

Notes to the consolidated financial statements (continued)

for the year ended 30 June

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.

During the current year the Group's 2009 deferred sale of 13.7% of Bidvest Namibia to local empowerment partners was dismantled and 29 million Bidvest Namibia ordinary shares were returned to the Group in settlement of the outstanding debt.

In June 2019 the Group acquired the 72 million ordinary shares it did not own in Bidvest Namibia Limited (Bidvest Namibia) for R758 million. Following the acquisition, the Group owns 100% of the share capital and voting rights of Bidvest Namibia, which has been delisted from the Namibian Stock Exchange (NSE). The acquisition and delisting follows the sale of the Namibian fishing business, in the prior year, and constitutes another step in the restructure of the Group's investment in the Republic of Namibia. The purchase price was funded from existing cash resources and facilities.

None of the Group's subsidiaries had a material non-controlling interests at year-end.

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.