72 646**	**(3 096)**	**69 550**	57 916	(86)	57 830
Corporate	**35 158**	**–**	**35 158**	38 602	–	38 602
31 – 180 days	**1 053 524**	**(102 562)**	**950 962**	809 814	(100 941)	708 873
Trading operations						
Services	**447 752**	**(42 116)**	**405 636**	259 125	(14 854)	244 271
Freight	**142 086**	**(911)**	**141 175**	29 665	(554)	29 111
Commercial Products	**80 995**	**(17 116)**	**63 879**	85 580	(27 603)	57 977
Office and Print	**55 384**	**(7 928)**	**47 456**	80 687	(12 301)	68 386
Financial Services	**27 997**	**–**	**27 997**	56 511	(22 658)	33 853
Automotive	**60 942**	**(10 867)**	**50 075**	47 820	(7 359)	40 461
Electrical	**171 069**	**(18 671)**	**152 398**	190 770	(11 535)	179 235
Namibia	**48 128**	**(3 119)**	**45 009**	40 784	(1 917)	38 867
Corporate	**19 171**	**(1 834)**	**17 337**	18 872	(2 160)	16 712
181 + days	**486 027**	**(141 990)**	**344 037**	374 864	(161 311)	213 553
Trading operations						
Services	**102 982**	**(29 791)**	**73 191**	72 523	(29 300)	43 223
Freight	**21 281**	**(6 845)**	**14 436**	9 110	(3 940)	5 170
Commercial Products	**16 187**	**(3 426)**	**12 761**	10 308	(2 308)	8 000
Office and Print	**15 172**	**(15 145)**	**27**	9 221	(9 116)	105
Financial Services	**21 897**	**–**	**21 897**	7 352	(7 352)	–
Automotive	**71 550**	**(47 150)**	**24 400**	84 794	(62 446)	22 348
Electrical	**222 529**	**(31 153)**	**191 376**	161 821	(33 356)	128 465
Namibia	**13 866**	**(7 969)**	**5 897**	19 255	(13 013)	6 242
Corporate	**563**	**(511)**	**52**	480	(480)	–
Total	**9 359 995**	**(288 687)**	**9 071 308**	8 216 919	(298 557)	7 918 362

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.

	2018 R'000	2017 R'000
Movement in impairment allowance in respect of banking and other advances		
Financial Services		
Balance at 1 July	**29 918**	29 370
Allowance raised during the year	**4 753**	11 977
Allowance utilised during the year	**(9 638)**	(11 429)
Impairment written off against banking and other advances	**(6 470)**	
Balance at 30 June	**18 563**	29 918

Ageing of banking and other advances at 30 June

	2018			2017		
	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	**1 897 339**	**(9 822)**	**1 887 517**	1 912 289	(26 784)	1 885 505
Past due	**13 468**	**(8 741)**	**4 727**	8 429	(3 134)	5 295
0 – 30 days	**32**	**–**	**32**	65	–	65
31 – 180 days	**297**	**–**	**297**	20	–	20
181 + days	**13 139**	**(8 741)**	**4 398**	8 344	(3 134)	5 210
Total	**1 910 807**	**(18 563)**	**1 892 244**	1 920 718	(29 918)	1 890 800
Collateral held on past due amounts	**–**	**–**	**–**	–	–	–

	2018		2017	
	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	**4 727**	**4 727**	5 295	5 295

38.3 Liquidity risk

38.3.1 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 (2017: Nil).

38.3.2 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:

	2018 R'000	2017 R'000
Guarantees issued in respect of obligations of associates	**79 000**	16 000

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

38.3 Liquidity risk (continued)

38.3.3 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
2018							
Puttable non-controlling liabilities (refer note 31)	90 530	103 414	–	–	58 912	44 502	–
Borrowings (refer note 29)							
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	62 072	70 110	19 292	14 872	18 792	17 154	–
Unsecured loans	9 086 296	9 828 840	734 780	1 729 749	2 861 105	4 434 482	68 724
Floorplan creditors secured by pledge of inventories and bonded property	666 104	666 104	666 104	–	–	–	–
Bank overdrafts	2 653 895	2 653 895	–	2 653 895	–	–	–
	12 468 367	13 218 949	1 420 176	4 398 516	2 879 897	4 451 636	68 724
Trade and other payables (refer note 34)							
Trade and other payables (excluding forward exchange contracts)	12 980 866	12 980 866	12 980 866	–	–	–	–
	12 980 866	12 980 866	12 980 866	–	–	–	–
Amounts owed to bank depositors (refer note 32)							
Call deposits	3 067 760	3 067 995	3 067 995	–	–	–	–
Fixed and notice deposits	2 553 382	2 638 145	1 735 525	902 620	–	–	–
	5 621 142	5 706 140	4 803 520	902 620	–	–	–

	Carrying amount R'000	Total R'000	Undiscounted contractual cash flows 6 months or less R'000	6 – 12 months R'000	1 – 2 years R'000	2 – 5 ears 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	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	–	–	–

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)

38.3.4 Trade and other payables by class

	2018 R'000	2017 R'000
Trade payables		
Trading operations		
Services	**996 904**	559 145
Freight	**2 594 886**	2 093 889
Commercial Products	**742 957**	670 515
Office and Print	**896 171**	832 231
Financial Services	**157 593**	190 986
Automotive	**736 801**	569 173
Electrical	**619 950**	658 817
Namibia	**363 233**	301 456
Corporate	**121 347**	105 436
	7 229 842	5 981 648

Refer note 34 for further disclosure.

38.3.5 Undrawn facilities

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

	2018 R'000	2017 R'000
Unsecured bank overdraft facility, reviewed annually and payable on 360 days notice	**10 230 731**	11 377 641
Utilised	**2 653 895**	1 246 133
Unutilised	**7 576 836**	10 131 508
Unsecured loan facility with various maturity dates through to 2021 and which may be extended by mutual agreement	**7 077 214**	6 504 445
Utilised	**3 653 744**	4 828 602
Unutilised	**3 423 470**	1 675 843
Secured loan facilities with various maturity dates through to 2022 and which may be extended by mutual agreement	**3 277 622**	3 356 301
Utilised	**728 176**	966 706
Unutilised	**2 549 446**	2 389 595
Other banking facilities	**3 307 760**	3 224 608
Utilised	**92 837**	75
Unutilised	**3 214 923**	3 224 533
Unsecured Domestic Medium Term Notes Programme	**9 000 000**	9 000 000
Utilised	**2 250 000**	3 675 000
Unutilised	**6 750 000**	5 325 000
Total facilities	**32 893 327**	33 462 995
Utilised	**9 378 652**	10 716 516
Unutilised	**23 514 675**	22 746 479

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 (FECs) or alternatively by purchasing in advance the foreign currency which will be required to settle the trade payables. Most of the forward exchange contracts have maturities of less than one year after the 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.

