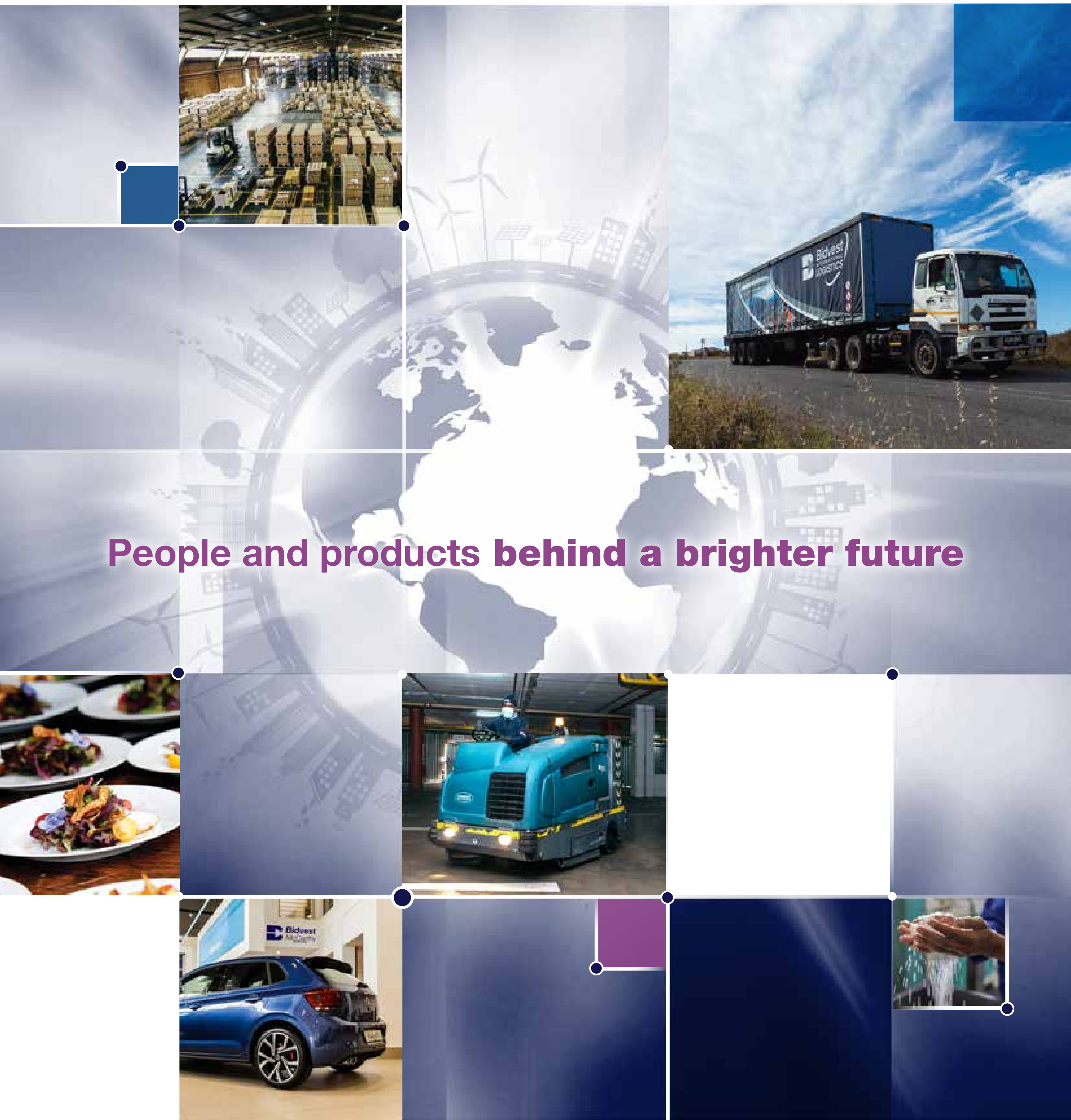
Bidvest

Audited financial results

for the year ended 30 June

2022



Salient features

for the financial year ended 30 June 2022*

R9.7 bn

trading profit

↑ **23%**

R99.9 bn

revenue

↑ **13%**

ROFE up to

37.6%

R11.5 bn

cash generated by operations

Normalised HEPS

1 601.5 cents

↑ **24%**

Total dividend of

744 cents

↑ **24%**

"An outstanding result with six divisions posting double digit profit growth, off last year's high base."

Mpumi Madisa, *Chief executive*

** Continuing operations*

Message to shareholders

Introduction

This year's exceptional operating and financial results were delivered despite several domestic and global crises and rapid changes in demand.

The R9.7 billion reported trading profit is similar to the profits pre the 2016 unbundling of the foodservice businesses. Cash flows from operating activities, excluding dividends, and on a comparable basis, are almost R0.5 billion higher. This is a remarkable achievement in a mere six years.

For the first time, the Commercial Products division generated trading profit of more than R1.0 billion, another milestone. Four out of the seven Bidvest divisions now generate profitability in excess of a billion rand each.

Bidvest has also made further progress with its international growth ambitions, adding incremental value to stakeholders through scale in existing territories and expanding its facilities management footprint, post year-end, into Australia for the first time.

Investment in the Freight division to increase capacity in terminals remains a focus with the Bidvest board approving two projects, an inland Liquefied Petroleum Gas (LPG) terminal and multi-purpose tanks in Richards Bay, at a combined value of R1 billion. Investment made to increase capacity in factories and back-offices, as well as inventory, has and will continue to yield good results. The considerable strength of Bidvest's balance sheet remains a key enabler.

Simultaneously, good progress has been made to reduce the Group's environmental footprint, improve social and economic well-being of business and communities, and offer customers more innovative and sustainable products and services.

Highlights

Excellent trading profit growth was delivered by six out of the seven divisions, off a base that had already rebounded strongly after the worst of the pandemic. Importantly, the performance was emulated in operational cash generation. The successful inaugural international bond issuance diversified and extended the capital structure, enhancing the continued pursuance of Bidvest's growth strategy.

HEPS, from continuing operations, grew by 21.9% to 1 442.0 cents. Normalised HEPS[1], a measurement used by management to assess the underlying business performance, grew by 24.0% to 1 601.5 cents.

Return on Funds Employed (ROFE) improved significantly from 31.6% a year ago to 37.6%. Return on Invested Capital of 17.1%, which compares to 14.1% as at 30 June 2021, remained well above the Group's weighted cost of capital.

The total dividend for the financial year amounts to 744 cents per share, up 24.0%, after declaring a final dividend of 364 cents.

Note 1: Normalised HEPS excludes acquisition costs, amortisation of acquired customer contracts, deferred tax rate change and COVID-19 costs in the base.

Message to shareholders continued

Financial overview

Group revenue grew 13.2% to R99.9 billion (FY2021: R88.3 billion). Record bulk commodity volumes handled and pharmaceutical sales, new vehicle price and volume increases, a strong rebound in travel and tourism-related revenue and the full year contributions from the acquisitions concluded in the UK and Ireland in the latter part of FY2021, were the key growth drivers.

The gross and trading profit margins were 30.0% (FY2021: 30.8%) and 9.7% (FY2021: 8.9%), respectively. Expenses were exceptionally well managed and increased by only 4.7%.

