Bidvest

ANNUAL INTEGRATED REPORT 2015

Proudly tomorrow

How to read this report

The annual integrated report for the year ended June 30 2015 covers information from all the Group's divisions and where additional information is available or where there are any exclusions it is clearly indicated. We stress that this report should be read together with the information available on the Bidvest website at www.bidvest.com for a comprehensive view of the Group.

It is important to remember that although Bidvest reports consolidated Group financials, in the decentralised Bidvest environment, very little is individually material from a Group perspective when it comes to the sustainability data which we collate from our hundreds of businesses globally. Bidvest covers many and varied industries in over 35 countries on five continents. These varied reporting geographies also have a large number of local geographical regulations which businesses adhere to. We therefore only include limited aggregated sustainability information in the printed version of the annual integrated report while certain additional information is available on request at a business level.

In line with our Bidvest promise, which we define under the headings of our people, performance, products and services and planet (page 4) as well as the guidelines from the Integrated Reporting Committee of South Africa we have incorporated the relevant six capitals as a platform to inform this review.

By using the Global Reporting Initiative (GRI) framework and integrated reporting guidelines and while striving for concise and accurate reporting, only information relevant to the specific Bidvest environment is reported. The GRI (G3/G4) indicator index can be found on the website, www.bidvest.com. Where information requested is not material to Bidvest as a Group, this has been indicated. Where information is collated from a Group perspective but not reported, this information is available on request.

QUICK LINK: *http://www.bidvest.com/ar/bidvest_ar2015/pdf/gri.pdf*

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Visit us online to view more on the integrated annual report
www.bidvest.com

Important icons

QUICK LINK:
This icon denotes further reading and information available

PEOPLE:
People-related information within the report

PERFORMANCE:
Performance-related information within the report

PRODUCTS AND SERVICES:
Product and service-related information within the report

PLANET:
Environment-related information within the report

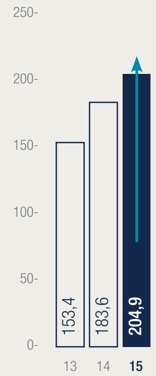
Bidvest Group	Turnover	Trading profit

The Bidvest Group Limited consists of four overarching divisions:

We are an international services, trading and distribution company, listed on the JSE, South Africa and operating on five continents. We employ 141 000 people worldwide, but our roots remain South African. In a big business environment we run our company with the determination and commitment evident in a small business heart. We believe in empowering people, building relationships and improving lives. Entrepreneurship, incentivisation, decentralised management and communication are the keys. We subscribe to a philosophy of transparency, accountability, integrity, excellence and innovation in all our business dealings. We turn ordinary companies into extraordinary performers, delivering strong and consistent shareholder returns in the process. Most importantly, we understand that people create wealth, and that companies only report it.

Turnover

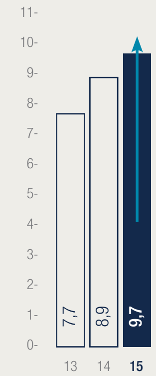
+11,6%



R' billion | **Turnover**

Trading profit

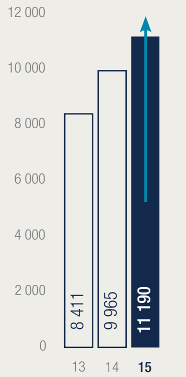
+8,1%



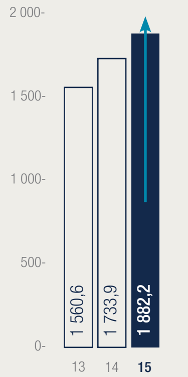
R' billion | **Trading profit**

Division	Description	Turnover
Bidvest Corporate	The corporate centre adds value by identifying strategic investment opportunities while promoting experience sharing across divisions and fostering synergies and properties savings. Bidvest Corporate also houses Group investments and the Bidvest properties portfolio.	+7,3%
Bidvest South Africa	The division includes a variety of service and product offerings: freight management, logistics services, terminal operations and marine services; office automation, stationery and furniture; leading motor brands and vehicle auctioneering; travel management solutions, aviation services, airport lounge access and car rental; outsourced cleaning, landscaping, catering services, security as well as specialised services to the industrial and public sector; hygiene rental equipment, cleaning consumables; laundries; and public indoor plants; water coolers and light industrial and commercial products; the full range of Yamaha products; consumer appliances, packaging closures and catering equipment; distribution of electrical products and services and a comprehensive range of banking and insurance products; printing and related products.	+9,2%
Bidvest Foodservice	Comprises market leading foodservice product distributors in the United Kingdom, Belgium, the Netherlands, Czech Republic, Slovakia, Poland, the Baltic States, Italy, Spain, Lebanon, Malaysia, Saudi Arabia, Turkey, the UAE, Australia, New Zealand, Singapore, Greater China, Hong Kong, Chile, Brazil and southern Africa. Bidvest leads the foodservice industry in its chosen geographies operating through strategically located independent business units servicing the catering, hospitality, leisure, bakery, poultry, meat and food processing industries.	+14,0%
Bidvest Namibia	Bidvest Namibia Limited is listed on the Namibian Stock Exchange. Bidvest Namibia's operating divisions are under two holding companies, namely Bidvest Namibia Fisheries Holdings (Bidfish) which is focused on the fishing industry in Namibia and Angola and Bidvest Namibia Commercial Holdings (Bidcom). Bidcom is divided into three divisions, namely Freight, Logistics, Marine Services and Material Handling; Food and Distribution; and Commercial and Industrial Services. Bidfish operates one of Africa's most efficient fishing fleets and has a high reputation for quality delivery into Namibian and African markets. Horse-mackerel is the core activity, but Bidfish's product range also includes canned fish, oysters and other products. Operating companies within Bidcom have a broad spectrum of well-recognised brands and an extended distribution network throughout Namibia.	+2,6%

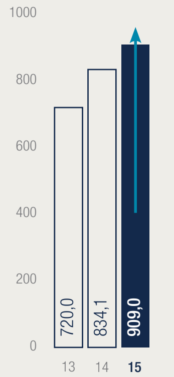
Net asset value per share	Headline earnings per share	Distribution per ordinary share
+12,3%	+8,6%	+9,0%



Cents | **Net asset value per share**

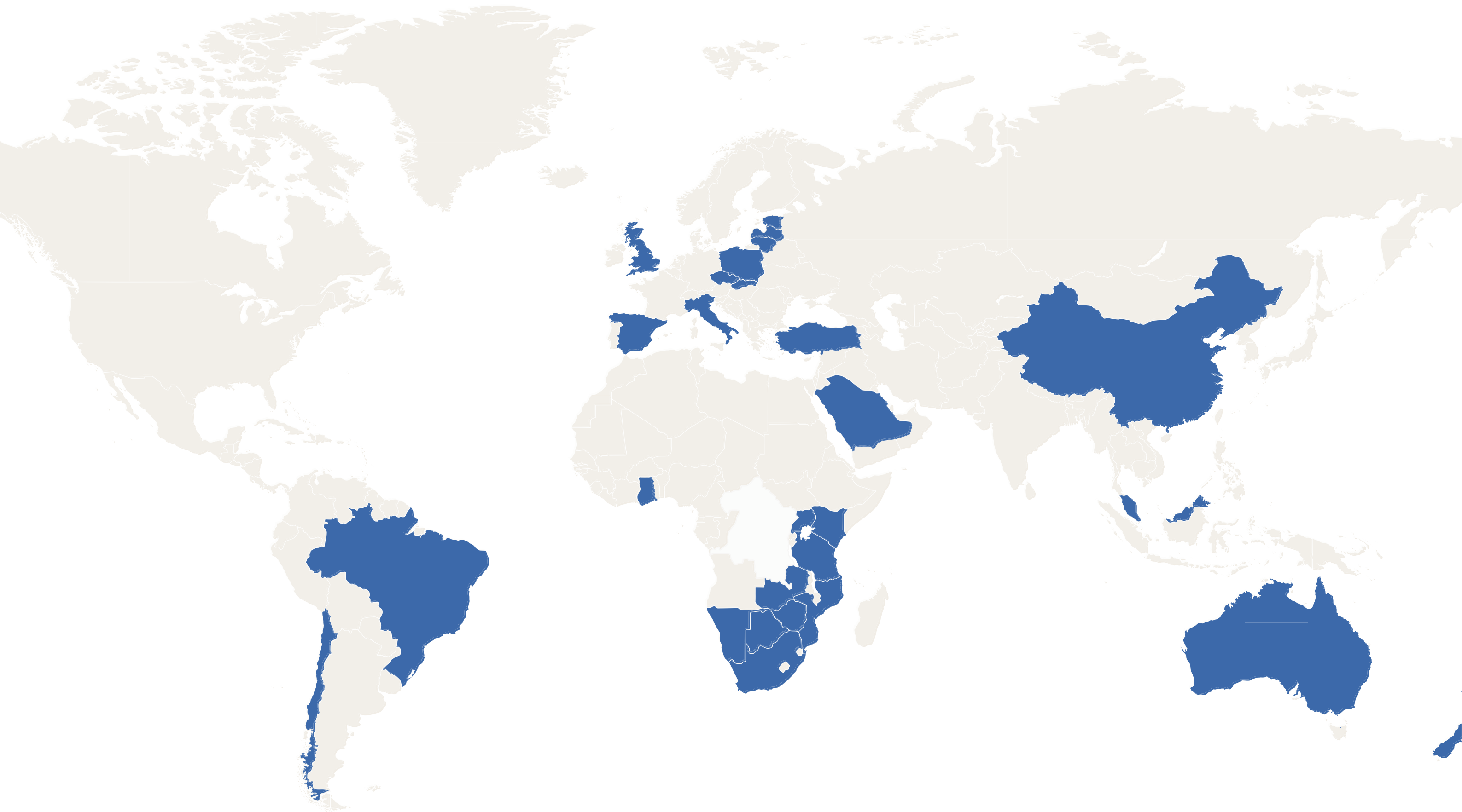


Cents | **Headline earnings per share**



Cents | **Distribution per ordinary share**

	Contribution to Group revenue	Reference
	0,8%	*For more information see page 59*
	41,7%	*For more information see page 24*
	55,6%	*For more information see page 50*
	1,9%	*For more information see page 56*



- Brazil
- Chile

- Belgium
- Czech Republic
- Estonia
- Ireland
- Isle of Man
- Italy
- Latvia
- Lithuania
- Netherlands
- Poland
- Slovakia
- Spain
- Turkey
- United Kingdom
- Angola
- Botswana
- Ghana
- Kenya
- Lesotho
- Malawi
- Mauritius
- Mozambique
- Namibia
- Seychelles
- South Africa
- Swaziland
- Tanzania
- Uganda
- Zambia
- Zimbabwe

- Bahrain
- Saudi Arabia
- United Arab Emirates

- Lebanon
- Greater China
- Hong Kong
- Malaysia
- Singapore

- Australia
- New Zealand

Why invest in Bidvest

- For over a quarter of a century, Bidvest has been reporting superior financial results and shareholder returns.
- By spanning such a broad spectrum of geographies and businesses, sustained growth in the short, medium and long term remains possible even during economic downturns.
- As a global employer of over 141 000 proudly Bidvest people on five continents, Bidvest is aware of its responsibility to its people, their families and their communities.
- Sustainable business practices underpin our Proudly Tomorrow promise and the way we do business.

Our annual integrated report

Bidvest continues to progress on the journey outlined by King III while ensuring increased integration of reported financial, social, governance and environmental information.

Annual financial statements

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act of South Africa and the JSE Listings Requirements.

Who the report is for

The annual integrated report is targeted primarily at our providers of capital, our shareholders. However, we endeavour to have sufficient information available for all our stakeholders to enable them to have an informed opinion of our businesses.

Additional information

The annual integrated report is an overview for anyone interested in Bidvest – either as a current or potential investor, or any one of our other stakeholders to obtain an overall perspective of the Group, how it is structured, how it is managed and its value proposition.

If you feel that there is important information that you would like to see included in future reports, please contact us on info@bidvest.co.za as we value your comments and suggestions.

Lorato Phalatse | Non-executive chairman

Brian Joffe | Group chief executive

David Cleasby | Group financial director

Board responsibility

It is the board's responsibility to ensure the integrity of the annual integrated report. The board has accordingly applied its mind to the report and in the opinion of the board, this report addresses all material issues and presents fairly the integrated performance of the organisation and its social and environmental impacts.

The annual integrated report has been prepared in line with best practice pursuant to the recommendations of the King III Code (principle 9.1). The board authorised the annual integrated report for release on October 24 2015.

How the report content is shaped

It often is difficult to aggregate consistent information to report a Group number as definitions for certain sustainability indicators vary across geographies and industries.

Our Group risk committee assists the board in recognising all material risks to which the Group is exposed and ensures that the requisite risk management culture, policies and systems are implemented and functioning effectively.

QUICK LINK: *http://www.bidvest.com/ar/bidvest_ar2015/fin-governance-sus-business.php*

Our stakeholders have an important role to play in assisting with shaping our reported content. However, because Bidvest's structure is decentralised, stakeholder engagement by necessity happens at a Group, divisional and company level. Businesses engage with stakeholders important to their operations and which may be significantly impacted by their business activities and this informs our reporting. This engagement process also helps identify important commercial and sustainability issues and leads to workable solutions which are often industry specific.

Assurance

The financial statements have been independently opined upon by Deloitte, who also perform a limited assurance exercise on certain sustainability indicators. During the 2015 reporting period, the limited assurance provided to the Group covered between 30% and 50% of the reported sustainability indicators.

We believe that the information reported is robustly assured in the Bidvest business environment, which covers such a wide spectrum of different industries and geographies. Feedback is provided to our businesses and this approach assists the businesses in setting realistic targets for the 2016 reporting period.

Identifying and measuring the top contributors in certain key sustainability indicators – training spend, CSI spend, water, electricity, petrol and diesel usage – continues to create awareness across our businesses and increases innovative thinking.

QUICK LINK: *http://www.bidvest.com/ar/bidvest_ar2015/pdf/letter-of-assurance.pdf*

Our values

We are committed to conducting healthy business practices which support our company values of respect, honesty, integrity and accountability, ensuring a stable employment environment and the ongoing sustainability of Bidvest.

We believe in empowering people, building relationships and improving lives. Entrepreneurship, incentivisation, decentralised management and communication are keys drivers.

We subscribe to a philosophy of transparency, excellence and innovation in all our business dealings.

1988
First acquisition – Chipkins followed by Sea World. **The start of Bidfood.**

1989
Acquisition of Afcom.

1990
Bid Corporation becomes holding company of Bidvest.

1991
Acquisition of Steiner Services; beginning of the hygiene services business.

1992
Acquisition of Crown Food Holdings, merged with National Spice to form Crown National.

1993
Acquisition of Safcor, the start of **Bidfreight**. Prestige Cleaning Services acquired and grouped with Steiner to form Bidserv.

1995
First steps to international expansion in Australia, acquisition of Manettas and renamed **Bidvest Australia**.

1996
Empowerment programmes begins.

1997
Acquisition of **Waltons**. Bid Corporation unbundled and Bidvest incorporated into the JSE industrial index.

1998
Bidvest PLC, created with dual listings in Australia and Luxembourg. Acquisition of Lithotech.

1999
Booker Foodservice, acquired by Bidvest PLC, renamed 3663 First for Foodservice. Acquisition of Rennies Group.

2000
Acquisition of Island View Storage. Banking licence granted to Rennies Bank. **Bidvest PLC enters the New Zealand foodservice market.**

2001
John Lewis Foodservice acquired and incorporated into Bidvest Australia. mymarket.com, Bidvest's e-commerce initiative launched.

2002
Remaining 68% of Voltex acquired to form part of the Commercial Products division.

2003
The Bidvest Academy, a Group training and development programme launched.
BEE initiative with Dinalta Investment Holdings announced. Danel acquired and renamed Lithotech France.

2004
Acquisition of McCarthy, South Africa's second largest motor retailer.

2005
G Fox acquired.

2006
Acquired 100% of Netherlands foodservice company, Deli XL and a controlling stake in HORECA Trade, a small Dubai-based foodservice distributor.

2007
Acquired 100% of Angliss, a foodservice wholesaler and distributor in Singapore, Hong Kong and China. **Rennies Bank became Bidvest Bank.**

CO_2

2008
Viamax acquisition concluded. **First carbon footprint analysis prepared.**

2010
Nowaco Group foodservice businesses operating in **Czech Republic, Slovakia and Poland acquired.**

2011
Acquisition of **Seafood Holdings**, fresh fish foodservice business in the UK and foodservice distributor Nowaco Baltics.

2012
Acquisition of Deli Meals in Chile.
Bidvest's first entry into South America.

2013
Acquisition of Aktaes Holdings, the Mansfield Group and Home of Living Brands.

2014
Acquisition of **Mvelaserve**; Irmãos Avelino (Brazil), and Bidvest Espana (Spain).

2015
DAC (Italy); PLC Transport 24/7 (UK) acquired. Global footprint continues to expand.

Our business model

A diversified Group entrepreneurially specialising in services, trading (wholesale) and distribution. Traditional B2B offerings while increasingly adding to the B2C (business to consumers) portfolio.

INPUTS

STAKEHOLDERS

people

Our **human and intellectual capital** is our people's competencies, their experience and business knowledge

performance

Our **financial capital (manufacture/infrastructure)** comprises 53% international shareholder base, a vote of confidence in Bidvest and its people

products and services

Our **social and relationship capital** goes to brand reputation and working together with our customers and suppliers to find value adding solutions within their specific industries

planet

We have a low carbon footprint. In our definition of **natural capital** we continually strive to minimise our environmental impact and leave our planet in good working order for future generations

- Own the cash flows
- Master the distribution channel
- Emerging market focus
- Anticipate the future
- Stick to basics

2015
Turnover
R205 billion

People

	2015	2014
People numbers	**141 015**	143 828
Fatalities* (pages 47 and 50)	**9**	3
CSI spend (R million)	**101,1**	105,8
LTIFR (per 200 000 hours worked)	**2,06**	1,39

**The health and safety of our people is of paramount importance to us. We express our sincere condolences to the families who have lost their loved ones.*

Geographic split

Southern Africa and emerging markets
- 2015 | 122 576
- 2014 | 127 830

Australasia
- 2015 | 4 098
- 2014 | 3 488

United Kingdom and Europe
- 2015 | 14 341
- 2014 | 12 510

Female
- 2015 | 40,4%
- 2014 | 41,2%

Male
- 2015 | 59,6%
- 2014 | 60,7 %

Value added

Total wealth created
R40,2 billion

Employees 63,6%

Government (taxes) 5,7%

Providers of capital 8,2%

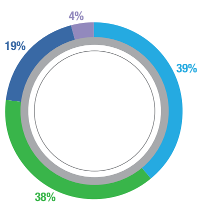
Retained for growth 22,5%

OUTCOMES	RISKS*	AND O
– Safety – Skills and talent retention – Health and wellness – Labour relations – Community investment	– Small talent pool and limited skilled resources – Succession planning – Industrial action	– Invest progra – Offer – Track – Ensur – Manag – Repor
– Financial highlights – Financial controls – Exchange rate volatility	– Increasingly complex business environment – Increasingly onerous and challenging tax regulations – Cost-effective IT systems and support structures – Asset management	– Financ – Respo
– Minimise product impact – Ensure food safety – Ensure supply chain integrity – Technology – Supplier and customer communication	– Remaining competitive and relevant – Fostering positive long-term relationships with key suppliers and customers – Nurturing long-term ongoing relationships with government	– Indica report – Group – Ongoi champ – Foster
– Ensure the future of our planet – Minimise impact of rising costs of fuel and electricity	– Energy crisis – Food contamination – Environmental impact consciousness	– Contir – Chang – Evalua – Subsc – Subsc

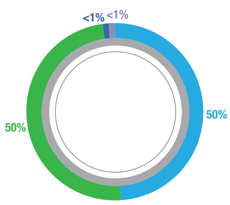
*Refer to the table on pages 72 and 73.

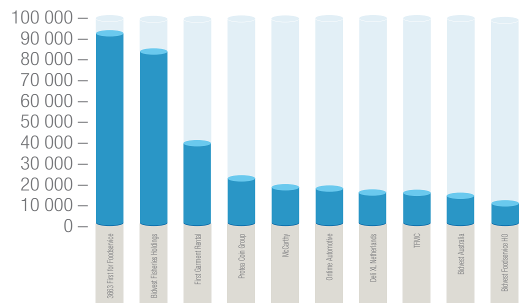
Planet

Direct emissions | (tonnes of CO_2)



Indirect emissions Scope 2 | (tonnes of CO_2)





Tonnes of CO_2 | **Group top 10 direct emissions emitters**

Carbon

As part of environmental and sustainability awareness, Bidvest Group has calculated its individual company-specific GHG inventories for the financial year 2015 (July 1 2014 to June 30 2015). The GHG inventories have been calculated on a company level, as Bidvest operates in a decentralised nature. The calculation of the GHG inventories showed that all companies within the Bidvest Group emit less than 100 000tCO_2e each. Our approach to mitigate future emissions is to focus on the top 10 emitters and ensure we are doing, where possible, what is needed to minimise our impact.

PPORTUNITIES

ment and reporting on training, career pathing and graduate
ımmes
education on HIV/Aids via sustainability champions
the effect of days lost due to absenteeism, strike action and injuries
e ongoing communications with unions and our businesses
gement aims to grow talented individuals with a B-BBEE emphasis
ting of numbers via online data collation tool and type of CSI involvement

cial controls including pursuing efficiencies, cost savings
nsible asset management remains a critical focus area

tor set to be updated according to the various industries for 2015
ing
policy to be updated
ng stakeholder engagement, regular feedback from sustainability
bions
ring positive long-term relationships with key suppliers and customers

ued monitoring and reporting on energy and fuel usage
ges to indicators according to new regulations and divisional feedback
ate the implications of the UN global compact
ribe to CDP water and climate change in relevant industry sectors
ribe to GRI G4

STAKEHOLDERS

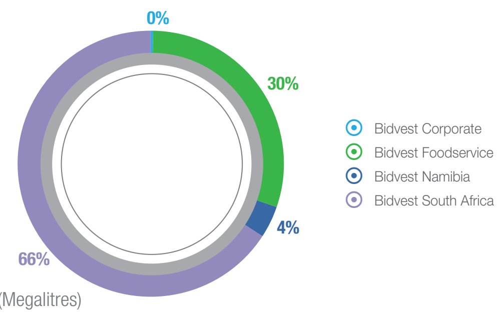
Materiality determination

We consider six factors when conducting a materiality assessment:

Value drivers	How the company maintains its ability to create value
Impacts	How the company creates or withdraws capital
Leverage	Where efforts will achieve greatest impact
Risks	Identify ESG-related risks to be addressed
Opportunities	Identify ESG-related opportunities to be explored
Stakeholder perspectives	Key stakeholder views on what is material to them

Taken from Bidvest materiality workshop facilitated by Incite

Group water usage | (Contribution)



(Megalitres)

	2015	2014
Water usage (Megalitres)	**3 434,5**	3 712,1

QUICK LINK: *http://www.bidvest.com/ar/bidvest_ar2015/ovr-stakeholder.php*

QUICK LINK: *http://www.bidvest.com/ar/bidvest_ar2015/pdf/comparative-sus-data.pdf*

QUICK LINK: *http://www.bidvest.com/ar/bidvest_ar2015/pdf/carbon-footprint.pdf*

QUICK LINK: *http://www.bidvest.com/ar/bidvest_ar2015/fin-governance-sus-business.php*

Consolidated segmental analysis

for the year ended June 30

	Segmental turnover			Segmental trading profit			Segmental operating profit		
Trading division	2015 R'000	2014 R'000	% change	2015 R'000	2014 R'000	% change	2015 R'000	2014 R'000	% change
Bidvest South Africa	87 390 800	80 038 732	9,2	5 146 464	4 948 153	4,0	5 243 529	4 938 102	6,2
Automotive	22 676 120	21 894 262	3,6	627 087	618 001	1,5	627 087	618 434	1,4
Consumer Products	1 171 380	1 267 245	(7,6)	78 930	102 073	(22,7)	75 968	102 073	(25,6)
Electrical	5 256 267	4 804 896	9,4	305 080	264 263	15,4	304 809	262 553	16,1
Financial Services	2 035 048	1 664 307	22,3	527 576	616 661	(14,4)	527 576	616 540	(14,4)
Freight	29 058 663	26 808 565	8,4	1 059 728	1 113 896	(4,9)	1 059 076	1 109 996	(4,6)
Industrial	2 210 170	1 999 884	10,5	164 250	125 663	30,7	163 559	125 663	30,2
Office	5 103 866	4 705 029	8,5	377 019	365 519	3,1	479 036	364 116	31,6
Paperplus	5 707 922	4 881 646	16,9	390 222	315 590	23,6	390 222	315 348	23,7
Rental and Products	2 508 206	2 350 087	6,7	535 935	477 608	12,2	533 828	475 932	12,2
Services	8 954 475	7 248 191	23,5	636 865	527 511	20,7	638 596	526 879	21,2
Travel and Aviation	2 708 683	2 414 620	12,2	443 772	421 368	5,3	443 772	420 568	5,5
Bidvest Foodservice	116 588 849	102 261 128	14,0	3 986 144	3 185 767	25,1	3 964 531	3 167 439	25,2
Australasia	28 187 109	26 622 058	5,9	1 437 078	1 268 419	13,3	1 447 779	1 257 290	15,2
United Kingdom	47 722 732	40 644 615	17,4	1 087 877	767 072	41,8	1 111 282	762 344	45,8
Europe	24 802 908	20 860 766	18,9	806 163	513 619	57,0	750 444	496 334	51,2
Emerging Markets	15 876 100	14 133 689	12,3	655 026	636 657	2,9	655 026	651 471	0,5
Bidvest Namibia	4 085 868	3 980 883	2,6	400 186	493 714	(18,9)	501 081	493 376	1,6
Bidvest Corporate	1 603 868	1 495 083	7,3	140 061	317 887	(55,9)	(143 101)	(529 813)	73,0
Properties	425 331	388 123	9,6	396 992	366 801	8,2	398 122	372 838	6,8
Corporate and Investments	1 178 537	1 106 960	6,5	(256 931)	(48 914)	(425,3)	(541 223)	(902 651)	40,0
	209 669 385	187 775 826	11,7	9 672 855	8 945 521	8,1	9 566 040	8 069 104	18,6
Inter-group eliminations	(4 753 460)	(4 130 647)							
Share-based payment expense							(228 637)	(187 119)	
	204 915 925	183 645 179	11,6				9 337 403	7 881 985	18,5
Geographic region									
Southern Africa and other Emerging Markets	107 929 560	98 704 955	9,3	6 379 791	6 447 039	(1,0)	6 294 589	5 616 163	12,1
United Kingdom and Europe	73 552 716	62 448 813	17,8	1 855 986	1 230 063	50,9	1 823 672	1 195 651	52,5
Australasia	28 187 109	26 622 058	5,9	1 437 078	1 268 419	13,3	1 447 779	1 257 290	15,2
	209 669 385	187 775 826	11,7	9 672 855	8 945 521	8,1	9 566 040	8 069 104	18,6

Segmental operating assets			Segmental operating liabilities			Segmental depreciation			Segmental capital expenditure		
2015 R'000	2014 R'000	% change	2015 R'000	2014 R'000	% change	2015 R'000	2014 R'000	% change	2015 R'000	2014 R'000	% change
25 855 074	23 467 740	10,2	14 679 148	12 963 717	13,2	1 067 868	1 045 095	2,2	2 349 817	1 136 711	106,7
3 982 122	3 655 439	8,9	2 015 614	1 976 915	2,0	55 126	54 178	1,7	68 191	85 978	(20,7)
528 381	415 189	27,3	212 469	167 798	26,6	6 611	6 091	8,5	3 437	4 579	(24,9)
2 186 819	2 079 121	5,2	863 031	808 197	6,8	25 728	20 926	22,9	33 571	42 735	(21,4)
4 585 798	3 208 304	42,9	4 230 399	2 904 482	45,7	184 072	198 682	(7,4)	1 157 267	110 615	946,2
4 310 061	4 019 571	7,2	2 858 386	2 701 343	5,8	237 107	205 295	15,5	323 926	324 900	(0,3)
1 076 192	1 048 904	2,6	432 540	359 212	20,4	25 855	22 996	12,4	62 774	36 827	70,5
1 601 164	1 614 120	(0,8)	801 846	752 425	6,6	46 788	48 979	(4,5)	44 329	72 497	(38,9)
1 955 244	1 774 953	10,2	763 111	602 966	26,6	63 736	79 048	(19,4)	97 410	73 772	32,0
960 006	957 065	0,3	287 737	256 797	12,0	174 406	165 532	5,4	194 799	178 154	9,3
2 168 080	2 295 610	(5,6)	1 505 793	1 623 941	(7,3)	196 800	194 679	1,1	226 091	169 711	33,2
2 501 207	2 399 464	4,2	708 222	809 641	(12,5)	51 639	48 689	6,1	138 022	36 943	273,6
28 729 349	25 312 681	13,5	18 593 642	16 421 885	13,2	869 383	796 178	9,2	1 661 915	1 683 850	(1,3)
6 249 210	6 800 505	(8,1)	3 713 072	3 863 568	(3,9)	187 933	180 603	4,1	330 896	517 138	(36,0)
9 573 505	7 812 580	22,5	7 859 129	6 479 342	21,3	342 054	306 319	11,7	807 874	636 213	27,0
7 584 655	5 934 836	27,8	4 823 888	4 047 962	19,2	205 479	188 632	8,9	351 988	343 830	2,4
5 321 979	4 764 760	11,7	2 197 553	2 031 013	8,2	133 917	120 624	11,0	171 157	186 669	(8,3)
1 951 691	1 821 040	7,2	524 256	477 342	9,8	64 801	60 145	7,7	99 263	82 294	20,6
9 633 823	8 201 620	17,5	486 351	418 449	16,2	67 748	67 156	0,9	359 144	258 329	39,0
2 482 961	2 202 533	12,7	22 442	10 437	115,0	4 640	4 709	(1,5)	284 956	113 701	150,6
7 150 862	5 999 087	19,2	463 909	408 012	13,7	63 108	62 447	1,1	74 188	144 628	(48,7)
66 169 937	58 803 081	12,5	34 283 397	30 281 393	13,2	2 069 800	1 968 574	5,1	4 470 139	3 161 184	41,4
(659 743)	(639 216)		(659 743)	(639 216)							
65 510 194	58 163 865	12,6	33 623 654	29 642 177	13,4						
42 164 784	37 694 784	11,9	17 756 436	15 765 958	12,6	1 275 589	1 233 842	3,4	2 906 678	1 523 984	90,7
17 755 943	14 307 792	24,1	12 813 889	10 651 867	20,3	606 278	554 129	9,4	1 232 565	1 120 062	10,0
6 249 210	6 800 505	(8,1)	3 713 072	3 863 568	(3,9)	187 933	180 603	4,1	330 896	517 138	(36,0)
66 169 937	58 803 081	12,5	34 283 397	30 281 393	13,2	2 069 800	1 968 574	5,1	4 470 139	3 161 184	41,4

Segmental amortisation and impairments on intangible assets			Segmental goodwill and intangible assets			Employee benefits and remuneration			Number of employees		
2015 R'000	2014 R'000	% change	2015 R'000	2014 R'000	% change	2015 R'000	2014 R'000	% change	2015	2014	% change
69 614	55 247	26,0	2 771 979	2 541 006	9,1	13 406 266	11 121 566	20,5	113 040	118 695	(4,8)
3 688	1 582	133,1	245 319	246 386	(0,4)	1 554 008	1 477 988	5,1	5 551	5 703	(2,7)
–	–		272 363	270 253	0,8	80 490	94 299	(14,6)	312	212	47,2
7 508	7 291	3,0	89 804	78 246	14,8	507 489	441 242	15,0	2 332	2 214	5,3
4 671	7 527	(37,9)	188 967	66 144	185,7	372 726	307 198	21,3	1 360	1 201	13,2
13 638	8 951	52,4	114 951	92 165	24,7	1 241 128	1 182 316	5,0	4 784	4 540	5,4
3 646	1 689	115,9	56 047	55 132	1,7	354 578	330 232	7,4	1 729	1 713	0,9
17 694	14 703	20,3	100 026	109 190	(8,4)	1 135 741	902 596	25,8	4 337	4 259	1,8
7 557	7 645	(1,2)	185 072	181 897	1,7	761 516	729 816	4,3	4 119	4 255	(3,2)
530	1 202	(55,9)	116 642	111 795	4,3	543 453	498 716	9,0	6 453	6 137	5,1
3 312	2 828	17,1	1 252 172	1 254 204	(0,2)	5 945 958	4 322 232	37,6	75 951	83 087	(8,6)
7 370	1 829	303,0	150 616	75 594	99,2	909 179	834 931	8,9	6 112	5 374	13,7
311 943	176 623	76,6	12 605 317	10 535 416	19,6	10 766 032	8 964 662	20,1	23 639	20 985	12,6
30 247	16 249	86,1	2 552 266	2 479 262	2,9	2 538 441	2 323 819	9,2	4 098	3 488	17,5
88 445	57 257	54,5	3 531 864	2 371 228	48,9	4 548 847	3 593 274	26,6	8 528	7 096	20,2
188 085	98 899	90,2	5 374 929	4 346 316	23,7	2 029 537	1 843 828	10,1	5 022	4 561	10,1
5 166	4 218	22,5	1 146 258	1 338 610	(14,4)	1 649 207	1 203 741	37,0	5 991	5 840	2,6
7 037	7 108	(1,0)	150 763	153 585	(1,8)	577 896	550 960	4,9	3 319	3 239	2,5
20 349	21 696	(6,2)	132 453	140 175	(5,5)	612 980	649 076	(5,6)	1 017	909	11,9
1 068	–		6 484	142	4 466,2	14 554	13 289	9,5	15	13	15,4
19 281	21 696	(11,1)	125 969	140 033	(10,0)	598 426	635 787	(5,9)	1 002	896	11,8
408 943	260 674	56,9	15 660 512	13 370 182	17,1	25 363 174	21 286 264	19,2	141 015	143 828	(2,0)
						228 637	187 119				
						25 591 811	21 473 383	19,2			
93 290	79 942	16,7	4 146 344	4 111 176	0,9	15 836 665	13 151 622	20,4	122 576	127 830	(4,1)
285 406	164 483	73,5	8 961 902	6 779 744	32,2	6 988 068	5 810 823	20,3	14 341	12 510	14,6
30 247	16 249	86,1	2 552 266	2 479 262	2,9	2 538 441	2 323 819	9,2	4 098	3 488	17,5
408 943	260 674	56,9	15 660 512	13 370 182	17,1	25 363 174	21 286 264	19,2	141 015	143 828	(2,0)

Financial history

	24-year compound growth rates % per annum[(1)]	10-year compound growth rates % per annum	2015	2014
Extract from financial statements (R'm)				
Turnover	29,5%	12,6%	**204 916**	183 645
Trading profit	26,3%	12,2%	**9 673**	8 946
Net finance charges			**(1 120)**	(1 048)
Attributable profit	27,6%	11,6%	**5 898**	4 603
Shareholders' interest			**36 372**	31 781
Total assets	26,5%	15,6%	**89 861**	80 975
Net debt			**7 766**	7 917
Funds employed			**31 887**	28 522
Cash generated by operations	29,6%	10,7%	**11 647**	10 207
Wealth created by trading operations	28,1%	12,7%	**39 586**	33 582
Employee benefits and remuneration			**25 592**	21 436
Share statistics				
Headline earnings per share (cents)[(2)]	19,6%	11,1%	**1 882,2**	1 733,9
Distribution per share (cents)[(3)]	20,0%	11,5%	**909,0**	834,1
Distribution cover (times)[(3)]			**2,1**	2,1
Distribution yield (%)			**2,9**	3,0
Earnings yield (%)			**6,1**	6,1
Net tangible asset value per share (cents)	21,2%	16,2%	**11 190**	9 965
Net tangible asset value per share (cents)	18,4%	15,2%	**6 372**	5 773
Share price (cents)				
high			**33 732**	29 800
low			**27 619**	23 601
closing (June 30)	21,6%	15,5%	**30 815**	28 258
Market capitalisation (R'm)[(4)]	27,9%	16,5%	**100 165**	90 119
Volumes traded ('000)			**192 812**	201 044
Volumes traded as % of weighted number of shares			**59,7**	63,8
Ratios and statistics				
Return on total shareholders' interest (%)			**18,6**	17,5
Return on average funds employed (%)[(5)]			**32,0**	34,9
Trading profit margin (%)			**4,7**	4,9
Interest cover[(8)]			**8,6**	8,5
Debt:equity ratio (%)[(7)]			**21,4**	24,9
Current asset ratio			**1,1**	1,1
Quick asset ratio			**0,7**	0,7
Number of employees			**141 015**	143 828
Turnover per employee (R'000)			**1 453,1**	1 276,8
Value added per employee (R'000)			**280,7**	233,5
Number of shares in issue ('000)[(6)]			**325 052**	318 916
Number of weighted shares in issue ('000)[(6)]			**322 792**	314 873
Exchange rate comparisons				
Rand/sterling				
Closing rate			**19,33**	18,07
Average rate			**18,03**	16,91
Rand/euro				
Closing rate			**13,64**	14,47
Average rate			**13,74**	14,11
Rand/Australian dollar				
Closing rate			**9,41**	10,00
Average rate			**9,56**	9,54

Notes and definitions

(1) *Based on growth from 1991 – the first year of Bidvest in its current form.*

(2) *Based on weighted average number of shares in issue.*

(3) *Includes interim distributions paid and final distributions approved after year-end. Distributions include capitalisation issues at market value, distributions of share premium and dividends. The amount for 2012 excludes a special dividend of 80 cents per share.*

(4) *Market capitalisation is shown net of treasury shares. Total market capitalisation was R103,3 billion (2014: R93,6 billion).*

2013	2012	2011	2010	2009	2008	2007	2006
153 405	133 534	118 483	109 789	112 428	110 478	95 656	77 276
7 675	7 014	6 124	5 555	5 137	5 335	4 547	3 657
(765)	(785)	(644)	(758)	(1 029)	(931)	(566)	(342)
4 772	4 443	3 539	3 345	2 802	3 253	2 700	2 389
26 374	21 630	17 669	16 737	13 929	13 468	10 627	8 929
66 678	55 895	47 830	43 345	38 484	41 861	32 848	27 995
4 547	3 615	5 030	3 863	4 072	5 547	3 764	1 452
22 717	18 404	16 779	15 213	13 924	14 503	10 663	7 456
7 367	8 942	8 163	7 984	6 749	6 087	4 237	4 490
28 447	26 093	22 524	21 465	20 708	19 595	16 777	14 049
16 654	15 000	13 308	12 779	12 817	11 701	9 967	8 311
1 560,6	1 474,2	1 157,4	1 070,0	930,0	1 068,0	970,0	804,6
720,0	622,0	480,0	432,0	380,0	495,0	446,4	369,0
2,2	2,4	2,4	2,5	2,4	2,2	2,2	2,2
2,9	3,4	3,2	3,5	3,9	5,0	3,2	3,7
6,4	8,1	7,7	8,8	9,6	10,9	6,9	8,1
8 411	6 934	5 718	5 246	4 567	4 481	3 509	2 985
5 260	4 270	3 444	3 253	3 098	2 803	2 135	1 814
26 190	18 614	16 100	14 664	11 808	15 100	14 780	11 650
18 016	14 035	12 000	9 250	7 750	9 400	9 430	7 200
24 495	18 200	15 050	12 189	9 674	9 838	14 123	9 875
76 805	56 775	46 508	38 884	29 505	29 571	42 772	29 541
181 218	182 235	232 095	285 279	243 051	265 157	233 306	206 156
58,0	58,7	72,8	90,7	80,6	87,5	77,7	68,7
22,1	25,1	21,1	24,0	20,8	30,6	30,2	32,0
37,3	39,9	37,9	38,7	36,4	48,6	50,2	54,0
5,0	5,3	5,2	5,1	4,6	4,8	4,8	4,7
10,0	8,9	9,5	7,3	5,0	5,7	8,0	10,7
17,2	16,7	28,5	23,1	29,2	41,2	35,4	16,3
1,3	1,1	1,1	1,1	1,1	1,1	1,1	1,1
0,7	0,7	0,7	0,7	0,7	0,7	0,7	0,8
106 371	105 103	105 057	105 752	103 449	106 225	104 184	93 325
1 442,2	1 270,5	1 127,8	1 038,2	1 086,8	1 040,0	918,1	828,0
267,4	248,3	214,4	203,0	200,2	184,5	161,0	150,5
313 555	311 952	309 021	319 006	304 995	300 576	302 852	299 154
312 577	310 324	318 665	314 510	301 462	303 159	300 206	299 976
15,05	12,94	10,97	11,53	13,02	15,89	14,18	13,20
13,87	12,34	11,18	12,05	14,47	14,64	13,95	11,44
13,13	10,46	9,84	9,34	11,05	12,51	9,54	9,16
11,46	10,41	9,56	10,60	12,35	10,76	9,41	7,82
9,05	8,42	7,25	6,56	6,34	7,66	6,01	5,31
9,08	8,03	6,94	6,71	6,67	6,56	5,67	4,81

[5]Return on average funds employed is calculated using the weighted average of the Group's funds employed and trading income.
[6]The number of shares in issue has been adjusted for treasury shares.
[7]Debt:equity ratio is the net debt of the Group divided by shareholders' interest.
[8]Interest cover is the trading profit divided by net finance charges.

Bidvest

Board of directors

Executive directors

Brian Joffe |
Group chief executive

Age: 68
Qualification: CA(SA)
Appointed: March 1 1989

Bernard Larry Berson |
Chief executive, Bidvest Foodservices

Age: 50
Qualification: Australian CA
Appointed: October 27 2003

David Edward Cleasby |
Group financial director

Age: 53
Qualification: CA(SA)
Appointed: July 9 2007

Anthony William Dawe |
Chief executive, Bidvest Freight

Age: 49
Qualification: CA(SA)
Appointed: June 28 2006

Nompumelelo (Mpumi) Madisa |
Executive director, Bidvest South Africa

Age: 36
Qualification: BComm (Hons) Economics and BSc Economics and Mathematics, MM in Finance and Investment
Appointed: December 4 2013

Gillian Claire McMahon |
Executive director, Bidvest South Africa

Age: 43
Qualification: BCom Hons Business Economics and Industrial Psychology, MCom Industrial Psychology
Appointed: May 27 2015

Lindsay Peter Ralphs |
Chief executive, Bidvest South Africa

Age: 60
Qualification: CA(SA)
Appointed: May 10 1992

Independent non-executive directors

Celia Wendy Lorato Phalatse |
Non-executive chairman

Age: 53
Qualification: BA Political Science (Hons), University of Leeds UK, MA Southern African Studies, University of York UK
Appointed: April 20 2012

Paul Cambo Baloyi |
Non-executive director

Age: 59
Qualification: MBS, MDP, SEP (Harvard)
Appointed: April 20 2012

Douglas Denoon Balharrie Band |
Non-executive director

Age: 71
Qualification: CA(SA)
Appointed: October 27 2003

Alfred Anthony da Costa |
Non-executive director

Age: 50
Qualification: BCom (Hons)
Appointed: December 8 2003

Eric Kevin Diack |
Non-executive director

Age: 58
Qualification: CA(SA), AMP Harvard
Appointed: April 20 2012

Alexander Komape Maditsi |
Non-executive director

Age: 52
Qualification: BProc, LLB (Wits), LLM (Harvard), Dip Company Law (Wits)
Appointed: April 20 2012

Flora Nolwandle Mantashe |
Non-executive director

Age: 54
Qualification:
BA (Hons), Business Management Programme (Wits Business School)
Appointment: December 4 2013

Sibongile (Bongi) Masinga |
Non-executive director

Age: 48
Qualification: BCom, USA-SA Leadership and Entrepreneurship Programme (Wharton School of Business)
Appointed: December 4 2013

Donald Masson |
Non-executive director

Age: 84
Qualification: ACIS
Appointed: March 10 1992

Nigel George Payne |
Non-executive director

Age: 55
Qualification: CA(SA), MBL
Appointed: June 28 2006

Tania Slabbert |
Non-executive director

Age: 48
Qualification: BA, MBA
Appointed: August 20 2007

Committees

Audit committee
NG Payne *(chairman)*, PC Baloyi, EK Diack, S Masinga

Remuneration committee
DDB Band *(chairman)*, A Maditsi, D Masson, CWL Phalatse

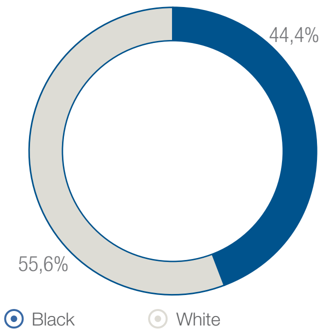
Risk committee
NG Payne *(chairman)*, BL Berson, DE Cleasby, B Joffe, FN Mantashe, CWL Phalatse, LP Ralphs, T Slabbert

Acquisitions committee
DDB Band *(chairman)*, BL Berson, DE Cleasby, EK Diack, B Joffe, D Masson, NG Payne, LP Ralphs

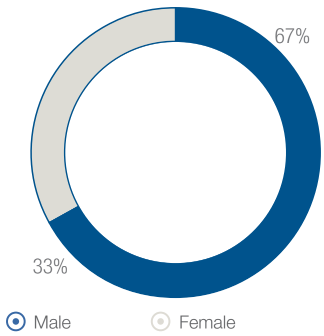
Nominations committee
DDB Band *(chairman)*, CWL Phalatse, T Slabbert

Social and ethics committee
NG Payne *(chairman)*, BL Berson, DE Cleasby, B Joffe, FN Mantashe, CWL Phalatse, LP Ralphs, T Slabbert

2015 **Ethnicity**



2015 **Gender**



Curricula vitae of the directors can be found in the directors' report on pages 92 and 93.

Bidvest

Rally to Read

In 2015, Rally to Read will reach:

45 831 primary school pupils

115 to 125 primary schools

1 410 teachers

Bidvest

Rally to Read purchases literacy materials for underprivileged schools as well as providing teacher training in both foundation and intermediary phases. Teachers are trained once a week. Rally to Read supports schools for three years, with the third year being considered a training re-enforcement year.
Rally to Read staggers roll outs of its programme across the country in rural areas which have not traditionally been targeted for corporate social investment.
Bidvest has been associated with Rally to Read for 17 years, with its subsidiary McCarthy providing the vehicles used for each rally.
For the last three years, Bidvest has carried all the management costs of the rallies so that all other sponsorship received goes directly to the schools.

"Rally to Read is an extraordinary story – of caring, collaboration and hope"

Bidvest Foundation
Proudly Tomorrow

Bidvest

Lorato Phalatse | Chairman

"The Group's strategic advantage in these trying economic times remains its diversity."

I am pleased to report that the Group emerged successfully from what was yet another difficult trading environment. An increase in HEPS and EPS (8,6% and 25,0% respectively) has been welcomed by our board. Improvements in cash generation and better employment of funds ensured we finished the financial year with a stronger balance sheet.

The Group's strategic advantage in these trying times remains its diversity, both in respect of its large food services and industrial exposure, and its expanded geographic positioning. These two factors are second only to our competent management and staff as determinant factors to the Group's successful trading result. These attributes are well recognised by management as a necessary and successful construct for maintenance of the Group's premium position along with continued growth in brand loyalty by staff and our clients.

While the local operations were subject to difficult market and environmental conditions, management and staff ensured that local operations returned acceptable results. These factors notwithstanding, Bidvest South Africa returned decent trading results, 4,0% up against prior year, aided largely by strong contributions from Electrical, Industrial, Paperplus, Services, and Rental and Products.

Our international operations performed strongly to ensure a healthy Group position compared to the prior year. Benefits of geographic diversification have been evident, with Bidvest Foodservice producing excellent results. The United Kingdom, China and Eastern Europe returned strong results, with Western Europe showing some recovery. Offshore acquisitions have been successfully consolidated and provided an added boost, enabling Foodservice to achieve a 25,1% increase in trading results against the prior year.

Fortunately, South Africa still has some of its key sectors showing resilience to depressed trading conditions. Certain sectors are experiencing continued downturn (particularly the mining sector) on the back of declined demand for commodities, from China in particular. Manufacturing remains relatively stagnant. These factors are evident in the fragile economic growth rate, with our GDP barely expected to be above 1%.

South African unemployment fell to 25% from 26,4%, although this is largely a reflection of structural adjustments (a lower number of job seekers). The net effect has been a marginal decline in unemployment to 5,2 million from 5,5 million. Needless to say, it is nowhere near the desired levels that are needed to move gross economic indicators. Some offshore markets show continued recovery such as the United Kingdom and Eastern Europe. Brazil and Chile fared badly economically and there remain concerns around China's slowdown and the political situation in Brazil.

At the strategic level, the Group continued with its acquisitive positioning, both locally and internationally. We also took the opportunity for strategic consolidation on some of our important holdings (Adcock Ingram and significant acquisitions in Europe) to ensure synergistic alliances for revenue optimisation. These strategic actions will no doubt position the Group for further growth.

Our business would not be in the strong position it is today were it not for our people. One of Bidvest's strengths is the ability of developing a culture of empowering our people, and ensuring accountability, innovation and excellence. One of our core strengths is the capability and experience of our local and global teams.

On behalf of the board I wish to express sincere gratitude to all our colleagues across the Group for their support during challenging trading conditions globally.

Socio-economic development

Bidvest is committed to sustainable business practice and in accordance with our decentralised business model, individual companies invest in a range of initiatives designed to underpin socio-economic development while aligning their operations with the communities they serve. This work is complemented by considerable social investment by the Group.

We believe long-term investment is necessary to achieve substantial gains that make a noticeable difference. The Group therefore prefers enduring partnerships that deliver measurable progress. In 2015, the Group again maintained a high level of corporate social investment and spent more than R100 million on a range of interventions.

Again, the primary focus was on health, education and the welfare of the communities in which we operate.

The effort is particularly important in South Africa, however, the commitment is by no means limited to this country. Group businesses on five continents make a sizeable contribution and Bidvest people at all our operations are active in their communities.

These interventions add up to "the Bidvest difference" – the positive cumulative effect our businesses and people have on the lives they touch.

South African examples include:
- the Bidvest Education Trust – an intervention that helps our employees provide their children with a worthwhile education. Over 10 years, the trust has assisted 475 children;
- Hear for Life Trust – an initiative that pays for cochlear transplants for those who cannot afford this procedure. Thanks to the trust, 60 people can now hear; and
- the Bidvest ORT South Africa maths programme – a nine-year partnership that has improved the maths tuition of more than 23 000 pupils from disadvantaged communities.

Key challenges for the ensuing year

This last year was another period of declining business confidence, which lag effect is likely to pull through beyond 2016. Of concern is the public and private sectors' readiness to plan for a turnaround of the country's decline in fortunes. At such difficult times, fiscal brevity (government), and entrepreneurial heroism (private sector), would be a major boost for the economy.

Economists note the fact that there are both "also negative domestic and external forces bearing down on the economy which makes its predicament that much worse. With the mining sector edging closer to yet another strike, the rand testing new lows, fresh concerns over China's growth, and the Fed on the cusp of raising rates, there is a real danger that SA's economy could tip into an outright recession".

Compounding this is the possible impact of Brazil's downgrading (to junk status) on markets. A worrying factor is that South Africa is increasingly showing trends similar to those preceeding the Brazil downgrade.

Our biggest challenge is that we seem to be "tied down", with key leadership and by extension their respective institutions, being largely internally focused. We continue to hear of great plans to revive the economy. Regrettably very few, to date, seem to have been initiated. Our saving grace is that we are endowed with great innovators and we still have strong leadership in some quarters in both the public and private sectors. There remains isolated evidence of what is possible when these resources do from time to time come together.

The South African economy is forecast to grow by 2% by 2016 with gradual improvement to 3% by 2017. Weaker global growth prospects and slower growth in key emerging markets introduce a degree of uncertainty into these forecasts. The moderately improving growth outlook will be supported by continued economic growth in much of sub-Saharan Africa as well as better terms of trade and inflation gains associated with the lower oil price and a more competitive rand exchange. Inadequate electricity supply, however, will impose a serious constraint on output and exports over the short term.

Though the official unemployment rate fell this year, the unemployment rate for the youth (under the age of 25) is at an unacceptably high 63,1%. This data is discouraging. The high rate of unemployment contributes to much of the social tension and anguish in South Africa. Working to decrease unemployment in South Africa has to be the number one economic, political and social imperative.

Domestic labour unrest during the period of wage negotiations and unemployment remain among some of our key risks in South Africa for business. The ongoing negotiations between Greece and its creditors could have destabilising economic and political consequences for the European Union, which is a major trading environment for us.

The challenge to the Group is how we should respond. Bidvest has some of the best talent on its board and in its management. Some things I am certain about are:

- We will remain true to our origins and continue to be Proudly Bidvest.
- We will deploy our resources for growth and sustainability.
- We will continue to be socially and morally responsive.

We remain conscious of the need to broaden and improve our empowerment status. In this and everything we will be doing I am certain that, as in the past, we will continue to demonstrate that there is a strong business and social imperative to drive the challenges of transformation in the Group.

I would like to convey my sincerest thanks to the management and staff of Bidvest for their sterling efforts, and to the board for its unfailing support.

We welcome all the new staff who have joined the Group during the year and congratulate Gillian McMahon, who was recently appointed onto the Group board.

Bidvest restructured

Continued growth and the demands of succession planning at senior level now make it necessary to bring greater formality to Bidvest's highly successful, and highly flexible, structure.

Shareholders are referred to the announcement made on October 7 2015 which announced the internal restructure of the Group.

The new formal structure is simple. Bidvest Group now comprises three distinct and independent entities; each with its own board. The Bidvest Group board will be reconstituted under my chairmanship. At the date of the AGM notice, this matter is still under discussion and a final composition of the board has not been concluded. Shareholders will be advised as soon as the composition of the board has been agreed.

The new entities are Bidvest Industrial Holdings (focused on the operations of Bidvest South Africa and Bidvest Namibia), Bidvest Foodservice International (housing our international and South African foodservice operations) and Bidvest Capital (to oversee the Group's South African property portfolio and investments).

At a strategic level, clear separation of interests gives us greater management focus. This helps us spot acquisition opportunities, here and overseas. The idea is to create even more scope for entrepreneurial flair.

The biggest single positive is increased growth potential. A structure that increases the chance of sustained expansion is good news for everybody. Jobs are more secure at a company that continues to grow.

We look forward to a "Proudly Tomorrow" for the Bidvest family.

Lorato Phalatse
Chairman

QUICK LINK: *http://www.bidvest.co.za/about_sustainability_index.html*

Brian Joffe | Group chief executive

"Our balance sheet is strong, so is cash generation, giving us the capacity to pursue further strategic acquisitions to complement continued organic growth. "

Key features

The global economy was subject to substantial pressure during the review period, creating numerous challenges for an internationally diversified business such as Bidvest. Growth slowed significantly in emerging markets, a material factor for the Group as we have a growing presence in many of these economies.

Despite these generally difficult conditions, our trading performance was highly commendable, especially in those geographies that faced particularly strong economic headwinds.

Our headline earnings per share (HEPS) rose 8,6% to 1 882,2 cents (2014: 1 733,9 cents) while basic earnings per share (EPS) went up 25,0% to 1 827,3 cents (2014: 1 462,0 cents).

Bidvest Foodservice returned excellent results, reflecting pleasing performances by most businesses and real organic growth in local currencies.

Bidvest South Africa delivered satisfactory trading results despite tough economic conditions, with good performances at Electrical, Industrial, Paperplus, Services, and Rental and Products.

Bidvest Namibia experienced a further decline in trading profit, lower contributions by fishing and food distribution outweighed improvements in the industrial and commercial businesses.

Group turnover rose 11,6% to R204,9 billion (2014: R183,6 billion) and the trading result improved by 11,7% to R9,6 billion (2014: R8,5 billion) while our trading result margin held steady at 4,7%. Headline earnings rose 11,3% to R6,1 billion with profit for the year up 27,3% at R6,2 billion.