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

38.4 Market risk

38.4.1 Foreign currency risk

	Settlement	Contract value Foreign amount 000's	Contract value Rand amount 000's
2018			
In respect of forward exchange contracts relating to foreign liabilities as at *30 June 2018*			
Japanese yen	July 2018 – October 2018	**(2 440 276)**	**(284 292)**
US dollar	July 2018 – December 2018	**(19 052)**	**(255 192)**
Euro	July 2018 – October 2018	**(2 371)**	**(36 772)**
Sterling	July 2018 – August 2018	**(107)**	**(1 926)**
Australian dollar	July 2018	**(13)**	**(125)**
Other	July 2018 – August 2018	**(120)**	**(248)**
			(578 555)
In respect of forward exchange contracts relating to foreign assets as at *30 June 2018*			
US dollar	July 2018 – December 2018	**1 533**	**20 254**
Euro	July 2018 – October 2018	**150**	**2 310**
			22 564
In respect of forward exchange contracts relating to goods and services ordered not accounted for as at *30 June 2018*			
Japanese yen	July 2018 – August 2018	**(9 040)**	**(1 098)**
US dollar	July 2018 – November 2018	**(7 438)**	**(101 179)**
Euro	July 2018 – December 2018	**(977)**	**(15 163)**
Sterling	July 2018 – September 2018	**(252)**	**(4 603)**
Other	July 2018 – September 2018	**(248)**	**(438)**
			(122 481)

	Settlement	Contract value Foreign amount 000's	Contract value Rand amount 000's
2017			
In respect of forward exchange contracts relating to foreign liabilities as at 30 June 2017			
Japanese yen	July 2017 – October 2017	(2 339 913)	(278 711)
US dollar	July 2017 – December 2017	(12 731)	(166 798)
Euro	July 2017 – October 2017	(1 871)	(27 700)
Sterling	July 2017 – August 2017	(126)	(2 119)
Australian dollar	July 2017	(89)	(893)
Other	July 2017 – 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 – November 2017	260	3 385
Euro	July 2017 – 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 – February 2018	(14 532)	(197 148)
Euro	July 2017 – 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)

The total value of trade receivables and trade payables whose payment terms are fixed in a foreign currency other than its operational currency are R294 million (2017: R356 million) and R935 million (2017: R824 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:

	2018 R'000	2017 R'000
Fixed rate instruments		
Financial assets		
Available-for-sale listed bonds	**330 706**	228 834
Held-for-trading listed bonds	**156 574**	140 891
Banking and other advances	**335 266**	136 870
Derivative instruments in designated hedge accounting relationships	**–**	9 016
Financial liabilities		
Borrowings	**(1 632 464)**	(3 075 301)
Amounts owed to bank depositors	**(1 960 723)**	(1 275 582)
Derivative instruments in designated hedge accounting relationships	**(1 334)**	–
Variable rate instruments		
Financial assets		
Cash and cash equivalents	**6 168 293**	5 132 550
Banking and other advances	**1 556 978**	1 753 930
Financial liabilities		
Borrowings	**(8 182 008)**	(6 395 007)
Puttable non-controlling interest liabilities	**(90 530)**	(60 990)
Amounts owed to bank depositors	**(3 660 419)**	(3 136 522)
Overdrafts	**(2 653 895)**	(1 246 133)

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 0,5% (2017: 0,5%) increase in interest rates would decrease profit after tax by R13 million (2017: R24 million). This sensitivity analysis has been prepared using the average net borrowings for the financial year as the actual net borrowings at 30 June are not representative of the net borrowings during the year. This analyses assumes that all other variables, in particular foreign currency rates, remain constant. The analyses are performed on the same basis as 2017. 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 contracts, in order to fix the interest rates on variable rate corporate bonds and loans as summarised below.

Bonds – The variable 3 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 liability of R1,3 million (2017: asset of R9 million).

Hedged items – 5 year bonds/stock code	BID05
Principal Bond and Swap notional value – R'000	260 000
Bond issue date, swap start date	30 June 2014
Bond redemption date, swap termination date	30 June 2019
Spread (bps) above 3 month JIBAR	125
Fixed swap rate, including spread	8,75%
Interest settlement periods	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 includes 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 R642 million (2017: R539 million) and R109 million (2017: R473 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 ("PE") 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:

	2018 Carrying amount R'000	2018 Fair value R'000	2017 Carrying amount R'000	2017 Fair value R'000
Borrowings (refer note 29)				
Southern Africa	**9 022 676**	**9 031 304**	10 645 950	10 641 708
Loans secured by mortgage bonds over fixed property	**–**	**–**	27 202	27 251
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**1 165**	**1 195**	31 114	31 445
Unsecured loans	**5 903 744**	**5 912 342**	8 503 602	8 498 980
Floor plan creditors secured by pledge of inventories	**666 104**	**666 104**	860 276	860 276
Bank overdrafts	**2 451 663**	**2 451 663**	1 223 756	1 223 756
United Kingdom and Europe	**3 445 691**	**3 445 691**	70 491	70 491
Loans secured by mortgage bonds over fixed property	**–**	**–**	3 442	3 442
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**60 907**	**60 907**	44 672	44 672
Unsecured loans	**3 182 552**	**3 182 552**	–	–
Bank overdrafts	**202 232**	**202 232**	22 377	22 377
	12 468 367	**12 476 995**	10 716 441	10 712 199
Unrecognised gain	**(8 628)**		4 242	

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 2018 plus an adequate constant credit spread, and range from 1,0% to 10,0% (2017: 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, whilst also being able to sustain future development of the businesses. The Board of directors monitors both the demographic spread of shareholders, as well as the return on capital, which the Group defines as total shareholders' equity, excluding minority interests and the level of distributions to ordinary shareholders. The Group's objective is to maintain a distribution cover of approximately two and a quarter times normalised 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 2018 the return was 16,7% (2017: 23,8%). The return has been impacted by the significant net capital items in the year. If these capital items are excluded the return would be 18,1% (2017:18,6%).

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 Bidvest Share Incentive Scheme, Conditional Share Plan or the Share Appreciation Rights Plan (refer note 27). The maximum number of shares which can be allocated under the Share Appreciation Rights Plan and the Conditional Share Plan 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 has been defined as the executive and non-executive directors of the Company. The definition of key management includes the close members of family of key management personnel and any other entity over which key management exercise 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 dependents 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 appreciation rights scheme or conditional share awards.

Details pertaining to executive and non-executive directors' compensations are set out in Annexure B. 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 the year end.

Similar policies are applied to key management personnel at subsidiary level who are not defined as key management personnel at the 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:

	2018 R'000	2017 R'000
Sales and services provided by the Group	**2**	309
Purchases	**1 000**	1 068
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	**294 572**	74 185
Purchases	**12 968**	10 810
Outstanding amounts due to the Group at year end included in advances to associates	**19**	840
Outstanding amounts due to the Group at year end included in trade receivables	**42 163**	58 854
Outstanding amounts due by the Group at year end included in trade payables	**–**	156
Guarantees issued	**16 000**	16 000

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

41. Accounting estimates and judgements

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

Critical accounting policies

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

Key sources of uncertainty

Post-retirement obligations
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 2018. 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, in which case depreciation is halted.

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 (refer note 16 for further disclosure).

Acquisition of Noonan
A Purchase Price Allocation (PPA) was performed by independent valuers in order to determine the fair value of the tangible and intangible assets purchased, the remaining value over the purchase consideration was allocated to goodwill. The PPA further determined the useful lives of the intangibles assets acquired. The directors are satisfied with this allocation and that the useful life of the customer contracts are 20 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.