Trading profit grew by 23.3% to R9.7 billion. Superb profit growth was delivered by Services South Africa and Freight, primarily on the rebound in tourism and hospitality related demand and strong maize export volumes handled. Excellent profit performances from Branded Products, Commercial Products and Automotive, off already high bases, were driven by an exceptional Adcock Ingram (Adcock) result, market share gains and margin focus. In Services International, the offshore businesses performed well while the local business performance was solid. Financial Services' result was disappointing.

Acquisition costs, which were higher year-on-year, were incurred as part of the inaugural international bond issuance and other corporate activity. The amortisation of acquired customer contracts of R283.1 million increased modestly year-on-year.

Net capital items contributed a net profit of R176.6 million compared to losses of R179.7 million recognised in the prior period. The bulk of the capital profit originated from the sale of a vacant property in Namibia.

Net finance charges were 8.3% higher at R1.6 billion (FY2021: R1.5 billion). Excluding IFRS 16, fair value adjustments and hedge costs, the increase was 11.3%, due to higher gross debt following the international bond issuance and the impact of higher rates on the Group's variable rate funding. The Group's average cost of funding remained largely unchanged at 4.7% – pre-tax (FY2021: 4.6%).

Share of associate profits at R101.1 million, largely attributable to Adcock's associate holdings, was almost flat.

The Group's effective tax rate is 30.0% (FY2021: 28.9%). The net increase is due to the recognition of deferred tax on intangible assets following the corporate tax rate change in the UK. The initial recognition of the deferred tax was done on balance sheet at the time of acquisition. The foreign tax differential was a favourable 2.7%.

Basic earnings per share (EPS) from continuing operations increased from 1 130.2 cents to 1 492.2 cents mainly due to the strong operational performance and the net capital profit on disposal and closures compared to losses and impairments in the prior period. Basic EPS for the Group improved from 1 131.3 cents to 1 492.2 cents.

Bidvest's net debt decreased from R15.5 billion as at 31 December 2021 to R12.0 billion at the end of June 2022. A portion of the strong cash generated by the businesses was invested in working capital and capital expenditure to increase capacity in certain operations, resulting in less free cash flow generated. Covenant net debt to adjusted EBITDA of 1.5x improved from the 1.8x in the prior year. Interest cover was 9.8x (FY2021: 9.4x).

Cash generated by operations of R11.5 billion, after working capital, was 16.0% lower than in the prior period. The Group absorbed R1.4 billion of working capital in the current year, compared to R2.4 billion released in the prior year, as the working capital cycle across the Group normalised. As is customary, there was a release of R1.3 billion cash from working capital in the second half, which is less than the R2.1 billion in the same period last year largely because inventory investment normalised. Absorption of working capital is encouraging and indicative of higher activity levels.

Corporate action

Bidvest's pipeline, in the niche areas selected for international expansion as well as local bolt-on acquisitions, remains healthy and opportunities are being actively pursued.

The following transactions were concluded during the second half of the financial year: A^2 Group, comprising mainly electric forklifts, was acquired for R92.0 million to enhance the current offering of Bidvest Materials Handling; and Service Royale, a hygiene business in KwaZulu-Natal, was bought to enhance Steiner's footprint. Mayflower, a hygiene consumable business in the UK, was acquired effective May 2022, for £19.7 million as a bolt-on to PHS.

Subsequent to year-end, effective 7 July 2022, Bidvest acquired B.I.C. Services (Pty) Limited (BIC) in Australia for an enterprise value of A$163.0 million. This acquisition is part of advancing the Group's international growth strategy and enhances Bidvest's facilities management service offering and global footprint. The company, which was established in 1989, is head quartered in Sydney and operates across Australia. BIC is a leading provider of niche integrated facilities management services across office, commercial and education sites. Its core cleaning service offering is augmented by a full range of hygiene, waste, maintenance and other ancillary services. BIC employs almost 2 500 people across 3 250 sites.

In addition to the R500.0 million capital investment approved in the Freight division to establish an inland LPG terminal, the Bidvest board also approved a further R547.6 million investment in multi-purpose tanks in Richards Bay.

Sustainability

During the year, Bidvest spent R521.0 million on skills development and R24.0 million on bursaries. A total of 5 596 people participated in learnerships, apprenticeships and internships programs. A total of 406 of these learners were absorbed into permanent employment. Through various initiatives, the Group is supporting 729 students for the 2022 academic year.

The Group made good progress in the diversity profile of its top and senior management teams. Black people represented 83% of appointments made and females 44%.

Bidvest committed to increase its procurement spend with local, transformed suppliers. During FY2022, the Group spent R8.0 billion, R3.0 billion more than prior year, with black and black women-owned SME businesses.

Great progress was made in reducing the Group's environmental footprint and achieving the goals set out in the Bidvest ESG Framework. Emissions and water intensity, off the FY2019 base, declined by 29.5% and 25.6%, respectively. The businesses have initiatives to reduce their footprint further in the coming year. At the same time, new environmentally-friendly products and services were introduced in several businesses.

Prospects

The agility and diversity of the Group present opportunities for continued operating efficiency and growth.

South Africa's mining and agricultural sectors remain robust, whilst ongoing private sector investment and renewable energy projects are contributing positively to demand. Local manufacturing and production capacity has normalised, showing increased activity.

Demand in the tourism and hospitality related areas has been increasing, with the Group's platforms all geared for this upswing. Basic product and service demand from improved corporate office occupancy continues to rise, albeit on a price sensitive basis. The Group's range of products offered, and its ability to customise services and entrench value-added offerings, will stand it in good stead. Throughout the Group, the ability to innovate service and product offerings, with a strong sustainability undertone, is entrenching business partnerships and adding real value to customers.

Whilst the Financial Services division delivered a poor result, recovery of this division represents material uplift for the Group in the coming year. Strategies for the 2023 financial year have been set and we expect digital migration, optimised credit processes, fully resourced sales teams and entry into new niche markets to significantly improve the division's results in the coming year.

Entering the facilities management and general cleaning markets in Australia will deliver new profit streams for the coming financial year. The Group's intention remains focused on pursuing acquisitive growth opportunities internationally in its selected niches and operating regions.

Whilst we acknowledge the precarious global macroeconomic backdrop, rampant inflation and intensifying energy crises, we remain confident that our strategic alignment over recent years, the close management of operating costs, prudent cash conversion and capital allocation, as well as an absolute focus on customer growth, care and retention, will yield good operating and financial results over the long-term.

The Group

Bidvest encourages a performance-driven, decentralised business model that continuously seeks scale and growth. We empower the enterprises across our diverse areas of operation – Services International, Services SA, Branded Products, Freight, Commercial Products, Financial Services and Automotive – which act as remarkable catalyst for enduring value creation.

Divisional review

Services International

Trading profit over the 12-month period rose 14.7% to R3.1 billion, with the profit almost equally split between the hygiene businesses and facilities management businesses. The offshore businesses contributed strong results as benefits of scale materialised and the South African businesses, held their own. The market is quickly normalising following the significant demand for wellness and hygiene products and services during and immediately after the pandemic period. Divisional growth was achieved as a result of contributions from the bolt-on acquisitions concluded towards the end of the previous year, new business success across the division, as well as an enhanced focus on efficiencies and operating methodologies, specifically adopting, technology-led innovations within most businesses. The post year-end acquisition of BIC is important in that it provides the platform from which to grow our niche offerings in that region and adds geographic diversity. The year's ROFE at 203.0% has been pleasing as the working capital cycle normalised.