Acquisitions

Within the food group, the breadth and geographical reach of operations in the UK and Europe were significantly expanded through the acquisition of Gruppo DAC S.p.A. (DAC) in Italy and PCL 24/7 Transport Limited (PCL) in Britain. DAC is a leading foodservice provider, while PCL is a specialist chilled products storage and distribution business.

With effect from July 1 2014, the Group bought a 60% interest in DAC and a 75% stake in PCL for an aggregate purchase price of about R1,7 billion (£95 million). Later in the year, we paid a further £15 million for the remaining PCL equity. We have the option to increase our DAC holding over time.

At Bidvest South Africa, several smaller acquisitions were undertaken, and disposals included the sale of Protea Coin's Cash-In-Transit business and Océ, the digital printer supplier.

Adcock Ingram

Pursuant to an offer to all shareholders at a price of R52,00 per share, Bidvest purchased a further 8,4% stake in the net ordinary share capital of Adcock Ingram. This R737 million transaction took our total stake in the pharmaceutical company to 43%.

Post-year-end, Bidvest acquired a further 2,6 million Adcock Ingram ordinary shares from the company's previous black economic empowerment partners at a cash price of R52,00 per share. The Group then endorsed new BEE arrangements at Adcock by selling 15% of our Adcock shareholding to these new black partners.

Following these transactions, the Group holds 37,7% of Adcock's net ordinary shares in issue.

Bidvest remains optimistic about medium-term prospects, though further work is needed before Adcock reaches its potential.

Prospects

In recent years, difficult trading conditions and sometimes volatile markets have confirmed the fitness for purpose of Bidvest's entrepreneurial and decentralised business model. We remain confident our approach gives us the flexibility to exploit opportunities in unpredictable economic conditions. Attitude is also important. A well-motivated team is challenged by adversity, not cowed by it.

Conditions will remain difficult in South Africa and other emerging markets for some time. Even so, management remains focused on maximising returns across all businesses. We intend to deliver real organic growth and unlock synergies, and realise improved returns on our recent investments.

Our balance sheet is strong, so is cash generation, giving us the capacity to pursue further acquisitions to complement continued organic growth.

Our "proudly tomorrow" positioning underlines our conviction that the future is positive for Bidvest. We maintained momentum in 2015. We plan to sustain it in the year ahead, bolstered by anticipated benefits from recent acquisitions and investments.

Here in South Africa, innovation continues across all teams. We are expanding our product and service offering while broadening our exposure to FMCG distribution. Specific growth opportunities have been identified and will be vigorously pursued.

We remain alert to the prospects across the African continent and we will continue to explore areas of opportunity. Progress to date has been modest in sub-Saharan markets, however, going forward, alternative strategies to speed up penetration will receive increased attention.

In our food group, strategic exposure to developing markets presents exciting opportunities. Despite some worrying economic developments, we are particularly excited by potential in Latin America and China. Across all our Foodservice businesses, opportunities exist to add product ranges and expand local footprints.

For their part, newly acquired DAC and PCL present excellent platforms for further expansion in their respective markets.

The strategic quest for balance between our national and independent foodservice customers remains a priority. Growth of the national footprint and the fresh food offering remain focus areas in almost all regions.

Strategy, structures and succession

Bidvest has always prized flexibility. We are never rigid in our approach, whether at a tactical or strategic level.

We are proud of our South African roots and our place on the JSE. At the same time, we have become a global business with further international growth on the horizon as our food businesses achieve critical mass.

Our criteria will always be what is best for the business, shareholders and other stakeholders.

The Bidvest track record indicates that our strategy and business model have delivered meaningful gains to all stakeholders over many years. However, there is never room for complacency at Bidvest and we constantly scrutinise the effectiveness of all management interventions. Specifically, we continue to review Group and divisional structures to ensure we have the right platform from which to pursue continued growth and meet the challenges of an ever-evolving world.

Any changes are aimed at creating synergies for customers, streamlining operations and assisting in succession planning at senior management level.

Agility remains important across our businesses. Therefore, we will continually strive to refine and develop a model that is designed for overall efficiency and long-term growth.

While our future structure must continue to generate sustainable, long-term returns for all stakeholders, it must also position Bidvest for ongoing organic and acquisitive growth. A further requirement of our amended structure will be the continued delivery of robust cash flows and dividend payments.

Across all businesses in all geographies, timely succession planning remains a priority. At all levels, energetic leaders are in place, supported by a new wave of managers steeped in the Bidvest culture and fully capable of taking the business forward.

Bidvest brand

Though Bidvest remains adaptable and innovation characterises every aspect of our business, it is surprising how few things change within the DNA of the organisation. We still attract people who take the initiative and are not afraid to make themselves accountable. We still operate without frills and pretensions.

What has changed is the public perception of Bidvest.

Substantial investment in the Bidvest brand has taken place in recent years. The Bidvest name is now linked to scores of businesses in multiple sectors in dozens of countries.

Bidvest's involvement in South African professional soccer has simultaneously given us a profile away from the business arena. Not every South African supports Bidvest Wits, but the scale of public goodwill toward Bidvest is very gratifying.

Great ideas

In South Africa we have no shortage of great ideas. The challenge for South Africans is how best to turn the vision into reality.

Social and economic transformation to ensure we harness the talents of all South Africans is one great idea. It is absolutely vital, therefore, that a proper policy of black economic empowerment be made to work. We all have a duty to move the strategy forward. The key word is empowerment.

The overarching aim of black economic empowerment should be to create well-educated, well-trained, independent-minded and confident men and women suitably equipped to seize opportunities and create a better future for their families. Individuals like this are self-starters and go-getters.

Another great idea is the recent concept of a fast-track for black industrialists. We need more entrepreneurs to enter the industrial space, and black African entrepreneurs can really spur transformation; not only by creating jobs, but also by setting an example.

However, we must keep in mind that industrialists who build thriving businesses do so through their own energy and vision. They assess risks, manage them and secure profits by creating quality products at a competitive price. Risking your own money is a key component of this process as the risk of loss keeps you focused and working hard.

State enterprises

The state's recent record of growing thriving enterprises is not encouraging. Indeed, the substantial losses suffered by many state-owned enterprises (SOEs) have become the subject of national debate. The problems at Eskom, our monopoly power supplier, sharpen this discussion as regular power outages have impacted the performance of business and the economy at large.

Fundamental questions need to be asked. What is the goal and role of SOEs? How should performance be measured?

Bidvest is familiar with the task of reinvigorating under-performing assets and creating environments in which people can lift their game and grow. Our experience indicates that when seeking performance improvements it is often helpful to go back to basics.

Chief executive's statement

The prerequisite for SOE reinvigoration should be a fundamental reappraisal of what they are in place to do.

In my view, certain SOEs have a major role to play in a developing economy as engines of service delivery. Mass privatisation of every state activity is simply not appropriate.

The private sector is not positioned for involvement in every segment of the economy. After all, private companies only willingly engage in activities that will deliver a meaningful return on investment. Some activities are essential, but the prospect of profit is unlikely; for instance, basic postal services across all communities, including those in remote rural areas.

Provision of major items of infrastructure is another area where state involvement is vital; for example, road and rail networks, new ports and dams.

Where government sets a clear vision and focuses purely on delivery for the good of the country, the results can be impressive.

A national challenge

Corruption is in danger of becoming a national blight. Corruption is a cancer. It spreads and denial only makes things worse. The longer it persists, the deeper it goes. Radical, painful processes are then necessary to cut it out.

Though corruption has become a national challenge, it is also a very personal issue. As the cancer spreads so the likelihood grows that each one of us will face some tough choices. Do you pay so-called "lunch money" to avoid a fine for having a faulty brake-light? Or do you refuse to take the easy way out?

South Africans can no longer duck ethical questions like this. Corruption is not only something for the media to sort out, or Parliament, or the Public Protector. We all have a duty to take a stand – perhaps as a motorist or as a person in business. Fudge that responsibility and the long-term consequences will be very severe indeed.

Trade unions

The business conversation about industrial relations tends to be too narrowly focused. Typically, the debate centres on strike action and its impact on national growth and company performance.

We should not forget the positive role the trade unions have played in this country. They were one of the engines of change and had a major role in bringing a peaceful end to apartheid. Too many South Africans for too many years had no voice. The unions helped to change that while seeking a new deal on pay and conditions.

Greater regard for the achievements of the trade union movement will enable a more constructive dialogue with workers' representatives.

That dialogue should take place more frequently. Currently, there is a tendency in South Africa for close engagement with the unions to take place only when wage talks get underway.

If wages are the sole or primary area of focus, an element of confrontation is unavoidable. Pay negotiations can easily become a zero-sum game. More for you means less for me. In these circumstances, it is hardly surprising that adversarial position taking becomes the norm.

Businesses, industries and the nation at large would benefit if interaction in the workplace between unions and executives was much more wide ranging.

Any company truly committed to business sustainability will find a lot of common ground with serious trade unionists.

Business needs skilled personnel. Union members are looking for skills training and proper career development. Reputational risks and the need for higher productivity focus management attention on the need for a safe, productive working environment. Unions want the same thing.

In many areas it is possible to create a sense of shared mission. This process requires constant interaction; week by week, month by month. Positive chemistry between individuals and a sense of partnership will then create a more constructive industrial relations climate. The long-term effect would almost certainly be fewer confrontations and more fruitful discussions.

At the moment, South Africa is a long way from this type of interaction. This does not mean we can not make a start along this road; and the sooner the better.

People

In difficult business conditions, companies will always seek savings. However, it is important for management to show a broader sense of responsibility when cutting back. Too often, too many businesses think cutting costs must mean cutting jobs. On occasion, this might be the case, but every exercise to trim the cost-base should not start and stop with job cuts.

In a tough year, Bidvest streamlined some businesses and consolidated others, but service improvements and cost savings were achieved without engaging in major retrenchment exercises. We are proud of that.

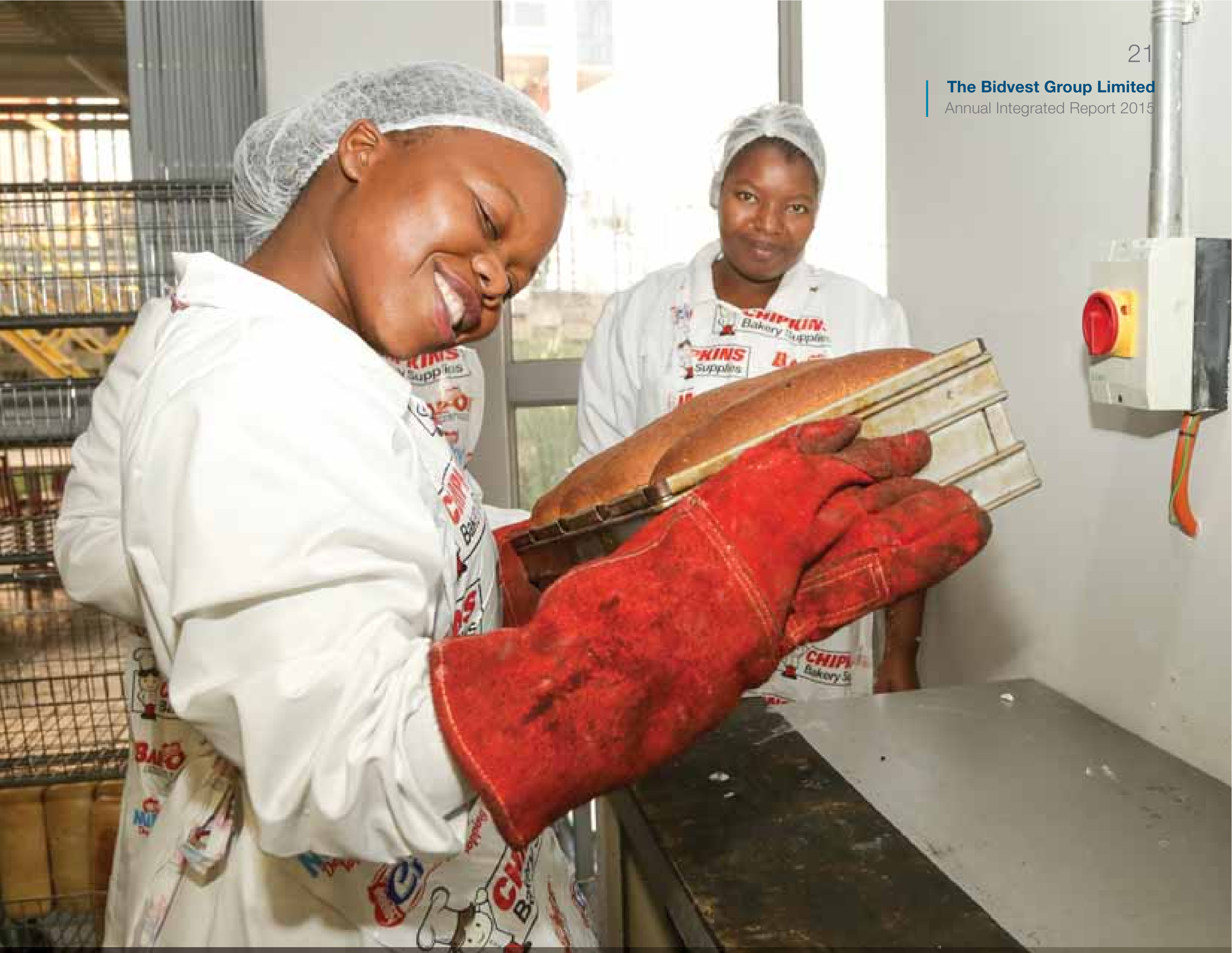
Appreciation

I extend my heartfelt thanks to every member of every Bidvest team. You are the reason the Group continued to grow in 2015, despite trading difficulties at home in South Africa and around the world.

Marketplace challenges are unlikely to disappear in the year ahead, which is why I am grateful for the support of such dedicated staff and managers. You have always committed to the long haul and you have always driven us forward. I am proud to be on your team.

I extend further thanks to another extremely cohesive and hard-working team – the directors of the Bidvest Group. Our chairman, Lorato Phalatse and the board once again provided unstinting support and strategic insight during a challenging period. It is a privilege to serve alongside you.

Brian Joffe
Group chief executive



Bidvest

Bakery Project –
Sustainable livelihoods for disabled youth

Following a dream by Khaya Monakali, Bidvest Bakery Solutions' Eastern Cape sales manager, the company provided 10 intellectually disabled young people with the opportunity to complete a one-year baking course. Bidvest's national bakery trainer conducted the training, ensuring a high-quality end result.

All 10 young people who are from Mthatha in the Eastern Cape have found employment following the completion of their two-month in-service training. This has enabled them to earn an income not only to support themselves, but also their families.

Bidvest helped the youngsters find jobs once they had completed the course with many of the graduates being employed by Bidvest Bakery Solutions' clients such as Spar. The project was a joint venture between Tembisa Special School and Bidvest Bakery Solutions.

"My success is proof that people with mental challenges are no different from 'normal' people"
Zomtha Mnyaka, course graduate.

10 mentally challenged youngsters employed

Bidvest

Bidvest

Sustainable livelihoods

Bidvest supports sustainable livelihoods.

United Fishing Enterprises, a Bidvest company, is creating jobs in partnership with the Namibian government through the development of a new canned product combining beans and fish.

Offcuts of fish that would previously have been thrown away are now being used.

A supply chain has been created for approximately 35 rural bean farmers in Northern Namibia, who are now able to sustain themselves and their families.

Additional employment has been created for 75 factory workers and the canning period has been extended by three to four months, creating longer working periods for existing seasonal workers.

35 rural farmers sustain their families

75 factory workers employed

Operational review Bidvest South Africa

Lindsay Ralphs | Chief executive, Bidvest South Africa

Overview

Overall performance was satisfactory, with some pockets of excellence in what was an extremely challenging period, not just for our divisions, but for South Africa as a whole.

The national economy struggled to deliver meaningful growth and several sectors faced severe pressure.

Even so, Bidvest South Africa grew turnover to R87,4 billion (2014: R80,0 billion) while trading profit rose to R5,1 billion (2014: R4,9 billion). Both turnover and profit reached record highs; a product of both organic and acquisitive growth.

ROFE fell to 42,5% (2014: 49,4%). We continued to invest in our people, with training investment including learnerships and bursaries up 24,0% to R507,3 million (2014: R381,3 million).

At a time when job cuts were rife in many industries, we did all we could to grow or save jobs and our headcount fell slightly through contracts that ended. Though staffing varied in line with contract fluctuations, we engaged in no significant retrenchments.

Exceptional results from Electrical, Industrial, Paperplus, Rental and Products, and Services were achieved. They are not our largest divisions, but their flexibility enables them to rapidly pursue opportunities.

Bidvest will continue to support and drive the transformation agenda just as aggressively as we have in the past. Improving our B-BBEE position as a Group is demonstrated in the continued improvements over the past few years. The Bidvest Group achieved a Level 2 status (2014: Level 3) in the recent B-BBEE verification process.

Succeeding against the odds

Industries such as construction, manufacturing and mining experienced extremely difficult times. Figures from Statistics South Africa for the June quarter show quarter-on-quarter contraction of 6,3% by manufacturing and 6,8% by mining, yet divisions like Electrical and Industrial still achieved growth.

We are not one single centralised business. We have many moving parts. Within each division several independent businesses focus on specific customer groups. These operations are led by hands-on managers who stay close to developments.

We have intense operational focus. What we do not have is a bureaucracy.

Our people are personally accountable for contracts, relationships and outcomes.

We are nimble and responsive.

In tough times, customers look for service providers who deliver solutions that fit their needs, who do not waste time, and who get the job done.

This ability to cut the frills and deliver is a key differentiator across all teams in Bidvest South Africa.

The B-BBEE environment has changed quite significantly. This change is exacerbated by the divergent views in the public sector on how to achieve these objectives. Further complexities are presented by the additional requests of various stakeholders – this, in an attempt to meet their own B-BBEE requirements and commercial objectives. These requirements vary and at times fall outside the framework of the Codes of Good Practice on B-BBEE.

This will, however, not deter Bidvest from continuing its path of transformation and we will do so in a manner that is socially, ethically and commercially viable.

People

I thank all our people for their contribution in a difficult year. The balance sheet reflects acceptable levels of all-round performance. Balance sheets never itemise the individual effort and dogged pride in performance that are necessary for growth in a largely stagnant economy. I salute our people for their sheer hard work.

People are our principal asset. What we sell is their expertise and their ability to add value.

We are proud of our people. They often work in quite basic services that don't enjoy a high profile. Our people also feel pride in the overall team; as showcased by the annual Bidvest Unity Walk.

This 10-kilometre charity walk is one of South Africa's biggest mass participation events and occurs simultaneously in Johannesburg, Cape Town, Durban and Port Elizabeth. At the last event, registrations by staff and guests topped 64 000, enabling big support for designated charities.

	2015	2014
B-BBEE score	**Level 2**	Level 3
Fatalities	**7**	2

People numbers

2015 | 113 040
2014 | 118 695

	2015	2014
% people who belong to trade unions	**27,4%**	29,1%

	2015	2014
LTIFR for 200 000 hours worked	**107**	63

Performance

Performance was underpinned by account gains in a highly competitive environment, market share improvements and acquisitions. Several bolt-on acquisitions were completed. We also benefited from the 12-month effect of the Mvelaserve transaction concluded in October 2013.

The rand's steep fall affected input costs and had major impact on price levels at a division, such as Automotive. Uncertain power supplies affected every division, while steps to mitigate these effects added to cost pressures.

Planet

Our environmental performance is a key focus area. A sustainability committee is in place at every division mandated to drive good environmental practice.

Sustainability performance is reported at board level within each division and to the Bidvest Group board. Management accountability at local and divisional level helps ensure sustainability improvements while delivering savings on fuel and utility costs.

GHG carbon emissions

Direct emissions Scope 1:

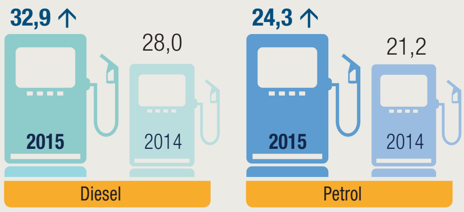
Biggest contributors:

Bidvest Services 54 040 (tonnes of CO_2)

Bidvest Rental and Products 45 563 (tonnes of CO_2)

Bidvest Freight 25 934 (tonnes of CO_2)

Fuel usage (Megalitres)



Coal usage (Tonnes)	2015	2014
Laundries	**14 762 ↓**	16 576

Indirect emissions Scope 2:

Biggest contributors:

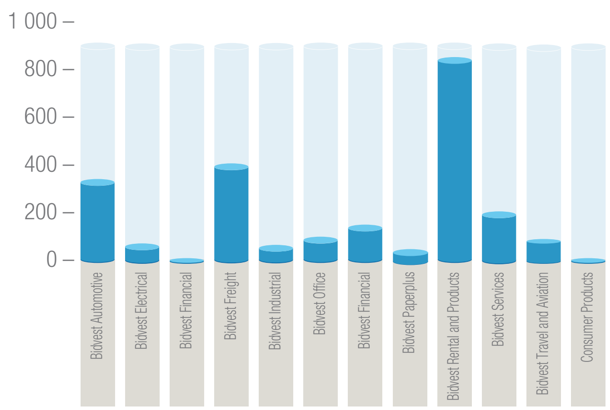
Bidvest Freight 43 523 (tonnes of CO_2)

Bidvest Paperplus 28 419 (tonnes of CO_2)

Bidvest Automotive 26 276 (tonnes of CO_2)

	2015	2014
Electricity usage (Gigawatt-hours)	**169,8 ↓**	177,5

	2015	2014
Water (Megalitres)	**2 250 ↓**	2 805



Megalitres | **Water usage contributors**

	2015	2014
% of water recycled and reused	**6%**	0,8%

Products and services

Product and service development occurs continuously in all operations. This can be tactical and opportunistic, involving new product introductions and range extension. Strategic innovation is also evident.

We operate in the trading, services and distribution environment. These are well-established industries and many of our businesses are quite mature. However, mature businesses are not stagnant businesses – at least, they are not at Bidvest.

To survive and thrive it is necessary to take a dynamic approach to one's industry. As traditional activities come under threat, reinvention becomes essential.

This process is seen clearly at a business like Paperplus. Its traditional print volumes are being eroded, but new digital offerings are constantly explored. The Paperplus voter registration product exported to Tanzania is bio-metrics and digitally based. Years ago, registration papers would have been printed and filed, now the data is digitally recorded and stored.

Reimagining the industry is also evident in other divisions. For instance, Automotive is reinventing car marketing via innovations such as the virtual showroom.

On other occasions, new concepts widen a previously narrow franchise – a process that has revitalised Execuflora and is currently underway at Financial Services.

Rebalancing also occurs in the Office environment. Stationery volumes stall, but office technology from a brand like Konica Minolta achieves dynamic growth

Acquisition

A significant transaction was concluded late in the period when the Plumblink plumbing supplies and bathroom accessories chain was acquired for R430 million.

Early in our new year, work began on Plumblink's integration into Industrial. Management remains in place, continuity is assured and rapid consolidation is expected.

The acquisition takes Industrial into a new, but complementary, market segment – plumbing contractor supplies. To a degree, this sector is recession-resistant as plumbing repairs by professionals rarely constitute discretionary spending.

One significant disposal occurred – our sale of the Protea Coin assets in transit business.

Structural change

A much-expanded Services division was created early in 2015 by consolidating Travel and Aviation and Rental and Products into Services. At the same time, Car Rental exited Travel and moved into Automotive while G. Fox was integrated into Industrial.

The Super Services structure creates a comprehensive base for expansion into bundled services.

Traditionally, our old Bidvest Services division had a strong "soft services" offering covering hygiene, cleaning, laundry, security and indoor plants. In contrast, the operations we acquired during the Mvelaserve transaction had a compelling "hard services" offering – technical support, call centre management, data management including intelligent reporting, and infrastructure maintenance services.

The enlarged Services division offers perhaps the most comprehensive range of soft and hard services in South Africa's corporate outsourcing market, enabling energetic pursuit of bundled services and facilities management opportunities. The strategy will be spearheaded by the Total Facilities Management Company – now rebranded Bidvest Facilities Management.

People are our principal asset. What we sell is their expertise and their ability to add value.
Lindsay Ralphs | Chief executive, Bidvest South Africa

The future

Economic fundamentals remain a concern, but we are well positioned for further growth. In difficult times, our corporate customers expect cost-efficient solutions and savings. Our one-stop offering across numerous service areas addresses this very need. Our teams are well motivated and flexible – well able to respond to new opportunities as they arise.

Our investment in people and technology has been maintained across market cycles, creating competitive advantage in many sectors of the economy.

Progress was maintained in 2015, giving us the confidence to seek and secure renewed growth in 2016.

The gazetted amended Codes of Good Practice on B-BBEE bring about new and more stringent measurement criteria. Our businesses continue to work on identifying gaps and improvement strategies in an effort to adequately respond to these new requirements. Bidvest further supports the small business development strategies embodied in programmes such as the recently launched black industrialist programme of the Department of Trade and Industry.

Bidvest has expressed interest in partnering with government in strategic programmes of this nature and is confident that our combined efforts and resources will achieve much greater results.

QUICK LINK: *http://www.bidvest.com/ar/bidvest_ar2015/pdf/comparative-sus-data.pdf*

A resilient performance in the face of rand weakness, firming interest rates, reduced credit availability and OEM incentives. An energetic team maintained the pace of innovation, notably into digital selling.
Lindsay Ralphs | Chief executive, Bidvest South Africa

Bidvest Automotive

Steve Keys | Chief executive
Carla Seppings | Financial director

Overview

Despite difficult trading conditions, the team did well as trading profit eased higher.

Gains continued in the after-sales and used vehicle markets with the online marketing platform giving transactional capability.

Bidvest Automotive became SA industry leaders with the first mobile virtual showroom launched.

Low double-digit profit and revenue gains are projected for the coming year. Motivated teams backed by efficient systems will seek market share gains while another strong contribution is expected in the after-sales and used vehicle sectors.

Further cost savings will be sought. A turnaround at current loss-makers is a priority while synergies will be developed with Bidvest Car Rental.

Further impetus will be achieved by McCarthy's relaunch as Bidvest McCarthy.

People

In our industry, the product range is often identical to new vehicles for sale at other franchises supplied by the same manufacturers. Prices are also comparable. Differentiation is only possible through the quality of your people – their training, motivation and service levels – backed by reliable systems.

People numbers

2015	5 551
2014	5 703

Training spend (R million)*

2015	R126,8
2014	R138,2

**Including learnerships and bursaries*

Our people and their pride in performance give us our competitive advantage.

Technical training is often provided via dedicated training centres and management training is driven by the McCarthy Multiplier Development Programme (aimed at branch manager level).

A major disappointment was that due to ongoing rationalisation, jobs were again lost. Staff numbers fell to 5 551, down from 5 703 in 2014 and 5 831 in 2013.

Communication channels include newsletters and anonymous feedback forms to red-flag employee concerns. Other mechanisms are regular meetings, monthly staff meetings and CEO messages via cell-phones, videos and blogs.

Engagement with manufacturers and industry bodies is continuous.

Customer satisfaction surveys are regularly conducted. The most recent confirmed a sustained improvement in service levels. Customer focus is supported by our Customer Centricity Programme, a mechanism for gathering feedback, encouraging service excellence and ensuring exceptional teams are recognised.

Performance

In a declining new vehicle market and a rising interest rate environment, performance was generally satisfactory. Revenue rose 3,6% to R22,7 billion (2014: R21,9 billion) while trading profit eased 1,5% higher to R627,1 million (2014: R618,0 million). At 2,7%, the return on sales was acceptable.

Consumers and disposable income remained under pressure. However, strong performances were evident at our Ford, Land Rover and Mercedes-Benz dealerships.

Collaboration with motor manufacturers improved considerably. The strength of the partnership was reflected in the number of dealer of the year awards collected across our business.

In a weak new vehicle market, teams achieved a measure of growth by stepping up their efforts in the after-sales and used vehicle sectors, and 52 699 pre-owned units were sold (2014: 60 606).

Eradicating losses across all businesses remains a crucial goal. Unfortunately, this was not achieved, though the number of loss-makers was radically cut. Rationalisation continued, but without branch closures.

Maintaining consistent improvements in working capital management remains a challenge, largely attributable to product push by vehicle manufacturers in a weak market.

Another challenge related to rand weakness. The effect is to push up showroom prices at a time when affordability is critical. Vehicle replacement cycles are also being extended, a development confirmed by the launch of 84-month vehicle financing.

Products and services

After year-end, vehicle rental operations returned to the Bidvest Automotive fold. Historically, the Budget vehicle rental licence was held by McCarthy, but after the acquisition by Bidvest these operations became part of Bidvest Travel and Aviation. When the Budget licence expired at the end of 2014, Bidvest Car Rental was launched to fill the void.

A new brand identity and positioning ("because every minute counts") have been created.

A first in South Africa – and a global first in the used car space – was notched up with the launch of MIC, our mobile virtual showroom. The trailer-mounted unit replicates the consumer's showroom experience. Within the virtual space, users can call up images and graphics of all new vehicles available in a specific geographic area while an inventory of 4 600 used vehicles can be consulted.

Early indications are that the unit excites buyer interest and bolsters sales volumes in both the new and used car markets.

McCarthy Call-a-Car was reinvigorated. This platform pioneered online car marketing in South Africa. It has been enriched with additional functionality. Users can now transact with as well as view vehicles of interest.

Another interactive tool – McCarthy Café – was also introduced. These interactive screens with integrated vehicle search features are deployed in reception areas and customer reception areas.

Several internal systems were brought in. A new cell-phone based stock-taking tool verifies vehicle inventory while capturing both VIN numbers and licence registration details, combating fraud while enhancing operational efficiency. New sales aids were also introduced.

The Audi dealership in Durban was relocated to new premises, as was the Centurion Mazda/Jeep/Dodge dealership.

Despite the soft market, manufacturers maintained a steady stream of new launches. New introductions included the Mercedes-AMG GT and new V-class, the Opel Corsa Sport, the Kia Grand Sedona and the Lexus Sport coupé.

	2015	2014
New vehicle sales units	**37 841**	41 100

Planet

The motor industry is under scrutiny as a user of fossil fuels and source of carbon emissions. Bidvest Automotive is extremely sensitive to environmental issues.

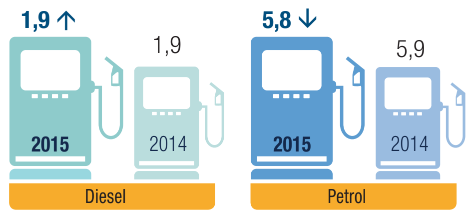
Projects are underway at all centres to cut power and water usage, ensure responsible waste disposal and champion oil recycling.

We have instituted an extensive oil collection and recycling effort in collaboration with a specialist service provider. Since 2012, national targets have been set for the recycling and bulk purchasing of recycled oil.

	2015
Direct emissions (tCO_2e)	
Scope 1	**17 816**
Indirect emissions (tCO_2e)	
Scope 2	**26 275**
Waste	**The three-year target is for 95% recovery of old oil for recycling. The five-year target is 100%. Some teams are already at this level. In 2014, bulk oil purchased by our operations topped 2,1 million litres. 2015 increased to 2,3 million litres.**

Fuel usage (Megalitres)

Remained constant



	2015	2014
Water (Megalitres)	**333,9**	380,0
	Decreased due to recycling of water for washing cars	

All dealerships drain motor oil and store it for collection. Teams are also trained to recover and separate other items for recycling, primarily old oil filters, oily rags, anti-freeze and plastics.

The Mercedes-Benz Lifestyle centre Menlyn is piloting a more wide-ranging waste recycling project in partnership with Greensolution by Pandae. In the first nine months, 13 tonnes of waste (excluding oil) was recycled.

All manufacturers set high environmental standards for franchises. Our dealerships are fully compliant.

Uncertain power supplies have necessitated substantial investment in generator capacity. Back-up generators are now in place at all major dealerships.

Our philosophy is that the customer comes first. Sales staff have demonstrated their ability to assist sales prospects when the showroom lights go out. The critical test is in the workshops where dependable power is essential as vehicles must be ready for customers at the specified time.

Generator running costs also add to the cost-base. Despite these frustrations, service standards were maintained.

Acceptable results as our staff did well to combat continued pressure on discretionary spending, currency impacts and intense competition from retailer own brands.

Lindsay Ralphs | Chief executive, Bidvest South Africa

Bidvest Consumer Products

Alan Coward | Chief executive
Bruce Drummond | Financial director
Murray Crow | Managing director

Overview

Trading conditions are expected to remain challenging for some time. However, we will seek a return to revenue and profit growth, and will continue to compete strongly to maintain and grow our market share. Our investment in our portfolio of brands remains a focus while ensuring the brand offering is strongly communicated in-store to the consumer.

The pursuit of efficiencies and savings will continue with the aim of maintaining ROFE levels.

Further growth into Africa will be energetically pursued.

We also plan to expand our go-to-market model to cover more categories. This approach to market will significantly cut the time taken to get stock into store. Distribution efficiency will be leveraged to capture greater market share.

Bidvest synergies will be utilised, enabling us to explore local and international supply efficiencies.

New and alternative channels to market will be investigated with a view to securing continued growth.

Bidvest Consumer Products remains alert for acquisition opportunities.

People

In a competitive consumer market the challenge is to provide responsive, reliable and time-efficient service to retailers and stockists. Quality, well-trained and highly motivated personnel are central to this effort.

Subsequently, staff development is a business imperative. Our training investment continues to rise and in 2015 reached R1,4 million (2014: R0,6 million). Currently, 28 staff are on learnerships.

Transformation is ongoing and significant improvements in our empowerment profile were confirmed during the year when the business achieved a level 3 rating.

An innovative approach is taken to promote employee heath and satisfaction, including staff wellness days. These are supported by all staff.

Our people take pride in their contribution to the community and 0,7% of trading profit is channelled into corporate social investment.

Robust communication channels are maintained. Management has an open-door policy, staff surveys are regularly conducted and round-table forums are used to promote two-way discussion around pertinent matters.

B-BBEE score	**Achieved level 3**

People numbers

2015	312
2014	212

Training spend (R million)*

2015	R1,4
2014	R0,6

Including learnerships and bursaries

Performance

Consumer Products faced a difficult trading environment as consumers remained under pressure while exchange rate volatility compounded the business challenge. Revenue declined by 7,2% to R1,2 billion (2014: R1,3 billion). Normalised trading profit fell to R78,9 million (2014: R102,1 million).

Trading conditions were characterised by strong competition from both competitors and house brands.

Funds employed increased to R315,9 million (2014: R247,4 million) and ROFE dropped to 28,0% (2014: 38,5%).

Margin pressure intensified and strict expense controls were implemented. The achievement of continued efficiencies is an area of management focus.

Exports into Sub-Saharan Africa and the Indian Ocean Islands, as a result of economic conditions, remain flat year on year.

Manufacturing operations recorded a loss for the year due to labour unrest and economic volatility.

Products and services

Our product offering is supported by a well-balanced, high-quality brand bouquet. The major brand names include Russell Hobbs, George Foreman, Pineware, Salton, Tedelex, Empisal, Aerial King, Bell and Hoover.

New products, features and technologies were introduced across several ranges during the year. New steam irons, food steamers, food mixers and electronic cookers were among the successful introductions.

In September 2014, we acquired several new brands, including DigiTech, iDance and Unimounts, creating growth opportunities across new and existing categories.

The Russell Hobbs royalty branded range of white goods was expanded significantly and successfully.

Despite the weak consumer market, successful promotions were launched involving the Russell Hobbs, Salton and Pineware brands.

Our direct delivery shipments to some African customers continued to deliver the expected efficiencies. This approach enables shipments to be delivered directly from suppliers and manufacturers to retail customers across Africa. Transport costs are contained while South African customs duties are not applicable. This shortens the time from order placement to fulfilment.

To support the division's development strategy, Aerial King has established an installer training facility. The duration of the courses varies from one to five days. The programme is targeted at start-up entrepreneurs and industry members looking to acquire new skills.

The strategy to grow the Aerial King brand gained traction in line with the vision of turning Aerial King into the market leader in Africa for TV satellite solutions. Aerial King has successfully re-established itself as a key player in this category.

Our brands are market leaders, with significant market share. We invest continually in systems to ensure efficient distribution and entrench market leadership through energetic sales and promotion campaigns.

We also maintain a prudent mix of proprietary brands, joint ventures with brand principals and licensed international brands.

For the second successive year, Russell Hobbs conducted a concerted sales drive. This year the effort was spearheaded by the launch of an industry-leading product. Initial consumer and industry response to the new product has been excellent.

A reinvigorated and revamped Pineware promotion was run in collaboration with specific trade partners and achieved unprecedented results. The format will be rolled out to other trade partners going forward.

Salton launched a major winter sales drive across all retailers nationwide. The in-store promotions generated considerable excitement.

Online retailers account for only a small percentage of sales to South African consumers. However, they are experiencing very high growth.

The risk of consumers buying down in tough economic conditions is addressed by strong brand coverage of all consumer segments, backed by our good, better, best strategy. When the upper end of the market comes under pressure, volumes typically increase across product ranges serving the middle and lower end of the market.

As importers of major international brands, we face the risk of currency volatility. This challenge heightened during the review period as the rand lost ground against major trading currencies. The issue is addressed by taking forward cover and close monitoring of currency markets to determine the optimum cover at the right time and the right price.

In common with all representatives of major brands, we face the risk of losing a brand principal. This risk has been successfully managed over many years.

Credit extension is a risk area for all trading businesses. Our debtors' management is rigorous. A quality customer mix also mitigates risk – 70% of our customers are JSE-listed groups.

Competitor risk is acknowledged. The consumer products market is intensively competitive. New entrants to the market can sharpen the competitive challenge. The risk is addressed by strong focus on continually promoting our brands, cost management and the pursuit of efficiencies.

In September 2014, we acquired several new brands, including DigiTech, iDance and Unimount, creating growth opportunities across new and existing categories.

An outstanding performance, especially as the embattled construction sector is an important driver of demand. Customer service improvements and product innovation helped secure market share gains. Bolt on acquisitions such as RAD Phambile and Lighting Structures were successfully integrated.
Lindsay Ralphs | Chief executive, Bidvest South Africa

Bidvest Electrical

Stanley Green | Chief executive
Eric Immermann | Financial director

Overview

Despite low construction activity which continues to be a challenge for this division, trading profit grew to R305 million.

Bolt-on acquisitions were bedded in well with continued growth by own brands.

Investment in staff development continues to rise and we are pleased to report that the two small acquisitions in this division meant that job numbers remained stable.

Stock-holding was cut in a bid to further improve working capital management.

While copper prices collapsed, cable procurement was well managed.

Bidvest Electrical's regional footprint was expanded when Voltex opened in Botswana.

Performance in 2016 will be driven by the quest for double-digit revenue growth while defending our margins.

Organic growth in a contracting market remains difficult. Opportunities for acquisitive growth will therefore be scrutinised.

However, any deterioration in the industrial relations climate or continued neglect of infrastructure investment could impact growth.

Performance

In the context of difficult trading conditions, highly satisfactory performance was recorded. Revenue rose 9,4% to R5,2 billion (2014: R4,8 billion) while profit moved 15,4% higher to R305,1 million (2014: R261,3 million).

Two small acquisitions were finalised. The businesses are highly specialised. Growth was therefore achieved without undue reliance on new acquisitions.

ROFE reached 20,1%, pleasing for a business largely focused on wholesale and contractor sales.

Working capital management received focused attention. From December until year-end a R53 million reduction in stock-holding was achieved.

Management of debtors remains a priority. Collection discipline was well maintained and the incidence of bad debt well controlled.

The depressed state of the construction, property, mining and manufacturing sectors was the major disappointment, a situation exacerbated by low infrastructure investment. Pressures were compounded by steel industry retrenchments and business failures in sub-contracting.

Global market risk – including the collapse of copper and steel prices – creates a challenge. Our teams have successfully addressed these issues for many years. Prudent buying in the copper market is essential, while lost volumes in the steel and other industries are mitigated by diversification of the customer-base.

Faced by a construction industry in crisis, teams sought new avenues for growth and retail operations had a good year.

Electri City businesses – acquired in 2014 – were slow to gain traction as a result of low demand from mining customers in Kuruman, Kathu and Postmasburg.

Consolidation on strong regional hubs proved successful.

Our national procurement committee broadened its scope. As a result, all products purchased by Bidvest Electrical conform to SABS standards or their European equivalents. Our reputation for ethical sourcing was reinforced by membership of SAFEhouse, an initiative dedicated to the supply of quality products and the avoidance of sub-standard items that might endanger people and property.

Reputation is critical in a sector facing huge competitive pressures with resultant temptation to cut corners as a means of winning contracts at keen prices.

Inverter or generator back-up is in place at all operations of significant size. Back-up and emergency lighting has also been installed. As a trading business, we are not as vulnerable to power outages as large-scale manufacturing companies, but energy efficiency awareness is part of our DNA.

People

People are a key asset in a depressed sector, aggravated by industrial disputes and low levels of investment by government, mining companies and others. A cohesive, highly skilled team is essential if efficiencies are to be realised and market share gains achieved.

People numbers

2015	2 332
2014	2 214

Training spend (R million)*

2015	R12,6
2014	R17,1

**Including learnerships and bursaries*

Staff are constantly engaged by our V-Connect intranet service – launched in the first quarter. It encourages our people to comment on planned initiatives, make suggestions or complaints and raise issues. The new service was well received.

Job creation remains a core objective and in 2015 two small bolt-on acquisitions helped us increase the staff complement. In view of the depressed state of the construction industry, mining and manufacturing, the focus increasingly falls on avoidance of job losses. Staff turnover fell below 10%.

Staff also have access to an internal hotline to report any irregular or unethical activity.

Trade union engagement is ongoing as strike action remains a risk. National strike action early in the period affected several businesses. On the return to work, five staff members faced disciplinary action relating to their conduct during the strike. They were subsequently dismissed.

Customer communication is constant – face to face and via SMS, email, the internet, international visits and interaction at industry events. Contractors require support and credit, but financial discipline is critical. Balance is achieved through close understanding of the project market and each contractor's business.

Credit risk has become crucial. We respond by staying close to customers and the project market while having recourse to credit guarantee and insurance.

Similarly, suppliers seek volume growth, but inventory management is vital in difficult trading conditions. Closeness to the market and continual supplier interaction help to manage the risks of under or over-supply.

Products and services

A key objective is maintenance of our positioning as a leading national distributor of a comprehensive range of electrical products and cable. While supplying extensive product ranges, we work as a partner of electrical contractors, developers and customer groups such as the mines, corporates and SMEs.

Timely identification of new product opportunities is essential.

As projected, LED growth continued and Solid State Power embarked on the fourth phase of a major LED retrofit installation programme for a parastatal. Solid State is also positioned to satisfy growing demand for solar-powered water heaters.

The Voltex MVLV venture made continued progress in the market for electrical panels, transformers and generators.

Cable remains a core product. Early in the third quarter, copper prices collapsed, but astute buying by our cable companies ensured supply stability at appropriate price levels.

Growth of our own brands is a strategic objective.

In two years, 30% growth has been achieved by house brands.

Acquisition of Lighting Structures, a high-mast lighting specialist, enables us to complement the offerings of Voltex Smart Solutions in the market for street poles, street lights and LED solutions.

Phambili, a branded goods agency, was acquired in the first half and achieved expected growth. It specialises in the connection sector of the electrical market. It has branches in Johannesburg, Cape Town and Durban, but collaboration with Voltex substantially widens its reach.

Demand for energy efficiency and accurate monitoring prompted the launch of a new joint venture, Envirotel, a specialist in the development of energy management software and intelligent hardware linked to remote billing systems.

The offering is targeted at parastatals, municipalities, property developers and housing estates.

Growth opportunities were identified in power factor correction. These systems optimise power transmission efficiency, correct faults, prevent spikes and minimise damage to electronics. Growing demand is expected for technology such as this as power tariffs rise.

Voltex opened a Botswana branch in May 2015, a platform from which to pursue growth potential in the country's mining industry.

Planet

Operational efficiency requires sensitive environmental practice. No targets are set for energy savings and reduced consumption of materials, but all businesses are strongly encouraged to seek efficiencies.

Light sensors are fitted at head office and some other operations. Office and showroom lighting is used sparingly. Traditional lighting is being replaced by LED systems.

Our teams collect and arrange for the recycling of newspapers and ink cartridges. We also collect old fluorescent lighting tubes and ensure they are crushed and disposed of in an environmentally friendly manner.

Performance was impacted by dramatically lower equity values. Even so, satisfactory results were achieved while good progress was made with strategic efforts to widen the franchise. The acquisition of Compendium Insurance Brokers and the recent award of leasing contracts positions the business for future growth.

Lindsay Ralphs | Chief executive, Bidvest South Africa

Bidvest
Financial Services

Japie van Niekerk | Managing director
Thinus Liebenberg | Financial director

Overview

In a highly competitive market, Financial Services put in a satisfactory performance, with trading profit for the core business 8% up on prior year at R495,8 million (2014: R459,1 million).

There was a strong operational performance by the insurance business and the acquisition of Compendium Insurance Group bedded in well, delivering gains ahead of budget. In addition, the division reported the first growth in PBT in three years for the banking business, and the Financial Services team is to be congratulated on its continued hard work.

Non-core investment income for the division was negatively impacted by movements in the equity market, with the equity portfolio growing by R27,1 million this year compared to R157,5 million in the prior year.

As a result, total trading profit for the division was 15% down on the prior year at R527,6 million (2014: R617,7 million).

There is a strong and growing balance sheet; wider franchise at both the banking and insurance businesses and the strategic alliance banking strategy is geared to deliver much anticipated gains. The bank's credit quality remains good, with no significant write-downs.

Bidvest Financial Services expects economic conditions to remain challenging while the trend to regulatory complexity will continue.

The bank expects its alliance strategy and new product introductions to drive continued growth. The 12-month effect of the new contract with a major state-owned entity will prove beneficial, while the tender success for two major fuel contracts should boost volumes.

Bidvest Insurance will unlock further Compendium synergies while driving further cooperation with independent brokers. The underwriting of new commercial and comprehensive insurance products is also expected to generate new income streams. Further travel insurance growth is anticipated and direct business is expected to increase.

The division remains strongly capitalised and highly cash generative. Acquisition opportunities will be explored.

People

Staff satisfaction	**Staff satisfaction surveys are regularly conducted. The most recent confirmed that the overwhelming majority of staff feel a sense of loyalty and commitment to the bank.** **The bank scores highly for fair and equal treatment, honest communication, and efficient decision making, provision of systems that enable good customer service and the communication of bank strategy.**
Customer satisfaction	**Customer satisfaction is also high. The last bank survey put the satisfaction level at 92%, while the net promoter score was 77% (a way of measuring the percentage of customers who would recommend the bank).**

People numbers

2015	1 360
2014	1 201

Training spend (R million)*

2015	R18,6
2014	R17,2

Including learnerships and bursaries

Personal assistance from highly qualified and motivated personnel is a source of competitive advantage at both our businesses. In a banking sector heavily focused on efficiencies delivered by impersonal systems, our commitment to personal service is a strong differentiator.

We promise business banking customers personal service from one point of contact without reliance on call centres – a promise competitors find difficult to match.

The bank continues to make substantial investments in information technology in the form of technical skills, infrastructure and systems. Technology such as our new planned "EVO" point-of-sale system will be supported by trained personnel and one-on-one contact. "EVO" will begin to roll out to all branches in April 2016.

The system creates a single view of every customer, enabling proactive service.

Staff satisfaction surveys are regularly conducted. The most recent confirmed that the overwhelming majority of staff feel a sense of loyalty and commitment to the bank.

The bank scores highly for fair and equal treatment, honest communication, efficient decision making, provision of systems that enable good customer service and the communication of bank strategy.

Customer satisfaction is also high. The last bank survey put the satisfaction level at 92%, while the net promoter score was 77% (a way of measuring the percentage of customers who would recommend the bank).

Recruitment of quality people was stepped up in 2015 and overall staff numbers rose from 1 201 to 1 360. Jobs growth was achieved despite the closure of the Master Currency branch at OR Tambo Airport. The office was shut down without the need for retrenchments.

Retrenchments were largely avoided at our insurance business when back-office functions were outsourced. Most staff were transferred to the outsourcing company.

Skills development supports the diversification of the banking and insurance franchise and overall training spend rose from R17,2 million to R18,6 million.

Empowerment of black personnel remains a priority as does representation of previously disadvantaged groups at senior management level.

The bank is a level 2 B-BBEE contributor.

Performance

Trading profit overall decreased 14,4% to R527,6 million (2014: R616,6 million). Non-core investment income for the division was negatively impacted by movements in the equity market, with the equity portfolio growing by R27,1 million this year compared to R157,5 million in the prior year. Excluding the effect of non-core investment income, trading profit for the core business was an encouraging 8% up on prior year at R495,8 million (2014: R459,1 million).

The banking contribution was R356,4 million (2014: R352,3 million). The insurance team contributed R171,2 million (2014: R264,3 million).

Results include the first contribution of Compendium Insurance group (acquired in July 2014), the broking arm of Bidvest Insurance.

The proliferation of regulatory requirements across all financial services added to costs while consuming a growing amount of management time.

Transactional Banking income grew, while encouraging progress was made with the strategy of widening the banking franchise through alliances with companies offering complementary services. Alliance partners include Vodacom, Old Mutual, CashKow, DrawCard, Tower Trade group and 1st Data.

Revenue in the Product and Alliance Banking channel rose 13,0%.

Fleet and Asset Finance volumes remained buoyant, with top-line growth of 6,8%. Though the Transnet contract continues to wind down, this state-owned enterprise (SOE) remains a significant contributor. The fleet team also won a major full-maintenance leasing contract with another SOE and by year-end were finalising two additional substantial leasing contracts.

Credit impairment charges totalled just R535 000.

Cash on hand rose 19,2% to R2,3 billion (2014: R1,9 billion). Total advances, including leasing, rose 43,2% to R3,1 billion (2014: R2,2 billion). Deposit balances rose 32,2% to R2,8 billion (2014: R2,1 billion).

Moody's, the international ratings agency, gave the bank an unchanged rating of A3/P-2, with a stable outlook.

Competition heightened as major banks increased their focus on non-traditional services, putting pressure on some of the specialist areas served by Bidvest Bank. Pressure on foreign exchange margins was substantial.

Another challenge related to the bank's partnership with M-pesa. Bidvest Bank provides its banking platform. However, volumes from this mobile banking service were below expectation.

Plans to acquire Grindrod Bank were discontinued. Further acquisition opportunities continue to be explored.

Pleasing operational growth was achieved at the insurance operations. The outsourcing of the back office enabled single-minded focus on new business while the Compendium acquisition added to commission income. Commercial business also grew and gross premiums rose 9,1% to R362,0 million (2014: R331,7 million).

Results, however, were impacted by weak equity markets. The portfolio's value showed a R130 million negative variance to last year. The portfolio grew by only R27,1 million in 2015 compared to a growth of R157,5 million in 2014.

Products and services

Collaboration with Old Mutual enabled the launch of a new transactional banking product with a built-in money market-linked savings component. By year-end, up to 500 customers a day were signing up for the save-as-you-spend product.

At Bidvest Insurance, the stand-alone travel insurance product was rolled out successfully. Other innovations included Tyre Defender, Theft Buster, a service plan and warranty, and a funeral policy. A Bidvest Voluntary Life offering was launched in conjunction with Old Mutual.

Cooperation with independent brokers was stepped up. A growing number of Bidvest products are now being sold through this channel.

Call centre operations were expanded and additional outbound campaigns launched. By year-end, direct sales were approaching the levels delivered at Bidvest Automotive dealerships.

Overall policy sales grew steadily, with a pleasing travel contribution. Motor insurance remained the largest contributor.

Competition from motor manufacturers and specialist motor insurance providers intensified, putting pressure on motor policy volumes. Extended warranty sales were significantly affected.

Our Nissan Insurance initiative was discontinued.

Planet

Operations are little affected by power outages at premises where back-up generators have been installed. However, when back-up power is not available branches have had to temporarily suspend operations.

Both businesses make increasing use of video and telephone conferencing to reduce travel costs. Despite continued fuel price rises, petrol spend reduced. Electricity costs rose by only 5% in the face of steep tariff increases.

Operational review Bidvest South Africa

Another resilient performance by a team that faced collapsing commodity markets, steep declines in imports and exports and a standstill in agricultural volumes. Annuity-based business stood up well.
Lindsay Ralphs | Chief executive, Bidvest South Africa

Bidvest Freight

Anthony Dawe | Chief executive
Mark Steyn | Financial director

Overview

In a relatively tough trading environment, turnover increased by 8,4% to R29,1 billion.

South African Bulk Terminals (SABT) shipped 700 000 tonnes of maize between July and September, achieving the highest monthly export rate in 10 years while an extra 500 000 tonnes of handling capacity a year enabled Bulk Connections to set a handling record of 562 000 tonnes in January.

Island View Storage was successfully rebranded as Bidvest Tank Terminals (BTT) and made a solid contribution following a 5% increase in Durban tank capacity.

Ships agency operations grew on acquisition of Panargo Shipping while a new ships agency branch opened in Maputo. There has also been strategic growth in vehicle handling.

Our profitability growth target remains inflation plus 4%, though future performance will be impacted by falling commodity demand and drought effects on agri-business.

The focus will fall on diversification and better asset utilisation. For example, BPO is positioned to reinvent its break-bulk business and move to multi-purpose handling.

Margin pressure will intensify and customer collaboration in the search for efficiencies will be stepped up.

SABT will benefit from the 2016 completion of the upgrade to its Island View terminal (DBS).

Finalisation of the Manica restructure is expected.

Strategically, new truck load limits imposed in the National Road Traffic Act should prove beneficial as the intention is to foster a move back to rail.

People

	2015	2014
Fatalities	0	1
B-BBEE score	EE is a priority. Most businesses have level 2 or 3 empowerment certification. Our stevedores business is at level 1. Only two of the businesses are at level 4.	

People numbers

2015	4 784
2014	4 540

Training spend (R million)*

2015	R44,9
2014	R30,9

**Including learnerships and bursaries*

People, pride and expertise give us our unique character. Pride ensures intense focus on the skills of each area of activity. Dedication is complemented by flexibility. This was evident in a difficult second half when teams worked energetically to compensate for lost volumes.

Skills development spending rose to R38,4 million (2014: R30,9 million). This includes supervisory and management skills, learnerships, graduate programmes and bursaries to make employees "promotion-ready".

The number of black people participating in learnerships and learning programmes rose from 370 to 381, with 48% (2014: 58%) representation by black women. 180 (2014: 130) employees made use of bursaries.

Development of black personnel into senior positions continues. Bidfreight Port Operations (BPO) and Bidvest Panalpina Logistics (BPL) have implemented new executive management development programmes focused on nurturing and developing talent.

BPL people are developing market-specific skill sets for closer alignment with client needs. Industry-specific "silos" foster better marketing and sales focus.

Unfortunately jobs were lost as restructuring began at Manica Africa. There were 22 retrenchments affecting South Africa, Botswana and Zimbabwe. The process will be finalised in 2016.

Health and safety are key concerns. Safety training is continuous. SABT, BPO, BTT and BC run in-house clinics. A focus on employee wellness, HIV/Aids education, and voluntary counselling and testing. BTT conducts biological monitoring.

People engagement is constant. To promote utmost regard for safety, SHERQ committees and managers meet regularly.

Robust channels of communication with unions and worker representatives help keep days lost to strikes low.

Contacts with customers are key and substantial investment is necessary to meet the needs of major importers and exporters. To make timely investment, it is vital to develop close understanding of customer needs.

Active and ongoing engagement with suppliers ensures efficient and timely service delivery.

Performance

Revenue rose 2,2% to R3,9 billion (2014: R3,8 billion). Trading profit dipped to R1 059,7 million (2014: R1 113,9 million).

Innovation was a key feature of the year.