Control assessment
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, the directors concluded that the Group's current treatment of Adcock as an associate is appropriate.

The Group has performed a control assessment of all its structured entities, which has resulted in The Bidvest Education Trust being consolidated for the first time in the current year.

Investments
The Group reflects its held-for-trade and available-for-sale investments at fair value. The directors' value of unlisted investments, which includes MIAL, 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.

41. Accounting estimates and judgements (continued)

Trade receivables and banking advances
Management identifies possible impairment of trade receivables and banking advances 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 believe 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 to 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 2 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 modified Black-Scholes method. Measurement inputs include share price at measurement date, exercise price of the instrument, expected volatility (based on the historic volatility), option life, distribution yield and the risk-free interest rate (based on the ZAR bond static yield curve).

43. Subsequent events

Subsequent to year-end R1 billion of the cumulative redeemable preference share funding (detailed in note 29), with a maturity date of 11 September 2019 was settled using existing facilities.

During August 2018 the Group initiated a formal process to dispose of its 6.75% equity investment in MIAL.

44. Accounting standards and interpretations not effective at 30 June 2018

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 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 considered the impact of the changes in the standard and expects no material change to the financial assets and liabilities on the balance sheet. For its equity instruments the Bank will make an irrevocable election at inception for classification as Fair Value through Other Comprehensive Income (FVOCI), which is in line with the current IAS 39 treatment for these instruments. The IFRS 9 expected credit loss impairment model was applied to historic financial instrument balances, the increase in impairments on banking advances is expected to be between 7% – 12%. The impact on the consolidated financial statements on the application of IFRS 9 will not be material to the Group.	1 January 2018

STANDARD/ INTERPRETATION	DESCRIPTION	REPORTING PERIOD BEGINNING ON OR AFTER
IFRS 15: Revenue from Contracts from 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 has concluded a detailed project to assess the impact on the Group's financial statements. The impact will not result in a material change to the Group's revenue. 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
IFRS 16: Leases	A 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 upon 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. The Group will embark 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 have a material impact on the financial information, and is expected to change the nature and extent of the Group's disclosure.	1 January 2019

STANDARD/ INTERPRETATION	DESCRIPTION	REPORTING PERIOD BEGINNING ON OR AFTER
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 28: Investments in Associates and Joint Ventures	45E Annual Improvements to IFRS Standards 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
IFRIC 22 Foreign Currency Transactions and Advance Consideration	The interpretation addresses foreign currency transactions or parts of transactions and the Interpretations committee came to the following conclusion: - the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. - if there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt."	1 January 2018
IFRIC 23 Uncertainty over Income Tax Treatment	The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 and specifically considers: - whether tax treatments should be considered collectively - assumptions for taxation authorities' examinations - the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates - the effect of changes in facts and circumstances."	1 January 2019

45. Foreign currency exchange rates

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

	2018	2017
Rand/Sterling		
Closing rate	**18,12**	16,99
Average rate	**17,30**	17,30
Rand/Euro		
Closing rate	**16,04**	14,92
Average rate	**15,34**	14,86
Rand/US Dollar		
Closing rate	**13,72**	13,06
Average rate	**12,86**	13,63
Rand/Japanese Yen		
Closing rate	**0,124**	0,117
Average rate	**0,117**	0,125

company statement of comprehensive income

for the year ended **30 June**

	Note	2018 R'000	2017 R'000
Dividend revenue		**1 745 157**	3 902 085
Subsidiaries		**1 666 228**	3 893 823
Associates		**78 929**	8 262
Administration expenses		**(1)**	(26)
Fair value adjustments and (impairments) impairment reversals of investments and loans in subsidiaries and associates		**(149 752)**	10 996
Profit on disposal and restructure of subsidiaries and associates	4	**4 331 630**	372 057
Loss on disposal/deregistration of subsidiaries and associates		**(397)**	(80 594)
Unclaimed dividends written back		**950**	–
Operating profit		**5 927 587**	4 204 518
Finance income		**–**	8
Finance charges		**(2)**	(5)
Profit before taxation		**5 927 585**	4 204 521
Taxation	1	**(391)**	(1 483)
Profit for the year attributable to shareholders		**5 927 194**	4 203 038
Total comprehensive income for the year		**5 927 194**	4 203 038

company statement
of cash flows

for the year ended **30 June**

	Note	2018 R'000	2017 R'000
Cash inflow from operating activities		**42 312**	21 652
Cash generated by operations	2	**1 786 094**	1 562 055
Taxation paid	3	**(431)**	(898)
Dividends paid		**(1 743 351)**	(1 539 505)
Cash effects of investment activities		**7 323**	(93 749)
Decrease (Increase) in advances to subsidiaries		**8 350**	(19 379)
Acquisition of subsidiaries and associates		**(1 027)**	(37 983)
Proceeds on disposal of subsidiaries and associates	4	**–**	(36 387)
Cash effects of financing activities		**404 528**	–
Proceeds from issue of shares (net of costs)		**418 028**	–
Decrease in amounts owing to Group companies		**(13 500)**	–
Net increase (decrease) in cash and cash equivalents		**454 163**	(72 097)
Cash and cash equivalents at beginning of year		**17 349**	89 446
Cash and cash equivalents at end of year		**471 512**	17 349

company statement of financial position

at 30 June

	Note	2018 R'000	2017 R'000
ASSETS			
Non-current assets		**23 994 941**	19 352 731
Interest in subsidiaries	5	**23 987 374**	19 346 187
Interest in associates	6	**7 567**	6 544
Current assets		**688 425**	77 349
Amounts owing by Group companies	7	**196 913**	–
Trade and other receivables		**20 000**	60 000
Cash and cash equivalents		**471 512**	17 349
Total assets		**24 683 366**	19 430 080
EQUITY AND LIABILITIES			
Capital and reserves	8	**24 172 202**	19 415 462
Current liabilities		**511 164**	14 618
Amounts owing to Group companies	9	**496 134**	–
Trade and other payables		**14 996**	14 546
Taxation		**34**	72
Total equity and liabilities		**24 683 366**	19 430 080

company statement of changes in equity

for the year ended **30 June**

	2018 R'000	2017 R'000
Share capital	**16 873**	16 770
Balance at beginning of the year	**16 770**	16 770
Shares issued during the year	**103**	–
Share premium	**797 717**	379 792
Balance at beginning of the year	**379 792**	379 792
Shares issued during the year	**418 505**	–
Share issue costs	**(580)**	–
Equity-settled share-based payment reserve	**1 032 248**	876 918
Balance at beginning of the year	**876 918**	734 131
Arising during the year	**155 330**	142 787
Movement in retained earnings	**22 325 364**	18 141 982
Balance at beginning of the year	**18 141 982**	15 478 449
Total comprehensive income for the year	**5 927 194**	4 203 038
Dividends paid	**(1 743 812)**	(1 539 505)
Equity attributable to shareholders of the Company	**24 172 202**	19 415 462

