

**The Bidvest Group Limited
Audited Consolidated
Annual Financial Statements
for the year ended
30 June 2023**

Contents

| | Page |
|--|---------|
| <hr/> | |
| Responsibility reporting | |
| Directors' responsibility for the financial statements | 1 |
| Chief executive officer and chief financial officer responsibility statement | 1 |
| Declaration by company secretary | 2 |
| Preparer of financial statements | 2 |
| Independent auditors report | 3-11 |
| Directors' report | 12-14 |
| Audit committee report | 15-17 |
| <hr/> | |
| Group financial statements | |
| Consolidated income statement | 18 |
| Consolidated statement of other comprehensive income | 19 |
| Consolidated statement of cash flows | 20 |
| Consolidated statement of financial position | 21 |
| Consolidated statement of changes in equity | 22 |
| Notes to the consolidated financial statements | 23-91 |
| <hr/> | |
| Additional information | |
| Annexure A: Interest in subsidiaries and associates | 92-99 |
| Shareholder information | 100-101 |
| Administration | 102 |
| <hr/> | |

Directors' responsibility for the financial statements

To the shareholders of The Bidvest Group Limited

The directors are responsible for the preparation and fair presentation of the consolidated 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, the JSE stock exchange listing requirements, 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 ability to continue as a going concern and there is no reason to believe that the Group will not be a going concern in the year ahead.

The directors are also responsible for the controls over, and the security of the Group's website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to shareholders and to the Companies and Intellectual Property Commission, assuring that reports disseminated electronically agree with the signed off reports.

The auditors are responsible for reporting on whether the consolidated financial statements are fairly presented in accordance with IFRS and in terms of the requirements of the Companies Act of South Africa.

The consolidated financial statements of the Group for the year ended 30 June 2023, were approved by the board of directors and are signed on its behalf by:

Mr BF Mohale
Chairman

Ms NT Madisa
Chief Executive

Mr MJ Steyn
Chief Financial Officer

1 September 2023

Chief executive officer and chief financial officer responsibility statement

Each of the directors, whose names are stated below, hereby confirms that:

- The annual financial statements set out on pages 18 to 99, fairly present in all material respects the financial position, financial performance and cash flows of The Bidvest Group Limited in terms of IFRS;
- to the best of our knowledge and belief no facts have been omitted or untrue statements made that would make the consolidated annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to The Bidvest Group Limited and its consolidated subsidiaries have been provided to effectively prepare the consolidated financial statements of The Bidvest Group Limited;
- the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and
- we are not aware of any fraud involving directors.

We are pleased to confirm that no fraudulent activities involving directors were experienced in the Group during the past year.

Ms NT Madisa
Chief Executive

Mr MJ Steyn
Chief Financial Officer

1 September 2023

Declaration by company secretary

In my capacity as company secretary, I hereby confirm, in terms of Section 88(2)(e) of the Companies Act of South Africa, that for the year ended 30 June 2023, 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.

Ms NC Katamzi

Company Secretary

1 September 2023

Preparer of financial statements

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



Independent auditor's report

To the Shareholders of The Bidvest Group Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Bidvest Group Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

The Bidvest Group Limited's consolidated financial statements set out on pages 19 to 91 comprise:

- the consolidated statement of financial position as at 30 June 2023;
- the consolidated income statement for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other

PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View, 2090
Private Bag X36, Sunninghill, 2157, South Africa
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za

Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.



ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Our audit approach

Overview

| | |
|--|---|
| | Overall group materiality <ul style="list-style-type: none"> Overall group materiality: R435 million, which represents 5% of consolidated profit before taxation from continuing operations. |
| | Group audit scope <ul style="list-style-type: none"> We performed full scope audits on 30 components. The group engagement team performed analytical review procedures on components not included in the group audit scope. |
| | Key audit matters <ul style="list-style-type: none"> Impairment assessment of indefinite useful life intangible assets and goodwill; and The identification and valuation of intangible assets arising from the B.I.C Services business combination. |

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.



Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

| | |
|--|---|
| <i>Overall group materiality</i> | <i>R435 million</i> |
| <i>How we determined it</i> | <i>5% of consolidated profit before taxation.</i> |
| <i>Rationale for the materiality benchmark applied</i> | <i>We chose consolidated profit before taxation as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.</i> |

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Every component that contributed significantly to the consolidated revenue, consolidated profit before taxation, consolidated total assets or consolidated total liabilities of the Group was subject to a full scope audit. We performed full scope audits over 30 components based on their financial significance and to obtain coverage across the Group. We performed analytical review procedures over all other components which were not included in the group scoping to confirm our risk assessment.

Detailed group audit instructions were communicated to all components in scope for group reporting. These components were audited by component audit teams, who reported the results of procedures performed to the group engagement team. We had various interactions with our component audit teams in which we discussed and evaluated recent developments, the scope of audits, audit risks, materiality and audit approaches and also reviewed selected component working papers. We discussed the reports of the component teams, the findings of their procedures and other matters which could be of relevance for the consolidated financial statements.

Key audit matters

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

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p data-bbox="329 506 846 569"><i>Impairment assessment of indefinite useful life intangible assets and goodwill</i></p> <p data-bbox="329 598 834 661">Refer to notes 9.4 and 9.5 in the consolidated financial statements.</p> <p data-bbox="329 690 857 850">As at 30 June 2023, the Group’s consolidated statement of financial position included goodwill with a closing carrying value of R17,4 billion, and indefinite life intangible assets with a closing carrying value of R9,6 billion.</p> <p data-bbox="329 879 862 1108">Assets that are not subject to amortisation, such as goodwill and indefinite life intangible assets, are required to be assessed for impairment annually, or more frequently if there is an indicator of impairment in accordance with International Accounting Standard 36: Impairment of assets (“IAS 36”).</p> <p data-bbox="329 1138 862 1360">Management performed an annual impairment assessment for goodwill and indefinite useful life intangible assets. The recoverable amount, as determined for the purpose of the impairment calculation, is calculated as the higher of the fair value less costs of disposal and their value-in-use.</p> <p data-bbox="329 1390 824 1520">The Group’s impairment assessment of the indefinite useful life intangible assets and goodwill is considered to be a matter of most significance to the current year audit due to:</p> <ul data-bbox="375 1549 857 1831" style="list-style-type: none"> • the judgements and estimates made by management with regards to projected annualised earnings, given the current economic environment; and • the judgments and estimates made by management in determining the values which have been assigned to the key assumptions used in the value in-use | <p data-bbox="893 590 1419 735">Making use of our valuation expertise, we assessed the valuation methodology applied by management against generally accepted valuation methods and IAS 36, noting no exceptions.</p> <p data-bbox="893 764 1422 993">We independently calculated the discount rate, taking into account independently obtained data such as the cost of debt, after taking into account the contribution of lease discount rates in accordance with IFRS 16 to the cost of debt, the risk-free rate, market risk premiums, debt/equity ratios as well as the beta of comparable companies.</p> <p data-bbox="893 1022 1422 1329">Using independent assumptions, we tested for the possible impairment of goodwill and intangible assets by performing calculations based on value in use and/or fair value less costs of disposal. With regards to goodwill, the testing was performed at the operating segment level given this is the level at which management monitors the goodwill. With regards to indefinite-lived intangible assets, we performed the testing at the cash-generating unit (“CGU”) level.</p> <p data-bbox="893 1358 1219 1381">Specific procedures included:</p> <ul data-bbox="938 1411 1419 1797" style="list-style-type: none"> • Agreeing cash flow forecasts to approved budgets. • Assessing the reliability of the forecasts by comparing current year actual results with the prior year budgeted results. • Comparing the growth projections applied by management to historically achieved growth rates. • Comparing the terminal growth rates used by management to long-term |

| | |
|---|---|
| <p>calculation i.e., the discount rate, revenue growth rate and the terminal growth rate underpinning the future cash flow forecasts.</p> | <p>consensus inflation rates obtained from independent sources.</p> <p>Based on our assessment, no material impairments were required.</p> <p>We performed sensitivity analyses on the key assumptions included in management's fair value less costs of disposal and value in-use calculations and assessed the disclosures included in notes xx and xx against the relevant IFRS disclosure requirements. No material disclosure deficiencies were noted.</p> |
| <p><i>The identification and valuation of intangible assets arising from the B.I.C Services business combination</i></p> <p>Refer to note 9.2 in the consolidated financial statements.</p> <p>During the 2023 financial year, the Group acquired 100% of B.I.C Services Pty Limited with an effective date of 7 July 2022. This resulted in a business combination in terms of International Financial Reporting Standard 3: Business Combinations ("IFRS 3"). In accordance with the accounting requirements of IFRS 3, a Purchase Price Allocation ("PPA") was finalised during the 2023 financial year.</p> <p>Management utilised the services of an expert to determine the valuation of the identifiable assets acquired, and the liabilities assumed in accordance with IFRS 3, separately from goodwill.</p> <p>This resulted in the Group recognising a R212 million indefinite lived intangible asset in the form of the B.I.C brand, a R390 million finite lived intangible asset in the form of customer relationships and R1 369 million of goodwill.</p> | <p>We assessed whether the effective date of the acquisition is in compliance with IFRS 3 per inspection of the salient terms and conditions of the purchase agreement and noted no concerns.</p> <p>Utilising our valuation expertise, we performed an independent assessment of the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date, specifically relating to the valuation and identification of intangible assets and the resultant goodwill recognised.</p> <p>Our independent assessment was compared to management's assessment after performing the following procedures:</p> <ul style="list-style-type: none"> Assessing the competence, capabilities and objectivity of management's experts by evaluating their qualifications, experience and independence. Using our knowledge of the industry and businesses acquired, we assessed the completeness of the intangible assets identified by management. Comparing the valuation techniques |

and assumptions used against industry norms.

- Assessing management’s judgement that there is no foreseeable limit to the period over which identified indefinite lived intangibles will generate cash flows, by considering the nature of each intangible asset. We also assessed the useful life assigned to the definite life intangible assets by comparing these to industry norms.
- Comparing the discount rate utilised in the valuation by recalculating the rate using our internal calculation methodologies by our valuation experts to the rate calculated by management.
- Assessing whether the goodwill and intangible assets recognised as a result of the PPA were appropriate in accordance with the requirements of IFRS 3 by considering information available related to the industry and the reasonableness of the ratio of goodwill versus intangible asset balances recognised for similar business combinations.
- We assessed the disclosures included in note 9.2 against the relevant IFRS disclosure requirements.

Based on our procedures performed, we did not identify any material differences between management’s assessment and our independent assessment and did not note any material disclosure deficiencies.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “The Bidvest Group Limited Audited Consolidated Annual Financial Statements for the year ended 30 June 2023” and “The Bidvest Group Limited Audited



Annual Financial Statements for the year ended 30 June 2023”, which includes the Directors’ Report, the Audit Committee Report and the Declaration by company secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor’s report, and the other sections of the document titled “The Bidvest Group Limited Integrated Report for the year ended 30 June 2023”, which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor’s report thereon.

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

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

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

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the consolidated financial statements

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

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



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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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



Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of The Bidvest Group Limited for five years.

PricewaterhouseCoopers Inc.
Director: C West
Registered Auditor
Johannesburg, South Africa
1 September 2023

Directors' report

The directors have pleasure in presenting their report for the year ended 30 June 2023.

Nature of business

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

Financial results

The directors are of the opinion that the financial statements set out on pages 18 to 99 fairly present the financial position of the Group as at 30 June 2023 and the results of its 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.

Acquisitions and disposals

Bidvest Services International via The Bidvest Group Australia acquired 100% of the ordinary share capital and voting rights of B.I.C Services Pty Limited (BIC), effective 7 July 2022. The acquisition price of AUD163 million (R1.8 billion) was 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. The acquisition provides an important foothold, which will allow the Group to expand its hygiene, cleaning and facilities management business in the Asia Pacific region.

During the year the Group also made the following less significant "bolt-on" acquisitions, which were funded from existing facilities and cash resources:

On 1 July 2022 Bidvest Material Handling, a division of Bidvest Commercial Products (Pty) Limited, acquired the assets and liabilities of the A² Group of companies for R92 million utilising existing cash resources and facilities. The acquisition of the A² businesses supplements Bidvest Material Handling's product range and introduces an electric materials handling rental business to the Group.

On 26 October 2022 Serkonten (Spain), a component of Bidvest Services International, acquired 100% of the share capital and voting rights of Servicios Antiplagas, Higiene Y Control Ambiental S.A.U. (Sahicasa) for EUR2.2 million (R39 million) utilising existing cash resources and facilities. Sahicasa provides pest control, environmental and personal hygiene services, and water and environmental control services in Spain. The acquisition extends Serkonten's existing footprint in Spain.

Effective 1 November 2022 Bidvest Financial Services acquired 100% of the ordinary share capital and voting rights of F&I products and Consulting Services (Pty) Ltd and its subsidiaries Autosure (Pty) Ltd and Autosure Cover (Pty Ltd (Autosure) for R15.5 million. Autosure is an underwriting management agency specialising in insurance and value-added products and services in the South African motor retail industry. The acquisition, funded with existing cash resources and facilities, complements the Group's existing value-added insurance products and services business by providing an additional platform to sell the augmented products and services offering to a new and broader range of clients.

Effective 31 December 2022, the Group disposed of its entire interest in the Taeuber and Corrsen Group of companies, principally Taeuber & Corrsen SWA (Pty) Ltd, Rennies Logistics (Pty) Ltd and T&C Properties (Pty) Ltd for R55 million. Taeuber and Corrsen is a Namibian countrywide provider of distribution, sales, marketing and merchandising services for quality consumer goods, representing major international and local product brands. The disposal is in accordance with the Group's strategy of divesting from non-core businesses.

Other minor disposals include:

During September 2022 the Group disposed of its entire interest in Mubelo Electrical Ltd, a Mauritian electrical distribution company, for R1 million.

Effective 1 December 2022, the Group disposed of its entire interest in Bidvest Wealth and Employee Benefits (Pty) Ltd, a South African employee and group benefits administrator for R5.6 million. The disposal is in keeping with the Group's strategy of divesting from non-core businesses.

Disposal group:

During June 2023, the Group entered into a process to dispose of 100% of its shareholding and claims in Bidvest Life Limited (Bidvest Life). Bidvest Life is a licensed life assurance company and registered financial service provider specialising in income protection, disability, critical illness and life cover. The Group is actively engaging with a number of interested parties. The decision to exit the life assurance business is consistent with the Group's strategy of continually re-assessing activities.

Directors' report

Share Capital

17 013 717 unissued ordinary shares, 5% of the issued share capital of the company, were placed under the control of the directors at the Annual General Meeting (AGM) held on 25 November 2022. The Company did not issue any shares during the year to settle share replacement and appreciation rights. Further details of the authorised and issued share capital appear in note 13.1 of the annual financial statements.

Movement in treasury shares

A total of 1 728 757 ordinary shares were acquired at an average price of R239,87 per share and disposed of at an average price of R239,64 per share in settlement of equity settled share based payments schemes (2022: 997 801).

Special resolutions

The following Special resolutions were passed at the AGM held on 25 November 2022:

- non-executive directors' remuneration for FY23;
- general authority to repurchase shares subject to the provisions of the Mol and the requirements of the JSE; and
- general authority to provide director or indirect financial assistance to all related and inter-related entities in terms of sections 44 and 45

Special resolutions were also passed by certain subsidiaries during the financial year to accommodate the following:

- acquisitions and disposal of various businesses;
- issue and allotment of shares;
- general authority to provide director or indirect financial assistance to all related and inter-related entities in terms of section 44 and 45 section 44 and 45 of the Companies Act;
- to approve the remuneration of their non-executive directors; and
- amendment of the Mol's where applicable

Dividends

The directors declared an interim gross cash dividend of 437 cents (349,6000 cents net of dividend withholding tax, where applicable) per ordinary share paid to ordinary shareholders recorded in the register on the record date, being Friday, 31 March 2023. The dividend was declared from income reserves.

Subsequent to the year end, the board has declared a final gross cash dividend of 439 cents (351,2000 cents net of dividend withholding tax, where applicable) per ordinary share for the year ended 30 June 2023 to those shareholders recorded in the register on the record date, being Friday, 29 September 2023. The salient dates are:

| | |
|--------------------------------|------------------------------|
| Declaration date | Monday, 4 September 2023 |
| Last day to trade cum dividend | Tuesday, 26 September 2023 |
| First day to trade ex-dividend | Wednesday, 27 September 2023 |
| Record date | Friday, 29 September 2023 |
| Payment date | Monday, 2 October 2023 |

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

Directors' report

Directorate

The names of the directors who were in office during the period 5 September 2022 to 1 September 2023 are as follows:

| | | |
|-------------------------|---------------|--------------------------|
| Ms NT Madisa (CEO) | Mr MJ Steyn | |
| Mr BF Mohale (Chairman) | Ms L Boyce | |
| Ms FN Khanyile | Ms S Masinga | Retired 25 November 2022 |
| Ms SN Mabaso-Koyana | Ms RD Mokate | |
| Ms GC McMahon | Ms N Siyotula | Retired 25 November 2022 |
| Ms MG Khumalo | Mr NW Thomson | |

Directors' interest

The aggregate interest of the directors in the share capital of the Company at 30 June 2023 were:

| | 2023 number | 2022 number |
|--|----------------|----------------|
| Beneficial | 147 408 | 76 814 |
| Held in terms of The Bidvest Incentive Scheme: | | |
| Replacement rights | 57 500 | 57 500 |
| Appreciation rights | 80 000 | 80 000 |

Directors' shareholding

Beneficial

The individual beneficial interests declared by the current directors and officers in the Company's share capital at 30 June 2023, held directly or indirectly, was:

| Director | 2023 Number of shares | | 2022 Number of shares | |
|---------------|--------------------------|----------|--------------------------|----------|
| | Direct | Indirect | Direct | Indirect |
| Ms NT Madisa | 91 351 | - | 36 514 | - |
| Ms GC McMahon | 10 057 | - | 23 019 | - |
| Mr MJ Steyn | 46 000 | - | 17 281 | - |
| | 147 408 | - | 76 814 | - |

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

Directors' and officers' disclosure of interest in contracts

During the financial year, no contracts were entered into in which directors and officers of the Company had an interest and which significantly affected the business of the Group. The directors had no interest in any third party or company responsible for managing any of the business activities of the Group.

Secretary

During the year under review, and in compliance with paragraph 3.84(h) of the JSE Listings Requirements, the board evaluated Ms NC Katamzi, the Company Secretary during the 2023 financial year, and was satisfied that she was competent, suitably qualified and experienced. Furthermore, since she was not a director, nor was she related to or connected to any of the directors, thereby negating a potential conflict of interest, it was agreed that she maintained an arm's-length relationship with the board.

The business and postal addresses of the secretary, which are also the registered addresses of the Company, are Bidvest House, 18 Crescent Drive, Melrose Arch, Melrose, Johannesburg, 2196 and PO Box 87274, Houghton, 2041, respectively.

Audit committee report

The Group audit committee (“the Committee”) is pleased to present its report in terms of section 94 of the Companies Act, 71 of 2008 as amended (“the Companies Act”), the King Code of Governance for South Africa, 2016 (“King IV”) and the Johannesburg Stock Exchange (“JSE”) Listing Requirements for the financial year ended 30 June 2023. The Committee has conducted its work in accordance with the written terms of reference approved by the board.

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

In addition to its statutory responsibilities, the Committee’s main objective is to assist the board in fulfilling its oversight responsibilities, particularly in relation to the evaluation of the adequacy and effectiveness of accounting policies, internal controls, financial and corporate reporting processes, and assessing the effectiveness of the internal auditors.

Composition

As at the date of this report the Committee comprises the following members, who have the necessary skills and experience to fulfil the duties of the committee:

- Ms SN Mabaso-Koyana (Independent Non-executive director and Chairperson) – appointed 2021
- Ms L Boyce (Independent Non-executive director) – appointed 2021
- Ms MG Khumalo (Independent Non-executive director) – appointed 2022
- Ms N Siyotula (Independent Non-executive director) – retired 25 November 2022
- Ms RD Mokate (Independent Non-executive director) – appointed 2018
- Mr NW Thomson (Independent Non-executive director) – appointed 2018

The appointment of all members of the Committee is subject to shareholders’ approval at the next annual general meeting to be held on Tuesday, 28 November 2023. The profiles of the members, including their qualifications, can be viewed on the Group website, www.bidvest.co.za.

Frequency and attendance of meetings

| Audit | 24 Nov 2022 | 01 Mar 2023 | 01 Jun 2023 | 28 Aug 2023 | 31 Aug 2023 |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Ms SN Mabaso-Koyana (chairperson) | √ | √ | √ | √ | √ |
| Ms L Boyce | √ | √ | √ | √ | √ |
| Ms MG Khumalo | √ | √ | √ | √ | √ |
| Ms RD Mokate | √ | √ | √ | √ | √ |
| Ms N Siyotula ¹ | √ | | | | |
| Mr NW Thomson | √ | √ | √ | √ | √ |

¹ Retired 25 November 2022

Statutory duties

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

There were no Reportable Irregularities for The Bidvest Group Limited. No complaints about the financial reporting were brought to the attention of the Audit Committee.

External auditor

The committee nominated and recommended the re-appointment of the external auditor, PricewaterhouseCoopers Inc, to the shareholders in compliance with the Companies Act and the appointment of Ms A Tshesane as designated auditor for the 2024 financial year.

The Committee satisfied itself that the audit firm is accredited and that PricewaterhouseCoopers Inc was independent of the Company, which evaluation included consideration of the criteria relating to independence proposed by the Independent Regulatory Board for Auditors.

Audit committee report

The Committee ensured that the designated external audit partner has not exceeded a five year tenure in this role. The Committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees.

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

The Committee has the following responsibilities for external audit:

- Recommends the appointment of external auditor and oversees the external audit process. In this regard the Committee must:
 - nominate the external auditor for appointment by the shareholders;
 - approve the annual audit fee and terms of engagement of the external auditor;
 - monitor and report on the independence of the external auditor in the annual financial statements;
 - define a policy for non-audit services and pre-approve non-audit services to be provided by the external auditor;
 - ensure that there is a process for the Committee to be informed of any reportable irregularities as defined in the Auditing Profession Act, 2005, identified and reported by the external auditor;
 - review the quality and effectiveness of the external audit process and performance against their audit plan.

Key audit matters

The Committee has applied its mind to the key audit matters identified by the external auditors and is comfortable that these have been adequately addressed and disclosed. These items, which required significant judgment, were:

- Key judgments and estimates used in assessing the impairment of indefinite useful life intangible assets and goodwill.
- The identification and valuation of intangible assets arising from the B.I.C Services business combination.

Internal audit

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

The Committee has the following responsibilities for internal audit:

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

The Committee has reviewed the performance, qualifications and expertise of the Chief Audit Executive, Ms LC Berrington, and is satisfied with the appropriateness of her expertise.

Internal financial control

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

Risk management

The Committee is responsible for reviewing the effectiveness of systems for internal control, financial reporting and financial risk management and considering the major findings of any internal investigations into control weaknesses, fraud or misconduct and management's response thereto. We have considered and relied on the work of the Risk Committee as well as the Social, Ethics and Transformation Committee on the non-financial related risk areas.

The Committee, in conjunction with the Risk Committee, is responsible for:

- Obtaining independent assurance on the effectiveness of the IT internal controls;
- overseeing the value delivery on IT and monitoring the return on investments on significant IT projects; and
- ensuring that IT forms an integral part of the Company's risk management.

An anonymous ethics line is in place. The service is managed by Deloitte and is independent of Bidvest. All calls reported are in total anonymity and without fear of discrimination. Monthly reports are provided by the independent service provider. The monitoring of reports from this service is shared between this Committee and the Social, Ethics and Transformation Committee. The Committee is satisfied that appropriate disciplinary, criminal and civil action has been taken where necessary.

Audit committee report

Combined assurance

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

Expertise of the financial director and finance function

The Committee has reviewed the current performance and future requirements for the financial management of the Company and concluded that the current team has the appropriate skills, experience and expertise required to fulfil the finance function.

Going concern

The Committee critically reviewed the documents prepared by management in which they assessed the going concern status of the Company. Specific consideration has been given to the on-going impact of the Covid-19 pandemic and liquidity. Management has concluded that the Company is a going concern. The Committee concurred with management's assessment and recommended acceptance of this conclusion to the board.

Recommendation of the annual financial statements for approval by the board

The Committee recommended the Company's annual financial statements for approval by the board.

On behalf of the Committee

Ms SN Mabaso-Koyana

Chairperson

1 September 2023

Consolidated income statement

for the year ended 30 June

| | Notes | 2023 R'000 | 2022 *Restated R'000 |
|---|-------|---------------|----------------------------|
| Revenue | 5.1 | 114 911 518 | 99 929 074 |
| Non-interest revenue | | 114 587 864 | 99 742 742 |
| Net interest revenue | | 323 654 | 186 332 |
| Cost of revenue | | (81 570 287) | (69 966 260) |
| Gross profit | | 33 341 231 | 29 962 814 |
| Operating expenses | | (22 307 729) | (20 268 608) |
| Net impairment losses on financial assets | | (61 549) | (182 912) |
| Other income | | 471 101 | 218 744 |
| Trading profit | 5.2 | 11 443 054 | 9 730 038 |
| Share-based payment expense | | (347 865) | (294 156) |
| Acquisition costs and customer contracts amortisation | | (390 495) | (341 567) |
| Net capital items | 5.4 | (128 963) | 176 628 |
| Profit before finance charges and associate income | 5.5 | 10 575 731 | 9 270 943 |
| Net finance charges | 10.1 | (2 007 477) | (1 592 489) |
| Finance income | | 88 629 | 132 184 |
| Finance charges | | (2 096 106) | (1 724 673) |
| Share of profit of associates and joint ventures | | 125 872 | 101 101 |
| Current period earnings | | 125 872 | 101 317 |
| Net capital items | 7.4 | - | (216) |
| Profit before taxation | | 8 694 126 | 7 779 555 |
| Taxation | 6 | (2 327 902) | (2 332 248) |
| Profit for the year | | 6 366 224 | 5 447 307 |
| Attributable to | | | |
| Shareholders of the Company | | 5 972 689 | 5 071 735 |
| Non-controlling interests | | 393 535 | 375 572 |
| | | 6 366 224 | 5 447 307 |
| Basic earnings per share (cents) | 7.3 | 1 757.3 | 1 492.2 |
| Diluted basic earnings per share (cents) | 7.3 | 1 752.9 | 1 490.0 |
| Supplementary Information | | | |
| Normalised headline earnings per share (cents) | 7.6 | 1 884.7 | 1 601.5 |
| Headline earnings per share (cents) | 7.5 | 1 794.8 | 1 442.0 |
| Diluted headline earnings per share (cents) | 7.5 | 1 790.4 | 1 439.9 |

* Refer note 5.1. Revenue (restatement of comparatives)

Consolidated statement of other comprehensive income

for the year ended 30 June

| | 2023 R'000 | 2022 R'000 |
|---|------------------|---------------|
| Profit for the year | 6 366 224 | 5 447 307 |
| Other comprehensive income (expense) net of taxation | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | 811 594 | 1 250 100 |
| Increase in foreign currency translation reserve | | |
| Exchange differences arising during the year | 835 747 | 190 535 |
| (Decrease) increase in fair value of cash flow hedges | (24 153) | 1 059 565 |
| Fair value gain arising during the year | (35 252) | 1 433 517 |
| Taxation effect for the year | 11 099 | (373 953) |
| Other comprehensive income transferred to profit or loss | 443 852 | (1 161 065) |
| Realisation of exchange differences on disposal of subsidiaries | (13) | 6 645 |
| Hedging gains (losses) reclassified | 591 820 | (1 556 946) |
| Taxation effect | (147 955) | 389 237 |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | |
| Changes in the fair value of financial assets recognised through other comprehensive income | 9 888 | 2 834 |
| Defined benefit obligations | 37 696 | (6 042) |
| Net remeasurement of defined benefit obligations during the year | 51 638 | (9 227) |
| Taxation effect for the year | (13 942) | 3 185 |
| Total comprehensive income for the year | 7 669 254 | 5 533 134 |
| Attributable to | | |
| Shareholders of the Company | 7 256 875 | 5 139 873 |
| Non-controlling interest | 412 379 | 393 261 |
| | 7 669 254 | 5 533 134 |

Consolidated statement of cash flows

for the year ended 30 June

| | Notes | 2023 R'000 | 2022 Restated * R'000 |
|---|-------|--------------------|-----------------------------|
| Cash flows from operating activities | | 5 055 038 | 5 799 418 |
| Cash generated by operations | 5.6 | 12 128 499 | 11 590 660 |
| Finance income | 10.1 | 64 032 | 114 034 |
| Finance charges | 10.1 | (1 879 213) | (1 502 398) |
| Taxation paid | 6.2 | (2 382 321) | (1 989 508) |
| Dividend income received | | 25 196 | 86 718 |
| Distributions to shareholders | 13.2 | (2 901 155) | (2 500 088) |
| Cash flows from of investment activities | | (5 897 723) | (2 948 296) |
| Amounts advanced to associates | | (80 078) | (56 712) |
| Proceeds on disposal of investments | 8.6 | 2 613 385 | 2 734 390 |
| Investments acquired | 8.6 | (3 110 123) | (2 351 949) |
| Additions to property, plant and equipment | | (3 518 781) | (2 925 974) |
| Additions to intangible assets | | (196 394) | (331 698) |
| Proceeds on disposal of property, plant and equipment | | 332 440 | 255 453 |
| Proceeds on disposal of intangible assets | | 289 | 65 |
| Acquisition of businesses, subsidiaries and associates | 9.2 | (2 000 430) | (557 807) |
| Proceeds on disposal of interests in subsidiaries and associates | 9.3 | 61 969 | 285 936 |
| Cash flows from financing activities | | (2 453 947) | 1 818 198 |
| Acquisition of treasury shares in settlement of share based payment liabilities | | (414 678) | (211 729) |
| Acquisition of non-controlling interests | 9.1 | (556 546) | (1 557) |
| Disposal of non-controlling interests | 9.1 | 187 710 | - |
| Repayment of lease liabilities | 8.2 | (1 380 997) | (1 251 802) |
| Settlement of puttable non-controlling interest liabilities | | - | (39 299) |
| Borrowings raised | 10.4 | 4 234 337 | 20 492 288 |
| Borrowings repaid | 10.4 | (4 523 773) | (17 169 703) |
| Net (decrease) increase in cash and cash equivalents | | (3 296 632) | 4 669 320 |
| Cash and cash equivalents at beginning of year | | 10 476 688 | 5 818 129 |
| Cash and cash equivalents of the disposal group held-for-sale | 14 | (71 005) | - |
| Effects of exchange rate fluctuations on cash and cash equivalents | | 451 790 | (10 761) |
| Cash and cash equivalents at end of year | | 7 560 841 | 10 476 688 |
| Cash and cash equivalents comprise | | | |
| Cash and cash equivalents | 10.2 | 9 253 504 | 11 521 461 |
| Bank overdrafts included in short-term portion of borrowings | 10.3 | (1 692 663) | (1 044 773) |
| | | 7 560 841 | 10 476 688 |

* Refer note 5.6. Cash generated by operations (restatement of comparatives)

Consolidated statement of financial position

at 30 June

| | Notes | 2023 R'000 | 2022 R'000 |
|--|-------|--------------------|---------------|
| ASSETS | | | |
| Non-current assets | | 63 503 817 | 55 687 654 |
| Property, plant and equipment | 8.1 | 16 457 121 | 14 901 527 |
| Right-of-use assets | 8.2 | 4 457 814 | 4 507 081 |
| Intangible assets | 9.4 | 15 388 222 | 13 633 353 |
| Goodwill | 9.5 | 17 424 831 | 14 085 245 |
| Deferred taxation assets | 6.3 | 1 607 318 | 1 518 704 |
| Defined benefit pension surplus | 12.3 | 344 987 | 264 667 |
| Interest in associates and joint ventures | 8.7 | 811 346 | 587 551 |
| Life assurance fund | 8.5 | - | 484 740 |
| Investments | 8.6 | 3 001 989 | 2 378 183 |
| Currency swap derivative asset | 11.4 | 1 513 982 | 1 339 439 |
| Banking and other advances | 8.3 | 2 496 207 | 1 987 164 |
| Current assets | | 43 223 497 | 40 328 516 |
| Inventories | 8.8 | 14 111 588 | 11 375 865 |
| Short-term portion of banking and other advances | 8.3 | 855 768 | 487 223 |
| Trade and other receivables | 8.9 | 18 602 251 | 16 560 642 |
| Taxation | 6.2 | 400 386 | 383 325 |
| Cash and cash equivalents | 10.2 | 9 253 504 | 11 521 461 |
| Assets of disposal group held-for-sale | 14 | 781 208 | - |
| Total assets | | 107 508 522 | 96 016 170 |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | 36 331 692 | 31 875 342 |
| Capital and reserves attributable to shareholders of the Company | 13.1 | 32 992 176 | 28 366 633 |
| Non-controlling interests | | 3 339 516 | 3 508 709 |
| Non-current liabilities | | 32 291 126 | 30 591 509 |
| Deferred taxation liabilities | 6.3 | 4 631 801 | 4 092 040 |
| Life assurance fund | 8.5 | - | 275 668 |
| Long-term portion of borrowings | 10.3 | 23 151 013 | 21 571 043 |
| Post-retirement obligations | 12.3 | 65 751 | 73 551 |
| Long-term portion of provisions | 8.11 | 567 657 | 671 955 |
| Long-term portion of lease liabilities | 8.2 | 3 874 904 | 3 907 252 |
| Current liabilities | | 38 527 809 | 33 549 319 |
| Trade and other payables | 8.10 | 23 215 138 | 20 498 175 |
| Short-term portion of provisions | 8.11 | 639 343 | 398 812 |
| Vendors for acquisition | | 4 108 | 752 |
| Taxation | 6.2 | 761 424 | 661 467 |
| Amounts owed to bank depositors | 8.4 | 7 522 865 | 7 293 785 |
| Short-term portion of borrowings | 10.3 | 5 205 356 | 3 512 224 |
| Short-term portion of lease liabilities | 8.2 | 1 179 575 | 1 184 104 |
| Liabilities of disposal group held-for-sale | 14 | 357 895 | - |
| Total equity and liabilities | | 107 508 522 | 96 016 170 |