Early in the year, surging volumes drove the quest for new solutions while in the second half the focus shifted to innovative responses to a steep fall in volumes. From February to June, the volumes from our coal, manganese and steel customers were the lowest ever.

Falling demand for commodities also had a severe impact on Naval, our Mozambican business.

Yet in the period to January, the scale of manganese exports challenged Bulk Connections (BC) to increase wharfside efficiency. Teams responded by installing a conveyor-belt system to carry manganese 480m from its “south” stockpile to waiting ore carriers, creating new handling records in the process.

Work continued on the upgrade of SABT’s DBS terminal.

Need for the programme was demonstrated early in the year by the exceptional level of maize exports followed by a surge in wheat imports in the second half. Heightened activity in the second half was attributable to customer efforts to beat the imposition of a levy on wheat imports.

To improve high-tide efficiency, BC teams raised the ship loader by making 1,5m high spacers and inserting them between the bogies and the bottom of the 640t structure. The ship loader was installed 50 years ago, long before the new generation of Handymax and Panamax vessels entered service. The loader can now comfortably reach over the hatches of mega-size vessels – previously impossible at high tide.

BPO implemented a new ERP system and established a 24/7 control room, essential building blocks as BPO moves toward sophisticated cargo management capabilities.

New capital investment totalled R323,9 million (2014: R324,9 million).

Products and services

Pressure on consumers hurt imports while weak commodity demand hit exports. For the first time in many years, the portside capacity of several of our businesses was under-utilised.

Unusual factors affected agriculture. Traditionally, maize is either in under or over-supply, creating either import or export volumes. In the second half, maize supply and maize demand were balanced, suddenly halting all our maize-related activities.

Coal business also dropped off dramatically.

South African Container Depots (SACD) experienced a difficult year. Volumes fell, new competitors entered an already challenging market and margins were squeezed. Import-export volumes were low in Durban and utilisation of SACD’s Cape Town facilities failed to meet expectations. Three Cape Town facilities have now been consolidated and head office moved from Cape Town to Durban.

Strategic constraints on rail capacity created continued challenges for our bulk businesses.

A big fall in commodity prices forced exporters to seek cost efficiencies, with some switching their volumes from Durban to cheaper routes such as Richards Bay and Port Elizabeth.

BPO came under pressure as steel exports plummeted and cement imports stalled following an anti-dumping duty on cement from Pakistan. A shift from break-bulk to containers also had impact, as did the lower level of wind turbine imports.

BTT was impacted by lower tank utilisation, especially in the second half.

The ships agency business witnessed a shift from upfront funding to growing requests for credit, heightening the need for rigorous debtors’ management.

The focus on growth opportunities was intense and BPL won the contract to operate and manage Nissan’s vehicle stockyard in Rosslyn, Pretoria. Efficiency improvements have been consistently achieved since the contract began in November.

To assist customers, SACD Freight installed radio frequency identification (RFID) scanning at its Durban trailer park. Handheld scanners assist trailer and cargo tracking. Digital cameras are also employed. Container pack/unpack photos are immediately scanned to customer accounts. In addition, SACD has moved to electronic archiving.

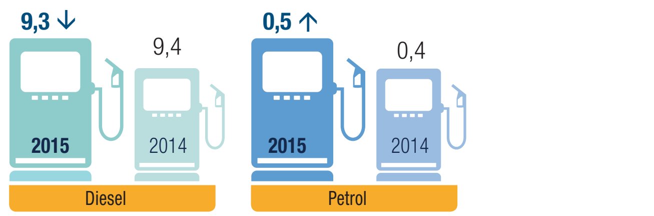
A new, more flexible scheduling system was introduced to assist coal exporters.

Planet

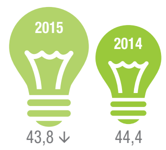
Water usage and carbon emissions are focus areas. Efforts to reduce impacts include ongoing employee education. BPL uses an advanced transport management system to drive tyre and fuel efficiency. Dust suppression is a priority at many operations. BC uses settling ponds to collect and re-use water.

We run a 24/7 business. Our people are flexible and adaptable. This has enabled our businesses to cope with energy outages to date. Should there be an increase in the duration and frequency of power interruptions, the situation will be re-assessed as further investment in generators may then be necessary.

Fuel usage (Megalitres)



Electricity usage (Gigawatt hours)



	2015	2014
Water (Megalitres)	406,0 ↓	465,0

Exceptional results and the best divisional performance in terms of the percentage rise in profits. The base is relatively small, but big momentum was achieved across all aspects of the business. The acquisition of Plumblink effective July 2015 diversifies the product offering and adds to a solid base.
Lindsay Ralphs | Chief executive, Bidvest South Africa

Bidvest Industrial

Howard Greenstein | Chief executive
Craig Turnbull | Financial director

Overview

Bidvest Industrial had a great year with strong contributions across the division. Momentum has built up and teams will seek continued gains. Another year of growth is forecast.

Customer-led innovation proved to be a huge success.

Jobs were created despite the challenging economic environment.

Investment in our people and capital equipment will continue. A new plant was installed at Bidvest Buffalo Tapes at year-end to drive further growth in the market for self-adhesive tape across the automotive, industrial and retail markets.

People

Equipping our people to be the best they can be is a priority in a business that serves sectors such as clothing, retail, steel, manufacturing, construction and mining – all of which have faced considerable pressure in recent years. To achieve growth in a competitive environment, investment is necessary to drive productivity gains. A key element of that strategy is investment in our people and their training.

People numbers

2015	1 729
2014	1 713

Training spend (R million)*

2015	R4,1
2014	R2,1

**Including learnerships and bursaries*

Training spend rose by 27%. The main focus is on black staff development. Sustained spending on skills training over several years enables the steady development of black achievers into management posts and a growing number of black employees are advancing towards senior management.

The number of black staff enrolled in learnerships and skills programmes rose from 113 to 148.

The twin emphasis on skills and productivity underpinned a concerted effort to drive up volumes and by year-end pleasing jobs growth had been achieved.

Investment in worker safety, wellness programmes and the workplace continued. Absenteeism remains a challenge, making it essential that we offer working conditions that encourage optimum performance.

Relations with staff were generally positive. Good team spirit is the norm at local level. Challenges arise when a major union engages in a national strike. This occurred in July 2014 when metalworkers downed tools. Vulcan and Bidvest Afcom were directly affected. Opportunities also occur as businesses in many sectors appear to be investing in mechanisation and smart equipment solutions. Developing an early understanding of customer needs and future planning has become crucial to sales success for many of our operations.

Enterprise development and preferential procurement come into sharp focus in the coming year. Our raw materials are currently sourced from major suppliers while Yamaha receives stock from its international principal. However, the development of new relationships with black suppliers has become a priority for us.

Performance

The business achieved excellent results. Revenue rose 10,5% to R2,2 billion (2014: R2,0 billion) while trading profit surged 30,7% to R164,3 million (2014: R125,7 million). Gains were attributable to improved performance by all contributors: Bidvest Afcom, Bidvest Buffalo Tapes, Vulcan, Bidvest Materials Handling, Academy Brushware, Yamaha and Berzacks. All teams faced adverse trading conditions, but won market share as the division's strategy reached critical mass.

Over the last three years, in the face of continued pressure across the industrial sector, we have maintained investment in people and plant while getting ever closer to customers.

Sustained productivity improvements create a competitive advantage. Simultaneously, stringent efforts have been made to control costs and manage margins.

Bidvest Afcom recovered from a strike-hit first quarter to register pleasing improvements for the rest of the year. Bidvest Buffalo Tapes had an excellent year. Volumes were depressed in 2014 because of the automotive workers strike, but this year the team bounced back strongly. Vulcan had another good year, maintaining momentum after last year's bakery range launch. Bidvest Materials Handling continued to make pleasing progress following the sustained growth of its customer base. Academy Brushware made a strong contribution as the full-year effects of new investment in its Babelegi factory delivered the anticipated gains. Yamaha withstood pressure in the consumer space and delivered very good results while Berzacks achieved excellent profit growth. Its customer-centric marketing campaigns delivered exceptional gains.

Capital expenditure increased by 64% to R67,0 million (2014: R41,0 million).

Return on funds employed rose 26% (2014: 18,4%). Costs rose in line with inflation – a pleasing result as rand weakness seriously impacted input costs. Cash generation was pleasing at R213,1 million (2014: R62,3 million).

Currency impacts remain a risk area, but our businesses have successfully managed this risk for many years across multiple currencies.

The National Union of Metalworkers' strike posed a direct and an indirect challenge. The work stoppage had material effects at Afcom and Vulcan. Indirect effects were felt by all businesses as customers in several sectors shut their doors for a time. When work resumed, many customers were slow to achieve previous volumes. In some cases demand remained weak for several months.

The positive impact of stable labour relations was showcased by the automotive industry which had a strike-free year, showed strong growth and became a major source of new orders for Bidvest Buffalo Tapes.

Products and services

All businesses engage in continual product refinement, innovation and range extension.

Vulcan increasingly consults customers on range extension and modification. A 2015 point of focus was energy-efficient kitchen and catering equipment. Other contributors to the division also embrace customer-led innovation. It is rapidly becoming a key feature of the strategy of getting close to customers.

At Yamaha, product introductions included new offerings in the motor-cycle, marine engine, musical instrument and audio ranges.

Bidvest Buffalo Tapes enjoyed continued success with its strategy of complementing B2B efforts in manufacturing with DIY sales to consumers. The firm continues to develop specialised solutions for growing niche markets.

Rigorous expense management did not put a brake on innovation.

Continual product introductions were a feature of the year, while the get-close-to-customers strategy delivered tangible gains. For example, a resurgent Berzacks organised tours of overseas factories to show customers the productivity levels achieved by modern equipment in the clothing and fabric sector.

Newly acquired Plumblink will be integrated into Bidvest Industrial from July 2015. Its plumbing and bathroom ranges complement our established offerings. Synergies will be energetically explored.

A positive contribution is projected from the outset. This is a nationally represented business with a strong marketplace position. The management team remains in place and a smooth transition is expected.

Planet

We see good environmental practice and good business practice as two sides of the same coin. All businesses strive for efficient material usage, encourage recycling where possible and seek to reduce fuel, electricity and water costs.

Pollution risk is largely restricted to plating operations at Academy Brushware. Rigorous steps are taken to manage the risk of toxic run-off into the drainage system and water supplies.

Load-shedding impacts are difficult to measure in their entirety, but the effect can be material.

It is uneconomic to simply install back-up generators in view of both capital and running costs.

When Eskom adheres to its load-shedding schedules, impacts can be managed to some extent. Costs mount when unscheduled power cuts occur as outages during a production run result in high scrap factors. Production time is then lost as machines are reset. Productivity also suffers as warm-up time is needed before plant runs at optimum efficiency.

Throughput stalls as outages can mean an extra day is needed for order completion.

Disappointing in some areas – principally within stationery and furniture – but other parts of the business delivered strong results, with Office Technology leading the way. A lean manufacturing model is being implemented to boost market competitiveness.

Lindsay Ralphs | Chief executive, Bidvest South Africa

Bidvest Office

Alan Griffith | Chief executive
Ivan Keshwar | Chief financial officer

Overview

The office team delivered flat results on the back of good performances from the technology companies, with notable market share gains by Konica Minolta. The high-volume digital printing business, Océ, was sold to Canon at the end of the period after making a strong final contribution, bolstered by a major government contract and we wish our colleagues well in their future endeavours.

Zonke, provider of monitoring solutions to the gaming industry, bedded in well and made a positive contribution.

Develop, the empowerment partnership with black entrepreneurs, enjoyed continued growth while Cecil Nurse and Ditulo – the office furniture and seating joint venture with black partners – performed solidly, despite furniture sector pressures.

Global Payment Technology maintained market leadership in the field of cash processing. Banking sector contracts underpinned performance.

Business-to-business (B2B) margin pressures and cost sensitivity are expected to remain core features of this market.

Though no relief from short-term pressure is foreseen, this should not cloud one's long-term view. Konica Minolta Europe recently opened premises in Johannesburg from which to serve sub-Saharan Africa. This global brand believes South Africa remains the best hub from which to grow an Africa-wide business. We have the continent's most advanced economy, the most extensive infrastructure and highly skilled people. Bidvest Office shares this perspective. Short-term challenges are pressing, but there is solid potential going forward.

Performance

New investment in plant, infrastructure and technology amounted to R60,0 million (2015: R96,0 million).

Bidvest Office performance – flat overall – was impacted by disappointing results in the furniture manufacturing and stationery businesses. Waltons profit fell significantly.

Stationery increasingly shows symptoms of a rapidly changing industry. All companies are reducing their reliance on paper-based systems. As a result, volumes are under pressure while the distribution of smaller quantities adds to costs.

Across the B2B spectrum, customers show acute cost sensitivity.

Management has responded by stepping up the strategic effort to become the lowest-cost producers in all areas of activity.

Restructuring at Waltons and the closure of some smaller, satellite warehouses resulted in some job losses. Regrettably, jobs were also lost at our Queenstown furniture factory.

We do, however, expect staff numbers to remain stable once we complete the Waltons restructure and search for further efficiencies at our furniture factories.

By year-end, consolidation at the new Waltons distribution centre in Cape Town was nearing completion. In addition, Waltons successfully completed the national roll-out of its new ERP management system. Adoption of the new software was achieved without disruption.

As the year came to a close, the acquisition of a majority shareholding in a Botswana stationery business was being finalised. It is planned to reposition the business to create distinct focus on stationery and office technology.

People

People at all businesses responded energetically to a challenging environment. They continually search for efficiencies, savings and new solutions.

People investment remains a priority. Training budgets rose by 65%. Investment increased significantly in new learnerships.

Our people responded enthusiastically to a new production management model at our chair, desk and screen factories in Johannesburg and Cape Town. Staff underwent 592 hours of training in three months as "lean manufacturing" was adopted. Soft seating productivity rose 80%, indicating the potential scale of efficiency gains and strong workforce acceptance of the new approach.

Technology change is constant. We respond by ensuring our people are familiar with new introductions, are highly trained and adaptable. Close partnerships with technology leaders such as Konica Minolta ensure preparedness for successive waves of change.

Collaboration – already good – is expected to improve even further following the transfer of Konica Minolta South Africa to the global brand's EMEA region (Europe, Middle East, Asia). Previously, the South African business liaised directly with Japan.

The trend to integrated office solutions gathered pace in 2015. Office equipment, ie the bizhub platform, is no longer a stand-alone tool. It also generates a growing amount of data. Customers increasingly expect Bidvest Office to help them leverage and manage these data streams.

Our people are trained to provide proactive solutions, but there is a growing need for specialist intervention when highly sophisticated systems are being installed or expanded. Convergence of computer platforms and office technology is creating new business opportunities.

Exceptional customer service, delivered by our people, is a source of competitive advantage. Continued investment in our people therefore remains a priority.

People numbers

2015	4 337
2014	4 259

Training spend (R million)*

2015	R42,0
2014	R17,0

Including learnerships and bursaries

Products and services

Preferential procurement is also having impact in new ways as government seeks closer alignment of BEE and localisation policy. This helps more black entrepreneurs to win more contracts, but they require experienced partners if they are to fulfil the terms of the deal.

Bidvest Office has responded by growing the Develop brand "umbrella". By the 2015 year-end 21 black entrepreneurs had joined the office automation industry via Develop.

We provide training, marketing support and inventory. Develop entrepreneurs can therefore provide world-class products and back-up while building solid businesses. In 2015, these entrepreneurs grew market share and widened their customer-base.

As South Africa entered another year of low growth, the risk of business failure grew among some customer groups. Closeness to customers enabled our people to manage these risks day by day. Credit extension is well controlled.

Government and parastatal customers account for a significant portion of our turnover. Implementation of revised BEE codes can therefore have material effect on our business. However, structures such as Develop and Ditulo (our office furniture joint venture with black partners) give us proven capacity to respond to BEE requirements.

New codes emphasise enterprise and supplier development and the need to support black entrepreneurs – a long-term focus for Bidvest Office.

Technology risk is constant and has been for many years. Experience shows that close relationships with overseas principals, leaders in their respective fields, are effective means of mitigation.

A return to profit growth is a key objective.

Several of our businesses are reliant on contract and project work. The 2015 project pipeline was often affected by unexpected delays.

Indications are that many of these projects will be brought to book during 2016, assisting volumes at our furniture factories and furniture businesses.

Bidvest Medical is also positioned to benefit as new contracts come on stream.

Botswana has been identified as a growth point. Our new business in Gaborone gives us a solid platform from which to pursue these opportunities.

Acquisition of a South African software integration business, will give us the capacity to seek more new business from companies eager to integrate hardware platforms into their back-office systems. Solutions in this field are frequently driven by software development engineers familiar with advanced computer systems. The acquisition gives us access to these skills.

By the 2015 year-end 21 black entrepreneurs had joined the office automation industry via Develop.

Planet

Our operations and people embraced the need for good environmental practice many years ago. The challenge therefore is to innovate constantly to drive further gains.

Increasingly, our businesses operate as recycling partners of their customers. For example, Konica Minolta now places recycling bins at customer premises to facilitate the collection and recycling of toner cartridges. The recycling of electrical parts, plastics and metal from copier carcasses is another focus area. We aim to reduce to a minimum the amount of waste sent to landfill sites.

Konica Minolta maintained its carbon neutral status for a third year while Dauphin, the office furniture brand, achieved carbon neutral status for the first time.

All businesses of significant scale have invested in their own generators to mitigate the risk of power outages. Energy efficiency is a priority and LED lighting is fitted wherever possible.

Konica Minolta achieved carbon neutral status.

Declining volumes in traditional areas showcased the need to re-balance the business. Re-invention is underway, and the team did well to maintain growth in a difficult environment. Creativity in introducing new technologies remains key.

Lindsay Ralphs | Chief executive, Bidvest South Africa

Bidvest Paperplus

Neil Birch | Chief executive
Colin Adendorff | Financial director

Overview

With trading profit up 23,6% off an 16,9% turnover rise, the Paperplus team has done well.

The Tanzanian voter registration contract boosted results and packaging gained traction as Stamford Sales bedded in. Wide format digital printing was successfully introduced by the team and innovation limited some effects of the national post office strike.

Graduate and learnership programmes gave impetus to staff development with more black staff appointed to senior management.

More growth and further diversification will be sought. Export growth into Africa is one focus area. The voter registration solution can be customised for use in many African countries, but project-based exports will be complemented by more export orders for general print and stationery.

One export platform will be provided by collaborative efforts with our Group colleagues at G. Fox focused on the sale of stationery packs into the cash-and-carry sector.

Expense management remains a priority. Market softness may persist and operations will be reviewed to ensure close alignment between capacity and demand.

People

	2015	2014
B-BBEE score	**Most operations have achieved level 2 or 3 certification**	

People numbers

2015	4 119
2014	4 255

Training spend (Rmillion)*

2015	R16,7
2014	R21,6

**Including learnerships and bursaries*

The resourcefulness of our people is crucial to our business. Traditional print has long been in decline. This challenges our teams to develop new solutions, build new skill sets and diversify our base.

The first year of our graduate development programme was successfully concluded. Nine of the 10 graduates were given full-time employment after exposure to a wide range of operations and intense mentoring.

Our learnership programme continues to produce quality people for the business. Of the 75 learnerships concluded by the end of the year, 72 have resulted in full-time job offers. Both programmes focus on candidates from previously disadvantaged groups.

The advancement of black managers gained pleasing traction. The managing director of a key production company is black and the appointment of another black MD to one of our manufacturing units is imminent. Senior sales positions are increasingly taken by black personnel.

Paperplus maintained its status as a level 3 B-BBEE contributor.

Regrettably, pressure on volumes in a difficult trading environment meant several operations had to retrench personnel with196 jobs lost.

The maintenance of a safe, clean and productive working environment is a priority. Five plants have an ISO 9000 rating or international accreditation from the British Retail Council – a key consideration for food industry clients looking to build exports.

Staff forums are well utilised at all plants and trade union contacts are generally positive. No days were lost to strikes in the year.

The constructive nature of interaction with staff was confirmed when flexible working practices were adopted to minimise load-shedding impacts.

To bring new solutions to market, Paperplus marketers maintain close contact with customers. Our ability to create bespoke products is a source of competitive advantage. Simultaneously, management scans the technology horizon, ensuring early identification of new solutions with potential in the South African market.

Performance

Despite difficult domestic trading conditions, pleasing sales and profit growth were achieved. Turnover rose 16,9% to R5,7 billion (2014: R4,9 billion), with trading profit up 23,6% at R390,2 million (2014: R315,6 million). The return on average funds employed rose to 33,0% (2014: 36,6%).

Two factors contributed to the pleasing performance – export project success and rigorous expense management. Export sales to Tanzania added R850 million to the top line while expenses rose only 4,2% in a year marked by big increases in power, water, fuel and wage costs.

Cash generation remained good.

Consolidation of Stamford Sales into the business realised the anticipated gains. The business was part of the Mvelaserve transaction concluded by our parent. Nationally represented Stamford considerably strengthens our distribution capabilities in wholesale packaging. The operation distributes own and third-party packaging.

The Stamford contribution and aggressive marketing by others in the packaging silo drove its trading profit 35% higher.

Capital expenditure – on new fleet vehicles and equipment – amounted to R97,4 million (2014: R73,7 million).

Products and services

In a low-growth economy with consumers under pressure, businesses cut marketing budgets with knock-on effects across the communication industry, reducing stationery purchases in particular.

South African paper manufacturers have become sizeable international players. Their global focus has resulted in “rationalisation” of their domestic ranges. Some grades of paper are no longer available locally and have to be imported. This not only affects prices and working capital management, it creates a BEE challenge as offshore procurement undercuts efforts to support local, black-owned suppliers.

This can affect empowerment status at a business that already acts as the agent for numerous international brands in the stationery and computer consumables markets.

The three-month SA Post Office strike depressed volumes. Stationery suffered as envelope sales fell 40%, general print was hit as the production of marketing leaflets and statements was cut back, personalisation and insertion work was affected, label demand plummeted and transactional mail business stalled. Demand often remained subdued after postal workers returned to work as many businesses piloted communication options that were not dependent on postal delivery.

During and after the SA Post Office strike, Paperplus diversified its range of electronic mail offerings and offered payment gateways using click-and-pay technology. We further developed our capacity to manipulate a customer’s data on a single platform to create email, fax or brochure solutions. Print on demand and card personalisation were also expanded.

To protect jobs and volumes, the business constantly looks for new opportunities.

Growth opportunities were identified in wide format digital printing and we target becoming a leader in the provision of vehicle and building wrapping and printing for billboards.

Messages using animated characters were introduced for clients who use mobile media for marketing or billing purposes.

The revolutionary voter registration platform deployed in Tanzania takes the photographs and fingerprints of voters while capturing their signatures. It then generates an authenticated voter registration card. The technology can also generate ID cards. 8 000 mobile stations were delivered and installed across Tanzania. The system generates the voter register.

Further investment was made in full-colour digital print, maintaining our position as a producer of world-class variable colour work.

Creative packaging solutions using cardboard with recyclable plastic apertures became a growth point.

Planet

Paper is a replenishable resource and the business uses recycled paper where practical. Many paper suppliers are endorsed by the Forestry Stewardship Council (FSC) and FSC stock is invariably used when customers demand environmentally sensitive solutions.

Paperplus also promotes electronic alternatives to help cut paper usage.

Water-based, non-toxic inks are used whenever possible. Rigorous safety standards govern the handling of any toxic by-products and these materials are disposed of responsibly.

Recycling and energy reduction champions are active across the business.

Paperplus is a heavy user of increasingly expensive mains power. Strenuous efforts are taken to contain costs by using low-power globes and LED lighting.

Electricity outages, especially in the first half, led to increased downtime and proved highly frustrating in an industry where margins are thin and costs have to be contained. Back-up generators ensure the completion of urgent work. However, diesel-powered generators add considerably to costs and cannot be run every time load-shedding occurs. Catching up on lost production also adds to the overtime bill.

In response to this challenge, management and unions agreed a solution whereby workers are to be sent home when outages interrupt production. Lost hours are made up later, at standard rather than overtime rates. Discussions were constructive as trade union representatives joined the search for appropriate solutions. The system was agreed in the fourth quarter, but was not needed as power supplies stabilised late in our year.

Electricity usage (Gigawatt hours)

	2015	2014
Water (Megalitres)	143,7 ↑	141,7

The core annuity-driven businesses again make a solid contribution and confirmed their ability to stand up well in challenging economic conditions. Strict cost control is in place and annuity income is retained at an appropriate level of return.

Lindsay Ralphs | Chief executive, Bidvest South Africa

Bidvest Rental and Products

Alan Fainman | Chief executive
Trevor Scruse | Financial director

Overview

The Rental and Products team did well with trading profit rising to R535,9 million on strong cost containment with turnover reaching R2,5 billion.

We are pleased to report that jobs were safeguarded in tough conditions and empowerment credentials were enhanced in a recent re-rating.

Annuity income streams proved resilient while the diversified business model helped cushion laundry sector pressures.

Congratulations to Bidvest Steiner who performed strongly in all provinces.

Trading conditions will remain challenging, but our businesses are well placed to respond. We project continued real growth, driven by further gains in market share. Cost containment remains a priority. Acquisition opportunities can occur in difficult trading conditions and will be investigated.

People

People numbers

2015	6 453
2014	6 137

B-BBEE score	**Most operations have level 2 or 3 certification**

In a division that operates in multiple sectors, the unifying characteristic across all activities is our deeply embedded service ethic. Dependable service customers can trust is the core offering and is underpinned by our people. They are accountable for service delivery and quality. They are responsible for the customer interface that entrenches relationships and leads to repeat business and solid annuity income streams. They enhance our leadership status in every area of activity. The number of black personnel enrolled in learnerships rose to 162 (2014: 143).

All operations invest in skills development and in 2015 our training budget rose to R14,2 million (2014: R9,0 million).

Employment equity remains a priority and progress was achieved with the further development of black staff into managerial grades.

Recent re-rating of our business for empowerment purposes saw our businesses maintain or improve their positions. Most operations have level 2 or 3 certification. The imminent introduction of new B-BBEE codes creates a challenge for all providers of corporate services but, as a major supplier to government and many large companies, management is committed to the maintenance of a high empowerment profile.

We're a performance-led business. Health and safety focus is reflected by strong emphasis on safety training.

Employee morale is important to us and has long been monitored by annual employee surveys and a system of anonymous employee feedback.

Managers are close to their teams, ensuring continual feedback. Regular interaction takes place with employee representatives. Relations with unions are generally good.

Communication with customers is key as they look to us to implement smart solutions that improve efficiency and create savings.

Similarly, we constantly look for new sources of supply. We are particularly interested in developing local sources to cut emissions and fuel bills. Reducing the items sourced from overseas will also reduce foreign currency risks.

Performance

Pleasing overall performance saw turnover rise by 6,7% to R2,5 billion (2014: R2,4 billion). Trading profit was 12,2% higher at R535,9 million (2014: R477,6 million), with return on funds employed also up at 78,1% (2014: 72,1%).

Margins were protected and expenses well controlled, though pressure on rates was common to all sectors. Despite substantial increases in the price of fuel, electricity and water, our costs only rose slightly.

Cost containment was implemented without cutting jobs and some operations stepped up recruitment.

Success was driven by market-share gains in a difficult trading environment. Annuity income streams proved resilient, confirming the appropriateness of our strategy of working as partners of our customers in the quest for efficiencies.

Many customers in the business-to-business field have been cutting costs and jobs. This meant that activities with a people focus (workwear, for example) came under strong pressure.

Volumes were particularly hard hit in industries such as mining, construction, manufacturing and engineering. As a result, G. Fox had a challenging year.

Laundries were under pressure as a result of a cyclical shift to on-premises laundry operations, especially in the healthcare sector, though the business did benefit on occasion by ad hoc outsourcing of these functions by government agencies.

Though Boston Launderers faced pressure, overall impacts were cushioned by our diversified business model. Boston provides off-site services, but sister-company Montana Laundries provides on-site services at hospitals and hotels looking for in-house solutions.

Growth in other areas was assisted by a change of focus. Execuflora added exterior maintenance and art rental to its basket of services. Despite contraction in some areas of the furniture industry, Masterguard Fabric Protection achieved pleasing growth by giving greater attention to smaller independent manufacturers.

New capital investment totalled R194,8 million (2014: R178,1 million).

Products and services

Bundled services to deliver a one-stop offering remained a focus area.

Companies such as G. Fox (our nationally represented supplier of protective equipment, industrial consumables and cleaning materials), Hotel Amenities continued to develop their Africa growth strategies.

Puréau was appointed the distributor of Nestlé's Alegria coffee vending solutions and achieved good growth on the back of strong coffee demand.

Masterguard complemented sales success by its core product with improved penetration of its care kits for furniture and electronics.

Hotel Amenities Suppliers widened its range following a small acquisition and strengthened its position in the four and five-star hotel market.

Other operations maximised opportunities in niche areas. Bidvest Steiner achieved good growth with is pest control offering and put in a strong performance across all regions.

All businesses constantly review, improve or expand their ranges as part of their commitment to achieve sector leadership.

G. Fox launched its e-commerce catalogue and by year-end a growing number of customers were placing electronic orders. Steiner plans to extend e-orders to more areas of its business.

Planet

Environmental and recycling initiatives have been in place for many years as the potential environmental impact of some operations is significant. Our laundries are major users of water, power and coal.

We make continued efforts to reduce consumption and re-use and recycle materials while our laundries are industry leaders in the application of new energy-efficient technology.

Puréau has begun the move to PET (polyethylene terephthalate) bottles as this plastic is environmentally friendly, non-toxic and easily recyclable.

Bidvest Steiner refurbishes plastic products and dispensers, rather than replacing them. Hand-held scanners are used in tandem with cell-phones to create delivery efficiencies while Steiner also makes increasing use of e-billing; all leading to paper reduction.

Execuflora is a member of the Green Building Council South Africa and is often consulted by corporate customers looking to green their built environment.

Our companies seek win-win gains through cost savings that deliver environmental gains. Fuel costs have been contained through route optimisation. Our people limit electricity costs by making best use of natural light while LED lighting is increasingly installed.

Teams at our businesses run recycling programmes and ensure waste is responsibly disposed of.

Service companies are expected to maintain their services despite uncertain power supplies. However, corporate customers are reluctant to pay a premium for dependability. The net effect is to put pressure on margins as substantial investment is necessary to assure power supplies. Distribution costs are impacted due to continuous traffic congestion as a result of power outages.

By year-end, roll-out of back-up generating capacity had been completed to our large operations while inverters had been installed at all businesses.

We scan the new technology horizon for new ideas. These efforts have been stepped up in the area of alternative power solutions. Special attention is being paid to large-scale solar systems that can run major installations and simultaneously feed power to the grid. Solutions like this may have a role in our laundries, large users of electricity.

First Garment Laundries is one of the biggest emitters of carbon due to the use of coal.

GHG carbon emissions

Rental and Products:

Scope 1 (tonnes of CO_2)	45 563
Scope 2 (tonnes of CO_2)	13 681
First Garment Laundries	82% of the division's emissions
Scope 1 (tonnes of CO_2)	39 115
Coal usage (tonnes)	14 653
Scope 2 (tonnes of CO_2)	9 504

Laundries and Steiner main contributors of water usage.

	2015	2014
Water (Megalitres)	831,7	1 241,9

	2015	2014
% water volume recycled/reused	7,9	1,5

A pleasing result notwithstanding margin pressures and contract losses in some businesses. Strong contributions from TMS, Protea Coin and Prestige. Progress was made with efforts to diversify the customer base.

Lindsay Ralphs | Chief executive, Bidvest South Africa

Bidvest Services

Bina Gosai | Financial director

Overview

A very pleasing result with revenue up 24% to R9,0 billion and trading profit up 21% at R636,9 million. Strong cash generation with a 95,5% return on funds employed.

We are pleased to report that three-year wage deals were agreed without industrial action.

Magnum-Protea Coin successfully integrated as Bidvest Protea Coin and a new landscaping acquisition aligned with Prestige.

Trading conditions will remain difficult. Our division's consolidation into a much more wide-ranging service business will further improve our bundled service credentials. This is a strategic growth driver as many clients are looking for a one-stop solution that improves efficiency and cuts costs.

People

We are Bidvest's biggest employer. We grow by growing our people. People development differentiates Bidvest Services in our service delivery to clients.

In 2015, this people-centric strategy drove strong profit and people growth.

	2015	2014
Lost day rate	**3,7**	4,3
Lost-time injury rate	**0,3**	0,6
Fatalities	**7**	3
Learnerships	**More than 1 200 learnerships at NQF (National Qualification Framework) levels 1, 2, 3, 4 and 5**	

People numbers

- **2015** | 75 951
- **2014** | 83 087

Male

- **2015** | 56,1%
- **2014** | 53,9%

Female

- **2015** | 43,9%
- **2014** | 46,1%

Training spend (Rmillion)*

- **2015** | R187,0
- **2014** | R87,0

**Including learnerships and bursaries*

The business supports more than 1 200 learnerships at NQF (National Qualification Framework) levels 1, 2, 3, 4 and 5 – by far the highest commitment to people development and job creation in the outsourcing industry. In effect, those at levels 3 to 5 receive management training. Over 80% of learnership beneficiaries are black.

Both Royalmnandi and Bidvest Facilities Management have learning academies which are fully accredited by CATHSETA and NERSETA respectively.

Services again gave an industry lead by strongly supporting the development of the professional bodies in the industries in which we operate. A few notable mentions include the National Contract Cleaners Association and the SA Security Association. In the cleaning field, progress was made with the Sector Decent Work Programme. A key goal in industries is the creation of standardised qualifications as a path to professional status and our presentation of career choices.

These efforts involve cooperation with training authorities, the Commission for Conciliation, Mediation and Arbitration, the International Labour Organisation and local unions. Continued progress is confirmed by big growth in the membership of security and cleaning industry provident funds and growth in assets under management. Industry body auditing is envisaged to verify that members provide worker benefits.

Staff numbers fell as the labour-intensive Protea assets in transit operation was sold, cutting our head count by more than 2 000.

Teams are clearly affected when contracts end. However, it is policy to offer our people redeployment rather than simply let them go. This happened continually in a year notable for trading pressures and cost sensitivity.

Worker health and safety are key areas. Constant safety training is given while regular awareness-raising programmes address critical issues like fire risks and proper handling of chemicals.

Regrettably, five security fatalities occurred: two during robberies, one the result of a road traffic accident, and two attributable to suffocation after fires were lit at sites during cold weather. Unfortunately two other employees also lost their lives this year; one during a road accident and another during a hijacking incident. Our condolences to the families.

Safety training helped drive down the lost time injury rate to 0,3 (2014: 0,6). The lost day rate was 3,7 (2014: 4,3).

We complement national and provincial government efforts by a strong focus on Aids awareness and education. Voluntary disclosure indicated the estimated HIV infection rate had fallen from 23% to 21%.

People engagement is crucial. Our environment is heavily unionised and relationships are generally cordial. One spin-off benefit of our industry professionalisation drive is that union contacts are continuous in areas where there is a lot of common ground.

Teams embraced new black economic empowerment score cards that comply with government's more rigorous codes. The new methodology was applied many months ahead of official implementation date. Early feedback indicates our businesses are well positioned to meet new standards and maintain our BEE status – a business imperative as state enterprises, government departments and major corporates insist on a high BEE profile.

Performance

Pleasing results in a challenging environment were achieved. Client-side cost sensitivity was intense.

Revenue rose 24% to R9,0 billion (2014: R7,2 billion) and trading profit moved 21% higher to R636,9 million (2014: R527,5 million). The 12-month effect of the integration of Mvelaserve businesses acquired 20 months ago was beneficial. Newcomers Royalserve Cleaning, Protea Coin, SA Water, catering firm Royalmnandi and pie-maker Khuseti made positive contributions.

ROFE reached 95,5% and cash generation was strong.

Contract renewal rates of 64% to 90% remain among the highest in the country. Some clients have been with Services for decades. New cost pressure led to a spate of process reviews with clients. Savings were often achieved through new technology and resource sharing.

Capital investment increased by R56,4 million to R226,1 million (2014: R169,7 million). The focus falls increasingly on new technology to increase efficiency.

Products and services

TFMC was rebranded as Bidvest Facilities Management and stepped up its bundled services strategy. Further progress was made with efforts to diversify its customer base.

A small, Johannesburg-based landscaping firm, Classic Gardens, was acquired and rebranded as Bidvest Landscaping. It is aligned with our cleaning business, Bidvest Prestige. The newcomer bedded in well.

Khuseti continued to grow export sales and widened its Africa footprint. New King Pie franchisors have begun operations in Mozambique, Zambia and Namibia with eight new stores opened during the financial year.

Product development at Bidtrack concentrated on tracking and monitoring devices using long-life batteries. The service offering has been extended to now include tracking of rail freight and other equipment.

TMS launched a new system to accelerate and improve stocktaking procedures. SA Water invested in software to give added impact to tender submissions through the use of advanced graphics.

Many customer groups faced intense pressure and some downsized. We worked in partnership with clients on cost-efficient responses. Even in embattled sectors like mining, customer retention levels remained high.

Our detergents are all SABS approved

Dry cleaning methods are under development that will save thousands of litres of fuel as foam application and rotary brushing replace traditional dousing by water.

We are also beginning to use bio-degradable packaging.

Planet

Efforts to cut fuel, electricity and water usage are ongoing. Electricity consumption and fuel literage were well contained, though costs rose.

Generators are in place at our businesses, though material risk of loss only exists at our pie-making business.

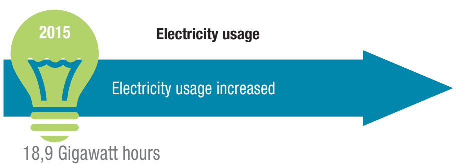
Our detergents are all SABS approved. We continue to explore the use of greener chemicals. Current focus is on bacteria-based cleaning agents, thus eliminating chemicals. Dry cleaning methods are under development that will save thousands of litres of fuel as foam application and rotary brushing replace traditional dousing by water.

We are also beginning to use bio-degradable packaging.

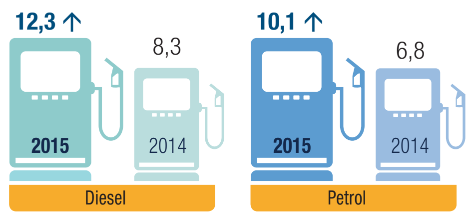
We completed a study into the economic viability of recycling and separation. In the coming year, efforts will be made to set up micro businesses at community level to complement recycling efforts.

GHG carbon emissions

Bidvest Services	
Direct emissions Scope 1 (tonnes of CO_2)	54 039
Indirect emissions Scope 2 (tonnes of CO_2)	19 058
Two main contributors	
Bidvest Pretoria Coin	
Scope 1 (tonnes of CO_2)	22 038
TFMC	
Scope 1 (tonnes of CO_2)	15 138



Fuel usage (Megalitres)



The team faced continuing challenges in the corporate travel environment, highlighting the need for technology innovation and diversification. BidAir gave an outstanding performance. Bidvest Car Rental successfully launched a new brand identity after a successful separation negotiation from the Avis Budget group.
Lindsay Ralphs | Chief executive, Bidvest South Africa

Bidvest Travel and Aviation

Allen Kotze | Financial director

ISAGO accreditation being achieved by all major stations creates a positive platform for 2016 performance.

The acquisitions of BushBreaks and Imperial Air Cargo contributed to growth, while the aviation businesses won new contracts and day and night cargo services were launched. The Premier Lounges network continues to grow.

Significant structural change is planned early in the new financial year with Travel and Aviation being consolidated into Bidvest Services and no longer operating as a separate division. Car rental operations have already been repositioned under the Bidvest Automotive banner.

Travel and Aviation businesses will, however, pursue opportunities for expansion through both organic and acquisitive growth. New opportunities have been identified in several niche areas.

People

People numbers

2015	6 112
2014	5 374

Training spend (Rmillion)*

2015	R33,4
2014	R37,4

**Including learnerships and bursaries*

South Africa's travel and aviation industry is small by world standards and severely over-traded in some sectors while rigorous international service and safety standards apply industry-wide. In this highly competitive, closely scrutinised environment, the key differentiators are excellent people who can deliver exceptional service while operating at efficiency levels that ensure price competitiveness.

Investment in quality people is continuous and training spend increased to R33,4 million (2014: R37,4 million). Development of black personnel is a priority and several team members were promoted to senior management posts while certain black directors took on additional executive responsibilities. The net effect is to ensure black talent is recognised early and has the opportunity to make a broader contribution to the business.

Our commitment to safety and service is reflected by International Air Transport Association (IATA) recognition.

All our major stations achieved ISAGO (IATA Safety Audit for Ground Operations) accreditation in 2015. This industry indicator is confirmation that an operation deploys properly trained people and invests in systems designed to reduce ground accidents and injuries.

Despite trading challenges, the business continued to grow and overall head count rose to 6 112 (2014: 5 374).

Decentralised managers stay close to their teams and relationships with employees are positive. There were no disruptions through industrial action.

Though car and van rental operations were transferred to Bidvest Automotive and rebranded, the process resulted in no retrenchments.

Unfortunately, a small number of travel jobs were lost as a result of lost volumes.

The impending introduction of new empowerment codes created a challenge as significant progress with enterprise development and preferential procurement could prove difficult in the short term. Rental fleet is clearly sourced from major suppliers while large items of equipment in the cargo and ground handling spheres are only readily available from established suppliers. In the travel sector, procurement spend is relatively low.

Travel and Aviation has helped to develop black suppliers in the past, but these operations are small and make little impact on overall procurement. In these circumstances, teams are looking intensely at new ways of supporting black business.

Performance

In an extremely difficult year, the business did well to drive up turnover by 12,2% to R2,7 billion (2014: R2,4 billion). Trading profit moved 5,3% higher to R444,0 million (2014: R421,4 million). Cash generation was disappointing but was driven by significant investments in equipment in our ground handling operation. Expenses were well controlled.

Aviation businesses performed strongly. Car Rental faced challenges as the 10-year licence from Budget came to an end. A three-month extension to March 2015 was agreed, but after that the 40-year Budget connection came to an end.

The business was rebranded as Bidvest Car Rental, a totally domestic car rental brand, and repositioned within Bidvest Automotive. Lack of an international platform impacted volumes in the short term, but a cohesive, highly motivated team largely negated lower sales by securing improved rates.

Travel businesses faced severe pressure as corporates cut travel spend and volumes fell. The loss of two large long-term contracts also impacted turnover.

High volumes are necessary to support customer rebates. Low volumes translate into fewer rebates. This affects competitiveness, and protecting market share becomes a challenge.

All businesses faced margin pressure.

Cash generation was impacted by the cost of investment and continued spending on new equipment and refurbishment programmes. Capital expenditure rose to R138,0 million (2014: R36,9 million).

Average return on funds employed fell slightly to 26,2% (2014: 27,5%).

Products and services

Product innovation never stops. This is particularly true of the travel business where new products, services and systems are continually introduced. For example, the Webjet online travel agency technology introduced last year was customised for the South African market and spearheaded our entry into leisure travel. Further system development occurred during 2015 and by year-end work was underway to make Webjet "mobile responsive", enabling leisure travellers to make bookings from handheld devices.

Continued efficiency gains helped our aviation businesses to structure extremely competitive tenders, resulting in a series of contract successes. Only one aviation sector contract was lost during the year – a low rate of attrition for such a competitive industry.

Price was clearly a factor in marketplace success, but gains were entrenched by the growing reputation of our aviation operations for service to global standards.

Growth was bolstered by the first contributions of newly acquired BushBreaks & More and Imperial Air Cargo (IAC).

Consolidation of IAC into our business enabled us to offer a day and night cargo service. Previously, we outsourced night cargo work. Now three dedicated freight carriers fly cargo by night. This not only added night freight to our volumes, daytime volumes also rose.

The acquisition of IAC from Imperial Holdings created an opportunity to integrate several complementary operations into a unified structure. From July 2014, cargo operations, ground-handling and Bidvest Premier Lounges were consolidated into the BidAir group.

The lounge at Cape Town International was refurbished and extended. A new lounge was also opened in Bloemfontein.

The aviation business invested in a new fleet of 19 buses to transport airline passengers and new ground handling and cargo equipment was purchased to tackle the added workload following contract success.

In the realm of corporate travel, we rolled out a booking tool that can operate as a standalone replacement for a travel management company (TMC) that operates from corporate premises or can be deployed to assist a TMC consultant. The offering can be programmed to apply travel policy parameters laid down by any corporate user.

BidAir launched a streamlined billing system while Bidvest Premier Lounges rewrote their front-end system, creating a more efficient check-in procedure and achieving better integration with the systems of their corporate clients.

The car rental business commenced the rewrite of its front-end system which will enhance efficiency and speed up processes.

Planet

Sound environmental practice has been followed for many years. These efforts were stepped up with rising energy and fuel costs.

Our car rental teams have for a long time used biodegradable detergents when washing cars. Recycled water is used whenever possible.

The impact of Eskom load-shedding is cushioned by location factors. Airports are categorised as national key points and are not normally subject to power outages. This is helpful as most of our operations are located at or near airports. Where outages occur and no back-up generators are available through the existing infrastructure, our businesses have invested in back-up systems.

	2015	2014
Water (Megalitres)	**89,0**	72,3

	2015	2014
% water volume recycled/reused	**5,7**	0

"Almost every business performed better than the prior year, most beat their budget and most developed sustained momentum."

Bidvest Foodservice

Bernard Berson | Chief executive, Bidvest Foodservice

Overview

The business registered a generally pleasing performance in a watershed year as the strategies developed since the global financial crisis gained further traction.

Revenue increased by 14,0% to R116,6 billion (2014: R102,3 billion) while trading profit moved 25,1% higher to R4,0 billion (2014: R3,2 billion).

All four geographic pillars did well. In the UK, profitability grew by 31,2% and overall represented 27,3% of total food group profit. Europe grew profit by 57,0% to 20,0% of the total. Australasia remained the largest contributor at 34,1% of the total after a profit increase 13,3% while Emerging Markets grew profits by 2,9% to 16,4% of the total.

Contributions came from over 30 sovereign countries and every continent except North America, underlining our global reach and the broad appeal of our unique product and service offering.

We witnessed continued improvement in the UK economy and renewed strength in parts of Eastern Europe. Some positive signs also came through in Western Europe.

Growth slowed in both Australia and New Zealand while most countries in our Emerging Markets portfolio faced economic headwinds. Despite falling growth in China, almost all of our Asian businesses performed well. Singapore is still in the midst of a strategic transition to the foodservice model.

Food group gains were made in an environment that was often characterised by zero or extremely low food inflation. In the foodservice industry, a measure of inflation is often helpful. It is testimony to the momentum achieved by our teams that they secured sustained growth without this form of assistance.

People

	2015	2014
Fatalities	**2**	0

People numbers

2015	23 639
2014	20 985

Training spend (Rmillion)*

2015	R24,4
2014	R18,3

Including learnerships and bursaries

Our success is driven by people. Irrespective of what systems you develop and the technology you employ, there is no substitute for good people.

Unfortunately there were two fatalities in our South African division this year, both as a result of road accidents. We extend our condolences to the families.

A central element in our business strategy is the attraction, retention and development of the right people. The criteria for selection and development of these contributors to our growth may or may not include high levels of academic qualification. What will always be relevant are their industry experience and knowledge, their enthusiasm and their ability to add value.

Their contribution was absolutely critical in a year when many teams achieved sustained growth in highly competitive markets within economies afflicted by low GDP growth.

Sometimes the challenge for our people is not how to achieve counter-cyclical growth, but how to maximise the potential within economies that show signs of recovery.

Economic recovery creates its own set of business challenges. One of these is the recruitment and retention of good people who suddenly have much greater career choice, perhaps in entirely different sectors.

This challenge spotlights the need for consistent investment in training, workplace safety and infrastructure. Thanks to sustained commitments in these areas, we offer a stimulating, safe and congenial working environment that provides constant opportunities for personal growth by those who embrace the Bidvest culture, with its focus on independent decision making and personal initiative.

In 2015, many of our people in a wide range of geographies made the most of these opportunities.

Performance

Almost every business performed better than the prior year, most beat their budget and most developed sustained momentum.

Four strategic drivers were evident:

Balance – Our teams continued the quest for the appropriate weighting of large, medium and small customers within the wider customer mix, while guarding against over-reliance on any single account or category of business.

This creates customer service challenges as each category of customer has different needs. It is up to our teams to understand every market segment in which they operate, stay close to customers and anticipate their requirements.

Value – We sought continued growth in areas where we can add value and thereby deepen our relationship with customers. The alternative is to passively acquiesce in the commoditisation of food products and services. Undifferentiated operations in a commoditised environment degrade the business. One is perceived simply as a transporter of food cartons. There is then a risk that one becomes trapped in a "race to the bottom" on contract prices and margins.

In contrast, a value-add mindset requires a proactive approach that delivers a direct benefit to customers. This necessitates constant innovation, enabling one to deepen the customer relationship.

Living the value mission also demands a certain amount of courage as one may need, on occasion, to turn one's back on commodity business. Volumes may be high, but returns are generally low, with few opportunities to add value. It may then be necessary to exit certain contracts. This nettle was firmly grasped by several operations, notably in Australia.

Focus – Our core focus on foodservice was continually reinforced as this is the area in which we can add the most value, thanks to our experience, expertise and infrastructure. Again, tough calls sometimes have to be made.

This challenge has been showcased in Singapore where the business has reinvented itself over the last two years. Traditionally, trading activities dominated its operational mix, focusing management attention on trading risks in often volatile commodity markets. The Singapore business therefore refocused its activities, moved away from trading and built up its foodservice offering. This process reached a tipping point late in the period when the business closed its wholesale trading arm and a growing foodservice business delivered pleasing profit on lower volumes.

Within the overall focus on foodservice, a key area is the freetrade market, also referred to as the street or independent market. These customers often run small or micro businesses or perhaps a network of small to medium-size businesses. They are active in the hotel, restaurant and catering sectors.

These customers typically confront skills and space shortages in the kitchen and look for solutions that save them time while helping them reduce waste and enhance their profit. Smart solutions from a responsive foodservice partner therefore create opportunities for us to add value while better managing our own margins. Growth of freetrade volumes underpinned our 2015 performance.

Decentralisation – The Bidvest model is built on the concept of ownership by independent teams who decide day-by-day what is best for the business. Local autonomy accelerates decision making and leverages local knowledge. Confirmation of the power of decentralisation was provided, among others, by UK operations. In Britain, strong growth was delivered by three distinct businesses – Foodservice, Logistics and Fresh. Local teams running very manageable, very nimble operations are well placed to achieve continued growth. The embrace of a decentralisation ethos involves a journey. This journey is well underway in the UK.

The diversity of the food group is our greatest strength and is reflected by a comprehensive product offering, range development, logistical capability, market penetration and technology.

Every business in every geography specialises in what it does and what is relevant for its market.

Bidvest

Though the uniqueness of each operation is respected, a strategic effort has been made in recent years to break down any silos and encourage the sharing of information and learnings.

In 2015, it was remarkable to see the high level of engagement that our global teams have with one another.

Decentralisation remains a core pillar of the business, yet we witnessed growing cooperation between our operations, without interference from a central head office. One effect is to accelerate positive developments, as teams adopting new products or systems are helped along the learning curve by colleagues from another geography who have already implemented similar innovations.

Acquisitions

In 2015, we had the benefit of the full-year effect of our 60% interest in Brazil's Distribuidora E Importadora Irmãos Avelino. The foodservice business was acquired in January 2014 to give further impetus to our expansion into South American markets. The acquisition bedded in well.

With effect from the beginning of our 2015 year, we acquired a controlling interest in Gruppo DAC S.p.A. (DAC), a leading Italian foodservice provider. The vehicle for our entry into the Italian market made pleasing progress.

In the UK, we purchased PCL 24/7, a chilled products storage and distribution business that gives added bulk to our existing logistics operations. Consolidation of the two businesses enabled further growth in an important market.

Several smaller bolt-on acquisitions were concluded in various markets.

E-commerce

The development of e-channels is no longer revolutionary. Evolution is the order of the day. All teams are growing their e-commerce volumes while finding new ways to assist customers through apps and internet and mobile solutions.

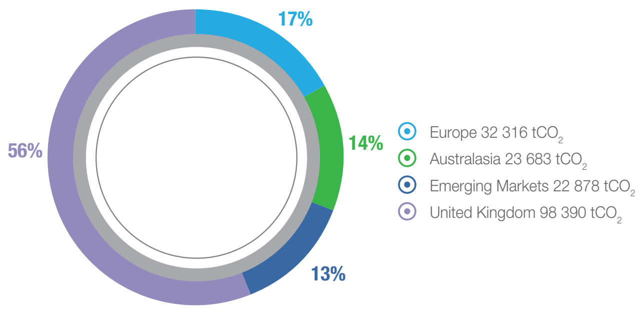
System enhancement is non-stop.

In several markets, we are leaders in the e-commerce space and use these tools as an effective means of entrenching customer relationships. Investment will therefore be maintained and in many cases will be stepped up.

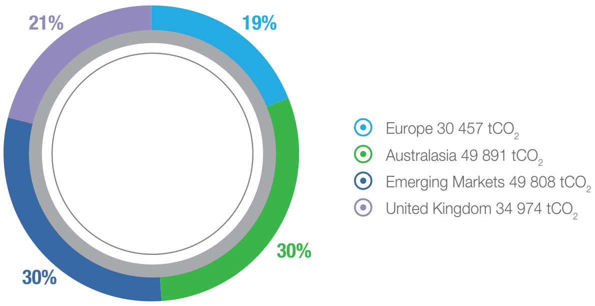
Planet

Carbon by geographical split

Direct emissions Scope 1 | (tonnes of CO_2)



Indirect emissions Scope 2 | (tonnes of CO_2)



Environmental issues dominate any long-term strategic view of our business's continued development. As population numbers continue to grow, so do pressures on resources. Though low food inflation is a feature of current markets, it is doubtful this will persist in the long term.

As pressure on resources grows, we can expect government and consumer attention to focus on sustainable solutions. It is our job to provide them.

Environmental awareness already has an impact on our market. For instance, it is increasingly evident that a growing number of consumers check pressure on fish resources before selecting the fish they would like to buy. This is just one example of how demand can be influenced by environmental considerations.

From a reputational standpoint, it is vital for our business to be perceived as a trusted solution finder with total commitment to sound environmental practice. Our businesses therefore cooperate fully with the authorities on environmental and public health issues.

Often, the effort to reduce environmental impacts coincides with efforts to control our cost base as our teams already take steps to reduce the use of water, electricity and fuel. In addition, we pay close attention to food safety, "green" product development, and the practices adopted by our suppliers. Healthy food choice is also gaining relevance.

Among consumers and many of our business-to-business customers we see growing focus on food product provenance. Local production supports local growers and breeders while reducing "food miles", thereby achieving added fuel efficiency. We embraced these trends at an early date and today witness continued growth of local and organic food ranges.

Our sales teams collaborate with many small, locally focused restaurants and hotels. One area of collaboration is menu development. It is noteworthy that when menus are changed, increased prominence is given to fresh local products and local dishes, along with details of how local food ingredients find their way into recipes. We stay close to these developments as the growth of the Fresh category is a strategic point of focus for our business.

When sourcing products from suppliers, we not only consider price and the ability to meet quality specifications, we also consider the labour practices adopted by the company concerned.

Environmental sensitivity is built into the way we do business. This is not going to change. In fact, we expect sensitivity to become more acute.

Products and services

In line with our decentralisation philosophy, product development was once again driven by local teams close to their local markets.

One common dynamic was evident – the creation of products for our customers that cut waste, save time and create business growth opportunities.

Portion-controlled products, pre-cubed, pre-sliced, par-cooked and marinated products all add value as they reduce preparation time and often enable our customers to offer a premium option.

The future

We are extremely excited about future prospects, even though we expect continued challenges across all food group geographies. The impact of falling growth in China demands particular attention.