notes to the company financial statements

for the year ended **30 June**

	2018 R'000	2017 R'000
Accounting Policies		
Refer to Group accounting policies		
1. Taxation		
Current taxation	**59**	87
Current year	**59**	2
Prior year	**–**	85
Foreign withholdings tax	**332**	1 396
Total taxation per statement of comprehensive income	**391**	1 483
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	**28,7**	28,5
Capital gains rate differential	**–**	–
Withholding taxes	**–**	–
Expenses not taxable or allowed	**(0,7)**	(0,5)
Rate of South African company taxation	**28,0**	28,0
2. Cash generated by operations		
Operating profit	**5 927 587**	4 204 518
Adjustment for non-cash items	**(4 182 432)**	(2 637 984)
Retained to finance working capital		
Decrease in trade and other receivables	**40 000**	–
Increase (Decrease) in trade and other payables	**939**	(4 479)
Cash generated by operations	**1 786 094**	1 562 055
3. Taxation paid		
Amount (payable) receivable at beginning of year	**(72)**	513
Per statement of comprehensive income	**(391)**	(1 483)
Accrued interest	**(2)**	–
Amount payable at end of year	**34**	72
Amount paid	**(431)**	(898)
4. Proceeds on disposal of subsidiaries and associates		
Interest in subsidiaries	**604 422**	5 842
Interest in associates	**–**	10 063
Net carrying value	**604 422**	15 905
Profit on disposal	**4 331 233**	267 271
Non-cash proceeds received	**(4 935 655)**	(319 563)
Net proceeds	**–**	(36 387)

	2018 R'000	2017 R'000
5. Interest in subsidiaries		
Shares at cost less impairment	**22 955 126**	18 781 328
Share-based payments allocated to subsidiaries	**1 032 248**	876 918
	23 987 374	19 658 246
Due by subsidiaries	**–**	197 575
Due to subsidiaries	**–**	(509 634)
	23 987 374	19 346 187
Details of significant subsidiaries are reflected in Annexure A of these financial statements		
6. Interest in associates		
Unlisted	**6 511**	5 488
	6 511	5 488
Interest free advances	**1 056**	1 056
	7 567	6 544
Directors' valuation of unlisted associates	**28 762**	41 701
Details of significant associates are reflected in Annexure A of these financial statements		
7. Amounts owing by Group companies		
Non-interest bearing loans	**196 913**	–
Details of loans receivable are reflected on Annexure A of these financial statements		
8. Capital and reserves		
Share capital		
Authorised		
540 000 000 (2017: 540 000 000) ordinary shares of 5 cents each	**27 000**	27 000
	Number	Number
Balance at beginning of year	**335 404 212**	335 404 212
Issue for cash	**2 058 823**	–
Balance at end of year	**337 463 035**	335 404 212
	R'000	R'000
Issued share capital		
Issued share capital	**16 873**	16 770
Balance at beginning of year	**16 770**	16 770
New shares issued to settle options exercised	**103**	–
Share premium	**797 717**	379 792
Balance at beginning of year	**379 792**	379 792
Arising on new shares issued to settle options exercised	**418 505**	–
Share issue expenses	**(580)**	–

	2018 R'000	2017 R'000
Reserves		
Equity-settled share-based payment reserve	**1 032 248**	876 918
Balance at beginning of the year	**876 918**	734 131
Arising during the year	**155 330**	142 787
Retained earnings	**22 325 364**	18 141 982
Balance at beginning of year	**18 141 982**	15 478 449
Profit attributable to shareholders	**5 927 194**	4 203 038
Dividends paid	**(1 743 812)**	(1 539 505)
	24 172 202	19 415 462

30 000 000 (2017: 30 000 000) of the unissued shares are under the control of the directors until the next annual general meeting.

9. Amounts owing to Group companies

	2018 R'000	2017 R'000
Non-interest bearing loans	**496 134**	–

Details of loans payable are reflected in Annexure A of these financial statements

10. Contingent liabilities

	2018 R'000	2017 R'000
In respect of guarantees of banking and other facilities granted to subsidiaries and associates	**34 287 445**	31 417 608
Of which has been utilised	**9 378 652**	10 716 516

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 on Annexure A of these financial statements.

The Group continued its project to restructure the statutory structure to more closely resemble the reporting structure, as a result the Company received shares in Bidvest Property Holdings Pty Ltd (BPH) and Bidvest Industrial Holdings Pty Ltd (BIH) in exchange for certain of its investments in subsidiaries. This resulted in an increased cost in BPH and BIH of R4 billion and R891 million respectively. These transactions resulted in a fair value profit on reorganisation of R4,3 billion in the Company.

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. The Company participates in a cash pooling arrangement provided by The Standard Bank of South Africa Limited. Any interest accruing on its cash balances held, are reflected in the cash management account held by the Group's nominated company which is not the Company.

Details pertaining to executive and non-executive directors' compensations are set out in Annexure B.

12. Subsequent events

The Company advanced R460 million, interest free, to its subsidiary Bidvest Industrial Holdings Pty Ltd on 26 July 2018.

annexure a: interest in **subsidiaries and associates**

					Company's interests			
			Effective holdings		Shares		Indebtedness	
Significant subsidiaries	Country of incorporation if not SA	Note	**2018 %**	2017 %	**2018[1] R'000**	2017[1] R'000	**2018[1] R'000**	2017[1] 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**	100	**–**	–	**–**	–
Inyanga Plaza Investments Pty Ltd			**100**	90	**–**	–	**–**	–
Bidvest McCarthy Brands Pty Ltd			**100**	100	**–**	–	**–**	–
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**	11 659	**–**	–
Airport Retail and Luggage Repairs (Coastal) Pty Ltd			**70**	100	**–**	–	**–**	–
Amalgamated Appliances Pty Ltd			**100**	100	**–**	–	**–**	–
Berzack Brothers 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**	3 027 391	**–**	–
Bidvest Commercial Products Pty Ltd			**100**	100	**–**	–	**59 713**	–
Bidvest Industrial Pty Ltd			**100**	100	**–**	–	**–**	59 713
Bidvest Industrial Supplies Zambia Ltd	20		**100**	100	**–**	–	**–**	–
Bidvest Materials Handling Pty Ltd#			**100**	100	**–**	–	**–**	–
Bloch & Levitan Pty Ltd#			**100**	100	**–**	–	**–**	–
Brandcorp Holdings Pty Ltd			**100**	100	**–**	–	**–**	–
Brandcorp Hong Kong Ltd	5		**100**	100	**–**	–	**–**	–
Brandcorp Pty Ltd			**100**	100	**–**	–	**–**	–
Brandcorp Transformation Corporation Pty Ltd			**100**	100	**–**	–	**–**	–
Clockwork Giant Clothing Pty Ltd	15		**100**	100	**–**	–	**–**	–
G Fox Pty Ltd#			**100**	100	**–**	–	**–**	–
G Fox Swaziland Pty Ltd	15		**75**	75	**–**	–	**–**	–
G Fox Supplies Pvt Ltd	21		**51**	51	**–**	–	**–**	–
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**	100	**–**	–	**–**	–
Main Street 573 Pty Ltd			**70**	100	**–**	–	**–**	–
Plumblink (SA) Pty Ltd			**100**	100	**–**	–	**–**	–
Ram Fasteners Pty Ltd#			**100**	100	**–**	–	**(2 419)**	(2 419)
Renttech Holdings Pty Ltd			**100**	100	**–**	–	**–**	–
Renttech South Africa Pty Ltd			**100**	100	**–**	–	**–**	–
Renttech Trading Pty Ltd			**100**	100	**–**	–	**–**	–