Consolidated statement of changes in equity

for the year ended 30 June

| | 2023 R'000 | 2022 R'000 |
|---|-------------------|-------------------|
| Equity attributable to shareholders of the Company | 32 992 176 | 28 366 633 |
| Share capital | 17 014 | 17 014 |
| Share premium | 1 367 796 | 1 367 796 |
| Foreign currency translation reserve | 840 887 | 21 376 |
| Balance at beginning of the year | 21 376 | (166 446) |
| Movement during the year | 819 524 | 181 177 |
| Realisation of reserve on disposal of subsidiaries | (13) | 6 645 |
| Hedging reserve | 263 960 | (154 006) |
| Balance at beginning of the year | (154 006) | (38 619) |
| Net gains (losses) arising during the year | 554 822 | (133 427) |
| Taxation recognised directly in reserve | (136 856) | 18 040 |
| Equity-settled share-based payment reserve | 623 992 | 332 121 |
| Balance at beginning of year | 332 121 | (326 401) |
| Arising during current year | 338 511 | 274 529 |
| Taxation recognised directly in reserve | 137 670 | (1 885) |
| Utilisation during the year | (428 357) | (215 104) |
| Realisation of reserve on disposal of subsidiaries | 552 | - |
| Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries | (1 548) | (2 609) |
| Transfer to retained earnings | 245 043 | 603 591 |
| Movement in retained earnings | 29 200 261 | 26 103 669 |
| Balance at beginning of the year | 26 103 669 | 24 005 009 |
| Attributable profit | 5 972 689 | 5 071 735 |
| Changes in the fair value of financial assets recognised through other comprehensive income | 9 350 | 2 570 |
| Net remeasurement of defined benefit obligations during the year | 37 359 | (6 867) |
| Net dividends paid | (2 722 501) | (2 345 225) |
| Net remeasurement of puttable non-controlling interest liabilities | - | (22 122) |
| Transfer of reserves as a result of changes in shareholding of subsidiaries | 44 738 | 2 160 |
| Transfer from equity-settled share-based payment reserve | (245 043) | (603 591) |
| Treasury shares | 678 266 | 678 663 |
| Balance at beginning of the year | 678 663 | 679 478 |
| Purchase of shares | (414 764) | (211 779) |
| Shares disposed of in terms of share incentive scheme | 414 367 | 210 964 |
| Equity attributable to non-controlling interests of the Company | 3 339 516 | 3 508 709 |
| Balance at beginning of the year | 3 508 709 | 3 252 935 |
| Total comprehensive income | 412 379 | 393 261 |
| Attributable profit | 393 535 | 375 572 |
| Movement in foreign currency translation reserve | 16 223 | 9 358 |
| Movement in cash flow hedge fund | 1 746 | 7 242 |
| Changes in the fair value of financial assets recognised through other comprehensive income | 538 | 264 |
| Net remeasurement of defined benefit obligations during the year | 337 | 825 |
| Dividends paid | (178 654) | (150 310) |
| Movement in equity-settled share-based payment reserve | 8 624 | 13 931 |
| Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries | 1 548 | 2 609 |
| Transactions with non-controlling interests | (368 352) | (1 557) |
| Transfer of reserves as a result of changes in shareholding of subsidiaries | (44 738) | (2 160) |
| Total equity | 36 331 692 | 31 875 342 |

Notes to the consolidated financial statements

for the year ended 30 June

Contents

| Note | Page | Note | Page |
|--|-------|---|-------|
| 1. Basis of preparation and consolidation | 24 | 8.9 Trade and other receivables | 50-53 |
| 2. New and revised accounting standards | 24-25 | 8.10 Trade and other payables | 54-55 |
| 3. Overview of Group structure | 26 | 8.11 Provisions | 56 |
| 4. Accounting estimates, judgements and fair values | 26-28 | 8.12 Lessor accounting | 57 |
| 4.1 Critical accounting policies | 26 | 8.13 Segmental operating assets | 58 |
| 4.2 Key sources of uncertainty | 26 | 8.14 Segmental operating liabilities | 59 |
| 4.3 Critical accounting judgements in applying the Group's accounting policies | 27 | 9. Business combinations, goodwill and intangibles | 60-69 |
| 4.4 Determination of fair values | 27 | 9.1 Subsidiaries | 60 |
| 4.5 Impairment of non-financial asset | 27 | 9.2 Acquisition of businesses subsidiaries and associates | 61-62 |
| 4.6 Financial instruments | 28 | 9.3 Disposals of businesses subsidiaries and associates | 63 |
| 5. Operational performance | 29-33 | 9.4 Intangible assets | 64-67 |
| 5.1 Revenue | 29-30 | 9.5 Goodwill | 68-69 |
| 5.2 Trading profit | 30 | 10. Cash and cash equivalents and Interest bearing borrowings | 69-73 |
| 5.3 Earnings before interest, taxation, depreciation and amortisation (EBITDA) | 31 | 10.1 Net finance charges | 69-70 |
| 5.4 Net capital items | 31 | 10.2 Cash and cash equivalents | 70 |
| 5.5 Profit before finance charges and associate income | 32-33 | 10.3 Borrowings | 71-73 |
| 5.6 Cash generated by operations | 33 | 10.4 Net debt reconciliation | 73 |
| 6. Taxation | 34-36 | 11. Risk management | 74-80 |
| 6.1 Income tax expense | 34 | 11.1 Overview | 74-75 |
| 6.2 Taxation paid | 34 | 11.2 Credit risk | 75 |
| 6.3 Deferred taxation | 35 | 11.3 Liquidity risk | 75-76 |
| 7. Basic, headline and normalised earnings per share | 36-37 | 11.4 Market risk | 77-80 |
| 7.1 Weighted average number of shares in issue | 36 | 12. Staff remuneration | 80-87 |
| 7.2 Attributable earnings | 36 | 12.1 Share-based payments | 80-82 |
| 7.3 Basic earnings per share | 36 | 12.2 Directors' remuneration | 83-84 |
| 7.4 Headline earnings | 37 | 12.3 Post-retirement obligations | 85-87 |
| 7.5 Headline earnings per share | 37 | 12.4 Segmental employees, benefits and remuneration | 87 |
| 7.6 Normalised headline earnings per share | 37 | 13. Equity, distributions and group information | 88-90 |
| 8. Operating assets and liabilities | 38-59 | 13.1 Capital and reserves attributable to shareholders of the company | 88 |
| 8.1 Property, plant and equipment | 38-40 | 13.2 Distributions | 89 |
| 8.2 Right-of-use assets and lease liabilities | 41-42 | 13.3 Capital management | 89 |
| 8.3 Banking and other advances | 43-45 | 13.4 Commitments | 89 |
| 8.4 Amounts owed to bank depositors | 46 | 13.5 Contingent liabilities | 89 |
| 8.5 Life assurance fund | 46-47 | 13.6 Related parties | 89-90 |
| 8.6 Investments | 47-48 | 13.7 Foreign exchange rates | 90 |
| 8.7 Interest in associates and joint ventures | 48-49 | 14. Disposal group held-for-sale | 91 |
| 8.8 Inventories | 50 | | |

Notes to the consolidated financial statements

for the year ended 30 June

1. Basis of preparation and consolidation

The consolidated financial statements (financial statements) have been prepared in accordance with IFRS, the interpretations adopted by the International Accounting Standards Board (IASB), 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, the JSE Limited Listings Requirements and in terms of the requirements of the Companies Act of South Africa.

The consolidated financial statements are prepared on the historical cost basis, other than certain financial instruments, which are carried at their fair value.

The preparation of consolidated financial statements in conformity with IFRS requires the board of directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances (the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources), the actual outcome may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The financial statements are presented in South African Rands, which is also the Group's presentation currency. Assets and liabilities of foreign operations, including 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 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, and control is lost the relevant amount in the foreign currency translation reserve is transferred to the income statement. All financial information has been rounded to the nearest thousand unless stated otherwise.

The Group Audit Committee is satisfied that the critical accounting policies are appropriate to the Group and, except as detailed below, the accounting policies have been applied consistently to all periods presented in these financial statements.

2. New and revised accounting standards

The following International Financial Reporting Standards and amendments are effective for the first time and have been adopted for the current reporting period:

| Standard / interpretation | Description | Reporting period beginning on or after |
|--|--|--|
| IAS 16: (Amendments to) 'Property, Plant and Equipment' on Proceeds before Intended Use | The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss. | 1 January 2022 |
| IAS 37: (Amendments to) 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contract / Cost of Fulfilling a Contract | The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract. | 1 January 2022 |
| IFRS 3: 'Business combinations' | The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. | 1 January 2022 |
| Annual improvements cycle 2018 -2020 | These amendments include minor changes to: ● IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. ● IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives. | 1 January 2022 |

Notes to the consolidated financial statements

for the year ended 30 June

2. New and revised accounting standards (continued...)

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 17: 'Insurance contracts' | <p>The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of 1 January 2023 accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators.</p> <p>Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.</p> <p>Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less.</p> <p>For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.</p> <p>The Group will apply IFRS17 for the first time in the 2024 financial year. The adoption of this standard affects two operations reporting via the Financial Services segment, Bidvest Insurance Limited and Bidvest Life Limited (Bidvest Life Limited has been disclosed as a disposal group held for sale in the current period refer note 14. Disposal group held for sale). The Group's assessment of IFRS17 concluded that there would be no significant impact on total equity at transition date (1 July 2023) and had the standard been effective in the current financial period there would have been no significant impact on the Group's profit attributable to shareholders of the company. The application of IFRS17 will result in insignificant reallocations in the Group's consolidated statement of financial position.</p> | 1 January 2023 |
| IFRS 17: (Amendments to) 'Insurance contracts' | In response to some of the concerns and challenges raised, the Board developed targeted amendments and several proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway. | 1 January 2023 |
| IAS 1: (Amendment to), 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current. | The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements must be met to determine the correct classification. | 1 January 2023 |
| IAS 1: (Narrow scope amendment to), 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. | The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates. | 1 January 2023 |
| IAS 12: (Amendments to), Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction. | The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. | 1 January 2023 |
| IAS 12: (Amendments to), International Tax Reform , Pillar Two Model Rules. Application of the exception and disclosure of that fact. Other disclosure requirements. | <p>This amendment allows companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform.</p> <p>The two pillar model rules amendments to IAS 12 have been considered and determined not to apply to Group companies.</p> | 1 January 2023 (other disclosure requirements). 23 May 2023 (application of exception) |

Unless directly addressed in the note the impact of the aforementioned new standards, interpretations and amendments not yet effective is currently being assessed.

Notes to the consolidated financial statements

for the year ended 30 June

3. Overview of group structure

The consolidated financial statements include the financial statements of the Company and its subsidiaries. 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 and as reported to the chief operating decision maker (CODM), Mpumi Madisa and the executive board.

The CODM has identified the ten reportable operating segments as follows:

Adcock Ingram

Manufactures, markets, and distributes a wide range of healthcare products and is a leading supplier to both the private and public sectors of the market.

Bidvest Automotive

An industry-leader and innovator, known for setting the national standard in technical training with its rapid adoption of online motor retailing and the development of sophisticated systems to drive customer service. It also operates in the vehicle auctioneering sector.

Bidvest Commercial Products

The industrial grouping of companies includes manufacturing and trading businesses in South Africa, representing global brands which include Hitachi Power Tools, Signode (strapping), Unicarriers (forklifts), Rational Ovens, Tajima (embroidery machines), Juki (sewing machines) and Tesa Tapes, while Plumblink supplies a full range of bathroom and plumbing products, and through the Voltex distribution outlets the division is a leading distributor of a vast array of electrical cable and allied products servicing the industrial, mining, contractor, construction, engineering and retail sectors. Consumer products include motor vehicle accessories (Moto Quip), camping and outdoor equipment (Leisure Quip).

Bidvest Financial Services

Comprises Bidvest Bank, the Bidvest Insurance Group (which offers both long and short-term insurance offerings), Master Currency Foreign Exchange, Compendium Insurance Brokers and Bidvest Wealth and Employee Benefits. The segment offers services specialising in fleet management and foreign exchange services, insurance and other financial services for the corporate and business markets.

Bidvest Freight

A leading private sector freight management group in sub-Saharan Africa, drawing on more than 150 years of portside experience, whose primary objective is to handle multiple products across berths and provide capacity to serve current and future demand. Independent businesses focus on terminal operations and support, international clearing and freight forwarding, integrated logistics, supply chain solutions and marine and insurance services. The segment facilitates storage, handling and movement of cargo via ocean freight, air freight, road and rail.

Bidvest Branded Products

Offers a comprehensive suite of services relating to office products, office automation and office furniture, while also meeting all print, packaging, labelling and communication requirements. Offerings include the supply of stationery, paper or printer cartridges, and packaging and data services. The consumer-facing trading and distribution businesses represent local and global brands such as Russell Hobbs, Salton, George Foreman, Maxwell & Williams and prestigious luggage and travel accessories brands such as Cellini amongst others.

Bidvest Services South Africa

A diverse services business providing security, laundry, landscaping, food, travel, cargo and aviation, office water and coffee vending services to corporate and small to medium business clients in Southern Africa.

Bidvest Services International

A focused hygiene, cleaning and facilities management business, operating in the United Kingdom, European Union, Southern Africa and from 7 July 2022 in New South Wales Australia.

Bidvest Properties

Owns, manages and develops property and provides a unique offering of professional property services and consulting on all property-related matters for the Group.

Bidvest Corporate and Investments

Provides treasury, secretarial, corporate finance and governance services for the Group and is responsible for overall management and strategic direction.

All intragroup transactions are in the ordinary course of business and on similar terms to external parties and all intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Restatement of comparatives

Adcock Ingram, previously included as a component of Bidvest Branded Products, is now reported separately as Adcock Ingram for segmental purposes, the prior year segmental disclosure has been restated.

4. Accounting estimates and judgements and the determination of fair values

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.

4.1. Critical accounting policies

The Group Audit Committee is satisfied that the critical accounting policies are appropriate to the Group.

4.2. Key sources of uncertainty

The following key sources of uncertainty have been identified:

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 recoverable values were assessed using the greater of value-in-use and fair value less cost to sell methods based on actual results and forecasts for future years (refer *note 9.4. Intangible assets and note 9.5. Goodwill* for further disclosure).

Trade, other receivables and banking advances

The Group applies the simplified approach to determine the expected credit losses (ECLs) for trade receivables, contract assets, lease and other receivables (collectively, accounts receivable). ECLs for accounts receivable are calculated using a provision matrix (refer *note 8.9. Trade and other receivables*). For banking advances the measurement of ECLs is performed using a three stage model, based on changes in credit quality since initial recognition (refer *note 8.3. Banking advances*).

Notes to the consolidated financial statements

for the year ended 30 June

4. Accounting estimates and judgements and the determination of fair values (continued...)

4.3. Critical accounting judgements in applying the Group's accounting policies

Judgements made in the application of IFRS that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Judgments and estimates used in assessing the impairment of indefinite useful life intangible assets and goodwill are elucidated in *note 9.4. Intangible assets* and *note 9.5. Goodwill*.

The identification and valuation of intangible assets arising from the acquisition of B.I.C Services Pty Ltd required a significant amount of judgement and estimation, which has been included in *note 9.2. Acquisition of businesses, subsidiaries and associates*.

4.4. 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 and right-of-use assets

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 (refer *note 8.1. Property, plant and equipment* and *note 8.2. Right-of-use assets and lease liabilities*).

Intangible assets

The fair value of intangible assets recognised as a result of a business combination is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets (refer *note 9.4. Intangible 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 (refer *note 8.8. Inventories*).

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 8.6. Investments*).

Forward exchange contracts

The fair value of forward exchange contracts is based on their market prices (refer *note 8.9. Trade and other receivables* and *note 8.10. Trade and other payables*).

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 (refer *note 10.3. Borrowings*).

Share-based payments

The fair value of the share options is measured using a modified Black Scholes method. Measurement inputs include share price at measurement date, award price of the instrument, expected volatility (based on the historic volatility), option life, distribution yield and the risk-free interest rate (based on the ZAR bond static yield curve) (refer *note 12.1. Share-based payments*).

4.5. Impairment of non-financial assets

The carrying value of tangible and intangible assets are reviewed annually to assess whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Where the carrying value exceeds the estimated recoverable amount, such assets are written down to their recoverable amount. The recoverable amount of the cash generating unit or groups of cash generating units or segments to which goodwill is allocated is estimated annually or more frequently if there is an indicator of impairment. For intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each statement of financial position date.

Impairment losses are recognised in the income statement (net capital items and operating expenses).

Impairment losses recognised in respect of the cash generating unit or groups of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to groups of cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

Groups of cash-generating units for goodwill impairment testing purposes are not larger than any operating segment. (refer *note 9.5. Goodwill*).

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 which would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the consolidated financial statements

for the year ended 30 June

4. Accounting estimates and judgements and the determination of fair values (continued...)

4.6. Financial instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. The Group recognises financial assets and financial liabilities at the date when it becomes a party to the contractual provisions of the instrument.

Trade and other receivables without a significant financing component are initially measured at the transaction price. Other financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers: contingent events that would change the amount or timing of the cash flows; terms that may adjust the contractual coupon rate, including variable rate features; prepayment and extension features; and terms that limit the Group's claim to cash flows from specified assets.

The Group has a high exposure to the following financial assets:

| Description | SoFP Classification | Classification |
|---------------------------|---------------------------------|---|
| Trade receivables | Trade and other receivables | amortised cost |
| Cash and cash equivalents | Cash and cash equivalents | amortised cost |
| Banking advances | Banking and other advances | amortised cost |
| Debt investments | Investments | Fair value through other comprehensive income |
| Equity investments | Investments | Fair value through other comprehensive income |
| Equity investments | Investments | Fair value through profit or loss |
| Derivatives | Investments | Fair value through profit or loss |
| Currency swap derivatives | Currency swap derivative assets | Fair value through other comprehensive income |

The Group has limited exposure to the following financial assets:

| Description | SoFP Classification | Classification |
|---------------------------|-----------------------------|---|
| Contract receivables | Trade and other receivables | amortised cost |
| Development loans | Investments | amortised cost |
| Interest swap derivatives | Trade and other receivables | Fair value through other comprehensive income |

Financial liabilities are classified into the following categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost.

A financial liability is classified at fair value through profit or loss if it is held for trading, is a derivative financial instrument or is designated as such on initial recognition. Realised and unrealised gains and losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are included in profit or loss in the period in which they arise.

The Group has a high exposure to the following financial liabilities:

| Description | SoFP Classification | Classification |
|-----------------------------|---------------------------------|----------------|
| Trade payables | Trade and other payables | amortised cost |
| Interest bearing borrowings | Borrowings | amortised cost |
| Banking deposits | Amounts owed to bank depositors | amortised cost |
| Lease liabilities | Lease liabilities | amortised cost |
| Bank overdrafts | Borrowings | amortised cost |

The Group calculates its allowance for credit losses as expected credit losses (ECLs) for financial assets measured at amortised cost, debt investments at fair value through other comprehensive income (FVOCI) and contract assets. ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive. ECLs are discounted at the original effective interest rate of the financial asset.

The Group measures loss allowances at an amount equal to the lifetime ECLs, except for bank balances for which the credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition. The Group applies the simplified approach to determine the ECL for trade receivables, contract assets and lease receivables (collectively, trade and other receivables). This results in calculating lifetime expected credit losses for these receivables.

The gross carrying amount of the financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures in respect of amounts due.

Notes to the consolidated financial statements

for the year ended 30 June

5. Operational performance

5.1. Revenue

The Group principally generates revenue from providing a wide range of goods and services through its eight core trading segments, Services South Africa, Services International, Freight, Commercial Products, Branded Products, Adcock Ingram, Financial Services and Automotive.

Revenue is recognised when control over products or services is transferred to a customer and is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. 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 contract.

The Group satisfies its performance obligations at a point in time or over a short period of time. The majority of the Group's revenue is generated from point-in-time or month-to-month service contracts, which means the Group has no material revenue contracts for which they have contracted but not satisfied the performance obligations. There is no material or significant financing component to Group revenue and contracts with customers do not include material amounts of variable consideration. Due to the standard nature of the Group's contracts with customers there were no significant areas of judgment required to be applied by the Group. The Group has no complex agent / principal arrangements.

| | 2023 R'000 | 2022 Restated R'000 |
|---|---------------|---------------------------|
| Sale of goods ¹ | 66 957 214 | 58 925 533 |
| Rendering of services ² | 48 199 247 | 40 762 903 |
| Commissions and fees earned ³ | 2 730 013 | 1 907 653 |
| Billings relating to clearing and forwarding transactions ⁴ | 2 703 072 | 2 577 787 |
| Net Interest ⁵ | 323 654 | 186 332 |
| Insurance ⁶ | 697 018 | 577 653 |
| | 121 610 218 | 104 937 861 |
| Inter-group eliminations | (6 698 700) | (5 008 787) |
| Revenue | 114 911 518 | 99 929 074 |
| Disaggregation of revenue from contracts with customers | | |
| Services South Africa ² | 9 836 703 | 7 718 441 |
| Services International ² | 32 297 793 | 26 526 256 |
| Branded Products ¹ | 10 531 547 | 9 461 302 |
| Adcock Ingram ¹ | 9 131 852 | 8 705 817 |
| Freight ^{2,4} | 7 919 472 | 6 914 021 |
| Commercial Products ¹ | 17 527 871 | 14 065 153 |
| Financial Services ³ | 975 765 | 978 823 |
| Automotive ¹ | 24 489 162 | 23 239 644 |
| Properties ² | 1 570 | 859 |
| Corporate and investments ¹ | 476 157 | 870 629 |
| | 113 187 892 | 98 480 945 |
| Geographic disaggregation of revenue from contracts with customers | | |
| Southern Africa | 88 205 606 | 78 134 142 |
| International | 24 982 286 | 20 346 803 |
| | 113 187 892 | 98 480 945 |
| Reconciliation to Group revenue | | |
| Revenue from customer contracts | 113 187 892 | 98 480 945 |
| Leasing contracts | 803 143 | 769 085 |
| Gross insurance premiums | 596 829 | 492 712 |
| Net Interest | 323 654 | 186 332 |
| | 114 911 518 | 99 929 074 |

Restatement of comparatives

The presentation of interest revenue has been amended to be presented on a net basis. The prior year interest revenue comparative has been restated by R263 million from R449 million to R186 million and non-interest revenue, that incorrectly included interest expenses, by R263 million from R99,4 billion to R99,7 billion. In addition, the first table in note 5.1 was corrected to disclose revenue from rendering of services, which increased by R263 million from R40,5 billion to R40,8 billion and net interest decreased from R448 million to R186 million.

Notes to the consolidated financial statements

for the year ended 30 June

5. Operational performance (continued...)

5.1. Revenue (continued...)

| | 2023 R'000 | 2022 Restated * R'000 |
|---------------------------|---------------|-----------------------------|
| Segmental revenue | | |
| Services South Africa | 10 436 000 | 8 225 664 |
| Services International | 33 187 251 | 27 449 466 |
| Branded Products | 11 729 589 | 10 376 892 |
| Adcock Ingram | 9 131 852 | 8 705 817 |
| Freight | 8 393 662 | 7 446 212 |
| Commercial Products | 19 877 467 | 15 037 761 |
| Financial Services | 2 732 179 | 2 435 017 |
| Automotive | 24 934 816 | 23 708 713 |
| Properties | 677 489 | 609 689 |
| Corporate and investments | 509 913 | 942 630 |
| | 121 610 218 | 104 937 861 |
| Inter-group eliminations | (6 698 700) | (5 008 787) |
| | 114 911 518 | 99 929 074 |
| Geographic region | | |
| Southern Africa | 96 469 869 | 84 447 866 |
| International | 25 140 349 | 20 489 995 |
| | 121 610 218 | 104 937 861 |

* refer note 3. Overview of group structure (restatement of comparatives)

5.2. Trading profit

Trading profit is profit generated by the Group's normal continuing operating activities and is defined as profit before finance charges and associate income excluding profit or loss of a capital nature, IFRS 2 share-based payment expenses, acquisition costs, amortisation charges arising from definite-life intangible assets recognised on acquisition of subsidiaries. Trading profit is the basis on which management's performance is assessed.

Segmental trading profit

| | 2023 R'000 | 2022 Restated* R'000 |
|---------------------------|---------------|----------------------------|
| Services South Africa | 1 068 453 | 880 337 |
| Services International | 3 352 615 | 3 053 475 |
| Branded Products | 860 586 | 745 366 |
| Adcock Ingram | 1 178 199 | 1 132 695 |
| Freight | 2 165 178 | 1 767 499 |
| Commercial Products | 1 425 635 | 1 174 422 |
| Financial Services | 463 540 | 85 599 |
| Automotive | 914 912 | 819 032 |
| Properties | 635 936 | 563 304 |
| Corporate and investments | (622 000) | (491 691) |
| | 11 443 054 | 9 730 038 |
| Geographic region | | |
| Southern Africa | 9 156 846 | 7 798 064 |
| International | 2 286 208 | 1 931 974 |
| | 11 443 054 | 9 730 038 |

* refer note 3. Overview of group structure (restatement of comparatives)

Notes to the consolidated financial statements

for the year ended 30 June

5. Operational performance (continued...)

5.3. Earnings before interest, taxation, depreciation and amortisation (EBITDA)

EBITDA is determined as trading profit before depreciation and amortisation charges. EBITDA has been adjusted for the impact of IFRS 16: *Leases* by adding back the right-of-use asset depreciation and deducting lease payments.

Segmental EBITDA

| | 2023 R'000 | 2022 Restated* R'000 |
|---------------------------|-------------------|----------------------------|
| Services South Africa | 1 387 194 | 1 162 765 |
| Services International | 3 970 207 | 3 557 100 |
| Branded Products | 954 886 | 814 212 |
| Adcock Ingram | 1 313 146 | 1 276 743 |
| Freight | 2 429 650 | 1 999 457 |
| Commercial Products | 1 523 454 | 1 256 302 |
| Financial Services | 661 628 | 366 971 |
| Automotive | 931 029 | 837 178 |
| Properties | 640 542 | 569 731 |
| Corporate and investments | (600 076) | (471 200) |
| | 13 211 660 | 11 369 259 |
| Geographic region | | |
| Southern Africa | 10 491 122 | 9 114 326 |
| International | 2 720 538 | 2 254 933 |
| | 13 211 660 | 11 369 259 |

* refer note 3. Overview of group structure (restatement of comparatives)

5.4. Net capital items

Net capital items is the aggregate of income statement profit or loss of a capital nature (as determined by SAICA Circular 01/2023 Headline Earnings), before taxation and non-controlling interests, which is excluded from trading profit and basic earnings to determine headline earnings (refer note 7.4 *Headline earnings*).

| | R'000 | R'000 |
|---|----------------|------------------|
| Impairment of property, plant and equipment | 12 667 | 5 121 |
| Impairment (reversal) of right-of-use assets | 3 207 | (9 230) |
| Impairment of intangible assets | 62 173 | 21 454 |
| Compensation received on scrapping, loss or impairment of property plant and equipment | (42 664) | - |
| Net profit on disposal of property, plant and equipment | (44 971) | (36 516) |
| Net loss (profit) on disposal of interests in subsidiaries and associates, and disposal and closure of businesses | 138 551 | (172 750) |
| Net loss on disposal of intangible assets | - | 15 293 |
| Net capital items included in the consolidated income statement | 128 963 | (176 628) |

Notes to the consolidated financial statements

for the year ended 30 June

5. Operational performance (continued...)

5.5. Profit before finance charges and associate income

| | 2023 R'000 | 2022 R'000 |
|--|---------------|---------------|
| <i>Determined after charging (crediting)</i> | | |
| Auditor's remuneration (PricewaterhouseCoopers Inc.) | 107 775 | 97 892 |
| Audit fees | 106 704 | 93 034 |
| Audit related expenses | 48 | 87 |
| Taxation services | 289 | 71 |
| Other attest services | 734 | 4 700 |
| Accounting services (other audit firms) | 5 807 | 7 324 |
| Audit fees | 2 284 | 1 771 |
| Audit related expenses | 192 | 221 |
| Consulting fees | - | 685 |
| Taxation services | 1 544 | 1 518 |
| Other attest services | 1 787 | 3 129 |
| Depreciation of property, plant and equipment | 2 001 657 | 1 888 223 |
| Depreciation right-of-use assets | 1 426 863 | 1 307 928 |
| Amortisation of intangible assets | 465 625 | 394 697 |
| Impairment (reversal) of assets | 139 596 | 200 257 |
| Property, plant and equipment | 12 667 | 5 121 |
| Right-of-use assets - land and buildings | 3 207 | (9 230) |
| Intangible assets | 62 173 | 21 454 |
| Investments | (725) | 35 187 |
| Banking and other advances | 36 617 | 59 392 |
| Trade receivables | 25 657 | 88 333 |
| Compensation received on scrapping, loss or impairment of property plant and equipment | (42 664) | - |
| <i>Directors' emoluments</i> ~ | | |
| Executive directors ~ | 65 920 | 56 647 |
| Basic remuneration | 24 555 | 20 588 |
| Retirement and medical benefits | 1 401 | 1 375 |
| Other benefits and costs | 1 259 | 916 |
| Cash incentives | 38 705 | 33 768 |
| Non-executive directors ~ | 9 679 | 9 189 |
| Fees - Company | 9 289 | 8 861 |
| - subsidiaries | 390 | 328 |
| Employer contributions to | 1 729 788 | 1 698 179 |
| Defined contribution funds | 1 117 605 | 1 015 485 |
| Retirement funds | 54 459 | 57 216 |
| Social securities | 255 969 | 312 977 |
| Medical aids | 301 755 | 312 501 |
| Net expense related to post-retirement obligations for current service costs | (1 009) | 1 000 |
| Defined benefit pension plans | 1 682 | 1 954 |
| Post-retirement medical aid obligations | (2 691) | (954) |
| Share-based payment expense cash settled | 730 | 5 696 |
| Share-based payment expense equity settled | 347 135 | 288 460 |
| Staff | 305 572 | 261 698 |
| Executive directors | 41 563 | 26 762 |
| Fees for administrative, managerial and technical services | 5 462 | 5 920 |
| Research and development expenditure | 121 | 498 |
| Foreign exchange gains on hedging activities | (40 458) | (12 807) |
| Forward exchange contracts | (37 020) | (11 383) |
| Foreign bank accounts | (3 438) | (1 424) |
| Other foreign exchange gains | (130 530) | (48 332) |
| Realised | (55 829) | (24 551) |
| Unrealised | (74 701) | (23 781) |
| Income from investments | (187 362) | (49 379) |
| Dividends received from listed investments | (10 564) | (11 574) |
| Dividends received from unlisted investments | (8 077) | (3 677) |
| Loss on disposal | - | 3 499 |
| Fair value through profit or loss | (168 721) | (37 627) |

~ refer note 12.2. Directors' remuneration for detailed disclosure

Notes to the consolidated financial statements

for the year ended 30 June

5. Operational performance (continued...)

5.5. Profit before finance charges and associate income (continued...)

| | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| <i>Determined after charging (crediting)</i> | | |
| Net capital loss on disposal | 93 580 | (193 973) |
| Net profit on disposal of property, plant and equipment | (44 971) | (36 516) |
| Net (profit) loss on disposal of interests in subsidiaries and associates, and disposal and closure of businesses | 138 551 | (172 750) |
| Net loss on disposal of intangible assets | - | 15 293 |
| Low value, short-term leases and variable expense not included in lease liability | 399 537 | 390 592 |
| Land and buildings | 192 940 | 207 147 |
| Equipment and vehicles | 206 597 | 183 445 |

Segmental profit before finance charges and associate income

Profit before finance charges and associate income 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 criterion used in the management of reportable segments.

| | R'000 | Restated* R'000 |
|-----------------------------|------------|--------------------|
| Services South Africa | 1 086 887 | 795 824 |
| Services International | 2 998 831 | 2 857 653 |
| Branded Products | 846 888 | 738 231 |
| Adcock Ingram | 1 168 741 | 1 120 143 |
| Freight | 2 183 097 | 1 766 111 |
| Commercial Products | 1 419 350 | 1 179 172 |
| Financial Services | 401 763 | 54 941 |
| Automotive | 909 366 | 825 798 |
| Properties | 651 751 | 746 444 |
| Corporate and investments | (743 078) | (519 218) |
| | 10 923 596 | 9 565 099 |
| Share-based payment expense | (347 865) | (294 156) |
| | 10 575 731 | 9 270 943 |
| Geographic region | | |
| Southern Africa | 8 996 239 | 7 958 547 |
| International | 1 927 357 | 1 606 552 |
| | 10 923 596 | 9 565 099 |

* refer note 3. Overview of group structure (restatement of comparatives)

5.6. Cash generated by operations

| | | Restated |
|---|-------------|-------------|
| Profit before taxation | 8 694 126 | 7 779 555 |
| Costs incurred in respect of acquisitions | 45 040 | 58 517 |
| Net finance charges | 2 007 477 | 1 592 489 |
| Share of current year earnings of associates and joint ventures | (125 872) | (101 101) |
| Depreciation and amortisation | 3 894 145 | 3 590 848 |
| Share-based payment expense | 347 135 | 288 460 |
| Impairment of property, plant and equipment, right-of-use and intangible assets | 78 047 | 17 345 |
| Loss (profit) on disposal of interests in subsidiaries and associates, and disposal and closure of businesses | 138 551 | (172 750) |
| Other non-cash items | (72 896) | 9 774 |
| Fair value of investments through profit or loss | (168 721) | (37 627) |
| Loss on disposal of investments | - | 3 499 |
| Remeasurement of post-retirement obligations | (11 885) | (7 002) |
| Decrease in life assurance fund | (71 413) | (62 300) |
| Working capital changes | (2 625 235) | (1 369 047) |
| Increase in inventories | (2 733 997) | (1 215 160) |
| Increase in trade and other receivables | (866 070) | (2 390 372) |
| (Increase) decrease in banking and other advances | (877 589) | 431 477 |
| Increase in trade and other payables and provisions | 1 623 341 | 2 137 895 |
| Increase (decrease) in amounts owed to bank depositors | 229 080 | (332 887) |
| Cash generated by operations | 12 128 499 | 11 590 660 |

Restatement of comparatives

Cash flows arising from the acquisition of treasury shares in settlement of share based payment liabilities, previously disclosed as cash flows from operating activities, have been reclassified to cashflows from financing activities as required in accordance with IFRS. The prior year comparative has been restated by R212 million from R5,6 billion cashflows from operating activities and R2 billion cashflows from financing activities to, R5,8 billion cash flows from operating activities and R1,8 billion cashflows from financing activities. Cash generated by operations has increased from R11,4 billion to R11,6 billion. The acquisition of treasury shares in settlement of share based payment liabilities amounting to R212 million has been reflected separately on the statement of cash flows as part of financing activities.