We cannot control economic forces and the drivers of GDP growth in markets from South America to the Baltic Republics. What we can control is the ability of our businesses to meet customer needs, achieve efficiencies and strive for competitive advantage. All our operations are focused on these challenges and are well positioned to address them.

We also have opportunities to leverage our broad geographic footprint.

For example, our entry into the Italian market gives us a base from which to address global demand for Italian cuisine as the DAC relationship creates "made in Italy" procurement synergies. Already, several of our businesses are exploring the best way of bringing these products to their markets.

Similarly, we now have a presence in Brazil and China. We are therefore well placed to meet demand for Chinese specialities or products with a Brazilian ambience.

All our businesses are tracking well and have built solid momentum. Each team is committed to maintaining this momentum through further gains in market share. Organic growth is the major driver. Small, bolt-on acquisitions may occur, but no major acquisitions are in the pipeline at the moment.

Our businesses in Australasia, the UK and Europe have made good progress. We see potential for further growth in all these regions. Emerging Markets has faced various challenges in the recent past. These challenges may continue, but our teams have demonstrated their ability to secure growth in difficult trading conditions. Bidvest resilience such as this will stand us in good stead in all geographies.

Regional overview

United Kingdom

Bidvest Foodservice (formerly 3663)

Rebranding under the Bidvest Foodservice identity was completed. The team performed strongly and began the process of simplifying the business and buying into the core Bidvest philosophy of decentralisation. A smaller team under new leadership drove significant cultural and operational changes. The new dynamic and significant new infrastructure investment contributed to sales growth across all parts of the business.

Progress during the year suggests that the appetite and capacity are there for continued growth.

Good cooperation with the sister businesses at Logistics and Fresh was a feature of the year.

Bidvest Logistics

The core QSR business performed well, despite a zero food inflation environment. A major national account was secured for 10 years along with related Fresh volumes. Another QSR chain renewed its contract.

Newly acquired PCL delivered the anticipated gains and settled in well. The consolidated business emerged as a meaningful player in the UK's growing food logistics industry.

The realisation of further gains from the PCL acquisition is a priority going forward.

Bidvest Fresh

The business recorded another pleasing result, with good contributions from Seafood and Produce. Henson's, a London meat business, was acquired and performed ahead of expectations. Growth opportunities in produce, meat, speciality and cheese are receiving focused attention. Further impetus in the year ahead will be provided by the absorption of the Swithenbanks Fresh and Fine Foods business (from 3663).

QUICK LINK: *http://www.bidvest.com/ar/bidvest_ar2015/pdf/comparative-sus-data.pdf*

Operational review Bidvest Foodservice

Europe

Bidvest Deli XL Netherlands

Markets were under pressure and operations were impacted by a significant fall in institutional business. Contract renewal and margin management were focus areas, as was cost reduction.

Bidvest Belgium

The economy remained sluggish and performance was subdued. The transition from a logistics operation into a foodservice business continued. The priority for the year ahead is further growth of independent volumes. A base has been established with the potential for continued gains.

Bidvest Czech and Slovakia

The businesses achieved record results, underpinned by strong performances across most aspects of the operation in both jurisdictions. This indicates that work to rebalance the business has made significant progress. Historically, substantial gains were largely driven by good summer weather and strong ice-cream volumes. Sales success is now being achieved across a much broader product mix, with good contributions by both Foodservice and Retail. A fourth depot in Czech was opened – this one in Pilsen – and a Fresh business acquired.

Farutex Poland

Pleasing results were achieved. Investment in new infrastructure contributed to the strong performance. The exit from several large but low-margin accounts was completed. Expansion into new areas such as fresh fish, wine and meat was successful. The business is well positioned to secure continued growth as Polish incomes rise and lifestyles change.

Bidvest Baltics

Concerns arose around the Ukraine-Russia confrontation and possible ramifications in the Baltics. However, there was no noticeable impact on our businesses in Latvia, Estonia and Lithuania. All operations made continued progress and sustainable profits were achieved in Lithuania.

DAC Italy

The business is positioned as a credible number two player in the national market. The business has long had a strong base in the north of the country. Increased attention is being given to growing the business in central and southern Italy. Late in the period, a Rome warehouse went into operation. Frozen capacity is being expanded in Flero and Padua.

Sales volumes were strong and new monthly records were achieved in the fourth quarter. The street market made a strong contribution to overall results.

As the year closed, a growing number of food group companies were sourcing “made in Italy” products from DAC.

Bidvest Spain

The market presents us with sizeable opportunities. The population is large, tourism is huge, eating out is embedded in the lifestyle and the economy is beginning to revive. Strong growth is possible from what is currently a small base.

Australasia

Bidvest Australia

Rebalancing of the portfolio continued and the business exited some large logistics accounts offering small margins. This inhibited sales growth and volumes eased only marginally higher. Profits, however, showed marked improvement. The Fresh and Meat offerings continued to grow and the business finished the year strongly as the transition to greater freetrade focus gathered momentum.

A further step on the road to a more balanced business was taken early in the new period when the Hospitality Supplies business was sold.

Bidvest New Zealand

Another strong performance was put in, with pleasing gains across most parts of the business. Constant innovation was a feature of the year. The core Foodservice operation made continued productivity improvements and Fresh maintained its record of improving its results every year.

Emerging markets

Bidvest Food Southern Africa

In a difficult economic environment, the business put in a relatively good performance. The Foodservice business led the way. Its multi-temp strategy continues to deliver customer service gains while fostering further efficiencies. Continued e-commerce growth was achieved; 26% of Foodservice turnover is now along this channel.

The Bakery and Ingredients businesses showed some growth while streamlining operations and improving manufacturing capabilities and efficiencies.

The Patley’s speciality foods business put in a disappointing performance and early in the new period was sold, subject to regulatory approval.

Bidvest Food Southern Africa grew profits by 5,2% overall but, excluding Patley’s, core growth was closer to 9%, a commendable performance in the South African trading environment.

Angliss Greater China

Good growth and product and market innovation were features of the year. Greater China growth strongly outpaces growth at the mature Hong Kong business. Sales in the mainland cities of Shanghai, Beijing, Guangzhou and Shenzhen exceeded expectation while growth continued in the second tier cities of Changsha, Xian, Sanya and Wuhan. A fall in Chinese tourism was negative for Hong Kong and Macau is challenging.

Angliss Singapore

Further reductions were made in non-core market activity. Continued progress was achieved by the core Foodservice business, though momentum has been slow to build.

Bidvest Chile

Operations made good progress in a slowing economy. The business was significantly scaled up 18 months ago following the acquisition of a Santiago-based foodservice company. Greater scale creates a platform for further growth.

Bidvest Brazil

Economic conditions in Brazil worsened considerably during the course of the year and the challenging environment may persist for some time to come. The business remained highly profitable, even though some market segments declined by more than 25% – an encouraging performance in our first full year in the Brazilian market.

Brazil is a vast country with a young population and significant growth potential. In Irmãos Avelino we have a robust platform from which to pursue these opportunities.

Bidvest Middle East

Overall results improved in the fourth quarter and our core Foodservice businesses in the UAE and Saudi Arabia once again did well. Challenges related to retail operations in the UAE and our start-up joint venture in Lebanon. In addition, a slowing economy put pressure on Aktaes Turkey. In the new period, Turkey will now form part of the European portfolio.

Sebulon Kankondi | Chief executive, Bidvest Namibia
Theresa Weitz | Financial director

Overview

Trading profit declined to N$400,2 million during the period on a 2,6% increase in turnover.

Operating profit was bolstered with the N$101,9 million profit on the sale of *MFV Starfish*. There was a significant decline in the Fishing division's trading profit due to lower quota allocations.

There was successful product innovation in the face of quota reductions and a strong second half at Angolan business.

The Commercial and Industrial Services division showed strong revenue and trading profit growth.

Freight and Logistics experienced a decline in project activity and the Food and Distribution division's performance was disappointing.

Renewed growth will be sought in 2016 though the acquisition of sufficient fishing quotas will be crucial. Bidfish contributes 80% or more of our profit. It reacted energetically to lower quotas and will continue to innovate.

One vessel from our fleet has been sold and the sale of a second is imminent. This will help refocus the business.

Angolan operations are well positioned for growth.

Bidfish purchased the Glenryck brand late in 2015, paving the way for increased penetration of more African markets.

At Bidcom, the pursuit of efficiencies and savings will continue and further growth will be pursued into the SME channel.

People growth is a priority. New methods of incubating and attracting top talent will be explored.

A strategic acquisition was finalised early in the new year when we purchased the Novel Motor Company. This motor retailer is poised to become a separate division, bringing the prospect of new growth in new areas.

People

People numbers

2015	3 319
2014	3 239

Training spend (Rmillion)*

2015	R3,8
2014	R2,7

Including learnerships and bursaries

We are one of Namibia's largest employers and job creators. Our staff are innovative and resourceful and to ensure continued high levels of motivation an employee effectiveness survey was conducted. The 73% response indicated our people are happy to share insights. The survey confirmed a high customer service ethos across all teams.

We continually invest in training and development, and have achieved sustained employment equity gains. Namibianisation programmes are a priority.

In 2015, 1 319 of our people attended formal training while total training investment reached N$3,8 million. We enrolled 60 people at educational institutions. N$0,3 million in bursaries was awarded. Learnership investment topped N$3,6 million

Our Walvis Bay Training and Development Centre is a core resource and when necessary a satellite centre serves Windhoek staff.

We also send high-potential managers to the Bidvest Academy in Johannesburg and are piloting a two-year rotation system that supports formal management training with executive level exposure across our business.

It is a point of pride that we provide a healthy and safe workplace. Our fishing businesses assign safety officers to all vessels. Larger vessels have full health and safety committees on board. Regular fire-fighting, first aid and safety courses are run.


Performance

Turnover increased by 2,6% to N$4,1 billion (2014: N$4,0 billion) while trading profit declined to N$400,2million (2014: N$493,7 million). However, operating profit was bolstered by a N$101,9 million book profit on the sale of the fishing vessel *The Starfish* to Carapau, a joint venture with three partners in which we hold a 25% stake.

ROFE dipped to 28,9% (2014: 37,7%).

Currency weakness was generally beneficial and lower oil prices helped contain fuel costs.

Our Bidfish fishing operations were impacted by a further cut in the horse-mackerel quota. Two trawlers from the horse-mackerel fleet were laid up for a time, though jobs were protected as far as possible.

Pilchard fishing was impacted by a lower total allowable catch.

Pesca Fresca, our Angolan joint venture, achieved significant improvement following a strong second half. Reinvention of Tetelestai Mariculture as an open ocean oyster farm proved successful.

Bidcom – our commercial operation – confronted a range of challenges.

Freight and Logistics was impacted by an oil industry slowdown and lower freight volumes as project work declined.

The diversified business model at Freight and Logistics showed its defensive qualities. As oil exploration rigs were laid up, demand firmed for ships agency services and volumes rose at Ocean Liner Services.

Manica's freight volumes fell, but the contract continued for logistical support to the new acid plant at the Tsumeb copper mine. Manica also provided services to the Husab uranium mine.

Marine Services benefited from timely innovation and did well. Terminals had a difficult 12 months, with stevedoring under pressure. Transport performed below expectation in the first half, but staged a recovery. Trading won new business.

Commercial and Industrial Services made continued progress on greater management focus and efficiency gains. Several businesses benefited from evolving partnerships with SMEs.

Waltons faced margin pressure, but grew sales. Kolok focused on its core consumables business in a challenging market. Sustained growth was seen at Konica Minolta thanks to dedicated customer service.

Service commitments underpinned performance at Rennies Travel and leisure activities grew. Cecil Nurse optimised project market opportunities. Steiner grew on successful innovation. Almost single-handedly, this business has created Namibia's corporate hygiene sector. Voltex had a difficult year.

Food and Distribution was under pressure. A major contributor to lower volumes was a cancellation of a distribution agreement for chicken, traditionally one of the business's largest selling lines. However, the turnaround was maintained at Caterplus. Taeuber & Corssen's (T&C) achieved sales growth in some categories while new items were added to the brand bouquet. Integration into T&C of ProTrade was completed and a uniform IT system established.

Products and services

Bidfish reacted vigorously to quota reductions and a new business – Carapau – created a platform for partnership with fishing industry entrants.

Namsov, our horse-mackerel specialist, completed a comprehensive feasibility study into refrigerated seawater fishing.

At Freight and Logistics, newly launched Rennies Transport made good early progress, confirming solid demand for forklifts, stackers and materials handling products.

The Freight and Logistics bunkering service (launched in July 2014) had a good year while Manica Business Centre (also established in the prior period) grew its range.

Marine Services launched Orca, a ski-boat "taxi service". The new operation achieved good early volumes.

Marine Servicing and Trading was expanded into a single-source ships chandler service.

Lubrication Specialists, part of Trading, secured exclusive Namibia distribution rights to most of the lubrication products of one of the oil majors.

Namsea's pilchard canning plant launched two new products – curried hake and pickled hake. Other offerings included a meal in a can, horse-mackerel in a can, canned minced hake, minced horse-mackerel and minced pilchard.

Namsov investigated various weight, sizing and packaging innovations.

QUICK LINK: *http://www.bidvest.com/ar/bidvest_ar2015/pdf/comparative-sus-data.pdf*

Operational review Bidvest Namibia

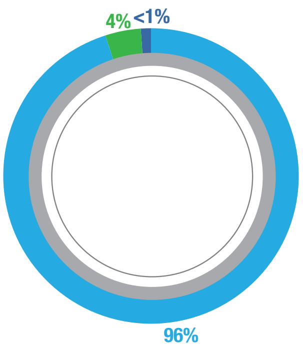
Products and services

Product	Our 2015 fishmeal production again accounted for less than 5% of total wet landings while by-catch was less than 1% of total catches

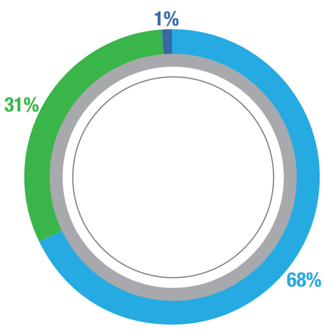
Planet

Total GHG carbon emissions

Direct emissions Scope 1 | (tonnes CO_2)



Indirect emissions Scope 2 | (tonnes CO_2)



	2015	2014
Waste (tonnes)	35 130	25 848

Continued conservation of fish resources is critical to us. For many years, we have collaborated with the Ministry of Fisheries on this issue and, despite ongoing pressure on fish stocks, the resource has been well managed.

Inspectors are regularly hosted on Bidfish vessels and receive every cooperation.

Gear restrictions are rigorously observed, keeping the harvesting of juveniles to a minimum.

Crews maintain strong focus on by-catch reduction. Our on-board controls exceed minimum legal requirements. Our 2015 fishmeal production again accounted for less than 5% of total wet landings while by-catch was less than 1% of total catches.

Three Namsov vessels and the Walvis Bay canning plant had the Hazard Analysis Critical Control Point (HACCP) certification by mid-2015.

Sustainable environmental practice is embraced by all divisions. Fuel and energy efficiency, and responsible waste management are priorities.

Environmental and business benefits are also achieved through rigorous control of cold storage and air conditioning. Food safety is another priority.

Our economy was increasingly challenged by power disruptions as Namibia faced the knock-on effects of South African power instability. Some of our businesses have now invested in back-up generators. We commit fully to customer service. Further investment in generator capacity may be necessary to assure service levels.

Overview

Johannesburg-based Bidvest Corporate complements the work of decentralised operational divisions through a range of services, including:

Services

- Access to corporate finance
- Bidvest brand support
- Compliance
- Executive training and oversight and management of Group-wide financial services
- Investor relations and corporate communications
- Risk and sustainability issues
- Strategic direction

The corporate centre adds further value by identifying strategic and investment opportunities while promoting experience sharing across divisions and fostering synergies and savings. Bidvest Corporate also houses certain Group investments.

The Bidvest Properties portfolio forms part of the Bidvest Corporate division.

People numbers

2015 | 1 017

2014 | 909

Planet

	Scope 1	Scope 2
Carbon emissions (tCO_2)		
Ontime Automotive and Mansfield group*	17 276	1 366
Bidvest Wits Football Club	25	–
BID Corporate Services	15	381

* *A transport, rescue and recovery operation in the UK which accounts for most of Bidvest Corporate's carbon emissions.*

QUICK LINK: *http://www.bidvest.com/ar/bidvest_ar2015/pdf/comparative-sus-data.pdf*

QASA

"Developing the full potential of quadriplegics and paraplegics."

Bidvest employees participate in an annual Bidvest Unity Walk and make a substantial donation to QASA for individually configured wheelchairs for those who cannot walk.

"Bidvest has given us the opportunity to seat and mobilise quadriplegic and paraplegics, strengthening independence" Ari Seirlis, QASA CEO.

500 beneficiaries


Bidvest
14588
Bidvest
31001

Financial overview
Financial director's review

David Edward Cleasby | Group financial director

"Profits ensure sustainability and sustainability keeps employees in jobs."

Highlights

- Turnover rises to R204,9 billion (2014: R183,6 billion)
- Gross profit percentage up to 20,8% (2014: 20,3%)
- Trading result rose 11,7% to R9,5 billion (2014: R8,5 billion)
- The increase in operating expenses on a like-for-like basis is well controlled
- Net debt dips to R7,8 billion
- Cash generated by operations up 9,1% to R11,7 billion (2014: R10,7 billion)
- Distribution per share rose 9,0% to 909,0 cents (2014: 834,1 cents)
- Italian and UK acquisitions quickly cash generative
- Working capital absorption down to R0,1 billion (2014: R0,5 billion), despite growth, increased costs of replacement inventories and acquisitions

Overview

The year was a tale of two shores, offshore and on. In general, performance by international operations was pleasing and positive. In South Africa, low growth, uncertain power supplies, waning business confidence and belt-tightening by hard-pressed consumers created headwinds. However, trading results at Bidvest South Africa held up reasonably well, especially in the first half. Business conditions worsened later in the year. The full-period inclusion of the 2013 Mvelaserve acquisition proved beneficial.

Despite macro challenges, several local operations achieved a measure of growth, though Consumer Products was impacted by low consumer spending while lower commodity volumes were clearly negative for Freight.

The value of geographic diversification was highlighted as results overall were very credible.

Results at the food businesses were underpinned by strong performances in Australia, New Zealand, the UK, Czech Republic and Poland while the Group newcomers in Italy and the UK made a pleasing contribution.

Windhoek-listed Bidvest Namibia was again under pressure and trading profit fell.

Investment income disappointed.

Acquisitions and disposals

Acquisition activity focused early in the year on the Italian and UK foodservice markets. Brescia-based Gruppo DAC S.p.A (DAC) and PCL 24/7 Limited bedded in well and were cash generative. Their results were in line with expectations.

Several small bolt-on transactions were concluded at business unit level.

Post-year-end, further strengthening of Bidvest's South African interests occurred with the R446 million purchase of Plumblink, a specialist supplier of plumbing equipment and bathroom accessories. The business complements the industrial sector activities of Bidvest South Africa. The transaction has now been approved by the Competition Commission and became effective from July 1 2015.

Early in the second half, the Group sold the Protea Coin cash-in-transit, cash processing and Cameo devices businesses – previously part of the Mvelaserve acquisition – to Fidelity Services.

Océ, the digital printer supplier, has also been sold.

Adcock Ingram

Bidvest acquired an additional 8,4% of the equity of pharmaceutical firm Adcock Ingram for a further R737 million, taking its total stake to 43%. This was reduced to 37,7% post-year-end to accommodate new BEE structures. The new BEE arrangement requires existing shareholders – principally Bidvest and the Public Investment Corporation – to make available at least 15% of Adcock equity to new empowerment partners.

Settlement will be deferred for four years, during which period Adcock Ingram will pursue strategic growth while benefiting from improved B-BBEE credentials.

Investments

Bidvest took its interest in travel and tourism company Cullinan Holdings to 19,5% following the purchase of a further 9,9% stake from Imperial Holdings. Cullinan owns well-known travel brands such as Springbok Atlas, Thompsons and Hylton Ross.

The Group maintained its 25,8% shareholding in Comair Limited. The airline experienced tough trading conditions in its second half and earnings declined.

Investment income showed a substantial decline due to reduced fair value and mark-to-market gains on the investment portfolios, the impact of which equates to 3,4% of headline earnings per share (HEPS).

Net headline earnings adjustments in the year totalled R177,2 million, made up primarily of a R305,0 million fair value impairment of the investment in associates, offset by profit on the disposal of property, plant and equipment of R151,4 million.

Associate earnings rose significantly following the full-year inclusion of Adcock, which became an associate in March 2014. Despite this full-year contribution, the impact of the Adcock acquisition has been a negative 2,7% on HEPS.

In 2015, total net investments in subsidiaries, businesses, associates and investments totalled R3,0 billion (2014: R5,3 billion).

Financial performance

Turnover reached R204,9 billion (2014: R183,6 billion) and the gross profit percentage rose to 20,8% (2014: 20,3%). Operating expenses remained well controlled, rising in rand on a like-for-like basis to 6,2%. This figure excludes the effects of foreign currency translation and the impact of the DAC and PCL acquisitions.

The average rand exchange rate weakened against the pound sterling, however, appreciated against the euro. The net result was a 0,8% improvement in trading profit.

Net finance charges were 6,8% higher at R1,1 billion (2014: R1,0 billion), principally a function of financing acquisitions that were not fully included or included at all in the prior year. The material new investments included Mvelaserve Limited (Mvelaserve) and Adcock Ingram for the full period, PCL and DAC.

Net finance costs were further impacted by utilisation of working capital through the year and South Africa's rising interest rate environment.

Share-based payment costs rose to R228,6 million (2014: R187,1 million). This reflects the new allocation of long-term incentives to staff at a higher share price. Acquisition costs eased higher to R74,2 million (2014: R74,0 million).

The Group's financial position remains robust. Growth in total assets reflects the effects of recent acquisitions on goodwill and intangibles, normal levels of capital expenditure on property, plant and equipment and trading activity in inventories and receivables.

Despite the outlay of funds for DAC, PCL and other acquisitions totalling R3,0 billion, net debt has declined to R7,8 billion against R7,9 billion at June 30 2014.

Trading profit interest cover (excluding the finance costs of the Adcock investment) is 11,3 times (2014: 9,4 times). This figure is comfortably above the Group's self-imposed targets. Bidvest's attitude to gearing remains prudent while adequate "headroom" has been retained to accommodate expansion opportunities.

Cash generated by operations before working capital changes increased by 9,2% to R11,7 billion (2014: R10,7 billion).

Working capital management improved despite our continuing growth, the impact of the rand's devaluation on replacement inventories and acquisitions. Bidvest absorbed R0,1 billion of working capital in 2015 compared to R0,5 billion in 2014. This reflects the strong management focus on inventory levels, accounts receivable and payable and cash. Net working capital days decreased to 10,0 days (2014: 10,8 days).

Distribution

A distribution of 909,0 cents per share was made (2014: 834,1 cents). This is a rise of 9,0%.

Efficiency focus

Containment of the cost base remains a priority across the Group, driven by the need to remain competitive in highly volatile economic conditions. Several of our businesses engaged in restructuring and regrettably some jobs were lost in these exercises. Strong focus on savings is being maintained as cost pressures continue to grow.

In South Africa, inflation was driven higher by the rising cost of electricity and other administered costs while wage increases above prevailing inflation are consistently awarded.

Simultaneously, the business-to-business environment was characterised by intense resistance to price increases. This resulted in margin pressure across many industries and jurisdictions.

Increasingly, in all Bidvest geographies, ongoing focus to identify areas of potential saving results in innovative systems being deployed to drive efficiency gains. Learnings and ideas are shared across our businesses, notably in the e-commerce arena, helping us implement smart solutions faster and with minimal disruption.

Energy security

In South Africa, businesses face a further complication in the quest for cost efficiency as power supplies remain uncertain while the monopoly supplier continually increases tariffs. This is not the only form of cost pressure. Many of our South African businesses are forced to invest in standby generation capacity, sometimes at numerous sites. Capital expenditure therefore rises and the additional cost of diesel ensures that operational costs move higher every time the generators are switched on.

Cost drivers like this are difficult to contain, even though our teams constantly strive to cut power usage as part of their twin commitments to operational efficiency and good environmental practice.

Ultimately, the impact of this increased cost and the service inefficiencies arising from load-shedding are felt by our business customers who, in turn, pass the price increases on to consumers.

Interest rates

The South African authorities are clearly becoming concerned about rising levels of inflation while keeping careful watch on the American Federal Reserve and any rise in US interest rates. The Fed held off the start of interest rate increases during the review period, but the expectation is that a rise is inevitable at some stage and that American rate "normalisation" will then continue, albeit at a slow pace in small, incremental steps.

Whenever they are implemented, higher US rates will almost certainly have significant knock-on effects on emerging markets, especially South Africa as our market is highly liquid and is often treated by global fund managers as a proxy for all emerging markets.

Our authorities signalled their sensitivity to these issues in July 2014 when local rates rose by 0,25%, presumably in anticipation of inflationary pressures to come while taking a defensive stance as a more jaundiced international view of emerging market risk was widely expected during the course of 2014 and 2015.

Similar considerations appeared to be in play in July 2015 when another 0,25% rate rise was announced by the South African Reserve Bank. This means South Africa has experienced three rate hikes in 18 months. The first – a rise of 50 basis points to 5,5% – occurred in January 2014.

The trend is clear. South Africa has entered a rising interest rate environment and the period of low interest rates is behind us.

Our capacity and desire to access capital markets remain, but timing is of the essence. Markets appear to have largely anticipated the trend to gradual rate increases, though intra-week volatility has been quite marked.

Rising rates clearly have an effect on borrowing costs at an acquisitive business like Bidvest. In practice, however, the net effect can be cushioned as rising rates may temper the selling price expectations of some vendors.

Three key issues dominate the South African interest rate debate: how long will rates continue to rise, how high are rates likely to go, and how severe are the emerging market effects likely to be once the Fed finally announces a rate rise?

Ratings

In South Africa, a further issue with wide ramifications for the cost of borrowing involves our sovereign credit rating. For the last year, South Africa's sovereign rating has been one notch higher than so-called junk status.

In September 2015, Moody's Investors Service, the international ratings agency, affirmed South Africa's sovereign rating at Baa2, with a stable outlook in view of expectations that government would remain on the path of fiscal constraint in the current environment.

This was welcome news, though any deviation from fiscal discipline will clearly lead to renewed concern around our sovereign rating.

In November 2014, Moody's affirmed Bidvest's national long-term rating of A1.za with a stable outlook. Early in the second half, the Fitch ratings agency affirmed our Group's national long-term rating at AA (zaf), again with a stable outlook.

The rand

Speculation about a Fed rate rise was negative for many emerging market currencies, including ours, and the rand again endured a period of sustained weakness. In the eight months to August 2015 the rand weakened nearly 10% against the dollar, partly on the back of an emerging market sell-off by international investors. Falling commodity prices added to the pressure as the rand – like the Australian dollar – is regarded as a commodity currency.

The average rand exchange rate weakened against sterling, but our currency fared somewhat better against the Australian unit and the euro. At times during the year, several currencies – including the euro – experienced considerable volatility.

Risks, reporting and engagement

The ailing rand remains a key risk as exchange rate weakness could fuel further inflation here in South Africa. Bidvest teams, however, have shown a remarkable ability to ride out the tough times and achieve growth.

It should be remembered that Bidvest's decentralised business model is not dependent on one technology set, one currency's performance, one policy environment, one jurisdiction or one industry.

At operational level our teams face a wide range of risks. These are addressed through robust risk identification and mitigation processes. Risk reporting takes place at Group, divisional and local level, business by business.

Clear, simple and straightforward reporting underpins all engagement with stakeholders. Simplicity and transparency are core Bidvest values.

Bidvest has developed its own set of integrated reporting tools that enable uniform and consistent measurement across a wide range of categories. Meaningful data is gathered at all organisational levels.

Measurement and engagement

Bidvest has always taken a holistic view. We believe there is no such thing as non-financial reporting. Every measurable factor has potential impact on performance. Environmental and social issues often highlight areas where efficiency can be improved and costs saved.

Executives and management are available to stakeholders as required and make themselves available for face-to-face interviews, question-and-answer sessions and personal presentations.

In a digital world, a commitment to openness is a commitment to multiple formats. To support regular interaction we increasingly make use of new media, including blogs to share information with staff, video and teleconferencing, and social media.

Information flows are supply driven rather than demand driven. Stakeholders have never had to lobby Bidvest for more, better or timelier reporting. There is no need. We created the data streams and communication forums well ahead of time.

Compliance matters

Regulators and investors increasingly expect regular and transparent communication. We respond. Management gives increasing time and attention to reporting and compliance issues.

In recent years, financial markets and the corporate community have witnessed a succession of scandals and some lapses by regulators. Each abuse highlights another area of vulnerability. It is clear law-makers cannot legislate for every eventuality. Those with criminal intent will find ways to evade or bend the rules.

The best defence against wrong doing is the personal integrity of managers and staff who operate within a value system that stresses the need for honesty and transparency.

That value system is part and parcel of the Bidvest culture and its DNA.

We believe it is important that any further intervention by regulators take the form of principles that allow ongoing corporate self-regulation rather than another set of rules. Regulation that proves stifling will result in less, not more, communication.

Taxation

Bidvest is a multinational entity and each business is self-sufficient in each of its operating jurisdictions, in line with the Group's decentralisation philosophy. Accordingly, very little intercompany business is conducted and we therefore have only a passing interest in the current global debate about transfer pricing and aggressive tax avoidance practices.

Many companies face growing pressure as consumers endure tough times and cut their spending. Simultaneously, countries and governments in the world have sizeable and often growing budget deficits. As a consequence, divergence seems inevitable between corporate tax payers producing lower profits and revenue departments looking to grow their tax intake to counter rising deficits, a path which will ultimately result in higher taxation of corporate citizens.

What is Bidvest's attitude?

Bidvest seeks tax efficiency while maintaining generally cordial relationships with the tax authorities in all areas of operation. We owe it to our shareholders and employees to achieve efficiency like this. Profits ensure sustainability and sustainability keeps employees in jobs.

But we do not lie, we do not cheat and we do not use devious means to avoid paying our fair share of the tax bill. We pay it and we are proud of the tax contribution we make in every country in which we operate.

We take a long-term view of business. We plan to be around for decades.

To succeed year after year, you need healthy, well-educated employees who travel to work on a functioning transport system, live in sanitary conditions, in comfortable housing and have access to running water and reliable power supplies. For that to happen, government needs sufficient revenue to pay its way and Bidvest is proud of its contribution to this end.

The way forward

At Bidvest, our growth forecasts are rarely rooted on the assumption that macro-economic conditions will remain or become favourable. We are a sturdy international business that began life in an extremely challenging African trading environment. We know there are no free rides. You work your passage. This attitude has helped us achieve sustained growth since inception and is integral to our future focus as teams commit to the Group's revised positioning – Proudly Tomorrow.

Uncertain trading conditions may persist for some time to come, especially in emerging markets. However, we are confident our teams have the resources, flexibility and entrepreneurial skill to achieve continued growth in the face of market uncertainties. We will therefore maintain the drive for real growth in every Bidvest region.

Management's core focus remains the achievement of optimum returns in all our businesses.

Cash generation is strong and we retain the financial capacity to drive continued growth, both organic and acquisitive. Rising interest rates have not constrained our ability to borrow at relatively attractive rates. We have the resources to pursue continued strategic growth in several areas of opportunity, here in Africa and further afield.

In addition, recent acquisitions and investments provide a basis for continued gains in some exciting sectors.

Our teams will continue to seek operational efficiencies and synergies. Working capital management remains a priority. Efficient, highly motivated teams secured important gains in 2015, and are well positioned to secure more of the same going forward.

David Cleasby
Group financial director

How we govern our business

Bidvest embraces corporate governance as a way of life rather than a set of rules. Stakeholders can only derive full, sustained value from a business founded on honesty, integrity, accountability and transparency. Bidvest prizes simplicity. Better focus makes it easier to manage your business, which is the key focus in understanding good governance.

An appropriate structure that captures the talent and the energy needed for continued growth without becoming unwieldy is the core governance rationale behind the Bidvest divisional structure of Bidvest South Africa (including 11 subdivisions and Bidvest Namibia), Bidvest Foodservices (geographically divisionalised into four international regions) and Bidvest Corporate.

Divisional leadership consists of a chief executive and finance director tasked with guiding and directing each operating business within that division. At a divisional level an assurance team comprising internal audit and risk management exists to support the divisional leadership team. Each division is governed through quarterly independently chaired divisional committees including an audit committee and a risk committee. These divisional subcommittees collate and report into the Group structure to ensure appropriate information and accountability is brought to the ultimate Bidvest board.

Bidvest's entrepreneurial flair has been a driving force that has fostered growth in a variety of sectors, creating the Group as we know it today. Bidvest believes in empowering people, building relationships and improving lives. Entrepreneurship, incentivisation, decentralised management and communication are the keys to delivering excellence and innovation in all our business dealings.

How we integrate – the Bidvest four pillars

Bidvest recognises the value presented through the effective adoption of an integrated approach to assurance and compliance. The adopted governance, risk and compliance framework continues to form the basis for how Bidvest manages the challenge of good governance in a decentralised environment. The framework shows the achievement of a sustainable entity facilitated by the integration of four basic pillars, being governance, assurance, risk management and compliance, driven by Group and divisional strategy, in compliance with legislated requirements and reported through the established structures.

1. Governance

The Bidvest Group Limited is fully committed to the four values underpinning good governance – responsibility, accountability, fairness and transparency. The board charter, which is reviewed annually, expresses the board's commitment to meeting its responsibilities. While retaining overall accountability, the Bidvest Group has spread the burden of responsibility carried by the Group board and Group board committees down into the divisional structure where divisional committees exist that are able to focus on the needs and strategies within the division itself. Each division has its own audit committee and risk committee operating under a delegated authority of the Group committees. Reporting is consolidated and reported to the Group level where the board is able to focus on the high-risk, high-impact areas.

The Bidvest Group governance manual lists the required charters, codes, policies and documents which are designed to guide the composition and responsibilities of the divisional governing bodies. In line with Bidvest's decentralised structure divisional management will establish additional policies and procedures as are applicable to their specific environment.

Role and function of the board

Executive directors implement strategies and operational decisions. Non-executive directors provide an independent perspective and complement the skills and experience of executive directors. They objectively assess strategy, budgets, performance, resources, transformation, diversity, employment equity and standards of conduct. They also contribute to strategy formulation and decision making.

Collectively, the board believes the current mix of knowledge, skill and experience meets the requirements to lead Bidvest effectively. The board is chaired by an independent non-executive director and comprises a further 10 independent non-executive directors as well as seven executive directors. During the current year there were changes made to the composition of the board. Adv Pansy Tlakula retired from the board and Mrs Gillian Claire McMahon was appointed as an executive director. Considerable thought is given to board balance and composition.

In terms of the Company's Memorandum of Incorporation (MoI), the directors who retire by rotation at the forthcoming AGM are Messrs Paul Cambo Baloyi, Alfred Anthony da Costa, Eric Kevin Diack, Alexander Komape Maditsi, Nigel George Payne and Mrs Cecilia Wendy Lorato Phalatse. All retiring directors are eligible for re-election.

The board functions in accordance with the requirements of King III and within the context of the Companies Act, the Listings Requirements of the JSE Limited and other applicable laws, rules and codes of governance. The board is responsible for, among other things, the governance of risk and information technology and has ensured that the Company has an effective, independent audit committee and an effective risk-based internal audit function. On the recommendation of the audit committee and the risk committee, the board has considered and approved the Company's annual integrated report. Based on the report of the audit committee and the written assessment of the company's internal auditor, the board is satisfied that the Company's system of internal controls is effective.

Bidvest's remuneration philosophy promotes the Group's entrepreneurial culture within a decentralised environment with the aim of achieving sustainable growth within all businesses. The board defines the remuneration philosophy and aligns business strategy and objectives with the overall goal of creating shareholder value. A balance between employee and shareholder interests while supporting entrepreneurial drive to ensure fair and responsible remuneration practices is a key area of focus. The board carries ultimate responsibility for remuneration policy. The committee operates in accordance with a board-approved mandate. The board may refer matters for shareholder approval; for example, new and amended share-based incentive schemes and committee fees. During the year, the board accepted the recommendations made by the remuneration committee. Refer to the directors' report on page 77 and the remuneration committee report on page 89.

QUICK LINK: *http://www.bidvest.com/ar/bidvest_ar2015/pdf/remuneration-report.pdf*

The board confirms its compliance with specific governance requirements in the disclosures set out below:

Appointment, induction and ongoing training of directors	Any new appointment of a director is considered by the board, on the recommendation of the nominations committee, to ensure a rigorous and transparent procedure. The selection process involves considering the existing balance of skills and experience, and an ongoing process of aligning board composition with the strategy of the Group as a whole. The company secretary arranges an appropriate induction programme for new directors. The board supports the development of directors and training is available on an individual director's requirements.
Board and board committees' performance assessment	Annually, the performance of the board as a whole and the board committees individually is appraised. The recent performance assessment indicated that the board and the board committees are functioning effectively and efficiently. No major issues were raised.
Independence of non-executive directors	The board comprises a majority of independent non-executive directors. The board considered the issue of independence of directors in accordance with the rationale and meaning of the requirements of independence according to King III. An assessment, considering the salient factors and unique circumstances of each director, was performed for each non-executive director. Furthermore, the independence of non-executives who have served on the board for longer than nine years was assessed. The board is satisfied that all 11 non-executive directors are independent.
Chairman and chief executive	No individual has unfettered powers of decision making. Responsibility for running the board and executive responsibility for conducting the business are differentiated. Mrs CWL Phalatse, an non-executive director, is chairman of the board and Mr B Joffe, an executive director, is chief executive. The roles of the chairman and chief executive are thus separate and clearly defined.
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' service contracts	Directors do not have fixed-term service contracts.
Directors' and officers' disclosure of interest in contracts	None of the current directors had a material interest in any contract of significance to which the Company or any of its subsidiaries was a party during the financial year. 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.
Conflict of interest	The board recognises the importance of acting in the best interest of the Company and protecting the legitimate interests and expectations of its stakeholders. The board consistently applies the provisions of the Companies Act on disclosing or avoiding conflicts of interest. Directors are required to declare their interests in general annually and specifically at each meeting of the board.
Statutory powers	Section 66(1) of the Companies Act provides that the business and affairs of a company must be managed by or under the direction of its board which has the authority to exercise all the powers and perform all the functions of the company, except to the extent that the Companies Act or the Company's Memorandum of Incorporation provides otherwise. The general powers of the directors are set out in the Company's Memorandum of Incorporation. The directors have further unspecified powers and authority for matters that may be exercised and dealt with by the Company, which are not expressly reserved to shareholders of the Company in general meeting.
Insider trading	Through appropriate procedures, the board ensures that no director, manager, employee or nominees or members of their immediate family deals directly or indirectly in the securities of the Company on the basis of unpublished price-sensitive information nor during the embargo period determined by the board in terms of a formal policy implemented by the company secretary. A list of people who are restricted for this purpose has been approved by the board and is revised from time to time. Dealings in the Company's securities by directors and officers are listed and circulated at every board meeting for noting. The Listings Requirements of the JSE Limited extend obligations on transactions in the Company's securities to include those of any major subsidiary. Directors or officers of the Company's major subsidiaries, whether wholly or partially owned, are also included in the list of directors, company secretary and other officers.
Company secretary	Mr CA Brighten is the Group company secretary, duly appointed by the board in accordance with the Companies Act. The secretariat is available to provide a central source of guidance and advice within the Company on matters of business ethics and good governance. The secretariat also aims to provide the highest standard of compliance with the statutory and regulatory requirements.

2. Assurance

Bidvest over the last four years has made a significant investment in developing and growing a robust, independent, risk-focused internal audit function that delivers real value and benefit to the Group. A risk-based internal audit methodology has been applied, with input from divisional management and aligned to the organisation's risk management processes. Although not reliant on external auditors for any resource support, the internal audit function, in accordance with the Group's combined assurance model, continues to liaise with the external auditors, and other assurance providers identified, to maximise efficiencies in assurance coverage on key risks.

The annually prepared internal audit plan embraces the principle of combined assurance, and is presented to the audit committee for review and approval. The audit committee considers the objectives and rationale that drive the plan in order to achieve the objectives of internal audit processes. Internal audit plans will be considered quarterly assessing the ability of the plan to meet the objectives of the Group audit committee.

The Bidvest internal audit vision is to provide a progressive and responsive service that objectively evaluates the business processes and internal controls so as to appropriately support management's efforts in creating a strong control environment to achieve operational excellence. The significant investment in training and the skills injection through recruitment of highly qualified internal audit managers has seen a marked improvement in the overall quality and standard of assurance provided to management by internal audit. Given the increasing dependencies of businesses on information technology (IT), specialised IT auditing and consulting skills are being developed within the internal audit team, and will continue to be a major area of focus and development.

The purpose, authority and responsibility of the internal audit function are defined in a board-approved charter that is consistent with the Institute of Internal Auditors' definition of internal auditing, and the principles of King III. Internal audit has focused on the following main areas, as required by King III:

- Objectively assessing the effectiveness of the risk management process, internal financial control (including an assessment of the adequacy of accounting records) and overall operational internal control
- Systematically analysing and evaluating business processes and associated controls
- Evaluating the Company's governance processes
- Providing a source of information, as appropriate, on instances of fraud, corruption, unethical behaviour and irregularities.

Refer to the audit committee report on page 84.

Internal audit continued to function independently and objectively throughout the Group in the past year. The internal audit manager within each division, as well as at Group level, report functionally to the chairman of the respective divisional audit committee. Unrestricted access to members of the audit committee and executives of the organisation is available to the internal audit function. In addition, regular separate meetings between internal audit and the chairman of the divisional and Group audit committees took place during the year under review.

3. Compliance

Bidvest recognises that its greatest risk of non-compliance stems from a weakness within the practical impact of the legislation on each business. Each company is required to identify legislation that applies to the environments in which it operates, as well as the categories of information held relating to this legislation. Awareness programmes from a Group level do update management on legislative changes that are pervasive to the Group.

Bidvest is listed on the JSE Limited, and as such the board annually confirms that the Company complies with the Listings Requirements of the JSE Limited. The board places strong emphasis on the highest standards of financial management, accounting and reporting. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). For non-financial aspects, the Company has adopted the Global Reporting Initiatives' (GRI G3.1) sustainability reporting guidelines on economic, environmental and social performance. The board has appointed a social and ethics committee. The board has placed the compliance of these Group-wide acts as well as industry and regional acts on the agenda of both the Group risk committee where exposures have been identified and on Group social and ethics committee where compliance is monitored.

Refer to the social and ethics committee report on page 90.

The Group is committed to implementing the King III principles and best practice recommendations. Bidvest performs an annual review to assess the extent to which Bidvest continues to apply the principles and recommended practices in King III. This analysis identifies the actions taken to ensure application of the governance principles and those principles which will require ongoing attention and action.

For The Bidvest Group Limited's detailed King III Governance Register, please follow this link:

QUICK LINK: *http://www.theglobalplatform.co.za/gai/Reports/Public/ApplicationRegisterPractice.aspx?L=a7360232-f328-4d53-8f98-16c113a83511*

For The Bidvest Group Limited's detailed JSE Listings Requirements Compliance Register, please follow this link:

QUICK LINK: *http://www.theglobalplatform.co.za/gai/Reports/Public/JSE_ListingRequirements.aspx?L=a7360232-f328-4d53-8f98-16c113a83511#Chapter243*

Bidvest has made use of the Institute of Directors Southern Africa (IoDSA) recommended Governance Assessment Instrument (GAI) as a self-assessment tool to assess the extent of application of the King III recommended principles and practices.

The following table represents the high-level King III application register.

King III governance register at: June 30 2015

The Bidvest Group Limited – 1946/021180/06	IoDSA GAI score	Applied/partially applied/ not applied
Chapter 1: Ethical leadership and corporate citizenship	AAA	Applied
Chapter 2: Boards and directors	AAA	Applied
Chapter 3: Audit committees	AAA	Applied
Chapter 4: The governance of risk	AAA	Applied
Chapter 5: The governance of information technology	AAA	Applied
Chapter 6: Compliance with laws, rules, codes and standards	AAA	Applied
Chapter 7: Internal audit	AAA	Applied
Chapter 8: Governing stakeholder relationships	AAA	Applied
Chapter 9: Integrated reporting and disclosure	AAA	Applied
Overall score	**AAA**	

AAA Highest application *AA High application* *BB Notable application* *B Moderate application* *C Application to be improved* *L Low application*

King III principle	Status update	Areas of focus
1. Ethical leadership and corporate citizenship	– Code of ethics is annually reviewed – Tip-offs line is operational, managed by an independent third party supporting the values and principles stated in the code of ethics	– An awareness campaign is planned to the Group highlighting the positive role that has been played by the tip-offs line to date and into the future
2. Boards and directors	– Principles relating to performance assessments have been applied and continue to develop as more stringent performance measuring processes are adopted – Remuneration policy has been approved and adopted, with King III principles notably being applied	– Bidvest has engaged in a board level self-assessment, reviewed by an independent party reporting to the nominations committee
3. Audit committees	– Bidvest has reviewed and updated the composition of the Group audit committee in line with King III recommendations	– Reporting templates and guidance is currently under review to ensure optimal benefits are achieved through this key governing body
4. The governance of risk	– Divisional risk committee structures have been established, meeting quarterly and reviewed by the divisional audit committee structure	– Ongoing reviews of the key material risk exposures are performed and where necessary interventions initiated by the board
5. The governance of information technology	– Group IT forum has been established creating an environment for divisional IT teams to engage, share best practice and drive ongoing innovation – IT governance framework is in place, with assurance function being performed by internal audit	– Internal audit assurance and review will continue reporting in to both the risk and audit committee structures

King III principle	Status update	Areas of focus
6. Compliance with laws, rules, codes and standards	– Risk management focuses on the identification and management of the ever-increasing onerous regulatory environment, the decentralised structure of Bidvest facilitates close management of this process at grass roots level	– Ongoing investment into training and updates for all staff is an annual focus of the management teams – Review of online solutions to provide updates as regulatory environment changes is underway
7. Internal audit	– Internal audit provides an opinion to the audit committee with regards to the current state of internal control, internal financial control and risk management – Internal audit adopts a risk-based audit approach, with exposure to the risk management process throughout the Group	– Internal audit continuously reviews the audit approach to ensure the key risks of the environment in which they are operating are the key focus driving their approach – Upskilling, training and adapting to a changing operating environment are key to keeping internal audit relevant and value adding
8. Governing stakeholder relationships	– Management teams identify key stakeholder groups and report to Group risk social and ethics committee the communication processes in place to monitor and strengthen these relationships	– There are pockets of excellence both divisionally and across the spread of stakeholders that exist. Where weaknesses have been identified, Bidvest Group is assisting the individual management teams to put in place workshops, communication plans and reporting mechanisms to ensure these are addressed
9. Integrated reporting and disclosure	– Bidvest has successfully made use of a variety of mediums for better reporting and disclosure, using printed and soft copy materials, as well as web-based content	– Bidvest annually proactively seeks out feedback from third-party sources to continue to grow and develop the annual integrated report

4. Risk management

Our commitment to building and sustaining an ethical organisational culture is entrenched in our vision, mission, strategies and operations. While the board has ultimate responsibility for the Company's ethics performance, executive management is responsible for setting up a well-designed and properly implemented ethics management process.

A prime duty of the board, its committees, directors, officers of the Group and managers is to ensure our code of conduct is honoured. Annually the board reviews the code of ethics and ensures continued alignment of this code with the Bidvest values. The code demands highest standards of integrity, ethics and behaviour in all conduct and dealings; non-discriminatory employment and promotion practices; supporting employees through training and development to reach their full potential; and proactive engagement on environmental, social and sustainability matters.

As an outward measure of support and protection of this code and the Bidvest Values, the board continues to support the process of confidential reporting (whistle-blowing) of fraud, theft, breach of ethics and other risks. This is an outsourced independent and confidential system for stakeholders to report unethical, dishonest or improper behaviour, including non-compliance with Company policies, as well as corruption and fraud. All reported incidents are investigated by management and, where appropriate, action is taken. In line with legislation, our well-communicated commitment not to victimise whistle blowers ensures transparency and promotes ethical conduct. The identity of whistle blowers is protected by the service provider.

The board has appointed a risk committee to assist the board in recognising all material risks to which the Group is exposed and ensuring that the requisite risk management culture, policies and systems are progressively implemented and functioning effectively. Management is accountable to the board for implementing and monitoring the processes of risk management and integrating this into day-to-day activities. Divisionally, risk committees and risk registers are engaged to actively focus management on critical issues faced at a business and industry level. These are reported to the Group risk committee for consideration at a board level. The risk committee membership is annually reviewed.

Refer to the risk committee report on page 91.

We have integrated King III recommendations, and these along with identified Group requirements make up the overall function of the committee being an ongoing enterprise-wide risk assessment process supports the Group philosophy. This ensures risks and opportunities are adequately identified, evaluated and managed at the appropriate level in each division, and that their individual and joint impact on the Group is considered. The internal auditors assist in evaluating the effectiveness of the risk management process and comment on this in their own assessment reports.

Bidvest

Key material issues summary

Closely linked to those driving the decentralised strategy within the Group's operations are those responsible for driving the risk identification and mitigation processes. The key material issues identified below have emerged as a result of analysing and understanding the direction in which each entity is moving. Set out below is a summary of the more material areas of focus emerging from the Group's deliberations over the past period and areas of focus as we look ahead. Refer to the business model on pages 4 to 6.

	Material focus areas	Commentary
people Our **human and intellectual capital** is our people's competencies, their experience and business knowledge	**Small talent pool and limited skilled resources**	▸ Management continually seeks talent and identify skills within their businesses with the aim of growing talented individuals into new roles. Job creation remains a core objective. ▸ In South Africa, B-BBEE regulation increases the focus on talent management risk in view of the country's small talent pool. However, graduate and learnership programmes gave impetus to staff development.
	Succession planning	▸ Successful career planning and promotion are evident as new management teams are driving stronger performance. Key employees are identified possessing skills and relationships that may be difficult to replicate or replace.
	Industrial action	▸ As a service provider, we are affected by industrial action in key sectors such as mining; transport; municipalities; and metal workers. ▸ Management keeps open communication lines with unions and staff.
performance Our **financial capital (manufacture/infrastructure)** comprises 51% international shareholder base, a vote of confidence in Bidvest and its people	**Increasingly complex business environment**	▸ Globally, legislative developments increasingly create a more complex environment. ▸ The proliferation of regulatory requirements across all industries and territories added to costs, while consuming a growing amount of management time.
	Increasingly onerous and challenging tax regulations	▸ Tax compliance obligations are high in most jurisdictions around the world; with tax authorities targeting large corporate entities to ensure strict compliance.
	Cost-effective IT systems and support structures	▸ To achieve the organisation's objectives, Bidvest has adapted its IT governance framework to support the effective and efficient management of people, technology and information. ▸ Management remains closely involved and are increasingly supported by internal audit, specifically the risk and audit committee, to ensure adherence to Group IT frameworks and guidelines.
	Asset management	▸ Management actively monitors and drives performance in asset management specifically through ambitious working capital targets that are required to be achieved in each business. ▸ Working capital management receives focused attention of the audit committee structures; management of debtors remains a priority; collection discipline was well maintained and the incidence of bad debt well controlled; inventory levels were closely monitored. ▸ Credit risk has become crucial. We respond by staying close to customers and the project market while having recourse to credit guarantees and insurance. Creditors' terms were robustly negotiated. ▸ Instances of fraud and theft are a reality, and are dealt with on a zero tolerance basis as proactively as possible; early detection and mitigation is a vital element.

products and services

Our **social and relationship capital** goes to brand reputation and working together with our customers and suppliers to find value adding solutions within their specific industries

Material focus areas	Commentary
Remaining competitive and relevant	Critical to the Group's success is the ability of management to ensure their businesses remain relevant in rapidly evolving environments. Management needs to anticipate the impact of market change and respond promptly. The entrepreneurial spirit within Bidvest facilitates an environment that thrives on innovation and change; embracing the agility to adapt quickly and proactively to changing customer and economic requirements.
Fostering positive long-term relationships with key suppliers and customers	This remains a cornerstone of the way Bidvest does business and is recognised as a Bidvest strength. Management is constantly challenged to manage and further grow these relationships. Communication with customers is key as they look to us to implement smart solutions that improve efficiency and create savings. Similarly, we constantly look for new sources of supply; we are particularly interested in developing local sources to cut emissions and fuel bills.
Nurturing long-term ongoing relationships with government	Relationships with government departments continue as significant contracts are renegotiated. Changing BEE code requirements, especially when interpretations differ regarding these regulations and requirements, require innovative solutions.

planet

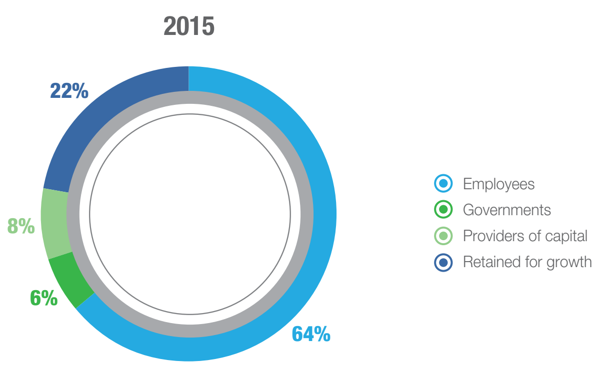
We have a low carbon footprint. In our definition of **natural capital** we continually strive to minimise our environmental impact and leave our planet in good working order for future generations

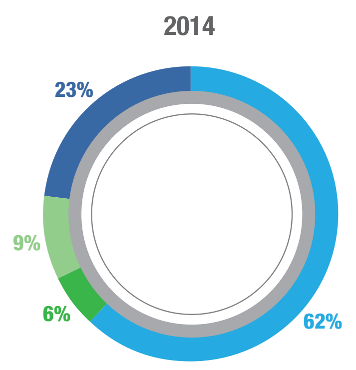
Material focus areas	Commentary
Energy crisis	The electricity crisis in South Africa has had a major impact on an already struggling economy; load shedding has placed a significant strain on operations in South Africa. Efforts have been stepped up in the area of alternative power solutions; special attention is being paid to large-scale solar systems; roll-out of back-up generating capacity had been completed to our large operations while inverters had been installed at all operations of significant size. The constructive nature of interaction with staff was confirmed when our businesses engaged in negotiating flexible working practices to minimise load-shedding impacts. Growth opportunities were identified in power factor correction; these systems optimise power transmission efficiency, correct faults, prevent spikes and minimise damage to electronics; growing demand is expected for technology such as this as power tariffs rise.
Food contamination	This is a key risk actively managed by all food businesses. Health and safety standards across all jurisdictions are stringent in their application and review. More focus on safety systems is a key management drive to ensure consistency in standards.
Environmental impact consciousness	Our companies seek win-win gains through cost savings that deliver environmental gains; fuel costs have been contained through route optimisation; businesses make increasing use of video and telephone conferencing to reduce travel costs; we scan the new technology horizon for new ideas. Environmental and recycling initiatives have been in place for many years.

Value added statement

"Value added" is the value which the Group has added to purchased materials and goods by process of manufacture and conversion, and the sale of its products and services. This statement shows how the value so added has been distributed.