The non-repeat of pandemic-related work is expected to be broadly neutralised by higher office occupancies, scale opportunities, growth in focus segments and efficiencies.

Message to shareholders continued

Branded Products

Trading profit was 28.4% higher at R1.9 billion. Adcock's profit was exceptional, driven by improved demand for Over-the-Counter and consumer healthcare products, together with an increase in elective surgeries, doctors' consultations, and dispensary visits. Multiple new product launches and an expanded portfolio, together with good expense control, culminated in this record performance. The portfolio of other businesses also contributed strongly with the Office Products cluster being the stand-out performer, where office automation and the office furniture businesses delivered superbly well. The Consumer Products as well as the Data, Print and Packaging clusters performed well. Packaging benefited from the shift toward paper bags and increased online retail penetration and demand for warehouse technology solutions grew strongly. The level of innovation and success in implementing business enhancing processes, efficiencies and new product offerings is yielding benefit. Divisional ROFE grew from 24.4% to 29.6% and operational cash generation was superb.

The division will continue to deliver essential products, at multiple price points, in the most cost efficient manner to a wide range of customers.

Freight

Trading profit increased by 36.5% to R1.8 billion. In contrast with traditional patterns, the second half of the year delivered very pleasing trading, which is generally slower due to the cyclical and seasonal nature of certain commodities handled. The terminal and related operations again delivered an exceptional result, buoyed by a record maize export season, strong LPG demand and healthy global demand for South African commodities, specifically chrome, manganese, coal and iron ore.
The terminal operations outside of South Africa benefited from re-directed cargo to avoid some of the bottlenecks in South Africa. Despite the ongoing global sea and airfreight challenges, there was a remarkable turnaround and recovery in the international clearing and forwarding activities. Services closely linked to railed container movement continued to trade under difficult conditions. ROFE rose from 30.8% to 44.6% and cash generation was exceptionally strong.

Several interesting multi-year terminal projects are being pursued in our operations, both in and outside South Africa. Investment in capacity will continue in the new financial year.

Commercial Products

This year's divisional trading profit set another record, rising 27.4% to R1.2 billion, which follows last year's profit increase of 134.5%. These results are a demonstration of the versatility of the businesses and the ability to effectively execute strategically considered plans, despite global supply chain challenges. The Trade cluster, which includes the electrical and plumbing businesses, delivered another stellar result, the culmination of active gross margin, inventory and cost management. The electrical businesses matched their previous record profitability in the lead up to the 2010 Soccer World Cup. The DIY/Tools/Workwear, Leisure and Warehousing clusters contributions were good with modest revenue growth amplified by excellent gross margin improvements. Capacity was added to the workwear factory and the revival of the local textile industry boosted demand for relevant product. Load-shedding and strike action negatively impacted factory efficiencies is some businesses. Divisional ROFE increased to 31.1% from 25.5% despite a normalisation of working capital.

Notwithstanding subdued activity in public infrastructure, the mining, agriculture and renewables sectors continue to present growth opportunities. Product substitution will likely continue given material price increases.

Services South Africa

Trading profit increased 37.1% to R880.3 million for the year. The bulk of divisional profitability is contributed by the Security and Aviation Services cluster, which again, performed exceptionally well despite the sharp increase in fuel costs. The turnaround in the travel-related businesses was most pleasing and exceeded our expectations, with strong momentum towards the end of the financial year. Allied Services capitalised on a slow return in corporate demand, increased penetration in the retail market and adapting to market changes. The Travel cluster and airport lounges delivered strong results as both domestic and global travel returned, albeit still below pre-pandemic levels. Excellent cost control and continued innovation complemented the performance. ROFE at 121.1% is significantly up on last year, given the tourism-related turnaround and good asset management.

Further improvement is expected in the tourism related businesses.

Automotive

Despite ongoing industry supply challenges, trading profit rose 25.6% to R819.0 million, an all-time divisional high, following the prior year's profit increase of 267.3%. The availability of new vehicles across the dealer network continues to be erratic with global vehicle supply, componentry and parts still a challenge. The KwaZulu-Natal floods further hampered supply. Despite this, new vehicle sales still increased 8.6% and Bidvest McCarthy's market share increased. Fleet sales are yet to recover to pre-pandemic levels. Demand for used vehicles was strong, placing pressure on the franchised dealer network to secure good quality, well-priced used vehicles. In total 9.6% fewer used vehicle were retailed during the financial year. Aftermarket activity improved as the year progressed, but recently showed signs of plateauing. Management's focus on margin rather than volume and continued attention to improving efficiencies paid off handsomely. ROFE was very pleasing at 50.0%, up from last year's 37.6%.

The supply of new vehicles has started showing early signs of improvement. Pressure on consumer disposable income is manifesting in lower credit approval rates and aftermarket activity. The discipline of targeting good margin sales will continue, and strategies to grow the contribution from used vehicles explored.

Financial Services

Trading profit was a disappointing R85.6 million compared to R331.6 million in the prior year. Bidvest Bank accounted for significant one-off costs, which included branch closure costs, and credit impairment charges on a few single name exposures where the lagged effect of the pandemic and national lockdown caught up. At the same time, the deployment of capital was slower than anticipated and approved pay-outs were delayed due to vehicle stock shortages. Demand for fleet and forex-related products is still muted, exacerbated by channel-to-market changes. Regulatory ratios across the businesses remain very strong. Policy sales were under pressure, particularly in Bidvest Life. The investment income recognised on the investment portfolio declined significantly year on year as it bore the brunt of challenging markets. Compendium performed well and FinGlobal in line with expectations.

Bidvest Bank is in the process of implementing its digitisation strategy. Additional growth niche sectors have been selected and necessary industry skills and resources have been secured. Credit processes have been optimised to enable speed of execution. Technology is being used to optimise and create efficiencies. Significant opportunities exist for the division, together with the rest of the Group, to deliver turn-key solutions to customers.

Bidvest Properties and Corporate

The Group owns a significant property portfolio, comprising 137 strategic properties, which is largely Bidvest occupied. Despite a very challenging property market, Bidvest Properties held its profit contribution to the Group steady, reduced vacancies and recycled capital successfully. Property transactions included the sale of a large vacant property in Namibia that was sold for N$231.0 million. A phased plan is in place to retrofit properties with solar energy capabilities. The book value of the portfolio is R4.3 billion compared to an estimated market value of R8.4 billion.

Corporate costs remained well controlled while the non-core Namibian food distribution businesses had a challenging period.