Notes to the consolidated financial statements

for the year ended 30 June

6. Taxation

Income taxation comprises current and deferred tax. An income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current taxation comprises tax payable calculated based on the expected taxable income for the year, using the tax rates enacted or substantially enacted at the financial position date, and any adjustment of tax payable for previous years.

Deferred taxation is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effects on deferred taxation of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

6.1. Income tax expense

| | 2023 R'000 | 2022 R'000 |
|---|------------------|------------------|
| Current taxation | 2 391 355 | 2 137 277 |
| Current year | 2 351 163 | 2 117 841 |
| Prior years' under | 40 192 | 19 436 |
| Deferred taxation | (75 913) | 187 079 |
| Current year | (24 642) | (27 037) |
| Prior years' over provision | (51 271) | (41 521) |
| Change in rate of taxation | - | 255 637 |
| Foreign withholding taxation | 12 460 | 7 892 |
| Total taxation per consolidated income statement | 2 327 902 | 2 332 248 |
| Comprising | | |
| South African taxation | 2 047 095 | 1 878 641 |
| Foreign taxation | 280 807 | 453 607 |
| | 2 327 902 | 2 332 248 |

6.2. Taxation paid

| | | |
|---|--------------------|--------------------|
| Net amounts receivable at beginning of year | (278 142) | (114 544) |
| Current taxation charge | (2 403 815) | (2 145 169) |
| On acquisition of businesses | (4 274) | (6 649) |
| On disposal of business disposal and disposal group | (1 171) | 591 |
| Exchange rate adjustments | (55 957) | (1 879) |
| Amounts payable at end of year | 761 424 | 661 467 |
| Amounts receivable at end of year | (400 386) | (383 325) |
| Taxation paid | (2 382 321) | (1 989 508) |

The reconciliation of the effective taxation rate with the South African company taxation rate is:

| | 2023 % | 2022 % |
|---|-------------|-------------|
| Taxation for the year as a percentage of profit before taxation | 26.8 | 30.0 |
| Withholding tax | (0.1) | (0.1) |
| Change in tax rate | - | (3.6) |
| Associates | 0.4 | 0.4 |
| Effective rate excluding associate income and tax rate changes | 27.1 | 26.7 |
| Dividend and exempt income | 1.6 | 0.6 |
| Foreign taxation rate differential | 0.6 | 2.7 |
| Preference share funding | (0.4) | (0.6) |
| Other non-deductible expenses | (1.5) | (1.1) |
| Changes in recognition of deferred tax assets | (0.5) | (0.3) |
| Capital gains rate differential | 0.1 | (0.1) |
| Changes in prior years' estimation | 0.1 | 0.3 |
| Acquisition costs | (0.1) | (0.2) |
| Rate of South African company taxation | 27.0 | 28.0 |

Notes to the consolidated financial statements

for the year ended 30 June

6. Taxation (continued...)

6.3. Deferred taxation

| | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| Deferred taxation assets | 1 607 318 | 1 518 704 |
| Deferred taxation liabilities | (4 631 801) | (4 092 040) |
| Net deferred taxation liability | (3 024 483) | (2 573 336) |
| Movement in net deferred taxation assets and liabilities | | |
| Balance at beginning of year | (2 573 336) | (2 369 682) |
| Per consolidated income statement | 75 913 | (187 079) |
| Items recognised directly in equity, other comprehensive income | (13 520) | 16 416 |
| On acquisition of businesses | (158 585) | (6 722) |
| On disposal of businesses and disposal group | (29 667) | (27 216) |
| Exchange rate adjustments | (325 288) | 947 |
| Balance at end of year | (3 024 483) | (2 573 336) |
| Estimated tax losses available for offset against future taxable income | 2 705 617 | 2 739 107 |
| Utilised in the computation of deferred taxation | (624 996) | (1 627 538) |
| Not accounted for in deferred taxation | 2 080 621 | 1 111 569 |
| Tax losses by territory | | |
| South Africa | 753 953 | 1 271 060 |
| International | 1 951 664 | 1 468 047 |
| | 2 705 617 | 2 739 107 |
| Expected utilisation of tax losses | | |
| Tax losses utilised within one year | 129 255 | 347 278 |
| Tax losses utilised after one year but within five years | 495 741 | 1 280 260 |
| Utilised in the computation of deferred taxation | 624 996 | 1 627 538 |

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. For the 2022 and future tax periods the South African Tax authorities imposed limitations on the use of tax losses brought forward from a previous year of assessment, which can only be offset against the maximum of 80% of the current year's taxable income or R1 million, whichever is higher. Tax losses are expected to be utilised against trading profit.

| | 2023 | | |
|--|-----------------|----------------------|--------------|
| | Assets R'000 | Liabilities R'000 | Net R'000 |
| Differential between carrying values and tax values of property, plant and equipment | (31 205) | (883 619) | (914 824) |
| Differential between carrying values and tax values of intangible assets | (14 290) | (3 625 787) | (3 640 077) |
| Right-of-use assets | (722 402) | (512 646) | (1 235 048) |
| Lease liabilities | 882 247 | 517 972 | 1 400 219 |
| Estimated taxation losses | 127 566 | 10 601 | 138 167 |
| Staff related allowances and liabilities | 726 800 | (24 500) | 702 300 |
| Inventories | 152 686 | (668) | 152 018 |
| Investments | 28 916 | (220 023) | (191 107) |
| Trade and other receivables | (4 140) | (4 727) | (8 867) |
| Trade, other payables and provisions | 461 140 | 111 596 | 572 736 |
| | 1 607 318 | (4 631 801) | (3 024 483) |

Notes to the consolidated financial statements

for the year ended 30 June

6. Taxation (continued...)

6.3. Deferred taxation (continued...)

| <i>Temporary differences</i> | 2022 | | Net R'000 |
|--|-----------------|----------------------|--------------|
| | Assets R'000 | Liabilities R'000 | |
| Differential between carrying values and tax values of property, plant and equipment | 22 094 | (923 089) | (900 995) |
| Differential between carrying values and tax values of intangible assets | (25 351) | (3 178 550) | (3 203 901) |
| Right-of-use assets | (968 795) | (263 956) | (1 232 751) |
| Lease liabilities | 1 118 581 | 284 972 | 1 403 553 |
| Estimated taxation losses | 350 110 | (7 514) | 342 596 |
| Staff related allowances and liabilities | 541 271 | (29 888) | 511 383 |
| Inventories | 110 710 | (284) | 110 426 |
| Investments | 21 652 | (159 242) | (137 590) |
| Trade and other receivables | 13 670 | 2 793 | 16 463 |
| Trade, other payables and provisions | 334 762 | 182 718 | 517 480 |
| | 1 518 704 | (4 092 040) | (2 573 336) |

Deferred taxation has been provided at rates ranging between 10% - 45% (2022: 10% - 45%). 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.

7. Basic, headline and normalised earnings per share

7.1. Weighted average number of shares in issue

The following weighted averages used for basic earnings per share and headline earnings per share calculations:

| | 2023 R'000 | 2022 R'000 |
|--|---------------|---------------|
| Weighted average number of shares in issue ('000) | 339 877 | 339 888 |
| Potential dilutive impact of outstanding staff share appreciation rights and conditional awards ('000) | 852 | 488 |
| Number of outstanding staff share appreciation right equivalent shares ('000) | 4 873 | 3 868 |
| Number of shares deemed to be issued at fair value ('000) | (4 456) | (3 636) |
| Contingent shares issuable in terms of conditional share plan ('000) | 1 484 | 1 128 |
| Contingent shares issuable in terms of conditional share plan at fair value ('000) | (1 049) | (872) |
| Diluted weighted average number of shares in issue ('000) | 340 729 | 340 376 |

7.2. Attributable earnings

Basic earnings per share and diluted earnings per share are based on:

Profit attributable to shareholders of the Company (R'000)

5 972 689

5 071 735

7.3. Basic earnings per share

| | | |
|----------------------------------|---------|---------|
| Basic earnings per share | 1 757.3 | 1 492.2 |
| Diluted basic earnings per share | 1 752.9 | 1 490.0 |
| Dilution (%) | 0.3 | 0.1 |

Notes to the consolidated financial statements

for the year ended 30 June

7. Basic, headline and normalised earnings per share (continued...)

7.4. Headline earnings

| | 2023 R'000 | 2022 R'000 |
|---|------------------|------------------|
| Profit attributable to shareholders of the Company | 5 972 689 | 5 071 735 |
| Impairment of property plant and equipment, right-of-use assets goodwill and intangible assets | 63 760 | 17 351 |
| Property, plant and equipment | 12 667 | 5 121 |
| Right-of-use assets | 3 207 | (9 230) |
| Intangible assets | 62 173 | 21 454 |
| Taxation effect | (13 002) | 6 |
| Non-controlling interest | (1 285) | - |
| Net loss (profit) on disposal of interests in subsidiaries and disposal and closure of businesses | 138 551 | (155 532) |
| Loss (profit) on disposal and closure | 138 551 | (155 532) |
| Net profit on disposal and impairment of associates and joint ventures | - | (16 604) |
| Net 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 | (38 126) | (15 892) |
| Property, plant and equipment | (44 971) | (36 516) |
| Intangible assets | - | 15 293 |
| Taxation effect | 6 873 | 5 290 |
| Non-controlling interest | (28) | 41 |
| Compensation received on loss or impairment of property plant and equipment | (36 624) | - |
| Compensation received | (42 664) | - |
| Taxation effect | 6 040 | - |
| Non-headline earnings items included in equity accounted earnings of associated and joint venture companies | - | 125 |
| Non-headline earnings items | - | 216 |
| Non-controlling interest | - | (91) |
| Headline earnings | 6 100 250 | 4 901 183 |
| 7.5. Headline earnings per share | | |
| Headline earnings per share (cents) | 1 794.8 | 1 442.0 |
| Diluted headline earnings per share (cents) | 1 790.4 | 1 439.9 |
| Dilution (%) | 0.3 | 0.1 |

7.6. Normalised headline earnings per share

Normalised headline earnings per share is a measurement used by the chief operating decision makers, Mpumi Madisa and the Group executive directors. The calculation of normalised headline earnings per share excludes acquisition costs, amortisation of acquired customer contracts, changes in deferred tax rates 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 period. The presentation of normalised headline earnings is not an IFRS requirement.

| | 2023 R'000 | 2022 R'000 |
|---|------------------|------------------|
| Headline earnings | 6 100 250 | 4 901 183 |
| Acquisition costs | 45 040 | 58 517 |
| Amortisation of acquired customer contracts | 345 455 | 283 050 |
| Taxation effect | (82 299) | (52 266) |
| Change in deferred tax rates | - | 255 637 |
| Non-controlling interest | (2 879) | (2 724) |
| Normalised headline earnings | 6 405 567 | 5 443 397 |
| Normalised headline earnings per share | 1 884.7 | 1 601.5 |

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities

8.1. 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. Useful lives have been estimated as follows:

| | |
|--|---------------------------------|
| Buildings | Up to 50 years |
| Leasehold improvements | 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 |
| Dispensing and cleaning equipment | over the period of the contract |
| Full maintenance lease assets | over the period of the contract |

Residual values, depreciation method and useful lives are reassessed annually. Where parts of an item of property, plant and equipment have different useful lives to the item itself, these parts are depreciated over their individual estimated useful life.

Carrying value of property, plant and equipment

| | 2023 R'000 | 2022 R'000 |
|--|-------------------|-------------------|
| Freehold land and buildings | 5 232 593 | 5 112 946 |
| Cost | 5 710 097 | 5 584 732 |
| Accumulated depreciation and impairments | (477 504) | (471 786) |
| Leasehold improvements | 1 755 358 | 1 786 539 |
| Cost | 3 044 808 | 2 913 212 |
| Accumulated depreciation and impairments | (1 289 450) | (1 126 673) |
| Plant and equipment | 3 520 746 | 3 355 005 |
| Cost | 8 011 860 | 7 372 037 |
| Accumulated depreciation and impairments | (4 491 114) | (4 017 032) |
| Office equipment, furniture and fittings | 1 225 006 | 1 060 807 |
| Cost | 4 236 106 | 3 781 367 |
| Accumulated depreciation and impairments | (3 011 100) | (2 720 560) |
| Vehicles, vessels and craft | 783 956 | 652 519 |
| Cost | 2 125 828 | 1 886 962 |
| Accumulated depreciation and impairments | (1 341 872) | (1 234 443) |
| Dispensing and cleaning equipment | 1 565 435 | 1 155 756 |
| Cost | 4 025 192 | 3 201 735 |
| Accumulated depreciation and impairments | (2 459 757) | (2 045 979) |
| Full maintenance leased assets * | 1 599 124 | 1 295 238 |
| Cost | 2 465 251 | 2 221 015 |
| Accumulated depreciation and impairments | (866 127) | (925 777) |
| Capital work-in-progress | 774 903 | 482 717 |
| | 16 457 121 | 14 901 527 |

Property, plant and equipment with an estimated carrying value of R37 million (2022: Rnil) is pledged as security for borrowings of R30 million (2022: Rnil) (refer *note 10.3. Borrowings*).

* Full maintenance leased assets are subject to operating lease contracts refer *note 8.12. Lessor accounting* for further disclosure.

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

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.1. Property, plant and equipment (continued...)

Movement in property, plant and equipment

| | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| Carrying value at beginning of year | 14 901 527 | 14 107 562 |
| Capital expenditure | 3 525 564 | 2 928 492 |
| Freehold land and buildings | 269 159 | 574 571 |
| Leasehold improvements | 116 832 | 89 296 |
| Plant and equipment | 591 170 | 491 089 |
| Office equipment, furniture and fittings | 560 560 | 419 539 |
| Vehicles, vessels and craft | 401 144 | 347 549 |
| Dispensing and cleaning equipment | 754 601 | 600 796 |
| Full maintenance leased assets | 540 608 | 408 647 |
| Capital work-in-progress | 291 490 | (2 995) |
| Expenditure | 654 620 | 409 089 |
| Transfers to other categories | (363 130) | (412 084) |
| On acquisition of businesses | 172 967 | 29 627 |
| Leasehold improvements | 4 009 | 129 |
| Plant and equipment | 34 655 | 20 212 |
| Office equipment, furniture and fittings | 14 156 | 2 154 |
| Vehicles and craft | 6 104 | 7 132 |
| Dispensing and cleaning equipment | 114 043 | - |
| Disposals | (287 470) | (218 936) |
| Freehold land and buildings | (73 594) | (27 731) |
| Leasehold improvements | (7 503) | (4 055) |
| Plant and equipment | (9 360) | (18 071) |
| Office equipment, furniture and fittings | (16 593) | (11 905) |
| Vehicles and craft | (40 801) | (40 874) |
| Dispensing and cleaning equipment | (40 096) | (24 957) |
| Full maintenance leased assets | (99 523) | (91 063) |
| Capital work-in-progress | - | (280) |
| On disposal of businesses and disposal groups | (126 650) | (37 485) |
| Freehold land and buildings | (96 190) | (37 005) |
| Leasehold improvements | (2 015) | - |
| Plant and equipment | (20 674) | (468) |
| Office equipment, furniture and fittings | (7 258) | (12) |
| Vehicles, vessels and craft | (513) | - |
| Exchange rate adjustments | 285 507 | (14 389) |
| Freehold land and buildings | 44 643 | (19 721) |
| Leasehold improvements | 15 925 | 385 |
| Plant and equipment | 54 653 | 1 420 |
| Office equipment, furniture and fittings | 28 038 | 129 |
| Vehicles, vessels and craft | 3 650 | 953 |
| Dispensing and cleaning equipment | 137 903 | 2 445 |
| Capital work-in-progress | 695 | - |
| Depreciation | (2 001 657) | (1 888 223) |
| Freehold land and buildings | (24 370) | (22 259) |
| Leasehold improvements | (156 115) | (146 931) |
| Plant and equipment | (476 244) | (429 219) |
| Office equipment, furniture and fittings | (412 805) | (378 334) |
| Vehicles and craft | (238 151) | (197 849) |
| Dispensing and cleaning equipment | (556 773) | (487 519) |
| Full maintenance leased assets | (137 199) | (226 112) |
| Impairment losses | (12 667) | (5 121) |
| Freehold land and buildings | - | 5 171 |
| Leasehold improvements | (2 314) | - |
| Plant and equipment | (8 458) | (5 197) |
| Office equipment, furniture and fittings | (1 898) | (1 279) |
| Vehicles and craft | 3 | (118) |
| Dispensing and cleaning equipment | - | (3 698) |
| Carrying value at end of year | 16 457 121 | 14 901 527 |

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.1. Property, plant and equipment (continued...)

| | 2023 | 2022 |
|--------------------------------------|------------------|--------------------|
| | R'000 | Restated* R'000 |
| Segmental depreciation | | |
| Services South Africa | 337 558 | 296 561 |
| Services International | 682 849 | 572 971 |
| Branded Products | 101 995 | 102 058 |
| Adcock Ingram | 144 532 | 142 047 |
| Freight | 343 474 | 311 194 |
| Commercial Products | 133 694 | 110 198 |
| Financial Services | 170 035 | 262 641 |
| Automotive | 77 155 | 77 996 |
| Properties | 6 088 | 7 591 |
| Corporate and investments | 4 277 | 4 966 |
| | 2 001 657 | 1 888 223 |
| Geographic region | | |
| Southern Africa | 1 503 909 | 1 487 638 |
| International | 497 748 | 400 585 |
| | 2 001 657 | 1 888 223 |
| Segmental capital expenditure | | |
| Services South Africa | 581 386 | 425 652 |
| Services International | 761 785 | 719 982 |
| Branded Products | 154 489 | 113 866 |
| Adcock Ingram | 148 086 | 119 894 |
| Freight | 591 381 | 319 314 |
| Commercial Products | 331 056 | 163 611 |
| Financial Services | 567 246 | 500 886 |
| Automotive | 150 857 | 61 423 |
| Properties | 236 795 | 497 185 |
| Corporate and investments | 2 483 | 6 679 |
| | 3 525 564 | 2 928 492 |
| Geographic region | | |
| Southern Africa | 2 926 322 | 2 238 407 |
| International | 599 242 | 690 085 |
| | 3 525 564 | 2 928 492 |

* refer note 3. Overview of group structure (restatement of comparatives)

8.2. Right-of-use assets and lease liabilities

The Group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of between 3 to 12 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, however leased assets may not be used as security for borrowing purposes.

Certain variable lease payments (including, but not limited to, municipal rates and taxes, water, and electricity charges) are not recognised as lease liabilities and are expensed as incurred.

Extension options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. All the extension and termination options held are exercisable only by the Group and not by the respective lessor.

For leases where the Group is lessee, the Group considers the right-of-use asset and lease liability separately consequently deferred tax is recognised on any temporary differences that may arise on initial recognition.

Right-of-use assets

Right-of-use assets are measured at the amount of the initial measurement of lease liability plus any initial direct costs.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The recoverability of the right-of-use asset has been considered for impairment under IAS 36.

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.2. Right-of-use assets and lease liabilities (continued...)

Right-of-use assets (continued...)

| <i>Movement in right-of-use assets</i> | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| Opening balance | 4 507 081 | 4 615 625 |
| Additions | 1 034 423 | 939 167 |
| On acquisition of businesses | 38 346 | 36 194 |
| On disposal of businesses and disposal groups | (15 557) | - |
| Modification to lease terms | 146 168 | 212 959 |
| Depreciation | (1 426 862) | (1 307 928) |
| Impairment reversal | (3 207) | 9 230 |
| Foreign exchange adjustment | 177 422 | 1 834 |
| | 4 457 814 | 4 507 081 |
| <i>Classification of right-of-use assets</i> | | |
| Equipment and vehicles | 567 286 | 581 957 |
| Land and buildings | 3 890 528 | 3 925 124 |
| | 4 457 814 | 4 507 081 |
| <i>Movement by category</i> | | |
| Opening balance | 4 507 081 | 4 615 625 |
| Equipment and vehicles | 581 957 | 298 491 |
| Land and buildings | 3 925 124 | 4 317 134 |
| Additions | 1 034 424 | 939 167 |
| Equipment and vehicles | 211 603 | 543 008 |
| Land and buildings | 822 821 | 396 159 |
| On acquisition of businesses | 38 346 | 36 194 |
| Equipment and vehicles | 3 292 | 3 763 |
| Land and buildings | 35 054 | 32 431 |
| On disposal of businesses and disposal groups | (15 557) | - |
| Equipment and vehicles | (1 599) | - |
| Land and buildings | (13 958) | - |
| Modification to lease terms | 146 169 | 212 958 |
| Equipment and vehicles | (137) | (147) |
| Land and buildings | 146 306 | 213 105 |
| Foreign exchange adjustment | 177 421 | 1 835 |
| Equipment and vehicles | 92 322 | (879) |
| Land and buildings | 85 099 | 2 714 |
| Depreciation | (1 426 863) | (1 307 928) |
| Equipment and vehicles | (320 154) | (262 278) |
| Land and buildings | (1 106 709) | (1 045 650) |
| Impairment / reversal | (3 207) | 9 230 |
| Land and buildings | (3 207) | 9 230 |
| | 4 457 814 | 4 507 081 |
| <i>Segmental right-of-use assets depreciation and impairment</i> | | Restated* |
| Services South Africa | 216 841 | 197 521 |
| Services International | 310 753 | 257 922 |
| Branded Products | 130 217 | 124 885 |
| Adcock Ingram | 35 032 | 41 217 |
| Freight | 252 263 | 225 355 |
| Commercial Products | 204 257 | 183 362 |
| Financial Services | 53 811 | 57 032 |
| Automotive | 214 791 | 198 735 |
| Properties | 4 342 | 4 277 |
| Corporate and investments | 7 763 | 8 392 |
| | 1 430 070 | 1 298 698 |

* refer note 3. Overview of group structure (restatement of comparatives)

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.2. Right-of-use assets and lease liabilities (continued...)

Right-of-use assets (continued...)

| <i>Geographic region</i> | 2023 R'000 | 2022 R'000 |
|--------------------------|------------------|------------------|
| Southern Africa | 1 157 694 | 1 080 266 |
| International | 272 376 | 218 432 |
| | 1 430 070 | 1 298 698 |

Lease liabilities

Lease liabilities include the net present value of the fixed lease payments and lease payments made under reasonably certain extension options. Where the Group can easily replace the asset without significant cost or business disruption lease extension options have not been included in calculating the lease liability.

Lease payments are discounted using the interest rate implicit in the lease. If the implicit rate cannot be determined, the lessee's incremental borrowing rate is used, which is the rate that the Group's individual lessees would have paid to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate the cost of third-party borrowings to the Group's regional treasuries is used as a base, and is adjusted to reflect changes in financing terms conditions.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

| <i>Movement in lease liabilities</i> | 2023 R'000 | 2022 R'000 |
|---|------------------|------------------|
| Opening balance | 5 153 089 | 5 210 395 |
| Additions | 1 021 214 | 948 689 |
| On acquisition of businesses | 40 329 | 36 194 |
| On disposal of businesses and disposal groups | (19 737) | - |
| Interest paid | 399 087 | 411 011 |
| Interest accrued | 23 384 | 26 930 |
| Modification to lease terms | 132 598 | 169 815 |
| Variable lease payment adjustments | 222 | 10 645 |
| Lease payments | (1 780 084) | (1 662 813) |
| Foreign exchange adjustment | 158 379 | 2 223 |
| | 5 128 481 | 5 153 089 |
| <i>Nature of lease liabilities</i> | | |
| Long-term portion of lease liabilities | 3 948 906 | 3 968 985 |
| Short-term portion of lease liabilities | 1 179 575 | 1 184 104 |
| | 5 128 481 | 5 153 089 |

Short term, low value and lessor lease accounting

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets in terms of IFRS 16 comprise smaller items of equipment.

Short term, low value 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.

Where the Group acts as lessor (full maintenance lease assets) these leases are accounted for as operating leases (refer note 8.12. Lessor accounting).

| | R'000 | R'000 |
|--|-----------------|-----------------|
| Lease liability arising from short term leases, low value leases and lessor accounting | (72 107) | (59 930) |
| Less short-term portion included in trade and other payables | (1 895) | (1 803) |
| Long-term portion | (74 002) | (61 733) |

Undiscounted contractual maturities of lease liabilities

| | | |
|--|--------------------|--------------------|
| Land and buildings | 6 824 182 | 6 837 665 |
| Due in one year | 1 401 350 | 1 265 821 |
| Due after one year but within five years | 3 436 373 | 3 138 563 |
| Due after five years | 1 986 459 | 2 433 281 |
| Equipment and vehicles | 829 460 | 870 854 |
| Due in one year | 271 433 | 354 496 |
| Due after one year but within five years | 551 055 | 504 316 |
| Due after five years | 6 972 | 12 042 |
| | 7 653 642 | 7 708 519 |
| Less amounts raised as liabilities | (5 056 374) | (5 093 159) |
| | 2 597 268 | 2 615 360 |

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.3. Banking and other advances

For banking advances made by Bidvest Bank Limited (the Bank) the measurement of ECLs is performed using a “three stage” model, as outlined in IFRS 9, based on changes in credit quality since initial recognition. The following methodologies were implemented, where ECLs are calculated using three main components:

| | |
|--|---|
| Point-in-time probability of default (PD) estimates | The probability of default (PD) used in the calculation of ECL is a point-in-time (PIT) probability (that is, probability of default in current economic conditions) and does not contain any adjustment for prudence. The Bank estimates its probability of default at a point-in-time. Point-in-time PD estimates incorporate macroeconomic factors and the obligors own credit quality. The Bank computes ‘Point-in-Time’ PD’s over the expected life of a financial instrument. |
| Loss given default (LGD) estimates | An LGD benchmarking approach was used due to limited default and recovery data. |
| Definition of default | The definition of default used in the measurement of expected credit losses is consistent with the definition of default used for the Bank’s internal credit risk management purposes. The Bank’s definition of default may differ across products and consider both quantitative and qualitative factors, such as the terms of financial covenants and days past due. The Bank deems a default to occur when the borrower is more than 90 days past due on any material obligation, and/or the Bank considers the borrower unlikely to make their payments in full without recourse action, such as taking formal possession of any collateral held. |
| Exposure at default (EAD) estimates | EAD estimates were determined using a combination of external benchmark studies for committed lines and regulatory estimates for financial guarantees. |
| Stage 1 | A financial instrument that is not credit impaired on initial recognition is classified in “Stage 1” and has its credit risk continuously monitored by the Bank. |
| Stage 2 | If a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to “Stage 2” but is not yet deemed to be credit impaired. |
| Stage 3 | If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3. |

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stage 2 and 3 have their ECL measured based on expected credit losses on a lifetime basis. A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward looking information. The Bank does not rebut the presumption in IFRS 9 that all financial assets which are more than 30 days past due have experienced a significant increase in credit risk, and accordingly are classified as stage 2 in the calculation of ECL. In addition, the Bank’s policy is not to rebut the presumption in IFRS 9 that financial assets which are more than 90 days past due are in default, and accordingly are classified as stage 3 in the ECL calculation.

The measurement of expected credit losses for each stage and the assessment of significant increase in credit risk considers information about past events and current conditions as well as reasonable and supportable projections of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment. The PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario used in the Bank’s expected credit loss calculation includes a projection of all relevant macroeconomic variables used in the models. Macroeconomic variables used in the expected credit loss models include, but are not limited to, Gross Domestic Product (GDP) growth rates and the Foreign Exchange (FX) rate between South Africa and the United States of America (USA). The Bank’s estimation of ECL in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers three potential macroeconomic scenarios. Upside and downside scenarios vary relative to the base case scenario, based on reasonably likely alternative macroeconomic conditions. All scenarios considered are applied to all portfolios subject to expected credit losses with the same probabilities.

The Bank’s assessment of significant increases in credit risk is based on changes in probability-weighted forward-looking lifetime PD as at the reporting date, using the same macroeconomic scenarios as the calculation of expected credit losses.

| Categories | 2023 R'000 | 2022 R'000 |
|---|------------------------|------------------------|
| Instalment finance | 1 776 122 | 1 276 692 |
| Mortgages | 540 843 | 490 654 |
| Call and term loans | 694 695 | 496 464 |
| Other advances | 473 338 | 317 603 |
| Expected credit losses | 3 484 998 (133 023) | 2 581 413 (107 026) |
| | 3 351 975 | 2 474 387 |
| Maturity analysis | | |
| Maturing in one year | 855 768 | 487 223 |
| Maturing after one year but within five years | 1 915 961 | 1 594 613 |
| Maturing after five years | 580 246 | 392 551 |
| | 3 351 975 | 2 474 387 |

Interest rates are based on contractual agreements with customers.
Refer note 11. Risk Management for further disclosure.

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.3. Banking and other advances (continued...)

Movement in expected credit loss allowance in respect of banking and other advances

The loss allowance account is an Expected Credit Loss (ECL) account. The measurement of ECLs is performed using a “three stage” model, as outlined in IFRS 9, based on changes in credit quality since initial recognition (refer note 4.6. *Financial Instruments* for further details).

| | Stage 1 | | Stage 2 | | Stage 3 | |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2023 R'000 | 2022 R'000 | 2023 R'000 | 2022 R'000 | 2023 R'000 | 2022 R'000 |
| <i>Instalment finance</i> | | | | | | |
| Opening balance | 9 128 | 14 417 | 1 959 | 924 | 34 428 | 30 892 |
| Loss allowance raised during the year | 6 141 | 3 512 | 955 | 1 425 | 5 093 | 21 411 |
| Allowance reversed during the year | (6 766) | (8 801) | (17) | (390) | (4 147) | - |
| Write-offs | - | - | - | - | (8 255) | (17 875) |
| | 8 503 | 9 128 | 2 897 | 1 959 | 27 119 | 34 428 |
| <i>Mortgages</i> | | | | | | |
| Opening balance | 790 | 909 | 232 | 268 | 92 | 56 |
| Loss allowance raised during the year | 178 | 36 | 20 | 189 | - | 96 |
| Allowance reversed during the year | (465) | (155) | (173) | (225) | (92) | (60) |
| Write-offs | - | - | - | - | - | - |
| | 503 | 790 | 79 | 232 | - | 92 |
| <i>Call and term loans</i> | | | | | | |
| Opening balance | 921 | 1 550 | 1 265 | 4 558 | 48 088 | 230 |
| Loss allowance raised during the year | 3 328 | 2 773 | 654 | 1 251 | 34 298 | 48 091 |
| Allowance reversed during the year | (2 956) | (3 402) | (1 786) | (4 544) | (10 320) | (233) |
| Write-offs | - | - | - | - | (1 472) | - |
| | 1 293 | 921 | 133 | 1 265 | 70 594 | 48 088 |
| <i>Other advances</i> | | | | | | |
| Opening balance | 3 822 | - | 870 | - | 5 431 | 7 916 |
| Loss allowance raised during the year | - | 3 822 | - | 870 | 11 946 | 21 222 |
| Allowance reversed during the year | 363 | - | (531) | - | - | (2 931) |
| Write-offs | - | - | - | - | - | (20 776) |
| | 4 185 | 3 822 | 339 | 870 | 17 377 | 5 431 |

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.3. Banking and other advances (continued...)