	2015 R'000	2015 %	2014 R'000	2014 %
Turnover	**204 915 925**		183 645 179	
Net cost of raw materials, goods and services	**(165 161 294)**		(149 365 987)	
Wealth created by trading operations	**39 754 631**		34 279 192	
Finance income	**335 272**		279 038	
Dividend income	**127 429**		112 579	
Total wealth created	**40 217 332**	**100,0**	34 670 809	100,0
Distributed as follows				
Employees				
Benefits and remuneration	**25 591 811**	**63,6**	21 435 548	61,8
Governments				
Taxation	**2 276 038**	**5,7**	2 107 173	6,1
Providers of capital	**3 279 989**	**8,2**	3 091 534	8,9
Finance charges	**1 324 183**	**3,3**	1 218 242	3,5
Distributions to shareholders	**1 955 806**	**4,9**	1 873 292	5,4
Retained for growth	**9 069 494**	**22,5**	8 036 554	23,2
Depreciation and amortisation	**2 539 848**	**6,3**	2 344 920	6,8
Impairments	**631 240**	**1,6**	1 088 327	3,1
Profit for the year attributable to shareholders of the Company	**5 898 406**	**14,6**	4 603 307	13,3
	40 217 332	**100,0**	34 670 809	100,0





Exchanges with governments

Including amounts collected on their behalf	South African 2015 R'000	South African 2014 R'000	Foreign 2015 R'000	Foreign 2014 R'000
Employee taxes	**1 866 591**	1 756 746	**2 812 421**	2 493 250
Company taxes	**1 271 817**	1 285 064	**1 004 221**	822 109
Value added tax and sales tax	**7 202 604**	6 454 645	**997 828**	952 388
Customs and excise duty	**16 106 847**	14 638 017	**1 067 915**	1 156 867
Other	**137 416**	120 656	**350 614**	260 763
	26 585 275	24 255 128	**6 232 999**	5 685 377

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 and the Companies Act of South Africa.

The consolidated and separate financial statements of the Company for the year ended June 30 2015, were approved by the board of directors and are signed on its behalf by:

Lorato Phalatse
Chairman
August 29 2015

Brian Joffe
Chief executive

David Cleasby
Group financial director

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 June 30 2015, the Company has lodged with the Registrar of Companies, all such returns as are required in terms of this Act and that all such returns are true, correct and up to date.

Craig Brighten
Company secretary
August 29 2015

Preparer of financial statements

The consolidated and separate financial statements have been prepared under the supervision of Neil Goodwin CA(SA) – Group financial manager.

Independent auditors' report

To the shareholders of The Bidvest Group Limited

We have audited the consolidated and separate financial statements of The Bidvest Group Limited set out on pages 7 to 9 and 94 to 174, which comprise the statements of financial position as at June 30 2015, 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 the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The Company's directors are responsible for the preparation and fair presentation of these 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.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of The Bidvest Group Limited as at June 30 2015, and its consolidated and separate financial performance and its 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.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended June 30 2015, we have read the directors' report, the audit committee report and the company secretary certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Deloitte & Touche

Deloitte & Touche
Registered auditors

Per Mark Hugh Holme
Partner
August 29 2015

The directors have pleasure in presenting their report for the year ended June 30 2015.

Nature of business

The Company is an investment holding company with subsidiaries operating in the services, trading and distribution industries.

Financial reporting

The directors are required by the Companies Act of South Africa (the Act), to produce financial statements, which fairly present the state of affairs of the Company and the Group as at the end of the financial year and the profit or loss for that financial year, in conformity with International Financial Reporting Standards (IFRS) and the Act.

The financial statements as set out in this report have been prepared by management in accordance with IFRS and the Act and are based on appropriate accounting policies supported by reasonable and prudent judgements and estimates.

The directors are of the opinion that the financial statements fairly present the financial position of the Company and of the Group as at June 30 2015 and the results of their operations and cash flows for the year then ended.

The directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going-concern basis in preparing the financial statements.

Share capital

During the year, the Company issued:

- 3 576 797 (2014: 3 281 838) shares of 5 cents each pursuant to an issue of capitalisation shares from share premium to shareholders on the basis of 1,55 shares for every 100 held; and
- 349 135 (2014: 220 452) shares of 5 cents each at a premium of R299,89 per share in settlement of conditional share plan awards.

Acquisitions and disposals

The Group acquired 60% of the issued share capital of Gruppo DAC (DAC) for a consideration of EUR75 million, and 75% of the issued share capital of PCL 24/7 Transport Limited (PCL), for a consideration of £37 million, with effect from July 1 2014. The remaining 25% of the issued share capital of PCL was acquired during the year for £15 million. These acquisitions form part of the Group's strategic expansion plans in the international foodservice industry.

In February 2015 the Group made an offer to the shareholders of Adcock Ingram Holdings Limited (Adcock) to acquire up to 100% of the shares in Adcock at a price of R52,00 per share. As a result of this offer, and the acquisition of shares in the market at this time, the Group acquired a further 8,4% of the net issued capital in Adcock for a consideration of R737 million.

The Group also made a number of less significant acquisitions and disposals during the year.

Subsequent events

The Group acquired 100% of the share capital of Plumblink SA Proprietary Limited (Plumblink), with effect from July 1 2015 for an enterprise value of R446 million. Plumblink is a specialist plumbing and bathroom merchant currently operating from 61 branches strategically situated throughout South Africa.

Subsequent to year-end, the Group acquired 2,6 million Adcock ordinary shares from Adcock's black economic empowerment (BEE) partners, Blue Falcon Trading 69 Proprietary Limited and the Mpho ea Bophelo Trust for a cash consideration of R52,00 per Adcock ordinary share. In addition, the Group supported the new Adcock BEE scheme (Scheme) and sold 15% of its Adcock shareholding to Ad-izinyosi, a new broad-based empowerment entity, for a minimum price of R52,00 and a maximum price of R72,00 per Adcock ordinary share, to be settled on the fourth anniversary of the date that the Scheme became operative. Following these transactions, the Group holds 37,7% of the net ordinary shares in issue in Adcock.

Results of operations

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

Movement in treasury shares

In terms of general authorities granted to the Company to repurchase its ordinary shares, the latest being shareholder authority obtained at the annual general meeting (AGM) of shareholders held on November 24 2014, a maximum of 65 546 986 ordinary shares may be acquired by the Company, of which 32 773 493 may be acquired by its subsidiaries. No shares were acquired during the year (2014: Nil).

A total of 2 210 046 ordinary shares were disposed of at an average price of R244,51 per share in settlement of share options exercised by staff.

Dividends

The directors declared an interim gross cash dividend of 426,0 cents (362,1 cents net of dividend withholding tax, where applicable) per ordinary shares of 5 cents payable to ordinary shareholders recorded in the register on the record date, being Friday, April 17 2015. The dividend was declared from income reserves.

Subsequent to year-end the board has declared a final gross cash dividend of 483,0 cents (410,6 cents net of dividend withholding tax, where applicable) per ordinary share for the year ended June 30 2015 to those shareholders recorded in the register on the record date, being Friday, September 25 2015. The salient dates are:

Declaration date	Monday, August 31 2015
Last day to trade cum dividend	Thursday, September 17 2015
First day to trade ex dividend	Friday, September 18 2015
Record date	Friday, September 25 2015
Payment date	Monday, September 28 2015

The dividend will be paid out of income reserves. A dividend withholding tax of 15% will be applicable to all shareholders who are not exempt.

Payments to shareholders

Approval was obtained at the last AGM for the Company to make payments which would reduce its share capital, share premium, and or reserves in terms of the Act.

Special resolutions

Special resolutions were passed at the AGM of shareholders held on Monday, November 24 2014 in regard to a general authority to enable the Company to acquire its own shares, approval of non-executive directors' remuneration for the 2015 financial year and general authority to provide financial assistance to related or inter-related companies and corporations in terms of sections 44 and 45 of the Act.

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

Directorate

Adv Pansy Tlakula retired from the board at the date of the AGM being November 24 2014. Mrs Gillian Claire McMahon was appointed as an executive director with effect from May 27 2015.

In terms of the Company's MoI, the directors who retire by rotation at the forthcoming AGM are Messrs Paul Cambo Baloyi, Alfred Anthony da Costa, Eric Kevin Diack, Alexander Komape Maditsi, Nigel George Payne and Mrs Cecilia Wendy Lorato Phalatse.

Attendance

The names of the directors who were in office during the period August 30 2014 to August 28 2015, and the details of board meetings attended by each of the directors are as follows:

Director	Date of appointment	November 24 2014	February 27 2015	May 27 2015	August 28 2015
Independent non-executive chairman					
CWL Phalatse	April 20 2012	^	^	^	^
Independent non-executive directors					
PC Baloyi	April 20 2012	A	^	^	^
DDB Band	October 27 2003	^	^	^	^
AA da Costa	December 8 2003	^	^	^	^
EK Diack	April 20 2012	^	^	A	^
AK Maditsi	April 20 2012	^	^	^	^
FN Mantashe	December 4 2013	^	^	^	^
S Masinga	December 4 2013	^	^	^	^
D Masson	March 10 1992	^	^	^	^
NG Payne	June 30 2006	^	^	^	^
T Slabbert	August 20 2007	^	^	^	^
Executive directors					
B Joffe	March 1 1989	^	^	^	^
BL Berson	October 27 2003	^	^	^	^
DE Cleasby	July 9 2007	^	^	^	^
AW Dawe	June 30 2006	^	^	^	^
NT Madisa	December 4 2013	^	^	^	^
GC McMahon*	May 27 2015			^	^
LP Ralphs	May 19 1992	^	^	^	^

^ *Attended in person, by video-conference or tele-conference.*
A *Apologies tendered.*
* *Appointed executive director May 27 2015.*

Directors' interests

The aggregate interests of the directors in the share capital of the Company at June 30 2015 were:

	Number of shares 2015	2014
Beneficial	**404 108**	462 834
Non-beneficial	**1 551 596**	5 518 914
Held in terms of the Bidvest Incentive Scheme		
Options	**365 632**	222 000
Shares	**246 648**	246 648

Directors' shareholdings

Beneficial

The individual beneficial interests declared by the current directors and officers in the Company's share capital at June 30 2015, held directly or indirectly, were:

	2015 Number of shares		2014 Number of shares	
Director	**Direct**	**Indirect**	Direct	Indirect
BL Berson	**8**	**38 313**	8	38 313
DE Cleasby	**80 746**	**–**	52 433	–
AW Dawe	**38 044**	**–**	20 329	–
AA da Costa	**–**	**24 957**	–	145 158
B Joffe	**75 794**	**–**	62 579	–
D Masson	**8**	**7 347**	8	7 235
LP Ralphs	**138 891**	**–**	136 771	–
Total	**333 491**	**70 617**	272 128	190 706

Held in terms of the Bidvest Incentive Scheme

The Bidvest Incentive Scheme grants loans to staff and executive directors for the acquisition of shares in the Company. The number of shares and carrying values of the loans issued to directors and officers as at June 30 2015 were:

	2015		2014	
Director	**Number of shares**	**Carrying value of loan R'000**	Number of shares	Carrying value of loan R'000
BL Berson	**49 581**	**4 669**	49 581	4 669
B Joffe	**48 324**	**4 689**	48 324	4 689
LP Ralphs	**148 743**	**14 945**	148 743	14 945
Total	**246 648**	**24 303**	246 648	24 303

Non-beneficial

In addition to the aforementioned holdings:

- B Joffe is a trustee and potential beneficiary of a discretionary trust holding 1 009 960 (2014: 1 009 960) shares.
- DE Cleasby and CA Brighten (company secretary) are trustees of the Group's retirement funds which hold 541 636 (2014: 621 157) shares.

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

Directors' remuneration

The remuneration paid to executive directors, while in office of the Company during the year ended June 30 2015, is analysed as follows:

Director	**Basic remuneration R'000**	**Other benefits and costs R'000**	**Retirement/ medical benefits R'000**	**Cash incentives R'000**	**Total emoluments R'000**
BL Berson	**9 675**	**244**	**239**	**10 637**	**20 795**
DE Cleasby	**3 662**	**428**	**414**	**4 500**	**9 004**
AW Dawe	**3 884**	**159**	**416**	**2 800**	**7 259**
B Joffe	**14 858**	**1 253**	**903**	**15 730**	**32 744**
NT Madisa	**1 833**	**66**	**165**	**1 500**	**3 564**
GC McMahon*	**87**	**10**	**13**	**1 000**	**1 110**
LP Ralphs	**8 370**	**740**	**728**	**8 000**	**17 838**
2015 total	**42 369**	**2 900**	**2 878**	**44 167**	**92 314**

** Appointed executive director May 27 2015.*

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 June 30 2014, is analysed as follows:

Director	Basic remuneration R'000	Other benefits and costs R'000	Retirement/ medical benefits R'000	Cash incentives R'000	Total emoluments R'000
BL Berson	9 354	243	238	8 583	18 418
DE Cleasby	3 429	412	387	4 000	8 228
AW Dawe	3 614	110	386	3 600	7 710
B Joffe	13 762	1 009	842	12 340	27 953
NT Madisa*	802	35	72	1 000	1 909
LP Ralphs	7 789	886	680	7 200	16 555
2014 total	38 750	2 695	2 605	36 723	80 773

** Appointed executive director December 4 2013.*

The remuneration paid to non-executive directors, while in office of the Company during the year ended June 30 2015, is analysed as follows:

	2015			
Director	**Directors' fees R'000**	**As directors of subsidiary companies R'000**	**Total emoluments R'000**	2014 Total R'000
DDB Band	**693**	**–**	**693**	783
PC Baloyi	**357**	**324**	**681**	669
AA da Costa	**208**	**–**	**208**	163
EK Diack	**517**	**551**	**1 068**	1 220
AK Maditsi	**259**	**–**	**259**	297
S Masinga	**315**	**–**	**349**	98
FN Mantashe	**349**	**–**	**315**	98
D Masson	**629**	**363**	**992**	958
NG Payne	**1 153**	**753**	**1 906**	1 667
CWL Phalatse	**1 065**	**–**	**1 065**	1 000
T Slabbert	**420**	**–**	**420**	305
	5 965	**1 991**	**7 956**	7 258
Former directors	**20**	**–**	**20**	197
2015 total	**5 985**	**1 991**	**7 976**	7 455
2014 total	5 691	1 764	7 455	

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 share options are as follows:

Director	Share options at June 30 2014 Number	Share options at June 30 2014 Average price R	Share options granted during the year Number	Share options granted during the year Average price R	Share options exercised Number	Share options exercised Market price R	Share options at June 30 2015 Number	Share options at June 30 2015 Average price R
AW Dawe	50 000	237,54	43 066	269,95	–	–	**93 066**	**252,54**
NT Madisa	52 000	205,52	43 066	269,95	–	–	**95 066**	**234,71**
GC McMahon*	45 000	193,67	20 000	250,73	7 500	287,33	**57 500**	**201,30**
LP Ralphs	120 000	61,75	–	–	–	–	**120 000**	**61,75**
	267 000	144,90	106 132	266,33	7 500	287,33	**365 632**	**177,23**
Officer								
CA Brighten (company secretary)	20 000	222,90	8 078	269,95	–	–	**28 078**	**236,44**
	287 000	150,34	114 210	266,59	7 500	287,33	**393 710**	**181,45**

** Appointed executive director May 27 2015.*

These options are exercisable over the period July 1 2015 to November 30 2019. A detailed register of options outstanding by tranche is available for inspection at the Company's registered office.

Share-based payment expense

Director	2015 R'000	2014 R'000
BL Berson	**5 791**	8 505
DE Cleasby	**3 397**	5 673
AW Dawe	**2 815**	2 346
B Joffe	**11 723**	15 378
NT Madisa	**1 662**	222
GC McMahon*	**88**	–
LP Ralphs	**6 137**	8 908
	31 613	41 032

** Appointed executive director May 27 2015.*

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/officer	Balance at June 30 2014 Number	New awards Number	Forfeited Number*	Shares awarded Number	Closing balance June 30 2015 Number
BL Berson	190 000	37 500	(5 348)	(70 989)	**151 163**
DE Cleasby	125 000	20 000	(4 011)	(53 242)	**87 747**
AW Dawe	80 000	–	(21 257)	(29 057)	**29 686**
B Joffe	350 000	75 000	(8 021)	(106 484)	**310 495**
LP Ralphs	200 000	37 500	(5 348)	(70 989)	**161 163**
CA Brighten (company secretary)	7 500	–	(401)	(5 324)	**1 775**
Total	952 500	170 000	(44 386)	(336 085)	**742 029**

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

During 2015, the shares were awarded at R299,94 per share.

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

Director	Share-based payment expense R'000	Benefit arising from the exercise of options* R'000	Benefit arising from award of CSP R'000	Gross benefits R'000	Previous share-based payment expense in respect of awards R'000	Actual LTI benefit R'000
2015						
BL Berson	**5 791**	**–**	**21 292**	**27 083**	**(11 605)**	**15 478**
DE Cleasby	**3 397**	**–**	**15 969**	**19 366**	**(8 704)**	**10 662**
AW Dawe	**2 815**	**–**	**8 715**	**11 530**	**(4 730)**	**6 800**
B Joffe	**11 723**	**–**	**31 939**	**43 662**	**(17 407)**	**26 255**
NT Madisa	**1 662**	**–**	**–**	**1 662**	**–**	**1 662**
GC McMahon**	**88**	**–**	**–**	**88**	**–**	**88**
LP Ralphs	**6 137**	**–**	**21 292**	**27 429**	**(11 605)**	**15 824**
2015 total	**31 613**	**–**	**99 207**	**130 820**	**(54 051)**	**76 769**
2014						
BL Berson	8 505	6 952	6 128	21 585	(5 235)	16 350
DE Cleasby	5 673	9 699	4 661	20 033	(5 449)	14 584
AW Dawe	2 346	–	4 661	7 007	(3 982)	3 025
B Joffe	15 378	–	9 324	24 702	(7 965)	16 737
NT Madisa	222	–	–	222	–	222
LP Ralphs	8 908	30 349	6 216	45 473	(5 310)	40 163
2014 total	41 032	47 000	30 990	119 022	(27 941)	91 081

* *Includes taxable benefits arising on the sale of shares and settlement of the Bidvest Incentive Scheme loans.*
** *Appointed as executive director on May 27 2015.*

Directors' service contracts
Directors do not have fixed-term contracts.

Directors' and officers' disclosure of interest in contracts
During the financial year, no contracts were entered into in which directors and officers of the Company had an interest and which significantly affected the business of the Group. The directors had no interest in any third party or company responsible for managing any of the business activities of the Group.

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

The business and postal addresses of the secretary, which are also the registered addresses of the Company, are Bidvest House, 18 Crescent Drive, Melrose Arch, Melrose, Johannesburg, 2196 and PO Box 87274, Houghton, 2041, respectively.

Audit committee report

This is the report of the audit committee (committee) of The Bidvest Group Limited appointed for the financial year ended June 30 2015 in compliance with the Companies Act and in terms of the JSE Listings Requirements.

The committee has a charter that complies with the Companies Act and King III requirements and is approved by the board of directors (board). Copies are available either from the company secretary on request, or can be downloaded from the Company website.

Membership

The shareholders appointed the committee for the 2015 financial year at the annual general meeting in November 2014 and will be requested to approve the appointment of the chairman and members to the committee for the 2016 financial year at the annual general meeting scheduled for November 23 2015.

The committee consists solely of independent non-executive directors who are all financially literate.

The current members are NG Payne (chairman), PC Baloyi, EK Diack and S Masinga. Permanent advisory services are provided to the committee by RW Graham, AD Cunningham and D Masson.

Purpose

The purpose of the committee, which in certain instances operates in conjunction with the risk committee and social and ethics committee, is to:

- assist the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control and reporting processes, and the preparation of accurate reporting and financial statements in compliance with the applicable legal requirements and accounting standards;
- oversee the activities of, and to ensure coordination between, the activities of internal and external audit;
- provide a forum for discussing financial, enterprise-wide, market, regulatory, safety and other risks and control issues, and to monitor controls designed to minimise these risks;
- review the Company's annual integrated report, including the consolidated and separate financial statements, as well as its interim report and any other public reports or announcements containing financial information;
- receive and deal with any complaints concerning the accounting practices, internal audit or the content and audit of its financial statements or related matters; and
- annually review the committee's work and charter to make recommendations to the board to ensure its effectiveness.

Duties carried out

The committee has performed its duties and responsibilities during the financial year in accordance with its charter.

Financial statements

The committee:

- confirmed, based on managements' review, that the interim and consolidated and separate financial statements were prepared on the going-concern basis;
- examined the interim and consolidated and separate financial statements and other financial information made public, prior to their approval by the board;
- considered accounting treatments, significant or unusual transactions and accounting judgements;
- considered the appropriateness of accounting policies and any changes made thereto;
- reviewed the representation letter relating to the consolidated and separate financial statements and the ISAE 3240 reasonable assurance opinion in respect of the provisional announcement, signed by management;
- considered any problems identified as well as any legal and tax matters that could materially affect the financial statements; and
- met separately with management, external audit and internal audit and satisfied themselves that no material control weakness exists.

External audit

The committee:

- nominated Deloitte & Touche as auditors and MH Holme as the independent auditor and designated audit partner, respectively to the shareholders for appointment for the financial year ended June 30 2015, of the Group and Company, and ensured that the appointments complied with legal and regulatory requirements for the appointment of an auditor;
- approved the external audit engagement letter, the audit plan and the budgeted audit fees payable to the external auditors;
- determined the nature and extent of all non-audit services provided by the independent auditors and pre-approved all non-audit services undertaken;
- obtained assurances from the independent auditors that adequate accounting records were being maintained;
- confirmed that no reportable irregularities had been identified or reported by the independent auditors under the Auditing Profession Act; and
- nominated the external auditors and the designated audit partner for each of Bidvest's divisions or subsidiary companies.

Independence of external auditors

The committee is satisfied that Deloitte & Touche is independent of the Group after taking the following factors into account:

- Representations made by Deloitte & Touche to the committee
- The auditors do not, except as external auditors or in rendering permitted non-audit services, receive any remuneration or other benefit from the Group
- The auditors' independence was not impaired by any consultancy, advisory or other work undertaken
- The auditors' independence was not prejudiced as a result of any previous appointment as auditors
- The criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.

Internal control and internal audit

The committee:

- reviewed and approved the annual internal audit plans and evaluated the independence, effectiveness and performance of the internal audit function;
- considered the reports of the internal auditors on the Group's systems of internal control including financial controls, business risk management and maintenance of effective internal control systems;
- received assurances that proper accounting records were maintained and that the systems safeguarded the Group's assets against unauthorised use or disposal;
- reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto;
- assessed the adequacy of the performance of the internal audit function and found it satisfactory; and
- concluded that there were no material breakdowns in internal control.

Risk management and legal requirements

The committee:

- reviewed the Group's policies on risk management, including information technology risks and found them to be sound;
- reviewed with management legal matters that could have a material impact on the Group;
- reviewed the adequacy and effectiveness of the Group's procedures to ensure compliance with legal and regulatory responsibilities; and
- considered reports provided by management, internal assurance providers and the independent auditors regarding compliance with legal and regulatory requirements.

Combined assurance

The committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management, and concluded that these were adequate to address all significant financial risks facing the business.

Financial director and finance function

The committee:

- considered the appropriateness of the experience and expertise of the Group financial director and concluded that these were appropriate; and
- considered the expertise, resources and experience of the finance function and concluded that these were appropriate.

Attendance

The names of the members who were in office during the period August 29 2014 to August 28 2015 and the details of audit committee meetings attended by each of the members are:

Director	November 21 2014	February 24 2015	May 26 2015	August 24 2015	August 27 2015
NG Payne (Chairman)	^	^	^	^	^
PC Baloyi	^	A	^	^	A
EK Diack	^	^	A	^	^
S Masinga	^	A	^	^	^

^ *Attended in person, by video-conference or tele-conference.*
A *Apologies tendered.*

Consolidated and separate financial statements

Following the review by the committee of the consolidated and separate annual financial statements of The Bidvest Group Limited for the year ended June 30 2015, the committee is of the view that, in all material respects, it complies with the relevant provisions of the Companies Act and IFRS and fairly presents the financial position at that date and the results of its operations and cash flows for the year. In conjunction with the risk committee and social and ethics committee, the committee has also satisfied itself as to the integrity of the remainder of the annual integrated report.

Having achieved its objectives for the financial year, the committee recommended the consolidated and separate financial statements and annual integrated report for the year ended June 30 2015 for approval to the board.

Signed on behalf of the committee by:

Nigel Payne
Chairman

This is the report of the acquisitions committee (committee) of The Bidvest Group Limited appointed for the financial year ended June 30 2015 in compliance with the Companies Act and in terms of the JSE Listings Requirements.

The committee has a charter that complies with the Companies Act and King III requirements and is approved by the board of directors (board). Copies are available either from the company secretary on request, or can be downloaded from the Company website.

Membership

The committee is appointed by the board and is made up of the following members: Messrs DDB Band (chairman), BL Berson, DE Cleasby, EK Diack, B Joffe, D Masson, NG Payne (appointed November 1 2014) and LP Ralphs, in line with the charter requirements. The board considers the membership of the committee adequate and the members are adequately experienced to perform the duties in line with the charter requirements.

Purpose

The primary purpose of the acquisition committee is to:

- review any significant acquisition for an in-principle decision as to whether the acquisition should be investigated and pursued;
- recommend to the board planned acquisitions that have been approved to be in the best interests of the shareholders and to the future growth of the Group; and
- inform the board of acquisitions that they do not recommend be considered.

Duties carried out

The committee met on three occasions during the financial year to consider and recommend to the board a number of potential acquisitions. Key focus areas during this past year included the review and decision not to pursue the London listing of the Bidvest Foodservice business and the R52,00 per share offer made to Adcock shareholders in early 2015.

Attendance

The names of the members who were in office during the period August 29 2014 to August 28 2015 and the number of acquisition committee meetings attended by each of the members are:

Director	August 22 2014	February 20 2015	July 27 2015
DDB Band (Chairman)	^	^	^
BL Berson	^	^	^
DE Cleasby	^	^	^
EK Diack	^	^	^
B Joffe	^	^	^
D Masson	^	^	^
NG Payne*		^	^
LP Ralphs	^	^	^

^ *Attended in person, by video-conference or tele-conference.*
* *Appointed November 1 2014.*

Conclusion

The committee has performed its duties and responsibilities during the financial year according to its charter.

Signed on behalf of the acquisitions committee by:

Doug Band
Chairman

Nominations committee report

This is the report of the nominations committee (committee) of The Bidvest Group Limited appointed for the financial year ended June 30 2015 in compliance with the Companies Act and in terms of the JSE Listings Requirements.

The committee has a charter that complies with the Companies Act and King III requirements and is approved by the board of directors (board). Copies are available either from the company secretary on request, or can be downloaded from the Company website.

Membership

The committee comprises three independent non-executive directors: Messrs DDB Band (chairman), CWL Phalatse and Ms T Slabbert.

Purpose

The key responsibilities and role of the committee include but are not limited to:

- establishment of formal process for appointment of directors;
- identification of suitable directors in succession planning for senior appointments;
- ongoing training, development and updates of changing requirements in legislation and board roles necessary for the directors to satisfactorily perform their roles;
- evaluation of the independence of the long-serving independent non-executive directors;
- performance evaluations of existing directors; and
- recommendations to shareholders for annual re-election of those directors retiring by rotation, annual appointment of audit committee members and other committee memberships as required.

Duties carried out

The duties completed by the committee this financial year have included:

- assessment of the appropriate composition of the board to execute its duties effectively;
- the recommendation of the appointment of executive director Mrs GC McMahon to the board;
- for those new appointments an induction process and ongoing training and development for all of the directors;
- the review and recommendation of the Group audit committee members to the AGM for shareholder approval;
- the review and recommendation of membership changes to the board constituted committees including changes such as appointing Mr NG Payne to the acquisitions committee, Mrs CWL Phalatse to the remuneration committee and Mrs FN Mantashe to the risk and social and ethics committees;
- the board effectiveness is assessed through a further board evaluation process; and
- a formal succession plan is developed for the board, chief executive officer and senior management appointments.

The board effectiveness is assessed through a further board evaluation process.

Attendance

The names of the members who were in office during the period August 29 2014 to August 28 2015 and the details of nominations committee meetings attended by each of the members are:

Director	August 28 2015
DDB Band (Chairman)	^
CWL Phalatse	^
T Slabbert	^

^ Attended in person, by video-conference or tele-conference.

Conclusion

Following the review by the committee for the year ended June 30 2015, the committee is of the view that, in all material respects, the committee has achieved its objectives for the financial year being the year ended June 30 2015.

Signed on behalf of the nominations committee by:

Doug Band
Chairman

This is the report of the remuneration committee (committee) of The Bidvest Group Limited appointed for the financial year ended June 30 2015 in compliance with the Companies Act and in terms of the JSE Listings Requirements.

The committee has a charter that complies with the Companies Act and King III requirements and is approved by the board of directors (board). Copies are available either from the company secretary on request, or can be downloaded from the Company website.

Membership

The committee comprises four independent non-executive directors: Messrs DDB Band (chairman), AK Maditsi, D Masson and Mrs CWL Phalatse. The chief executive officer and other members of senior management may be invited to attend meetings, but may not participate in the vote process of the remuneration committee and recuse themselves from any discussion regarding their performance or remuneration. The committee utilises the services of PricewaterhouseCoopers (PwC) as independent advisers on an ad hoc basis.

Purpose

The key responsibilities and role of the committee include but are not limited to:

- assisting the board to ensure directors and executives are fairly and responsibly remunerated, and disclosure thereof is complete and transparent;
- review management's proposals for fees for non-executive directors prior to submission to shareholders for approval;
- determining necessary criteria for performance assessment of the chief executive officer, financial director and other executive directors in discharging their functions and responsibilities;
- considering the allocation of long-term incentives to directors and staff; and
- overseeing and recommending the remuneration report to the board for publication.

Duties carried out

The remuneration philosophy promotes the Group's entrepreneurial culture within a decentralised environment with the aim of achieving sustainable growth within all businesses. The philosophy emphasises the fundamental value of Bidvest's people and their role in attaining this objective.

The duties completed by the committee this financial year has included:

- the review and approval of non-executive directors' fees;
- the consideration of executive director remuneration for the year under review, including short and long-term incentive programmes; and
- the drafting and approval of the remuneration report, included in the annual integrated report disclosure.

Attendance

The names of the members who were in office during the period August 29 2014 to August 28 2015 and the details of remuneration committee meetings attended by each of the members are:

Director	**October 7 2014**	**August 27 2015**
DDB Band (Chairman)	^	^
AK Maditsi	^	^
D Masson	^	^
CWL Phalatse*		^

^ *Attended in person, by video-conference or tele-conference.*
* *Appointed November 1 2014.*

Conclusion

Following the review by the committee for the year ended June 30 2015, the committee is of the view that, in all material respects, the committee has complied with the relevant requirements.

Having achieved its objectives for the financial year, the remuneration committee sets out the remuneration disclosure as part of the directors' report. Refer to the full remuneration report available on our website.

QUICK LINK: *http://www.bidvest.com/ar/bidvest_ar2015/pdf/remuneration-report.pdf*

Signed on behalf of the remuneration committee by:

Doug Band
Chairman

Social and ethics committee report

This is the report of the social and ethics committee (committee) of The Bidvest Group Limited appointed for the financial year ended June 30 2015 in compliance with the Companies Act and in terms of the JSE Listings Requirements.

The committee has a charter that complies with the Companies Act and King III requirements and is approved by the board of directors (board). Copies are available either from the company secretary on request, or can be downloaded from the Company website.

Membership

The committee comprises Messrs NG Payne (chairman: independent non-executive director), Mrs FN Mantashe (independent non-executive director: appointed November 1 2014), CWL Phalatse (independent non-executive chairperson of the board), Ms T Slabbert (independent non-executive director), and Messrs B Joffe, BL Berson, DE Cleasby and LP Ralphs (executive directors).

Purpose

Responsibilities of this committee are in line with the legislated requirements. The key areas of responsibility are as listed below:

- Social and economic development
- Corporate citizenship
- Environment, health and public safety
- Stakeholder relations
- Empowerment and transformation
- Labour and employment
- Ethics and code of conduct compliance
- Regulatory, statutory and legislative compliance.

Duties carried out

Progress can only be credibly reported if indicators are identified, monitored, measured and recorded. Within Bidvest's sustainability performance a major focus going forward will be to monitor the performance of each division against their individually determined targets for sustainability performance, meeting Group-wide requirements and specific industry requirements.

The committee monitored the Group's initiatives to promote diversity and advance the objectives of non-discrimination. Each division has an appointed transformation executive who, along with the CEO of each division, retains ultimate responsibility for transformation in their respective businesses. The executive responsible for transformation attends the committee meetings by invitation, presenting the progress of the South African companies against the B-BBEE scorecard.

The Group's code of conduct compliance is monitored through the whistle-blowing facility, the details of calls and follow-up action of which is presented to this committee for consideration. The committee monitored compliance to the Group code of conduct, the results of which are reported quarterly to the board.

Attendance

The names of the members who were in office during the period August 29 2014 to August 28 2015 and the number of social and ethics committee meetings attended by each of the members are:

Director	November 20 2014	February 25 2015	May 27 2015	August 25 2015
NG Payne (Chairman)	^	^	^	^
BL Berson	^	^	^	A
DE Cleasby	^	^	^	^
B Joffe	^	^	^	^
FN Mantashe*	^	^	^	^
CWL Phalatse	^	^	^	^
LP Ralphs	^	^	^	^
T Slabbert	^	^	^	^

^ *Attended in person, by video-conference or tele-conference.*
* *Appointed November 1 2014.*
A *Apologies tendered.*

Conclusion

Following the review by the committee for the year ended June 30 2015, the committee is of the view that, in all material respects, the committee has achieved its objectives for the financial year ended June 30 2015. There were no items reported on that would indicate non-compliance to the requirements of the social and ethics committee as required in terms of the Companies Act, No 71 of 2008, as amended.

Signed on behalf of the social and ethics committee by:

Nigel Payne
Chairman

This is the report of the risk committee (committee) of The Bidvest Group Limited appointed for the financial year ended June 30 2015 in compliance with the Companies Act and in terms of the JSE Listings Requirements.

The committee has a charter that complies with the Companies Act and King III requirements and is approved by the board of directors (board). Copies are available either from the company secretary on request, or can be downloaded from the Company website.

Membership

The committee comprises Mr NG Payne (chairman: independent non-executive director), Mrs FN Mantashe (independent non-executive director: appointed November 1 2014), Mr CWL Phalatse (independent non-executive chairperson of the board), Ms T Slabbert (independent non-executive director), and Messrs B Joffe, BL Berson, DE Cleasby and LP Ralphs (executive directors).

Purpose

We have integrated King III recommendations, and these along with identified Group requirements make up the overall function of the committee being:

- setting out a formal policy and plan for the management of risks;
- reviewing and assessing the integrity and effectiveness of the risk management process annually;
- considering annually the consolidated risk assessment results and determining trends, common areas of concern, emerging risks, and the most significant risks for reporting to the board;
- monitoring and reviewing changes in stakeholders' expectations, corporate governance codes and best practice guidelines relating to risk issues;
- reviewing and approving the insurance renewal programme; and
- assisting the board with activities relating to the governance of information technology.

Duties carried out

The committee assists the board in recognising all material risks to which the Group is exposed and ensuring that the requisite risk management culture, policies and systems are progressively implemented and functioning effectively. Management is accountable to the board for implementing and monitoring the processes of risk management and integrating this into day-to-day activities. Divisional risk committees and risk registers are established and these are communicated to a Group risk level.

An ongoing enterprise-wide risk assessment process supports the Group philosophy. This ensures risks and opportunities are adequately identified, evaluated and managed at the appropriate level in each division, and that their individual and joint impact on the Group is considered. The internal auditors assist in evaluating the effectiveness of the risk management process and comment on this in their own assessment reports.

Attendance

The names of the members who were in office during the period August 29 2014 to August 28 2015 and the details of the risk committee meetings attended by each of the members are:

Director	November 20 2014	February 25 2015	May 27 2015	August 25 2015
NG Payne (Chairman)	^	^	^	^
BL Berson	^	^	^	A
DE Cleasby	^	^	^	^
B Joffe	^	^	^	^
FN Mantashe*	^	^	^	^
CWL Phalatse	^	^	^	^
LP Ralphs	^	^	^	^
T Slabbert	^	^	^	^

^ *Attended in person, by video-conference or tele-conference.*
* *Appointed November 1 2014.*
A *Apologies tendered.*

Conclusion

The committee has performed its duties and responsibilities during the financial year according to its charter for the year ended June 30 2015, and has presented the Group key risk summary within the annual integrated report.

Signed on behalf of the risk committee by:

Nigel Payne
Chairman

Directors' curricula vitae

Independent non-executive chairman

Lorato Phalatse, Age: 53, **Qualification:** BA Political Science (Hons), University of Leeds UK, MA Southern African Studies, University of York UK, **Appointed:** Appointed as director on April 20 2012 and as chairman during September 2012

Lorato is a non-executive director of Pick n Pay. Lorato has held various positions over the years including deputy director general in the office of the President and a number of other positions in the FMCG and retail banking sectors. Lorato was CEO and co-founder of Nozala Investments, a woman-led and controlled investment company.

Group chief executive

Brian Joffe, Age: 68, **Qualification:** CA(SA), **Appointed:** March 1 1989

Director of numerous Bidvest subsidiaries. Since founding Bid Corporation in 1988, Brian served as executive chairman until his appointment as chief executive in 2004. He has over 33 years of South African and international commercial experience. Brian was one of the *Sunday Times*' top five businessmen in 1992 and is a past recipient of the Jewish Business Achiever of the Year award, was listed as one of the top 100 Africans of the Year in the Africa Almanac in 2001, was voted South Africa's Top Manager of the Year in 2002 in the Corporate Research Foundation's publication "South Africa's Leading Managers", represented South Africa at the coveted "Ernst & Young World Entrepreneur of the Year" awards in 2003, voted the *Sunday Times*' Businessman of the Year in 2007, awarded an honorary doctorate in May 2008 by Unisa and selected in 2010 by Wits Business School Journal as one of South Africa's top 25 business leaders, having made a significant impact on business in South Africa over the last five years. Listed by *Forbes Magazine* as one of the 20 most powerful people in African business. Brian Joffe was appointed chairman of the board of Adcock Ingram and resigned as chairman of Bidvest Namibia in 2014.

Executive directors

Bernard Larry Berson, ***Chief executive of Bidvest Foodservice,*** **Age:** 50, **Qualification:** Australian CA, **Appointed:** October 27 2003

Director of numerous Bidvest subsidiaries. Bernard has 25 years of international financial, administrative and management experience in numerous industries, the past 18 years in the Australian, New Zealand, Asian, South African and European foodservice industries.

David Edward Cleasby, ***Group financial director,*** **Age:** 53, **Qualification:** CA(SA), **Appointed:** July 9 2007

Director of numerous Bidvest subsidiaries and associate companies. David was financial director of Rennies Terminals when Bidvest acquired Rennies group in 1998. In 2001, he joined the Bidvest corporate office where he has been involved in both Group corporate finance and investor relations. David was appointed as an alternate director to Peter Nyman on June 28 2006 and appointed Group financial director on July 9 2007.

Anthony William Dawe, ***Chief executive of Bidvest Freight,*** **Age:** 49, **Qualification:** CA(SA), **Appointed:** June 28 2006

Director of numerous Bidvest subsidiaries. Anthony has 18 years' experience in the freight industry with most of those years focused in the South African port environment. Prior to this, Anthony's finance experience was in London and for one of the large accounting firms in South Africa.

Nompumelelo (Mpumi) Themekile Madisa, ***Executive director Bidvest South Africa,*** **Age:** 36, **Qualification:** MM in Finance and Investment, BComm Honours in Economics and BSc in Economics and Mathematics, **Appointed:** December 4 2013

Mpumi was previously chief director in the Gauteng provincial government. During her nine years in the Bidvest Group, she has held various senior management and executive board director positions such as general manager business development, divisional director business development, corporate affairs director and sales and marketing director. Director of numerous Bidvest subsidiaries.

Gillian Claire McMahon, ***Executive director Bidvest South Africa,*** **Age:** 43, **Qualification:** BCom Honours Business Economics and Industrial Psychology, MCom Industrial Psychology, **Appointed:** May 27 2015

Gillian previously held various operational roles at FedEx in customer service, operations, training and human resources. During her time at Bidvest Gillian has held various senior management roles including commercial director of Bidtravel and Group transformation executive. Gillian is a director of numerous Bidvest subsidiaries.

Lindsay Peter Ralphs, ***Chief executive of Bidvest South Africa,*** **Age:** 60, **Qualification:** CA(SA), **Appointed:** May 10 1992

Director of numerous Bidvest subsidiaries. Lindsay joined Bidvest as operations director in 1992. In 1994 he was appointed managing director of Steiner and following the acquisition of Prestige, Bidserv was created and Lindsay was appointed its chief executive. During the Group restructuring in February 2011, Lindsay was appointed CEO of Bidvest South Africa. Lindsay was appointed to the board of Adcock Ingram in 2014. Lindsay was appointed as chairman of Bidvest Namibia in 2014.

Independent non-executive directors

Paul Cambo Baloyi, Age: 59, **Qualification:** MBA, MDP, SEP (Harvard), **Appointed:** April 20 2012

Paul is currently the managing director of CAP Leverage (Pty) Limited. Until April 2012, has been chief executive officer and managing director of the Development Bank of Southern Africa from June 11 2006. Paul also served as chief executive officer and managing director of DBSA Development Fund. Prior to this Paul had spent 30 years in the Financial Services Sector, with both Standard Bank and the Nedbank group. His last position at Nedbank was as managing director of Nedbank Africa. Paul has been an independent non-executive director on many boards locally and internationally including, African financial institutions. He was a council member of the Institute of Bankers and also served as chairman of the Nedmedical Aid. Other boards include, Old Mutual South Africa, Hudaco Industries Limited, AUSTRO Group Limited, CAP Leverage, ACBF on which he is chairman and Bidvest Bank Limited.

Douglas Denoon Balharrie Band, **Age:** 71, **Qualification:** CA(SA), **Appointed:** October 27 2003
Non-executive director of The Standard Bank Group Limited and MIH Holdings Limited. Doug has extensive experience in both commerce and industry and has served in an executive position in various blue-chip listed companies.

Alfred Anthony da Costa, **Age:** 50, **Qualification:** BCom (Hons), **Appointed:** December 8 2003
Director of the IQUAD group Limited, Dinatla Investment Holdings (Pty) Limited, chairman of the boards of RGT Smart Limited, SBL and Bidvest Wits University Football Club (Pty) Limited. Alfred is chief executive officer of Ukuvula Investment Holdings (Pty) Limited, council member of the University of South Africa and past president of the Nelson Mandela Bay Business Chamber. He is a director of various subsidiary and associate companies of the Ukuvula group. Alfred has 22 years' experience in top management.

Eric Kevin Diack, **Age:** 58, **Qualification:** CA(SA), AMP Harvard, **Appointed:** April 20 2012
Eric has extensive experience of the South African industrial and mining landscape. He has been integral to the negotiation and successful conclusion of a multitude of transactions during his corporate and entrepreneurial career. Eric has served on numerous major listed company boards, namely: AMIC, AECI, ArcelorMittal, Daewoo, Dorbyl, Haggie, Highveld Steel, LTA, McCarthy's, Terra and Tongaat. Eric is a director on the board of Bidvest Bank Limited and Bidvest Bank Holdings Limited. Eric is chairman of the audit committee of Bidvest Bank.

Alexander Komape Maditsi, **Age:** 52, **Qualification:** BProc, LLB (Wits), LLM (Pennsylvania), LLM (Harvard), Dip Company Law (Wits), **Appointed:** April 20 2012
Alex is the current franchise director for Coca-Cola Southern and Eastern Africa. Alex has held various positions in Coca-Cola over the past 15 years. Alex has held various legal positions in companies in both South Africa and the United States.

Flora Nolwandle Mantashe, **Age:** 54, **Qualification:** BA (Hons), Business Management Programme (Wits Business school), **Appointed:** December 4 2013
Nolwandle has been at Pretoria Portland Cement Limited since 2008, where she served as the transformation executive until early 2014. She previously worked at Gold Fields. Nolwandle was a non-executive director on the board of Mvelaserve Limited prior to the purchase of Mvelaserve by Bidvest. Nolwandle is currently the chief operating officer of the Gwede Mantashe Foundation and serves on the board of the Accounting Authority Services SETA. Nolwandle has extensive experience in the field of human resources, particularly in transformation.

Sibongile (Bongi) Masinga, **Age:** 48, **Qualification:** BCom, USA-SA Leadership and Entrepreneurship Programme (Wharton School of Business), **Appointed:** December 4 2013
Bongi is the chief executive and one of the founding members of the Afropulse group. Prior to this she was the chief operating officer and head of Corporate Advisory at Africa Vukani Investments (now Quartile Capital). She has held various positions in financial services (including at DBSA and Gensec). She also gained merchant banking experience with Hill Samuel in London. She currently serves on the following boards: Regent Insurance and Regent Life Assurance and NSFAS. She also sits on applicable subcommittees. Bongi was a non-executive director of Mvelaserve Limited prior to the purchase of Mvelaserve by Bidvest.

Donald Masson, **Age:** 84, **Qualification:** ACIS, **Appointed:** March 10 1992
Director of numerous Bidvest subsidiaries and is Chairman of Cashbuild Limited. Trustee of various pension funds. Donald is a former president of the Afrikaanse Handelsinstituut and a former member of the President's Economic Advisory Council and chairman of the SA Post Office. He has 44 years of diverse business experience in senior executive positions at listed, unlisted and parastatal organisations. Donald chairs a number of divisional audit committees in Bidvest South Africa.

Nigel George Payne, **Age:** 55, **Qualification:** CA(SA), MBL, **Appointed:** June 28 2006
Director of companies, including the JSE Limited, Mr Price Group Limited (chairman), Vukile Property Fund Limited and BSi Steel Limited and is chairman of Bidvest Bank Limited.

Tania Slabbert, **Age:** 48, **Qualification:** BA, MBA, **Appointed:** August 20 2007
Tania is a director and co-founder of WDB Investment Holdings where she served as CEO for 12 years, managing the growth of the company's investment portfolio from inception. Tania also served as CEO of the WDB Trust, supporting programmes providing rural woman with access to financial and non-financial resources. Her other directorships include Discovery and Caxton and she serves as a Trustee of the BPSA Education Foundation.

Committees

Audit committee · Remuneration committee · Risk committee · Acquisitions committee
Nominations committee · Social and ethics committee

Accounting policies

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

1. Basis of preparation

The consolidated and separate financial statements are prepared on the historical cost basis, except that derivative financial instruments, financial instruments held-for-trading and financial instruments classified as available-for-sale are stated at their fair value.

The preparation of consolidated and separate financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances (the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources), the actual outcome may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made in the application of IFRS that have had an effect on the financial statements and estimates with a risk of adjustment in the next year are discussed in note 40.

Except as detailed below, the accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements are presented in South African rand, which is the Group's functional currency. All financial information has been rounded to the nearest thousand unless stated otherwise.

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

2. New and revised accounting standards

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

Details of new standards and interpretations that apply to the Group are contained in note 43 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 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.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, 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. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

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

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between either the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (ie reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the costs on initial recognition of an investment in an associate or jointly controlled entity.

4. Business combinations

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a business is the fair value of assets transferred, the liabilities incurred and the equity issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent arrangement. If the contingent arrangement is classified as equity, then it is not remeasured and settlement is accounted for in equity. Subsequent changes in the fair value of other contingent arrangements are recognised in profit or loss. Acquisition-related costs, apart from costs directly related to the raising of debt and/or equity, are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at acquisition date. The Group recognises any non-controlling interest, at the non-controlling interest's proportionate share of the subsidiary's net assets on an acquisition-by-acquisition basis. When a business combination is achieved in stages, the Group's previously held equity interest in an entity is remeasured to its acquisition date fair value and the resulting gain or loss recognised in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the entity and the acquisition date fair value of any previous equity interest in the business over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss as a bargain purchase gain.

The Company carries its investments in subsidiaries at cost less accumulated impairment losses.

5. Puttable non-controlling interests

Put options held by non-controlling interests in the Group's subsidiaries entitle the non-controlling interest to sell its interest in the subsidiary to the Group at pre-determined values and on contracted dates. In such cases the Group consolidates the non-controlling interest's 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.

6. Turnover

Turnover comprises amounts invoiced to customers for goods and services and includes finance charges, insurance premiums, gross billings and commissions related to clearing and forwarding transactions and excludes value added tax. Turnover is net of returns and allowances, trade discounts and volume rebates.

7. 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.

Dividends are recognised when the right to receive payment is established.

8. Distributions to shareholders

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

9. 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.

10. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially complete. Capitalisation is suspended during extended periods in which active development is interrupted. All other borrowing costs are expensed in the period in which they are incurred.

11. 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.

12. 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, they are accounted for as separate items of property, plant and equipment.

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing a part of such an item when that cost is incurred if it is probable that the future economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense when incurred.

13. Leases

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the Group are classified as finance leases. Assets acquired in terms of finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments at inception of the lease, and depreciated over the estimated useful life of the asset. The capital element of future obligations under the leases is included as a liability in the balance sheet. Lease payments are allocated using the effective interest rate method to determine the lease finance cost, which is charged against income over the lease period, and the capital repayment, which reduces the liability to the lessor.

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Operating leases, which have a fixed determinable escalation, are charged against income on a straight-line basis. Leases with contingent escalations are expensed as and when incurred.

14. 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.

Goodwill is tested annually for impairment. 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.

15. Intangible assets

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

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 systematically tested for impairment at each statement of financial position date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are currently:

Patents, trademarks, tradenames and other intangibles	3 to 12 years or indefinite life
Computer software	3 to 8 years

Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

16. Impairment of assets

The carrying value of assets is 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 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 whenever the carrying amount of the asset or a cash-generating unit exceeds its recoverable amount. 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.

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.

17. Taxation

Income taxation comprises current and deferred tax. 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 balance sheet date, and any adjustment of tax payable for previous years.

Deferred taxation is recognised using the balance sheet liability method based on temporary differences between the tax base of an asset or liability and its balance sheet carrying amount. Temporary differences are differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the statement of financial position date. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. 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.

18. 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 adopted in the Group financial statements. In applying the equity method, account is taken of the Group's share of accumulated retained earnings and movements in reserves from the effective dates on which the companies became associates and up to the effective dates of disposal. In the event of associates making losses, the Group recognises the losses to the extent of the Group's exposure.

The Company carries its investment in associates at cost less any accumulated impairment losses.

19. Foreign operations

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into South African rand at rates of exchange ruling at the statement of financial position date. Income, expenditure and cash flow items are translated into South African rand at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised directly in equity as a foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to the income statement.

Foreign exchange differences arising on translation are recognised directly in a separate component of equity.

Acquisitions and disposals of foreign operations are accounted for at the exchange rate ruling on the date of the transaction.

20. Financial instruments

Financial instruments are recognised when the Group or Company becomes party to the contractual provisions of the arrangement.

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 amortised cost if the fair value cannot be 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 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 financial instrument is used to economically hedge the foreign exchange exposure of a recognised financial asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in the income statement. It is the policy of the Group not to trade in derivative financial instruments for speculative purposes.

Gains and losses arising from measuring the hedging instruments relating to a fair value hedge at fair value are recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gains or losses recognised in the income statement.

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.

A financial asset is derecognised (or, where applicable, a part of a financial asset or a part of a group of similar financial assets is derecognised) if the Group's contractual rights to the cash flows from the financial asset expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

Where the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit and loss.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the Company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

21. 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 general 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 general 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 general impairments made during the year are charged to the income statement.

22. Vehicle rental fleet

Vehicle rental fleet is stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis to write off the cost of the vehicles to their residual value over their estimated useful life of between nine and 12 months.

23. Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Estimated net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of raw materials, finished goods, parts and accessories is determined on either the first-in, first-out or average cost basis. The cost of manufactured inventory and work in progress includes materials and parts, direct labour, other direct costs and includes an appropriate portion of overheads, but excludes interest expense.

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

24. Treasury shares

Shares in the Company, held by its subsidiary and the Bidvest Incentive Scheme, are classified in the Group's shareholders' interest as treasury shares. These shares are treated as a deduction from the issued and weighted average number of shares. The cost price of the shares is presented as a deduction from total equity. Distributions received on treasury shares are eliminated on consolidation.

25. 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.

26. Share-based payments

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

The Bidvest Incentive Scheme grants loans to staff for the acquisition of shares in the Company. The fair value of services received in return for shares allotted is measured based on a binomial model taking into account the expected contractual life of the loan obligation.

In terms of the conditional share plan scheme, a conditional right to a share is awarded to employees subject to performance and vesting conditions. The fair value of services received in return for the conditional share awards has been determined by multiplying the number of conditional share awards expected to vest, by the share price at the date of the award less discounted by anticipated future distribution flows.

27. Employee benefits

Leave benefits due to employees are recognised as a liability in the financial statements.

The Group's liability for post-retirement benefits, accruing to past and current employees in terms of defined benefit schemes, is actuarially calculated. Where the plan is funded, the obligation is reduced by the fair value of the plan assets. Unfunded obligations are recognised as a liability in the financial statements.

The Group's obligation for post-retirement medical aid to past and current employees is actuarially determined and provided for in full.

The projected unit credit method is used to determine the present value of the defined benefit obligations and the related current service cost and, where applicable, past service cost.

Actuarial gains or losses in respect of defined benefit plans are recognised in other comprehensive income.

However, when the actuarial calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

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

Liabilities for employee benefits which are not expected to be settled within 12 months are discounted using the market yields at the statement of financial position date on high-quality bonds with terms that most closely match the terms of maturity of the related liabilities.

Contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

28. Short-term insurance

Insurance contracts are those contracts under which the Company (as insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects them. Short-term insurance is provided in terms of benefits under short-term policies which cover motor, property and warranty.

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.

Receipts and payments under investment contracts are not classified as insurance transactions in the income statement but instead are deposit accounted in the statement of financial position in accordance with IAS 39. The deposits liability recognised in the statement of financial position represents the expected amounts payable to the holders of the insurance contract. Claims incurred consist of claims paid during the financial year, together with the movement in the provision for outstanding claims and are charged to income as incurred. The provision for outstanding claims comprise the Company's estimate of the undiscounted ultimate cost of settling all claims incurred but unpaid at statement of financial position date, whether reported or not. Related anticipated reinsurance recoveries are disclosed separately as assets.

Premiums are earned from the date the risk attaches, over the indemnity period, based on the pattern of the risk underwritten. Unearned premiums, which represent the proportion of premiums written in the current year which relate to risks that have not expired by the end of the financial year, are calculated on a time proportionate basis. Deferred acquisition costs are recognised on a basis consistent with the related provisions for earned premiums. A provision for claims arising from events that occurred before the close of the accounting period, but which have not been reported to the Company by that date, is maintained. The calculation is based on the preceding six years' insurance premium revenue per insurance category multiplied by percentages as specified in the Short-Term Insurance Act.

29. Life assurance

Insurance contracts are those contracts under which the Company (as insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects them. Life assurance benefits are provided in terms of individual credit life contracts. These contracts are decreasing term assurance designed to pay outstanding loans provided by finance houses to purchasers of motor vehicles. The outstanding loan is settled (subject to certain limits) following death or disability of the contract holder. In addition, there is a dread disease, retrenchment and funeral benefit. Policyholder liabilities under insurance contracts, representing the liability in respect of unmatured policies, are valued in terms of the financial soundness valuation (FSV) basis contained in PGN104.

Receipts and payments under investment contracts are not classified as insurance transactions in the income statement but instead are deposit accounted in the statement of financial position, in accordance with IAS 39. The deposits liability recognised in the statement of financial position represents the expected amounts payable to the holders of the insurance contract. Claims expenses are charged to the income statement as incurred based on the liability in terms of the policy at the date of the claim.

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company are classified as reinsurance contracts held. The benefits to which the Company is entitled under its reinsurance contracts are recognised as reinsurance assets. These consist of short-term balances due to/from reinsurers, as well as longer-term receivables (classified as reinsurance assets) that are dependent on the expected claims and benefits arising under the related insurance contracts. Amounts recoverable from/due to reinsurers are measured consistently with the amounts associated with the insurance contracts and in accordance with the terms of each contract. Reinsurance liabilities are primarily premiums payable and are recognised as an expense when due. The Company assesses its reinsurance assets for impairment on an annual basis. If there is objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises the impairment loss in the income statement. The Company gathers the objective evidence that a reinsurance asset is impaired using the same basis adopted for financial assets held at amortised cost.

30. Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

The Group recognises a provision calculated as the present value of the estimated cost of dismantling and removing items and restoring the site in which they are located when the legal or constructive obligation arises or when the damage to the site occurs.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net costs of continuing the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Customer loyalty points are accounted for at fair value of the consideration received or receivable in respect of the initial sale, and are allocated between the loyalty points and the other components of the sale. The consideration allocated to the customer loyalty points is measured by reference to their fair value, which is the amount for which the loyalty points could be sold at, multiplied by the probability of their redemption. This amount is recognised as a provision until such time as the customer loyalty points are redeemed. Once the loyalty points are redeemed, the amount will be recognised as revenue.

31. 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. Information is also supplied for the various geographies in which the Group operates.

“Segmental operating profit” includes revenue and expenses directly relating to a business segment but excludes net finance charges and taxation, which cannot be allocated to any specific segment. Share-based payment costs are also excluded from the result as this is not a criteria used in the management of the reportable segments.

“Segmental trading profit” is defined as operating profit excluding items of a capital nature and is the basis on which management’s performance is assessed.

Segment operating assets and liabilities include property, plant and equipment, investments, inventories, trade and other receivables, trade and other payables, banking assets and liabilities, insurance funds and post-retirement obligations but excludes cash, borrowings, current taxation, and deferred taxation.

Consolidated income statement

for the year ended June 30

	Note	2015 R'000	2014 R'000
Turnover	1	**204 915 925**	183 645 179
Revenue	1	**182 164 453**	161 612 418
Cost of revenue		**(139 566 689)**	(124 247 763)
Gross profit		**42 597 764**	37 364 655
Operating expenses		**(33 453 768)**	(29 276 028)
Sales and distribution expenses		**(23 129 638)**	(19 324 756)
Administration expenses		**(6 783 084)**	(6 674 996)
Other expenses		**(3 541 046)**	(3 276 276)
Other income		**382 023**	437 978
Trading result		**9 526 019**	8 526 605
Income from investments		**146 836**	418 916
Trading profit		**9 672 855**	8 945 521
Share-based payment expense		**(228 637)**	(187 119)
Acquisition costs		**(74 241)**	(74 044)
Net capital items	2	**(32 574)**	(802 373)
Operating profit	2	**9 337 403**	7 881 985
Net finance charges	3	**(1 120 058)**	(1 048 295)
Finance income		**112 918**	90 232
Finance charges		**(1 232 976)**	(1 138 527)
Share of profit of associates		**218 069**	110 142
Dividends received		**85 366**	76 788
Share of current year earnings		**132 703**	33 354
Profit before taxation		**8 435 414**	6 943 832
Taxation	4	**(2 276 038)**	(2 107 173)
Profit for the year		**6 159 376**	4 836 659
Attributable to			
Shareholders of the Company		**5 898 406**	4 603 307
Non-controlling interests		**260 970**	233 352
		6 159 376	4 836 659
Basic earnings per share (cents)	5	**1 827,3**	1 462,0
Diluted basic earnings per share (cents)	5	**1 817,1**	1 452,8
Headline earnings per share (cents)	5	**1 882,2**	1 733,9
Diluted headline earnings per share (cents)	5	**1 871,7**	1 723,0
Dividends per share (cents)	6	**909,0**	834,1

Consolidated statement of other comprehensive income

for the year ended June 30

	2015 R'000	2014 R'000
Profit for the year	**6 159 376**	4 836 659
Other comprehensive income (expense) net of taxation		
Items that may be classified subsequently to profit or loss	**(96 252)**	2 097 535
Increase (decrease) in foreign currency translation reserve	**(116 419)**	2 114 443
Shareholders of the Company	**(114 732)**	2 116 666
Realisation of reserve on sale of subsidiaries and associates	**(1 687)**	(2 223)
Increase (decrease) in fair value of available-for-sale financial assets	**23 825**	(3 368)
Increase (decrease) in fair value of available-for-sale financial assets before tax	**29 456**	(3 368)
Tax relief	**(5 631)**	–
Decrease in fair value of cash flow hedges	**(3 658)**	(13 540)
Fair value losses arising during the year	**(6 026)**	(16 572)
Deferred tax relief	**2 368**	3 032
Items that will not be reclassified subsequently to profit or loss		
Defined benefit obligations	**33 153**	(80 891)
Net remeasurement of defined benefit obligations during the year	**44 096**	(105 539)
Deferred tax relief	**(10 943)**	24 648
Total comprehensive income for the year	**6 096 277**	6 853 303
Attributable to		
Shareholders of the Company	**5 814 601**	6 614 085
Non-controlling interest	**281 676**	239 218
	6 096 277	6 853 303

Consolidated statement of cash flows

for the year ended June 30

for the year ended June 30	Note	2015 R'000	2014 R'000
Cash flows from operating activities		**6 434 016**	5 370 491
Cash generated by operations	7	**11 646 926**	10 207 193
Finance income		**112 918**	90 232
Finance charges	8	**(1 082 322)**	(986 046)
Taxation paid	9	**(2 287 700)**	(2 067 596)
Distributions to shareholders	10	**(1 955 806)**	(1 873 292)
Cash effects of investment activities		**(6 239 094)**	(8 493 479)
Amounts repaid by (advanced to) associates		**(13 058)**	19 923
Proceeds on disposal of investments		**290 958**	570 684
Investments acquired		**(587 405)**	(243 678)
Additions to property, plant and equipment		**(3 651 283)**	(3 158 556)
Additions to vehicle rental fleet		**(1 454 752)**	(1 298 425)
Additions to intangible assets		**(286 901)**	(217 149)
Proceeds on disposal of property, plant and equipment		**817 083**	397 757
Proceeds on disposal of vehicle rental fleet		**1 367 388**	1 063 336
Proceeds on disposal of intangible assets		**8 454**	4 064
Acquisition of businesses, subsidiaries and associates	11	**(3 106 760)**	(5 645 937)
Proceeds on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	12	**377 182**	14 502
Cash effects of financing activities		**167 116**	1 080 266
Proceeds from share issues – Company		**104 312**	55 872
Sale of treasury shares		**540 385**	326 536
Borrowings raised		**8 127 648**	9 042 826
Borrowings repaid		**(8 605 229)**	(8 344 968)
Net increase (decrease) in cash and cash equivalents		**362 038**	(2 042 722)
Cash and cash equivalents at beginning of year		**5 560 585**	7 092 155
Effects of exchange rate fluctuations on cash and cash equivalents		**(104 111)**	511 152
Cash and cash equivalents at end of year		**5 818 512**	5 560 585
Cash and cash equivalents comprise			
Cash and cash equivalents	23	**7 812 877**	8 838 573
Bank overdrafts included in short-term portion of borrowings	28	**(1 994 365)**	(3 277 988)
		5 818 512	5 560 585

Consolidated statement of financial position

for the year ended June 30

at June 30	Note	2015 R'000	2014 R'000
ASSETS			
Non-current assets		**43 094 009**	37 358 779
Property, plant and equipment	13	**18 301 434**	16 271 788
Intangible assets	14	**2 093 480**	1 647 006
Goodwill	15	**13 567 032**	11 723 176
Deferred taxation assets	16	**877 623**	602 850
Defined benefit pension surplus	29	**146 954**	124 767
Interest in associates	17	**4 816 412**	3 928 433
Investments	18	**2 551 260**	2 367 602
Banking and other advances	19	**739 814**	693 157
Current assets		**46 767 197**	43 616 691
Vehicle rental fleet	20	**1 376 295**	1 462 715
Inventories	21	**14 843 572**	13 541 484
Short-term portion of banking and other advances	19	**547 740**	271 282
Trade and other receivables	22	**22 186 713**	19 502 637
Cash and cash equivalents	23	**7 812 877**	8 838 573
Total assets		**89 861 206**	80 975 470
EQUITY AND LIABILITIES			
Capital and reserves		**37 710 234**	33 011 115
Capital and reserves attributable to shareholders of the Company	24	**36 372 190**	31 780 882
Non-controlling interests		**1 338 044**	1 230 233
Non-current liabilities		**10 020 249**	8 937 971
Deferred taxation liabilities	16	**1 033 660**	815 402
Life assurance fund	27	**26 733**	27 829
Long-term portion of borrowings	28	**7 124 985**	7 108 167
Post-retirement obligations	29	**283 920**	345 253
Puttable non-controlling interest liabilities	30	**939 430**	–
Long-term portion of provisions	34	**511 246**	509 980
Long-term portion of operating lease liabilities	32	**100 275**	131 340
Current liabilities		**42 130 723**	39 026 384
Trade and other payables	33	**29 546 008**	26 144 355
Short-term portion of provisions	34	**501 611**	420 999
Vendors for acquisition		**573 271**	482 937
Taxation		**401 850**	268 643
Banking liabilities	31	**2 653 861**	2 062 421
Short-term portion of borrowings	28	**8 454 122**	9 647 029
Total equity and liabilities		**89 861 206**	80 975 470

Consolidated statement of changes in equity

for the year ended June 30

	2015 R'000	2014 R'000
Equity attributable to shareholders of the Company	**36 372 190**	31 780 882
Share capital	**16 758**	16 562
Balance at beginning of year	**16 562**	16 387
Shares issued during the year	**17**	11
Capitalisation issue	**179**	164
Share premium	**297 298**	193 182
Balance at beginning of year	**193 182**	137 485
Shares issued during the year	**104 703**	56 204
Share issue costs	**(408)**	(343)
Capitalisation issue	**(179)**	(164)
Foreign currency translation reserve	**5 149 394**	5 288 068
Balance at beginning of year	**5 288 068**	3 181 802
Realisation of reserve on disposal of subsidiaries and associates	**(1 687)**	(2 223)
Movement during the year	**(136 987)**	2 108 489
Hedging reserve	**25 383**	29 041
Balance at beginning of year	**29 041**	42 581
Fair value losses incurred during the year	**(6 026)**	(16 572)
Deferred tax recognised directly in reserve	**2 368**	3 032
Equity-settled share-based payment reserve	**310 416**	359 594
Balance at beginning of year	**359 594**	255 319
Arising during current year	**228 177**	186 746
Deferred tax recognised directly in reserve	**106 911**	107 382
Utilisation during the year	**(428 422)**	(189 853)
Transfer to retained earnings	**44 156**	–
Movement in retained earnings	**31 558 166**	27 420 045
Balance at beginning of year	**27 420 045**	24 592 164
Attributable profit	**5 898 406**	4 603 307
Change in fair value of available-for-sale financial assets	**23 825**	(3 368)
Net remeasurement of defined benefit obligations during the year	**33 015**	(80 803)
Net dividends paid	**(1 767 532)**	(1 685 663)
Transfer of reserves as a result of changes in shareholding of subsidiaries	**(5 437)**	(5 592)
Transfer from share-based payment reserve	**(44 156)**	–
Treasury shares	**(985 225)**	(1 525 610)
Balance at beginning of year	**(1 525 610)**	(1 852 146)
Shares disposed of in terms of share incentive scheme	**540 385**	326 536
Equity attributable to non-controlling interests of the Company	**1 338 044**	1 230 233
Balance at beginning of year	**1 230 233**	1 177 127
Other comprehensive income	**281 676**	239 218
Attributable profit	**260 970**	233 352
Movement in foreign currency translation reserve	**20 568**	5 954
Net remeasurement of defined benefit obligations during the year	**138**	(88)
Dividends paid	**(188 274)**	(187 629)
Movement in equity-settled share-based payment reserve	**460**	373
Changes in shareholding	**935 197**	(4 448)
Transfer to puttable non-controlling interest liabilities	**(926 685)**	–
Transfer of reserves as a result of changes in shareholding of subsidiaries	**5 437**	5 592
Total equity	**37 710 234**	33 011 115

	2015 R'000	2014 R'000
1. Turnover and revenue		
Sale of goods	**161 085 494**	144 332 431
Rendering of services	**20 003 845**	17 822 959
Commissions and fees earned	**1 551 254**	1 110 597
Gross billings relating to clearing and forwarding transactions	**26 692 377**	24 219 159
Insurance	**336 415**	290 680
	209 669 385	187 775 826
Inter-group eliminations	**(4 753 460)**	(4 130 647)
Turnover	**204 915 925**	183 645 179
Clearing and forwarding disbursement recoveries	**(22 751 472)**	(22 032 761)
Revenue	**182 164 453**	161 612 418
2. Operating profit		
Determined after charging (crediting)		
Auditors' remuneration	**98 354**	92 453
Audit fees	**81 018**	76 950
Audit-related expenses	**670**	1 099
Consulting fees	**9 148**	6 654
Taxation services	**4 235**	5 227
Other services	**3 283**	2 523
Depreciation of property, plant and equipment	**2 069 800**	1 968 574
Buildings	**3 456**	4 026
Leasehold premises	**123 128**	112 354
Plant and equipment	**692 374**	626 162
Office equipment, furniture and fittings	**341 161**	334 006
Vehicles, vessels and craft	**569 375**	530 630
Rental assets	**143 823**	130 106
Capitalised leased assets	**39 908**	56 276
Full maintenance lease assets	**156 575**	175 014
Depreciation of vehicle rental fleet	**174 242**	136 633
Amortisation of intangible assets	**295 806**	239 713
Patents, trademarks, tradenames and other intangibles	**93 022**	53 254
Computer software	**202 784**	186 459
Impairment of assets	**326 193**	162 267
Property, plant and equipment[#]	**11 740**	1 964
Intangible assets[#]	**113 137**	20 961
Banking and other advances	**5 404**	19 120
Trade receivables	**195 912**	120 222
Net impairment of associates[#]	**305 047**	926 060
Gain on a bargain purchase[#]	**–**	(24 338)
Directors' emoluments		
Executive directors	**92 314**	80 773
Basic remuneration	**42 369**	38 750
Retirement and medical benefits	**2 878**	2 605
Other benefits and costs	**2 900**	2 695
Cash incentives	**44 167**	36 723
Non-executive directors	**7 976**	7 455
Fees – Company	**5 985**	5 691
– Subsidiaries	**1 991**	1 764
Employer contributions to	**1 413 630**	1 274 577
Defined contribution pension funds	**199 874**	149 350
Provident funds	**605 297**	559 122
Retirement funds	**53 291**	57 568
Social securities	**258 716**	211 033
Medical aids	**296 452**	297 504

Notes to the consolidated financial statements

for the year ended June 30

	2015 R'000	2014 R'000
2. Operating profit *(continued)*		
Net expense related to post-retirement obligations for current service costs	**85 022**	55 523
Defined benefit pension plans	**78 026**	54 376
Post-retirement medical aid obligations	**1 234**	(4 229)
Defined benefit early retirement plan	**5 762**	5 376
Share-based payment expense	**228 637**	187 119
Staff	**197 024**	146 087
Executive directors	**31 613**	41 032
Staff costs excluding directors' emoluments and employer contributions	**23 764 232**	19 867 936
Fees for administrative, managerial and technical services	**14 476**	9 687
Research and development expenditure	**1 739**	11 573
Foreign exchange losses (gains) on hedging activities	**(18 454)**	11 729
Forward exchange contracts	**(17 013)**	12 368
Foreign bank accounts	**(1 441)**	(639)
Other foreign exchange gains	**(138 294)**	(64 705)
Realised	**(123 532)**	(61 957)
Unrealised	**(14 762)**	(2 748)
Income from investments	**(146 836)**	(418 916)
Dividends received from listed investments	**(28 326)**	(35 200)
Dividends received from unlisted investments	**(13 737)**	(591)
Profit on disposal	**(39 085)**	(216 061)
Fair value adjustments on investments held-for-trading	**(65 688)**	(167 064)
Net capital profit#	**(397 350)**	(122 274)
Net profit on disposal of property, plant and equipment	**(242 728)**	(1 888)
Net profit on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	**(154 622)**	(47 490)
Net profit on disposal of intangible assets	**–**	(1 967)
Net fair value adjustment arising on acquisition of control of associates	**–**	(70 929)
JSE fees	**263**	221
Operating lease charges	**2 349 349**	2 117 177
Land and buildings	**1 656 064**	1 529 538
Equipment and vehicles	**693 285**	587 639
# Items above included as capital items on consolidated income statement	**32 574**	802 373

	2015 R'000	2014 R'000
3. Net finance charges		
Finance income	**335 272**	279 038
Interest income on banking and other advances	**248 891**	200 865
Interest income on bank balances	**71 396**	62 469
Interest imputed on post-retirement assets	**10 353**	10 010
Interest income on available-for-sale financial investments	**4 632**	5 694
Finance charges	**(1 324 183)**	(1 218 242)
Interest expense on banking liabilities	**(101 239)**	(83 353)
Interest expense on bank overdrafts	**(280 708)**	(321 591)
Interest expense on listed bonds and commercial paper	**(345 520)**	(401 668)
Interest expense on financed assets	**(21 107)**	(12 212)
Interest expense on vehicle lease creditors and floorplan creditors	**(59 997)**	(60 088)
Interest expense on other borrowings	**(383 498)**	(330 160)
Interest imputed on post-retirement obligations	**(7 380)**	(11 798)
Unwinding of discount on puttable non-controlling interest liabilities	**(19 880)**	–
Dividends on preference shares included in borrowings	**(108 593)**	–
Less: Borrowing costs capitalised to property, plant and equipment	**3 739**	2 628
	(988 911)	(939 204)
Less: Net finance income from banking operations included in operating profit	**(131 147)**	(109 091)
Income	**(222 354)**	(188 806)
Charges	**91 207**	79 715
	(1 120 058)	(1 048 295)

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

	2015 R'000	2014 R'000
4. Taxation		
Current taxation	**2 347 781**	1 913 137
Current year	**2 282 169**	1 938 942
Prior years' under (over) provision	**65 612**	(25 805)
Deferred taxation	**(96 597)**	178 669
Current year	**(65 360)**	191 026
Prior years' over provision	**(31 191)**	(615)
Change in rate of taxation	**(46)**	(11 742)
Foreign withholding taxation	**24 854**	15 367
Total taxation per consolidated income statement	**2 276 038**	2 107 173
Comprising		
South African taxation	**1 271 817**	1 285 064
Foreign taxation	**1 004 221**	822 109
	2 276 038	2 107 173

Notes to the consolidated financial statements

for the year ended June 30

	2015 %	2014 %
4. Taxation *(continued)*		
The reconciliation of the effective tax rate with the South African company tax rate is:		
Taxation for the year as a percentage of profit before taxation	**27,0**	30,3
Associates	**0,7**	0,4
Effective rate excluding associate income	**27,7**	30,7
Dividend and exempt income	**1,3**	2,5
Foreign taxation rate differential	**0,8**	0,3
Non-deductible expenses	**(1,6)**	(6,0)
Changes in recognition of deferred tax assets	**1,0**	(0,7)
Capital gains rate differential	**(0,8)**	0,5
Changes in prior years' estimation	**(0,4)**	0,5
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	**1 689 284**	1 308 808
Utilised in the computation of deferred taxation	**(990 271)**	(565 099)
Not accounted for in deferred taxation	**699 013**	743 709
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. Earnings per share

	2015	2014
Weighted average number of shares ('000)		
Weighted average number of shares in issue for basic earnings per share and headline earnings per share calculations	**322 792**	314 873
Potential dilutive impact of outstanding staff share options and conditional awards	**1 814**	1 986
Number of outstanding staff share options	**11 865**	12 058
Number of share options deemed to be issued at fair value	**(10 240)**	(10 395)
Contingent issuable shares in terms of conditional share plan to be issued at fair value	**189**	323
Adjusted weighted average number of shares in issue used for the calculation of diluted earnings and diluted headline earnings per share	**324 606**	316 859
Attributable earnings (R'000)		
Basic earnings per share and diluted earnings per share are based on profit attributable to shareholders of the Company	**5 898 406**	4 603 307
Basic earnings per share (cents)	**1 827,3**	1 462,0
Diluted basic earnings per share (cents)	**1 817,1**	1 452,8
Dilution (%)	**0,6**	0,6

	2015 R'000	2014 R'000
5. Earnings per share *(continued)*		
Headline earnings		
Profit attributable to shareholders of the Company	**5 898 406**	4 603 307
Impairment of property plant and equipment, and intangible assets	**94 792**	18 731
Property, plant and equipment	**11 740**	1 964
Intangible assets	**113 137**	20 961
Tax relief	**(30 085)**	(4 194)
Net loss (profit) on disposal of interests in subsidiaries and disposal and closure of businesses	**(52 855)**	70
On disposal and closure	**(95 338)**	70
Tax charge	**42 483**	–
Net profit on disposal, impairment and reversal of impairment of investments in associates	**254 493**	906 542
On change in shareholding in associates	**(59 284)**	(47 560)
Impairment of investment in associate	**305 047**	1 056 060
Reversal of impairment of investment in associates	**–**	(130 000)
Tax charge	**8 730**	28 042
Net profit on disposal of property, plant and equipment and intangible assets	**(151 411)**	(3 136)
Property, plant and equipment	**(242 728)**	(1 888)
Intangible assets	**–**	(1 967)
Tax charge	**36 484**	244
Non-controlling interests	**54 833**	475
Non-headline earnings items included in equity-accounted earnings of associated companies	**32 217**	29 303
Net fair value adjustment arising on acquisition of control of associates	**–**	(70 929)
Gain on a bargain purchase	**–**	(24 338)
Headline earnings	**6 075 642**	5 459 550
Headline earnings per share (cents)	**1 882,2**	1 733,9
Diluted headline earnings per share (cents)	**1 871,7**	1 723,0
Dilution (%)	**0,6**	0,6
6. Distributions per share		
Interim distribution (cents)		
Dividend paid to shareholders on April 20 2015 (2014: A capitalisation issue of 1,65 shares for every 100 shares held, being the equivalent of 398,1 cents, with a cash alternative of 378,0 cents awarded or paid to shareholders on April 14 2014)	**426,0**	398,1
Final dividend (cents)		
Dividend payable to shareholders on September 28 2015 (2014: A capitalisation issue of 1,55 shares for every 100 shares held, being the equivalent of 436,0 cents, with a cash alternative of 420,0 cents awarded or paid to shareholders on October 13 2014)	**483,0**	436,0
	909,0	834,1

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

	2015 R'000	2014 R'000
7. Cash generated by operations		
Profit before taxation	**8 435 414**	6 943 832
Costs incurred in respect of acquisitions	**74 241**	74 044
Net finance charges	**1 120 058**	1 048 295
Share of current year earnings of associates	**(132 703)**	(33 354)
Adjustment for depreciation and amortisation	**2 539 848**	2 344 920
Adjustment for other non-cash items	**(271 984)**	487 443
Reduction in post-retirement obligations	**(42 444)**	(124 041)
Decrease in life assurance fund	**(1 096)**	(2 345)
Working capital changes	**(74 408)**	(531 601)
Increase in inventories	**(851 450)**	(546 911)
Increase in trade and other receivables	**(1 010 704)**	(834 504)
Decrease (increase) in banking and other advances	**(323 115)**	53 781
Increase in trade and other payables and provisions	**1 519 421**	757 848
Increase in banking liabilities	**591 440**	38 185
Cash generated by operations	**11 646 926**	10 207 193
8. Finance charges		
Charge per income statement	**(1 232 976)**	(1 138 527)
Unwinding of discount on puttable non-controlling interest liabilities	**19 880**	–
Amounts capitalised to borrowings	**134 513**	155 109
Amounts capitalised to property, plant and equipment	**(3 739)**	(2 628)
Amounts paid	**(1 082 322)**	(986 046)
9. Taxation paid		
Amounts payable at beginning of year	**(268 643)**	(299 967)
Current taxation charge	**(2 372 635)**	(1 928 504)
Businesses acquired	**(41 683)**	(69 858)
Businesses disposed of	**1 253**	2 296
Exchange rate adjustments	**(7 842)**	(40 206)
Amounts payable at end of year	**401 850**	268 643
Amounts paid	**(2 287 700)**	(2 067 596)
10. Distributions to shareholders		
Dividends paid to shareholders	**(1 861 818)**	(1 785 665)
Dividends received by subsidiaries on treasury shares	**94 286**	100 002
Dividends paid to non-controlling interests	**(188 274)**	(187 629)
Amounts paid	**(1 955 806)**	(1 873 292)

	2015 R'000	2014 R'000
11. Acquisition of businesses, subsidiaries and associates		
Property, plant and equipment	**(379 671)**	(673 623)
Deferred taxation	**96 586**	85 955
Interest in associates	**(1 078 107)**	(3 898 277)
Investments and advances	**(6 998)**	(18 442)
Inventories	**(435 401)**	(523 327)
Trade and other receivables	**(1 604 162)**	(1 561 790)
Cash and cash equivalents	**(265 445)**	(461 935)
Post-retirement obligations	**12 314**	1 776
Borrowings	**364 632**	495 166
Trade and other payables and provisions	**1 043 659**	1 776 095
Taxation	**41 683**	69 858
Net fair value of assets	**(2 210 910)**	(4 708 544)
Goodwill	**(1 910 777)**	(1 731 787)
Gain on a bargain purchase	**–**	24 338
Intangible assets	**(552 629)**	(572 825)
Non-controlling interest	**935 197**	(5 196)
Total value of acquisitions	**(3 739 119)**	(6 994 014)
Less: Cash and cash equivalents acquired	**265 445**	461 935
Vendors for acquisition at beginning of year	**(482 937)**	(113 971)
Vendors for acquisition at end of year	**573 271**	482 937
Fair value of existing interests	**319 298**	591 220
Costs incurred in respect of acquisitions	**(74 241)**	(74 044)
Exchange rate adjustments	**31 523**	–
Net amounts paid	**(3 106 760)**	(5 645 937)

The Group acquired 60% of the issued share capital of Gruppo DAC (DAC) for a consideration of EUR75 million, and the entire issued share capital of PCL 24/7 Transport Limited (PCL), for a consideration of £52 million, with effect from July 1 2014. These acquisitions form part of the Group's strategic expansion plans in the international foodservice industry.

As part of the agreement to acquire the shares in DAC, the Group entered into a put agreement to acquire the remaining shares in DAC at a contractually determined future date and value. A puttable non-controlling interest liability has been raised in the statement of financial position in this regard (refer note 30).

In February 2015 the Group made an offer to the shareholders of Adcock Ingram Holdings Limited (Adcock) to acquire up to 100% of the shares in Adcock at a price of R52,00 per share. As a result of this offer, and the acquisition of shares in the market at this time, the Group acquired a further 8,4% of the net issued capital in Adcock for a consideration of R737 million.

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

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

Trade receivables acquired above are stated net of impairment allowances of R58,9 million. There were no significant contingent liabilities identified in the businesses acquired.

	Adcock R'000	DAC R'000	PCL R'000	Other smaller acquisitions R'000	**Total R'000**
11. Acquisition of businesses, subsidiaries and associates *(continued)*					
The impact of these acquisitions on the Group's results can be summarised as follows:					
Identifiable assets acquired and liabilities acquired					
Property, plant and equipment		65 705	220 660	93 306	**379 671**
Deferred taxation		10 904	(113 779)	6 289	**(96 586)**
Interest in associates	737 357	27 503	–	313 247	**1 078 107**
Investments and advances		6 948	–	50	**6 998**
Inventories		343 047	–	92 354	**435 401**
Trade and other receivables		1 165 459	209 447	229 256	**1 604 162**
Cash and cash equivalents		76 023	115 893	73 529	**265 445**
Borrowings		(211 633)	(94 164)	(58 835)	**(364 632)**
Trade and other payables and provisions		(604 561)	(245 759)	(205 653)	**(1 055 973)**
Taxation		(24 545)	(12 873)	(4 265)	**(41 683)**
Intangible assets		–	540 861	11 768	**552 629**
Total net identifiable assets	737 357	854 850	620 286	551 046	**2 763 539**
Contribution to results for the year					
Revenue		3 805 634	1 261 327	1 277 304	**6 344 265**
Operating profit before acquisition costs		212 853	177 962	40 388	**431 203**
Contribution to results for the year if the acquisitions had been effective on July 1 2014					
Revenue		3 805 634	1 261 327	1 680 824	**6 747 785**
Operating profit before acquisition costs		212 853	177 962	65 196	**456 011**

	2015 R'000	2014 R'000
12. Proceeds on disposal of interest in subsidiaries and associates and disposal and closure of businesses		
Property, plant and equipment	**145 498**	2 436
Intangibles	**2 458**	–
Goodwill	**20 556**	–
Deferred taxation	**(693)**	–
Interest in associates	**20 736**	(45 669)
Investments and advances	**2 919**	–
Inventories	**57 245**	5 949
Trade and other receivables	**92 326**	12 798
Cash and cash equivalents	**99 674**	1 230
Trade and other payables and provisions	**(115 545)**	(3 983)
Taxation	**(1 253)**	(2 296)
Fair value of net tangible assets	**323 921**	(29 535)
Realisation of foreign currency translation reserves	**(1 687)**	(2 223)
Net profit on disposal of interest in subsidiaries and associates, and disposal and closure of businesses	**154 622**	47 490
Less: Cash and cash equivalents disposed of	**(99 674)**	(1 230)
Net proceeds	**377 182**	14 502

	2015 R'000	2014 R'000
13. Property, plant and equipment		
Freehold land and buildings	**6 842 930**	6 063 579
Cost	**8 072 196**	7 306 590
Accumulated depreciation and impairments	**(1 229 266)**	(1 243 011)
Leasehold premises	**1 585 330**	1 509 375
Cost	**2 615 625**	2 404 987
Accumulated depreciation and impairments	**(1 030 295)**	(895 612)
Plant and equipment	**3 300 886**	3 162 919
Cost	**8 718 174**	8 216 347
Accumulated depreciation and impairments	**(5 417 288)**	(5 053 428)
Office equipment, furniture and fittings	**1 006 056**	920 373
Cost	**3 721 380**	3 476 112
Accumulated depreciation and impairments	**(2 715 324)**	(2 555 739)
Vehicles, vessels and craft	**2 793 540**	2 668 200
Cost	**5 917 528**	5 762 744
Accumulated depreciation and impairments	**(3 123 988)**	(3 094 544)
Rental assets	**339 324**	285 177
Cost	**710 793**	647 640
Accumulated depreciation and impairments	**(371 469)**	(362 463)
Capitalised leased assets	**155 931**	192 182
Cost	**581 939**	614 007
Accumulated depreciation and impairments	**(426 008)**	(421 825)
Full maintenance leased assets	**1 851 857**	995 189
Cost	**2 501 120**	1 553 846
Accumulated depreciation and impairments	**(649 263)**	(558 657)
Capital work-in-progress	**425 580**	474 794
	18 301 434	16 271 788

Property, plant and equipment with an estimated carrying value of R432 million (2014: R405 million) is pledged as security for borrowings of R322 million (2014: R359 million) (refer note 28).

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

	2015 R'000	2014 R'000
Movement in property, plant and equipment		
Carrying value at beginning of year	**16 271 788**	13 872 872
Capital expenditure	**4 470 139**	3 161 184
Freehold land and buildings	**941 968**	664 846
Leasehold premises	**67 535**	476 655
Plant and equipment	**914 643**	653 603
Office equipment, furniture and fittings	**402 752**	352 338
Vehicles, vessels and craft	**866 136**	609 835
Rental assets	**205 573**	157 716
Capitalised leased assets	**89**	207 215
Full maintenance leased assets	**1 119 721**	80 189
Capital work-in-progress	**(48 278)**	(41 213)
Expenditure	**354 481**	446 588
Transfers to other categories	**(402 759)**	(487 801)
Balance carried forward	**20 741 927**	17 034 056

Notes to the consolidated financial statements

for the year ended June 30

	2015 R'000	2014 R'000
13. Property, plant and equipment *(continued)*		
Movement in property, plant and equipment *(continued)*		
Balance brought forward	**20 741 927**	17 034 056
Acquisition of businesses	**379 671**	673 623
Freehold land and buildings	**33 600**	21 859
Leasehold premises	**91 257**	36 184
Plant and equipment	**54 616**	181 160
Office equipment, furniture and fittings	**24 209**	47 665
Vehicles, vessels and craft	**149 526**	353 507
Rental assets	**3 292**	
Capitalised leased assets	**22 357**	32 871
Capital work-in-progress	**814**	377
Disposals	**(574 351)**	(395 867)
Freehold land and buildings	**(102 044)**	(33 513)
Leasehold premises	**(1 115)**	(2 119)
Plant and equipment	**(56 452)**	(40 294)
Office equipment, furniture and fittings	**(6 216)**	(15 530)
Vehicles, vessels and craft	**(287 879)**	(154 059)
Rental assets	**(7 864)**	(6 088)
Capitalised leased assets	**(6 303)**	(10 677)
Full maintenance leased assets	**(106 478)**	(133 587)
Disposal of businesses	**(145 498)**	(2 436)
Leasehold premises	**(202)**	–
Plant and equipment	**(60 211)**	(1 509)
Office equipment, furniture and fittings	**(3 098)**	(927)
Vehicles, vessels and craft	**(80 921)**	–
Rental assets	**(1 066)**	–
Exchange rate adjustments	**(18 775)**	932 950
Freehold land and buildings	**(89 138)**	451 194
Leasehold premises	**41 608**	68 379
Plant and equipment	**(15 425)**	137 839
Office equipment, furniture and fittings	**10 383**	25 123
Vehicles, vessels and craft	**47 891**	211 897
Rental assets	**142**	100
Capitalised leased assets	**(12 486)**	6 050
Capital work-in-progress	**(1 750)**	32 368
Depreciation (refer note 2)	**(2 069 800)**	(1 968 574)
Impairment losses (refer note 2)	**(11 740)**	(1 964)
Carrying value at end of year	**18 301 434**	16 271 788

14. Intangible assets

	2015 R'000	2014 R'000
Patents, trademarks, tradenames and other intangibles	**1 344 372**	802 224
Cost	**2 605 203**	1 972 245
Accumulated amortisation and impairments	**(1 260 831)**	(1 170 021)
Computer software	**709 871**	795 911
Cost	**2 331 730**	2 284 089
Accumulated amortisation and impairments	**(1 621 859)**	(1 488 178)
Capital work-in-progress	**39 237**	48 871
	2 093 480	1 647 006
Movement in intangible assets		
Carrying value at beginning of year	**1 647 006**	1 025 768
Additions	**286 901**	217 149
Patents, trademarks, tradenames and other intangibles	**48 891**	14 322
Computer software	**249 418**	175 715
Capital work-in-progress	**(11 408)**	27 112
Expenditure	**33 904**	37 197
Transfers to other categories	**(45 312)**	(10 085)
Acquisition of businesses	**552 629**	572 825
Patents, trademarks, tradenames and other intangibles	**552 423**	568 012
Computer software	**206**	4 813
Disposals	**(8 454)**	(2 097)
Patents, trademarks, tradenames and other intangibles	**(5 500)**	(1 849)
Computer software	**(2 954)**	(248)
Disposal of businesses	**(2 458)**	–
Patents, trademarks, tradenames and other intangibles	**(2 400)**	–
Computer software	**(58)**	–
Exchange rate adjustments	**26 799**	94 035
Patents, trademarks, tradenames and other intangibles	**41 756**	14 329
Computer software	**(16 731)**	78 204
Capital work-in-progress	**1 774**	1 502
Amortisation (refer note 2)	**(295 806)**	(239 713)
Impairment of computer software	**(113 137)**	(20 961)
Carrying value at end of year	**2 093 480**	1 647 006

A subsidiary in the Foodservice Europe segment recorded an impairment against a portion of its ERP systems in the current year. A portion of the IT implementation project costs, previously appropriately capitalised under IFRS, has been impaired because management has taken a decision to curtail the use of the software resulting in an impairment. The Group tests intangible assets for impairment where there are indicators of potential impairment and determines a recoverable amount based on the value in use of the intangible asset. Based on the fact that portions of these ERP systems have limited further value in use, they have been impaired to the future value in use.

Indefinite life intangibles

Included in patents, trademarks, tradenames and other intangibles arising on the acquisition of businesses are several indefinite life intangibles totalling R448 million, R153 million relating to Bidvest Consumer Products and R295 million to Bidvest Services. These intangibles were subject to review for impairment, together with the goodwill relating to these CGUs (refer note 15). Significant surpluses were identified over the carrying values of the CGUs 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.

	2015 R'000	2014 R'000
15. Goodwill		
Carrying value at beginning of year	**11 723 176**	8 853 973
Acquisition of businesses	**1 910 777**	1 731 787
Disposal of businesses	**(20 556)**	–
Exchange rate adjustments	**(46 365)**	1 137 416
Carrying value at end of year	**13 567 032**	11 723 176

Goodwill acquired through business combinations, is allocated for impairment testing purposes to cash-generating units (CGU) which reflect how it is monitored for internal management purposes, namely the various segments of the Group. The carrying amount of goodwill was subject to an annual impairment test using either the fair value less costs to sell method or the discounted cash flow basis.

The carrying amount of goodwill was allocated to cash-generating units as follows:

	2015 R'000	2014 R'000
Bidvest Automotive	**229 132**	229 132
Bidvest Consumer Products	**117 253**	117 253
Bidvest Electrical	**58 066**	39 577
Bidvest Financial Services	**117 710**	33 811
Bidvest Freight	**58 132**	40 133
Bidvest Industrial	**34 520**	34 520
Bidvest Office	**65 051**	71 201
Bidvest Paperplus	**143 605**	142 529
Bidvest Rental and Products	**113 881**	110 714
Bidvest Services	**951 339**	952 670
Bidvest Travel and Aviation	**95 380**	62 897
Bidvest Foodservice Australasia	**2 536 138**	2 448 931
Bidvest Foodservice United Kingdom	**2 737 755**	2 165 104
Bidvest Foodservice Europe	**5 010 493**	3 789 125
Bidvest Foodservice Emerging Markets	**1 117 707**	1 310 643
Bidvest Namibia	**123 042**	123 042
Bidvest Properties	**4 501**	142
Bidvest Corporate and Investments	**53 327**	51 752
	13 567 032	11 723 176

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

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

	2015 R'000	2014 R'000
16. Deferred taxation		
Deferred taxation assets	**877 623**	602 850
Deferred taxation liabilities	**(1 033 660)**	(815 402)
Net deferred taxation liability	**(156 037)**	(212 552)
Movement in net deferred taxation assets and liabilities		
Balance at beginning of year	**(212 552)**	(84 758)
Per consolidated income statement	**96 597**	(178 669)
Items recognised directly in equity and other comprehensive income	**92 706**	135 062
On acquisition of businesses	**(96 586)**	(85 955)
On disposal of businesses	**693**	–
Exchange rate adjustments	**(36 895)**	1 768
Balance at end of year	**(156 037)**	(212 552)

	Assets R'000	Liabilities R'000	Net R'000
Temporary differences			
2015			
Differential between carrying values and tax values of property, plant and equipment	**(80 329)**	**(858 134)**	**(938 463)**
Differential between carrying values and tax values of intangible assets	**8 808**	**(306 910)**	**(298 102)**
Estimated taxation losses	**212 952**	**39 668**	**252 620**
Staff-related allowances and liabilities	**422 512**	**200 357**	**622 869**
Operating lease liabilities	**44 741**	**(8 825)**	**35 916**
Inventories	**61 264**	**(9 257)**	**52 007**
Investments	**–**	**(163 750)**	**(163 750)**
Trade and other receivables	**57 829**	**7 956**	**65 785**
Trade, other payables and provisions	**149 846**	**65 235**	**215 081**
	877 623	**(1 033 660)**	**(156 037)**
2014			
Differential between carrying values and tax values of property, plant and equipment	(62 594)	(835 164)	(897 758)
Differential between carrying values and tax values of intangible assets	(17 397)	(194 959)	(212 356)
Estimated taxation losses	88 645	42 508	131 153
Staff-related allowances and liabilities	297 581	267 550	565 131
Operating lease liabilities	48 708	(2 680)	46 028
Inventories	58 491	(11 131)	47 360
Investments	(860)	(154 657)	(155 517)
Trade and other receivables	26 789	(23 784)	3 005
Trade, other payables and provisions	163 487	96 915	260 402
	602 850	(815 402)	(212 552)

Deferred taxation has been provided at rates ranging between 10% and 35% (2014: 10% and 35%). The variance in rates arises as a result of the differing taxation and capital gains taxation rates present in the various countries in which the Group operates.

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	2015 R'000	2014 R'000
17. Interest in associates		
Listed associates	**4 205 685**	3 467 317
Net asset value at acquisition	**1 348 356**	1 068 924
Inherent goodwill	**4 279 236**	3 515 253
Impairment allowances	**(1 421 907)**	(1 116 860)
Unlisted associates	**142 486**	126 373
Net asset value at acquisition	**96 051**	92 592
Inherent goodwill	**46 435**	33 781
Investments in associates at cost less impairments	**4 348 171**	3 593 690
Attributable share of post-acquisition reserves of associates	**409 574**	300 881
At beginning of year	**300 881**	279 028
Share of current year earnings net of dividends	**132 703**	33 354
Share of movement in other reserves	**(5 994)**	253
Reversal of prior year reserves on becoming subsidiary, disposal or change in shareholding	**(18 016)**	(11 754)
Advances to associates	**58 667**	33 862
	4 816 412	3 928 433

Unsecured advances to associates bear interest at rates of between 0% and 14% (2014: 0% and 11%) 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.

During the year a further 8,4% of the net issued ordinary capital of Adcock, the Group's most significant associate interest, was acquired for a consideration of R737 million.

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.

In 2014 Adcock changed its year-end from September to June, and the audited financial information provided below can be found at www.adcock.co.za.

	For the year ended June 30 2015 R'000	For the nine months ended June 30 2014 R'000
Summarised aggregated financial information of Adcock:		
Revenue	**5 558 926**	3 640 780
Profit (loss) for the period	**197 932**	(962 156)
Other comprehensive income for the period	**62 487**	44 912
Total comprehensive income (loss) for the period	**260 419**	(917 244)
Dividends received from Adcock during the period	**–**	–
Current assets	**2 841 636**	2 666 093
Non-current assets	**2 616 316**	2 739 749
Current liabilities	**(1 722 625)**	(1 500 421)
Non-current liabilities	**(618 403)**	(1 047 942)
Non-controlling interests	**(99 509)**	(118 578)

17. Interest in associates *(continued)*

Summarised aggregated financial information of Adcock: *(continued)*

Reconciliation of the above summarised financial information to the carrying amount of Adcock recognised in the consolidated financial statements:

	2015 R'000	2014 R'000
Net assets of Adcock	**3 017 415**	2 738 901
Proportion of Group's interest in Adcock	**1 312 615**	936 704
Inherent goodwill	**3 722 335**	3 268 801
Provision for impairment of carrying value	**(1 215 404)**	(1 056 060)
Carrying value of Group's interest in Adcock	**3 819 546**	3 149 445
Market value as at June 30	**3 819 546**	3 149 445

The investment in Adcock forms part of the Corporate and Investments operating segment. The recoverable amount of the investment has been assessed with reference to the fair value determined based on the quoted market price at the year ended June 30 2015 and the corporate activity in the share prior to and subsequent to year-end. This measurement is considered to be level 2 in the fair value hierarchy. The Group assessed the carrying value of the investment for impairment and an impairment was recognised in the current year.

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

Summarised aggregated financial information of associates that are not individually material:

	2015 R'000	2014 R'000
The Group's share of profit	**142 725**	71 915
The Group's share of other comprehensive losses	**(23 749)**	(9 333)
The Group's share of total comprehensive income	**118 976**	62 582
Aggregate carrying amount of the Group investment in these associates	**996 866**	778 988

18. Investments

	2015 R'000	2014 R'000
Listed held-for-trade	**1 115 989**	1 264 998
Unlisted held-for-trade	**775 639**	699 902
Listed available-for-sale	**144 703**	124 778
Unlisted available-for-sale	**514 929**	277 924
	2 551 260	2 367 602
Fair value hierarchy of investments		
Investments and loans held at cost or amortised cost	**430 597**	304 659
Investments held at fair value as determined on inputs based on:	**2 120 663**	2 062 943
Unadjusted quoted prices in an active market for identical assets	**1 260 983**	1 390 059
Factors that are observable for the asset either as prices or derived from prices	**12 277**	17 995
Factors that are not based on observable market data	**847 403**	654 889
	2 551 260	2 367 602
Analysis of investments at a fair value not determined by observable market data		
Balance at beginning of year	**654 889**	816 160
On acquisition of business	**6 948**	–
On disposal of business	**(2 919)**	–
Purchases, loan advances or transfers from other categories	**27 786**	24 536
Fair value adjustment recognised directly in equity	**20 109**	–
Fair value adjustment arising during the year recognised in the income statement	**118 037**	11 871
Proceeds on disposal, repayment of loans or transfers to other categories	**(30 369)**	(224 207)
Profit on disposal of investments	**(7 906)**	–
Exchange rate adjustments	**60 828**	26 529
	847 403	654 889

18. Investments *(continued)*

Listed held-for-trade investments include interest-bearing listed government bonds which amount to R160 million (2014: R127 million), with coupon interest rates of between 6,8% and 8,0% (2014: 6,8% and 10,0%) which mature in four to 15 years (2014: four to eight years). These investments may be realised prior to their maturity dates.

Listed available-for-sale investments include interest-bearing listed government bonds which amount to R93 million (2014: R72 million), with coupon interest rates of between 8,0% and 13,5% (2014: 8,8% and 13,5%) which mature between one and three years (2014: mature within a year). These investments may be realised prior to their maturity dates.

Included in unlisted investments held-for-trade, where the fair values are not based on observable market data, is the Group's effective beneficial interest in the Indian-based Mumbai International Airport Private Limited. The carrying value of this investment based on the directors' valuation at June 30 2015 is R708 million (US$60 million) (2014: R610 million (US$60 million)). The directors used a discounted cash flow method to value this investment. The anticipated cash flows were discounted at a rate of 15,3% (2014: 15,3%) derived from a nominal risk-free rate of 8,8% (2014: 8,8%); equity risk premium rate of 4,5% (2014: 4,5%); sovereign risk rate of 0,5% (2014: 0,5%); and a project risk premium of 1,5% (2014: 1,5%).

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

	2015 R'000	2014 R'000
19. Banking and other advances		
Instalment finance	**648 208**	702 275
Mortgages	**311 089**	222 626
Call and term loans	**94 668**	49 459
Other	**239 066**	–
	1 293 031	974 360
Impairment allowances	**(5 477)**	(9 921)
	1 287 554	964 439
Maturity analysis		
Maturing in one year	**547 740**	271 282
Maturing after one year but within five years	**498 378**	497 385
Maturing after five years	**241 436**	195 772
	1 287 554	964 439
Interest rates are based on contractual agreements with customers.		
Refer note 37 for further disclosure.		
20. Vehicle rental fleet		
Cost	**1 554 543**	1 650 254
Accumulated depreciation	**(178 248)**	(187 539)
	1 376 295	1 462 715
Movement in vehicle rental fleet		
Carrying value at beginning of year	**1 462 715**	1 363 704
Additions	**1 454 752**	1 298 425
Disposals	**(1 367 388)**	(1 063 336)
Depreciation	**(174 242)**	(136 633)
Exchange rate adjustments	**458**	555
Carrying value at end of year	**1 376 295**	1 462 715

	2015 R'000	2014 R'000
21. Inventories		
Raw materials	**623 656**	573 825
Work-in-progress	**102 066**	71 233
Finished goods	**10 655 924**	9 664 161
New vehicles and motor cycles	**1 296 377**	1 156 016
Used vehicles	**937 667**	900 135
Demonstration vehicles	**885 665**	848 509
Parts and accessories	**342 217**	327 605
	14 843 572	13 541 484
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 28)	**827 664**	665 814
Amounts included in trade and other payables relating to these assets (refer note 33)	**958 114**	838 806
	1 785 778	1 504 620
Write down of inventory to net realisable value charged to the income statement	**229 507**	233 942
22. Trade and other receivables		
Trade receivables	**19 640 564**	17 427 882
Impairment allowances	**(633 232)**	(514 318)
Net trade receivables	**19 007 332**	16 913 564
Forward exchange contracts asset	**10 561**	5 343
Interest rate swaps	**39 849**	57 955
Receivables relating to customer contracts	**265 692**	387 439
Prepayments and other receivables	**2 863 279**	2 138 336
	22 186 713	19 502 637
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 37 for further disclosure on trade receivables, impairment allowances, forward exchange contracts and interest rate swaps.		
23. Cash and cash equivalents		
Cash on hand and at bank	**7 812 877**	8 838 573
Amounts included in cash and cash equivalents relating to banking and insurance subsidiaries where the balances form part of the reserving requirements as required by the Financial Services Act	**326 964**	348 232
Amounts included in cash and cash equivalents relating to customer contracts	**159 919**	145 857

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	2015 R'000	2014 R'000
24. Capital and reserves attributable to shareholders of the Company		
Share capital		
Issued share capital	**16 758**	16 562
Share premium	**297 298**	193 182
Reserves	**37 043 359**	33 096 748
Foreign currency translation reserve	**5 149 394**	5 288 068
Hedging reserve	**25 383**	29 041
Equity-settled share-based payment reserve	**310 416**	359 594
Retained earnings	**31 558 166**	27 420 045
	37 357 415	33 306 492
Less shares held by subsidiary as treasury shares	**(985 225)**	(1 525 610)
Share capital	**(505)**	(616)
Share premium	**(984 720)**	(1 524 994)
Capital and reserves attributable to shareholders of the Company	**36 372 190**	31 780 882
Reserves comprise		
Company and subsidiaries	**36 633 785**	32 795 867
Associates	**409 574**	300 881
	37 043 359	33 096 748
Share capital		
Authorised		
540 000 000 (2014: 540 000 000) ordinary shares of 5 cents each	**27 000**	27 000
	Number	Number
Issued		
Number of shares issued	**335 163 151**	331 237 219
Balance at beginning of year	**331 237 219**	327 734 929
Capitalisation issue	**3 576 797**	3 281 838
Shares issued in terms of the share incentive scheme	**349 135**	220 452
Less: Shares held by subsidiary as treasury shares	**(9 568 669)**	(11 673 487)
Balance at beginning of year	**(11 673 487)**	(13 297 150)
Sale of shares by subsidiary to staff in terms of share incentive scheme	**2 104 818**	1 623 663
Less: Shares held by share purchase scheme	**(542 110)**	(647 338)
Balance at beginning of year	**(647 338)**	(882 341)
Shares acquired by staff in terms of share incentive scheme	**105 228**	235 003
Net shares in issue	**325 052 372**	318 916 394

30 000 000 (2014: 30 000 000) of the unissued ordinary shares are under the control of the directors until the next annual general meeting.

Foreign currency translation reserve
The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

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

Equity-settled share-based payment reserve
The equity-settled share-based payment reserve includes the fair value of the options granted and conditional share awards made to executive directors and staff, which have been recognised over the vesting period at fair value with a corresponding expense recognised in the income statement. The reserve also includes a share-based cost resulting from an empowerment transaction entered into by a subsidiary.

25. Subsidiaries

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

The only subsidiary that has material non-controlling interests is Bidvest Namibia Limited (Bidvest Namibia), a subsidiary listed on the Namibian stock exchange. The Group owns 52,3% (2014: 50,9%) of the issued capital of Bidvest Namibia, but accounts for 66,0% (2014: 66,0%) of its result as a result of a deferred sale of 13,7% (2014: 15,1%) of the shares it previously held.

	2015 R'000	2014 R'000
Contribution to non-controlling interests		
Profit allocated to non-controlling interests		
Bidvest Namibia	**221 500**	181 799
Non-controlling interests of Bidvest Namibia	**98 270**	83 802
Non-controlling interests of Bidvest Namibia subsidiaries	**123 230**	97 997
Other non-controlling interests	**39 470**	51 553
Total profit allocated to non-controlling interests	**260 970**	233 352
Accumulated non-controlling interests		
Bidvest Namibia	**1 105 735**	1 003 118
Non-controlling interests of Bidvest Namibia	**603 256**	546 522
Non-controlling interests of Bidvest Namibia subsidiaries	**502 479**	456 596
Other non-controlling interests	**232 309**	227 115
Total accumulated non-controlling interests	**1 338 044**	1 230 233
The summarised financial information below of Bidvest Namibia represents amounts before inter-group eliminations		
Statement of financial position items		
Current assets	**1 916 335**	1 759 359
Non-current assets	**1 108 244**	1 005 159
Current liabilities	**(526 090)**	(454 654)
Non-current liabilities	**(220 459)**	(244 703)
Non-controlling interests	**(502 481)**	(456 596)
Equity attributable to the owners of the company	**(1 775 549)**	(1 608 565)
Statement of comprehensive income items		
Revenue	**3 534 769**	3 703 495
Expenses	**(3 016 891)**	(3 202 521)
Profit attributable to the owners of the company	**289 236**	245 745
Profit attributable to minorities	**123 230**	97 997
Profit for the year	**412 466**	343 742
Other comprehensive income attributable to owners of the company	**6 282**	2 480
Other comprehensive income attributable to minorities	**6 113**	2 852
Other comprehensive income for the year	**12 395**	5 332
Dividends paid to minorities	**83 459**	95 832
Statement of cash flow items		
Cash inflow from operating activities	**206 006**	23 120
Cash outflow from investing activities	**(85 432)**	(76 490)
Cash outflow from financing activities	**(11 725)**	–
Net cash inflow (outflow)	**108 849**	(53 370)

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

26. Share-based payments

The Bidvest Share Incentive Scheme (Scheme) grants options and advances loans to employees of the Group to acquire shares in the Company. Both the share option scheme and share purchase scheme have been classified as equity-settled schemes, and therefore an equity-settled share-based payment reserve has been recognised.

A conditional share plan, which awards employees 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.

Share option scheme

The terms and conditions of the options are:
Option holders are only entitled to exercise their options 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.

Option holders in the Scheme may exercise the options at such times as the option 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 options 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 share options are:

	2015		2014	
	Number	**Average price R**	Number	Average price R
Beginning of year	**11 410 545**	**175,34**	10 295 755	147,00
Granted	**2 253 793**	**252,43**	3 074 660	232,28
Lapsed	**(226 159)**	**168,08**	(336 207)	154,93
Exercised	**(2 106 413)**	**128,01**	(1 623 663)	107,69
End of year	**11 331 766**	**199,62**	11 410 545	175,34

The options outstanding at June 30 2015 have an exercise price in the range of R51,51 to R269,95 (2014: R51,51 to R237,54) and a weighted average contractual life of 0,5 to 9,4 (2014:0,5 to 9,8) years. The average share price of The Bidvest Group Limited during the year was R301,96 (2014: R265,83).

Share options outstanding at June 30 by year of grant are:

	2015 Number	**2015 Average price R**	2014 Number	2014 Average price R
2005	**140 000**	**63,21**	336 331	65,82
2006	**3 500**	**88,08**	3 500	88,08
2009	**11 500**	**100,00**	11 500	100,00
2011	**1 046 756**	**134,94**	1 756 149	134,93
2012	**2 458 250**	**135,24**	3 757 500	135,16
2013	**2 464 500**	**208,91**	2 532 000	208,91
2014	**2 962 967**	**235,11**	3 013 565	233,44
2015	**2 244 293**	**252,44**		
	11 331 766	**199,62**	11 410 545	175,34

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

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

	2015	2014
Fair value at measurement date (Rand)	**82,37 – 92,99**	80,34 – 83,70
Exercise price (Rand)	**250,73 – 269,95**	221,40 – 237,54
Expected volatility (%)	**21,01 – 24,14**	21,88 – 27,90
Option life (years)	**4,00 – 6,00**	4,00 – 6,00
Distribution yield (%)	**2,78 – 2,70**	2,69 – 2,91
Risk-free interest rate (based on national government bonds) (%)	**7,70 – 7,49**	7,72 – 8,24

The volatility is based on the recent historic volatility.

26. Share-based payments *(continued)*

Share purchase scheme

In terms of the share purchase scheme, the Scheme advances loans to employees to acquire shares in the Company. Interest is charged on the loans at interest rates determined by the board of directors of the Company, the loans must be settled no later than the 10th anniversary on which the shares were allotted and the shares are held by the Scheme as security for the loans.