For and on behalf of the board

BF Mohale, CHAIRMAN
NT Madisa, CHIEF EXECUTIVE
Johannesburg

5 September 2022

Dividend declaration

In line with the Group dividend policy, the directors have declared a final gross cash dividend of 364 cents (291.2000 cents net of dividend withholding tax, where applicable) per ordinary share for the financial year ended 30 June 2022 to those members registered on the record date, being Friday, 30 September 2022. The dividend has been declared from income reserves. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

Share code:	BVT
ISIN:	ZAE000117321
Company registration number:	1946/021180/06
Company tax reference number:	9550162714
Gross cash dividend amount per share:	364.0000
Net dividend amount per share:	291.2000
Issued shares at declaration date:	340 274 346
Declaration date:	Monday, 5 September 2022
Last day to trade *cum* dividend:	Tuesday, 27 September 2022
First day to trade *ex*-dividend:	Wednesday, 28 September 2022
Record date:	Friday, 30 September 2022
Payment date:	Monday, 3 October 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 28 September 2022, and Friday, 30 September 2022, both days inclusive.

For and on behalf of the board

Ms. Nonqaba Katamzi
Company Secretary

Summarised consolidated income statement

for the year ended 30 June

R000s	2022 Audited	2021 Audited	% Change
Continuing operations			
Revenue	**99 929 074**	88 314 806	13.2
Non-interest revenue	**99 480 106**	87 881 064	
Interest revenue	**448 968**	433 742	
Cost of revenue	**(69 966 260)**	(61 140 027)	14.4
Gross profit	**29 962 814**	27 174 779	10.3
Operating expenses	**(20 268 608)**	(19 278 934)	5.1
Net impairment losses on financial assets	**(182 912)**	(252 164)	(27.5)
Other income	**218 744**	247 244	(11.5)
Trading profit	**9 730 038**	7 890 925	23.3
Share-based payment expense	**(294 156)**	(246 096)	
Acquisition costs and customer contracts amortisation	**(341 567)**	(305 025)	
Net capital items	**176 628**	(179 663)	
Profit before finance charges and associate income	**9 270 943**	7 160 141	29.5
Net finance charges	**(1 592 489)**	(1 470 534)	8.3
Finance income	**132 184**	57 367	
Finance charges	**(1 724 673)**	(1 527 901)	
Share of profit of associates and joint ventures	**101 101**	100 095	1.0
Current year earnings	**101 317**	100 208	
Net capital items	**(216)**	(113)	
Profit before taxation	**7 779 555**	5 789 702	34.4
Taxation	**(2 332 248)**	(1 670 774)	39.6
Profit for the year from continuing operations	**5 447 307**	4 118 928	32.3
Discontinued operations			
Profit after tax from discontinued operations	**–**	3 789	
Profit for the year	**5 447 307**	4 122 717	
Attributable to			
Shareholders of the Company – continuing operations	**5 071 735**	3 840 933	32.0
Shareholders of the Company – discontinued operations	**–**	3 789	(100.0)
Non-controlling interest	**375 572**	277 995	35.1
	5 447 307	4 122 717	32.1
Basic earnings per share (cents) – continuing operations	**1 492.2**	1 130.2	32.0
Diluted basic earnings per share (cents) – continuing operations	**1 490.0**	1 129.4	31.9
Basic earnings per share (cents) – discontinued operations	**–**	1.1	
Diluted basic earnings per share (cents) – discontinued operations	**–**	1.1	
Basic earnings per share (cents) – Group	**1 492.2**	1 131.3	31.9
Diluted basic earnings per share (cents) – Group	**1 490.0**	1 130.5	31.8
Supplementary Information			
Normalised headline earnings per share (cents) – continuing operations*	**1 601.5**	1 292.0	24.0
Headline earnings per share (cents) – continuing operations	**1 442.0**	1 183.3	21.9
Diluted headline earnings per share (cents) – continuing operations	**1 439.9**	1 182.4	21.8
Headline earnings per share (cents) – discontinued operations	**–**	15.2	
Diluted headline earnings per share (cents) – discontinued operations	**–**	15.2	
Normalised headline earnings per share (cents) – Group*	**1 601.5**	1 307.2	22.5
Headline earnings per share (cents) – Group	**1 442.0**	1 198.4	20.3
Diluted headline earnings per share (cents) – Group	**1 439.9**	1 197.5	20.2
Shares in issue			
Total ('000)	**339 888**	339 888	
Weighted ('000)	**339 888**	339 847	
Diluted weighted ('000)	**340 376**	340 096	

** Refer normalised headline earnings note for detailed definition.*

R000s	2022 Audited	2021 Audited	% Change
Supplementary Information continued			
Headline earnings			
The following adjustments to profit attributable to shareholders were taken into account in the calculation of headline earnings:			
Profit attributable to shareholders of the Company – continuing operations	**5 071 735**	3 840 933	32.0
Impairment of property, plant and equipment, right-of-use assets, goodwill and intangible assets	**17 351**	71 872	
Property, plant and equipment#	**5 121**	48 976	
Right-of-use assets reversal#	**(9 230)**	(12 950)	
Intangible assets#	**21 454**	44 395	
Taxation effect	**6**	(8 549)	
Net (profit)/loss on disposal of interests in subsidiaries and disposal and closure of businesses	**(155 532)**	62 821	
(Profit)/loss on disposal and closure#	**(155 532)**	64 722	
Taxation effect	**–**	(1 901)	
Net loss on disposal and impairment of associates and joint ventures	**(16 604)**	77 448	
Impairment of associates and joint ventures#	**–**	77 448	
Net profit on change in shareholding in associates and joint ventures#	**(17 218)**	–	
Non-controlling interest	**614**	–	
Net profit on disposal of property, plant and equipment and intangible assets	**(15 892)**	(2 270)	
Property, plant and equipment#	**(36 516)**	(8 503)	
Intangible assets#	**15 293**	6 259	
Taxation effect	**5 290**	375	
Non-controlling interest	**41**	(401)	
Compensation received on loss or impairment of property plant and equipment	**–**	(29 667)	
Compensation received#	**–**	(40 684)	
Taxation effect	**–**	11 017	
Non-headline items included in equity accounted earnings of associated and joint venture companies	**125**	113	
Non-headline items	**216**	113	
Non-controlling interest	**(91)**	–	
Headline earnings – continuing operations	**4 901 183**	4 021 250	21.9
Profit attributable to shareholders of the Company – discontinued operations	**–**	3 789	
Loss on disposal of discontinued operations	**–**	85 224	
Impairment reversal of property, plant and equipment, right-of-use assets, goodwill and intangible assets	**–**	(37 478)	
Property, plant and equipment	**–**	(28 782)	
Intangible assets	**–**	(23 271)	
Taxation effect	**–**	14 575	
Headline earnings – Group	**4 901 183**	4 072 785	20.3

Items above included as capital items on summarised consolidated income statement.

Summarised consolidated income statement continued

for the year ended 30 June

Normalised headline earnings per share

Normalised headline earnings per share is a measurement used by the chief operating decision-maker, Mpumi Madisa and the executive board. The calculation of normalised headline earnings per share excludes acquisition costs, amortisation of acquired customer contracts, the impact of changes in deferred tax rates (included for the first time in the current year), and COVID-19 pandemic expenses relating to abnormal receivables provisioning, inventory obsolescence, restructuring costs and COVID-19 compliance regulatory costs and is based on the normalised headline earnings attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the year. The presentation of normalised headline earnings is not an IFRS requirement.