Annexure A: Interest in **subsidiaries and associates** (continued)

Significant subsidiaries	Country of incorporation if not SA	Note	Effective holdings 2018 %	Effective holdings 2017 %	Company's interests – Shares 2018[1] R'000	Shares 2017[1] R'000	Indebtedness 2018[1] R'000	Indebtedness 2017[1] R'000
Sellotape Pty Ltd			**100**	100	**–**	–	**–**	–
SMC Sales Logistics Pty Ltd			**100**	100	**–**	–	**–**	–
Southern African Welding and Industrial Supplies Pty Ltd		12	**100**	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	**–**	–	**–**	–
Bidvest Electrical(B)								
Bellco Electrical Pty Ltd			**100**	100	**–**	–	**–**	–
Eagle Lighting Pty Ltd			**100**	100	**–**	–	**–**	–
Eagle Lighting George (Pty) Ltd			**100**	74	**–**	–	**–**	–
EMS Invirotel Energy Management Pty Ltd			**100**	60	**–**	–	**–**	–
Mubelo Electrical Pty Ltd		10	**80**	80	**–**	–	**–**	–
Solid State Power Pty Ltd			**50**	50	**–**	–	**–**	–
Technilamp Pty Ltd			**100**	100	**–**	–	**–**	–
Versalec Cables Pty Ltd			**100**	100	**83 315**	83 315	**–**	–
Voltex Botswana Pty Ltd		3	**70**	70	**–**	–	**–**	–
Voltex Holdings Ltd			**100**	100	**245 972**	245 982	**–**	–
Voltex MVLV Solutions Pty Ltd			**84**	56	**–**	–	**–**	–
Voltex Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Financial Services(C)								
Bid Finserv Capital Pty Ltd^			**100**	–	**–**	–	**–**	–
Bidvest Bank Holdings Ltd			**100**	100	**540 036**	540 036	**–**	–
Bidvest Bank Ltd			**100**	100	**–**	–	**–**	–
Bidvest Insurance Brokers Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Insurance Group Pty Ltd			**100**	100	**797 431**	797 431	**–**	–
Bidvest Insurance Ltd			**100**	100	**–**	–	**–**	–
Bidvest Leasing Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Life Ltd			**100**	100	**–**	–	**–**	–
Bidvest Merchant Services Pty Ltd^			**100**	–	**–**	–	**–**	–
Cannon Asset Managers Pty Ltd^			**100**	–	**–**	–	**–**	–
Cash Axcess Corporation Pty Ltd^			**100**	–	**–**	–	**–**	–
Cignet Administration Services Pty Ltd		1	**51**	51	**–**	–	**–**	–
Compendium Group Investment Holdings Pty Ltd			**51**	51	**–**	–	**–**	–
Compendium Insurance Brokers Pty Ltd		1	**45**	45	**–**	–	**–**	–
Compendium Insurance Brokers Cape Town Pty Ltd		1	**51**	48	**–**	–	**–**	–
Compendium Insurance Brokers Eastern Cape Pty Ltd		1	**51**	46	**–**	–	**–**	–
Compendium Insurance Brokers Gauteng Pty Ltd		1	**51**	43	**–**	–	**–**	–
Compendium Insurance Brokers Pietermaritzburg Pty Ltd			**51**	48	**–**	–	**–**	–
Edge Insurance Brokers Pty Ltd		1	**31**	–	**–**	–	**–**	–
Financial Management International Pty Ltd			**100**	100	**–**	–	**–**	–
FinGlobal Holdings Pty Ltd^			**70**	–	**–**	–	**–**	–

Significant subsidiaries	Country of incorporation if not SA	Note	Effective holdings 2018 %	Effective holdings 2017 %	Company's interests – Shares 2018[1] R'000	Company's interests – Shares 2017[1] R'000	Company's interests – Indebtedness 2018[1] R'000	Company's interests – Indebtedness 2017[1] R'000
Bidvest Financial Services(C) (continued)								
Glassock and Associates Pty Ltd			**51**	51	**–**	–	**–**	–
Master Currency Pty Ltd			**100**	100	**16 881**	16 881	**–**	–
McCarthy Retail Finance Pty Ltd			**100**	100	**–**	–	**–**	–
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**	51	**–**	–	**–**	–
Taxi and Transport Brokers Pty Ltd		1	**36**	36	**–**	–	**–**	–
Tradeflow Pty Ltd			**50**	50	**–**	–	**–**	–
Viamax Fleet Solutions Pty Ltd			**100**	100	**–**	–	**–**	–
Viamax Pty Ltd			**100**	100	**–**	–	**–**	–
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	**–**	–	**–**	–
Island View Storage 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)
Bartrans Pty Ltd^			**100**	–	**–**	–	**–**	–
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	**–**	–
Bidvest Office and Print Pty Ltd			**100**	100	**1 246 352**	1 246 352	**–**	–
Bidvest Office Holdings Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Office Pty Ltd			**100**	100	**–**	–	**–**	(2 000)
Bidvest Paperplus Pty Ltd			**100**	100	**–**	–	**–**	–
Blesston Printing and Associates Pty Ltd			**100**	100	**–**	–	**–**	–

Significant subsidiaries	Country of incorpo-ration if not SA	Note	Effective holdings 2018 %	Effective holdings 2017 %	Company's interests: Shares 2018[1] R'000	Shares 2017[1] R'000	Indebtedness 2018[1] R'000	Indebtedness 2017[1] R'000
Bidvest Office and Print[F,G] (continued)								
BMS Pty Ltd	3		**–**	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**	100	**2 656**	2 656	**–**	–
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 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**	49	**–**	–	**–**	–
Lithotech Group Services Pty Ltd			**100**	100	**–**	–	**–**	–
Lithotech International Ltd	19		**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)
Minolco Pty Ltd			**100**	100	**–**	–	**–**	–
Mocobe Properties Pty Ltd			**100**	100	**–**	–	**–**	–
Modus Properties Pty Ltd			**100**	100	**–**	–	**–**	–
Nuclear Corporate Furniture Pty Ltd			**100**	100	**–**	–	**–**	–
nVision IT Pty Ltd			**–**	60	**–**	–	**–**	–
nVision Mauritius Pty Ltd	10		**–**	60	**–**	–	**–**	–
nVisionIT Australia Pty Ltd	2		**–**	60	**–**	–	**–**	–
Office Technique Pty Ltd	3		**–**	60	**–**	–	**–**	–
Officeshelf Pty Ltd			**100**	100				
Offurn Clearance House Pty Ltd			**100**	100				
Ozalid South Africa Pty Ltd			**100**	100	**–**	–	**–**	–
Pago Design Pty Ltd			**100**	100	**–**	–	**600**	600
Paragon Business Communications Ltd			**100**	100	**–**	58 809	**–**	–
Pencil Park Pty Ltd			**100**	100				
Rangecom Pty Ltd	3		**–**	60	**–**	–	**–**	–
Rotolabel (Tvl) Pty Ltd			**100**	100	**–**	–	**–**	–
S&N Labels Pty Ltd			**100**	100				
Seating Pty Ltd			**100**	100	**–**	–	**–**	–
Silapha Office Products 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)
Zinhle Printers Pty Ltd			**100**	100				
Zonke Gaming Systems Pty Ltd			**100**	100	**–**	–	**–**	–