Ageing of banking and other advances

| | 2023 | | | 2022 | | |
|---------------|----------------------------------|------------------------|--------------------------------|----------------------------------|------------------------|--------------------------------|
| | Gross banking and other advances | Expected credit losses | Net banking and other advances | Gross banking and other advances | Expected credit losses | Net banking and other advances |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Not past due | 3 496 543 | (114 098) | 3 382 445 | 2 559 122 | (94 952) | 2 464 170 |
| Past due | 26 574 | (18 924) | 7 650 | 22 291 | (12 074) | 10 217 |
| 0 - 30 days | 811 | (292) | 519 | 9 401 | (2 832) | 6 569 |
| 31 - 60 days | 1 041 | (557) | 484 | 11 295 | (8 784) | 2 511 |
| 61 - 90 days | 41 | - | 41 | 1 595 | (458) | 1 137 |
| 91 - 120 days | - | - | - | - | - | - |
| 121 + days | 24 681 | (18 075) | 6 606 | - | - | - |
| Total | 3 523 117 | (133 022) | 3 390 095 | 2 581 413 | (107 026) | 2 474 387 |

Collateral held on past due amounts

| | 2023 | | 2022 | |
|------------------|-------------------------------|--|-------------------------------|--|
| | Fair value of collateral held | Banking and other advances net of loss allowance | Fair value of collateral held | Banking and other advances net of loss allowance |
| | R'000 | R'000 | R'000 | R'000 |
| Pledge of assets | 7 650 | 7 650 | 10 217 | 10 217 |

Expected credit losses at 30 June

| | 2023 | | | | | |
|-------------------------------------|-------------------------|----------------------|------------------|-----------------|----------------|------------------|
| | Effective interest rate | ECL % of Gross value | Gross value | Stage 1 | Stage 2 | Stage 3 |
| | % | % | R'000 | R'000 | R'000 | R'000 |
| Instalment finance | 11,2% | 2,2% | 1 776 122 | (8 503) | (2 897) | (27 119) |
| Mortgages | 11,0% | 0,1% | 540 843 | (503) | (79) | - |
| Call and term loans | 11,2% | 10,4% | 694 695 | (1 293) | (133) | (70 594) |
| Negotiable securities | 13,2% | 16,1% | 44 675 | - | - | (7 204) |
| Overdrafts and other advances | 11,3% | 3,4% | 428 663 | (4 185) | (339) | (10 173) |
| | | | 3 484 998 | (14 484) | (3 448) | (115 090) |
| Expected losses on banking advances | | 3,8% | (133 022) | | | |
| Carrying value | | | 3 351 976 | | | |
| | 2022 | | | | | |
| | Effective interest rate | ECL % of Gross value | Gross value | Stage 1 | Stage 2 | Stage 3 |
| | % | % | R'000 | R'000 | R'000 | R'000 |
| Instalment finance | 8,8% | 3,6% | 1 276 692 | (9 128) | (1 959) | (34 428) |
| Mortgages | 8,1% | 0,2% | 490 654 | (790) | (232) | (92) |
| Call and term loans | 7,9% | 10,1% | 496 464 | (921) | (1 265) | (48 088) |
| Negotiable securities | 8,9% | 12,3% | 40 609 | - | - | (4 985) |
| Overdrafts and other advances | 11,0% | 1,9% | 276 994 | (3 822) | (870) | (446) |
| | | | 2 581 413 | (14 661) | (4 326) | (88 039) |
| Expected losses on banking advances | | 4,1% | (107 026) | | | |
| Carrying value | | | 2 474 387 | | | |

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.4. Amounts owed to bank depositors

| | 2023 R'000 | 2022 R'000 |
|---|------------------|------------------|
| Call deposits | 5 234 481 | 4 653 619 |
| Fixed and notice deposits | 2 288 384 | 2 640 166 |
| | 7 522 865 | 7 293 785 |
| All amounts owed to bank depositors mature within one year. | | |
| Effective rates of interest | % | % |
| Call deposits | 4,6 | 2,1 |
| Fixed and notice deposits | 8,7 | 5,8 |

Amounts owed to bank depositors other than fixed and notice deposits are at floating interest rates. Refer note 11. Risk management for further disclosure.

8.5. Life assurance fund

Insurance contracts are those contracts under which Bidvest Life Limited (as insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects them.

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

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

Individual life insurance contracts

- Individual life insurance contracts insure against a comprehensive spectrum of risks, including life, disability, severe illness and income protection cover.
- These contracts are long-term in nature.
- The actuarial value of policyholder liabilities is determined based on a prospective discounted cash flow valuation basis calculated as the difference between the present value of future benefit payments plus expenses and the present value of future premiums. Best estimate assumptions regarding the future expected claims experience, premium income, expenses and commission are used. Where the value of policyholder liabilities is negative in aggregate, this is shown as assets arising from insurance contracts.
- Premiums are recognised as revenue when due. Premiums are shown before deducting reinsurance and commission.
- Acquisition costs for individual life insurance contracts represent commission and other costs that relate to the securing of new contracts and the renewing of existing contracts. The valuation basis for valuing insurance contracts makes implicit allowance for the deferral of acquisition costs and hence no explicit deferred acquisition cost asset is recognised in the statement of financial position. These are expensed in profit or loss.

Group life insurance contracts

- Group life insurance contracts insure against a comprehensive spectrum of protection benefits on a group basis. Life cover, severe illness, disability and income protection benefits are offered.
- These contracts are short-term in nature and are renewable annually.
- Insurance benefits and claims relating to group life insurance contracts are recognised in profit or loss based on the estimated liability for benefits owed to the contract holder. Death, disability and severe illness are accounted for when notified and paid. An estimate of the expected claim amount is charged to profit or loss and included in liabilities under insurance contracts. Liabilities are held to reflect IBNR claims. The IBNR is modified to reflect actual current operating conditions. The liabilities are calculated gross of reinsurance. An asset is then raised to allow for the expected recoveries from reinsurers.
- Premiums are recognised as revenue when due. Premiums are shown before the deducting reinsurance and commission.
- Acquisition costs for group life insurance contracts comprise all direct costs arising from the sale of insurance contracts. Commissions are expensed as incurred.

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

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

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

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

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.5. Life assurance fund (continued...)

| | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| Insurance contract (assets) liabilities | (280 485) | (209 072) |
| Balance at beginning of year | (209 072) | (146 772) |
| Movement during the year | (71 413) | (62 300) |
| De-recognition and transfer to disposal group (refer note 14. Disposal group held-for-sale) | 280 485 | - |
| Net assurance fund at end of year | - | (209 072) |
| Gross assurance fund * | - | (484 740) |
| Reinsurer's share | - | 275 668 |
| Net assurance fund | - | (209 072) |

* The insurance liability adequacy test was performed.

Insurance contracts

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

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

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

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

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

8.6. Investments

The classes for investments are amortised cost, fair value through profit or loss and fair value through other comprehensive income. While investments are also subject to the impairment requirements of IFRS9, the directors' valuation 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. No material impairments were identified.

Bidvest Bank has made irrevocable elections to measure certain equity investments at fair value through other comprehensive and present subsequent changes in the investments' fair value in other comprehensive income. Dividends are recognised as income in profit or loss unless the dividend represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not recycled through profit or loss.

Bidvest Bank holds debt investments that are measured at fair value through other comprehensive income as the financial asset is held in order to collect contractual cash flows and to be sold, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Debt Investments are subsequently measured at fair value. Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Bidvest Insurance irrevocably designate certain derivative financial instruments included in investments, that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as measured at fair value through profit or loss as doing so significantly reduces an accounting mismatch that would otherwise arise. These financial assets are subsequently measured at fair value and net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Investments are measured as follows:

| | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| Amortised cost | 88 046 | 42 644 |
| Fair value through other comprehensive income | 1 954 529 | 1 463 841 |
| Fair value through profit or loss | 959 414 | 871 698 |
| | 3 001 989 | 2 378 183 |
| Long-term portion of listed investments | 2 179 509 | 2 163 829 |
| Long-term portion of unlisted investments | 822 480 | 214 354 |
| | 3 001 989 | 2 378 183 |

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.6. Investments (continued...)

| | 2023 R'000 | 2022 R'000 |
|---|------------------|------------------|
| Fair value hierarchy of investments | | |
| Investments and loans held at cost or amortised cost | 88 046 | 42 644 |
| Investments held at fair value as determined on inputs based on: | 2 913 944 | 2 335 539 |
| Unadjusted quoted prices in an active market for identical assets (Level 1) | 2 887 294 | 2 217 008 |
| Factors that are not based on observable market data (Level 3) | 26 650 | 118 531 |
| | 3 001 990 | 2 378 183 |
| Movement in investments | | |
| Balance at the beginning of year | 2 378 183 | 2 758 681 |
| On acquisition of business | 10 699 | - |
| Purchases and loan advances | 3 110 123 | 2 351 949 |
| Fair value adjustment recognised through other comprehensive income | 10 280 | 3 002 |
| Fair value adjustment arising during the year recognised in the income statement | 168 721 | 37 627 |
| Impairment of investments | 725 | (35 187) |
| Proceeds on disposal, repayment of loans | (2 613 385) | (2 734 390) |
| Transfer to disposal group held-for-sale | (63 356) | - |
| Loss on disposal of investments | - | (3 499) |
| | 3 001 990 | 2 378 183 |
| Analysis of investments at a fair value not determined by observable market data | | |
| Balance at the beginning of year | 118 531 | 119 208 |
| On acquisition of business | - | - |
| On disposal of business | - | - |
| Purchases and loan advances | 1 883 | - |
| Fair value adjustment recognised through other comprehensive income | 1 712 | 919 |
| Fair value adjustment arising during the year recognised in the income statement | (6 080) | 4 778 |
| Proceeds on disposal, repayment of loans | (89 396) | (6 374) |
| | 26 650 | 118 531 |

Investments measured at fair value through other comprehensive income includes R1 272 million treasury bills (2022: R1 176 million), R645 million Government bonds (2022: R260 million), R32 million VISA shares (2022: R23 million). These investments are held by the Bank who has irrevocably elected to present the subsequent changes in fair value on these investments through other comprehensive income. It is the intention of the Bank to hold these equity investments over the long term, however these investments may be realised prior to maturity date.

Investments and loans held at amortised cost consists of enterprise development loans in the amount of R88 million (2022: R43 million). There were no significant expected credit losses raised against these loans.

Bidvest Insurance and Autosure hold portfolios of listed investments held for trading, which are measured and classified at fair value through profit or loss of R612 million (2022: R632 million) and unlisted investments held for trading, which are measured and classified at fair value through profit or loss of Rnil million (2022: R88 million). Included in listed investments is Bidcorp of R160 million (2022: R119 million).

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

No material expected credit losses were raised against investments.

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

8.7. Interest in associates and joint ventures

| | 2023 R'000 | 2022 R'000 |
|---|----------------|----------------|
| Unlisted associates and joint ventures | 562 032 | 518 991 |
| Net asset value | 688 436 | 645 395 |
| Inherent goodwill | 425 | 425 |
| Impairment allowances | (126 829) | (126 829) |
| Investments in associates and joint ventures at cost net of impairment allowances | 562 032 | 518 991 |
| Attributable share of post-acquisition reserves of associates and joint ventures | 112 602 | 11 926 |
| At beginning of year | 11 926 | 367 303 |
| Share of current year earnings net of dividend | 100 676 | 14 383 |
| Reversal of prior year reserves on unbundling, disposal, and or change in shareholding | - | (369 760) |
| Impairment of post acquisition reserves of associates and joint ventures - unlisted associates and joint ventures | (97) | (97) |
| Net advances to associates | 136 809 | 56 731 |
| Advances to associates | 309 896 | 229 818 |
| Expected loss allowances | (173 087) | (173 087) |
| | 811 346 | 587 551 |

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.7. Interest in associates and joint ventures (continued...)

| | 2023 R'000 | 2022 R'000 |
|---|----------------|----------------|
| Adcock Ingram Limited (India) | 471 319 | 342 746 |
| National Renal Care Proprietary Limited | 199 629 | 185 427 |
| Other | 140 398 | 59 378 |
| | 811 346 | 587 551 |

Loans to associates and joint ventures are disclosed as part of the carrying amount of the investment. Except for the R310 million (2022: R230 million) advance made to Strait Access Technologies Holdings Proprietary Limited, which attracts interest at the South African prime interest rate 11,75% (2022: 8,25%), all unsecured advances to associates are interest free and have no fixed terms of repayment.

The same impairment considerations have been applied to other listed investments in associates and joint ventures.

Summarised aggregated financial information of Adcock Ingram India:

| | R'000 | R'000 |
|--|-----------|-----------|
| Revenue | 923 564 | 893 294 |
| Profit for the year | 171 416 | 140 573 |
| Total comprehensive income for the year | 171 416 | 140 573 |
| Group's share of total comprehensive income | 85 537 | 70 146 |
| Dividends received | - | 34 548 |
| Current assets | 691 698 | 521 125 |
| Non-current assets | 560 767 | 395 625 |
| Current liabilities | (166 634) | (101 673) |
| Non-current liabilities | (141 304) | (128 212) |
| Reconciliation of the above summarised financial information to the carrying amount of Adcock Ingram India recognised in the consolidated financial statements: | | |
| Net assets of Adcock Ingram India | 944 527 | 686 865 |
| Proportion of Group's interest | 471 319 | 342 746 |
| Carrying value of Group's interest | 471 319 | 342 746 |

Summarised aggregated financial information of National Renal Care Proprietary Limited:

| | | |
|--|-----------|-----------|
| Revenue | 1 239 435 | 1 159 947 |
| Profit for the year | 91 680 | 74 440 |
| Total comprehensive income for the year | 91 680 | 74 440 |
| Group's share of total comprehensive income | 39 203 | 30 765 |
| Dividends received | 25 000 | 50 000 |
| Current assets | 321 820 | 298 849 |
| Non-current assets | 557 637 | 322 253 |
| Current liabilities | (277 913) | (211 718) |
| Non-current liabilities | (141 206) | (7 084) |
| Non-controlling interests | (61 080) | (31 447) |
| Reconciliation of the above summarised financial information to the carrying amount of National Renal Care Proprietary Limited recognised in the consolidated financial statements: | | |
| Net assets of National Renal Care Proprietary Limited | 399 258 | 370 853 |
| Proportion of Group's interest | 199 629 | 185 427 |
| Carrying value of Group's interest | 199 629 | 185 427 |

Summarised aggregated financial information of associates and joint ventures that are not individually material:

| | | |
|--|---------|--------|
| The Group's share of profit | 1 132 | 190 |
| The Group's share of total comprehensive income | 1 132 | 190 |
| Aggregate carrying amount of the Group investment in these associates and joint ventures | 140 398 | 59 378 |

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.8. Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Estimated net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of raw materials, finished goods, parts and accessories is determined on either the first in, first out or average cost basis. The cost of manufactured inventory and work in progress includes materials and parts, direct labour, other direct costs and includes an appropriate portion of overheads, but excludes interest expenses.

Vehicles and vehicle parts purchased in terms of manufacturers' standard franchise agreements or floorplan facilities are recognised as inventory when received as this is when control has been transferred.

| | 2023 R'000 | 2022 R'000 |
|--|-------------------|-------------------|
| Raw materials | 1 373 021 | 1 250 335 |
| Work-in-progress | 235 173 | 198 159 |
| Finished goods | 8 135 544 | 6 645 561 |
| New vehicles and motor cycles | 1 768 242 | 1 111 387 |
| Used vehicles | 1 257 593 | 1 072 947 |
| Demonstration vehicles | 832 542 | 726 709 |
| Parts and accessories | 509 473 | 370 767 |
| | 14 111 588 | 11 375 865 |
| 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 10.3. Borrowings) | 828 934 | 373 464 |
| Amounts included in trade and other payables relating to these assets (refer note 8.10. Trade and other payables) | 926 666 | 701 101 |
| | 1 755 600 | 1 074 565 |
| Write down of inventory to net realisable value charged to the income statement | 213 214 | 235 731 |

8.9. Trade and other receivables

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 R385 million (2022: R217 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.

As a result of the decentralised structure, operational management have the responsibility of determining the loss 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 loss allowance for a specific trade receivable was obtained for each reporting operation and calculated as a percentage of the Group's total loss allowance. It was determined that such percentage did not exceed 3,0% (2022: 2,8%) of the total loss allowance raised at year end for continued operations.

| | 2023 R'000 | 2022 R'000 |
|---|-------------------|-------------------|
| Trade receivables | 14 979 779 | 13 858 769 |
| Loss allowances | (722 755) | (731 140) |
| Net trade receivables | 14 257 024 | 13 127 629 |
| Forward exchange contracts asset | 37 110 | 33 633 |
| Derivative assets | 26 604 | 9 397 |
| Receivables relating to customer contracts | 1 226 716 | 1 079 994 |
| Deposits and prepayments | 1 414 018 | 1 023 117 |
| Currency swap derivative asset | 16 856 | 10 306 |
| Interest swap derivative asset | 2 669 | - |
| Value added tax receivable | 202 072 | 174 012 |
| Receivables arising on disposal of subsidiaries and or associates | 32 813 | 36 877 |
| Other operating receivables* | 1 386 369 | 1 065 677 |
| | 18 602 251 | 16 560 642 |

* Other receivables consist of a variety of items which are not individually material. Although these receivables and other non-trade receivables are also subject to impairment requirements of IFRS 9, the expected credit loss was not material, other operating receivables R19 million (2022: Rnil) and receivables relating to customer contracts R17 million (2022: R20 million).

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 11. Risk management for further disclosure on trade receivables, loss allowances, forward exchange contracts and interest rate swaps.

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.9. Trade and other receivables (continued...)

The Group applies the simplified approach to determine the expected credit losses (ECL) for trade receivables, contract assets and lease receivables (collectively, trade and other receivables). This results in calculating lifetime ECLs for these receivables.

As a practical expedient, the Group uses a provision matrix based on the Group's historical default rates over the expected life of the trade, contract and lease receivables and is adjusted for forward looking estimates. Historical default rates have been assessed using a 24 month period. Forward looking estimates include the economic outlook of the country in which the customer resides. The impact of the war in Ukraine, sustained high global inflation and interest rates have been factored into the Group's ECL models. The Group has further identified GDP, headline inflation and consumer confidence in the countries in which it sells its goods and services as the most relevant factors. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

A loss allowance is recognised at the first reporting date on which the receivable is recognised. After initial recognition, the loss allowance is adjusted, up or down, in the consolidated income statement at each consolidated statement of financial position date as the forward looking estimates change.

Receivables are considered to be in default when the payment terms have been exceeded with more than 60 days without any reason or subsequent arrangement to extend payment terms.

Receivables are credit impaired if there is no reasonable expectation of recovery. Credit impairment arises in the case of outstanding amounts over 120 days past due where there has been no communication received from the debtor. Credit impaired receivables are written off with subsequent recoveries of amounts previously written off credited to the consolidated income statement.

Movement in expected credit losses in respect of trade receivables

| | 2023 | 2022 |
|---|-----------|--------------------|
| | R'000 | Restated* R'000 |
| Balance at 1 July | 731 140 | 707 391 |
| Loss allowance raised during the year | 160 780 | 212 198 |
| Services South Africa | 8 405 | 16 930 |
| Services International | 49 897 | 76 710 |
| Branded Products | 47 091 | 47 725 |
| Freight | 11 642 | 8 775 |
| Automotive | 14 568 | 9 928 |
| Commercial Products | 26 969 | 35 927 |
| Financial Services | 2 066 | 7 494 |
| Properties | 35 | 436 |
| Corporate and investments | 107 | 8 273 |
| Write-offs during the year | (86 067) | (77 184) |
| Services South Africa | (5 026) | (5 314) |
| Services International | (45 069) | (39 973) |
| Branded Products | (10 173) | (10 419) |
| Freight | (2 547) | (2 024) |
| Automotive | (4 543) | (3 546) |
| Commercial Products | (18 625) | (13 385) |
| Properties | (84) | - |
| Corporate and investments | - | (2 523) |
| Net acquisition of businesses and recognition of subsidiary | (7 762) | 9 394 |
| Services International | 12 316 | 9 556 |
| Commercial Products | 471 | - |
| Financial Services | (2 754) | - |
| Properties | - | (162) |
| Corporate and investments | (17 795) | - |
| Reversal of loss allowance during the year | (135 123) | (123 865) |
| Services South Africa | (8 503) | (15 719) |
| Services International | (47 551) | (42 551) |
| Branded Products | (28 675) | (41 906) |
| Adcock Ingram | (5 812) | (4 289) |
| Freight | (1 361) | (1 699) |
| Automotive | (10 766) | (3 062) |
| Commercial Products | (17 560) | (14 299) |
| Financial Services | (14 895) | (334) |
| Corporate and investments | - | (6) |
| Exchange rate adjustments | 59 787 | 3 206 |
| Balance at 30 June | 722 755 | 731 140 |

Refer note 4.6. *Financial instruments* for further details on impairments.

* refer note 3. *Overview of group structure (restatement of comparatives)*

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.9. Trade and other receivables (continued...)

| | 2023 | | 2022 | |
|--|--|--|--|--|
| | 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 |
| <i>Collateral held on past due amounts</i> | | | | |
| Personal surety | * | 2 796 | * | 11 659 |
| Branded Products | | 98 | | 304 |
| Automotive | | 2 238 | | 6 615 |
| Commercial Products | | 460 | | 1 170 |
| Financial Services | | - | | 3 570 |
| Cover by credit insurance | 834 002 | 836 428 | 1 041 063 | 1 041 031 |
| Branded Products | 52 185 | 54 773 | 29 122 | 29 122 |
| Adcock Ingram | 462 498 | 462 498 | 463 398 | 463 398 |
| Freight | 1 189 | 1 189 | 753 | 753 |
| Automotive | 7 473 | 7 473 | 7 000 | 7 000 |
| Commercial Products | 310 657 | 310 495 | 540 790 | 540 758 |
| Pledge of assets | 1 552 | 1 552 | 2 009 | 2 009 |
| Commercial Products | 1 552 | 1 552 | 2 009 | 2 009 |
| Other | 50 880 | 50 880 | 65 759 | 65 759 |
| Freight | 34 345 | 34 345 | 64 952 | 64 952 |
| Financial Services | 3 645 | 3 645 | - | - |
| Commercial Products | 12 890 | 12 890 | 807 | 807 |
| Total | 886 434 | 891 656 | 1 108 831 | 1 120 458 |

* 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.

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.9. Trade and other receivables (continued...)

Ageing of trade receivables at 30 June

| | 2023 | | | | 2022 Restated* | | | |
|---------------------------|---|----------------------------|---------------------------|--------------------------|---|----------------------------|---------------------------|--------------------------|
| | <i>ECL as % of gross receivable</i> | Gross trade receivables | Expected credit losses | Net trade receivables | <i>ECL as % of gross receivable</i> | Gross trade receivables | Expected credit losses | Net trade receivables |
| | % | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Not past due | 0.7% | 9 569 466 | (71 323) | 9 498 143 | 1.0% | 8 673 535 | (84 153) | 8 589 382 |
| Services South Africa | 1.5% | 859 766 | (13 171) | 846 595 | 1.7% | 684 104 | (11 948) | 672 156 |
| Services International | 1.2% | 3 186 081 | (36 871) | 3 149 210 | 2.1% | 2 538 601 | (52 798) | 2 485 803 |
| Branded Products | 0.7% | 893 499 | (6 502) | 886 997 | 0.5% | 897 584 | (4 750) | 892 834 |
| Adcock Ingram | 0.0% | 1 147 991 | - | 1 147 991 | 0.0% | 946 999 | - | 946 999 |
| Freight | 0.4% | 2 023 271 | (8 889) | 2 014 382 | 0.3% | 2 488 256 | (6 614) | 2 481 642 |
| Automotive | 0.1% | 252 258 | (310) | 251 948 | 0.0% | 159 327 | - | 159 327 |
| Commercial Products | 0.5% | 1 125 769 | (5 206) | 1 120 563 | 0.6% | 741 071 | (4 231) | 736 840 |
| Financial Services | 0.5% | 80 831 | (374) | 80 457 | 2.5% | 101 239 | (2 533) | 98 706 |
| Properties | 0.0% | - | - | - | 0.0% | 294 | - | 294 |
| Corporate and investments | 0.0% | - | - | - | 1.1% | 116 060 | (1 279) | 114 781 |
| Past due | | | | | | | | |
| 0 - 30 days | 1.7% | 3 031 549 | (50 197) | 2 981 352 | 1.6% | 2 879 922 | (45 549) | 2 834 373 |
| Services South Africa | 2.5% | 260 524 | (6 425) | 254 099 | 2.8% | 211 982 | (5 922) | 206 060 |
| Services International | 2.4% | 916 373 | (22 032) | 894 341 | 2.5% | 889 276 | (22 600) | 866 676 |
| Branded Products | 1.2% | 228 759 | (2 714) | 226 045 | 1.8% | 174 346 | (3 109) | 171 237 |
| Adcock Ingram | 0.0% | 572 992 | - | 572 992 | 0.0% | 558 901 | - | 558 901 |
| Freight | 0.7% | 592 133 | (4 346) | 587 787 | 1.2% | 485 389 | (5 985) | 479 404 |
| Automotive | 9.7% | 58 358 | (5 674) | 52 684 | 1.8% | 83 630 | (1 544) | 82 086 |
| Commercial Products | 2.6% | 340 727 | (8 983) | 331 744 | 0.9% | 446 829 | (4 220) | 442 609 |
| Financial Services | 0.0% | 60 902 | - | 60 902 | 7.8% | 25 248 | (1 973) | 23 275 |
| Properties | 0.0% | - | - | - | 21.4% | 739 | (158) | 581 |
| Corporate and investments | 2.9% | 781 | (23) | 758 | 1.1% | 3 582 | (38) | 3 544 |
| 31 - 120 days | 7.2% | 1 469 289 | (106 508) | 1 362 781 | 11.1% | 1 488 050 | (165 317) | 1 322 733 |
| Services South Africa | 5.0% | 136 797 | (6 793) | 130 004 | 6.6% | 147 164 | (9 705) | 137 459 |
| Services International | 4.5% | 816 819 | (36 447) | 780 372 | 10.9% | 609 317 | (66 444) | 542 873 |
| Branded Products | 30.4% | 107 366 | (32 650) | 74 716 | 31.1% | 107 536 | (33 474) | 74 062 |
| Adcock Ingram | 0.0% | 98 837 | - | 98 837 | 0.2% | 132 278 | (285) | 131 993 |
| Freight | 3.8% | 118 823 | (4 541) | 114 282 | 8.4% | 124 518 | (10 497) | 114 021 |
| Automotive | 33.2% | 20 339 | (6 762) | 13 577 | 25.0% | 29 510 | (7 371) | 22 139 |
| Commercial Products | 16.4% | 117 104 | (19 256) | 97 848 | 5.7% | 272 030 | (15 621) | 256 409 |
| Financial Services | 0.1% | 52 870 | (59) | 52 811 | 11.6% | 45 363 | (5 251) | 40 112 |
| Properties | 0.0% | - | - | - | 57.9% | 497 | (288) | 209 |
| Corporate and investments | 0.0% | 334 | - | 334 | 82.6% | 19 837 | (16 381) | 3 456 |
| 121 + days | 54.4% | 909 475 | (494 727) | 414 748 | 53.4% | 817 262 | (436 121) | 381 141 |
| Services South Africa | 88.8% | 8 877 | (7 884) | 993 | 82.2% | 13 766 | (11 322) | 2 444 |
| Services International | 49.5% | 529 403 | (262 050) | 267 353 | 50.2% | 374 772 | (188 007) | 186 765 |
| Branded Products | 59.7% | 68 910 | (41 167) | 27 743 | 57.1% | 58 607 | (33 457) | 25 150 |
| Adcock Ingram | 50.0% | 57 802 | (28 877) | 28 925 | 42.2% | 81 152 | (34 231) | 46 921 |
| Freight | 53.0% | 42 598 | (22 584) | 20 014 | 23.9% | 35 431 | (8 477) | 26 954 |
| Automotive | 90.4% | 14 946 | (13 514) | 1 432 | 93.7% | 19 309 | (18 086) | 1 223 |
| Commercial Products | 69.8% | 167 629 | (117 038) | 50 591 | 59.9% | 225 708 | (135 114) | 90 594 |
| Financial Services | 5.2% | 18 670 | (976) | 17 694 | 89.2% | 8 111 | (7 237) | 874 |
| Properties | 100.0% | 528 | (528) | - | 50.0% | 190 | (95) | 95 |
| Corporate and investments | 97.3% | 112 | (109) | 3 | 44.0% | 216 | (95) | 121 |
| Total | 4.8% | 14 979 779 | (722 755) | 14 257 024 | 5.3% | 13 858 769 | (731 140) | 13 127 629 |

* refer note 3. Overview of group structure (restatement of comparatives)

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.10. Trade and other payables

| | 2023 R'000 | 2022 R'000 |
|--|-------------------|-------------------|
| Trade payables | 9 761 193 | 9 291 018 |
| Non-interest bearing floorplan creditors | 926 666 | 701 101 |
| Forward exchange contracts liability | 8 554 | 15 781 |
| Interest rate swap liabilities | - | 5 605 |
| Derivative liabilities | 32 208 | 22 843 |
| Payables relating to customer contracts | 2 214 236 | 1 620 612 |
| Value added tax liability | 994 107 | 743 925 |
| Salary and wage related accruals | 4 168 691 | 3 475 683 |
| Adcock Ingram Black Managers Share Trust cash settled share-based payment scheme | 22 772 | 22 772 |
| Adcock Ingram cash settled share-based payment scheme | 23 211 | 34 128 |
| Goods in transit and other stock accruals | 808 474 | 719 222 |
| Operating expense accruals | 4 255 026 | 3 845 485 |
| | 23 215 138 | 20 498 175 |

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 11. Risk Management* for further disclosure.

Trade payables by segment

| | 2023 R'000 | 2022 Restated* R'000 |
|---------------------------|------------------|----------------------------|
| Trade payables | | |
| Services South Africa | 477 518 | 397 709 |
| Services International | 1 090 128 | 657 741 |
| Branded Products | 1 172 680 | 1 150 881 |
| Adcock Ingram | 1 153 749 | 1 023 164 |
| Freight | 3 056 655 | 3 497 132 |
| Automotive | 812 293 | 662 965 |
| Commercial Products | 1 703 472 | 1 540 458 |
| Financial Services | 269 369 | 274 763 |
| Properties | 12 238 | 15 767 |
| Corporate and investments | 13 091 | 70 438 |
| | 9 761 193 | 9 291 018 |

* refer note 3. Overview of group structure (restatement of comparatives)

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, no hedge accounting is applied to these transactions. 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.

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.

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.10. Trade and other payables (continued...)

Forward exchange contracts

| 2023 | Settlement | Contract value | |
|---|----------------------------|----------------------|-------------------|
| | | Foreign amount 000's | Rand amount 000's |
| <i>In respect of forward exchange contracts relating to foreign liabilities as at 30 June 2023</i> | | | |
| Japanese yen | July 2023 - June 2024 | (3 198 787) | (449 158) |
| US dollar | July 2023 - May 2024 | (15 757) | (295 946) |
| Euro | July 2023 - September 2023 | (3 983) | (81 290) |
| Sterling | July 2023 - December 2023 | (344) | (8 050) |
| Other | July 2023 - November 2023 | (4 899) | (2 089) |
| | | | (836 533) |
| <i>In respect of forward exchange contracts relating to foreign assets as at 30 June 2023</i> | | | |
| US dollar | July 2023 - May 2024 | 8 192 | 155 157 |
| | | | 155 157 |
| <i>In respect of forward exchange contracts relating to goods and services ordered not accounted for as at 30 June 2023</i> | | | |
| Japanese yen | July 2023 - December 2023 | (164 523) | (21 939) |
| US dollar | July 2023 - May 2024 | (27 972) | (523 730) |
| Euro | July 2023 - May 2024 | (30 521) | (620 254) |
| Sterling | July 2023 - March 2024 | (87) | (2 087) |
| Other | July 2023 - October 2023 | (55 256) | (7 579) |
| | | | (1 175 589) |

| 2022 | Settlement | Contract value | |
|---|-------------------------------|----------------------|-------------------|
| | | Foreign amount 000's | Rand amount 000's |
| <i>In respect of forward exchange contracts relating to foreign liabilities as at 30 June 2022</i> | | | |
| Japanese yen | July 2022 - October 2022 | (3 702 039) | (482 575) |
| US dollar | July 2022 - June 2023 | (29 299) | (458 481) |
| Euro | July 2022 - October 2022 | (1 763) | (30 070) |
| Sterling | July 2022 - September 2023 | (31) | (609) |
| Other | July 2022 - September 2022 | (1 264) | (3 004) |
| | | | (974 739) |
| <i>In respect of forward exchange contracts relating to foreign assets as at 30 June 2022</i> | | | |
| US dollar | July 2022 - May 2023 | 1 875 | 29 274 |
| | | | 29 274 |
| <i>In respect of forward exchange contracts relating to goods and services ordered not accounted for as at 30 June 2022</i> | | | |
| US dollar | July 2022 - December 2022 | (4 437) | (68 375) |
| Euro | July 2022 - February 2023 | (2 320) | (39 557) |
| Sterling | September 2022 - October 2022 | (48) | (957) |
| Japanese yen | July 2022 - September 2022 | (392 127) | (47 305) |
| Other | July 2022 | (5) | (85) |
| | | | (156 280) |

The total value of trade receivables and trade payables whose payment terms are fixed in a foreign currency other than its operational currency are R357 million (2022: R282 million) and R905 million (2022: R947 million), respectively.

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.11. Provisions

| | | | 2023 | | | 2022 |
|---|----------------------|-------------------------|--------------------------|----------------|---------------|------------------|
| | | | R'000 | | | R'000 |
| Long-term portion | | | 567 657 | | | 671 955 |
| Short-term portion | | | 639 343 | | | 398 812 |
| | | | 1 207 000 | | | 1 070 767 |
| | Onerous contracts | Business Integration | Insurance liabilities | Legal claims | Other | Total |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Balance at 1 July 2021 | 44 818 | 322 533 | 226 505 | 459 271 | 42 863 | 1 095 990 |
| Created | 1 653 | 59 444 | 190 360 | 85 494 | 26 242 | 363 193 |
| Utilised | (15 291) | (112 420) | (212 375) | (81 001) | (18 365) | (439 452) |
| Net acquisition of businesses | - | 10 971 | - | 617 | - | 11 588 |
| Exchange rate adjustments | 259 | 1 031 | - | 38 158 | - | 39 448 |
| Balance at 30 June 2022 | 31 439 | 281 559 | 204 490 | 502 539 | 50 740 | 1 070 767 |
| Created | 1 438 | 54 930 | 120 949 | 59 469 | 28 999 | 265 785 |
| Utilised | (21 751) | (63 111) | (77 431) | (46 738) | (19 723) | (228 754) |
| Net disposal of businesses and disposal group | - | - | - | (8 378) | 4 369 | (4 009) |
| Exchange rate adjustments | 2 695 | 35 095 | - | 65 421 | - | 103 211 |
| Balance at 30 June 2023 | 13 821 | 308 473 | 248 008 | 572 313 | 64 385 | 1 207 000 |

Onerous contracts

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

Business integration

Provisions raised to restructure and re-align the Group's operations to reduced demand. Included are provisions for retrenchment arising from s189 (of the Labour Relations Act) notice and consultation processes and other provisions necessary to right-size the business.