R000s	2022 Audited	2021 Audited	% Change
Headline earnings – continuing operations	**4 901 183**	4 021 250	
Acquisition costs	**58 517**	33 509	
Amortisation of acquired customer contracts	**283 050**	271 516	
COVID-19 pandemic expenses	**–**	182 466	
Taxation effect	**(52 266)**	(101 433)	
Change in deferred tax rates	**255 637**	–	
Non-controlling interest	**(2 724)**	(16 474)	
Normalised headline earnings – continuing operations	**5 443 397**	4 390 834	24.0
Normalised headline earnings – discontinued operations	**–**	51 535	
Normalised headline earnings – Group	**5 443 397**	4 442 369	22.5

Summarised consolidated statement of other comprehensive income

for the year ended 30 June

R000s	2022 Audited	2021 Audited
Profit for the year	**5 447 307**	4 122 717
Other comprehensive income/(expense) net of taxation		
Items that may be reclassified subsequently to profit or loss	**1 250 100**	(620 829)
Increase/(decrease) in foreign currency translation reserve		
Exchange differences arising during the year	**190 535**	(647 494)
(Decrease)/increase in fair value of cash flow hedges	**1 059 565**	26 665
Fair value gain arising during the period	**1 433 517**	37 035
Taxation effect for the year	**(373 953)**	(10 370)
Other comprehensive income transferred to profit or loss	**(1 161 065)**	52 954
Realisation of exchange differences on disposal of subsidiaries	**6 645**	52 954
Hedging gains reclassified	**(1 556 946)**	–
Taxation effect	**389 237**	–
Items that will not be reclassified subsequently to profit or loss		
Changes in the fair value of financial assets recognised through other comprehensive income	**2 834**	1 862
Defined benefit obligations	**(6 042)**	12 094
Net remeasurement of defined benefit obligations during the year	**(9 227)**	16 798
Taxation effect for the year	**3 185**	(4 704)
Total comprehensive income for the year	**5 533 134**	3 568 798
Attributable to		
Shareholders of the Company	**5 139 873**	3 326 301
Non-controlling interest	**393 261**	242 497
	5 533 134	3 568 798

Summarised consolidated statement of cash flows

for the year ended 30 June

R000s	2022 Audited	2021 Audited
Cash flows from operating activities	**5 587 689**	9 743 709
Profit before finance charges and associate income	**9 270 943**	7 160 141
Dividends from associates	**86 718**	97 767
Acquisition costs	**58 517**	33 509
Depreciation and amortisation	**3 590 849**	3 639 341
Share-based payment expense	**288 460**	224 666
Shares acquired by staff in settlement of share incentive scheme obligations	**(215 104)**	(128 732)
Impairments of associates	**–**	77 448
Impairment of goodwill and intangibles	**21 454**	44 395
Impairment of PPE and right-of-use assets	**(4 109)**	36 026
Fair value adjustment to investments	**(34 127)**	68 384
(Profit)/loss on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	**(172 750)**	64 722
Decrease in life assurance fund	**(62 300)**	(70 584)
Remeasurement of post-retirement obligations	**(7 002)**	(6 938)
Other non-cash items	**13 148**	10 587
Cash generated by operations before changes in working capital	**12 834 697**	11 250 732
Changes in working capital	**(1 369 048)**	2 394 336
(Increase)/decrease in inventories	**(1 215 160)**	918 156
Increase in trade receivables	**(2 390 372)**	(436 212)
Decrease in banking and other advances	**431 477**	198 852
Increase in trade and other payables and provisions	**2 137 895**	1 373 632
(Decrease)/increase in amounts owed to bank depositors	**(332 887)**	339 908
Cash generated by operations	**11 465 650**	13 645 068
Net finance charges paid	**(1 388 364)**	(1 411 645)
Taxation paid	**(1 989 508)**	(1 814 274)
Dividends paid by the Company	**(2 345 225)**	(985 674)
Dividends paid by subsidiaries	**(154 863)**	(83 059)
– Non-controlling shareholders	**(150 310)**	(80 024)
– Put-call option holders	**(4 553)**	(3 035)
Net operating cash flows from discontinued operations	**–**	393 293
Cash flows from investment activities	**(2 948 296)**	(1 786 944)
Net additions to property, plant and equipment	**(2 670 521)**	(1 916 901)
Net additions to intangible assets	**(331 633)**	(324 156)
Acquisition of subsidiaries, businesses, associates and investments	**(2 966 468)**	(3 935 212)
Disposal of subsidiaries, businesses, associates and investments	**3 020 326**	2 949 139
Net investing cash flows from discontinued operations	**–**	1 440 186
Cash flows from financing activities	**2 029 927**	(7 083 290)
Repayment of lease liabilities	**(1 251 802)**	(1 294 769)
Settlement of puttable non-controlling interest liability	**(39 299)**	–
Transactions with non-controlling interests	**(1 557)**	(481 410)
Borrowings raised	**20 492 288**	5 424 273
Borrowings repaid	**(17 169 703)**	(10 372 402)
Net financing cash flows from discontinued operations	**–**	(358 982)
Net increase in cash and cash equivalents	**4 669 320**	873 475
Net cash and cash equivalents at the beginning of the year	**5 818 129**	5 343 865
Exchange rate adjustment	**(10 761)**	(399 211)
Net cash and cash equivalents at end of the year	**10 476 688**	5 818 129
Net cash and cash equivalents comprise:		
Cash and cash equivalents – continuing operations	**11 521 461**	7 438 073
Bank overdrafts included in short-term portion of interest bearing borrowings	**(1 044 773)**	(1 619 944)
	10 476 688	5 818 129

Summarised consolidated statement of financial position

for the year ended 30 June

R000s	2022 Audited	2021 Audited
ASSETS		
Non-current assets	**55 687 654**	53 211 879
Property, plant and equipment	**14 901 527**	14 107 562
Right-of-use assets	**4 507 081**	4 615 625
Intangible assets	**13 633 353**	13 661 818
Goodwill	**14 085 245**	13 678 707
Deferred taxation assets	**1 518 704**	1 538 254
Defined benefit pension surplus	**264 667**	252 230
Interest in associates and joint ventures	**587 551**	527 908
Life assurance fund	**484 740**	368 937
Investments	**2 378 183**	2 758 682
Currency swap derivative asset	**1 339 439**	–
Banking and other advances	**1 987 164**	1 702 156
Current assets	**40 328 516**	33 187 856
Inventories	**11 375 865**	10 106 113
Short-term portion of banking and other advances	**487 223**	1 203 708
Trade and other receivables	**16 560 642**	14 072 021
Taxation	**383 325**	367 941
Cash and cash equivalents	**11 521 461**	7 438 073
Total assets	**96 016 170**	86 399 735
EQUITY AND LIABILITIES		
Capital and reserves	**31 875 342**	28 790 766
Attributable to shareholders of the Company	**28 366 633**	25 537 831
Non-controlling interest	**3 508 709**	3 252 935
Non-current liabilities	**30 591 509**	24 337 921
Deferred taxation liabilities	**4 092 040**	3 907 936
Life assurance fund	**275 668**	222 165
Long-term portion of borrowings	**21 571 043**	15 355 102
Post-retirement obligations	**73 551**	77 040
Puttable non-controlling interest liabilities	**–**	20 889
Long-term portion of provisions	**671 955**	635 356
Long-term portion of lease liabilities	**3 907 252**	4 119 433
Current liabilities	**33 549 319**	33 271 048
Trade and other payables	**20 498 175**	18 288 267
Short-term portion of provisions	**398 812**	460 634
Vendors for acquisition	**752**	752
Taxation	**661 467**	482 485
Amounts owed to bank depositors	**7 293 785**	7 626 671
Short-term portion of borrowings	**3 512 224**	5 380 263
Short-term portion of lease liabilities	**1 184 104**	1 031 976
Total equity and liabilities	**96 016 170**	86 399 735
Net asset value per share (cents)	**8 346**	7 514