					Company's interests			
			Effective holdings		Shares		Indebtedness	
Significant subsidiaries	Country of incorporation if not SA	Note	**2018 %**	2017 %	**2018[1] R'000**	2017[1] R'000	**2018[1] R'000**	2017[1] R'000
Zonke Monitoring Systems Pty Ltd			**78**	78	**–**	–	**–**	–
Bidvest Services[H,I,J]								
Al Jaber Coin Security Company LLC	18	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	20		**100**	100	**3 661**	3 661	**–**	–
Bidvest Catering Services Pty Ltd			**100**	100	**–**	–	**–**	–
Execuflora Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Facilities Management Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Media Pty Ltd			**50**	50	**–**	–	**–**	–
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 (ROI) Limited^	13		**100**	–	**–**	–	**–**	–
Bidvest Services Group (UK) Limited^	19		**100**	–	**–**	–	**–**	–
Bidvest Services (UK) Limited	19		**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)
Bosnandi Laundry Pty Ltd			**51**	51	**–**	–	**–**	–
Brookfield Investments 315 Pty Ltd			**100**	100	**–**	–	**–**	–
Bushbreaks & More Pty Ltd			**100**	100	**6 196**	20 409	**–**	–
CI Services Limited	10		**60**	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			**50**	61	**27 984**	27 984	**6 738**	6 738
Cruises International Pty Ltd			**100**	100	**–**	–	**–**	–
Cudha SARL	11		**100**	100	**–**	–	**–**	–
Dinatla Property Services Pty Ltd			**100**	100	**3 120**	3 120	**–**	–
Dinosi Cleaning Services Pty Ltd			**55**	55	**–**	–	**–**	–
EAS Kenya Ltd	7		**100**	100	**–**	–	**–**	–
EAS Tanzania Ltd	16		**100**	100	**–**	–	**–**	–
EAS Uganda Ltd	17		**100**	100	**–**	–	**–**	–
EAS Zambia Ltd	20		**60**	60	**1 231**	1 231	**–**	–
EAS Zimbabwe Pvt Ltd	21		**70**	70	**734**	2 921	**–**	–
Express Air Services (Namibia) Pty Ltd	12		**100**	100	**–**	–	**–**	–
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	**–**	–	**–**	–

Significant subsidiaries	Country of incorporation if not SA	Note	Effective holdings 2018 %	Effective holdings 2017 %	Company's interests Shares 2018[1] R'000	Shares 2017[1] R'000	Indebtedness 2018[1] R'000	Indebtedness 2017[1] R'000
Bidvest Services[H,I,J] (continued)								
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	**–**	–	**–**	–
LTP Mast and Infrastructure Services 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	**–**	–	**–**	–
Nomtsalane Property Services Pty Ltd			**86**	86	**–**	–	**–**	–
Noonan Services Group NI (UK) Limited^	6		**100**	–	**–**	–	**–**	–
Noonan Services Group (UK) Limited^	19		**100**	–	**–**	–	**–**	–
Noonan Services Group Limited^	13		**100**	–	**–**	–	**–**	–
Protea Aviation Pty Ltd			**100**	100	**–**	–	**–**	–
Protea Coin Group Ghana Ltd	4		**100**	100	**–**	–	**–**	–
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 Brading Pty Ltd			**–**	35	**–**	–	**–**	–
RMI SA Pty Ltd			**100**	100	**7 266**	7 266	**(7 266)**	(7 266)
Royalmnandi Duduza Pty Ltd			**60**	60	**–**	–	**–**	–
Royal Mozambique Ltda	11		**60**	60	**–**	–	**–**	–
SA Water Cycle Group Pty Ltd			**100**	100	**–**	–	**–**	–
Steiner Hygiene Pty Ltd			**100**	100	**–**	–	**–**	–
Steiner Hygiene Swaziland Pty Ltd	15		**100**	100	**–**	–	**–**	–
Taemane Cleaning Services Pty Ltd			**100**	100	**–**	–	**–**	–
TFMC FM Services Pty Ltd			**100**	100	**–**	–	**–**	–
TFMC Holdings Pty Ltd			**100**	100	**–**	–	**–**	–
TMS Group Industrial Services 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	14		**100**	100	**–**	–	**–**	–
Top Turf Swaziland Pty Ltd	15		**100**	100	**–**	–	**–**	–
Travel Connections Pty Ltd			**100**	100	**20 500**	20 500	**–**	–
Ultimate Security Services Limited^	19		**100**	–	**–**	–	**–**	–
Umoja Property Solutions Pty Ltd			**51**	51	**–**	–	**–**	–
Bidvest Namibia[B,D,F,J,K,L]								
Atlantic Harvesters of Namibia Pty Ltd*	12		**–**	36	**–**	–	**–**	–
Bidvest Namibia Automotive Otjiwarongo Pty Ltd	12		**52**	52	**–**	–	**–**	–
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	**–**	–	**–**	–

Significant subsidiaries	Country of incorporation if not SA	Note	Effective holdings 2018 %	Effective holdings 2017 %	Company's interests Shares 2018[1] R'000	Shares 2017[1] R'000	Indebtedness 2018[1] R'000	Indebtedness 2017[1] R'000
Bidvest Namibia[(B,D,F,J,K,L)] (continued)								
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**	52	**–**	–	**–**	–
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**	27	**–**	–	**–**	–
GSA Trading Namibia Pty Ltd	12	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	**–**	–	**–**	–
Manica Trading 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	**–**	–	**–**	–
Namfish Pelagic Industries Pty Ltd*	12	1	**–**	36	**–**	–	**–**	–
Namibian Sea Products Ltd*	12	1	**–**	36	**–**	–	**–**	–
Namsov Fishing Enterprises Pty Ltd*	12	1	**–**	36	**–**	–	**–**	–
Namsov Industrial Properties Pty Ltd	12	1	**52**	36	**–**	–	**–**	–
Ocean Fresh Pty Ltd*	12	1	**–**	36	**–**	–	**–**	–
Orca Marine Service Pty Ltd	12	1	**31**	31	**–**	–	**–**	–
Pesca Fresca Ltd	1	1	**18**	18	**–**	–	**–**	–
Rennies Travel (Namibia) Pty Ltd	12		**52**	52	**–**	–	**–**	–
Sarusas Development Corporation Pty Ltd*	12	1	**36**	36	**–**	–	**–**	–
Shelfco Investments One Seven Zero 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	**–**	–	**–**	–
Trachurus Fishing Pty Ltd*	12	1	**–**	36	**–**	–	**–**	–
Twafika Fishing Enterprises Pty Ltd*	12		**–**	27	**–**	–	**–**	–
United Fishing Enterprises Pty Ltd	12	1	**52**	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	**–**	–	**–**	–