The employees are entitled to settle the loans at such times as they deem fit, but not so as to result in the following proportions of the employees' total number of allotted shares being paid for prior to: 50% of total number of allotted shares at the expiry of three years; 75% of total number of allotted shares at the expiry of four years; and 100% of total number of allotted shares at the expiry of five years from the date of the holder's acceptance of the allotted share, unless otherwise determined by the board of directors.

Distributions arising on the allotted shares are utilised to settle any interest or income tax obligations with any excess being applied to settle the outstanding liability.

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

	2015		2014	
	Number	**Average price R**	Number	Average price R
Beginning of year	**647 368**	**99,05**	882 371	103,40
Shares taken up by staff	**(105 228)**	**130,30**	(235 003)	115,39
End of year	**542 140**	**92,98**	647 368	99,05

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

No shares were allotted during the year (2014: Nil).

Conditional share plan

In terms of the conditional share plan scheme, a conditional right to a share is awarded to employees subject to performance and vesting conditions. The vesting period is as follows: 50% of total number of awards vest at the expiry of three years; 75% of total number of awards vest at the expiry of four years; and 100% of total number of allotted awards vest at the expiry of five 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. A total number of 3 351 632 (2014: 3 312 372) conditional share awards are available to be granted to employees in the forthcoming year.

The fair value of services received in return for the conditional share awards has been determined by multiplying the number of conditional share awards expected to vest, by the share price at the date of the award, less discounted by anticipated future distribution flows. A total number of 505 809 (2014: 777 883) of the 742 029 (2014: 965 550) 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 R253,02 (2014: R217,84) per share. These awards will vest in the next four years.

44 386 (2014: 36 950) 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 scheme are:

	2015 Number	2014 Number
Beginning of year	**965 550**	1 002 952
Allotted during the year	**170 000**	220 000
Awarded during the year	**(349 135)**	(220 452)
Forfeited during the year	**(44 386)**	(36 950)
End of year	**742 029**	965 550

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 found at www.bidvest.com.na.

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for the year ended June 30

	2015 R'000	2014 R'000
27. Life assurance fund		
The carrying value of the assurance fund agrees with the amount of the actuarial value of liabilities under life insurance policies and contracts at that date.		
Net assurance fund at beginning of year	**27 829**	30 174
Gross	**28 744**	30 540
Reinsurer's share	**(915)**	(366)
Transfer to income statement	**(1 096)**	(2 345)
Gross	**623**	(1 950)
Reinsurer's share	**(1 719)**	(395)
Net assurance fund at end of year	**26 733**	27 829
28. Borrowings		
Loans secured by mortgage bonds over fixed property (refer note 13)	**26 476**	13 617
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements (refer note 13)	**295 975**	345 428
Unsecured borrowings	**12 434 627**	12 452 349
Listed bonds	**2 925 000**	4 425 000
Listed commercial paper	**1 343 593**	2 083 385
Cumulative redeemable preference shares	**2 200 000**	–
Other borrowings	**5 966 034**	5 943 964
Floorplan creditors secured by pledge of inventories (refer note 21)	**827 664**	665 814
Borrowings	**13 584 742**	13 477 208
Bank overdrafts	**1 994 365**	3 277 988
Total borrowings	**15 579 107**	16 755 196
Less: Short-term portion of borrowings	**(8 454 122)**	(9 647 029)
Long-term portion of borrowings	**7 124 985**	7 108 167
Schedule of repayment of borrowings		
Year to June 2015		6 369 041
Year to June 2016	**6 459 757**	2 911 905
Year to June 2017	**1 319 275**	694 251
Year to June 2018	**1 699 003**	1 576 374
Year to June 2019	**1 755 415**	1 833 331
Thereafter	**2 351 292**	92 306
	13 584 742	13 477 208
Total borrowings comprise		
Borrowings	**13 584 742**	13 477 208
Local subsidiaries	**8 213 610**	7 847 280
Foreign subsidiaries	**5 371 132**	5 629 928
Overdrafts	**1 994 365**	3 277 988
Local subsidiaries	**1 951 464**	3 201 289
Foreign subsidiaries	**42 901**	76 699
	15 579 107	16 755 196
	%	%
Effective weighted average rate of interest on		
Local borrowings excluding overdrafts	**7,2**	8,1
Foreign borrowings excluding overdrafts	**2,1**	2,4

28. Borrowings *(continued)*

Terms and debt repayment schedule

Terms and conditions of outstanding loans were:

	2015				2014
	Currency	**Nominal interest rate %**	**Financial year of maturity**	**Carrying value R'000**	Carrying value R'000
Borrowings of local subsidiaries				**8 213 610**	7 847 280
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**ZAR**	**9,2 – 17,8**	**2017 – 2018**	**14 503**	19 730
Listed bonds	**ZAR**	**7,2 – 8,9**	**2018 – 2019**	**2 925 000**	4 425 000
Listed commercial paper	**ZAR**	**6,5 – 6,8**	**2016**	**1 343 593**	2 083 385
Cumulative redeemable preference shares	**ZAR**	**6,1**	**2020**	**2 200 000**	–
Other borrowings	**ZAR**	**6,1 – 12,2**	**2016 – 2021**	**902 850**	653 351
Floorplan creditors secured by pledge of inventories	**ZAR**	**7,5 – 10,0**	**2016**	**827 664**	665 814
Borrowings of foreign subsidiaries				**5 371 132**	5 629 928
Loans secured by mortgage bonds over fixed property	**GBP**	**1,9 – 2,5**	**2018 – 2020**	**12 448**	13 617
	CZK	**1,9**	**2020**	**14 028**	
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**GBP**	**2,6 – 5,8**	**2016 – 2019**	**124 153**	145 828
	PLN	**3,2**	**2019 – 2020**	**37 900**	27 314
	EUR	**2,1 – 5,8**	**2016 – 2020**	**119 420**	152 374
	NAD			**–**	183
Other borrowings	**GBP**	**1,8 – 9,6**	**2016 – 2023**	**365 913**	471 982
	EUR	**1,0 – 10,0**	**2016 – 2031**	**2 220 621**	2 293 690
	HKD	**0,9 – 5,1**	**2016 – 2018**	**1 172 791**	1 123 660
	SGD	**1,4 – 1,7**	**2016 – 2018**	**740 089**	652 844
	CZK	**1,6 – 2,9**	**2016 – 2019**	**376 705**	485 893
	PLN	**2,4 – 3,6**	**2016 – 2020**	**30 968**	48 532
	NZD	**5,1**	**2016**	**25 227**	93 287
	CLP	**2,9 – 7,0**	**2016 – 2021**	**62 765**	86 481
	AED	**4,5 – 5,0**	**2016 – 2021**	**43 191**	25 621
	Other	**11,6 – 12,5**	**2016 – 2021**	**24 913**	8 622
Total interest-bearing borrowings				**13 584 742**	13 477 208

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

Refer note 37 for further disclosure.

	2015 R'000	2014 R'000
29. Post-retirement obligations		
Post-retirement assets		
Defined benefit pension assets	**(146 954)**	(124 767)
Post-retirement obligations	**283 920**	345 253
Defined benefit pension obligations	**12 152**	84 331
Post-retirement medical aid obligations	**94 727**	105 768
Unfunded defined benefit early retirement plan	**177 041**	155 154
	136 966	220 486

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 defined benefit funds operated by the Group are The Bidvest South Africa Pension Fund in South Africa, the Zwitserleven Pension Plan in the Netherlands and the Angliss Hong Kong Food Service Limited Retirement Benefit Plan.

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

Summarised details of the defined benefit pension funds

	2015 R'000	2014 R'000
Defined benefit pension obligations (assets) of the various funds		
The Bidvest South Africa Pension Fund	**(146 954)**	(124 767)
Zwitserleven Pension Plan	**–**	79 972
Angliss Hong Kong Food Service Limited Retirement Benefit Plan	**12 152**	4 359
	(134 802)	(40 436)
Contributions to the funds		
Employer contributions	**97 781**	88 309
Employee contributions	**11 089**	10 084
Total pension fund asset (unfunded pension liability)		
Fair value of plan assets	**1 916 900**	1 697 479
Actuarial present value of defined benefit obligations	**(1 743 892)**	(1 628 385)
Net surplus in the plans	**173 008**	69 094
Amounts not recognised due to ceiling adjustments and other limitations	**(38 206)**	(28 658)
	134 802	40 436
Movement in the liability for defined benefit obligations		
Balance at beginning of year	**(1 628 385)**	(1 197 304)
Transfer from early retirement fund	**(5 168)**	(33 808)
Benefits paid	**70 955**	47 199
Risk premiums and expenses	**1 345**	1 299
Current service costs	**(72 482)**	(75 255)
Past service costs	**(9 143)**	–
Interest expense	**(73 037)**	(66 060)
Member contributions	**(11 089)**	(10 084)
Actuarial losses	**(79 789)**	(236 834)
Settlements	**10 899**	27 557
Exchange rate adjustments on foreign plans	**52 002**	(85 095)
Balance at end of year	**(1 743 892)**	(1 628 385)

29. Post-retirement obligations *(continued)*

Pension and provident funds *(continued)*

Summarised details of the defined benefit pension funds *(continued)*

	2015 R'000	2014 R'000
Movement in the plans' assets		
Balance at beginning of year	**1 697 479**	1 306 321
Transfer from early retirement fund	**5 168**	33 808
Contributions paid into the plans	**108 870**	98 393
Benefits paid	**(70 955)**	(47 199)
Risk premiums and expenses	**(6 152)**	(6 142)
Interest income	**84 423**	76 069
Return on plan assets in excess of interest income	**147 402**	153 297
Exchange rate adjustments on foreign plans	**(49 335)**	82 932
Balance at end of year	**1 916 900**	1 697 479
The plans' assets comprise		
Cash	**66 668**	70 238
Equity securities	**472 202**	455 003
Bills, bonds and securities	**1 337 474**	1 128 291
Property	**28 880**	29 298
Other	**11 676**	14 649
	1 916 900	1 697 479
Amounts recognised in the income statement		
Current service costs	**72 482**	75 255
Past service costs	**9 143**	–
Interest on obligations	**73 037**	66 060
Interest income on plan assets	**(84 423)**	(76 069)
Ceiling adjustments and other limitations	**2 493**	1 835
Risk premiums and expenses	**4 807**	4 843
Gain arising from settlements, plan amendments and curtailments	**(10 899)**	(27 557)
	66 640	44 367
Amounts recognised in other comprehensive income		
Return on plan assets in excess of interest income	**(147 402)**	(153 297)
Actuarial losses	**79 789**	236 834
Ceiling adjustments and other limitations	**7 244**	13 174
	(60 369)	96 711

29. Post-retirement obligations *(continued)*

Pension and provident funds *(continued)*

Summarised details of the defined benefit pension funds *(continued)*

	2015	2014
Key actuarial assumptions used in the actuarial valuations		
The Bidvest South Africa Pension Fund		
Number of in service members June 30	**39**	73
Number of pensioners June 30	**652**	637
Discount rate (%)	**8,7**	8,7
Inflation rate (%)	**6,4**	6,4
Salary increase (%)	**7,4**	7,4
Pension increase allowance (%)	**4,5**	4,5
Zwitserleven Pension Plan		
Number of in service members June 30	**846**	888
Number of pensioners June 30	**644**	624
Discount rate (%)	**2,5**	3,1
Inflation rate (%)	**2,0**	2,0
Salary increase (%)	**2,0**	2,0
Pension increase allowance (%)	**0,9**	0,7
Angliss Hong Kong Food Service Limited Retirement Benefit Plan		
Number of in service members June 30	**343**	302
Number of pensioners June 30	**–**	–
Discount rate (%)	**1,4**	1,9
Inflation rate (%)	**3,3**	3,3
Salary increase (%)	**5,0**	5,0
Date of valuation of all funds	**June 30 2015**	June 30 2014

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 plans, while holding all the other assumptions constant.

	Impact of an increase in assumption R'000	Impact of a decrease in assumption R'000
The Bidvest South Africa Pension Fund		
Discount rate – 1%	**19 684**	**(24 953)**
Pension increase – 1%	**(33 416)**	**17 141**
Salary increase – 1%	**(8 300)**	**7 012**
Zwitserleven Pension Plan		
Discount rate – 0,25%	**60 880**	**(83 698)**
Pension increase – 0,25%	**(75 837)**	**14 607**
Salary increase – 0,25%	**(10 459)**	**9 566**
Angliss Hong Kong Food Service Limited Retirement Benefit Plan		
Discount rate – 0,25%	**1 636**	**(1 691)**
Salary increase – 0,25%	**(1 541)**	**1 501**

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.

29. Post-retirement obligations *(continued)*

Post-retirement medical aid obligations

The Group provides post-retirement medical benefit subsidies to certain retired employees and is responsible for the provision of post-retirement medical benefit subsidies to a limited number of current employees.

	2015 R'000	2014 R'000
Provision for post-retirement medical aid obligations		
Opening provision raised against unfunded obligation	**105 768**	124 825
Current service costs (relief)	**1 234**	(4 229)
Interest expense	**7 887**	8 637
Benefits paid	**(18 643)**	(21 680)
Actuarial adjustments recognised in other comprehensive income	**(1 519)**	(3 561)
Acquisition of businesses	**–**	1 776
Closing provision raised against unfunded obligation	**94 727**	105 768
Key actuarial assumptions	**%**	%
Discount rate	**8,6**	8,6
Inflation rate (CPI)	**6,2**	6,2
Healthcare cost inflation	**8,0**	8,2
Date of valuation	**June 30 2015**	June 30 2014

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

	2015	2014
Unfunded defined benefit retirement plans	**Number**	Number
Subsidiaries in the Netherlands and Italy provide retirement plans for their employees. The liability recognised is based on the actuarial valuation performed as at June 30.		
Number of members at June 30	**576**	423
	R'000	R'000
Movement in the liability for unfunded defined benefit early retirement plan		
Balance at beginning of year	**155 154**	187 914
Benefits paid	**(7 092)**	(46 663)
Current service costs	**5 762**	5 376
Interest expense	**2 976**	3 161
Transfer to pension fund	**(648)**	(24 989)
Actuarial adjustments recognised in other comprehensive income	**17 792**	12 389
Acquisition of businesses	**12 314**	–
Exchange rate adjustments on foreign plans	**(9 217)**	17 966
Balance at end of year	**177 041**	155 154
Key actuarial assumptions	**%**	%
Discount rate	**0,9 – 2,1**	1,9
Salary increase rate	**1,5 – 2,75**	1,5
Date of valuation	**June 30 2015**	June 30 2014

30. Puttable non-controlling interest liabilities

The acquisition of certain subsidiaries during the year, 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 options were entered into:

- The non-controlling shareholders in DAC have the option to put their 40% interest in DAC to the Group, using a market valuation formula on or about June 30 2017 or at market value at June 30 2019.
- The non-controlling shareholders in Compendium Insurance Group Limited (Compendium) have the option to put 24% of their interest in Compendium to the Group at a price determined on a multiple of earnings on or about July 1 2019.

	2015 R'000	2014 R'000
The affect of granting these put options on the Group's results can be summarised as follows:		
Balance at beginning of year	**926 685**	–
Fair value adjustments recorded directly in retained income	**–**	–
Unwinding of present value discount recognised in the income statement	**19 880**	–
Exchange rate adjustments	**(7 135)**	–
	939 430	–
Discount rate	**1,99% – 6,25%**	
Expected settlement dates	**September 30 2017 – July 1 2019**	

31. Banking liabilities

	2015 R'000	2014 R'000
Call deposits	**1 657 612**	1 283 709
Fixed and notice deposits	**996 249**	778 712
	2 653 861	2 062 421
All banking liabilities mature within one year.		
Effective rates of interest	**%**	%
Call deposits	**2,2**	3,4
Fixed and notice deposits	**6,7**	7,0

Banking liabilities other than fixed and notice deposits are at floating interest rates. Refer note 37 for further disclosure.

	2015 R'000	2014 R'000
32. 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.		
Operating lease liabilities	**138 992**	179 726
Less: Short-term portion included in trade and other payables	**(38 717)**	(48 386)
Long-term portion	**100 275**	131 340
Operating lease commitments		
Land and buildings	**9 997 952**	7 798 685
Due in one year	**1 583 649**	1 372 605
Due after one year but within five years	**4 196 322**	3 289 924
Due after five years	**4 217 981**	3 136 156
Equipment and vehicles	**1 329 495**	877 088
Due in one year	**409 254**	306 906
Due after one year but within five years	**771 538**	536 985
Due after five years	**148 703**	33 197
	11 327 447	8 675 773
Less: Amounts raised as liabilities	**(138 992)**	(179 726)
	11 188 455	8 496 047
33. Trade and other payables		
Trade payables	**21 373 812**	18 523 313
Non-interest-bearing floorplan creditors	**958 114**	838 806
Forward exchange contracts liability	**8 099**	9 200
Interest rate swap liabilities	**1 863**	24 939
Payables relating to customer contracts	**422 061**	533 204
Other payables and accrued expenses	**6 782 059**	6 214 893
	29 546 008	26 144 355

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 37 for further disclosure.

	2015 R'000	2014 R'000
34. Provisions		
Long-term portion	**511 246**	509 980
Short-term portion	**501 611**	420 999
	1 012 857	930 979

	Onerous contracts R'000	Insurance liabilities R'000	Dismantling and site restoration R'000	Customer loyalty programme R'000	Other R'000	Total R'000
Balance at July 1 2013	86 649	274 408	223 876	102 861	46 695	734 489
Created	34 941	196 253	89 581	54 043	71 019	445 837
Utilised	(69 233)	(135 147)	(25 790)	(69 130)	(29 556)	(328 856)
Net acquisition of businesses	3 368	–	81	–	13 492	16 941
Exchange rate adjustments	6 796	–	41 741	10 825	3 206	62 568
Balance at June 30 2014	62 521	335 514	329 489	98 599	104 856	930 979
Created	**22 847**	**258 317**	**70 244**	**35 846**	**52 828**	**440 082**
Utilised	**(14 251)**	**(242 860)**	**(60 162)**	**(28 845)**	**(43 029)**	**(389 147)**
Net acquisition of businesses	**653**	**–**	**2 704**	**–**	**25 238**	**28 595**
Exchange rate adjustments	**1 908**	**–**	**5 964**	**(5 931)**	**407**	**2 348**
Balance at June 30 2015	**73 678**	**350 971**	**348 239**	**99 669**	**140 300**	**1 012 857**

Onerous contracts

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

Insurance liabilities

Insurance liabilities include amounts provided for: unearned premiums, which represent the proportion of premiums written in the current year which relate to risks that have not expired by the end of the financial year and are calculated on a time proportionate basis; deferred acquisition costs, which are recognised on a basis consistent with the related provisions for unearned premiums; claims, which are calculated on the settlement amount outstanding at year-end; and claims incurred but not reported, for claims arising from events that occurred before the close of the accounting period but which had not been reported to the Group by that date, and are calculated based on the preceding six years' insurance premium revenue multiplied by percentages specified in the Short-Term Insurance Act.

Provision for cost of dismantling and site restoration

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

Customer loyalty programme

This is a customer loyalty programme introduced by certain operations within the Group, whereby customers can earn points for redemption in the form of gift certificates and products of the operations. The provision is calculated based on the points outstanding at year-end.

Other

Consists of various individually insignificant provisions.

		2015 R'000	2014 R'000
35.	**Commitments**		
	Capital expenditure approved		
	Contracted for	**941 011**	713 862
	Not contracted for	**1 878 078**	1 173 293
		2 819 089	1 887 155

Capital expenditure amounting to R2 704 million (2014: R1 749 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.

		2015 R'000	2014 R'000
36.	**Contingent liabilities**		
	Guarantees issued in respect of obligations of associates and investments	**166 000**	166 000

The Group has outstanding legal and other claims arising out of its normal ongoing operating activities which have to be resolved. None of these claims are significant.

Refer note 37 for further disclosure in respect of guarantees.

37. Financial instruments

37.1 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 geography and secondly through decentralisation. Bidvest is an international group with operations in South Africa, United Kingdom, Europe, Asia, Australia, New Zealand, Namibia, South America, the Middle East 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 and geographical location, 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 geographies or 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 is also held responsible for managing financial risks of the operations within the divisions. Operational management's remuneration is based on its operation's performance and divisional management based on its division's performance resulting in a decentralised and entrepreneurial environment.

Due to the diverse structure and decentralised management of the Group, the Group risk committee has implemented guidelines of acceptable practices and basic procedures to be followed by divisional and operational management. The information provided below for each financial risk has been collated for disclosure based on the manner in which the business is managed and what is believed to be useful information for shareholders.

The total process of risk management in the Bidvest Group, which includes the related systems 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.

37. Financial instruments *(continued)*

37.1 Risk management overview (continued)

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's corporate objectives;
- to identify the risk profile and agree the risk appetite of the Group;
- to satisfy the risk management reporting requirements;
- to coordinate the Group's risk management and assurance efforts;
- to report to the board of directors on the risk management work undertaken and the extent of any action taken by management to address areas identified for improvement; and
- to report to the board of directors on the Company's process for monitoring compliance with laws and regulations.

The Group risk committee has documented a formal policy framework in order to achieve the following:

- to place accountability on management for designing, implementing and monitoring the process of risk management;
- to place responsibility on management for integrating the risk management process into the day-to-day activities and operations of the Group; and
- to ensure that the risk strategy is communicated to all stakeholders so that it may be incorporated into the culture of the Group.

The Group has operations trading in the banking, short-term insurance and life assurance industries (Financial Services segment). These operations are exposed to financial risks which are unique to these industries and differ significantly to the remainder of the Group's operations operating within the services, trading and distribution sectors. While the financial risks to which these particular operations are exposed could have a significant effect on the individual operations, they would not have a significant impact on the Group. For this reason, the information provided below mainly provides qualitative and quantitative information regarding the management and exposure to financial risks to which the trading operations of the Group are exposed based on what is believed to be useful to shareholders. Bidvest Bank Limited is a public company for which financial statements are prepared including detailed disclosure in accordance with the requirements of IFRS 7.

The Bidvest Group has, due to the diversity of its operations in nature and geography, determined that it would be better to develop an in-house strategy, as opposed to adopting a recognised strategy and forcing its operations to adapt to the constraints of the strategy selected. The Group has determined that utilising a common framework for the identification of risk would assist the divisions to reduce the implementation time and cost and would give some assurance that all inherent risks have been considered. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

To assist the Group risk committee in discharging its responsibilities, it has:

- assigned risk management responsibilities to divisional/operational risk committees; and
- determined that each division should appoint risk/compliance officers on a divisional (operational) level as nominated by the divisional risk committees.

The role of the risk officer is to develop, communicate, coordinate and monitor the enterprise-wide risk management.

Through the divisional risk committees, each division has a forum for the discussion and identification of risks relevant to the particular division. Only risk matters that affect the Group as a whole are escalated to the Group risk committee. The minutes of the divisional risk committees are submitted to the Group risk committee. The Group risk manager is authorised to attend the divisional risk committee meetings, and to provide guidance to and coordinate the efforts of these committees in providing the Group adequate risk management.

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.

37. Financial instruments *(continued)*

37.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, banking advances, investments and guarantees.

The Group risk committee with the assistance of internal audit has implemented a "delegation of authority matrix" which provides guidelines by division, as to the level of authorisation required for various types of transactions.

Except as detailed below in respect of guarantees issued, the carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk after taking into account the value of any collateral obtained. The carrying values, net of impairment allowances, amount to R19 007 million (2014: R16 914 million) for trade receivables (refer note 22), R1 288 million (2014: R964 million) for banking and other advances (refer note 19), and R2 484 million (2014: R2 368 million) for investments (refer note 18).

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, is 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.

37.2.1 Trade receivables

Refer note 22 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 R494 million (2014: R699 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 2,0% (2014: 4,0%) of the total allowance raised at year-end.

	2015 R'000	2014 R'000
37. Financial instruments *(continued)*		
37.2 Credit risk *(continued)*		
37.2.1 Trade receivables *(continued)*		
Movement in impairment allowance in respect of trade receivables		
Balance at July 1	**514 318**	464 321
Allowances raised during the year	**401 703**	275 011
Bidvest South Africa		
Automotive	**13 871**	25 765
Consumer Products	**49**	131
Electrical	**42 758**	47 910
Financial Services	**34**	3 583
Freight	**6 893**	7 689
Industrial	**3 108**	3 008
Office	**7 153**	278
Paperplus	**10 890**	8 538
Rental and Products	**3 728**	3 988
Services	**17 865**	34 582
Travel and Aviation	**9 429**	10 980
Bidvest Foodservice		
Australasia	**35 437**	29 122
United Kingdom	**25 186**	18 887
Europe	**144 501**	19 702
Emerging Markets	**61 943**	54 687
Bidvest Namibia	**18 387**	5 501
Bidvest Corporate	**471**	660
Bad debts written off during the year	**(205 791)**	(154 789)
Bidvest South Africa		
Automotive	**(7 379)**	(8 139)
Consumer Products	**(60)**	(252)
Electrical	**(19 228)**	(23 585)
Financial Services	**(584)**	(14 775)
Freight	**(5 956)**	(601)
Industrial	**(1 504)**	(670)
Office	**(2 702)**	(1 364)
Paperplus	**(3 047)**	(5 552)
Rental and Products	**(2 825)**	(2 950)
Services	**(3 237)**	(6 605)
Travel and Aviation	**(7 557)**	(6 127)
Bidvest Foodservice		
Australasia	**(22 788)**	(31 773)
United Kingdom	**(29 480)**	(30 191)
Europe	**(60 742)**	(3 122)
Emerging Markets	**(33 867)**	(16 805)
Bidvest Namibia	**(4 300)**	(1 567)
Bidvest Corporate	**(535)**	(711)
Balance carried forward	**710 230**	584 543

37. Financial instruments *(continued)*

37.2 Credit risk *(continued)*

37.2.1 Trade receivables *(continued)*

	2015 R'000	2014 R'000
Balance brought forward	**710 230**	584 543
Net acquisition of businesses and inter-class transfers	**55 985**	10 004
Bidvest South Africa		
Automotive	**–**	(1 246)
Industrial	**–**	709
Office	**(1 969)**	–
Services	**(856)**	2 844
Travel and Aviation	**–**	374
Bidvest Foodservice		
United Kingdom	**–**	7 518
Europe	**58 810**	
Bidvest Namibia	**–**	(374)
Bidvest Corporate	**–**	179
Allowances reversed during the year	**(128 993)**	(112 027)
Bidvest South Africa		
Automotive	**(1 552)**	(16 354)
Consumer Products	**(77)**	252
Electrical	**(23 287)**	(11 551)
Financial Services	**12**	–
Freight	**64**	(3 427)
Industrial	**(2 226)**	(2 102)
Office	**(1 774)**	(567)
Paperplus	**(6 091)**	(6 973)
Rental and Products	**(712)**	(657)
Services	**(4 095)**	(8 278)
Travel and Aviation	**(98)**	(371)
Bidvest Foodservice		
Australasia	**–**	–
United Kingdom	**(1 226)**	(2 068)
Europe	**(26 214)**	(17 324)
Emerging Markets	**(50 639)**	(37 165)
Bidvest Namibia	**(11 030)**	(5 442)
Bidvest Corporate	**(48)**	–
Exchange rate adjustments	**(3 990)**	31 798
Balance at June 30	**633 232**	514 318

37. Financial instruments *(continued)*

37.2 Credit risk (continued)

37.2.1 Trade receivables *(continued)*

Ageing of trade receivables at June 30

	2015			2014		
	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	**16 020 964**	**(41 390)**	**15 979 574**	13 941 051	(21 120)	13 919 931
Bidvest South Africa						
Automotive	**298 213**	**(363)**	**297 850**	354 744	(1 094)	353 650
Consumer Products	**177 309**	**(4)**	**177 305**	166 652	–	166 652
Electrical	**600 584**	**–**	**600 584**	509 255	(1 206)	508 049
Financial Services	**60 167**	**–**	**60 167**	35 621	–	35 621
Freight	**1 571 404**	**(1 738)**	**1 569 666**	1 295 055	–	1 295 055
Industrial	**235 700**	**(391)**	**235 309**	210 341	(220)	210 121
Office	**438 695**	**(2 382)**	**436 313**	410 649	(117)	410 532
Paperplus	**428 898**	**–**	**428 898**	389 631	–	389 631
Rental and Products	**162 901**	**(20)**	**162 881**	158 103	(47)	158 056
Services	**638 049**	**(348)**	**637 701**	486 679	(645)	486 034
Travel and Aviation	**294 076**	**(2 468)**	**291 608**	175 628	–	175 628
Bidvest Foodservice						
Australasia	**2 018 626**	**(15 682)**	**2 002 944**	2 457 699	(11 466)	2 446 233
United Kingdom	**4 194 622**	**–**	**4 194 622**	3 350 116	(331)	3 349 785
Europe	**2 837 846**	**(15 725)**	**2 822 121**	2 009 134	(4 268)	2 004 866
Emerging Markets	**1 682 433**	**(2 269)**	**1 680 164**	1 543 602	(1 718)	1 541 884
Bidvest Namibia	**287 675**	**–**	**287 675**	300 893	(8)	300 885
Bidvest Corporate	**93 766**	**–**	**93 766**	87 249	–	87 249
Past due						
0 – 30 days	**2 035 463**	**(36 407)**	**1 999 056**	2 108 036	(15 620)	2 092 416
Bidvest South Africa						
Automotive	**83 663**	**(4 943)**	**78 720**	105 068	(1 006)	104 062
Consumer Products	**5 863**	**–**	**5 863**	3 187	–	3 187
Electrical	**119 681**	**–**	**119 681**	210 086	(9)	210 077
Financial Services	**4 863**	**–**	**4 863**	4 945	–	4 945
Freight	**124 974**	**(2 513)**	**122 461**	146 799	(396)	146 403
Industrial	**25 794**	**(42)**	**25 752**	21 336	(120)	21 216
Office	**96 889**	**(493)**	**96 396**	90 106	(318)	89 788
Paperplus	**74 193**	**(77)**	**74 116**	98 028	–	98 028
Rental and Products	**41 903**	**(43)**	**41 860**	43 849	(79)	43 770
Services	**264 772**	**(319)**	**264 453**	255 907	(650)	255 257
Travel and Aviation	**241 788**	**(1 742)**	**240 046**	312 436	(523)	311 913
Bidvest Foodservice						
Australasia	**170 068**	**(14 280)**	**155 788**	145 992	(10 510)	135 482
United Kingdom	**108 376**	**(6 323)**	**102 053**	87 222	(25)	87 197
Europe	**304 870**	**(5 615)**	**299 255**	246 743	(1 641)	245 102
Emerging Markets	**296 889**	**(16)**	**296 873**	256 298	(193)	256 105
Bidvest Namibia	**39 444**	**(1)**	**39 443**	47 988	(150)	47 838
Bidvest Corporate	**31 433**	**–**	**31 433**	32 046	–	32 046
Balance carried forward	**18 056 427**	**(77 797)**	**17 978 630**	16 049 087	(36 740)	16 012 347

37. Financial instruments *(continued)*

37.2 Credit risk (continued)

37.2.1 Trade receivables *(continued)*

Ageing of trade receivables at June 30 (continued)

	2015			2014		
	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
Balance brought forward	**18 056 427**	**(77 797)**	**17 978 630**	16 049 087	(36 740)	16 012 347
31 – 180 days	**1 210 567**	**(277 526)**	**933 041**	1 009 994	(195 747)	814 247
Bidvest South Africa						
Automotive	**11 769**	**(3 534)**	**8 235**	49 277	(5 476)	43 801
Consumer Products	**1 251**	**(9)**	**1 242**	2 389	–	2 389
Electrical	**175 527**	**(10 318)**	**165 209**	153 902	(10 458)	143 444
Financial Services	**3 968**	**–**	**3 968**	2 069	(1)	2 068
Freight	**60 397**	**(11 382)**	**49 015**	44 686	(8 355)	36 331
Industrial	**14 093**	**(2 761)**	**11 332**	12 628	(1 576)	11 052
Office	**50 735**	**(6 593)**	**44 142**	58 083	(6 062)	52 021
Paperplus	**24 611**	**(2 258)**	**22 353**	27 227	–	27 227
Rental and Products	**15 409**	**(823)**	**14 586**	21 199	(1 708)	19 491
Services	**107 394**	**(14 551)**	**92 843**	128 080	(25 214)	102 866
Travel and Aviation	**83 220**	**(28 425)**	**54 795**	108 443	(11 364)	97 079
Bidvest Foodservice						
Australasia	**45 039**	**(26 803)**	**18 236**	64 679	(29 322)	35 357
United Kingdom	**48 367**	**(26 933)**	**21 434**	57 449	(24 863)	32 586
Europe	**336 932**	**(99 157)**	**237 775**	82 799	(19 553)	63 246
Emerging Markets	**194 015**	**(40 421)**	**153 594**	157 819	(48 355)	109 464
Bidvest Namibia	**19 639**	**(2 486)**	**17 153**	20 003	(2 160)	17 843
Bidvest Corporate	**18 201**	**(1 072)**	**17 129**	19 262	(1 280)	17 982
181 + days	**373 570**	**(277 909)**	**95 661**	368 801	(281 831)	86 970
Bidvest South Africa						
Automotive	**10 382**	**(8 417)**	**1 965**	6 714	(4 741)	1 973
Consumer Products	**3 081**	**(29)**	**3 052**	11 014	(131)	10 883
Electrical	**58 933**	**(34 719)**	**24 214**	57 269	(36 234)	21 035
Financial Services	**1 521**	**–**	**1 521**	699	(539)	160
Freight	**24 951**	**(7 499)**	**17 452**	27 017	(13 030)	13 987
Industrial	**5 152**	**(1 642)**	**3 510**	4 369	(3 542)	827
Office	**6 287**	**(2 259)**	**4 028**	4 276	(1 408)	2 868
Paperplus	**8 465**	**(3 834)**	**4 631**	9 843	(4 410)	5 433
Rental and Products	**5 892**	**(2 265)**	**3 627**	2 636	(1 120)	1 516
Services	**31 628**	**(29 452)**	**2 176**	16 218	(7 563)	8 655
Travel and Aviation	**1 185**	**(603)**	**582**	19 619	(19 619)	–
Bidvest Foodservice						
Australasia	**15 604**	**(12 773)**	**2 831**	11 933	(10 489)	1 444
United Kingdom	**17 950**	**(15 372)**	**2 578**	25 778	(25 778)	–
Europe	**89 198**	**(89 130)**	**68**	76 205	(75 652)	553
Emerging Markets	**47 770**	**(35 607)**	**12 163**	57 975	(46 150)	11 825
Bidvest Namibia	**16 508**	**(8 683)**	**7 825**	11 629	(6 013)	5 616
Bidvest Corporate	**29 063**	**(25 625)**	**3 438**	25 607	(25 412)	195
Total	**19 640 564**	**(633 232)**	**19 007 332**	17 427 882	(514 318)	16 913 564

37. Financial instruments *(continued)*

37.2 Credit risk (continued)

37.2.1 Trade receivables *(continued)*

Collateral held on past due amounts

	2015		2014	
	Fair value of collateral held R'000	**Trade receivables net of impairment allowance R'000**	Fair value of collateral held R'000	Trade receivables net of impairment allowance R'000
Personal surety	*	**61 225**	*	72 038
Bidvest South Africa				
Automotive		**1 905**		2 686
Electrical		**57 224**		68 623
Freight		**–**		46
Industrial		**515**		583
Office		**180**		100
Bidvest Foodservice				
Emerging Markets		**1 401**		–
Cover by credit insurance	**383 422**	**386 447**	523 377	401 312
Bidvest South Africa				
Automotive	**109**	**109**	–	–
Electrical	**198 051**	**198 051**	226 988	226 988
Freight	**15 059**	**15 059**	14 513	14 513
Industrial	**15 958**	**15 958**	20 014	10 032
Bidvest Foodservice				
Australasia	**52 685**	**52 685**	33 507	33 507
United Kingdom	**27 223**	**30 248**	23 790	26 434
Europe	**49 085**	**49 085**	50 744	50 744
Emerging Markets	**24 977**	**24 977**	153 514	38 787
Bidvest Namibia	**275**	**275**	307	307
Pledge of assets	**17 681**	**17 681**	3 616	3 616
Bidvest South Africa				
Automotive	**1 926**	**1 926**	1 777	1 777
Electrical	**3 201**	**3 201**		
Office	**1 007**	**1 007**	1 839	1 839
Travel and Aviation	**11 547**	**11 547**	–	–
Other	**34 837**	**34 837**	12 082	12 082
Bidvest South Africa				
Electrical	**–**	**–**	6 425	6 425
Freight	**33 655**	**33 655**	–	–
Industrial	**1 182**	**1 182**	5 094	5 094
Bidvest Namibia	**–**	**–**	563	563
Total	**435 940**	**500 190**	539 075	489 048

**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.

37.2.2 Banking and other advances

Refer to note 19 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 year-end. The specific and portfolio impairments made during the year are charged to the income statement.

37. Financial instruments *(continued)*

37.2 Credit risk (continued)

37.2.2 Banking and other advances *(continued)*

	2015 R'000	2014 R'000
Movement in impairment allowance in respect of banking and other advances		
Financial Services		
Balance at July 1	**9 921**	23 743
Allowance raised during the year	**960**	5 298
Allowance utilised during the year	**(455)**	(311)
Impairment written off against banking and other advances	**(4 949)**	(18 809)
Balance at June 30	**5 477**	9 921

Ageing of banking and other advances at June 30

	2015			2014		
	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	**1 279 984**	**(1 136)**	**1 278 848**	959 749	(1 755)	957 994
Past due	**13 047**	**(4 341)**	**8 706**	14 611	(8 166)	6 445
0 – 30 days	**96**	**(75)**	**21**	491	–	491
31 – 180 days	**2 707**	**(614)**	**2 093**	84	(65)	19
181 + days	**10 244**	**(3 652)**	**6 592**	14 036	(8 101)	5 935
Total	**1 293 031**	**(5 477)**	**1 287 554**	974 360	(9 921)	964 439

Collateral held on past due amounts

	2015		2014	
	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	**8 706**	**8 706**	6 445	6 445

37.2.3 Investments

Refer to note 18 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 18 for the carrying amounts for each of these categories.

There were no impairment losses recognised in respect of investments (2014: Nil).

37.2.4 Guarantees

Over and above the guarantees issued to subsidiaries of the Group, the Group has provided guarantees for fixed amounts in respect of obligations of associates as disclosed in note 35.

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

	2015 R'000	2014 R'000
Guarantees issued in respect of obligations of associates	**166 000**	166 000

Notes to the consolidated financial statements

for the year ended June 30

37. Financial instruments *(continued)*

37.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its borrowings centrally for each of the following countries and regions: South Africa, the United Kingdom and continental Europe, and Asia Pacific. The divisions within each region are therefore not responsible for the management of liquidity risk, but rather senior management for each of these regions is responsible for implementing procedures to manage the regional liquidity risk.

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

		Undiscounted contractual cash flows					
	Carrying amount R'000	Total R'000	6 months or less R'000	6 – 12 months R'000	1 – 2 years R'000	2 – 5 years R'000	More than 5 years R'000
2015							
Puttable non-controlling liabilities (refer note 30)	**939 430**	**989 972**	**–**	**–**	**–**	**989 972**	**–**
Borrowings (refer note 28)							
Loans secured by mortgage bonds over fixed property	**26 476**	**28 305**	**3 098**	**3 065**	**6 037**	**16 105**	**–**
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**295 975**	**315 276**	**72 369**	**71 100**	**87 977**	**83 830**	**–**
Unsecured loans	**12 434 627**	**14 081 716**	**3 775 953**	**2 210 760**	**1 859 482**	**6 169 062**	**66 459**
Floorplan creditors secured by pledge of inventories	**827 664**	**827 664**	**827 664**	**–**	**–**	**–**	**–**
Bank overdrafts	**1 994 365**	**1 994 365**	**–**	**1 994 365**	**–**	**–**	**–**
	15 579 107	**17 247 326**	**4 679 084**	**4 279 290**	**1 953 496**	**6 268 997**	**66 459**
Trade and other payables (refer note 33)							
Trade and other payables (excluding forward exchange contracts)	**29 537 909**	**29 537 909**	**29 537 909**	**–**	**–**	**–**	**–**
Banking liabilities (refer note 31)							
Call deposits	**1 657 612**	**1 657 809**	**1 657 809**	**–**	**–**	**–**	**–**
Fixed and notice deposits	**996 249**	**1 025 766**	**774 061**	**251 705**	**–**	**–**	**–**
	2 653 861	**2 683 575**	**2 431 870**	**251 705**	**–**	**–**	**–**
2014							
Puttable non-controlling liabilities (refer note 30)	–	–	–	–	–	–	–
Borrowings (refer note 28)							
Loans secured by mortgage bonds over fixed property	13 617	14 255	1 055	1 055	2 110	8 951	1 084
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	345 428	366 799	69 429	57 237	116 518	123 615	–
Unsecured loans	12 452 349	13 332 129	5 093 791	826 842	842 723	6 460 479	108 294
Floorplan creditors secured by pledge of inventories	665 814	665 814	665 814	–	–	–	–
Bank overdrafts	3 277 988	3 277 988	–	3 277 988	–	–	–
	16 755 196	17 656 985	5 830 089	4 163 122	961 351	6 593 045	109 378
Trade and other payables (refer note 33)							
Trade and other payables (excluding forward exchange contracts)	26 135 155	26 135 155	26 133 921	1 234	–	–	–
Banking liabilities (refer note 31)							
Call deposits	1 283 709	1 283 830	1 283 830	–	–	–	–
Fixed and notice deposits	778 712	794 921	719 069	75 852	–	–	–
	2 062 421	2 078 751	2 002 899	75 852	–	–	–

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.

37. Financial instruments *(continued)*

37.3 Liquidity risk (continued)

37.3.2 Trade and other payables by segment

	2015 R'000	2014 R'000
Trade payables		
Bidvest South Africa		
Automotive	**482 058**	514 608
Consumer Products	**138 403**	80 728
Electrical	**658 829**	655 791
Financial Services	**799 808**	144 402
Freight	**2 526 465**	2 241 487
Industrial	**262 514**	238 938
Office	**405 205**	401 253
Paperplus	**483 568**	361 689
Rental and Products	**129 657**	133 923
Services	**212 725**	228 866
Travel and Aviation	**361 980**	440 473
Bidvest Foodservice		
Australasia	**2 803 751**	3 029 976
United Kingdom	**6 596 958**	5 462 721
Europe	**3 589 586**	2 830 503
Emerging Markets	**1 406 274**	1 325 891
Bidvest Namibia	**368 457**	318 827
Bidvest Corporate	**147 574**	113 237
	21 373 812	18 523 313

Refer note 33 for further disclosure.

37.3.3 Undrawn facilities

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

	2015 R'000	2014 R'000
Unsecured bank overdraft facility, reviewed annually and payable on 360 days' notice	**12 686 297**	13 842 133
Utilised	**1 994 365**	3 277 988
Unutilised	**10 691 932**	10 564 145
Unsecured loan facility with various maturity dates through to 2021 and which may be extended by mutual agreement	**11 082 322**	9 197 777
Utilised	**8 166 034**	5 943 964
Unutilised	**2 916 288**	3 253 813
Secured loan facilities with various maturity dates through to 2020 and which may be extended by mutual agreement	**2 950 629**	3 502 540
Utilised	**1 150 115**	1 024 859
Unutilised	**1 800 514**	2 477 681
Other banking facilities	**3 130 867**	2 751 751
Utilised	**241 036**	316 767
Unutilised	**2 889 831**	2 434 984
Unsecured Domestic Medium-Term Notes Programme	**9 000 000**	9 000 000
Utilised	**4 268 593**	5 059 840
Unutilised	**4 731 407**	3 940 160
Total facilities	**38 850 115**	38 294 201
Utilised	**15 820 143**	15 623 418
Unutilised	**23 029 972**	22 670 783

37. Financial instruments *(continued)*

37.4 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.

37.4.1 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 business raising the loan thereby limiting the businesses' 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 businesses of the Group thereby providing an economic hedge for each class of borrowing.

Banking advances (refer note 19), banking liabilities (refer note 30) and investments, with the exception of the Group's investment in the Indian-based Mumbai International Airport Private Limited, (refer note 18) 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.

37. Financial instruments *(continued)*

37.4 Market risk (continued)

37.4.1 Foreign currency risk *(continued)*

	Settlement	Contract value Foreign amount ’000	Contract value Rand amount ’000
2015			
In respect of forward exchange contracts relating to foreign liabilities as at June 30 2015			
Japanese yen	July 2015 to November 2015	**(2 434 570)**	**(246 804)**
US dollar	July 2015 to October 2015	**(25 313)**	**(300 680)**
Euro	July 2015 to September 2015	**(14 244)**	**(194 445)**
Sterling	July 2015 to September 2015	**(115)**	**(2 180)**
Australian dollar	July 2015	**(608)**	**(5 732)**
Other	July 2015	**(187)**	**(732)**
			(750 573)
In respect of forward exchange contracts relating to foreign assets as at June 30 2015			
US dollar	July 2015 to November 2015	**1 336**	**16 615**
			16 615
In respect of forward exchange contracts relating to goods and services ordered not accounted for as at June 30 2015			
Japanese yen	July 2015 to November 2015	**(141 278)**	**(14 356)**
US dollar	July 2015 to October 2015	**(19 372)**	**(239 715)**
Euro	July 2015 to December 2015	**(881)**	**(11 199)**
Sterling	August 2015 to September 2015	**(489)**	**(9 393)**
Australian dollar	July 2015	**(1 314)**	**(12 266)**
Other	July 2015 to September 2015	**(350)**	**(1 289)**
			(288 218)

37. Financial instruments *(continued)*

37.4 Market risk (continued)

37.4.1 Foreign currency risk *(continued)*

	Settlement	Contract value Foreign amount '000	Rand amount '000
2014			
In respect of forward exchange contracts relating to foreign liabilities as at June 30 2014			
Japanese yen	July 2014 to October 2014	(2 302 227)	(241 962)
US dollar	July 2014 to January 2015	(17 120)	(183 429)
Euro	July 2014 to October 2014	(5 802)	(84 858)
Sterling	July 2014 to September 2014	(222)	(4 038)
Australian dollar	July 2014 to August 2014	(524)	(5 195)
Other	July 2014	(5 048)	(9 160)
			(528 642)
In respect of forward exchange contracts relating to foreign assets as at June 30 2014			
Japanese yen	July 2014 to October 2014	14 562	1 561
US dollar	July 2014 to September 2014	(501)	(5 278)
Euro	July 2014 to September 2014	(1 073)	(15 527)
			(19 244)
In respect of forward exchange contracts relating to goods and services ordered not accounted for as at June 30 2014			
Japanese yen	July 2014 to August 2014	(5 966)	(653)
US dollar	July 2014 to December 2014	(22 039)	(248 347)
Euro	July 2014 to November 2014	(375)	(5 588)
Sterling	August 2014 to October 2014	(211)	(3 860)
Hong Kong dollar	July 2014	(113)	(156)
Australian dollar	July 2014 to November 2014	(627)	(8 248)
Other	August 2014 to September 2014	9 997	17 807
			(249 045)

The total value of trade receivables and trade payables whose payment terms are fixed in a foreign currency other than its operational currency are R857 million (2014: R711 million) and R1 901 million (2014: R1 340 million), respectively.

37. Financial instruments *(continued)*

37.4 Market risk (continued)

37.4.2 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:

	2015 R'000	2014 R'000
Fixed rate instruments		
Financial assets		
Available-for-sale listed bonds	**92 964**	72 228
Held-for-trading listed bonds	**159 506**	127 263
Banking and other advances	**130 259**	132 173
Derivative instruments in designated hedge accounting relationships	**39 849**	57 955
Financial liabilities		
Borrowings	**(6 536 713)**	(9 540 451)
Banking liabilities	**(327 444)**	(82 326)
Derivative instruments in designated hedge accounting relationships	**(1 863)**	(24 939)
Variable rate instruments		
Financial assets		
Cash and cash equivalents	**7 812 877**	8 838 573
Banking and other advances	**1 162 774**	842 187
Financial liabilities		
Borrowings	**(7 048 029)**	(3 936 757)
Puttable non-controlling interest liabilities	**(939 430)**	–
Banking liabilities	**(2 326 417)**	(1 980 095)
Overdrafts	**(1 994 365)**	(3 277 988)

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.

Group borrowings have been categorised by geographical location and the percentage change used for each category has been selected based on what could reasonably be expected as a change in interest rates within that region based on historical movements in interest rates within that particular region. This sensitivity analysis has been prepared using the average borrowings for the financial year as the actual borrowings at June 30 are not representative of the borrowings during the year. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analyses are performed on the same basis as 2014. A decrease in interest rates would have an equal and opposite effect on profit after taxation as detailed below.

	2015		2014	
	Increase in interest rates %	**Decrease in profit after taxation R'000**	Increase in interest rates %	Decrease in profit after taxation R'000
Southern Africa and other Emerging Markets	**0,50**	**21 712**	0,50	19 112
United Kingdom and Europe	**0,25**	**7 688**	0,25	4 212
Australasia	**0,25**	**8 766**	0,25	5 566
		38 166		28 890

37. Financial instruments *(continued)*

37.4 Market risk (continued)

37.4.2 Interest rate risk *(continued)*

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 three-month JIBAR interest rate plus a credit spread specific to each bond has been fixed using fixed for floating interest rate swaps at rates set out below. The swap contracts match the duration and expiry dates of the bonds. The difference between the fixed and floating interest rates are settled on a quarterly basis simultaneously with the payment of interest to bondholders. The interest rate swap contracts have enabled the Group to mitigate the risk of fluctuating interest rates on the fair value of the bonds issued. The interest rate swaps have been designated as hedging instruments and accounted for as a cash flow hedge. The fair value of the bond-linked interest rate swaps at the reporting date, is determined by discounting the future cash flows using the interest rate curves at the reporting date and the credit risk inherent in the contract, resulting in a fair value asset of R40 million (2014: R58 million).

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

Loans – The key components of the interest rate swaps and loans are summarised below. The variable loan interest rates plus a credit spread specific to each loan have been fixed using fixed for floating interest rate swaps at rates set out below. The interest rate swaps have been designated as hedging instruments and accounted for as cash flow hedges. The fair value of the loan-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 R2 million (2014: R25 million).

Hedged items	Bullet € term loan	Amortising £ term loan
Swap notional value at reporting date – '000	€117 000	£10 000
R equivalent – '000	1 693 534	361 374
Swap termination date	June 26 2016	December 30 2015
Floating reference rate	three-month Euribor	six-month GBP Libor
Spread (bps) above floating reference rate	126	150
Fixed swap rate, including spread	1,99%	4,46%
Interest settlement periods	Quarterly	Semi-annual

37.4.3 Market price risk

Equity price risk arises from investments classified as held-for-trading and available-for-sale (refer note 18). Available-for-sale financial assets include listed bonds 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 R645 million (2014: R588 million) and R306 million (2014: R279 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.

37. Financial instruments *(continued)*

37.5 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 segment (being geographical location), are as follows:

	2015		2014	
	Carrying amount R'000	**Fair value R'000**	Carrying amount R'000	Fair value R'000
Borrowings (refer note 28)				
Southern Africa and other Emerging Markets	**11 153 337**	**11 143 691**	11 927 756	11 912 552
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**14 503**	**15 345**	19 913	20 951
Unsecured loans	**8 353 732**	**8 343 244**	8 039 487	8 023 245
Floorplan creditors secured by pledge of inventories	**827 664**	**827 664**	665 814	665 814
Bank overdrafts	**1 957 438**	**1 957 438**	3 202 542	3 202 542
United Kingdom and Europe	**3 334 909**	**3 334 909**	3 713 692	3 713 692
Loans secured by mortgage bonds over fixed property	**26 476**	**26 476**	13 617	13 617
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**281 472**	**281 472**	325 515	325 515
Unsecured loans	**2 990 034**	**2 990 034**	3 299 114	3 299 114
Bank overdrafts	**36 927**	**36 927**	75 446	75 446
Australasia	**1 090 861**	**1 090 861**	1 113 748	1 113 748
Unsecured loans	**1 090 861**	**1 090 861**	1 113 748	1 113 748
	15 579 107	**15 569 461**	16 755 196	16 739 992
Unrecognised gain	**9 646**		15 204	

The methods used to estimate the fair values of financial instruments are discussed in note 41.

The interest rates used to discount cash flows, in order to determine fair values, are based on market related rates at June 30 2015 plus an adequate constant credit spread, and range from 1,0% to 12,5% (2014: 0,8% to 17,8%).

38. Capital management

The board of directors' policy is to maintain a strong capital base so as to maintain investor, supplier and market confidence, while also being able to sustain future development of the businesses. The board of directors monitors both the demographic spread of shareholders, as well as the return on capital, which the Group defines as total shareholders' equity, excluding minority interests and the level of distributions to ordinary shareholders. The Group's objective is to maintain a distribution cover of approximately two and a quarter times headline earnings for the foreseeable future. The methods of distribution include dividends, return of share premium, capitalisation issues as well as share buy-backs in lieu of distributions. The level of cover of distributions takes into account prevailing market conditions, future cash requirements of the businesses, Group liquidity requirements, as well as capital adequacy ratios.

The board seeks to maintain a balance between the higher returns that might be possible with higher levels of gearing and the advantages and security afforded by a sound equity position. The Group's target is to achieve a return on shareholders' interest of between 20% and 25%. In 2015 the return was 18,6% (2014: 17,5%). Refer to pages 10 and 11 of this report for the historical return on total shareholders' interest since 2005.

In the early days of the Group, acquisition activity was generally funded via the raising of equity capital, however, over the past 10 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 (refer note 26). The maximum number of share options which can be issued to employees under the Bidvest Share Incentive Scheme is limited to 43 954 148 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.

With the exception of the Group's banking and insurance subsidiaries, whose capital is well within the statutory requirements, neither the Company nor any of its other subsidiaries are subject to externally imposed capital requirements. The Group has in principal a target debt/equity ratio of 40%, however, in a trading and services business, the debt/equity ratio is a poor measure of the funding capacity of the Group. In order to ensure a more reflective measure of debt capacity is utilised, the Group has adopted an interest cover target of between five to six times. Net interest cover for the year to June 30 2015 was nine times (2014: nine times).

39. Related parties

Identification of related parties

The Group has a related-party relationship with its subsidiaries, associates and joint ventures. Key management personnel have been defined as the executive and non-executive directors of the Company. The definition of key management includes the close members of family of key management personnel and any other entity over which key management exercises control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group. They may include the individual's domestic partner and children, the children of the individual's domestic partner, and dependants of the individual or the individual's domestic partner.

Transactions with key management personnel

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

Details pertaining to executive directors' compensations are set out in the directors' report on pages 78 to 83. 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.

39. Related parties *(continued)*

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:

	2015 R'000	2014 R'000
Sales and services provided by the Group	**606**	721
Purchases	**5 447**	5 450
Outstanding amounts due to the Group at year-end included in respect of the share purchase scheme	**23 072**	24 303
Outstanding amounts due to the Group at year-end included in banking advances	**–**	180
Outstanding amounts due by the Group at year-end included in banking liabilities	**–**	59
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	**21 656**	32 570
Purchases	**723 632**	595 455
Outstanding amounts due to the Group at year-end included in advances to associates	**58 667**	33 862
Outstanding amounts due to the Group at year-end included in trade receivables	**22 034**	10 419
Outstanding amounts due by the Group at year-end included in borrowings	**–**	7 853
Outstanding amounts due by the Group at year-end included in trade payables	**56 853**	53 442
Guarantees issued	**166 000**	166 000

Details of effective interest, investments and loans to associates are disclosed in note 17.

40. 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.

Property, plant and equipment, and rental fleet
The residual values of these assets are reviewed annually after considering future market conditions, the remaining life of the asset and projected disposal values. The estimation of the useful lives is based on historic performance as well as expectation about future use and, therefore, requires a degree of judgement to be applied. The depreciation rates represent management's current best estimate of the useful lives of the assets. Certain properties are accounted for as own-use assets and are thus held at cost less depreciation. Market indicators reflect that these properties could realise more than their carrying values if disposed of.