Insurance liabilities

Insurance liabilities include amounts provided for under IFRS 4 and include: 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.

Legal claims

Legal claims include provisions raised under IAS37 for the estimated cost of claims not covered by the Group's insurance policies and in certain instances for the cost of claims below the Group's inner deductibles. Legal claims have long lead times and the provision is determined using actuarial assumptions.

Other

Included in other is a provision raised for the estimated cost of honouring warranties on certain products sold where the manufacturers' warranty is inadequate or not available, R63 million (2022: R40 million).

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.12. Lessor accounting

The Group generates revenues from operating lease and finance lease contracts, primarily from the full lifecycle fleet management solutions provided by Bidvest Bank. Other lease revenues accrue from business and office equipment (Konica Minolta), commercial and warehouse properties (Bidvest Properties).

| | 2023 R'000 | 2022 R'000 |
|---|------------------|------------------|
| Operating lease income | | |
| Fixed lease receipts | 698 355 | 688 624 |
| Other operating lease income | 104 788 | 80 461 |
| | 803 143 | 769 085 |
| Undiscounted contractual receipts from operating lease contracts | | |
| Land and buildings | 215 660 | 235 473 |
| Due in one year | 58 661 | 61 085 |
| Due after one year but within five years | 121 632 | 152 497 |
| Due after five years | 35 367 | 21 891 |
| Equipment and vehicles | 1 664 901 | 895 159 |
| Due in one year | 344 741 | 261 417 |
| Due after one year but within five years | 1 072 182 | 487 507 |
| Due after five years | 247 978 | 146 235 |
| | 1 880 561 | 1 130 632 |
| Finance lease income | | |
| Finance income on net investment in lease | 160 780 | 95 584 |
| Movement in carrying value of net investment in finance leases | | |
| Opening balance | 1 276 692 | 1 454 773 |
| Additions | 1 072 987 | 437 129 |
| Finance income | 160 780 | 95 584 |
| Receipts | (734 337) | (710 794) |
| | 1 776 122 | 1 276 692 |
| Loss allowances raised against investment in finance leases | (38 519) | (45 515) |
| | 1 737 603 | 1 231 177 |
| Undiscounted contractual receipts from finance lease contracts | | |
| Equipment and vehicles | 2 098 415 | 1 398 459 |
| Due in one year | 928 228 | 634 468 |
| Due after one year but within five years | 1 154 308 | 763 128 |
| Due after five years | 15 879 | 863 |
| | 2 098 415 | 1 398 459 |
| Impact of discounting | (322 293) | (121 768) |
| | 1 776 122 | 1 276 691 |

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.13. Segmental operating assets

Operating assets include property, plant and equipment, right-of-use assets, investments, interest in associates and joint ventures, banking and other advances, inventories, trade and other receivables, life assurance funds (comparative only) and defined benefit pension surplus.

| | 2023 | 2022 |
|---------------------------------------|-------------|--------------------|
| | R'000 | Restated* R'000 |
| Services South Africa | 3 218 736 | 2 635 873 |
| Services International | 10 310 945 | 8 499 257 |
| Branded Products | 4 664 757 | 4 144 669 |
| Adcock Ingram | 6 838 055 | 6 214 896 |
| Freight | 9 252 961 | 9 424 713 |
| Commercial Products | 8 512 358 | 6 820 867 |
| Financial Services | 8 765 659 | 7 393 310 |
| Automotive | 5 280 207 | 4 061 288 |
| Properties | 4 455 355 | 4 347 247 |
| Corporate and investments | 827 863 | 783 214 |
| | 62 126 896 | 54 325 334 |
| Inter-group eliminations | (987 825) | (790 691) |
| | 61 139 071 | 53 534 643 |
| Geographic region | | |
| Southern Africa | 53 479 938 | 47 327 308 |
| International | 8 646 958 | 6 998 026 |
| | 62 126 896 | 54 325 334 |
| Reconciliation to total assets | | |
| Operating assets | 61 139 071 | 53 534 643 |
| Goodwill | 17 424 831 | 14 085 245 |
| Intangible assets | 15 388 222 | 13 633 353 |
| Deferred taxation asset | 1 607 318 | 1 518 704 |
| Currency swap derivative asset | 1 513 982 | 1 339 439 |
| Taxation | 400 386 | 383 325 |
| Cash and cash equivalents | 9 253 504 | 11 521 461 |
| Disposal Group assets held-for-sale | 781 208 | - |
| | 107 508 522 | 96 016 170 |

* refer note 3. Overview of group structure (restatement of comparatives)

Notes to the consolidated financial statements

for the year ended 30 June

8. Operating assets and liabilities (continued...)

8.14. Segmental operating liabilities

Operating liabilities include post retirement obligations, life assurance funds (comparative only), trade and other payables and provisions, amounts owed to bank depositors and lease liabilities.

| | 2023 | 2022 |
|--|-------------------|--------------------|
| | R'000 | Restated* R'000 |
| Services South Africa | 2 282 604 | 1 920 395 |
| Services International | 8 124 162 | 6 503 559 |
| Branded Products | 2 649 897 | 2 284 494 |
| Adcock Ingram | 2 566 362 | 2 378 093 |
| Freight | 5 505 310 | 5 939 046 |
| Commercial Products | 3 927 396 | 3 366 906 |
| Financial Services | 9 455 919 | 9 393 405 |
| Automotive | 2 993 834 | 2 637 313 |
| Properties | 78 073 | 76 702 |
| Corporate and investments | 469 501 | 594 077 |
| | 38 053 058 | 35 093 990 |
| Inter-group eliminations | (987 825) | (790 691) |
| | 37 065 233 | 34 303 299 |
| Geographic region | | |
| Southern Africa | 31 098 744 | 29 611 475 |
| International | 6 954 314 | 5 482 515 |
| | 38 053 058 | 35 093 990 |
| Reconciliation to total liabilities | | |
| Operating liabilities | 37 065 233 | 34 303 299 |
| Deferred taxation liabilities | 4 631 801 | 4 092 040 |
| Interest bearing borrowings | 28 356 369 | 25 083 267 |
| Vendors for acquisition | 4 108 | 752 |
| Taxation | 761 424 | 661 467 |
| Disposal group liabilities held-for-sale | 357 895 | - |
| | 71 176 830 | 64 140 825 |

* refer note 3. Overview of group structure (restatement of comparatives)

Notes to the consolidated financial statements

for the year ended 30 June

9. Business combinations, goodwill and intangibles

9.1. Subsidiaries

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

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Non-controlling interest is initially 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. 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.

The Group's transactions with non-controlling interests includes acquisitions of R557 million (*refer consolidated cash flow statement*), which includes the acquisition of an additional 4,4% of Adcock Ingram for R534 million, R23 million paid to gain full control of a number of smaller entities. The Group the disposed of 36,4% of Safcor Freight (Pty) LTD for R188 million.

| Contribution to non-controlling interests | 2023 | 2022 |
|--|------------------|------------------|
| | R'000 | R'000 |
| Profit allocated to non-controlling interests | | |
| Adcock Ingram | 364 709 | 351 434 |
| Non-controlling interests of Adcock Ingram | 364 759 | 351 050 |
| Non-controlling interests of Adcock Ingram subsidiaries | (50) | 384 |
| Other non-controlling interests | 28 826 | 24 138 |
| Total profit allocated to non-controlling interests | 393 535 | 375 572 |
| Accumulated non-controlling interests | | |
| Adcock Ingram | 3 041 503 | 3 309 477 |
| Non-controlling interests of Adcock Ingram | 3 041 529 | 3 309 248 |
| Non-controlling interests of Adcock Ingram subsidiaries | (26) | 229 |
| Other non-controlling interests | 298 013 | 199 232 |
| Total accumulated non-controlling interests | 3 339 516 | 3 508 709 |

The summarised financial information below of Adcock Ingram represents amounts before intergroup eliminations.

The Group's effective economic interest in Adcock Ingram is 62,3% (2022: 57,9%).

| | R'000 | R'000 |
|--|--------------------|--------------------|
| <i>Statement of financial position items</i> | | |
| Current assets | 4 614 417 | 4 344 990 |
| Non-current assets | 3 648 117 | 3 544 172 |
| Current liabilities | (2 434 209) | (2 186 338) |
| Non-current liabilities | (440 413) | (457 701) |
| Non-controlling interests | 26 | (229) |
| Equity attributable to the owners of the company | (5 387 938) | (5 244 894) |
| <i>Statement of comprehensive income items</i> | | |
| Revenue | 9 131 852 | 8 705 817 |
| Expenses | 8 233 442 | 7 905 472 |
| Profit for the year | 898 360 | 800 729 |
| Profit attributable to non-controlling interests | 50 | (384) |
| Profit attributable to the owners of the company | 898 410 | 800 345 |
| Other comprehensive income attributable to owners of the company (will not subsequently be reclassified to profit or loss) | 2 318 | 2 591 |
| Other comprehensive income attributable to owners of the company (may subsequently be reclassified to profit or loss) | 102 554 | 26 723 |
| Total comprehensive income for the year | 1 003 282 | 829 659 |
| Dividends paid to non-controlling interests | 204 | 915 |
| <i>Statement of cash flow items</i> | | |
| Cash inflow from operating activities | 381 752 | 657 333 |
| Cash outflow from investing activities | (141 624) | (323 311) |
| Cash outflow from financing activities | (504 638) | (37 494) |
| Net cash (outflow) inflow | (264 510) | 296 528 |

Notes to the consolidated financial statements

for the year ended 30 June

9. Business combinations, goodwill and intangibles (continued...)

9.2. Acquisition of businesses, subsidiaries and associates

| <i>Acquisition of businesses, subsidiaries and associates</i> | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| Property, plant and equipment | (172 967) | (29 627) |
| Right-of-use assets | (38 346) | (36 194) |
| Deferred taxation | 158 585 | 6 722 |
| Investments and advances | (10 699) | - |
| Inventories | (17 492) | (51 927) |
| Trade and other receivables | (253 886) | (182 379) |
| Cash and cash equivalents | (112 068) | (77 472) |
| Borrowings | 77 980 | 31 968 |
| Trade and other payables and provisions | 379 295 | 101 772 |
| Lease liabilities | 40 329 | 36 194 |
| Taxation | 4 274 | 6 649 |
| Net fair value of (assets) liabilities | 55 005 | (194 294) |
| Goodwill | (1 425 901) | (357 989) |
| Intangible assets | (640 985) | (24 479) |
| Total value of acquisitions | (2 011 881) | (576 762) |
| Less: Cash and cash equivalents acquired | 112 068 | 77 472 |
| Vendors for acquisition at beginning of year | (752) | (752) |
| Vendors for acquisition at end of year | 4 108 | 752 |
| Prepaid acquisitions | (58 500) | - |
| Costs incurred in respect of acquisitions | (45 040) | (58 517) |
| Exchange rate adjustments | (433) | - |
| Net amounts paid | (2 000 430) | (557 807) |

Notes to the consolidated financial statements

for the year ended 30 June

9. Business combinations, goodwill and intangibles (continued...)

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

Bidvest Services International via The Bidvest Group Australia acquired 100% of the ordinary share capital and voting rights of B.I.C Services Pty Limited (BIC), effective 7 July 2022. The acquisition price of AUD163 million (R1.8 billion) was 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. The acquisition provides an important foothold, which will allow the Group to expand its hygiene, cleaning and facilities management business in the Asia Pacific region (refer note 9.4 for key assumptions regarding fair value of assets and liabilities acquired).

During the year the Group also made the following less significant "bolt-on" acquisitions, which were funded from existing facilities and cash resources:

On 1 July 2022 Bidvest Material Handling, a division of Bidvest Commercial Products (Pty) Limited, acquired the assets and liabilities of the A² Group of companies for R92 million utilising existing cash resources and facilities. The acquisition of the A² businesses supplements Bidvest Material Handling's product range and introduces an electric materials handling rental business to the Group.

On 26 October 2022 Serkonten (Spain), a component of Bidvest Services International, acquired 100% of the share capital and voting rights of Servicios Antiplagas, Higiene Y Control Ambiental S.A.U. (Sahicasa) for EUR2.2 million (R39 million) utilising existing cash resources and facilities. Sahicasa provides pest control, environmental and personal hygiene services, and water and environmental control services in Spain. The acquisition extends Serkonten's existing footprint in Spain.

Effective 1 November 2022 Bidvest Financial Services acquired 100% of the ordinary share capital and voting rights of F&I products and Consulting Services (Pty) Ltd and its subsidiaries Autosure (Pty) Ltd and Autosure Cover (Pty Ltd (Autosure) for R15.5 million. Autosure is an underwriting management agency specialising in insurance and value-added products and services in the South African motor retail industry. The acquisition, funded with existing cash resources and facilities, complements the Group's existing value-added insurance products and services business by providing an additional platform to sell the augmented products and services offering to a new and broader range of clients.

Goodwill arose on the acquisitions as the anticipated value of future cash flows that were taken into account in determining the purchase consideration exceeded the net assets acquired at fair value. The Directors believe that the goodwill of the acquisitions reflects, the expectation that the businesses will continue to generate new customers over time, the acquired workforce (which is not an identifiable asset for financial reporting purposes), and the growth opportunities. The acquisitions have enabled the Group to expand its range of complementary products and services and, as a consequence, has broadened the Group's base and geographic reach in the market place.

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

| | BIC Services R'000 | Other smaller acquisitions R'000 | Total R'000 |
|---|-----------------------|--|----------------|
| Identifiable assets and liabilities acquired | | | |
| Property, plant and equipment | 55 430 | 117 537 | 172 967 |
| Right-of-use assets | 29 281 | 9 065 | 38 346 |
| Deferred taxation | (151 321) | (7 264) | (158 585) |
| Investments and advances | - | 10 699 | 10 699 |
| Inventories | 3 293 | 14 199 | 17 492 |
| Trade and other receivables | 146 800 | 107 086 | 253 886 |
| Cash and cash equivalents | 93 111 | 18 957 | 112 068 |
| Borrowings | (14 110) | (63 870) | (77 980) |
| Trade and other payables and provisions | (264 608) | (114 687) | (379 295) |
| Lease liabilities | (30 232) | (10 097) | (40 329) |
| Taxation | (463) | (3 811) | (4 274) |
| Intangible assets | 602 170 | 38 815 | 640 985 |
| | 469 351 | 116 629 | 585 980 |
| Goodwill | 1 369 168 | 56 733 | 1 425 901 |
| Net assets acquired | 1 838 519 | 173 362 | 2 011 881 |
| Less: Cash and cash equivalents acquired | (93 111) | (18 957) | (112 068) |
| Net consideration | 1 745 408 | 154 405 | 1 899 813 |
| Trade and other receivables stated net of the following loss allowances | | | |
| Expected credit loss allowances | (11 502) | (1 418) | (12 920) |
| Contribution to results for the year | | | |
| Revenue | 1 757 874 | 281 965 | 2 039 839 |
| Profit or (loss) | 274 928 | 58 562 | 333 490 |
| Contribution to results for the year if the acquisitions had been effective on 1 July 2022 | | | |
| Revenue | 1 757 874 | 308 462 | 2 066 336 |
| Profit or (loss) | 274 928 | 68 778 | 343 706 |

Notes to the consolidated financial statements

for the year ended 30 June

9. Business combinations, goodwill and intangibles (continued...)

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

| | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| Property, plant and equipment | 122 960 | 37 485 |
| Right-of-use assets | 14 565 | - |
| Intangibles | 974 | - |
| Goodwill | 2 084 | - |
| Deferred taxation | (28 090) | 27 216 |
| Interest in associates | - | 33 300 |
| Inventories | 57 657 | - |
| Trade and other receivables | 153 799 | 2 203 |
| Cash and cash equivalents and bank overdrafts | 9 997 | 10 820 |
| Lease liability | (18 376) | - |
| Trade and other payables and provisions | (115 996) | (8 598) |
| Taxation | (61) | (591) |
| Carrying value of net assets | 199 513 | 101 835 |
| Non-controlling interest | 484 | - |
| Realisation of foreign currency translation reserves | (13) | 6 645 |
| Realisation of share-based payments reserves | 126 | - |
| Net loss on disposal of interest in subsidiaries and associates, and disposal and closure of businesses | (138 551) | 172 750 |
| Cash and cash equivalents and bank overdrafts disposed of | (9 997) | (10 820) |
| Net settlement of other receivables arising on disposal of subsidiaries and associates | 10 407 | 15 526 |
| Net cash impact | 61 969 | 285 936 |

Effective 31 December 2022, the Group disposed of its entire interest in the Taeuber and Corrsen Group of companies, principally Taeuber & Corrsen SWA (Pty) Ltd, Rennies Logistics (Pty) Ltd and T&C Properties (Pty) Ltd for R55 million. Taeuber and Corrsen is a Namibian countrywide provider of distribution, sales, marketing and merchandising services for quality consumer goods, representing major international and local product brands. The disposal is in accordance with the Group's strategy of divesting from non-core businesses.

Other minor disposals include:

During September 2022 the Group disposed of its entire interest in Mubelo Electrical Ltd (Mubelo), a Mauritian electrical distribution company, for R1 million.

Effective 1 December 2022, the Group disposed of its entire interest in Bidvest Wealth and Employee Benefits (Pty) Ltd (BWEB), a South African employee and group benefits administrator for R5.6 million. The disposal is in keeping with the Group's strategy of divesting from non-core businesses.

The impact of the above disposals on the Group's results can be summarised as follows:

| | Taeuber & Corrsen R'000 | Other minor disposals R'000 | Total R'000 |
|--|-------------------------------|-----------------------------------|----------------|
| Identifiable assets and liabilities disposed | | | |
| Property, plant and equipment | (121 416) | (1 544) | (122 960) |
| Right-of-use assets | (1 599) | (12 966) | (14 565) |
| Deferred taxation | 32 160 | (4 070) | 28 090 |
| Inventories | (52 802) | (4 855) | (57 657) |
| Trade and other receivables | (153 506) | (293) | (153 799) |
| Cash and cash equivalents and bank overdrafts | (3 880) | (6 117) | (9 997) |
| Lease liability | 1 693 | 16 683 | 18 376 |
| Trade and other payables and provisions | 112 844 | 3 152 | 115 996 |
| Taxation | 61 | - | 61 |
| Intangible assets | (963) | (11) | (974) |
| Goodwill | - | (2 084) | (2 084) |
| Non-controlling interest | - | (484) | (484) |
| Realisation of foreign currency translation reserve | - | 13 | 13 |
| Realisation of share-based payment reserve | - | (126) | (126) |
| Total net assets disposed | (187 408) | (12 702) | (200 110) |
| <i>Settled as follows:</i> | | | |
| Cash and cash equivalents and bank overdrafts disposed of | 3 880 | 6 117 | 9 997 |
| Net loss on disposal of operations | 132 409 | 6 142 | 138 551 |
| Net receivable reversed on disposal of subsidiaries and associates | - | (10 407) | (10 407) |
| Net proceeds on disposal of businesses, subsidiaries, associates and investments | (51 119) | (10 850) | (61 969) |

Notes to the consolidated financial statements

for the year ended 30 June

9. Business combinations, goodwill and intangibles (continued...)

9.4. Intangible assets

Software development costs are capitalised and 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 as and when incurred. Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are tested for impairment at each statement of financial position date, intangible assets with a definite lives are tested for impairment when events triggering testing occur. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are currently:

| | |
|---|----------------------------------|
| Patents, trademarks, tradenames and other intangibles | 3 to 20 years or indefinite life |
| Computer software | 3 to 8 years |

Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

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

Impairment of intangible assets

The recoverable amounts of the smallest identifiable CGUs or groups of CGUs were determined using the value-in-use method in order to identify impairment of related intangibles. In applying the value-in-use method discounted cash flows calculations were performed over a five year period, net working capital increase were based on expected growth rates in revenue and capex based on maintaining the capital base.

| | 2023 | | 2022 | |
|-------------------------------|----------------|-----------------|----------------|---------------|
| | Local | International | Local | International |
| Terminal rate (range) | 2,2% to 6,3% | 4,9% to 5,3% | 2,1% to 6,5% | 4,5% to 5,9% |
| Pre-tax discount rate (range) | 16,2% to 18,4% | 14,8% to 15,14% | 10,7% to 19,4% | 8,9% to 19,4% |
| Growth rate | 2,1% to 7,9% | 4,9% to 5,3% | 1,3% to 6,7% | 4,5% to 7,1% |

The amortisation and impairment charges are included in operating expenses in the consolidated income statement (refer note 5.5. Profit before finance charges and associate income).

Carrying value of intangible assets

| | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| Patents, trademarks, tradenames and other intangibles | 14 916 267 | 13 147 775 |
| Cost | 17 361 359 | 15 094 769 |
| Accumulated amortisation and impairments | (2 445 092) | (1 946 994) |
| Computer software | 453 727 | 455 712 |
| Cost | 1 471 977 | 1 410 347 |
| Accumulated amortisation and impairments | (1 018 250) | (954 635) |
| Capital work-in-progress | 18 228 | 29 866 |
| | 15 388 222 | 13 633 353 |

Notes to the consolidated financial statements

for the year ended 30 June

9. Business combinations, goodwill and intangibles (continued...)

9.4. Intangible assets (continued...)

Movement in intangible assets

| | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| Carrying value at beginning of year | 13 633 353 | 13 661 818 |
| Additions | 196 394 | 331 698 |
| Patents, trademarks, tradenames and other intangibles | 37 000 | 210 332 |
| Computer software | 171 032 | 142 424 |
| Capital work-in-progress | (11 638) | (21 058) |
| Expenditure | 9 978 | 8 249 |
| Transfers to other categories | (21 616) | (29 307) |
| On acquisition of businesses | 640 985 | 24 479 |
| Patents, trademarks, tradenames and other intangibles | 640 985 | 24 479 |
| Disposals | (289) | (15 358) |
| Computer software | (289) | (15 358) |
| On disposal of businesses and disposal groups | (23 290) | - |
| Computer software | (23 290) | - |
| Exchange rate adjustments | 1 468 867 | 46 867 |
| Patents, trademarks, tradenames and other intangibles | 1 463 120 | 46 617 |
| Computer software | 5 747 | 250 |
| Amortisation | (465 625) | (394 697) |
| Patents, trademarks, tradenames and other intangibles | (350 348) | (289 060) |
| Computer software | (115 277) | (105 637) |
| Impairment | (62 173) | (21 454) |
| Patents, trademarks, tradenames and other intangibles | (22 264) | - |
| Computer software (reversal in prior year) | (39 909) | (21 454) |
| Carrying value at end of year | 15 388 222 | 13 633 353 |
| Segmental intangible assets | | Restated* |
| Services South Africa | 729 768 | 732 579 |
| Services International | 8 820 575 | 7 047 068 |
| Branded Products | 157 703 | 165 145 |
| Adcock Ingram | 4 705 140 | 4 714 514 |
| Freight | 73 907 | 90 878 |
| Commercial Products | 598 196 | 594 151 |
| Financial Services | 244 488 | 247 822 |
| Automotive | 1 987 | 3 128 |
| Corporate and investments | 56 458 | 38 068 |
| | 15 388 222 | 13 633 353 |
| Geographic region | | |
| Southern Africa | 6 642 715 | 6 655 263 |
| International | 8 745 507 | 6 978 090 |
| | 15 388 222 | 13 633 353 |

* refer note 3. Overview of group structure (restatement of comparatives)

Notes to the consolidated financial statements

for the year ended 30 June

9. Business combinations, goodwill and intangibles (continued...)

9.4. Intangible assets (continued...)

Segmental amortisation and impairments of intangible assets

| | 2023 | 2022 |
|---------------------------|----------------|--------------------|
| | R'000 | Restated* R'000 |
| Services South Africa | 12 711 | 16 663 |
| Services International | 339 506 | 276 560 |
| Branded Products | 22 740 | 12 826 |
| Adcock Ingram | 9 374 | 9 374 |
| Freight | 25 373 | 19 283 |
| Commercial Products | 8 679 | 10 888 |
| Financial Services | 106 400 | 35 061 |
| Automotive | 1 141 | 722 |
| Corporate and investments | 1 874 | 34 774 |
| | 527 798 | 416 151 |
| Geographic region | | |
| Southern Africa | 193 414 | 144 415 |
| International | 334 384 | 271 736 |
| | 527 798 | 416 151 |

* refer note 3. Overview of group structure (restatement of comparatives)

Indefinite life intangible assets arising on acquisition of subsidiaries and or recognition of subsidiaries:

2023

| Cash generating unit | Opening balance | Acquisitions | Disposals | Impairments | Exchange rate adjustments | Closing balance |
|--------------------------------|------------------|----------------|-----------|-------------|---------------------------|------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Bidvest Services South Africa | 697 435 | - | - | - | - | 697 435 |
| Bidvest Services International | 3 158 721 | 212 000 | - | - | 659 061 | 4 029 782 |
| Adcock Ingram | 4 194 291 | - | - | - | - | 4 194 291 |
| Bidvest Branded Products | 115 000 | - | - | - | - | 115 000 |
| Bidvest Commercial Products | 579 892 | - | - | - | - | 579 892 |
| | 8 745 339 | 212 000 | - | - | 659 061 | 9 616 400 |

2022

| Cash generating unit | Opening balance | Acquisitions | Disposals | Impairments | Exchange rate adjustments | Restated* Closing balance |
|--------------------------------|------------------|--------------|-----------|-------------|---------------------------|------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Bidvest Services South Africa | 697 435 | - | - | - | - | 697 435 |
| Bidvest Services International | 3 140 012 | - | - | - | 18 709 | 3 158 721 |
| Adcock Ingram | 4 194 291 | - | - | - | - | 4 194 291 |
| Bidvest Branded Products | 115 000 | - | - | - | - | 115 000 |
| Bidvest Commercial Products | 579 892 | - | - | - | - | 579 892 |
| | 8 726 630 | - | - | - | 18 709 | 8 745 339 |

* refer note 3. Overview of group structure (restatement of comparatives)

Notes to the consolidated financial statements

for the year ended 30 June

9. Business combinations, goodwill and intangibles (continued...)

9.4. Intangible assets (continued...)

Definite life intangible assets arising on acquisition and or recognition of subsidiaries:

2023

| Group of cash generating units | Opening balance | Acquisitions | Amortisation | Impairments | Exchange rate adjustments | Closing balance |
|--------------------------------|-----------------|--------------|--------------|-------------|---------------------------|-----------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Bidvest Services South Africa | 17 780 | - | (4 299) | - | - | 13 481 |
| Bidvest Services International | 3 842 286 | 421 335 | (328 434) | - | 803 066 | 4 738 253 |
| Adcock Ingram | 160 142 | - | (9 374) | - | - | 150 768 |
| Bidvest Financial Services | 18 813 | - | (3 348) | - | - | 15 465 |
| | 4 039 021 | 421 335 | (345 455) | - | 803 066 | 4 917 967 |

The fair values of the assets and liabilities have been determined for the BIC acquisition and resulted in the identification of definite life customer relationship intangible assets in the amount of R390 million (AUD34,6 million) and indefinite life Brand intangible assets of R212 million (AUD18,8 million). The Multi-Period Excess Earnings Method (MPEEM), 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 (RUL) of 10 years. An existing customer attrition rate of 20% was applied to forecasted existing customer revenues. A Weighted Average Cost of Capital (WACC) in a range of 12% to 13.4%, plus a premium of 0.25%, was applied in the valuation. The Relief from Royalty Method has been utilised to determine the fair value of the BIC brand, which has been in existence for over 30 years and therefore concluded to have an indefinite future life. The use of a royalty rate of 2.5% was informed by market data for similar transactions that occurred in the last five years and the profitability of BIC. A portion of the residual Goodwill is supported by the identified trained and assembled workforce.

Other minor acquisitions resulted in the identification of a further R31 million definite life Customer Relationships, which are estimated to have a Remaining Useful Life (RUL) of 12 years.

2022

| Group of cash generating units | Opening balance | Acquisitions | Amortisation | Impairments | Exchange rate adjustments | Restated* Closing balance |
|--------------------------------|-----------------|--------------|--------------|-------------|---------------------------|---------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Bidvest Services South Africa | 22 079 | - | (4 299) | - | - | 17 780 |
| Bidvest Services International | 4 047 599 | 24 247 | (265 433) | - | 35 873 | 3 842 286 |
| Adcock Ingram | 169 516 | - | (9 374) | - | - | 160 142 |
| Bidvest Financial Services | 22 757 | - | (3 944) | - | - | 18 813 |
| | 4 261 951 | 24 247 | (283 050) | - | 35 873 | 4 039 021 |

* refer note 3. Overview of group structure (restatement of comparatives)

The fair value of the assets and liabilities acquired were determined for the 2022 acquisition of the Mayflower Group and resulted in the identification of definite life Customer Relationship intangible assets in the amount of R24 million (£1.2 million). The Multi-Period Excess Earnings Method (MPEEM) 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 (RUL) of 12 years. An existing customer attrition rate of 10% was applied to forecasted existing customer revenues. A Weighted Average Cost of Capital (WACC) of 9.9% (6.9% base rate plus 3% 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.

Notes to the consolidated financial statements

for the year ended 30 June

9. Business combinations, goodwill and intangibles (continued...)

9.5. Goodwill

| | 2023 R'000 | 2022 R'000 |
|--|---------------|---------------|
| Carrying value at beginning of year | 14 085 245 | 13 678 707 |
| Exchange rate adjustments | 1 921 834 | 48 549 |
| On acquisition of businesses | 1 425 901 | 357 989 |
| On disposal of businesses and disposal group | (8 149) | - |
| Carrying value at end of year | 17 424 831 | 14 085 245 |

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 the value-in-use method and fair value less cost to sell methods.

The carrying amount of goodwill was allocated to Group segments as follows:

| | R'000 | Restated* R'000 |
|--------------------------|------------|--------------------|
| Services South Africa | 1 532 414 | 1 532 414 |
| Services International | 12 226 697 | 8 905 871 |
| Branded Products | 1 019 554 | 1 019 554 |
| Adcock Ingram | 1 303 200 | 1 303 200 |
| Freight | 99 895 | 99 895 |
| Commercial Products | 912 444 | 892 672 |
| Financial Services | 256 856 | 257 868 |
| Automotive | 46 574 | 46 574 |
| Properties | 27 197 | 27 197 |
| | 17 424 831 | 14 085 245 |
| Geographic region | | |
| Southern Africa | 5 513 205 | 5 472 913 |
| International | 11 911 626 | 8 612 332 |
| | 17 424 831 | 14 085 245 |

* refer note 3. Overview of group structure (restatement of comparatives)

Following a group structure reorganisation, goodwill arising from the Adcock Ingram business combination previously tested for impairment as a component of the Bidvest Banded Products group of CGUs is now tested as a separate group of CGUs. R1,3 billion goodwill allocated to the Adcock Ingram group of CGUs was determined on a relative value basis. The value of the remaining group of Bidvest Branded Products CGU's was calculated using the value-in-use method by discounting five year forecasted cashflows, which incorporated growth rates of between 6.1% to 6.6% and a terminal rate of 6%, at a pretax discount rate of 17%. The value of the Adcock Ingram group of CGU's was determined as the fair value less cost to sell derived from discounted cash flows, applying growth rates of between 6,0% and 6,8%, a terminal rate of 5,5% and a pretax discount rate of 17,6%.The prior year comparative has been restated.

The recoverable amounts of the Group segments were determined as the higher of the fair value less cost to sell and the value-in-use method using the following inputs:

2023

Value-in-use

| Group segment | DCF growth rate | DCF terminal rate | Pre-tax discount rate [^] | Impairment R'000 | Reasons | Sensitivity * |
|--------------------------------|-----------------|-------------------|------------------------------------|------------------|----------------------------------|-----------------------|
| Bidvest Services SA | 5,5% to 6,6% | 5,6% | 18,2% | - | Carry value < recoverable amount | No significant impact |
| Bidvest Services International | 4,9% to 5,3% | 5,1% | 15,0% | - | Carry value < recoverable amount | No significant impact |
| Bidvest Freight | 6,2% to 7,9% | 6,3% | 16,5% | - | Carry value < recoverable amount | No significant impact |
| Bidvest Branded Products | 6,1% to 6,6% | 6,0% | 17,0% | - | Carry value < recoverable amount | No significant impact |
| Bidvest Commercial Products | 5,8% to 6,6% | 6,0% | 17,8% | - | Carry value < recoverable amount | No significant impact |
| Bidvest Financial Services | 5,1% to 6,6% | 5,5% | 16,6% | - | Carry value < recoverable amount | No significant impact |
| Bidvest Automotive | 4,5% to 5,9% | 5,4% | 16,8% | - | Carry value < recoverable amount | No significant impact |
| Bidvest Properties | 2,1% to 2,7% | 2,2% | 16,5% | - | Carry value < recoverable amount | No significant impact |

* The impact of 1% change in the five year growth rates, terminal growth rate and discount rate on the recoverable amount.

[^] 2023 pre-tax discount rates were impacted by significant increases in risk free rates.

Notes to the consolidated financial statements

for the year ended 30 June

9. Business combinations, goodwill and intangibles (continued...)

9.5. Goodwill (continued...)

The recoverable amounts of the Group segments were determined as the higher of the fair value less cost to sell and the value-in-use method using the following inputs: (continued...)

2023

Fair value less cost to sell based on discounted cashflows

| Group segment | DCF growth rate | DCF terminal rate | Pre-tax discount rate ^A | Impairment R'000 | Reasons | Sensitivity * |
|---------------|-----------------|-------------------|------------------------------------|------------------|----------------------------------|-----------------------|
| Adcock Ingram | 6,0% to 6,8% | 5,5% | 17,6% | - | Carry value < recoverable amount | No significant impact |

* The impact of 1% change in the five year growth rates, terminal growth rate and discount rate on the recoverable amount.