Summarised consolidated statement of changes in equity

for the year ended 30 June

R000s	2022 Audited	2021 Audited
Equity attributable to shareholders of the Company	**28 366 633**	25 537 831
Share capital	**17 014**	17 014
Share premium	**1 367 796**	1 367 796
Foreign currency translation reserve	**21 376**	(166 446)
Balance at beginning of the year	**(166 446)**	400 927
Movement during the year	**181 177**	(620 327)
Realisation of reserve on disposal of subsidiaries	**6 645**	52 954
Hedging reserve	**(154 006)**	(38 619)
Balance at beginning of the year	**(38 619)**	(65 284)
Fair value (losses)/gains arising during the year	**(133 427)**	37 035
Deferred tax recognised directly in reserve	**18 040**	(10 370)
Equity-settled share-based payment reserve	**332 121**	(326 401)
Balance at beginning of the year	**(326 401)**	(437 247)
Arising during the year	**274 529**	215 848
Deferred tax recognised directly in reserve	**(1 885)**	23 362
Utilisation during the year	**(215 104)**	(130 097)
Realisation of reserve on disposal of subsidiaries	**–**	1 733
Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries	**(2 609)**	–
Transfer to retained earnings	**603 591**	–
Movement in retained earnings	**26 103 669**	24 005 009
Balance at the beginning of the year	**24 005 009**	21 211 095
Attributable profit	**5 071 735**	3 844 722
Change in fair value of financial assets recognised through other comprehensive income	**2 570**	1 861
Net remeasurement of defined benefit obligations during the year	**(6 867)**	12 297
Transfer of reserves as a result of changes in shareholding of subsidiaries	**2 160**	(79 292)
Remeasurement of put option liability	**(22 122)**	–
Net dividends paid	**(2 345 225)**	(985 674)
Transfer from equity-settled share-based payment reserve	**(603 591)**	–
Treasury shares	**678 663**	679 478
Balance at the beginning of the year	**679 478**	664 746
Purchase of shares by subsidiaries	**(211 779)**	(111 975)
Shares disposed of in terms of share incentive scheme	**210 964**	126 707
Equity attributable to non-controlling interests of the Company	**3 508 709**	3 252 935
Balance at beginning of the year	**3 252 935**	3 481 856
Total comprehensive income	**393 261**	242 497
Attributable profit	**375 572**	277 995
Movement in foreign currency translation reserve	**9 358**	(27 167)
Movement in cashflow hedging reserve	**7 242**	(8 169)
Changes in the fair value of financial assets recognised through other comprehensive income	**264**	41
Net remeasurement of defined benefit obligations during the year	**825**	(203)
Dividends paid	**(150 310)**	(80 024)
Movement in equity-settled share-based payment reserve	**13 931**	7 391
Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries	**2 609**	–
Transactions with non-controlling interests	**(1 557)**	(478 077)
Transfer of reserves as a result of changes in shareholding of subsidiaries	**(2 160)**	79 292
Total equity	**31 875 342**	28 790 766

Summarised disaggregated revenue

for the year ended 30 June

R000s	2022 Audited	2021 Restated* Audited
Revenue		
Sale of goods[1]	**58 925 533**	53 723 694
Rendering of services[2]	**40 500 267**	33 449 398
Commissions and fees earned[3]	**1 907 653**	2 190 198
Billings relating to clearing and forwarding transactions[4]	**2 577 787**	1 946 949
Interest[5]	**448 968**	433 742
Insurance[6]	**577 653**	531 792
	104 937 861	92 275 773
Inter-group eliminations	**(5 008 787)**	(3 960 967)
	99 929 074	88 314 806

Included in commissions and fees earned is R1.6 billion (2021: R2.0 billion) which does not relate to revenue from contracts with customers but commissions and fees from rendering financial services. All other categories other than insurance relate to revenue from contracts with customers.

	2022 Audited	2021 Restated* Audited
Disaggregation of segmental revenue		
Services International[2]	**26 526 256**	20 848 823
Branded Products[1]	**18 284 841**	17 081 744
Freight[2, 4]	**6 919 476**	5 846 612
Commercial Products[1]	**14 065 153**	13 449 322
Services South Africa[2]	**7 718 441**	6 763 891
Automotive[1]	**23 239 644**	20 883 554
Financial Services[3, 5, 6]	**2 248 222**	2 464 425
Properties[2]	**56 413**	43 444
Corporate and investments[1]	**870 628**	932 991
	99 929 074	88 314 806
Geographic disaggregation of revenue		
Southern Africa	**79 582 271**	73 352 022
International	**20 346 803**	14 962 784
	99 929 074	88 314 806

** Refer note on restatement of comparatives*

Summarised segmental analysis

for the year ended 30 June

R000s	2022 Audited	2021 Restated* Audited	% Change
Revenue			
Services International	**27 449 466**	21 684 887	26.6
Branded Products	**19 082 709**	17 793 068	7.2
Freight	**7 446 212**	6 204 869	20.0
Commercial Products	**15 037 761**	14 024 659	7.2
Services South Africa	**8 225 664**	7 207 979	14.1
Automotive	**23 708 713**	21 095 402	12.4
Financial Services	**2 435 017**	2 646 657	(8.0)
Properties	**609 689**	587 726	3.7
Corporate and investments	**942 630**	1 030 526	(8.5)
	104 937 861	92 275 773	13.7
Inter-group eliminations	**(5 008 787)**	(3 960 967)	
	99 929 074	88 314 806	13.2
Geographic region			
Southern Africa	**84 447 866**	76 993 821	9.7
International	**20 489 995**	15 281 952	34.1
	104 937 861	92 275 773	
Trading profit			
Services International	**3 053 475**	2 661 443	14.7
Branded Products	**1 878 061**	1 462 522	28.4
Freight	**1 767 499**	1 295 003	36.5
Commercial Products	**1 174 422**	921 610	27.4
Services South Africa	**880 337**	641 940	37.1
Automotive	**819 032**	652 031	25.6
Financial Services	**85 599**	331 584	(74.2)
Properties	**563 304**	560 689	0.5
Corporate and investments	**(491 691)**	(635 897)	22.7
	9 730 038	7 890 925	23.3
Geographic region			
Southern Africa	**7 798 064**	6 328 706	23.2
International	**1 931 974**	1 562 219	23.7
	9 730 038	7 890 925	
Earnings before interest, taxation, depreciation and amortisation (EBITDA)			
Services International	**3 557 100**	3 225 903	10.3
Branded Products	**2 090 955**	1 686 534	24.0
Freight	**1 999 457**	1 522 180	31.4
Commercial Products	**1 256 302**	1 006 409	24.8
Services South Africa	**1 162 765**	914 912	27.1
Automotive	**837 178**	685 034	22.2
Financial Services	**366 971**	605 633	(39.4)
Properties	**569 731**	567 518	0.4
Corporate and investments	**(471 200)**	(623 375)	24.4
	11 369 259	9 590 748	18.5
Geographic region			
Southern Africa	**9 114 327**	7 616 966	19.7
International	**2 254 933**	1 973 782	14.2
	11 369 260	9 590 748	