Goodwill and indefinite life intangible assets
The Group has assessed the carrying value of goodwill and indefinite life intangible assets to determine whether any of the amounts have been impaired. The carrying values were assessed using a combination of discounted cash flow and price earnings methods and the actual results and forecasts for future years.

Deferred taxation
Deferred taxation assets are recognised to the extent it is probable that the taxable income will be available against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and taxation rates and competitive forces.

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

Following on from the Group's recent offer to minorities and additional acquisition of shares in Adcock Ingram Limited (Adcock), management has reassessed its treatment of the Group's investment in Adcock as an associate. Detailed consideration was given to the shareholder profile of Adcock, the Group's representation on the Adcock board and the fact that the Group has no binding agreement to act in concert with any other shareholder to assume management control of Adcock. Management concluded that the Group's current treatment of Adcock as an associate is appropriate.

Investments
The Group reflects its held-for-trade and available-for-sale investments at fair value. The directors' value of unlisted investments was determined using a combination of discounted cash flow, net asset value and price earnings methods. Certain investments are of a long-term nature and uncertainty surrounds their valuation, which may result in a significant change in value over time.

40. Accounting estimates and judgements *(continued)*

Inventories

Impairment allowances are raised against inventory when it is considered that the amount realisable from such inventory's sale is considered to be less than its carrying amount. The impairment allowances are made with reference to an inventory age analysis.

Trade receivables and banking advances

Management identifies possible impairment of trade receivables and banking advance on an ongoing basis. An impairment allowance in respect of doubtful debts is raised against the receivable when their collectability is considered to be doubtful. Management 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's current financial status and disputes with the customer are taken into consideration.

Provisions

Refer note 34 for further disclosure.

Post-retirement obligations

The Group provides retirement benefits for its permanent employees through pension funds with defined benefit and defined contribution categories. Actuarial valuations are based on assumptions which include the discount rate, inflation rate, salary increase rate, expected return on plan assets and the pension increase allowance rate.

Puttable non-controlling interest liabilities

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

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

41. 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 18).

Forward exchange contracts

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

Borrowings

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

Share-based payments

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

42. Subsequent events

The Group acquired 100% of the share capital of Plumblink SA Proprietary Limited (Plumblink) with effect from July 1 2015 for an enterprise value of R446 million. Plumblink is a specialist plumbing and bathroom merchant currently operating from 61 branches strategically situated throughout South Africa. The acquisition forms part of the Bidvest Industrial segment and will enabled the Group to expand its range of complementary products and services provided by Bidvest Industrial and, as a consequence, broaden the Group's base in the market place.

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

Subsequent to year-end, the Group acquired 2,5 million Adcock Ingram Holdings Limited (Adcock) ordinary shares from Adcock's black economic empowerment (BEE) partners, Blue Falcon Trading 69 Proprietary Limited and the Mpho ea Bophelo Trust for a cash consideration of R52,00 per Adcock ordinary share.

In addition, the Group supported the new Adcock BEE scheme (Scheme) and sold 15% of its Adcock shareholding to Ad-izinyosi, a new broad-based empowerment entity, for a minimum price of R52,00 and a maximum price of R72,00 per Adcock ordinary share, to be settled on the fourth anniversary of the date that the Scheme became operative. Following these transactions the Group holds 37,7% of the net ordinary shares in issue, in Adcock.

The Group funded these acquisitions from existing cash resources.

43. Accounting standards and interpretations not effective at June 30 2015

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 5 *Non-current assets Held for Sale and Discontinued Operations*	Amendments clarifying that a change in the manner of disposal of a non-current asset or disposal group held-for-sale is considered to be a continuation of the original plan of disposal, and accordingly, the date of classification as held-for-sale does not change.	January 1 2016
IFRS 7 *Financial Instruments: Disclosures*	Amendment clarifying under what circumstances an entity will have continuing involvement in a transferred financial asset as a result of servicing contracts.	January 1 2016
	Amendment clarifying the applicability of previous amendments to IFRS 7 issued in December 2011 with regard to offsetting financial assets and financial liabilities in relation to interim financial statements prepared under IAS 34.	
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.	January 1 2015
	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.	

43. Accounting standards and interpretations not effective at June 30 2015 *(continued)*

Standard/interpretation	Description	Reporting period beginning on or after
IFRS 10 *Consolidated Financial Statements,* IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures*	Applying the consolidation exception: amendments to IFRS 10, IFRS 12 and IAS 28 to introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the standards.	January 1 2016
IFRS 10 *Consolidated Financial Statements,* and IAS 28: *Investments in Associates and Joint Ventures*	Sale or contribution of assets between an investor and its associate or joint venture: an amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.	January 1 2016
IFRS 11 *Joint Arrangements*	Amendments adding new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business which specify the appropriate accounting treatment for such acquisitions.	January 1 2016
IFRS 15 *Revenue from Contracts from Customers*	This new standard that 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.	January 1 2017
IAS 1 *Presentation of Financial Statements*	Amendments designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements. The amendments also clarify that entities should use professional judgement in determining where and in what order information is presented in the financial disclosures.	January 1 2016
IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*	Amendment establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets.	January 1 2016
IAS 19 *Employee Benefits*	Amendment clarifying the requirements to determine the discount rate in a regional market sharing the same currency.	January 1 2016
IAS 27 *Consolidated and Separate Financial Statements*	Amendment to allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.	January 1 2016

Management's assessment of the new standards, interpretations and amendments has not revealed any material impact on the Group's results.

44. Changes in segmental information

During the year, certain operations were reclassified between segments, as a result of a change in how operations within the segments are managed. In addition, geographical segmental information was re-presented into regions which experience similar economic and market-related conditions. The comparative year's segmental information has been re-presented to reflect these changes.

The above reorganisation had no impact on the results of the Group as previously reported, and as such, a restated consolidated financial position for the year to June 30 2013 has not been included with this report.

45. Foreign currency exchange rates

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

	2015	2014
Rand/sterling		
Closing rate	**19,33**	18,07
Average rate	**18,03**	16,91
Rand/euro		
Closing rate	**13,64**	14,47
Average rate	**13,74**	14,11
Rand/Australian dollar		
Closing rate	**9,41**	10,00
Average rate	**9,56**	9,54
Rand/New Zealand dollar		
Closing rate	**8,41**	9,33
Average rate	**8,90**	8,63
Rand/Hong Kong dollar		
Closing rate	**1,59**	1,37
Average rate	**1,48**	1,34
Rand/Singapore dollar		
Closing rate	**9,10**	8,49
Average rate	**8,74**	8,25
Rand/Czech koruna		
Closing rate	**0,50**	0,53
Average rate	**0,50**	0,53
Rand/Polish zloty		
Closing rate	**3,25**	3,49
Average rate	**3,30**	3,37
Rand/Brazilian real		
Closing rate	**3,91**	4,81
Average rate	**4,32**	4,55
Rand/US dollar		
Closing rate	**12,29**	10,60
Average rate	**11,46**	10,39
Rand/Japanese yen		
Closing rate	**0,100**	0,105
Average rate	**0,100**	0,103

Company statement of comprehensive income
for the year ended June 30

	Note	2015 R'000	2014 R'000
Dividends received		**3 030 131**	2 635 337
Subsidiaries		**2 946 940**	2 577 497
Associates		**83 191**	57 840
Administration expenses		**–**	(1 949)
Fair value adjustments and impairment of investment in subsidiaries and associates		**(78 895)**	(66 987)
Profit (loss) on disposal of subsidiaries and associates		**48 621**	(29 597)
Unclaimed dividends written back		**737**	1 225
Profit before taxation		**3 000 594**	2 538 029
Taxation	1	**(55 959)**	(3 778)
Profit for the year attributable to shareholders		**2 944 635**	2 534 251
Total comprehensive income for the year		**2 944 635**	2 534 251

Company statement of cash flows
for the year ended June 30

	Note	2015 R'000	2014 R'000
Cash inflow from operating activities		**1 130 450**	880 276
Cash generated by operations	2	**3 014 969**	2 669 719
Taxation paid	3	**(22 701)**	(3 778)
Dividends paid		**(1 861 818)**	(1 785 665)
Cash effects of investment activities		**(1 205 572)**	(1 004 317)
Increase in advances to subsidiaries		**(1 027 126)**	(135 697)
Decrease in advances to associates		**–**	10 260
Acquisition of subsidiaries and associates	4	**(241 247)**	(879 230)
Proceeds on disposal of subsidiaries and associates	5	**62 801**	350
Cash effects of financing activities			
Proceeds from share issues		**104 311**	55 872
Net increase (decrease) in cash and cash equivalents		**29 189**	(68 169)
Cash and cash equivalents at beginning of year		**31 362**	99 531
Cash and cash equivalents at end of year		**60 551**	31 362

Company statement of financial position

at June 30

	Note	2015 R'000	2014 R'000
ASSETS			
Non-current assets		**8 566 733**	6 856 723
Interest in subsidiaries	6	**8 550 189**	6 826 377
Interest in associates	7	**16 544**	30 346
Current assets		**80 551**	51 362
Trade and other receivables		**20 000**	20 000
Cash and cash equivalents		**60 551**	31 362
Total assets		**8 647 284**	6 908 085
EQUITY AND LIABILITIES			
Capital and reserves	8	**8 604 620**	6 898 295
Current liabilities		**42 664**	9 790
Trade and other payables		**9 406**	9 790
Taxation		**33 258**	–
Total equity and liabilities		**8 647 284**	6 908 085

Company statement of changes in equity

for the year ended June 30

	2015 R'000	2014 R'000
Share capital	**16 758**	16 562
Balance at beginning of year	**16 562**	16 387
Shares issued during the year	**17**	11
Capitalisation issue	**179**	164
Share premium	**297 297**	193 182
Balance at beginning of year	**193 182**	137 485
Shares issued during the year	**104 702**	56 204
Share issue costs	**(408)**	(343)
Capitalisation issue	**(179)**	(164)
Equity-settled share-based payment reserve	**738 489**	219 292
Balance at beginning of year	**219 292**	222 026
Arising during the year	**227 880**	187 119
Other movement during the year	**291 317**	(189 853)
Movement in retained earnings	**7 552 076**	6 469 259
Balance at beginning of year	**6 469 259**	5 720 673
Total comprehensive income for the year	**2 944 635**	2 534 251
Dividends paid	**(1 861 818)**	(1 785 665)
Equity attributable to shareholders of the Company	**8 604 620**	6 898 295

Notes to the Company financial statements

for the year ended June 30

	2015 R'000	2014 R'000
1. Taxation		
Current taxation	**50 758**	–
Current year	**2 758**	–
Prior years	**48 000**	–
Foreign withholdings tax	**5 201**	3 778
Total taxation per statement of comprehensive income	**55 959**	3 778
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	**1,9**	0,1
Dividend and exempt income	**28,3**	29,1
Changes in prior years' estimation	**(1,6)**	–
Capital gains rate differential	**0,3**	–
Withholding taxes	**(0,2)**	(0,1)
Expenses not taxable or allowed	**(0,7)**	(1,1)
Rate of South African company taxation	**28,0**	28,0
2. Cash generated by operations	**R'000**	R'000
Profit before taxation	**3 000 594**	2 538 029
Adjustment for non-cash items	**14 118**	95 359
Retained to finance working capital		
Decrease in trade and other receivables	**–**	36 391
Increase (decrease) in trade and other payables	**257**	(60)
Cash generated by operations	**3 014 969**	2 669 719
3. Taxation paid		
Amount payable at beginning of year	**–**	–
Per statement of comprehensive income	**(55 959)**	(3 778)
Amount payable at end of year	**33 258**	–
Amount paid	**(22 701)**	(3 778)
4. Acquisition of subsidiaries and associates		
Interest in subsidiaries	**(241 247)**	(879 230)

	2015 R'000	2014 R'000
5. Proceeds on disposal of subsidiaries and associates		
Interest in subsidiaries	**–**	29 504
Interest in associates	**14 180**	443
Net carrying value	**14 180**	29 947
Profit (loss) on disposal	**48 621**	(29 597)
Net proceeds	**62 801**	350
6. Interest in subsidiaries		
Shares at cost or net realisable value	**4 483 006**	4 315 118
Share-based payments allocated to subsidiaries	**738 489**	219 292
	5 221 495	4 534 410
Due by subsidiaries	**3 825 144**	2 796 076
Due to subsidiaries	**(496 450)**	(504 109)
	8 550 189	6 826 377
Details of significant subsidiaries are reflected on Annexure A of these financial statements.		
7. Interest in associates		
Listed	**–**	5 742
Unlisted	**15 488**	23 548
	15 488	29 290
Interest-free advances	**1 056**	1 056
	16 544	30 346
Market value of listed associates	**–**	49 421
Directors' value of unlisted associates	**37 343**	114 536
	37 343	163 957
Details of significant subsidiaries are reflected on Annexure A of these financial statements.		
8. Capital and reserves		
Share capital		
Authorised		
540 000 000 (2012: 540 000 000) ordinary shares of 5 cents each	**27 000**	27 000
	Number	Number
Issued		
Balance at beginning of year	**331 237 219**	327 734 929
Capitalisation issue	**3 576 797**	3 281 838
Shares issued in terms of the share incentive scheme	**349 135**	220 452
Balance at end of year	**335 163 151**	331 237 219

	2015 R'000	2014 R'000
8. Capital and reserves *(continued)*		
Issued share capital		
Issued share capital	**16 758**	16 562
Share premium	**297 297**	193 182
Reserves		
Equity-settled share-based payment reserve	**738 489**	219 292
Retained earnings	**7 552 076**	6 469 259
	8 604 620	6 898 295
30 000 000 (2014: 30 000 000) of the unissued shares are under the control of the directors until the next annual general meeting.		
9. Contingent liabilities		
In respect of guarantees of banking and other facilities granted to subsidiaries and associates	**34 183 488**	33 717 011
Of which have been utilised	**15 820 143**	17 071 963

10. Borrowing powers

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

11. Related parties

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

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

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

Annexure A

Significant subsidiaries	Note	Effective holdings 2015 %	Effective holdings 2014 %	Company's interests Shares 2015 R'000	Shares 2014 R'000	Indebtedness 2015 R'000	Indebtedness 2014 R'000
Bidvest Automotive[A]							
Autohaus Centurion Pty Ltd		**50**	50	**–**	–	**–**	–
Coltish Investments Pty Ltd		**100**	100	**–**	–	**–**	–
Inyanga Motors Pty Ltd		**90**	90	**–**	–	**–**	–
Inyanga Plaza Investments Pty Ltd		**90**	90	**–**	–	**–**	–
Kunene Brothers Sandton Pty Ltd	ii	**40**	40	**–**	–	**–**	–
Kunene Motor Holdings Ltd		**64**	64	**–**	–	**–**	–
McCarthy Ltd		**100**	100	**752 755**	752 755	**–**	–
Bidvest Commercial Products[M]							
Amalgamated Appliances Pty Ltd		**100**	100	**–**	–	**–**	–
Home of Living Brands Pty Ltd		**100**	100	**–**	–	**–**	–
Home of Living Brands Group Ltd		**100**	100	**–**	–	**–**	–
SMC Sales Logistics Pty Ltd		**100**	100	**–**	–	**–**	–
Tedelex Manufacturing Pty Ltd		**100**	100	**–**	–	**–**	–
Tedelex Properties (Atlantis) Pty Ltd		**100**	100	**–**	–	**–**	–
Bidvest Electrical[B]							
Bellco Electrical Pty Ltd		**100**	100	**–**	–	**–**	–
EMS Invirotel Energy Management Pty Ltd		**60**	60	**–**	–	**–**	–
Sanlic International Pty Ltd		**58**	58	**–**	–	**–**	–
Solid State Power Pty Ltd		**50**	50	**–**	–	**–**	–
Versalec Cables Pty Ltd		**100**	100	**83 315**	83 315	**–**	–
Voltex Pty Ltd		**100**	100	**–**	–	**–**	(9 824)
Voltex Botswana Pty Ltd[5]		**70**	–	**–**	–	**–**	–
Voltex Holdings Ltd		**100**	100	**245 972**	245 972	**–**	–
Voltex MV LV Solutions Pty Ltd		**56**	56	**–**	–	**–**	–
Bidvest Financial Services[C]							
Bidvest Bank Holdings Ltd		**100**	100	**540 036**	540 036	**–**	–
Bidvest Bank Ltd		**100**	100	**–**	–	**–**	–
Bidvest Capital Pty Ltd		**100**	100	**–**	–	**–**	–
Bidvest Insurance Group Pty Ltd		**100**	100	**797 431**	797 431	**–**	–
Bidvest Insurance Brokers Pty Ltd		**100**	100	**–**	–	**–**	–
Bidvest Insurance Ltd		**100**	100	**–**	–	**–**	–
Bidvest Life Ltd		**100**	100	**–**	–	**–**	–
Cignet Administration Services (Pty) Ltd	i	**46**	–	**–**	–	**–**	–
Compendium Group Investment Holdings (Pty) Ltd		**51**	–	**–**	–	**–**	–
Compendium Insurance Brokers (Pty) Ltd	i	**45**	–	**–**	–	**–**	–
Compendium Insurance Brokers Cape Town (Pty) Ltd	i	**48**	–	**–**	–	**–**	–
Compendium Insurance Brokers Eastern Cape (Pty) Ltd	i	**28**	–	**–**	–	**–**	–
Compendium Insurance Brokers Gauteng (Pty) Ltd	i	**43**	–	**–**	–	**–**	–
Compendium Insurance Brokers Pietermaritzburg (Pty) Ltd		**51**	–	**–**	–	**–**	–
Master Currency Pty Ltd		**100**	100	**10 909**	14 909	**–**	–
McCarthy Retail Finance Pty Ltd		**100**	100	**–**	–	**–**	–
MCY Management Services Pty Ltd		**100**	100	**716**	716	**–**	–
Namibia Bureau de Change Pty Ltd[25]		**51**	51	**–**	–	**–**	–
Rennies Foreign Exchange (Botswana) Pty Ltd[5]		**51**	51	**–**	–	**–**	–
Rennies Travel Holdings (Malawi) Ltd[21]		**100**	100	**–**	–		
Swift Auto Brokers (Pty) Ltd	i	**26**	–	**–**	–	**–**	–
Taxi and Transport Brokers (Pty) Ltd	i	**36**	–	**–**	–	**–**	–
Viamax Fleet Solutions Pty Ltd		**100**	100	**–**	–	**–**	–
Viamax Pty Ltd		**100**	100	**–**	–	**–**	–

Interest in subsidiaries and associates

as at June 30

Annexure A

		Effective holdings		Company's interests – Shares		Company's interests – Indebtedness	
Significant subsidiaries	Note	**2015 %**	2014 %	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000
Bidvest Freight[(D)]							
African Shipping Ltd		**100**	100	**8 996**	8 996	**–**	–
Bidfreight Intermodal Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Bidfreight Port Operations Pty Ltd		**100**	100	**–**	–	**–**	–
Bidvest Freight Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Bulk Connections Pty Ltd		**100**	100	**–**	–	**–**	–
Durban Coal Terminals Company Pty Ltd		**100**	100	**109 755**	109 755	**–**	–
Ensimbini Terminals Pty Ltd		**50**	50	**4 541**	4 541	**–**	–
Island View Storage Ltd		**100**	100	**366 392**	366 392	**–**	–
Island View Storage Richards Bay Pty Ltd		**100**	100	**–**	–	**–**	–
Manica (Botswana) Pty Ltd[(5)]		**100**	100	**–**	–	**–**	–
Manica (Malawi) Ltd[(21)]		**100**	100	**–**	–	**–**	–
Manica (Zambia) Ltd[(40)]		**100**	100	**–**	–	**–**	–
Manica Africa Pty Ltd		**100**	100	**–**	–	**–**	–
Manica Holdings Ltd		**100**	100	**45 935**	45 935	**–**	–
Manica Zimbabwe Ltd[(41)]		**100**	100	**–**	–	**–**	–
Mocambique Freight Services LTDA[(24)]		**100**	100	**–**	–	**–**	–
Naval Servicos A Navegacao LTDA[(24)]		**100**	100	**–**	–	**–**	–
Panargo Shipping (Pty) Ltd		**100**	–	**18 000**	–	**–**	–
P & I Associates Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Renfreight Pty Ltd		**100**	100	**95 554**	95 554	**(108)**	(108)
Rennie Murray and Company Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Rennies Ships Agency Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Safcor Freight Pty Ltd (t/a Bidvest Panalpina Logistics)		**100**	100	**103 718**	103 718	**–**	–
South African Bulk Terminals Ltd		**100**	100	**50 253**	50 253	**–**	–
South African Container Depots Pty Ltd		**100**	100	**–**	–	**–**	–
South African Container Stevedores Pty Ltd		**82**	82	**1**	1	**–**	–
Bidvest Industrial[(E, M)]							
Academy Brushware Pty Ltd		**100**	100	**80 665**	80 665	**–**	–
Afcom Group Ltd		**100**	100	**12 496**	12 496	**31 587**	31 587
Berzack Brothers Pty Ltd		**100**	100	**–**	–	**–**	–
Bidvest Afcom Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Bidvest Buffalo Tapes Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Bidvest Materials Handling Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Bloch & Levitan Pty Ltd		**100**	100	**–**	–	**–**	–
Buffalo Tapes Pty Ltd		**100**	100	**–**	–	**–**	–
Ram Fasteners Pty Ltd		**100**	100	**–**	3 319	**(2 419)**	6 806
Sellotape Pty Ltd		**100**	100	**–**	–	**–**	–
Tuning Fork Pty Ltd		**100**	100	**–**	–	**69 100**	69 100
Vulcan Catering Supplies Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Bidvest Office[(F)]							
Bid Enterprise Development Pty Ltd		**100**	100	**–**	–	**–**	–
Bid Information Exchange Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Bidoffice Pty Ltd		**100**	100	**–**	–	**–**	–
Bidoffice Furniture Manufacturing Pty Ltd		**100**	100	**–**	–	**–**	–
Bidvest Medical Pty Ltd		**100**	100	**–**	–	**–**	–
BMS Pty Ltd[(5)]		**60**	–	**–**	–	**–**	–
Cecil Nurse Pty Ltd		**100**	100	**–**	–	**–**	–
Dauphin Office Seating S.A. Pty Ltd		**71**	71	**1 329**	1 329	**–**	–
Ditulo Office Pty Ltd	ii	**49**	49	**656**	656	**–**	–
Global Payment Technologies Pty Ltd[#]		**100**	100	**44 301**	44 301	**(71 734)**	(71 734)
Hortors Stationery Pty Ltd		**100**	100	**–**	–	**–**	–
MacThyme Investments Pty Ltd		**100**	100	**81 000**	–	**–**	–
Minolco Pty Ltd		**100**	100	**–**	–	**–**	–

Significant subsidiaries	Note	Effective holdings 2015 %	Effective holdings 2014 %	Company's interests – Shares 2015 R'000	Shares 2014 R'000	Indebtedness 2015 R'000	Indebtedness 2014 R'000
Bidvest Office[(F)] *(continued)*							
Office Technique Pty Ltd[(5)]		**60**	–	**–**	–	**–**	–
Rangecom Pty Ltd[(5)]		**60**	–	**–**	–	**–**	–
Seating Pty Ltd		**100**	100	**–**	–	**–**	–
South African Diaries Pty Ltd		**100**	100	**–**	–	**–**	–
Waltons Pty Ltd		**100**	100	**31**	31	**(31)**	(31)
Zonke Gaming Systems Pty Ltd		**100**	100	**–**	–	**–**	–
Zonke Monitoring Systems Pty Ltd		**78**	78	**–**	–	**–**	–
Bidvest Paperplus[(G)]							
Bidpaper Plus Holdings Ltd		**100**	100	**135 874**	135 874	**–**	–
Bidvest Paperplus Pty Ltd		**100**	100	**–**	–	**–**	–
Blesston Printing and Associates Pty Ltd		**100**	100	**–**	–	**–**	–
Email Connection Pty Ltd		**100**	100	**1 708**	1 708	**–**	–
Expressed Solutions Pty Ltd		**100**	100	**–**	–	**–**	–
Kolok Pty Ltd		**100**	100	**–**	–	**–**	–
Kolok Mozambique Ltda[(24)]		**70**	70	**–**	–	**–**	–
Lithotech Afric Mail Cape Pty Ltd		**100**	100	**–**	–	**–**	–
Lithotech Afric Mail JHB Pty Ltd		**100**	100	**–**	–	**–**	–
Lithotech Corporate Pty Ltd		**100**	100	**–**	–	**–**	–
Lithotech Group Services Pty Ltd		**100**	100	**–**	–	**–**	–
Lithotech International Ltd[(39)]		**100**	100	**–**	–	**–**	–
Lithotech Labels 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	**–**	–	**–**	–
Lufil Packaging Pty Ltd		**100**	100	**59 244**	59 244	**(73 462)**	(73 462)
Mocobe Properties Pty Ltd		**100**	100	**–**	–	**–**	–
Ozalid South Africa Pty Ltd		**100**	100	**–**	–	**–**	–
Paragon Business Communications Ltd		**100**	100	**58 809**	58 809	**–**	–
Rotolabel (Tvl) 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)
Bidvest Rental and Products[(H)]							
Bidserv Industrial Products Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Bidvest (Zambia) Pty Ltd[(40)]		**100**	100	**–**	–	**–**	–
Bidvest Industrial Supplies Zambia Ltd[(40)]		**75**	75	**–**	–	**–**	–
Bosnandi Laundry Pty Ltd		**51**	51	**–**	–	**–**	–
Clockwork Giant Clothing Pty Ltd[(34)]		**100**	100	**–**	–	**–**	–
Execuflora Pty Ltd[#]		**100**	100	**–**	–	**–**	–
First Garment Rental Pty Ltd[#]		**100**	100	**–**	–	**–**	–
G Fox Swaziland Pty Ltd[(34)]		**75**	75	**–**	–	**–**	–
Giant Clothing Ltd[(21)]		**100**	100	**–**	–	**–**	–
Hotel Amenities Suppliers Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Industro-Clean Botswana Pty Ltd[(5)]		**75**	75	**–**	–	**–**	–
Masterguard Fabric Protection Africa Pty Ltd[#]		**100**	100	**2 597**	2 597	**–**	–
Pureau Fresh Water Company Pty Ltd		**82**	82	**24 570**	24 570	**–**	–
RMI SA Pty Ltd[#]		**100**	100	**8 388**	8 388	**–**	–
Rockvest Distributors Pvt Ltd[(41)]		**51**	51	**–**	–	**–**	–
Silk By Design Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Steiner Hygiene Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Steiner Hygiene Swaziland Pty Ltd[(34)]		**100**	100	**–**	–	**–**	–

Annexure A

		Effective holdings		Company's interests – Shares		Company's interests – Indebtedness	
Significant subsidiaries	Note	**2015 %**	2014 %	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000
Bidvest Services[i]							
Al Jaber Coin LLC[38]	ii	**49**	49	**–**	–	**–**	–
B M O Food Services Pty Ltd		**100**	100	**–**	–	**–**	–
Bidtrack Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Bidvest Services Holdings Ltd		**100**	100	**–**	–	**–**	110 000
Bidvest Magnum Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Bidvest Magnum Mining Security Pty Ltd		**100**	100	**6 647**	6 647	**–**	–
Bidvest Managed Solutions Pty Ltd		**100**	100	**–**	–	**–**	–
Bidvest Services Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Brookfield Investments 315 Pty Ltd		**100**	100	**–**	–	**–**	–
Coin Aviation Security Pty Ltd		**100**	100	**–**	–	**–**	–
Coin Security International Pty Ltd		**100**	100	**–**	–	**–**	–
Cudha SARL[24]		**60**	60	**–**	–	**–**	–
Dinatla Property Services Pty Ltd		**100**	100	**3 120**	7 120	**–**	–
Dinosi Cleaning Services Pty Ltd		**55**	55	**–**	–	**–**	–
Experience Delivery Company Pty Ltd	i	**38**	38	**–**	–	**–**	–
Ikhayelihle Royalserve Cleaning Services Pty Ltd	i	**49**	49	**–**	–	**–**	–
Ithabeleng Food Services Pty Ltd		**100**	90	**–**	–	**–**	–
King Pie Holdings Pty Ltd		**100**	100	**–**	–	**–**	–
LTP Mast And Infrastructure Services Pty Ltd		**100**	80	**–**	–	**–**	–
Mediguard WIC Cleaning Services (Lesotho) Pty Ltd[18]		**55**	55	**–**	–	**–**	–
Nelimax Pty Ltd		**55**	55	**–**	–	**–**	–
Nomtsalane Property Services Pty Ltd		**86**	86	**–**	–	**–**	–
Protea Aviation Pty Ltd		**100**	100	**–**	–	**–**	–
Protea Coin Cargo Protection Pty Ltd		**100**	100	**–**	–	**–**	–
Protea Coin Ghana Ltd[11]		**50**	50	**–**	–	**–**	–
Protea Coin Group (Assets In Transit And Armed Reaction) Pty Ltd		**100**	100	**–**	–	**–**	–
Protea Coin Group (Security Services) Pty Ltd		**100**	100	**–**	–	**–**	–
Protea Coin Group (Technical And Physical Security) Pty Ltd		**100**	100	**–**	–	**–**	–
Protea Security Services (Reaction Unit) Pty Ltd		**100**	100	**–**	–	**–**	–
Protea Security Services (West Rand) Pty Ltd		**100**	100	**–**	–	**–**	–
Public Facilities Management Company Pty Ltd		**93**	93	**–**	–	**–**	–
QMS Consulting Pty Ltd		**100**	100	**–**	–	**–**	–
Rebserve Facilities Management Pty Ltd		**80**	80	**–**	–	**–**	–
Rebserve Namibia Cleaning Services Pty Ltd[25]		**100**	60	**–**	–	**–**	–
Royal Food Correctional Services Pty Ltd		**100**	100	**–**	–	**–**	–
Royal Mozambique Ltda[24]		**60**	60	**–**	–	**–**	–
Royalmnandi Duduza Pty Ltd		**60**	60	**–**	–	**–**	–
Royalmnandi Food Services Pty Ltd		**100**	100	**–**	–	**–**	–
Royalmnandi Pty Ltd		**100**	100	**–**	–	**–**	–
Royalserve Cleaning Pty Ltd		**100**	100	**–**	–	**–**	–
SA Water Cycle Group Pty Ltd		**100**	100	**–**	–	**–**	–
Siyaya Fencing Pty Ltd		**100**	100	**–**	–	**–**	–
Taemane Cleaning Services Pty Ltd		**100**	100	**–**	–	**–**	–
TFMC FM Services Pty Ltd		**100**	100	**–**	–	**–**	–
TFMC Holdings Pty Ltd		**100**	100	**–**	–	**–**	–
TFMC Investments Pty Ltd		**100**	100	**–**	–	**–**	–
Test Monetary Systems Pty Ltd		**100**	100	**–**	–	**(1)**	32
TMS Group Industrial Services Pty Ltd		**100**	100	**–**	–	**–**	–
TMS Group Pty Ltd		**100**	100	**–**	–	**–**	–
Top Turf Botswana Pty Ltd[5]		**100**	100	**–**	–	**–**	–
Top Turf Group Pty Ltd		**100**	100	**4**	4	**(4)**	(4)
Top Turf Lesotho Pty Ltd[18]		**100**	100	**–**	–	**–**	–
Top Turf Mauritius Pty Ltd[23]		**100**	100	**–**	–	**–**	–
Top Turf Seychelles Pty Ltd[30]		**100**	100	**–**	–	**–**	–
Top Turf Swaziland Pty Ltd[34]		**100**	100	**–**	–	**–**	–

		Effective holdings		Company's interests – Shares		Company's interests – Indebtedness	
Significant subsidiaries	Note	**2015 %**	2014 %	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000
Bidvest Services[I] *(continued)*							
Total Facilities Management Company Pty Ltd		**100**	100	**–**	–	**–**	–
Umoja Property Solutions Pty Ltd		**51**	51	**–**	–	**–**	–
Velocity Road Rehabilitation Holdings Pty Ltd		**52**	52	**–**	–	**–**	–
Velocity Road Rehabilitation Pty Ltd		**52**	52	**–**	–	**–**	–
Bidvest Travel and Aviation[J]							
Bidair Hospitality Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Bidair Services Pty Ltd		**100**	100	**–**	–	**(11 734)**	(11 734)
Bidtravel Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Bidvest Car Rental (Botswana) Pty Ltd[5]		**100**	100	**–**	–	**–**	–
Bidvest Car Rental (Namibia) Pty Ltd[25]		**100**	100	**–**	–	**–**	–
Bidvest Car Rental Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Bidvest Media Pty Ltd		**50**	^	**9 636**	–	**–**	–
Bush Breaks and More Pty Ltd		**100**	–	**20 409**	–	**–**	–
Commuter Handling Services Pty Ltd		**60**	60	**–**	–	**–**	–
Concorde Travel Pty Ltd t/a Carlson Wagonlit Travel		**90**	90	**47 045**	47 045	**–**	–
Connex Travel Pty Ltd t/a BCD Travel		**61**	61	**27 984**	27 984	**6 738**	6 738
EAS Kenya Ltd[16]		**99**	99	**–**	–	**–**	–
EAS Tanzania Ltd[35]		**100**	100	**–**	–	**–**	–
EAS Uganda Ltd[37]		**100**	100	**–**	–	**–**	–
EAS Zambia Ltd[40]		**60**	60	**–**	–	**–**	–
EAS Zimbabwe Pvt Ltd[41]		**100**	100	**–**	–	**–**	–
Express Air Services (Namibia) Pty Ltd[25]		**90**	90	**–**	–	**–**	–
Express Air Services Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Harvey World Travel Southern Africa Pty Ltd		**50**	50	**3 464**	3 464	**–**	–
Macardo Lodge Pty Ltd t/a Travelwise Travel[5]		**51**	51	**–**	–	**–**	–
McCarthy Investments Pty Ltd		**100**	100	**–**	–	**–**	–
MyMarketdot Com Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Rennies Travel Pty Ltd t/a HRG Rennies Travel[#]		**100**	100	**–**	–	**–**	–
Travel Connections Pty Ltd		**60**	60	**9 000**	9 000	**–**	–
Webjet Pty Ltd[#]		**100**	100	**–**	–	**–**	–
World Travel Pty Ltd[#]		**100**	100	**3 350**	3 350	**(3 350)**	(3 350)
Bidvest Foodservice Australasia[K]							
Applied Logic Systems Ltd[27]		**100**	100	**–**	–	**–**	–
Bidvest (N.S.W) Ltd[2]		**100**	100	**–**	–	**–**	–
Bidvest (Victoria) Pty Ltd[2]		**100**	100	**–**	–	**–**	–
Bidvest (W.A.) Pty Ltd[2]		**100**	100	**–**	–	**–**	–
Bidvest Australia Ltd[2]		**100**	100	**–**	–	**–**	–
Bidvest New Zealand Ltd[27]		**100**	100	**–**	–	**–**	–
Burleigh Marr Distributions Pty Ltd[2]		**100**	100	**–**	–	**–**	–
CaterPlus Pty Ltd[2]		**100**	100	**–**	–	**–**	–
John Lewis Foodservice Pty Ltd[2]		**100**	100	**–**	–	**–**	–
N Stephenson Pty Ltd[2]		**100**	100	**–**	–	**–**	–
Reduced to Clear Ltd[27]		**100**	100	**–**	–	**–**	–
Bidvest Foodservice Europe[K]							
Bidvest Belgium NV[4]		**100**	100	**–**	–	**–**	–
Bidvest Flanders NV[4]		**100**	100	**–**	–	**–**	–
Bidvest NV[4]		**100**	100	**–**	–	**–**	–
Bidvest Czech Republic s.r.o[9]		**94**	94	**–**	–	**–**	–
Makady NV[4]		**100**	100	**–**	–	**–**	–
De Clercq Zuiveldistributie NV[4]		**100**	100	**–**	–	**–**	–
Horeca Langens NV[4]		**100**	100	**–**	–	**–**	–
Tekoo SPOL s.r.o.[9]		**94**	94	**–**	–	**–**	–
Tekoo Slovakia s.r.o.[32]		**94**	94	**–**	–	**–**	–

Interest in subsidiaries and associates
as at June 30

Annexure A

		Effective holdings		Company's interests – Shares		Company's interests – Indebtedness	
Significant subsidiaries	Note	**2015 %**	2014 %	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000
Bidvest Foodservice Europe[K] *(continued)*							
Bidvest Eesti OU[10]		**100**	100	**–**	–	**–**	–
Distribuzione Alimentari Convivenze spa[14]		**60**	–	**–**	–	**–**	–
Oleficio San Marco srl[14]		**60**	–	**–**	–	**–**	–
Coar spa[14]	i	**30**	–	**–**	–	**–**	–
Bidvest Italia SRL[14]		**100**	100	**–**	–	**–**	–
SIA Bidvest Latvia[17]		**100**	100	**–**	–	**–**	–
UAB Bidvest Lietuva[20]		**100**	100	**–**	–	**–**	–
Bidvest Deli XL BV[26]		**100**	100	**–**	–	**–**	–
Bidvest Fresh & Production BV[26]		**100**	100	**–**	–	**–**	–
Bidvest Poland sp. z o.o.[28]		**100**	100				
Farutex sp. z o.o.[28]		**91**	91	**–**	–	**–**	–
Bidvest Slovakia s.r.o[32]		**94**	94	**–**	–	**–**	–
Bidvest Spain SL[33]		**100**	100	**–**	–	**–**	–
Food 4 Thot SL[33]		**100**	100	**–**	–	**–**	–
Bidvest Foodservice (Europe) Ltd[39]		**100**	100	**–**	–	**–**	–
Bidvest Foodservice United Kingdom[K]							
3663 Alba Ltd[39]		**100**	100	**–**	–	**–**	–
3663 Developments Ltd[39]		**100**	100	**–**	–	**–**	–
3663 Transport Ltd[39]		**100**	100	**–**	–	**–**	–
BFS Group Ltd (t/a Bidvest Foodservice and Bidvest Logistics)[39]		**100**	100	**–**	–	**–**	–
Bidvest (UK) Ltd[39]		**100**	100	**–**	–	**–**	–
Bidvest Fresh Ltd[39]		**100**	100	**–**	–	**–**	–
Campbell Bros Holdings Ltd[39]		**100**	100	**–**	–	**–**	–
Henson Foods Ltd[39]		**83**	–	**–**	–	**–**	–
McKenna Fish Sales Ltd[15]		**75**	–	**–**	–	**–**	–
Melfar Fine Meats[39]		**75**	–	**–**	–	**–**	–
MGS Management Services Ltd (trading as South Lincs Foodservice)[39]		**100**	100	**–**	–	**–**	–
Oliver Kay Holdings Ltd[39]		**75**	75	**–**	–	**–**	–
PCL 27/7 Ltd[39]		**100**	–	**–**	–	**–**	–
PCL Transport 24/7 Ltd[39]		**100**	–	**–**	–	**–**	–
Seafood Holdings Ltd[39]		**100**	100	**–**	–	**–**	–
Bidvest Foodservice Emerging Markets[K]							
3663 First for Food Service Pty Ltd		**100**	100	**–**	–	**–**	–
Aktaes Holdings AS[36]	i	**41**	41	**–**	–	**–**	–
Al Diyafa Company for Catering Services LLC[29]		**52**	52	**–**	–	**–**	–
Angliss Beijing Food Service Ltd[8]		**70**	70	**–**	–	**–**	–
Angliss Gourmet Partner Pte Ltd[31]		**100**	–				
Angliss Guangzhou Food Service Ltd[8]		**90**	90	**–**	–	**–**	–
Angliss Hong Kong Food Service Ltd[12]		**100**	100	**–**	–	**–**	–
Angliss International Investment Ltd[12]		**100**	100	**–**	–	**–**	–
Angliss Macau Food Service Ltd[8]		**100**	100	**–**	–	**–**	–
Angliss Shanghai Food Service Ltd[8]		**97**	97	**–**	–	**–**	–
Angliss Shanghai International Trading Co Ltd[8]		**100**	100	**–**	–	**–**	–
Angliss Shenzhen Food Service Ltd[8]		**60**	60	**–**	–	**–**	–
Angliss Singapore Pte Ltd[31]		**100**	100	**–**	–	**–**	–
Bid Foodservice (Middle East) Holdings Ltd[13]		**100**	100	**–**	–	**–**	–
BidFood Solutions Pty Ltd		**100**	100	**–**	–	**–**	–
Bidfood Technologies Pty Ltd		**100**	100	**–**	–	**–**	–
Bidvest Bakery Solutions Pty Ltd		**100**	100	**–**	–	**–**	–
Bidvest Food Africa Pty Ltd		**100**	100	**–**	–	**(2 108)**	–
Bidvest Food Exports Pty Ltd		**100**	100	**–**	–	**–**	–
Bidvest Food Mauritius Ltd[23]		**100**	90	**–**	–	**–**	–
Bidvest Food Malawi Ltd[21]		**60**	–	**–**	–	**–**	–
Bidvest Food Zambia Ltd[40]		**60**	60	**–**	–	**–**	–

Significant subsidiaries	Note	Effective holdings 2015 %	Effective holdings 2014 %	Company's interests Shares 2015 R'000	Company's interests Shares 2014 R'000	Company's interests Indebtedness 2015 R'000	Company's interests Indebtedness 2014 R'000
Bidvest Foodservice Emerging Markets[K] *(continued)*							
Bidvest Foodservice (Botswana) Pty Ltd[5]		**100**	100	**–**	–	**–**	–
Bidvest Foodservices Pty Ltd		**100**	100	**–**	–	**–**	2 429
Blue Marine Frozen Foods Pty Ltd		**100**	100	**–**	–	**–**	–
Catersales Pty Ltd		**100**	100	**–**	–	**–**	–
CCW Catering Supplies Pty Ltd		**100**	100	**–**	–	**–**	–
Cherrypik Trading LLC[38]	i	**48**	48	**–**	–	**–**	–
Chipkins Catering Supplies Pty Ltd		**100**	100	**–**	–	**–**	–
Comon SA[7]		**80**	80	**–**	–	**–**	–
Comon Sur SA[7]		**80**	80	**–**	–	**–**	–
Crown National Pty Ltd		**100**	100	**–**	10	**–**	(10)
D and R Lowe Catering Supplies Pty Ltd		**100**	100	**–**	–	**–**	(312)
Deli Meals Chile SA[7]		**80**	80	**–**	–	**–**	–
Distribuidora E Importada Irmaos Avelino LTDA[6]		**60**	60	**–**	–	**–**	–
F&B Partners SAL[19]		**50**	–	**–**	–	**–**	–
First Food Distributors Pty Ltd		**100**	100	**–**	–	**–**	–
Gourmet Cousine Hong Kong Ltd[12]		**100**	100	**–**	–	**–**	–
Gourmet Partner Malaysia Sdn Bhd[22]		**100**	100	**–**	–	**–**	–
Him Kee Food Distribution Co Ltd[12]		**100**	100	**–**	–	**–**	–
Horeca KSA Trading FZCO[38]		**52**	52	**–**	–	**–**	–
Horeca Trade LLC[38]		**80**	80	**–**	–	**–**	–
Horeca United Services WLL[3]		**52**	52	**–**	–	**–**	–
Lou's Wholesalers Pty Ltd		**100**	100	**–**	–	**–**	–
M & M Quality Choice Pty Ltd		**100**	100	**–**	–	**–**	–
Miumi Japan Food Co. Pte. Ltd[31]		**100**	–	**–**	–	**–**	–
NCP Yeast Pty Ltd[#]		**100**	100	**–**	–	**–**	–
Pastry Global Singapore Pte. Ltd[31]		**100**	–	**–**	–	**–**	–
PastryGlobal Food Service Ltd[12]		**100**	100	**–**	–	**–**	–
Patleys Pty Ltd		**100**	100	**–**	–	**–**	–
RFS Catering Supplies Pty Ltd		**100**	100	**–**	–	**–**	–
Bidvest Namibia[B, D, F, J, K, L]							
Bidvest Namibia Commercial Holdings Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Bidvest Namibia Fisheries Holdings Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Bidvest Namibia Information Technology Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Bidvest Namibia Ltd[25]		**52**	51	**249 253**	212 806	**(1)**	(1)
Bidvest Namibia Management Services Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Bidvest Namibia Property Holdings Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Caterplus Namibia Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Cecil Nurse Namibia Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Comet Investments Capital Incorporated[1]	i	**36**	35	**–**	–	**–**	–
Elzet Development Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Kolok (Namibia) Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Lubrication Specialists Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Luderitz Bay Shipping & Forwarding Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Manica Group Namibia Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Matador Enterprises Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Minolco (Namibia) Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Monjasa Namibia Pty Ltd[25]	i	**30**	–				
Namibian Sea Products Ltd[25]	i	**36**	35	**–**	–	**–**	–
Namsov Fishing Enterprises (Pty) Ltd[25]	i	**36**	35	**–**	–	**–**	–
Namsov Industrial Properties (Pty) Ltd[25]	i	**36**	35	**–**	–	**–**	–
Orca Marine Service (Pty) Ltd[25]	i	**31**	–	**–**	–	**–**	–
Pesca Fresca Ltd[1]		**18**	17	**–**	–	**–**	–
Rennies Travel (Namibia) Pty Ltd[25]		**52**	51	**–**	–	**–**	–
T&C Properties Namibia Pty Ltd[25]		**52**	51	**–**	–	**–**	–

Interest in subsidiaries and associates

as at June 30

Annexure A

Significant subsidiaries	Note	Effective holdings 2015 %	Effective holdings 2014 %	Company's interests Shares 2015 R'000	Shares 2014 R'000	Indebtedness 2015 R'000	Indebtedness 2014 R'000
Bidvest Namibia[B, D, F, J, K, L] *(continued)*							
T&C Trading Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Taeuber & Corssen SWA Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Tetelestai Mariculture Pty Ltd[25]	i	**36**	35	**–**	–	**–**	–
Trachurus Fishing Pty Ltd[25]	i	**22**	21	**–**	–	**–**	–
Twafika Fishing Enterprises Pty Ltd[25]		**27**	27	**–**	–	**–**	–
United Fishing Enterprises Pty Ltd[25]	i	**36**	35	**–**	–	**–**	–
Voltex Namibia Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Waltons Namibia Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Walvis Bay Airport Services Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Walvis Bay Stevedoring Company Pty Ltd[25]	i	**29**	28	**–**	–	**–**	–
Woker Freight Services Pty Ltd[25]		**52**	51	**–**	–	**–**	–
Bidvest Corporate[L]							
Mercland Pty Ltd		**50**	50	**–**	–	**–**	–
Airport Logistics Property Holdings Pty Ltd		**50**	50	**142**	142	**–**	–
BB Investment Company Pty Ltd#		**100**	100	**–**	–	**–**	–
Bid Corporation Pty Ltd		**100**	100	**–**	–	**744 197**	1 491 828
Bid Industrial Holdings Pty Ltd		**100**	100	**11**	1	**2 839 161**	926 325
Bid Services Division (IOM) Ltd[13]		**100**	100	**–**	–	**–**	–
Bid Services Division Pty Ltd		**100**	100	**–**	–	**(205)**	55 833
Bid Services Division (UK) Ltd[39]		**100**	100	**–**	–	**–**	–
Bid Services Division Mauritius Ltd[23]		**100**	100	**–**	–	**–**	–
Bidcorp Finance Ltd[13]		**100**	100	**–**	–	**–**	–
Bidvest Foodservice International Ltd[13]		**100**	100	**–**	–	**–**	–
Bidcorp Ltd[39]		**100**	100	**–**	–	**–**	–
Bidcorp Outsourced Services Ltd[39]		**100**	100	**–**	–	**–**	–
Bidcorp Property Ltd[39]		**100**	100	**–**	–	**–**	–
Bidvest Corporate Services Pty Ltd#		**100**	100	**–**	–	**52**	52
Bidvest International Ltd[13]		**100**	100	**–**	–	**–**	–
Bidvest Procurement Pty Ltd#		**100**	100	**–**	–	**–**	–
Bidvest Properties Pty Ltd		**100**	100	**–**	–	**6 820**	180
Bidvest Properties International Ltd[13]		**100**	100	**–**	–	**–**	–
Bidvest Wits University Football Club Pty Ltd		**60**	60	**–**	–	**–**	–
Bidvestco Ltd		**100**	100	**44 068**	44 068	**(44 068)**	(44 068)
Brentwood Technical Services Ltd[39]		**100**	100	**–**	–	**–**	–
DH Mansfield Group Ltd[39]		**80**	80	**–**	–	**–**	–
DH Mansfield Ltd[39]		**80**	80	**–**	–	**–**	–
Gerlan Properties Pty Ltd		**50**	50	**5 700**	5 700	**–**	–
Bidvest Treasury Services Pty Ltd		**100**	100	**–**	–	**–**	–
Ontime Automotive Ltd[39]		**100**	100	**–**	–	**–**	–
Ontime Global Automotive Transport Services Ltd[39]		**100**	100	**–**	–	**–**	–
Rennies Property Holdings Pty Ltd		**100**	100	**54 000**	54 000	**–**	–
Road One Ltd[39]		**80**	80	**–**	–	**–**	–
Silveray Properties Pty Ltd		**100**	100	**8 833**	8 833	**–**	–
Skillion Ltd[39]		**100**	100	**–**	–	**–**	–
Other				**234 549**	220 834	**(149 892)**	(184 461)
				4 483 006	4 315 118	**3 328 694**	2 291 967

		Effective holdings		Company's interests: Shares		Company's interests: Indebtedness	
Significant associates	Note	**2015 %**	2014 %	**2015 R'000**	2014 R'000	**2015 R'000**	2014 R'000
Adcock Ingram Holdings Ltd(N)		**43**	34	**–**	–	**–**	–
Amalgamated Automobile Distributors Pty Ltd(A)		**50**	50	**10 000**	10 000	**–**	–
Comair Ltd(J)		**26**	26	**–**	–	**–**	–
Compendium Insurance Brokers Zululand (Pty) Ltd(C)	iii	**17**	–	**–**	–	**–**	–
CSAV Group Agencies (South Africa) Pty Ltd(D)		**40**	40	**–**	–	**–**	–
Cullinan Holdings Ltd(J) (September 30 year-end)		**20**	–	**–**	–	**–**	–
Imperial McCarthy Pty Ltd(A)		**50**	50	**–**	–	**–**	–
"K" Line Shipping (South Africa) Pty Ltd(D)		**49**	49	**–**	–	**–**	–
Sebenza Forwarding & Shipping Pty Ltd (March 31 year-end)(D)		**45**	45	**5 011**	5 011	**–**	–
Stellar Africa Pty Ltd(L)		**25**	25	**–**	–	**–**	
Supaswift Pty Ltd(D)		**36**	36	**–**	–	**20**	20
Watersure (Pty) Ltd(C)	iii	**13**	–	**–**	–	**–**	–
Other				**477**	14 279	**1 036**	1 036
				15 488	29 290	**1 056**	1 056

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

^*Previously an associate now a subsidiary.*

#*Trading as an agent.*

Country of incorporation if not South Africa

(1) Angola
(2) Australia
(3) Bahrain
(4) Belgium
(5) Botswana
(6) Brazil
(7) Chile
(8) China
(9) Czech Republic
(10) Estonia
(11) Ghana
(12) Hong Kong
(13) Isle of Man
(14) Italy
(15) Ireland
(16) Kenya
(17) Latvia
(18) Lesotho
(19) Lebanon
(20) Lithuania
(21) Malawi
(22) Malaysia
(23) Mauritius
(24) Mozambique
(25) Namibia
(26) Netherlands
(27) New Zealand
(28) Poland
(29) Saudi Arabia
(30) Seychelles
(31) Singapore
(32) Slovakia
(33) Spain
(34) Swaziland
(35) Tanzania
(36) Turkey
(37) Uganda
(38) United Arab Emirates
(39) United Kingdom
(40) Zambia
(41) Zimbabwe

Nature of business

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

Notes

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

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

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

Shareholder information

as at June 30 2015

	Number of shares held	% of shares issued	% of effective holding
Beneficial shareholding			
Major shareholders holding 3% or more of the shares in issue			
Government Employees Pension Fund	52 908 076	15,79	16,28
GIC Asset Management Pte Ltd	10 343 441	3,09	3,18
BB Investment Company (Pty) Limited	9 568 667	2,85	2,94
	72 820 184	21,73	22,40
Investment management holdings			
Fund managers holding 3% or more of the shares in issue			
PIC	48 371 891	14,43	14,88
J.P. Morgan Asset Management	21 181 001	6,32	6,52
Genesis Investment Management LLP	17 657 729	5,27	5,43
BlackRock Inc	12 322 016	3,68	3,79
Lazard Asset Management LLC Group	11 855 469	3,54	3,65
Sanlam Investment Management	11 615 040	3,47	3,57
The Vanguard Group Inc	10 354 750	3,09	3,19
	133 357 896	39,80	41,03
Shares in issue			
Total number in issue	335 163 151		
BB Investment Company (Pty) Limited (treasury shares)	(9 568 667)		
The Bidvest Share Incentive Scheme	(542 108)		
Effective number of shares in issue	325 052 376		

	Number of shares held	% of shares issued
Shareholder categories		
Unit trusts/mutual fund	104 515 863	31,18
Pension funds	100 538 759	30,00
Other managed funds	33 797 561	10,08
Sovereign wealth	26 658 338	7,95
Private investors	21 429 573	6,39
Insurance companies	11 049 324	3,30
Custodian	9 741 475	2,91
Corporate	9 568 667	2,86
Investment trust	2 486 320	0,74
Black economic empowerment	2 481 038	0,74
American depository receipts	2 255 682	0,67
Exchange-traded fund	1 504 777	0,45
Charity	384 068	0,11
Local authority	325 661	0,10
Hedge fund	117 158	0,04
Foreign government	99 700	0,03
Venture capital	95 000	0,03
Remainder	8 114 187	2,42
	335 163 151	100,00

	Number of shares held	% of shares issued
Geographic split of beneficial shareholders		
South Africa	157 049 995	46,85
United States of America and Canada	79 241 234	23,64
United Kingdom	17 790 769	5,31
Rest of Europe	40 002 572	11,94
Rest of the world	41 078 581	12,26
	335 163 151	100,00

	Number of shareholders	% of all shareholders	Number of shares held	% of shares issued
Analysis of shareholdings				
1 – 1 000	35 024	83,22	9 254 180	2,76
1 001 – 10 000	6 099	14,49	15 751 974	4,70
10 001 – 100 000	728	1,73	21 827 113	6,51
100 001 – 1 000 000	184	0,44	57 481 844	17,15
1 000 001 and more	49	0,12	230 848 040	68,88
	42 084	100,00	335 163 151	100,00
Shareholder spread				
Public shareholders	42 069	99,96	322 680 151	96,28
Non-public shareholders	15	0,04	12 483 000	3,72
The Bidvest Share Incentive Scheme	1	–	542 108	0,16
BB Investment Company (Pty) Limited	1	–	9 568 667	2,85
Bidvest South Africa retirement funds	2	–	602 414	0,18
Bidvest Foundation Education Trust	1	–	380 700	0,11
Directors and family trusts	10	0,02	1 389 111	0,42
	42 084	100,00	335 163 151	100,00

Shareholders' diary

Financial year-end	June 30
Annual general meeting	November

Reports and accounts

Interim report for the half year ending December 31	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

Secretary
Craig Brighten

Auditors
Deloitte & Touche

Legal advisers
Edward Nathan Sonnenbergs
Baker & McKenzie
Werksmans Inc

Bankers
The Standard Bank of South Africa Limited
Nedbank Limited
Investec Bank Limited
HSBC Bank plc
FirstRand Group Limited
Commonwealth Bank of Australia Limited
Barclays Bank Limited
ASB Bank Limited
ABSA Bank Limited

Share transfer secretaries
Computershare Investor Services (Pty) Limited
PO Box 61051
Marshalltown
2107
0861 100 950

Sponsor
Investec Bank Limited

Group financial director and investor relations
David Cleasby

Group corporate finance
Werner Hugo

Communications
Junette Dennis

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