					Company's interests			
			Effective holdings		Shares		Indebtedness	
Significant subsidiaries	Country of incorpo-ration if not SA	Note	**2018 %**	2017 %	**2018[1] R'000**	2017[1] R'000	**2018[1] R'000**	2017[1] R'000
Bidvest Properties[(L)]								
Airport Logistics Property Holdings Pty Ltd			**50**	50	**–**	–	**–**	–
Bidvest Properties Holdings Pty Ltd			**100**	100	**4 364 217**	319 563	**–**	
Bidvest Properties Pty Ltd			**100**	100	**–**	604 024	**–**	–
Gerlan Properties Pty Ltd			**50**	50	**–**	5 700	**–**	–
Mercland Pty Ltd			**50**	50	**–**	–	**–**	–
Micawber 239 Pty Ltd			**50**	50	**–**	–	**–**	–
Micawber 240 Pty Ltd			**50**	50	**–**	–	**–**	–
Trustone Investments Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Corporate[(L)]								
BB Investment Company Pty Ltd#			**100**	100	**–**	–	**–**	–
Bid Services Division (IOM) Ltd	6		**100**	100	**–**	–	**–**	–
Bid Services Division (UK) Ltd	19		**100**	100	**–**	–	**–**	–
Bid Services Division (Mauritius) Ltd	10		**100**	100	**–**	–	**–**	–
Bid Services Division Pty Ltd			**100**	100	**–**	–	**1 152**	867
The Bidvest Education Trust			**100**	100	**–**	–	**–**	–
The Bidvest Incentive Scheme Trust			**100**	100	**–**	–	**570**	570
The Bidvest Group (UK) Limited^	19		**100**	100	**4**	–	**–**	–
Bidvest Outsourced Services Ltd	19		**100**	100	**–**	–	**–**	–
Bidvest Property Ltd	19		**100**	100	**–**	–	**–**	–
Bidvest Corporate Services Pty Ltd#			**100**	100	**–**	–	**52**	52
Bidvest Freight UK Limited	19		**100**	100	**–**	–	**–**	–
Bidvest Industrial Holdings Pty Ltd			**100**	100	**3 650 837**	2 759 837	**27 214**	28 365
Bidvest Procurement Pty Ltd#			**100**	100	**–**	–	**–**	–
Bidvest Treasury Services Pty Ltd			**100**	100	**–**	–	**–**	–
Bidvest Wits University Football Club Pty Ltd			**60**	60	**45 953**	45 953	**–**	–
Bidvestco Ltd			**100**	100	**44 068**	44 068	**(44 068)**	(44 068)
Brentwood Technical Services Ltd	19		**100**	100	**–**	–	**–**	–
DH Mansfield Group Ltd	19		**80**	80	**–**	–	**–**	–
DH Mansfield Ltd	19		**80**	80	**–**	–	**–**	–
Ontime Automotive Ltd	19		**100**	100	**–**	–	**–**	–
Ontime Global Automotive Transport Services Ltd	19		**100**	100	**–**	–	**–**	–
Skillion Ltd	19		**100**	100	**–**	–	**–**	–
Other					**161 213**	157 130	**(205 295)**	(205 499)
					22 955 126	18 781 328	**(299 221)**	(312 059)

Annexure A: Interest in **subsidiaries and associates** (continued)

Significant subsidiaries	Country of incorporation if not SA	Note	Effective holdings 2018 %	Effective holdings 2017 %	Company's interests: Shares 2018[1] R'000	Shares 2017[1] R'000	Indebtedness 2018[1] R'000	Indebtedness 2017[1] R'000
Significant associates								
"K" Line Shipping (South Africa) Pty Ltd			**49**	49	**–**	–	**–**	–
Adcock Ingram Holdings Ltd			**38**	38	**–**	–	**–**	–
Comair Ltd			**27**	27	**–**	–	**–**	–
Compendium Insurance Brokers Zululand Pty Ltd		3	**17**	17	**–**	–	**–**	–
Experience Delivery Comany Pty Ltd		1	**48**	48	**–**	–	**–**	–
Ilembe Aiport Construction Services Pty Ltd			**20**	20	**–**	–	**–**	–
Imperial McCarthy Pty Ltd			**50**	50	**–**	–	**–**	–
Ocean Network Express Pty Ltd			**33**	–	**1 023**	–	**–**	–
Rainprop Pty Ltd			**20**	20	**–**	–	**–**	
Sebenza Forwarding & Shipping Pty Ltd (March 31 year-end)			**45**	45	**5 011**	5 011	**–**	–
Watersure Pty Ltd		3	**13**	13	**–**	–	**–**	–
Other					**477**	477	**1 056**	1 056
					6 511	5 488	**1 056**	1 056

^ acquired during 2018

* disposed with effect from 30 June 2018

trading as an agent

[1]- Zero indicates less than R1 000

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

COUNTRY OF INCORPORATION IF NOT SOUTH AFRICA

1	Angola	12	Namibia
2	Australia	13	Republic of Ireland
3	Botswana	14	Seychelles
4	Ghana	15	Swaziland
5	Hong Kong	16	Tanzania
6	Isle of Man	17	Uganda
7	Kenya	18	United Arab Emirates
8	Lesotho	19	United Kingdom
9	Malawi	20	Zambia
10	Mauritius	21	Zimbabwe
11	Mozambique		

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.

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 and investment
(M)	Distributor of electrical appliances
(N)	Manufacturer, marketer and distributor of healthcare products
(O)	Property holding
(P)	Construction
(Q)	Public private partnership

annexure b: **directors' remuneration**

for the year ended **30 June**

Directors' remuneration

The remuneration paid to executive directors while in office of the Company during the year ended 30 June 2018 is analysed as follows:

Director	Basic remuneration R'000	Retirement/ medical benefits R'000	Other benefits and costs R'000	Cash incentives R'000	Benefit arising from the exercise of replacement rights R'000	Total emoluments R'000
AW Dawe	**4 843**	**257**	**82**	**7 010**	**–**	**12 192**
NT Madisa	**3 301**	**297**	**244**	**4 948**	**13 273**	**22 063**
GC McMahon	**1 851**	**240**	**182**	**3 024**	**–**	**5 297**
HP Meijer[1]	**2 336**	**286**	**271**	**–**	**10 510**	**13 403**
LP Ralphs	**10 260**	**880**	**1 011**	**17 492**	**–**	**29 643**
MJ Steyn[2]	**2 738**	**254**	**102**	**2 500**	**1 782**	**7 375**
2018 Total	**25 329**	**2 214**	**1 891**	**34 974**	**25 565**	**89 973**

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 2017, is analysed as follows:

Director	Basic remuneration R'000	Retirement/ medical benefits R'000	Other benefits and costs R'000	Cash incentives R'000	Benefit arising from the exercise of replacement rights R'000	Total emoluments R'000
AW Dawe	4 487	263	76	3 347	–	8 173
NT Madisa	3 027	272	89	2 324	–	5 712
GC McMahon	1 672	218	154	1 409	4 005	7 458
HP Meijer[1]	3 237	397	164	2 606	10 934	17 338
LP Ralphs	9 164	825	912	7 227	91 865	109 993
2017 Total	21 587	1 975	1 395	16 913	106 804	148 674