2022

Value-in-use

| Group segment | DCF growth rate | DCF terminal rate | Pre-tax discount rate | Impairment R'000 | Reasons | Sensitivity * |
|--------------------------------|-----------------|-------------------|-----------------------|------------------|----------------------------------|-----------------------|
| Bidvest Services SA | 5,9% to 6,1% | 5,9% | 19,4% | - | Carry value < recoverable amount | No significant impact |
| Bidvest Services International | 4,5% to 7,1% | 4,5% to 5,9% | 8,9% to 19,4% | - | Carry value < recoverable amount | No significant impact |
| Bidvest Freight | 6,1% to 6,4% | 6,4% | 14,5% | - | Carry value < recoverable amount | No significant impact |
| Bidvest Branded Products | 6,5% to 6,7% | 6,5% | 14,7% | - | Carry value < recoverable amount | No significant impact |
| Bidvest Commercial Products | 5,9% to 6,7% | 5,9% | 17,0% | - | Carry value < recoverable amount | No significant impact |
| Bidvest Financial Services | 4,8% to 5,9% | 5,9% | 10,7% | - | Carry value < recoverable amount | No significant impact |
| Bidvest Automotive | 4,8% to 5,3% | 5,3% | 14,5% | - | Carry value < recoverable amount | No significant impact |
| Bidvest Properties | 1,3% to 2,1% | 2,1% | 14,1% | - | Carry value < recoverable amount | No significant impact |

* The impact of 1% change in the five year growth rates, terminal growth rate and discount rate on the recoverable amount.

10. Cash and cash equivalents and interest bearing borrowings

10.1. Net finance charges

| | 2023 R'000 | 2022 R'000 |
|--|---------------|---------------|
| Finance income | 824 713 | 581 152 |
| Interest income on banking and other advances | 404 250 | 270 302 |
| Interest income on finance lease | 160 780 | 95 584 |
| Interest income on bank balances | 94 950 | 93 043 |
| Interest imputed on post-retirement assets | 31 099 | 24 589 |
| Interest income on financial instruments held at fair value through other comprehensive income | 133 634 | 97 634 |
| Finance charges | (2 508 536) | (1 987 309) |
| Interest expense on amounts owed to bank depositors | (425 530) | (270 432) |
| Interest expense on bank overdrafts | (148 694) | (26 655) |
| Interest expense on listed bonds and commercial paper | (389 990) | (385 436) |
| Interest expense on Eurobond | (514 456) | (345 257) |
| Interest on lease liabilities | (422 471) | (437 941) |
| Interest expense on vehicle lease creditors and floorplan creditors | (80 196) | (32 210) |
| Interest expense on syndicated multicurrency facility and other borrowings | (382 969) | (380 016) |
| Interest imputed on post-retirement obligations | (6 502) | (6 439) |
| Unwinding of discount on puttable non-controlling interest liabilities | - | (840) |
| Dividends on preference shares included in borrowings | (144 511) | (104 601) |
| Less borrowing costs capitalised to property, plant and equipment ** | 6 783 | 2 518 |
| Less net finance income from banking operations included in operating profit | (1 683 823) | (1 406 157) |
| Income | (736 084) | (448 968) |
| Charges | 412 430 | 262 636 |
| | (2 007 477) | (1 592 489) |

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

Notes to the consolidated financial statements

for the year ended 30 June

10. Cash and cash equivalents and interest bearing borrowings (continued...)

10.1. Net finance charges (Continued...)

| <i>Reconciliation to consolidated cashflow statement</i> | 2023 R'000 | 2022 R'000 |
|--|---------------|---------------|
| Charge per income statement | (2 096 106) | (1 724 673) |
| Unwinding of discount on puttable non-controlling interest liabilities | - | 840 |
| Amounts capitalised to borrowings | 200 292 | 197 023 |
| Amounts capitalised to lease liabilities | 23 384 | 26 930 |
| Amounts capitalised to property, plant and equipment | (6 783) | (2 518) |
| Amounts paid | (1 879 213) | (1 502 398) |
| Income per income statement | 88 629 | 132 184 |
| Accrued interest on retirement fund surplus | (24 597) | (18 150) |
| Amounts received | 64 032 | 114 034 |

10.2. 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 all of which are available for use by the Group unless otherwise stated.

| | R'000 | R'000 |
|---|-----------|------------|
| <i>Cash on hand and at bank</i> | | |
| Banking, Insurance and other financial operations | 3 979 770 | 5 266 858 |
| Other Group operations | 5 273 734 | 6 254 603 |
| Cash on hand and at bank | 9 253 504 | 11 521 461 |
| <i>Amounts included in cash on hand and at bank relating to banking and insurance subsidiaries where the balances form part of the reserving requirements as required by the Financial Services Act:</i> | | |
| Banking, Insurance and other financial operations | 203 024 | 246 315 |
| Other Group operations | 198 265 | 176 000 |
| Total reserving requirements | 401 289 | 422 315 |
| Amounts included in cash on hand and at bank relating to customer contracts | 6 000 | 1 284 |

The Group conducts business with the following major banks:

| South African banks | Credit rating | | International banks | Credit rating | |
|----------------------------|---------------|-----------|-------------------------------|---------------|-----------|
| | Short-term | Long-term | | Short-term | Long-term |
| Standard Bank South Africa | NP | Ba2 | Barclays Bank | A1 | P-1 |
| Nedbank | NP | Ba2 | National Westminster Bank | A1 | P-1 |
| ABSA Bank | NP | Ba2 | Standard Charter Bank | A1 | P-1 |
| FirstRand Bank | NP | Ba2 | Bank of America Europe D.A.C. | A1 | P-1 |
| Investec Bank | NP | Ba2 | BNP Paribas | A1 | P-1 |
| | | | Citibank | A1 | P-1 |

Notes to the consolidated financial statements

for the year ended 30 June

10. Cash and cash equivalents and interest bearing borrowings (continued...)

10.3. Borrowings

| | 2023 R'000 | 2022 R'000 |
|--|---------------|---------------|
| Loans secured by lien over certain property, plant and equipment (refer note 8.1. <i>Property, plant and equipment</i>) | 30 992 | - |
| Unsecured borrowings | 25 803 780 | 23 665 030 |
| Bonds | 19 651 322 | 18 187 306 |
| Cumulative redeemable preference shares | 2 119 825 | 2 080 000 |
| Syndicated Multicurrency facility | 3 773 217 | 3 135 939 |
| Other borrowings | 259 416 | 261 785 |
| Floorplan creditors secured by pledge of inventories (refer note 8.8. <i>Inventories</i>) | 828 934 | 373 464 |
| Borrowings | 26 663 706 | 24 038 494 |
| Bank overdrafts | 1 692 663 | 1 044 773 |
| Total borrowings | 28 356 369 | 25 083 267 |
| Less short-term portion of borrowings | (5 205 356) | (3 512 224) |
| Long-term portion of borrowings | 23 151 013 | 21 571 043 |
| Schedule of repayment of borrowings | | |
| Year to June 2023 | - | 2 467 451 |
| Year to June 2024 | 3 512 693 | 2 220 090 |
| Year to June 2025 | 2 434 245 | 5 599 196 |
| Year to June 2026 | 4 972 987 | - |
| Year to June 2027 | 15 697 716 | 13 696 850 |
| Thereafter | 46 065 | 54 907 |
| | 26 663 706 | 24 038 494 |

Financial debt covenants

The Group is required to ensure that for each measurement period which occurs prior to the Interim Discharge Date: The Net Debt to EBITDA ratio shall be less than 3:1 (three to one); and the Net Interest Cover Ratio shall be greater than 3,5:1 (three comma five to one). At first measurement period (31 December 2022) Net Debt to EBITDA was 1,9:1 and the Net Interest Cover Ratio was 9,4:1; at the second measurement period (30 June 2023) Net Debt to EBITDA was 1,7:1 and the Net Interest Cover Ratio was 8,2:1. The covenant measurement requirements are expected met in the foreseeable future.

Total borrowings comprise

| | R'000 | R'000 |
|----------------------|------------|------------|
| Borrowings | 26 663 706 | 24 038 494 |
| Local subsidiaries | 7 626 382 | 7 783 185 |
| Foreign subsidiaries | 19 037 324 | 16 255 309 |
| Overdrafts | 1 692 663 | 1 044 773 |
| Local subsidiaries | 1 664 149 | 744 875 |
| Foreign subsidiaries | 28 514 | 299 898 |
| | 28 356 369 | 25 083 267 |

Effective weighted average rate of interest on

| | % | % |
|---|------|------|
| Local borrowings excluding overdrafts | 9,2% | 6,2% |
| Foreign borrowings excluding overdrafts | 4,2% | 3,5% |

Notes to the consolidated financial statements

for the year ended 30 June

10. Cash and cash equivalents and interest bearing borrowings (continued...)

10.3. Borrowings (continued...)

Fair value of borrowings

The fair value of borrowings, together with the carrying amounts shown in the statement of financial position, classified by geographical location, are as follows:

| | 2023 | | 2022 | |
|--|--------------------------|---------------------|--------------------------|---------------------|
| | Carrying amount R'000 | Fair value R'000 | Carrying amount R'000 | Fair value R'000 |
| Southern Africa | 9 468 467 | 9 487 515 | 8 606 705 | 8 640 417 |
| Loans secured by lien over certain property, plant and equipment | 20 215 | 20 215 | - | - |
| Unsecured loans | 6 955 169 | 6 974 217 | 7 487 783 | 7 521 495 |
| Floor plan creditors secured by pledge of inventories | 828 934 | 828 934 | 373 464 | 373 464 |
| Bank overdrafts | 1 664 149 | 1 664 149 | 745 458 | 745 458 |
| United Kingdom and Europe | 18 877 117 | 17 331 446 | 16 476 560 | 14 858 971 |
| Unsecured loans and bonds | 18 848 603 | 17 302 933 | 16 177 246 | 14 559 657 |
| Bank overdrafts | 28 514 | 28 514 | 299 314 | 299 314 |
| Australia | 10 777 | 10 777 | - | - |
| Loans secured by lien over certain property, plant and equipment | 10 777 | 10 777 | - | - |
| | 28 356 361 | 26 829 739 | 25 083 265 | 23 499 388 |
| Unrecognised gain (loss) | 1 526 622 | | 1 583 877 | |

The methods used to estimate the fair values of financial instruments are discussed in *note 4.4. Determination of fair values*.

The interest rates used to discount cash flows, in order to determine fair values, are based on market related rates at 30 June 2023 plus an adequate constant credit spread, 3,0% Asia Pacific, between 3,6% and 7,0% for Europe and between 7,6% and 15,5% for Southern Africa (2022: between 2,2% and 3,7% for Europe and between 5,2% and 10,7% for Southern Africa).

| | Currency | 2023 | | 2022 | |
|--|----------|-------------------------|----------------------------|----------------------|----------------------|
| | | Nominal interest rate % | Financial year of maturity | Carrying value R'000 | Carrying value R'000 |
| Terms and debt repayment schedule | | | | | |
| Terms and conditions of outstanding loans were: | | | | | |
| Borrowings of local subsidiaries | | | | 7 626 382 | 7 783 185 |
| Loans secured by lien over certain property, plant and equipment | ZAR | 15,3 - 15,5 | 2024 - 2028 | 20 215 | - |
| Bonds | ZAR | 8,8 - 10,1 | 2024 - 2027 | 4 575 929 | 5 146 000 |
| Cumulative redeemable preference shares | ZAR | 7,6 - 8,1 | 2024 - 2026 | 2 119 825 | 2 080 000 |
| Other unsecured borrowings | ZAR | 8,3 - 10,7 | 2024 - 2028 | 239 343 | 260 463 |
| Floorplan creditors secured by pledge of inventories | ZAR | 10,3 - 11,8 | 2024 | 671 070 | 296 722 |
| Borrowings of foreign subsidiaries | | | | 19 037 324 | 16 255 309 |
| Bonds | USD | 3,7 | 2027 | 15 075 393 | 13 041 306 |
| Floorplan creditors secured by pledge of inventories | ZAR | 13,3 | 2024 | 102 960 | 50 922 |
| | NAD | 9,5 - 11,5 | 2024 | 54 904 | 25 820 |
| Other borrowings | GBP | 7,0 | 2026 | 289 227 | 218 688 |
| | EUR | 5,7 | 2026 | 3 483 977 | 2 917 252 |
| | AUD | 3,0 | 2024 - 2025 | 10 777 | - |
| | NAD | 10,0 | 2024 | 20 086 | 1 321 |
| Total interest bearing borrowings | | | | 26 663 706 | 24 038 494 |

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

Notes to the consolidated financial statements

for the year ended 30 June

10. Cash and cash equivalents and interest bearing borrowings (continued...)

10.3. Borrowings (continued...)

Undrawn facilities

| | 2023 R'000 | 2022 R'000 |
|---|-------------------|-------------------|
| The Group has the following undrawn facilities at its disposal to further reduce liquidity risk: | | |
| Unsecured bank overdraft facility, reviewed annually | 9 685 347 | 9 357 075 |
| Utilised | 1 692 663 | 1 044 773 |
| Unutilised | 7 992 684 | 8 312 302 |
| Unsecured loan facility with various maturity dates through to 2028 | 37 395 527 | 28 753 279 |
| Utilised | 21 227 850 | 18 519 030 |
| Unutilised | 16 167 677 | 10 234 249 |
| Secured loan facilities with various maturity dates through to 2024 and which may be extended by mutual agreement | 3 343 272 | 3 159 350 |
| Utilised | 859 926 | 373 464 |
| Unutilised | 2 483 346 | 2 785 886 |
| Other banking facilities | 2 929 727 | 2 889 923 |
| Utilised | 10 377 | 160 |
| Unutilised | 2 919 350 | 2 889 763 |
| Unsecured Domestic Medium Term Notes Programme | 12 000 000 | 12 000 000 |
| Utilised | 4 575 930 | 5 146 000 |
| Unutilised | 7 424 070 | 6 854 000 |
| Total facilities | 65 353 874 | 56 159 627 |
| Utilised | 28 366 746 | 25 083 427 |
| Unutilised | 36 987 128 | 31 076 200 |

10.4. Net debt reconciliation

| | | |
|---|---------------------|---------------------|
| Cash and cash equivalents | 9 253 504 | 11 521 461 |
| Borrowings | (26 663 706) | (24 038 494) |
| Bonds | (19 651 322) | (18 187 306) |
| Cumulative redeemable preference shares | (2 119 825) | (2 080 000) |
| Syndicated Multicurrency facility | (3 773 217) | (3 135 939) |
| Other borrowings | (290 408) | (261 785) |
| Interest bearing floor plan creditors | (828 934) | (373 464) |
| Overdraft facilities | (1 692 663) | (1 044 773) |
| Net borrowings | (19 102 865) | (13 561 806) |
| Cash and cash equivalents | 9 253 504 | 11 521 461 |
| Gross borrowings at fixed interest rates | (15 974 336) | (13 784 306) |
| Gross borrowings at variable interest rates | (12 382 033) | (11 298 961) |
| Net borrowings | (19 102 865) | (13 561 806) |

Movement in gross borrowings

| | | |
|---|---------------------|---------------------|
| Opening balance | (24 038 494) | (19 115 421) |
| Cash outflow | 4 523 773 | 17 169 703 |
| Cash inflow | (4 234 337) | (20 492 288) |
| Capitalised interest | (200 292) | (197 023) |
| Net acquisitions | (77 980) | (31 968) |
| Currency valuation adjustment | 591 820 | (1 556 946) |
| Foreign exchange translation adjustment | (3 228 202) | 185 449 |
| Closing balance | (26 663 712) | (24 038 494) |

Notes to the consolidated financial statements

for the year ended 30 June

11. Risk management

11.1. 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 notes accompanying these financial statements.

The Group's major financial risks are mitigated in the way that it operates firstly through diversification of industry and secondly through decentralisation. Bidvest is an international group with operations in South Africa, United Kingdom, Republic of Ireland, Spain, Australia and Namibia, and various other Southern African countries. The Group also comprises a variety of businesses within the services, trading and distribution industries. As a result of this diversification in terms of industry, the Group is exposed to a range of financial risks, each managed in appropriate ways. However, the impact of any one particular financial risk within any of these industries, is not considered to be material to the Group.

The Group's philosophy has always been to empower management through a decentralised structure thereby making them responsible for the management and performance of their operations, including managing the financial risks of the operation. The operational management report to divisional management who in turn report to the Group's Board of Directors. The divisional management are also held responsible for managing financial risks of the operations within the divisions. Operational management's remuneration is based on their operation's performance and divisional management based on their division's performance resulting in a decentralised and entrepreneurial environment.

Due to the diverse structure and decentralised management of the Group, the Group Risk Committee has implemented guidelines of acceptable practices and basic procedures to be followed by divisional and operational management. The information provided below for each financial risk has been collated for disclosure based on the manner in which the business is managed and what is believed to be useful information for shareholders.

The total process of risk management in the Bidvest Group, which includes the related system of control, is the responsibility of the Board of Directors. The Group Risk Committee has been constituted as a committee of the Group Board of Directors in the discharge of its duties and responsibilities in this regard. The Group Risk Committee has a charter and reports regularly to the Board of Directors on its activities.

The primary purposes of the Group Risk Committee are:

- To establish and maintain a common understanding of the risk universe (framework), which needs to be addressed in order to meet Bidvest Corporate objectives;
- to identify the risk profile and agree the risk appetite of the Group;
- to satisfy the risk management reporting requirements;
- to coordinate the Group's risk management and assurance efforts;
- to report to the Board of Directors on the risk management work undertaken and the extent of any action taken by management to address areas identified for
- to report to the Board of Directors on the company's process for monitoring compliance with laws and regulations.

The Group Risk Committee has documented a formal policy framework in order to achieve the following:

- to place accountability on management for designing, implementing and monitoring the process of risk management;
- to place responsibility on management for integrating the risk management process into the day-to-day activities and operations of the Group; and
- to ensure that the risk strategy is communicated to all stakeholders so that it may be incorporated into the culture of the Group.

The Group has operations trading in the banking, short-term insurance and life assurance industries (Financial Services segment). These operations are exposed to financial risks which are unique to these industries and differ significantly to the remainder of the Group's operations operating within the services, trading and distribution sectors. Whilst the financial risks to which these particular operations are exposed could have a significant effect on the individual operations, they would not have a significant impact on the Group. For this reason, the information provided below mainly provides qualitative and quantitative information regarding the management and exposure to financial risks to which the trading operations of the Group are exposed based on what is believed to be useful to shareholders. Bidvest Bank Limited is a public company for which financial statements are prepared including detailed disclosure in accordance with the requirements of IFRS 7.

The Bidvest Group has, due to the diversity of its operations in nature and geography, determined that it would be better to develop an in-house strategy, as opposed to adopting a recognised strategy and forcing its operations to adapt to the constraints of the strategy selected. The Group has determined that utilising a common framework for the identification of risk would assist the divisions to reduce the implementation time and cost and would give some assurance that all inherent risks have been considered. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

To assist the Group Risk Committee in discharging its responsibilities, it has:

- Assigned risk management responsibilities to Divisional / Operational Risk Committees; and
- determined that each division should appoint risk / compliance officers on a divisional (operational) level as nominated by the Divisional Risk Committees.

The role of the risk officer is to develop, communicate, co-ordinate and monitor the enterprise-wide risk management.

Notes to the consolidated financial statements

for the year ended 30 June

11. Risk management (continued...)

11.1. Risk management overview (continued...)

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

Each division has its own Audit Committee, which subscribes to the same philosophies and practices as the Group Audit Committee. The Divisional Audit Committees report to both the Divisional Board and the Group Audit Committee. The Group Audit Committee reviews the Divisional Audit Committee reports. The Divisional Audit Committees oversee how divisional management monitors compliance with the Group's policies and guidelines in respect of the financial reporting process, the system of internal control, the management of financial risks, the audit process (both internal and external) and code of business conduct. The Divisional Audit Committees are assisted in their oversight role by the Group's internal audit department. Divisional internal audit undertakes both regular and ad hoc reviews of financial and operational risk management controls and procedures, the results of which are reported to the relevant Divisional Audit Committee.

11.2. 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.

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 loss allowances, amount to R14 257 million (2022: R13 127 million) for trade receivables (refer note 8.9. *Trade and other receivables*), R3 352 million (2022: R2 474 million) for banking and other advances (refer note 8.3. *Banking and other advances*).

The loss 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 at amortised cost, and at fair value through other comprehensive income; and at fair value through profit or loss are written off against the investment directly and an impairment loss allowance account is not utilised.

The Group has a general credit policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In accordance with the decentralised structure, the operational management, under the guidance of the divisional management, are responsible for implementation of policies to meet the above objective. This includes credit policies under which new customers are analysed for credit worthiness before the operation's standard payment and delivery terms and conditions are offered, determining whether collateral is required, and if so the type of collateral to be obtained, and setting of credit limits for individual customers based on their references and credit ratings. Certain operations in the Group have a policy of taking out credit insurance to cover a portion of their risk. Operational management are also held responsible for monitoring the operations' credit exposure.

Risk profile of trade receivables

| | 2023 R'000 | 2023 R'000 | 2022 R'000 | 2022 R'000 |
|---|---------------|---------------|---------------|---------------|
| New customers (less than six months) | 414 954 | (13 778) | 630 103 | (16 429) |
| Existing customers (greater than six months) with no defaults in the past | 11 329 504 | (342 527) | 9 773 829 | (331 563) |
| Existing customers (greater than six months) with some defaults in the past | 3 235 321 | (366 450) | 3 454 837 | (383 148) |
| | 14 979 779 | (722 755) | 13 858 769 | (731 140) |

11.3. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its borrowings centrally for each of the following countries and regions: South Africa; United Kingdom; Europe; Namibia and Australia. The divisions within each region are therefore not responsible for the management of liquidity risk but rather senior management for each of these regions are responsible for implementing procedures to manage the regional liquidity risk.

Notes to the consolidated financial statements

for the year ended 30 June

11. Risk management (continued...)

11.3. Liquidity risk (continued...)

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

| 2023 | Carrying amount R'000 | Undiscounted contractual cash flows | | | | More than 5 years R'000 |
|--|--------------------------|-------------------------------------|------------------------|---------------------|----------------------|----------------------------|
| | | Total R'000 | 0 - 12 months R'000 | 1 -2 years R'000 | 2 - 5 years R'000 | |
| Lease liabilities (refer note 8.2.) | 5 128 481 | 7 653 642 | 1 672 783 | 1 756 422 | 2 231 006 | 1 993 431 |
| Borrowings (refer note 10.3.) | | | | | | |
| Loans secured by lien over certain property, plant and equipment | 30 992 | 33 770 | 15 179 | 12 373 | 6 218 | - |
| Unsecured loans | 25 803 780 | 27 933 602 | 3 217 372 | 2 734 899 | 21 981 332 | - |
| Floorplan creditors secured by pledge of inventories and bonded property | 828 934 | 828 934 | 828 934 | - | - | - |
| Bank overdrafts* | 1 692 663 | 1 692 663 | 1 692 663 | - | - | - |
| | 33 484 850 | 38 142 612 | 7 426 931 | 4 503 694 | 24 218 556 | 1 993 431 |
| Trade and other payables (refer note 8.10.) | | | | | | |
| Forward exchange contracts | - | 2 012 122 | 2 012 122 | - | - | - |
| Trade and other payables (excluding forward exchange contracts) | 23 206 584 | 23 206 584 | 23 206 584 | - | - | - |
| | 23 206 584 | 25 218 706 | 25 218 706 | - | - | - |
| Amounts owed to bank depositors (refer note 8.4.) | | | | | | |
| Call deposits | 5 234 481 | 5 235 190 | 5 235 190 | - | - | - |
| Fixed and notice deposits | 2 288 384 | 2 378 651 | 2 378 651 | - | - | - |
| | 7 522 865 | 7 613 841 | 7 613 841 | - | - | - |

* Bank overdrafts are repayable on demand and are integral to the entities cash management. The bank overdraft balance often fluctuates from being positive to overdrawn.

| 2022 | Carrying amount R'000 | Undiscounted contractual cash flows | | | | More than 5 years R'000 |
|--|--------------------------|-------------------------------------|------------------------|---------------------|----------------------|----------------------------|
| | | Total R'000 | 0 - 12 months R'000 | 1 -2 years R'000 | 2 - 5 years R'000 | |
| Lease Liabilities (refer note 8.2.) | 5 153 089 | 8 906 075 | 1 620 317 | 1 685 130 | 1 957 749 | 3 642 879 |
| Borrowings (refer note 10.3.) | | | | | | |
| Unsecured loans | 23 665 030 | 25 007 130 | 2 320 616 | 2 511 476 | 20 160 982 | 14 056 |
| Floorplan creditors secured by pledge of inventories and bonded property | 373 464 | 373 464 | 373 464 | - | - | - |
| Bank overdrafts | 1 044 773 | 1 044 773 | 1 044 773 | - | - | - |
| | 30 236 356 | 35 331 442 | 5 359 170 | 4 196 606 | 22 118 731 | 3 656 935 |
| Trade and other payables (refer note 8.10.) | | | | | | |
| Forward exchange contracts | - | 1 131 019 | 1 131 019 | - | - | - |
| Trade and other payables (excluding forward exchange contracts) | 20 482 394 | 20 482 394 | 20 482 394 | - | - | - |
| | 20 482 394 | 21 613 413 | 21 613 413 | - | - | - |
| Amounts owed to bank depositors (refer note 8.4.) | | | | | | |
| Call deposits | 4 653 619 | 4 694 851 | 4 694 851 | - | - | - |
| Fixed and notice deposits | 2 640 166 | 2 717 497 | 2 717 497 | - | - | - |
| | 7 293 785 | 7 412 348 | 7 412 348 | - | - | - |

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.

Notes to the consolidated financial statements

for the year ended 30 June

11. Risk management (continued...)

11.4. 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.

Foreign currency risk

The Group's financial instruments are not significantly exposed to currency risk other than borrowings (*refer* currency swap contracts below).

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 5.5. Profit before finance charges and associate income*).

Other than the five year USD fixed coupon bond described in *currency swap contracts* borrowings are matched to the same foreign currency as the division raising the loan thereby limiting the divisions' exposure to changes in a foreign currency which differs to their functional currency. Other than interest payable on the five year USD fixed coupon bond described in *currency swap contracts* Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying divisions of the Group thereby providing an economic hedge for each class of borrowing.

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 fair value through other comprehensive income and fair value through profit or loss financial assets, 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:

| | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| Fixed rate instruments | | |
| Financial assets | | |
| Fair value through other comprehensive income equity / debt instruments | 1 954 529 | 1 463 841 |
| Fair value through profit or loss equity / debt instruments | 856 368 | 776 833 |
| Fair value through profit or loss bonds | 103 046 | 94 865 |
| Banking and other advances | 192 957 | 79 265 |
| Derivative instruments in designated hedge accounting relationships | 1 557 442 | 1 348 836 |
| Financial liabilities | | |
| Borrowings | (15 974 336) | (13 784 306) |
| Amounts owed to bank depositors | (2 290 806) | (2 643 103) |
| Derivative instruments in designated hedge accounting relationships | (32 208) | (5 605) |
| Variable rate instruments | | |
| Financial assets | | |
| Cash and cash equivalents | 9 253 504 | 11 521 461 |
| Banking and other advances | 3 159 018 | 2 395 122 |
| Financial liabilities | | |
| Borrowings | (10 689 370) | (10 254 188) |
| Amounts owed to bank depositors | (5 232 059) | (4 650 682) |
| Overdrafts | (1 692 663) | (1 044 773) |

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, linked to SA prime rate and JBAR (3 month), are influenced by movements in the contractual borrowing rates.

Sensitivity analysis

The effect of a change in interest rate on the fair value of the listed bonds accounted for at amortised cost and fair value through profit or loss is not believed to have a significant effect on the Group's profit for the year and equity.

It is estimated that 0,5% (2022: 0,5%) increase in interest rates would decrease profit after tax by R6 million (2022: R22 million). This sensitivity analysis has been prepared using the average net borrowings for the financial year as the actual net borrowings at 30 June are not representative of the net borrowings during the year. This analyses assumes that all other variables, in particular foreign currency rates, remain constant. The analyses are performed on the same basis as 2022. A decrease in interest rates would have an equal and opposite effect on profit after taxation.

Notes to the consolidated financial statements

for the year ended 30 June

11. Risk management (continued...)

11.4. Market risk (continued...)

Derivatives and hedging

In the normal course of business, the Group faces significant financial market risks. To manage these risks the Group may enter into hedging contracts and agreements within consistent and prudent hedging principles in order to achieve specific financial objectives. One of the identified financial market risks is currency risk, which is the risk that cash flows will be adversely impacted due to changes in exchange rates. The Group will enter into hedging transactions solely for the purpose of hedging its exposure to financial market fluctuations and no active speculation is permitted.

Certain derivatives are designated as hedging instruments in respect of foreign currency risk in cash flow hedging relationships. At the inception of the hedge relationship, the relationship between the hedging instrument and the hedged item is documented, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, it is documented as to whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet hedge effectiveness requirements.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the hedge ratio of the hedging relationship (i.e. rebalances the hedge) is adjusted so that it meets the qualifying criteria again.

An economic relationship means that the hedging instrument and hedged item have values that generally move in the opposite direction because of the same hedged risk. The Group determines whether an economic relationship exists between the cash flows of the hedged item and hedging instrument based on an evaluation of the qualitative characteristics considering whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Group further evaluates whether the cash flows of the hedged item and the hedging instrument respond similarly to the hedged risk.

The critical terms of the hedging instrument and the hedged item designated in this hedging relationship are expected to match, specifically in relation to:

- The notional amount of the designated hedging instrument and principal amounts of the exposure being hedged;
- hedged currency exposure (e.g. the USD leg of the cross-currency swaps match the USD interest and principal cash flows arising from the hedged exposure);
- interest / coupon calculation methodologies;
- payment dates; and
- maturity date.

As a result of the above, changes in cash flows attributable to the risk being hedged (variability in the designated currency exposure) should be likely to offset against changes in cash flows attributable to the hedging instrument and thereby, achieve Bidvest's hedge objective, from an economic perspective.

The following are potential sources of hedge ineffectiveness:

- At inception of the hedging relationship, the fair value of the hedging instrument is not zero;
- prepayment risk inherent in the underlying hedged item; and
- a significant change in the credit risk of Group or the counterparty during the period of the hedge.

As a result of the above, changes in cash flows attributable to the risk being hedged (variability in the designated currency exposure) should be likely to offset against changes in cash flows attributable to the hedging instrument and thereby, achieve the Group's hedge objective, from an economic perspective.

Currency swap contracts

In the 2022 financial year the Group entered into fixed-for-fixed, USD / GBP pair, cross currency swaps ("CCS") 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 USD 800 million at a fixed coupon rate of 3.625% (refer note 10.3 Borrowings), 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 foreign acquisitions, whose functional currencies are GBP. The Board of Directors concluded that an effective cashflow hedging relationship exists and IFRS 9 hedge accounting has been applied. A R1,5 billion (£63 million) asset derivative instrument has been disclosed at year end and included in the Consolidated Statement of Financial Position as a non-current asset; R32 million (£1,5 million) was credited to the Consolidated Income Statement via finance charges; a currency valuation adjustment was credited to interest bearing borrowings in the amount of R592 million (£28 million) and R409 million (£19 million) debited to the hedging reserve net of R132 million (£6 million) deferred taxation through the Consolidated Statement of Other Comprehensive Income. On application of hedge accounting the R592 million (£28 million) currency valuation adjustment to borrowings was credited to the Consolidated Statement of Other Comprehensive Income and debited against the unrealised foreign exchange gain initially recognised in the Consolidated Income Statement. The change in the fair value of the derivative instrument, in terms of IFRS9, amounting to a loss of R4 million (£202 thousand) was recognised in the cash flow hedge reserve given that the hedge relationship was conclude to be effective.

| | |
|--|-------------------|
| Designated hedged instrument (5 years) | Eurobond |
| Principal Bond and Swap notional value - USD'000 | 800 000 |
| Bond issue date, swap start date | 23 September 2021 |
| Bond redemption date, swap termination date | 23 September 2026 |
| Swap rate GBP / USD | 1,38 |
| Fixed swap rate, including spread | 3,73% |
| Interest settlement periods | Biannually |

Notes to the consolidated financial statements

for the year ended 30 June

11. Risk management (continued...)

11.4. Market risk (continued...)

Derivatives and hedging (continued...)