** Refer note on restatement of comparatives*

R000s	2022 Audited	2021 Restated* Audited	% Change
Operating assets			
Services International	**8 499 257**	7 355 568	15.5
Branded Products	**10 359 565**	9 723 479	6.5
Freight	**9 424 713**	8 339 044	13.0
Commercial Products	**6 820 867**	6 113 905	11.6
Services South Africa	**2 635 873**	1 994 667	32.1
Automotive	**4 061 288**	4 330 847	(6.2)
Financial Services	**7 393 310**	7 786 911	(5.1)
Properties	**4 347 247**	3 895 019	11.6
Corporate and investments	**783 214**	797 589	(1.8)
	54 325 334	50 337 029	7.9
Inter-group eliminations	**(790 691)**	(622 087)	
	53 534 643	49 714 942	7.7
Geographic region			
Southern Africa	**45 987 869**	44 333 476	3.7
International	**8 337 465**	6 003 553	38.9
	54 325 334	50 337 029	
Operating liabilities			
Services International	**6 503 559**	6 681 086	(2.7)
Branded Products	**4 662 587**	4 295 126	8.6
Freight	**5 939 046**	4 659 191	27.5
Commercial Products	**3 366 906**	2 965 766	13.5
Services South Africa	**1 920 395**	1 492 445	28.7
Automotive	**2 637 313**	2 827 663	(6.7)
Financial Services	**9 393 405**	9 344 214	0.5
Properties	**76 702**	78 152	(1.9)
Corporate and investments	**594 080**	739 986	(19.7)
	35 093 993	33 083 629	6.1
Inter-group eliminations	**(790 691)**	(622 087)	
	34 303 302	32 416 542	5.7
Geographic region			
Southern Africa	**29 611 478**	27 299 845	8.5
International	**5 482 515**	5 783 784	(5.2)
	35 093 993	33 083 629	

** Refer note on restatement of comparatives*

Basis of presentation of provisional summarised consolidated financial statements

The provisional summarised consolidated financial statements have been prepared in accordance with and containing information required by IAS 34: Interim Financial Reporting as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the Companies Act of South Africa and the JSE Listings Requirements. The summarised report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year-ended 30 June 2022 and any public announcements made by the Group during the interim reporting period (IAS 34 para 6). Selected explanatory notes are included to explain events and transactions that are significant to an understanding to the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2022.

In preparing these summarised consolidated financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Significant accounting policies and judgements

The accounting policies applied in these provisional summarised consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ending 30 June 2022. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2022.

Restatement of comparatives

The prior year segmental disclosure has been restated. During the current period, Bidvest Services was divided into two separately reportable operating segments, Bidvest Services International and Bidvest Services South Africa. Bidvest Services International is a focused hygiene, cleaning and facilities management business, operating in the United Kingdom (UK), European Union, Southern Africa and, from 7 July 2022, in Australia. Bidvest South Africa is a diverse services business providing security, laundry, landscaping, catering, travel, cargo, aviation, water and coffee vending services to corporate and small to medium business clients in Southern African.

Significant commitments

During the first half of the year Bidvest Freight committed R500 million to a LPG tank farm and terminal project in Isando Gauteng, as at 30 June 2022 R2 million has been spent. The initial commissioning date is towards the end of 2025, however, the project is reliant on efficient rail service commitment. Bidvest Freight committed a further R548 million to increase the multi-purpose storage tank capacity at the Richards Bay facility, with completion and commissioning expected in June 2024. Bidvest Properties committed R318 million to various property investments. As at 30 June 2022, R85 million remains to be spent to complete the projects during FY2023.

Fair value of financial instruments

The Group's investments of R2 378 million (FY2021: R2 759 million) include R43 million (FY2021: R163 million) recorded at amortised cost, R2 217 million (FY2021: R2 476 million) recorded and measured at fair values using quoted prices (Level 1) and R119 million (FY2021: R119 million) recorded and measured at fair value using factors not based on observable data (Level 3). Fair value gains on Level 3 investments recognised in the income statement total Rnil (FY2021: R140 million loss).

Analysis of investments at a fair value not determined by observable market data

R000s	2022 Audited	2021 Audited
Balance at the beginning of year	**119 208**	1 276 338
Purchases or loan advances	**–**	36 815
Fair value adjustment recognised directly in equity	**919**	124
Fair value adjustment arising during the year recognised in the income statement	**4 778**	(3 040)
Proceeds on disposal, repayment of loans	**(6 374)**	(1 050 807)
Loss on disposal of investments	**–**	(140 222)
	118 531	119 208

The carrying values of all financial assets and liabilities approximate their fair values, with the exception of interest bearing borrowings of R24 billion whose carrying value is R25 billion.

Hedge accounting

During the period, the Group entered into fixed-for-fixed, USD/GBP pair, cross currency swaps in order to mitigate and hedge Group currency risk. The designated hedged instrument is a US$-denominated Reg S / 144A senior unsecured five-year bond of USD800 million at a fixed coupon rate of 3.625%, issued by The Bidvest Group (UK) Plc and guaranteed by The Bidvest Group Limited. The primary purpose of the bond is to secure long-term funding for the Group's acquisition of the UK based PHS Group, whose functional currency is GBP. The Board of Directors has concluded that an effective cash flow hedging relationship exists and IFRS 9 hedge accounting has been applied. A R1 billion (£67 million) asset derivative instrument was recognised at year-end and included in the summarised consolidated statement of financial position as a non-current asset; R5 million (£0,25 million) was debited to the summarised consolidated income statement via finance charges; a currency valuation adjustment was credited to interest bearing borrowings in the amount of R2 billion (£77 million) and R157 million (£8 million) debited to the hedging reserve net of R35 million (£2 million) deferred taxation through the summarised consolidated statement of other comprehensive income. On application of hedge accounting the R2 billion (£77 million) currency valuation adjustment to borrowings was debited to the summarised consolidated statement of other comprehensive income and credited against the unrealised foreign exchange loss initially recognised in the summarised consolidated income statement. The change in the fair value of the derivative instrument on which the hedge ineffectiveness was measured amounted to a gain of R1 billion (£71 million).

Discontinued operations

The comparative period discontinued operations' disclosure relates to Bidvest Car Rental, which was disposed of effective 29 June 2021. There are no discontinued operations in the current year.

Business combinations

Acquisition of businesses, subsidiaries, associates and investments

On 25 May 2022, Personnel Hygiene Services Limited UK and Karmarton Limited ROI, wholly-owned Bidvest Group subsidiaries, acquired 100% of the share capital and voting rights in the Mayflower Group of companies for £20 million. The acquisition is a "bolt-on" to the Group's existing UK and European hygiene and cleaning operations and will extend the Group's customer base in these regions and result in logistical, procurement and workforce synergies.