[1] Retired 28 February 2018

[2] Appointed as Group CFO 1 March 2018. Remuneration for 12 months

The remuneration paid to non-executive directors while in office of the Company during the year ended 30 June 2018 is analysed as follows:

Directors	2018 Directors' fees R'000	2018 As directors of subsidiary companies and other services R'000	2018 Total emoluments R'000	2017 Total R'000
DDB Band	**718**	**–**	**718**	551
EK Diack	**570**	**508**	**1 078**	1 583
B Joffe	**23**	**–**	**23**	4 203
AK Maditsi	**613**	**–**	**613**	535
S Masinga	**595**	**–**	**595**	582
RK Mokate	**114**	**597**	**711**	–
CWN Molope	**371**	**–**	**371**	–
NG Payne	**1 349**	**875**	**2 224**	2 169
CWL Phalatse	**1 430**	**–**	**1 430**	1 350
T Slabbert	**655**	**–**	**655**	562
NW Thomson	**148**	**–**	**148**	–
2018 total	**6 586**	**1 980**	**8 566**	11 535
2017 total	**5 887**	**5 648**	**11 535**	–

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 2017		Replacement rights exercised during the year		Replacement rights lapsed during the year		Replacement rights at 30 June 2018	
Directors	Number	Average price R	Number	Market price[3]	Number	Market price[3]	**Number**	**Average price R**
AW Dawe	133 066	267,27	–	–	–	–	**133 066**	**267,27**
NT Madisa	118 566	266,49	50 783	240,97	–	–	**67 783**	**285,60**
GC McMahon	61 250	271,44	–	–	–	–	**61 250**	**271,44**
P Meijer	115 566	269,29	42 783	247,16	42 017	276,31	**30 766**	**290,49**
MJ Steyn	45 000	260,09	7 500	250,73	–	–	**37 500**	**261,96**
	473 448	267,42	101 066	244,32	42 017	276,31	**330 365**	**273,36**
Former company secretary								
CA Brighton	20 578	262,26	6 539	257,56	14 039	264,44	**–**	**–**
	494 026	267,21	107 605	245,72	56 056	273,34	**330 365**	**273,36**

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 the Company's shares.

	SARs at 30 June 2017		SARs granted during the year		SARs lapsed during the year		**SARs at 30 June 2018**	
Directors	Number	Average price R	Number	Average price R	Number	Market price[3]	**Number**	**Average price R**
MJ Steyn	40 000	146,61	40 000	158,75	–	–	**80 000**	**152,68**
Former company secretary								
CA Brighton	14 000	146,61	–	–	14 000	146,61	**–**	**–**
	54 000	146,61	40 000	158,75	14 000	146,61	**80 000**	**152,68**

These SARs are exercisable over the period 1 July 2019 to 31 December 2024. A detailed register of SARs outstanding by tranche is available for inspection at the Company's register office.

Share-based payment expense

	2018 R'000	2017 R'000
AW Dawe	**4 211**	3 687
NT Madisa	**3 602**	3 086
GC McMahon	**2 048**	1 834
HP Meijer	**2 854**	3 710
LP Ralphs	**8 786**	3 920
MJ Steyn	**1 756**	–
	23 257	16 237

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 2017 Number	New awards Number	Forfeited Number	Shares awarded Number	**Closing balance 30 June 2018 Number**
AW Dawe	28 000	38 000	–	–	**66 000**
GC McMahon	12 000	15 000	–	–	**27 000**
LP Ralphs	174 280	112 000	–	–	**286 280**
NT Madisa	20 000	30 000	–	–	**50 000**
HP Meijer	22 000	–	–	–	**22 000**
	256 280	195 000	–	–	**451 280**

shareholder **information**

	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 Fund	50 248 381	14,89	14,92
GIC Asset Management Pte Ltd	18 745 560	5,55	5,57
	68 993 941	20,44	20,49
Investment management holdings			
Fund managers holding 3% or more of the shares in issue			
PIC	47 694 593	14,13	14,16
Lazard Asset Management LLC Group	24 092 058	7,14	7,15
GIC Asset Management Pte Ltd	18 461 829	5,47	5,48
JP Morgan Asset Management	17 051 771	5,05	5,06
BlackRock Inc	14 058 164	4,17	4,17
The Vanguard Group Inc	12 324 163	3,65	3,68
Old Mutual PLC	10 382 682	3,08	3,08
	144 065 260	42,69	42,78
Shares in issue			
Total number in issue	337 463 035		
BB Investment Company Pty Limited (treasury shares)	(310 024)		
Bidvest Education Trust (treasury shares)	(386 601)		
Effective number of shares in issue	336 766 410		

Shareholder categories	Number of shares held	% of shares issued
Pension Funds	102 880 451	30,49
Unit Trusts/Mutual Fund	104 619 291	31,00
Sovereign Wealth	31 294 770	9,27
Private Investor	15 921 313	4,72
Insurance Companies	14 787 730	4,38
Trading Position	12 038 278	3,57
Other Managed Funds	10 277 012	3,05
Exchange -Traded Fund	8 241 231	2,44
Custodians	6 115 282	1,81
American Depository Receipts	5 268 374	1,56
Investment Trust	2 240 958	0,66
Hedge Fund	2 235 076	0,66
Black Economic Empowerment	1 542 733	0,46
Corporate Holding	710 631	0,21
Charity	709 805	0,21
University	489 603	0,15
Local Authority	400 195	0,12
Medical Aid Scheme	361 016	0,10
Remainder	17 329 286	5,14
	337 463 035	100,00

Shareholder **Information** (continued)

Shareholder categories	Number of shares held	% of shares issued
Geographic split of beneficial shareholders		
South Africa	151 484 680	44,89
United States of America & Canada	98 776 361	29,27
United Kingdom	8 289 971	2,46
Rest of Europe	37 925 507	11,24
Rest of World	40 986 516	12,14
	337 463 035	100,00

Analysis of shareholdings	Number of shareholders	% of all shareholders	Number of shares held	% of shares issued
1 – 1 000	29 668	81,56	8 041 339	2,38
1 001 – 10 000	5 563	15,3	14 586 739	4,32
10 001 – 100 000	875	2,41	27 726 184	8,22
100 001 – 1 000 000	217	0,60	64 240 278	19,04
1 000 001 – and more	48	0,13	222 868 495	66,04
	36 371	100,00	337 463 035	100,00
Shareholder spread				
Public shareholders	36 361	99,98	336 011 439	99,57
Non-public shareholders	7	0,02	1 451 596	0,43
BB Investment Company Pty Limited	1	0,00	310 024	0,09
Bidcorp Group Retirement Fund	3	0,01	640 582	0,19
Bidvest Education Trust	1	0,00	386 601	0,11
Directors and Family Trusts	2	0,01	114 389	0,04
	36 368	100,00	337 463 035	100,00

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
Xoliswa Makasi

Auditors
Deloitte & Touche

Legal advisers
Baker & McKenzie
Edward Nathan Sonnenbergs
Werksmans Inc

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

Share transfer secretaries
Computershare Investor Services
Proprietary Limited
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Sponsor
Investec Bank Limited

Chief financial officer
Mark Steyn

Investor relations
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