Movement analysis of currency swap

| | (Eurobond Borrowings) | Derivative asset | Deferred taxation | Cashflow reserve | Currency translation reserve | Forex (gain) / loss | Finance Charges (net of deferred tax) |
|---|-----------------------|------------------|-------------------|------------------|------------------------------|---------------------|---------------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Initial recognition at September 2021 | (11 766 016) | 7 505 | - | - | - | - | (7 505) |
| <i>Movements through total comprehensive income</i> | | | | | | | |
| Fair value | - | 1 371 830 | - | (1 371 821) | - | - | (9) |
| Amortisation | - | (9 687) | - | - | - | - | 9 687 |
| Interest capitalised | (345 257) | - | - | - | - | - | 345 257 |
| Translation to USD spot rate | (1 556 946) | - | - | - | - | 1 556 946 | - |
| Hedging gains reclassified from OCI | - | - | - | 1 556 946 | - | (1 556 946) | - |
| Interest expense | - | - | - | 7 275 | - | - | (7 275) |
| Foreign currency translation | 252 113 | (25 594) | - | - | (226 519) | - | - |
| Deferred tax | - | - | 35 094 | (34 549) | - | - | (545) |
| <i>Other movements</i> | | | | | | | |
| Interest paid | 222 182 | - | - | - | - | - | - |
| Settlement of derivative | - | (4 615) | - | - | - | - | - |
| 30 June 2022 | (13 193 924) | 1 339 439 | 35 094 | 157 851 | (226 519) | - | 339 610 |
| <i>Movements through total comprehensive income</i> | | | | | | | |
| Fair value | - | (4 758) | - | 4 332 | - | - | 426 |
| Amortisation | - | (13 074) | - | - | - | - | 13 074 |
| Interest capitalised | (514 456) | - | - | - | - | - | 514 456 |
| Translation to USD spot rate | 591 820 | - | - | - | - | (591 820) | - |
| Hedging gains reclassified from OCI | - | - | - | (591 820) | - | 591 820 | - |
| Interest expense | - | - | - | 45 743 | - | - | (45 743) |
| Foreign currency translation | (2 637 940) | 264 520 | - | - | 2 373 420 | - | - |
| Deferred tax | - | - | (129 586) | 132 854 | - | - | (3 268) |
| <i>Other movements</i> | | | | | | | |
| Interest paid | 536 122 | - | - | - | - | - | - |
| Settlement of derivative | - | (72 145) | - | - | - | - | - |
| 30 June 2023 | (15 218 378) | 1 513 982 | (94 492) | (251 040) | 2 146 901 | - | 818 555 |

Interest rate swap contracts

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

Bonds - The variable 3 month JIBAR interest rate plus a spread specific to each bond has been fixed using fixed for floating interest rate swaps at rates set out below. The swap contracts match the duration and expiry dates of the bonds. The difference between the fixed and floating interest rates are settled on a quarterly basis simultaneously with the payment of interest to bondholders. The interest rate swap contracts have enabled the Group to mitigate the risk of fluctuating interest rates on the fair value of the bonds issued. The interest rate swaps have been designated as hedging instruments and accounted for as a cash flow hedge. The fair value of the bond linked interest rate swaps at the reporting date, is determined by discounting the future cash flows using the interest rate curves at the reporting date and the credit risk inherent in the contract, resulting in a fair value asset of R2,7 million (2022: R5,6 million liability) (refer note 8.9. Trade and other receivables).

Notes to the consolidated financial statements

for the year ended 30 June

11. Risk management (continued...)

11.4. Market risk (continued...)

Interest rate swap contracts (continued...)

| | |
|--|------------------|
| Designated hedged instrument - 5 year bonds/stock code | BID10 |
| Principal Bond and Swap notional value - R'000 | 543 000 |
| Bond issue date, swap start date | 15 May 2019 |
| Bond redemption date, swap termination date | 15 November 2023 |
| Spread (bps) above 3 month JIBAR | 140 |
| Fixed swap rate, including spread | 8,78% |
| Interest settlement periods | Quarterly |

Market price risk

Equity price risk arises from investments classified as fair value through profit or loss and fair value through other comprehensive income (refer note 8.6. Investments). Fair value through other comprehensive income financial assets includes an irrevocable election of equity investments in, R1 272 million treasury bills (2022: R1 176 million), R644 million Government bonds (2022: R260 million), R32 million VISA shares (2022: R23 million). Fair value through profit or loss investments comprise listed share portfolios whose performance is monitored closely by senior management and the Group actively trades in these shares. The Group's subsidiary, Bidvest Insurance Limited holds investment portfolios with a fair value of R612 million (2022: R565 million) to be 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 fair value through profit or loss and fair value through other comprehensive income, and are valued at fair value using a price earnings ("PE") model. The Group has further equity exposure via listed Bidcorp shares held by the Bidvest Education Trust R160 million (2022: R119 million) and insurance cell captives R181 million (2022: R244 million).

Fair value

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.

12. Staff remuneration

12.1. Share-based payments

The Bidvest Share Incentive Scheme (BIS) grants options to employees of the Group to acquire shares in the Company. The share options scheme has been classified as an equity-settled scheme, and therefore an equity-settled share-based payment reserve has been recognised.

The Bidvest Group Share Appreciation Rights (SARs) Plan was adopted, in 2016, to replace the BIS and has been classified as an equity-settled scheme, therefore an equity-settled share-based payment reserve has been recognised. Executive directors do not participate in the SARs Plan.

A Conditional Share Plan (CSP), which awards executive directors with a conditional right to receive shares in the Company, free of any cost, is also operated by the Group. As it is anticipated that the participants will receive shares in settlement of their awards, a share-based payment reserve has been recognised.

Replacement rights scheme (previously share option scheme)

Following the unbundling of Bidcorp (30 May 2016), Bidvest option holders exchanged each one of their existing options for one right over one Bidcorp share and one Bidvest share (replacement right). In terms of the amended scheme rules, the original option price was not adjusted, but on exercise of the replacement right, the original option price will be deducted from the combined value of the Bidcorp share and the Bidvest share. The vesting date and lapse dates of the replacement rights will be the same as those of the original options.

The terms and conditions of the replacement rights are:

- Replacement right holders are only entitled to exercise their rights if they are in the employment of the Group in accordance with the terms referred to hereafter, unless otherwise recommended by the Board of the Company to the Trustees of the Bidvest Share Incentive Trust;
- replacement right holders may exercise the rights at such times as the right holder deems fit, but not so as to result in the following proportions of the holder's total number of instruments being purchased prior to: 50% of total number of instruments at the expiry of three years; 75% of total number of instruments at the expiry of four years; and 100% of total number of instruments at the expiry of five years from the date of the holder's acceptance of an option; and
- all rights must be exercised no later than the 10th anniversary on which they were granted unless approval is obtained from the trustees of the Bidvest Share Incentive

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

| | 2023 | | 2022 | |
|---|-----------|-----------------|-----------|-----------------|
| | Number | Average price R | Number | Average price R |
| Beginning of the year | 507 684 | 267,53 | 723 084 | 262,78 |
| Lapsed | (913) | 285,51 | (8 000) | 285,66 |
| Exercised | (234 958) | 262,11 | (207 400) | 250,74 |
| End of the year | 271 813 | 272,15 | 507 684 | 267,53 |
| Replacement rights outstanding at 30 June by year of grant are: | | | | |
| 2012 | 7 500 | 134,56 | 7 500 | 134,56 |
| 2013 | 6 000 | 208,91 | 40 750 | 208,91 |
| 2014 | 56 400 | 236,87 | 103 300 | 237,17 |
| 2015 | 49 875 | 250,73 | 110 371 | 250,87 |
| 2016 | 152 038 | 301,54 | 245 763 | 301,54 |
| | 271 813 | 272,15 | 507 684 | 267,53 |

Notes to the consolidated financial statements

for the year ended 30 June

12. Staff remuneration (continued...)

12.1. Share-based payments (continued...)

The replacement rights outstanding at 30 June 2023 have an award price in the range of R134,56 to R301,54 (2022: R134,56 to R301,54) and a weighted average contractual life of 0,4 to 2,4 (2022: 0,4 to 3,4) years. The average combined value of the Bidvest and Bidcorp shares during the year was R583,42 (2022: R517,64).

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

Share Appreciation Rights Plan

The terms and conditions of the SARs Plan are:

- SAR holders are only entitled to exercise their rights if they are in the employment of the Group in accordance with the terms referred to hereafter, unless otherwise recommended by the Board of the Company to the Trustees of the Bidvest Share Incentive Trust.
- SAR holders in the Scheme may exercise the SARs at such times as the holder deems fit, but not so as to result in the following proportions of the holder's total number of instruments being purchased prior to: 50% of total number of instruments at the expiry of three years; 75% of total number of instruments at the expiry of four years; and 100% of total number of instruments at the expiry of five years from the date of the holder's acceptance of an appreciation right; and
- all SARs must be exercised no later than the 7th anniversary on which they were granted unless approval is obtained from the trustees of the Bidvest Share Incentive Trust.

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

| | 2023 | | 2022 | |
|--|-------------|-----------------|-------------|-----------------|
| | Number | Average price R | Number | Average price R |
| Beginning of the year | 18 219 554 | 165.52 | 16 687 320 | 164,25 |
| Granted | 4 835 000 | 201.59 | 4 563 500 | 168.61 |
| Lapsed | (776 259) | 165.34 | (711 950) | 172.33 |
| Exercised | (4 269 766) | 169.39 | (2 319 316) | 162.00 |
| End of the year | 18 008 529 | 174.30 | 18 219 554 | 165.52 |
| Share appreciation rights outstanding at 30 June by year of grant are: | | | | |
| 2017 | 372 000 | 146,45 | 1 037 775 | 146,45 |
| 2018 | 574 444 | 158,75 | 1 771 132 | 158,75 |
| 2019 | 1 487 485 | 188,42 | 2 805 337 | 188,42 |
| 2020 | 2 309 117 | 173,43 | 3 594 444 | 173,43 |
| 2021 | 4 179 133 | 148,75 | 4 467 366 | 148,75 |
| 2022 | 4 271 350 | 168,61 | 4 543 500 | 168,61 |
| 2023 | 4 815 000 | 201.59 | - | - |
| | 18 008 529 | 174.30 | 18 219 554 | 165,52 |

The SARs outstanding at 30 June 2023 have an award price in the range of R138,48 to R201,59 (2022: R138,48 to R188,42) and a weighted average contractual life of 0,4 to 6,4 (2022: 1,4 to 6,4) years. The average value of the Bidvest share during the year was R232,52 (2022: R201,29).

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

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

| | 2023 | 2022 |
|--|-----------|-----------|
| Fair value at measurement date (Rand) | 223,99 | 187,34 |
| Exercise price (Rand) | 201,59 | 168,61 |
| Expected volatility (%) | 31,34 | 32,34 |
| Option life (years) | 4,00-6,00 | 4,00-6,00 |
| Distribution yield (%) | 3,59 | 3,26 |
| Risk-free interest rate (based on the ZAR Bond static yield curve) (%) | 7,85 | 6,23 |

The volatility is based on the recent historic volatility.

Conditional share plan

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

The fair value of services received in return for the conditional share awards has been determined by multiplying the number of conditional share awards expected to vest, by the share price at the date of the award less discounted anticipated future distribution flows. A total number of 1 484 388 (2022: 1 128 461) of the 1 592 473 (2022: 1 306 390) 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 R181,43 (2022: R155,57) per share. These awards will vest in the next three years.

Notes to the consolidated financial statements

for the year ended 30 June

12. Staff remuneration (continued...)

12.1. Share-based payments (continued...)

Conditional share plan (continued...)

29 202 (2022: 84 834) conditional share awards were forfeited as a result of performance conditions not being met, 141 027 (2022: 41 000) conditional share awards were forfeited as a result of resignation.

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

| | 2023 Number | 2022 Number |
|---------------------------|----------------|----------------|
| Beginning of the year | 1 306 390 | 964 915 |
| Granted during the year | 622 000 | 586 000 |
| Awarded during the year | (165 688) | (118 691) |
| Forfeited during the year | (170 229) | (125 834) |
| End of the year | 1 592 473 | 1 306 390 |

The maximum number of shares which may be allocated at any one time under the Replacement Rights, SAR and existing Conditional Share Plan shall not exceed 16 750 000 shares (5% of shares in issue). Based on the closing price the Bidvest and Bidcorp share prices at 30 June 2023, it is estimated that 8 000 000 (2022: 5 000 000) Bidvest ordinary shares would be required to settle the Group's share-based payment obligations.

The 62,3% subsidiary, Adcock Ingram, has share option plans, which have been designated as equity settled and include an ordinary equity scheme, a B-BBEE scheme and a performance based long-term incentive scheme (PBLTIS). The Group's proportionate share of Adcock Ingram's share-based payment reserves since recognition is a credit balance of R50,4 million (2022: R26,6 million), which comprises a charge to share-based payment expenses of R110 million (2022: R66,7 million) less settlement of R35 million (2022: R21 million) plus R6 million transfer to retained income, with R30,5 million (2022: R19,3 million) of the reserve attributable to non-controlling interests.

In addition to the above Adcock Ingram has an ordinary and a B-BBEE equity based incentive scheme, which have been designated as cash settled. The liabilities relating to these incentive schemes have been disclosed in note 8.10. *Trade and other payables* and in aggregate amount to R46 million (2022: R57 million). An amount of R730 thousand (2022: R1.9 million) was expensed and credited to share-based payment liability during the year for these cash settled incentive schemes. Share based payment liabilities settled during the period amounted to R12 million (2022: Rnil).

Notes to the consolidated financial statements

for the year ended 30 June

12. Staff remuneration (continued...)

12.2. Directors' remuneration

The remuneration paid to executive directors while in office of the Company during the year ended 30 June 2023 is analysed as follows:

| Director | Basic remuneration R'000 | Retirement/ medical benefits R'000 | Other benefits and costs R'000 | Cash incentives R'000 | Benefit arising from share based incentives R'000 | Total emoluments R'000 |
|---------------|-----------------------------|---|---|-----------------------------|---|------------------------------|
| Ms NT Madisa | 12 025 | 756 | 517 | 19 814 | 12 038 | 45 150 |
| Ms GC McMahon | 5 490 | 367 | 335 | 8 408 | 8 131 | 22 731 |
| Mr MJ Steyn | 7 040 | 278 | 407 | 10 483 | 9 883 | 28 091 |
| | 24 555 | 1 401 | 1 259 | 38 705 | 30 052 | 95 972 |

For comparative purposes the remuneration paid to executive directors, while in office of the Company during the year ended 30 June 2022, is analysed as follows:

| Director | Basic remuneration R'000 | Retirement/ medical benefits R'000 | Other benefits and costs R'000 | Cash incentives R'000 | Benefit arising from share based incentives R'000 | Total emoluments R'000 |
|---------------|-----------------------------|---|--------------------------------------|-----------------------------|---|------------------------------|
| Ms NT Madisa | 10 501 | 757 | 351 | 17 936 | 4 154 | 33 699 |
| Ms GC McMahon | 4 447 | 345 | 256 | 7 097 | 2 933 | 15 079 |
| Mr MJ Steyn | 5 640 | 273 | 308 | 8 735 | 3 422 | 18 378 |
| | 20 588 | 1 375 | 916 | 33 768 | 10 509 | 67 156 |

Certain executive directors serve as non-executive directors of companies outside of the Group. Directors' fees in this regard are paid to the Group.

| Directors | 2023 As directors of subsidiary companies and other services | | | Total emoluments R'000 | Total R'000 |
|----------------------------|---|------------|--------------|------------------------------|----------------|
| | Directors' fees R'000 | | | | |
| Ms L Boyce | 1 061 | 390 | 1 451 | 1 311 | |
| Ms SN Mabaso-Konyana | 1 300 | - | 1 300 | 1 176 | |
| Ms S Masinga ¹ | 447 | - | 447 | 832 | |
| Ms BF Mohale | 2 059 | - | 2 059 | 2 270 | |
| Ms RK Mokate | 1 315 | - | 1 315 | 1 261 | |
| Ms N Siyotula ¹ | 405 | - | 405 | 715 | |
| Mr NW Thomson | 980 | - | 980 | 875 | |
| Ms FN Khanyile | 862 | - | 862 | 366 | |
| Ms MG Khumalo | 860 | - | 860 | 381 | |
| 2023 total | 9 289 | 390 | 9 679 | 9 189 | |
| 2022 total | 8 861 | 328 | 9 189 | - | |

¹ Retired 25 November 2022

Notes to the consolidated financial statements

for the year ended 30 June

12. Staff remuneration (continued...)

12.2. Directors' remuneration (continued...)

Prescribed officers

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

Directors' long-term incentives

Details of the directors and officers' outstanding replacement rights are as follows:

| Directors | Replacement rights at 30 June 2022 | | Replacement rights exercised during the year | | Replacement rights lapsed during the year | | Replacement rights at 30 June 2023 | |
|---------------|---------------------------------------|-----------------------|---|-----------------|--|-----------------|---------------------------------------|-----------------------|
| | Number | Average price R | Number | Market price | Number | Market price | Number | Average price R |
| Ms NT Madisa | 26 250 | 286.30 | - | - | - | - | 26 250 | 286.30 |
| Ms GC McMahon | 20 000 | 288.84 | - | - | - | - | 20 000 | 288.84 |
| Mr MJ Steyn | 11 250 | 284.60 | - | - | - | - | 11 250 | 284.60 |
| | 57 500 | 286.85 | - | - | - | - | 57 500 | 286.85 |

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

| Directors | SAR at 30 June 2022 | | SAR granted during the year | | SAR lapsed during the year | | SARs at 30 June 2023 | |
|-------------|------------------------|-----------------------|--------------------------------|-----------------------|-------------------------------|-----------------|-------------------------|-----------------------|
| | Number | Average price R | Number | Average price R | Number | Market price | Number | Average price R |
| Mr MJ Steyn | 80 000 | 152.68 | - | - | - | - | 80 000 | 152.68 |

These SARs are exercisable over the period 1 July 2023 to 31 December 2024. A detailed register of SARs outstanding by tranche is available for inspection at the Company's register office.

A grant in terms of the conditional share plan (CSP) is a right to a share, which is awarded subject to performance and vesting conditions.

| Director | Balance at 30 June 2022 | New award Number | Forfeited Number | Shares vested Number | Accelerated vested shares Number | Closing balance 30 June 2023 |
|---------------|----------------------------|---------------------|---------------------|-------------------------|--|------------------------------------|
| | Number | | | | | Number |
| Ms NT Madisa | 321 759 | 117 000 | (9 564) | (54 837) | - | 374 358 |
| Ms GC McMahon | 144 320 | 51 500 | (6 376) | (37 038) | - | 152 406 |
| Mr MJ Steyn | 176 760 | 64 500 | (7 652) | (45 021) | - | 188 587 |
| | 642 839 | 233 000 | (23 592) | (136 896) | - | 715 351 |

Share-based payment expense

| | 2023 R'000 | 2022 R'000 |
|---------------|---------------|---------------|
| Ms NT Madisa | 20 997 | 12 997 |
| Ms GC McMahon | 8 770 | 6 108 |
| Mr MJ Steyn | 11 796 | 7 657 |
| | 41 563 | 26 762 |

Refer note 12.1. Share-based payments for further details.

Notes to the consolidated financial statements

for the year ended 30 June

12. Staff remuneration (continued...)

12.3. Post-retirement obligations

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. Contributions to defined contribution schemes are recognised as an expense in the income statement as incurred.

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.

The Group's obligation for post-retirement medical aid to past and current employees is actuarially determined and provided for in full.

Liabilities for employee benefits which are not expected to be settled within twelve months are discounted using the market yields at the statement of financial position date on high quality bonds with terms that most closely match the terms of maturity of the related liabilities.

| | 2023 R'000 | 2022 R'000 |
|---|------------------|------------------|
| Post-retirement assets | | |
| Defined benefit pension surplus | (344 987) | (264 667) |
| Post-retirement obligations | | |
| Post-retirement medical aid obligations | 65 751 | 73 551 |
| | (279 236) | (191 116) |

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 other appropriate industry funds.

The PHS Group operates a defined benefit scheme, which is closed to new members. The assets of the scheme are measured using closing market values. The scheme liabilities are measured using the projected unit method discounted at rates of return of a high quality bond of equivalent term and currency to the liability. The summarised details of the *Warner Howard Limited Pension and Life Assurance Plan* are included below:

There are also a number of small funds within various employers of the Group. All funds are administered independently of the Group and are subject to the relevant pension fund legislation.

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

Employer contributions to defined contribution funds are set out in *note 5.5. Profit before finance charges and associate income*.

Summarised details of the defined benefit pension funds

| <i>Defined benefit pension obligations (assets) of the fund</i> | Warner Howard Limited Pension Plan | | The Bidvest South Africa Pension Fund | |
|---|---|------------------|--|------------------|
| | 2023 R'000 | 2022 R'000 | 2023 R'000 | 2022 R'000 |
| Defined benefit pension obligations (assets) of the fund | - | - | (344 987) | (264 667) |
| | - | - | (344 987) | (264 667) |
| Contributions to the fund | | | | |
| Employee contributions | - | - | 159 | 149 |
| Total pension fund asset | | | | |
| Fair value of plan assets | 168 380 | 172 393 | 740 304 | 643 469 |
| Actuarial present value of defined benefit obligations | (170 032) | (173 784) | (388 963) | (372 551) |
| Net surplus in the plans | (1 652) | (1 391) | 351 341 | 270 918 |
| Amounts not recognised due to ceiling adjustments and other limitations | 1 652 | 1 391 | (6 354) | (6 251) |
| | - | - | 344 987 | 264 667 |
| Movement in the liability for defined benefit obligations | | | | |
| Balance at beginning of year | (173 784) | (217 584) | (372 551) | (384 498) |
| Benefits paid | 12 971 | 10 181 | 32 825 | 24 126 |
| Risk premiums and expenses | - | - | 576 | 765 |
| Current service costs | - | - | (1 116) | (1 314) |
| Interest expense | (6 700) | (3 805) | (42 563) | (36 579) |
| Member contributions | - | - | (159) | (149) |
| Actuarial gains / (losses) | 29 003 | 39 428 | (5 975) | 25 098 |
| Exchange rate adjustments on foreign plans | (31 522) | (2 004) | - | - |
| Balance at end of year | (170 032) | (173 784) | (388 963) | (372 551) |

Notes to the consolidated financial statements

for the year ended 30 June

12. Staff remuneration (continued...)

12.3. Post-retirement obligations (continued...)

Pension and provident funds (continued...)

Summarised details of the defined benefit pension funds (continued...)

| | 2023 R'000 | 2022 R'000 | 2023 R'000 | 2022 R'000 |
|--|---------------|---------------|---------------|---------------|
| Movement in the plans' assets | | | | |
| Balance at beginning of year | 172 393 | 250 736 | 643 469 | 637 473 |
| Contributions paid into the plans | - | - | 159 | 149 |
| Benefits paid | (12 971) | (10 181) | (32 825) | (24 126) |
| Risk premiums and expenses | (5 522) | (3 056) | (576) | (765) |
| Interest income | 6 528 | 4 372 | 74 400 | 61 241 |
| Return on plan assets in excess of interest income | (29 003) | (73 999) | 55 677 | (30 503) |
| Exchange rate adjustments on foreign plans | 36 955 | 4 521 | - | - |
| Balance at end of year | 168 380 | 172 393 | 740 304 | 643 469 |
| The plans' assets comprise | | | | |
| Cash | (1 684) | (690) | 84 395 | 62 416 |
| Equity securities | - | - | 352 385 | 316 587 |
| Bills, bonds and securities | 170 064 | 173 083 | 119 189 | 125 476 |
| Property | - | - | 21 469 | 15 443 |
| International | - | - | 149 541 | 115 181 |
| Other | - | - | 13 325 | 8 366 |
| | 168 380 | 172 393 | 740 304 | 643 469 |
| Amounts recognised in the income statement | | | | |
| Current service costs | - | - | 1 116 | 1 314 |
| Interest on obligations | 6 700 | 3 805 | 42 563 | 36 579 |
| Interest income on plan assets | (6 528) | (4 372) | (74 400) | (61 241) |
| Ceiling adjustments and other limitations | (172) | 567 | 738 | 73 |
| | - | - | (29 983) | (23 275) |
| Amounts recognised in other comprehensive income | | | | |
| Return on plan assets in excess of interest income | 29 003 | 73 999 | (55 677) | 30 503 |
| Actuarial (gains) losses | (29 003) | (39 428) | 5 975 | (25 098) |
| Ceiling adjustments and other limitations | - | (34 571) | (635) | 5 433 |
| | - | - | (50 337) | 10 838 |
| Key actuarial assumptions used in the actuarial valuations: | | | | |
| Number of in service members 30 June | - | - | 7 | 8 |
| Number of pensioners 30 June | 138 | 138 | 419 | 442 |
| Discount rate (%) | 5,40 | 3,70 | 11,90 | 11,80 |
| Inflation rate (%) | 3,55 | 3,80 | 6,50 | 7,30 |
| Salary increase (%) | - | - | 7,50 | 8,30 |
| Pension increase allowance (%) | 3,4 | 3,70 | 4,55 | 5,10 |
| Date of valuation of all funds | 30 June 2023 | 30 June 2022 | 30 June 2023 | 30 June 2022 |

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

Notes to the consolidated financial statements

for the year ended 30 June

12. Staff remuneration (continued...)

12.3. Post-retirement obligations (continued...)

Pension and provident funds (continued...)

Summarised details of the defined benefit pension funds (continued...)

Sensitivity analysis

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

| | 2023 | 2022 | 2023 | 2022 |
|--|---|--|--|--|
| | Impact of an increase in assumption* R'000 | Impact of an increase in assumption R'000 | Impact of an increase in assumption R'000 | Impact of an increase in assumption R'000 |
| Discount rate - 1% | - | - | 3 404 | 1 151 |
| Pension increase - target 100% of inflation (assumption 50%) | - | - | (4 126) | (7 410) |
| Salary increase - 1% | - | - | (1 499) | (1 537) |

* An asset has been purchased which tracks the Warner Howard Limited pension fund liability, any changes in assumption affecting the post retirement liability will have an equal and opposite effect on the acquired asset.

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.

Post-retirement medical aid obligations

The Group provides post-retirement medical benefit subsidies to certain retired employees and is responsible for the provision of post-retirement medical benefit subsidies to a limited number of current employees.

Provision for post-retirement medical aid obligations

| | 2023 R'000 | 2022 R'000 |
|--|---------------|---------------|
| Opening provision raised against unfunded obligation | 73 551 | 77 040 |
| Current service costs (relief) | (2 691) | (954) |
| Interest expense | 6 502 | 6 439 |
| Benefits paid | (10 310) | (7 363) |
| Actuarial adjustments recognised in other comprehensive income | (1 301) | (1 611) |
| Closing provision raised against unfunded obligation | 65 751 | 73 551 |

Key actuarial assumptions

| | % | % |
|----------------------------|--------------|--------------|
| Discount rate | 10,5 | 10,5 |
| Inflation rate (CPI) | 6,8 | 6,8 |
| Health care cost inflation | 8,8 | 8,8 |
| Date of valuation | 30 June 2022 | 30 June 2022 |

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

12.4. Segmental employees, benefits and remuneration

| | Employees | | Employee Benefits and remuneration | |
|-----------------------------|----------------|-----------------------------|------------------------------------|----------------------------|
| | 2023 Number | 2022 Restated* Number | 2023 R'000 | 2022 Restated* R'000 |
| Services South Africa | 34 553 | 31 749 | 4 533 930 | 3 840 431 |
| Services International | 67 503 | 67 724 | 19 138 719 | 16 016 103 |
| Branded Products | 4 939 | 4 892 | 1 564 195 | 1 487 448 |
| Adcock Ingram | 2 741 | 2 652 | 1 410 165 | 1 343 969 |
| Freight | 4 947 | 5 204 | 1 775 470 | 1 612 393 |
| Commercial Products | 8 708 | 8 471 | 2 169 875 | 2 042 424 |
| Financial Services | 1 160 | 1 419 | 723 606 | 691 448 |
| Automotive | 3 780 | 3 745 | 1 844 503 | 1 824 805 |
| Properties | 16 | 17 | 20 578 | 18 343 |
| Corporate and investments | 123 | 594 | 273 524 | 202 192 |
| | 128 471 | 126 468 | 33 454 565 | 29 079 556 |
| Share-based payment expense | - | - | 347 865 | 294 156 |
| | 128 471 | 126 468 | 33 802 430 | 29 373 712 |
| Geographic region | | | | |
| Southern Africa | 95 526 | 93 602 | 17 479 636 | 15 982 150 |
| International | 32 945 | 32 866 | 15 974 928 | 13 097 406 |
| | 128 471 | 126 468 | 33 454 564 | 29 079 556 |

* refer note 3. Overview of group structure (restatement of comparatives)

Notes to the consolidated financial statements

for the year ended 30 June

13. Equity, distributions and group information

13.1. Capital and reserves attributable to shareholders of the Company

Shares in the Company, held by its subsidiaries, The Bidvest Incentive Scheme and The Bidvest Education Trust are classified in the Group's shareholders' interest as treasury shares. These shares are treated as a deduction from the issued and weighted average number of shares. The cost price of the shares is presented as a deduction from total equity. Distributions received on treasury shares are eliminated on consolidation.

| | 2023 R'000 | 2022 R'000 |
|--|--------------------|--------------------|
| Share capital | | |
| Issued share capital | 17 014 | 17 014 |
| Share premium | 1 367 796 | 1 367 796 |
| Reserves | 30 929 100 | 26 303 160 |
| Foreign currency translation reserve | 840 887 | 21 376 |
| Hedging reserve | 263 960 | (154 006) |
| Equity-settled share-based payment reserve | 623 992 | 332 121 |
| Retained earnings | 29 200 261 | 26 103 669 |
| Shares held by subsidiary as treasury shares | 678 266 | 678 663 |
| Share capital | (2) | (2) |
| Share premium | 678 268 | 678 665 |
| Capital and reserves attributable to shareholders of the Company | 32 992 176 | 28 366 633 |
| Reserves comprise | | |
| Company and subsidiaries | 30 816 498 | 26 291 234 |
| Associates | 112 602 | 11 926 |
| | 30 929 100 | 26 303 160 |
| Share capital | | |
| Authorised | | |
| 540 000 000 (2022: 540 000 000) ordinary shares of 5 cents each | 27 000 | 27 000 |
| | Number | Number |
| Issued | | |
| Number of shares in issue | 340 274 346 | 340 274 346 |
| Less: shares held by subsidiary as treasury shares | (386 604) | (386 604) |
| Balance at beginning of year | (386 604) | (386 604) |
| Purchase of shares | (1 728 757) | (997 801) |
| Sale of shares by subsidiary to staff in terms of share incentive scheme | 1 728 757 | 997 801 |
| Net shares in issue | 339 887 742 | 339 887 742 |

17 000 000 (2022: 17 000 000) of the unissued ordinary shares are under the control of the directors until the next annual general meeting.

In order to facilitate the settlement of its equity settled share incentive obligations the Group via its subsidiary, Bidvest Industrial Holdings (Pty) Ltd, acquires The Bidvest Group Limited ordinary shares on the open market. In prior periods the share incentive obligations were settled by issuing new ordinary shares.

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

Equity-settled share-based payment reserve

The equity-settled share-based payment reserve includes the fair value of the share appreciation rights granted and conditional share awards made to staff and executive directors, which have been recognised over the vesting period at fair value with a corresponding expense recognised in the income statement.

Notes to the consolidated financial statements

for the year ended 30 June

13. Equity, distributions and group information (continued...)

13.2. Dividends per share

| | 2023 cents | 2022 cents |
|---|---------------|---------------|
| Dividend paid to shareholders on 3 April 2023 (2022: Dividend paid to shareholders on 28 March 2022) | 437.0 | 380.0 |
| Dividend paid to shareholders on 2 October 2023 (2022: Dividend paid to shareholders on 3 October 2022) | 439.0 | 364.0 |
| | 876.0 | 744.0 |
| Distributions to shareholders are accounted for once they have been approved by the board of directors. | | |
| | R'000 | R'000 |
| Reconciliation to consolidated cashflow statement | | |
| Dividends paid to shareholders | (2 725 598) | (2 347 893) |
| Dividends received by subsidiaries on treasury shares | 3 097 | 2 668 |
| Dividends paid to non-controlling interests | (178 654) | (150 310) |
| Dividends paid to put-call option holders | - | (4 553) |
| Amounts paid | (2 901 155) | (2 500 088) |

13.3. Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, supplier and market confidence, whilst also being able to sustain future development of the businesses. The Board of Directors monitors both the demographic spread of shareholders, as well as the return on capital, which the Group defines as total shareholders' equity, excluding minority interests and the level of distributions to ordinary shareholders. The Group's objective is to maintain a distribution cover of approximately two and a quarter times normalised headline earnings for the foreseeable future. The methods of distribution include dividends, return of share premium, capitalisation issues as well as share buy-backs in lieu of distributions. The level of cover of distributions takes into account prevailing market conditions, future cash requirements of the businesses, Group liquidity requirements, as well as capital adequacy ratios.

In the early days of the Group, acquisition activity was generally funded via the raising of equity capital however over the past five years, far more favourable credit markets have enabled the use of debt as a far more effective tool of capital. The current credit markets have been extremely volatile, increasing the cost of debt in the weighted average cost of capital for the Group thereby enabling a potential return to tapping the equity markets to fund future growth.

From time-to-time the Group purchases its own shares on the market, the timing of these purchases depends on market prices. Primarily the shares are intended to be used for issuing shares under the Bidvest Share Incentive Scheme, Conditional Share Plan or the Share Appreciation Rights Plan (refer note 12.1. *Share-based payments*). The maximum number of shares which can be allocated under the Share Appreciation Rights Plan and the Conditional Share Plan is limited to 16 750 000 shares. The Group does not have a defined share buy-back plan. These shares are currently held as treasury shares.

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

13.4. Commitments

| | 2023 R'000 | 2022 R'000 |
|------------------------------|---------------|---------------|
| Capital expenditure approved | | |
| Contracted for | 1 161 288 | 525 740 |
| Not contracted for | 815 706 | 418 109 |
| | 1 976 994 | 943 849 |

Capital expenditure amounting to R1,9 billion (2022: R897 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.

During the latter half of the 2023 financial year, a decision was made to discontinue the investment into the LPG tank farm and terminal project in Isando Gauteng owing to a lack of a commercial rail solution. At 30 June 2023, Bidvest Freight has spent R104 million of the R172 million committed to the refurbishment and repurpose of three Butadiene storage tanks to Butane storage tanks at Bidvest Tank Terminals' Richards Bay facilities, the project commissioning date has moved to mid-October for commercial use by 31 October 2023. R62 million of the approved R550 million has been spent on the increased multi-purpose storage tank capacity at Bidvest Freight's Richards Bay facility. The project will be commissioned in June 2024 and ready for commercial use in July 2024.

13.5. Contingent liabilities

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.

13.6. Related parties

Identification of related parties

The Group has a related party relationship with its subsidiaries, associates and joint ventures. Key management personnel has been defined as the executive and non-executive directors of the Company. The definition of key management includes the close members of family of key management personnel and any other entity over which key management exercise control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group. They may include the individual's domestic partner and children, the children of the individual's domestic partner, and dependents of the individual or the individual's domestic partner.

Notes to the consolidated financial statements

for the year ended 30 June

13. Equity, distributions and group information (continued...)

13.6. Related parties (continued...)

Transactions with key management personnel

Independent non-executive directors do not participate in the Group's share appreciation rights schemes or conditional share awards.