During September 2021, the Group via its Automotive division, acquired the assets and liabilities of the Nissan Melrose motor dealership for R70 million. The acquisition complements the four existing Nissan dealerships owned and operated by the Group.

Effective 8 April 2022, the Group re-acquired 100% of the share capital and voting rights in Renfreight Proprietary Limited (Renfreight) from Makana Investment Corporation (MIC). In FY2019, the Group sold its entire interest in Renfreight to MIC for R110 million. The transaction was completed as part of a Broad-Based Black Economic Empowerment deal, which provided MIC an 11% share of the Bidvest International Logistics (BIL) partnership, a leading South African end-to-end supply chain solutions company. MIC used R72 million of the proceeds to settle an outstanding debt owing to the Group (refer disposals note). BIL is currently pursuing an alternative empowerment deal.

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

The following table summaries the assets acquired and liabilities assumed at fair value which have been included in these results from the respective acquisition date. The values represent provisional at acquisition fair values consolidated by the Group.

Basis of presentation of provisional summarised consolidated financial statements continued

R000s	Mayflower Group	Nissan Melrose	Renfreight	Other acquisitions	Total acquisitions
Property, plant and equipment	26 675	2 175	–	777	29 627
Right-of-use assets	36 194	–	–	–	36 194
Deferred taxation	(12 353)	196	5 466	(31)	(6 722)
Interest in associates and joint ventures	–	–	–	56 712	56 712
Investments and advances[¥]	–	–	–	2 351 949	2 351 949
Inventories	21 572	29 619	–	736	51 927
Trade and other receivables	88 205	2 920	91 127	127	182 379
Cash and cash equivalents	59 669	15 950	1 397	456	77 472
Borrowings	(9 049)	(22 919)	–	–	(31 968)
Trade and other payables and provisions	(96 443)	(5 049)	–	(280)	(101 772)
Lease liabilities	(36 194)	–	–	–	(36 194)
Taxation	(7 175)	534	–	(8)	(6 649)
Intangible assets	24 247	–	–	232	24 479
	95 348	23 426	97 990	2 410 675	2 627 434
Goodwill	293 192	46 574	12 010	6 213	357 989
Net assets acquired	388 540	70 000	110 000	2 416 888	2 985 423
Settled as follows:					
Cash and cash equivalents acquired	(59 669)	(15 950)	(1 397)	(456)	(77 472)
Acquisition costs					58 517
Net acquisition of businesses, subsidiaries, associates and investments	328 871	54 050	108 603	2 416 427	2 966 468

[¥] *R15 million of advances to BBBEE and other partners, R2 335 million purchases made in the Bidvest Bank investment portfolio and other investments of R2 million.*

The fair value of the assets and liabilities acquired have been determined provisionally for the Mayflower Group and resulted in the identification of definite life Customer Relationship intangible assets in the amount of R24 million (£1 million). The Multi-Period Excess Earnings Method using cash flows attributable to the customer related intangible asset was used to value Customer Relationships, which were estimated to have a Remaining Useful Life of 12 years. An existing customer attrition rate of 10.0% was applied to forecasted existing customer revenues. A Weighted Average Cost of Capital of 9.9% (6.9% base rate plus 3.0% premium due to the non-contractual nature of the business) was used in valuation. The residual Goodwill is supported by the identified trained and assembled workforce.

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, have broadened the Group's base and geographic reach in the market place.

Trade receivables acquired are stated net of impairment allowances of R10 million (2021: R25 million). There were no significant contingent liabilities identified in the businesses acquired.

The Mayflower Group acquisition contributed R46 million to revenue and R4 million to operating profit, had the acquisitions taken place on 1 July 2021 the contribution to revenue would have been R486 million and R42 million to operating profit. Other acquisitions contributed R168 million in revenue and R0.1 million in operating losses, had these other acquisitions taken place on 1 July 2021 the contribution to revenue would have been R201 million and R1 million in operating losses.

Disposals

On 31 March 2022, the Group disposed of 100% of the share capital and voting rights in Bidvest Namibia United Properties Proprietary Limited (United Properties) for R231 million. The property owned by United Properties was no longer suitable to the Group's requirements in Namibia.

The Group's entire holding and voting rights in Cannon Asset Managers Proprietary Limited (Cannon) was disposed of effective 31 August 2021 for R1, following the Group's decision to exit the asset management market.

R000s	United Properties	Cannon	Other disposals	Total disposals
Property, plant and equipment	(37 473)	(12)	–	(37 485)
Deferred taxation	(27 757)	–	541	(27 216)
Interest in associates and joint ventures	–	–	(33 300)	(33 300)
Investments and advances[¥]	–	–	(2 734 390)	(2 734 390)
Trade and other receivables	(719)	(1 484)	–	(2 203)
Cash and cash equivalents and bank overdrafts	(1 845)	(8 975)	–	(10 820)
Trade and other payables and provisions	2 275	7 094	(771)	8 598
Taxation	591	–	–	591
	(64 928)	(3 377)	(2 767 920)	(2 836 225)
Realisation of foreign currency translation reserve	–	–	(6 645)	(6 645)
Net assets disposed of	(64 928)	(3 377)	(2 774 565)	(2 842 870)
Settled as follows:				
Cash and cash equivalents and bank overdrafts disposed of	1 845	8 975	–	10 820
Net gain on disposal of operations	(165 785)	3 378	(10 343)	(172 750)
Net receivable reversed on disposal of subsidiaries and associates	–	–	(15 526)	(15 526)
Net proceeds on disposal of businesses, subsidiaries, associates and investments	(228 868)	(8 976)	(2 800 434)	(3 020 326)

[¥] *R72 million repayment of advance to MIC, R35 million repayment of advances to B-BBEE and other partners, R2 627 million sales made in the investment portfolios of Bidvest Bank and Bidvest Insurance.*

Subsequent event

Bidvest Services International via The Bidvest Group Australia acquired 100% of the ordinary share capital and voting rights of BIC effective 7 July 2022. The acquisition price was A$163 million and funded from the Group's international bond proceeds raised in September 2021. BIC is a leading provider of niche integrated facilities management services across office, commercial and education sites in Australia. This acquisition is firmly aligned to Bidvest's stated strategic intent of expanding its international presence in facilities management and hygiene services.

Audit report

The auditors, PriceWaterhouseCoopers Inc, have issued their audit opinion on the consolidated financial statements for the year ended 30 June 2022. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified opinion. A copy of the auditor's report together with a copy of the audited consolidated financial statements are available for inspection at the Company's registered office.

These summarised consolidated financial statements have been derived from the consolidated financial statements and are consistent in all material respects with the consolidated financial statements. These summarised consolidated financial statements have been audited by the Company's auditors who have issued an unmodified opinion. The auditor's report does not necessarily report on all of the information contained in this announcement. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditors. Shareholders are advised, that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of that report together with the accompanying financial information from the Company's registered office.

Preparer of the summarised consolidated financial statements

The consolidated financial statements and final summarised consolidated financial statements have been prepared under the supervision of the Chief Financial Officer, MJ Steyn BCom CA (SA), and were approved by the board of directors on 2 September 2022.