Details pertaining to executive and non-executive directors' compensations are set out in *note 12.2. Directors' remuneration* in total is included in *note 5.5. Profit before finance charges and associate income*.

The Group encourages its employees to purchase goods and services from Group companies. These transactions are generally conducted on terms no more favourable than those entered into with third parties on an arm's-length basis, although in some cases nominal discounts are granted. Transactions with key management personnel are conducted on similar terms. No abnormal or non-commercial credit terms are allowed, and no impairments were recognised in relation to any transactions with key management personnel during the year, nor have they resulted in any non-performing debts at the year end.

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

Certain of the directors of the Group are also non-executive directors of other public companies which may transact with the Group. The relevant directors do not believe they have significant influence over the financial or operational policies of those companies. Those companies are thus not regarded as related parties.

The following transactions were made on terms equivalent to those that prevail in arm's-length transactions between subsidiaries of the Group and key management personnel (as defined above) and/or organisations in which key management personnel have significant influence:

| | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| Transactions between Group subsidiaries | | |
| Total value of sales between related parties | 6 698 700 | 5 008 787 |
| Total value of inventory purchased from related parties | 4 039 384 | 2 312 376 |
| Total value of services purchased from related parties | 2 659 315 | 2 696 411 |
| Total value of related party trade payables / receivables | 896 941 | 711 837 |
| Total value of related party loans payable / receivable | 39 203 639 | 36 477 791 |
| Total value of related party interest bearing loans between Bidvestco and Bidvest Treasury Services | 4 532 000 | 5 146 000 |
| Total value of related party interest bearing loans payable to Bidvest Treasury Services | 9 361 358 | 8 613 551 |
| Total value of related party interest bearing loans payable to The Bidvest Group UK | 18 948 003 | 15 681 552 |
| Total value of related party deposits at Bidvest Bank | 480 732 | 193 549 |
| Total value of related party overdrafts at Bidvest Bank | 38 119 | 14 954 |
| Transactions with associates | | |
| Purchases | 575 293 | 654 406 |
| Outstanding amounts due to the Group at year end included in advances to associates | 136 809 | 56 731 |

13.7. Foreign currency exchange rates

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

| | 2023 | 2022 |
|-------------------------------|-------|-------|
| Rand/Sterling | | |
| Closing rate | 23,94 | 19,86 |
| Average rate | 21,40 | 20,24 |
| Rand/Euro | | |
| Closing rate | 20,57 | 17,09 |
| Average rate | 18,62 | 17,14 |
| Rand/Australian Dollar | | |
| Closing rate | 12,55 | - |
| Average rate | 11,95 | - |
| Rand/US Dollar | | |
| Closing rate | 18,84 | 16,33 |
| Average rate | 17,77 | 15,22 |
| Rand/Japanese Yen | | |
| Closing rate | 0,130 | 0,120 |
| Average rate | 0,130 | 0,130 |

Notes to the consolidated financial statements

for the year ended 30 June

14. Disposal group held-for-sale

During June 2023, the Group entered into a process to dispose of 100% of its shareholding and claims in Bidvest Life Limited (Bidvest Life). Bidvest Life is a licensed life assurance company and registered financial service provider specialising in income protection, disability, critical illness and life cover. The Group is actively engaging with a number of interested parties. The decision to exit the life assurance business is consistent with the Group's strategy of continuously re-assessing activities.

| | 2023 R'000 | 2022 R'000 |
|---|---------------|---------------|
| Disposal group liabilities held-for-sale | | |
| Life assurance fund (re-insurers share) | 302 733 | - |
| Trade and other payables and provisions | 53 801 | - |
| Lease liability | 1 361 | - |
| | 357 895 | - |
| Disposal group assets held-for-sale | | |
| Property, plant and equipment | 3 690 | - |
| Right-of-use assets | 992 | - |
| Life assurance fund | 583 218 | - |
| Deferred taxation | 57 757 | - |
| Trade and other receivables | 34 507 | - |
| Cash and cash equivalents and bank overdrafts | 71 005 | - |
| Taxation | 1 232 | - |
| Intangible assets | 22 316 | - |
| Share based payment reserve | 426 | - |
| Goodwill | 6 065 | - |
| | 781 208 | - |
| Net carrying value | 423 313 | - |

Interest in subsidiaries and associates

as at 30 June

Annexure A

| | Country of incorporation if not SA | Note | Effective holdings 2023 % | Effective holdings 2022 % |
|--|--|------|------------------------------------|------------------------------------|
| Significant subsidiaries | | | | |
| Bidvest Automotive ^(A) | | | | |
| Autohaus Centurion Pty Ltd | | | 50 | 50 |
| Bidvest Car Rental (Botswana) Pty Ltd | 2 | | 100 | 100 |
| Bidvest Car Rental (Namibia) Pty Ltd | 10 | | 100 | 100 |
| Bidvest McCarthy Brands Pty Ltd | | | 100 | 100 |
| Bidvest Namibia Automotive Otjiwarongo Pty Ltd | 10 | | 100 | 100 |
| Bidvest Namibia Automotive Pty Ltd | 10 | | 100 | 100 |
| Carheim Investments Pty Ltd | 10 | | 100 | 100 |
| Coltish Investments Pty Ltd * | | | - | 100 |
| Diroyal Motor (SWA) Pty Ltd | 10 | | 100 | 100 |
| Inyanga Motors Pty Ltd * | | | - | 100 |
| Inyanga Plaza Investments Pty Ltd | | | 100 | 100 |
| Kunene Motor Holdings Limited | | | 64 | 64 |
| McCarthy Investments Pty Ltd | | | 100 | 100 |
| McCarthy Pty Ltd | | | 100 | 100 |
| Melrose Motor Investments Pty Ltd | | | 100 | 100 |
| Bidvest Branded Products ^(F,G,M,N) | | | | |
| Adcock Ingram Holdings Limited | | | 62 | 58 |
| Airport Retail and Luggage Repairs (Coastal) Pty Ltd | | | 70 | 70 |
| Amalgamated Appliances Pty Ltd | | | 100 | 100 |
| Bartrans Pty Ltd | | | 100 | 100 |
| Bidoffice Furniture Manufacturing Pty Ltd | | | 100 | 100 |
| Bidvest Branded Products Holdings Pty Ltd | | | 100 | 100 |
| Bidvest Monitoring Solutions Pty Ltd | | | 100 | 100 |
| Bidvest Office Pty Ltd | | | 100 | 100 |
| Bidvest Paperplus Pty Ltd | | | 100 | 100 |
| Brandcorp Hong Kong Limited | 3 | | 100 | 100 |
| Brandcorp Transformation Corporation Pty Ltd | | | 100 | 100 |
| Business Forms Properties Pty Ltd * | | | - | 100 |
| Cecil Nurse Namibia Pty Ltd | 10 | | 100 | 100 |
| Dauphin Office Seating S.A. Pty Ltd | | | 100 | 100 |
| Globe Stationery Manufacturing Company Pty Ltd | | | 100 | 100 |
| Home of Living Brands Group Limited | | | 100 | 100 |
| Home of Living Brands Pty Ltd | | | 100 | 100 |
| Kolok (Namibia) Pty Ltd | 10 | | 100 | 100 |
| Kolok Pty Ltd | | | 100 | 100 |
| Lamobyte Pty Ltd | | | 100 | 100 |
| Lithotech Afric Mail JHB Pty Ltd * | | | - | 100 |
| Lithotech Corporate Pty Ltd | | 1 | 49 | 49 |
| Lithotech Mailing Services Pty Ltd | | | 100 | 100 |
| Lithotech Manufacturing Pinetown Pty Ltd | | | 100 | 100 |
| Lithotech Sales Cape Pty Ltd | | | 100 | 100 |
| Lufil Packaging Pty Ltd | | | 100 | 100 |
| Main Street 573 Pty Ltd | | | 100 | 100 |
| Minolco (Namibia) Pty Ltd | 10 | | 100 | 100 |
| Phakama Print Pty Ltd | | | 100 | 100 |
| R Giese Printing Pty Ltd | | | 100 | 100 |
| Rotolabel (Tvl) Pty Ltd * | | | - | 100 |

Interest in subsidiaries and associates

as at 30 June

Annexure A

| | Country of incorporation if not SA | Note | Effective holdings | Effective holdings |
|--|--|------|-----------------------|-----------------------|
| | | | 2023 % | 2022 % |
| Significant subsidiaries | | | | |
| Bidvest Branded Products ^(F,G,M,N) (continued) | | | | |
| S&N Labels Pty Ltd * | | | - | 100 |
| Silveray Statmark Company Pty Ltd | | | 100 | 100 |
| SMC Sales Logistics Pty Ltd | | | 100 | 100 |
| Tedelex Properties (Atlantis) Pty Ltd * | | | - | 100 |
| Tension Envelope Pty Ltd | | | 100 | 100 |
| Waltons Namibia Pty Ltd | 10 | | 100 | 100 |
| Whitebord Pty Ltd | | | 100 | 100 |
| Zonke Monitoring Systems Pty Ltd | | | 78 | 78 |
| Bidvest Commercial ^(B,E,K) | | | | |
| Academy Brushware Pty Ltd# | | | 100 | 100 |
| Afcom Group Limited | | | 100 | 100 |
| B M O Food Services Pty Ltd | | | 100 | 100 |
| Bellco Electrical Pty Ltd | | | 100 | 100 |
| Berzack Brothers Pty Ltd# | | | 100 | 100 |
| Bidvest Afcom Pty Ltd# | | | 100 | 100 |
| Bidvest Buffalo Tapes Pty Ltd# | | | 100 | 100 |
| Bidvest Commercial Products Holdings Pty Ltd | | | 100 | 100 |
| Bidvest Commercial Products Pty Ltd | | | 100 | 100 |
| Bidvest Industrial Pty Ltd | | | 100 | 100 |
| Bidvest Industrial Supplies Zambia Limited | 17 | | 100 | 100 |
| Bidvest Materials Handling Pty Ltd# | | | 100 | 100 |
| Bidvest Namibia Plumblink Pty Ltd | 10 | | 100 | 100 |
| Brandcorp Holdings Pty Ltd | | | 100 | 100 |
| Brandcorp Pty Ltd | | | 100 | 100 |
| Clockwork Giant Clothing Pty Ltd | 14 | | 100 | 100 |
| Eagle Lighting Pty Ltd | | | 100 | 100 |
| Eagle Lighting George Pty Ltd * | | | - | 100 |
| Electtech Power Solutions Pty Ltd | | | 100 | 100 |
| G Fox Pty Ltd# | | | 100 | 100 |
| G Fox Swaziland Pty Ltd | 14 | | 75 | 75 |
| King Pie Holdings Pty Ltd | | | 100 | 100 |
| Mubelo Electrical Pty Ltd * | 8 | | - | 80 |
| Plumblink (SA) Pty Ltd | | | 100 | 100 |
| Ram Fasteners Pty Ltd# | | | 100 | 100 |
| Renttech Holdings Pty Ltd | | | 100 | 100 |
| Renttech South Africa Pty Ltd | | | 100 | 100 |
| Renttech Trading Pty Ltd | | | 100 | 100 |
| Solid State Power Pty Ltd | | | 100 | 50 |
| Southern African Welding and Industrial Supplies Pty Ltd | 10 | | 100 | 100 |
| Tuning Fork Pty Ltd t/a Yamaha | | | 100 | 100 |
| Voltex Botswana Pty Ltd | 2 | | 70 | 70 |
| Bidvest Electrical Holdings Pty Ltd | | | 100 | 100 |
| Voltex MVLV Solutions Pty Ltd | | | 90 | 90 |
| Bidvest Steiner Namibia Pty Ltd | 10 | | 100 | 100 |
| Voltex Pty Ltd | | | 100 | 100 |
| Vulcan Catering Supplies Pty Ltd | | | 100 | 100 |

Interest in subsidiaries and associates

as at 30 June

Annexure A

| | Country of incorporation if not SA | Note | Effective holdings | Effective holdings |
|--|--|------|-----------------------|-----------------------|
| | | | 2023 % | 2022 % |
| Significant subsidiaries | | | | |
| Bidvest Financial Services ^(C) | | | | |
| Autosure Pty Ltd ^ | | | 100 | - |
| Autosure Cover Pty Ltd ^ | | | 100 | - |
| Bid Finserv Capital Pty Ltd | | | 100 | 100 |
| Bidvest Asset Management Pty Ltd | | | 100 | 100 |
| Bidvest Bank Holdings Limited | | | 100 | 100 |
| Bidvest Bank Limited | | | 100 | 100 |
| Bidvest Cash Access Pty Ltd | | | 100 | 100 |
| Bidvest Insurance Brokers Pty Ltd | | | 100 | 100 |
| Bidvest Insurance Group Pty Ltd | | | 100 | 100 |
| Bidvest Insurance Limited | | | 100 | 100 |
| Bidvest Life Limited | | | 100 | 100 |
| Bidvest Merchant Services Pty Ltd | | | 100 | 100 |
| Bidvest Wealth and Employee Benefits Pty Ltd * | | | - | 100 |
| Cignet Administration Services Pty Ltd | | | 100 | 100 |
| Compendium Group Investment Holdings Pty Ltd | | | 100 | 100 |
| Compendium Insurance Brokers Pty Ltd | | | 100 | 91 |
| Compendium Insurance Brokers (KZN) Pty Ltd | | | 70 | 70 |
| Edge Insurance Brokers Pty Ltd * | | | - | 100 |
| F&I products and Consulting Services Pty Ltd ^ | | | 100 | - |
| Financial Management International Pty Ltd | | | 100 | 100 |
| FinGlobal Australia Limited | 1 | | 100 | 100 |
| FinGlobal Finance Pty Ltd | | | 100 | 100 |
| FinGlobal Holdings Pty Ltd | | | 100 | 100 |
| FinGlobal Migration Pty Ltd | | | 100 | 100 |
| FinGlobal Tax Pty Ltd | | | 100 | 100 |
| GL Broking Enterprises Pty Ltd | | | 100 | 100 |
| Lwendo Fleet Solutions Pty Ltd | | | 100 | 100 |
| Master Currency Pty Ltd | | | 100 | 100 |
| Namibia Bureau de Change Pty Ltd | 10 | | 100 | 100 |
| Portdem Pty Ltd * | | | - | 100 |
| Swift Auto Brokers Pty Ltd | | | 100 | 100 |
| Taxi and Transport Brokers Pty Ltd * | | | - | 100 |
| Tradeflow Pty Ltd * | | | - | 100 |
| Watersure Pty Ltd | | | 100 | 100 |
| Bidvest Freight ^(D) | | | | |
| African Shipping Limited | | | 100 | 100 |
| Bidfreight Intermodal Pty Ltd | | | 100 | 100 |
| Bidfreight Port Operations Pty Ltd | | | 100 | 100 |
| Bidvest Freight Management Services Pty Ltd | | | 100 | 100 |
| Bidvest Freight Pty Ltd | | | 100 | 100 |
| Bidvest Freight Terminals Pty Ltd | | | 100 | 100 |
| Bulk Connections Pty Ltd | | | 100 | 100 |
| Cape Container Terminal Leasing Pty Ltd | | | 100 | 100 |
| Durban Coal Terminals Company Pty Ltd | | | 100 | 100 |
| Ensimbini Terminals Pty Ltd | | | 50 | 50 |
| Freightbulk Pty Ltd | | | 100 | 100 |
| Island View Storage Limited t/a Bidvest Tank Terminals | | | 100 | 100 |
| Lubrication Specialists Pty Ltd | 10 | | 100 | 100 |
| Luderitz Bay Shipping & Forwarding Pty Ltd | 10 | | 100 | 100 |
| Makana Bid Properties Pty Ltd | | | 100 | 100 |

Interest in subsidiaries and associates

as at 30 June

Annexure A

| | Country of incorporation if not SA | Note | Effective holdings 2023 % | Effective holdings 2022 % |
|--|--|------|------------------------------------|------------------------------------|
| Significant subsidiaries | | | | |
| Bidvest Freight ^(D) (continued) | | | | |
| Manica Group Namibia Pty Ltd | 10 | | 100 | 100 |
| Monjasa Namibia Pty Ltd | 10 | | 57 | 57 |
| Mozambique Freight Services, Lda | 9 | | 100 | 100 |
| Namtank Management Services Pty Ltd | 10 | | 100 | 100 |
| Naval Servicos A Navegacao LTDA | 9 | | 100 | 100 |
| Orca Marine Service Pty Ltd | 10 | | 100 | 100 |
| P & I Associates Pty Ltd | | | 100 | 100 |
| Renfreight Pty Ltd | | | 100 | 100 |
| Rennie Murray and Company Pty Ltd | | | 100 | 100 |
| Rennies Ships Agency Mozambique Limitada | 9 | | 100 | 100 |
| Rennies Ships Agency Pty Ltd | | | 100 | 100 |
| Safcor Freight Pty Ltd (t/a Bidvest International Logistics) | | | 100 | 100 |
| Sebenza Forwarding & Shipping Pty Ltd | | | 100 | 100 |
| South African Bulk Terminals Pty Ltd | | | 100 | 100 |
| South African Container Depots Pty Ltd | | | 100 | 100 |
| South African Stevedores Pty Ltd | | | 100 | 100 |
| Walvis Bay Airport Services Pty Ltd | 10 | | 100 | 100 |
| Walvis Bay Stevedoring Company Pty Ltd | 10 | | 55 | 55 |
| Woker Freight Services Pty Ltd | 10 | | 100 | 100 |
| Bidvest Services South Africa ^(H,J) | | | | |
| Airport Handling Services Pty Ltd * | | | - | 100 |
| Aquazania Africa Pty Ltd | | | 100 | 100 |
| Aquazania Pty Ltd | | | 100 | 100 |
| Bidair Cargo Pty Ltd | | | 100 | 100 |
| Bidair Group Pty Ltd | | | 100 | 100 |
| Bidshelf 94 Pty Ltd (previously Bidtrack Pty Ltd) | | | 100 | 100 |
| Bidtrack Pty Ltd (previously Commuter Handling Services Pty Ltd) | | | 100 | 100 |
| Bidtravel Pty Ltd | | | 100 | 100 |
| Bidvest (Zambia) Pty Ltd | 17 | | 100 | 100 |
| Bidvest Catering Services Pty Ltd | | | 100 | 100 |
| Bidvest Magnum Pty Ltd | | | 100 | 100 |
| Bidvest Protea Coin Assets In Transit And Armed Reaction Pty Ltd | | | 100 | 100 |
| Bidvest Protea Coin Cargo Protection Pty Ltd | | | 100 | 100 |
| Bidvest Protea Coin Fencing Pty Ltd | | | 100 | 100 |
| Bidvest Protea Coin Pty Ltd | | | 100 | 100 |
| Bidvest Protea Coin Technical And Physical Security Pty Ltd | | | 100 | 100 |
| Bidvest Steripic and Promosachets Pty Ltd | | | 100 | 100 |
| Bidvest Travel Holdings Pty Ltd | | | 100 | 100 |
| Bosnandi Laundry Pty Ltd | | | 51 | 51 |
| Bushbreaks & More Pty Ltd | | | 100 | 100 |
| ClickOn Communications Pty Ltd | | | 100 | 100 |
| Coin Aviation Security Pty Ltd * | | | - | 100 |
| Connex Travel Holdings Pty Ltd | | | 100 | 100 |
| Connex Travel Pty Ltd * | | | - | 100 |
| Cruises International SA Pty Ltd | | | 100 | 100 |
| Cudha SARL | 9 | | 100 | 100 |
| Dinatla Property Services Pty Ltd | | | 100 | 100 |
| EAS Zimbabwe Pvt Ltd | 18 | | 70 | 70 |
| Execuflora Pty Ltd | | | 100 | 100 |

Interest in subsidiaries and associates

as at 30 June

Annexure A

| | Country of incorporation if not SA | Note | Effective holdings 2023 % | Effective holdings 2022 % |
|---|--|------|------------------------------------|------------------------------------|
| Significant subsidiaries | | | | |
| Bidvest Services South Africa ^(H-J) (continued) | | | | |
| Express Air Services Pty Ltd | | | 100 | 100 |
| Express Air Services Uganda Limited | 15 | | 100 | 100 |
| Express Air Services Zambia Limited | 17 | | 60 | 60 |
| First Garment Rental Pty Ltd | | | 100 | 100 |
| Harvey World Travel Southern Africa Pty Ltd | | | 100 | 100 |
| Hotel Amenities Suppliers Pty Ltd | | | 100 | 100 |
| Ithabeleng Food Services Pty Ltd | | | 100 | 100 |
| Macardo Lodge Pty Ltd t/a Travelwise | 2 | | 51 | 51 |
| Mymarketdot Com Pty Ltd * | | | - | 100 |
| New Frontiers Tours Pty Ltd | | | 100 | 100 |
| Nomtsalane Property Services Pty Ltd | | | 86 | 86 |
| Protea Aviation Pty Ltd * | | | - | 100 |
| Protea Security Services (West Rand) Pty Ltd | | | 100 | 100 |
| Pureau Fresh Water Company Pty Ltd | | | 100 | 100 |
| Quadrel Travel Manangement Pty Ltd t/a CWT | | | 90 | 90 |
| Rennies Travel (Namibia) Pty Ltd | 10 | | 100 | 100 |
| Rennies Travel Pty Ltd t/a Rennies BCD Travel | | | 100 | 100 |
| Royal Mozambique Ltda | 9 | | 60 | 60 |
| Royalmnanidi Duduza Pty Ltd | | | 60 | 60 |
| Royalmnanidi Events Pty Ltd | | | 100 | 100 |
| Royalmnanidi Food Services Pty Ltd | | | 100 | 100 |
| Top Turf Botswana Pty Ltd * | 2 | | - | 100 |
| Top Turf Group Pty Ltd | | | 100 | 100 |
| Top Turf Lesotho Pty Ltd | 7 | | 100 | 100 |
| Top Turf Swaziland Pty Ltd | 14 | | 100 | 100 |
| Travel Connections Pty Ltd | | | 100 | 100 |
| UAV and Drone Solutions Pty Ltd | | | 100 | 100 |
| Uniwold Travel Pty Ltd | | | 100 | 100 |
| Velocity Road Rehabilitation Holdings Pty Ltd | | | 100 | 100 |
| Vericon Outsourcing Pty Ltd | | | 100 | 100 |
| Workwear Rental Services Pty Ltd | | | 100 | 100 |
| World Travel Pty Ltd | | | 100 | 100 |
| WTH Investment Holdings Pty Ltd | | | 100 | 100 |
| Zanihold Pty Ltd | | | 100 | 100 |
| Bidvest Services International ^(I) | | | | |
| Amber Support Solutions Limited | 16 | | 100 | 100 |
| Axis Cleaning and Support Services Limited | 16 | | 100 | 100 |
| Axis Group Integrated Services Limited | 16 | | 100 | 100 |
| Axis Security Services Limited | 16 | | 100 | 100 |
| B.I.C Services Pty Ltd ^ | 1 | | 100 | - |
| Bidvest Cleaning Pty Ltd | | | 100 | 100 |
| Bidvest Facilities Management Pty Ltd | | | 100 | 100 |
| Bidvest Noonan (ROI) Limited | 11 | | 100 | 100 |
| Bidvest Noonan (UK) Limited | 16 | | 100 | 100 |
| Bidvest Prestige Cleaning Pty Ltd | 10 | | 100 | 100 |
| Bidvest Services (ROI) Limited | 11 | | 100 | 100 |
| Bidvest Services (UK) Limited | 16 | | 100 | 100 |
| Bidvest Services Group (UK) Limited | 16 | | 100 | 100 |
| Bidvest Services Holdings Pty Ltd | | | 100 | 100 |
| Bidvest Services Pty Ltd | | | 100 | 100 |
| CLM Safety Limited | 16 | | 100 | 100 |

Interest in subsidiaries and associates

as at 30 June

Annexure A

| | Country of incorporation if not SA | Note | Effective holdings 2023 % | Effective holdings 2022 % |
|--|--|------|------------------------------------|------------------------------------|
| Significant subsidiaries | | | | |
| Bidvest Services International ⁽¹⁾ (continued) | | | | |
| Cordant Cleaning Limited | 16 | | 100 | 100 |
| Cordant Security Limited | 16 | | 100 | 100 |
| Cordant Thistle Limited | 16 | | 100 | 100 |
| Crane Midco Limited | 16 | | 100 | 100 |
| Dartry Laundry Ltd ("Dartry") | 16 | | 100 | 100 |
| Dinosi Cleaning Services Pty Ltd | | | 55 | 55 |
| Direct365Online Limited | 16 | | 100 | 100 |
| Epsilon Test Services Limited | 16 | | 100 | 100 |
| Future Carpet Cleaning Services Limited | 16 | | 100 | 100 |
| Future Cleaning (Southwest) Limited | 16 | | 100 | 100 |
| Future Cleaning FCS Limited | 11 | | 100 | 100 |
| Future Cleaning Services Limited | 16 | | 100 | 100 |
| Hygiene Matters Limited | 11 | | 100 | 100 |
| Ikhayelihle Royalserve Cleaning Services Pty Ltd | | | 100 | 100 |
| Industro-Clean Botswana Pty Ltd | 2 | | 100 | 100 |
| Karmarton Limited | 11 | | 100 | 100 |
| Lehlangene Facilities Management Pty Ltd | | | 100 | 100 |
| LPM Acquisitions Limited * | 16 | | - | 100 |
| L. Lynch (H2O) Solutions Limited | 11 | | 100 | 100 |
| L. Lynch Interact Limited | 11 | | 100 | 100 |
| LTP Mast and Infrastructure Services Pty Ltd | | | 100 | 100 |
| Mayflower Hygiene Supplies (London) Limited | 16 | | 100 | 100 |
| Mayflower Hygiene Supplies (Ireland) Limited | 11 | | 100 | 100 |
| Mediguard WIC Cleaning Services (Lesotho) Pty Ltd | 7 | | 51 | 51 |
| Noonan Topco Limited | 16 | | 100 | 100 |
| Personnel Hygiene Services Limited | 16 | | 100 | 100 |
| PHS Bidco Limited | 16 | | 100 | 100 |
| PHS Compliance Limited | 16 | | 100 | 100 |
| PHS Group Limited | 16 | | 100 | 100 |
| PHS Holdings Limited | 16 | | 100 | 100 |
| PHS Hygiene Pty Ltd ^ | 1 | | 100 | - |
| PHS Investments Limited | 16 | | 100 | 100 |
| PHS Services Limited | 16 | | 100 | 100 |
| PHS Serkon SAU | 13 | | 100 | 100 |
| PHS Washrooms Limited | 16 | | 100 | 100 |
| PHS Western Limited | 16 | | 100 | 100 |
| Prestige Cleaning Services Pty Ltd | | | 100 | 100 |
| QMS Consulting Pty Ltd | | | 100 | 100 |
| Rebserve Facilities Management Pty Ltd | | | 80 | 80 |
| Servicios Antiplagas, Higiene Y Control Ambiental SAU (Sahicasa) ^ | | | 100 | - |
| Seebeck 133 Limited * | 16 | | - | 100 |
| Steiner Environmental Solutions Pty Ltd | | | 100 | 100 |
| Steiner Hygiene Pty Ltd | | | 100 | 100 |
| Steiner Hygiene Swaziland Pty Ltd | 14 | | 100 | 100 |
| Test Monetary Systems Pty Ltd | | | 100 | 100 |
| Taemane Cleaning Services Pty Ltd | | | 100 | 100 |
| Teacrate Limited | 16 | | 100 | 100 |
| Teacrate Rentals Limited | 16 | | 100 | 100 |
| TFMC FM Services Pty Ltd | | | 100 | 100 |
| TFMC Holdings Pty Ltd | | | 100 | 100 |
| Top Turf Mauritius Pty Ltd | 8 | | 100 | 100 |
| Top Turf Seychelles Pty Ltd | 12 | | 100 | 100 |
| Umoja Property Solutions Pty Ltd | | | 51 | 51 |

Interest in subsidiaries and associates

as at 30 June

Annexure A

| | Country of incorporation if not SA | Note | Effective holdings 2023 % | Effective holdings 2022 % |
|---|--|------|------------------------------------|------------------------------------|
| Significant subsidiaries | | | | |
| Bidvest Properties ^(O) | | | | |
| Airport Logistics Property Holdings Pty Ltd | | | 50 | 50 |
| Bidvest Namibia Industrial Properties Pty Ltd | 10 | | 100 | 100 |
| Bidvest Namibia Property Holdings Pty Ltd | 10 | | 100 | 100 |
| Bidvest Properties Holdings Pty Ltd | | | 100 | 100 |
| Bidvest Properties UK Limited | 16 | | 100 | 100 |
| Bidvest Properties Pty Ltd | | | 100 | 100 |
| Elzet Development Pty Ltd | 10 | | 100 | 100 |
| Lenkow Pty Ltd | 10 | | 100 | 100 |
| Mercland Pty Ltd | | | 50 | 50 |
| Micawber 239 Pty Ltd | | | 50 | 50 |
| Micawber 240 Pty Ltd | | | 53 | 53 |
| T&C Properties Namibia Pty Ltd * | 10 | | - | 100 |
| Bidvest Corporate ^(L) | | | | |
| BB Investment Company Pty Ltd# | | | 100 | 100 |
| Bid Services Division (IOM) Limited | 5 | | 100 | 100 |
| Bid Services Division (Mauritius) Limited | 8 | | 100 | 100 |
| Bid Services Division Pty Ltd | | | 100 | 100 |
| Bid Services Division (UK) Limited | 16 | | 100 | 100 |
| Bidvest Advisory Services Pty Ltd | | | 100 | 100 |
| Bidvest Corporate Services Pty Ltd # | | | 100 | 100 |
| Bidvest Industrial Holdings Pty Ltd | | | 100 | 100 |
| Bidvest Namibia Commercial and Industrial Services and Products Pty Ltd | 10 | | 100 | 100 |
| Bidvest Namibia Commercial Holdings Pty Ltd | 10 | | 100 | 100 |
| Bidvest Namibia Limited | 10 | | 100 | 100 |
| Bidvest Namibia Management Services Pty Ltd | 10 | | 100 | 100 |
| Bidvest Procurement Pty Ltd# | | | 100 | 100 |
| Bidvest South Africa Pty Ltd# | | | 100 | 100 |
| Bidvest Treasury Services Pty Ltd | | | 100 | 100 |
| Bidvest Wits University Football Club Pty Ltd | | | 100 | 100 |
| Bidvest Freight UK Limited | 16 | | 100 | 100 |
| Bidvest Outsourced Services Limited | 16 | | 100 | 100 |
| Bidvest Property Limited | 16 | | 100 | 100 |
| Bidvestco Limited | | | 100 | 100 |
| Caterplus Namibia Pty Ltd * | 10 | | - | 100 |
| Duiker Investments 172 Pty Ltd | 10 | | 100 | 100 |
| Duiker 2019 Pty Ltd | 10 | | 100 | 100 |
| Duiker Investments 2020 Pty Ltd | 10 | | 100 | 100 |
| GSA Trading Namibia Pty Ltd * | 10 | | - | 100 |
| Matador Enterprises Pty Ltd | 10 | | 100 | 100 |
| Rennies Logistics Pty Ltd * | 10 | | - | 100 |
| Shelfco Investments One Seven Zero Pty Ltd * | 10 | | - | 100 |
| Skillion Limited | 16 | | 100 | 100 |
| T&C Trading Pty Ltd * | 10 | | - | 100 |
| Taeuber & Corssen SWA Pty Ltd * | 10 | | - | 100 |
| The Bidvest Education Trust | | | 100 | 100 |
| The Bidvest Group (UK) Plc | 16 | | 100 | 100 |
| The Bidvest Group Australia Pty Ltd | 1 | | 100 | 100 |
| The Bidvest Incentive Scheme Trust | | | 100 | 100 |
| Bidvest Capital Pty Ltd | | | 100 | 100 |

Interest in subsidiaries and associates

as at 30 June

Annexure A

| | Country of incorporation if not SA | Note | Effective holdings | Effective holdings |
|---|--|------|-----------------------|-----------------------|
| | | | 2023 % | 2022 % |
| Significant associates and joint ventures | | | | |
| Adcock Ingram Limited (India) ^{(JV) (N)} | | 4 | 50 | 50 |
| "K" Line Shipping (South Africa) Pty Ltd ^(D) | | | 49 | 49 |
| Ilembe Airport Construction Services Pty Ltd ^(P) | | | 20 | 20 |
| National Renal Care Pty Ltd ^{(JV) (N)} | | | 50 | 50 |
| Strait Access Technologies Pty Ltd ^(N) | | | 50 | 50 |

Footnotes

[^] acquired during 2023

^{*} disposed during 2023

[#] trading as an agent

Country of incorporation if not South Africa

- 1 Australia
- 2 Botswana
- 3 Hong Kong
- 4 India
- 5 Isle of Man
- 6 Kenya
- 7 Lesotho
- 8 Mauritius
- 9 Mozambique
- 10 Namibia
- 11 Republic of Ireland
- 12 Seychelles
- 13 Spain
- 14 Swaziland
- 15 Uganda
- 16 United Kingdom
- 17 Zambia
- 18 Zimbabwe

Additional Notes

- 1 The Group has power over this subsidiary as it has the ability to direct the relevant activities of the subsidiary unilaterally.
- JV Joint venture

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 of garments and water and coffee dispensers, suppliers of consumables, specialised clothing and laundry; security, interior and exterior landscaping services
- ^(I) Rental of hygiene equipment and suppliers of consumables, cleaning, hygiene and facilities management services
- ^(J) Travel management services, aviation services and car rental
- ^(K) Catering supplies, food and allied products
- ^(L) Group services and investment
- ^(M) Distributor of electrical appliances
- ^(N) Manufacturer, marketer and distributor of healthcare products
- ^(O) Property holding
- ^(P) Construction
- ^(Q) Public private partnership

Shareholder information

as at 30 June 2023

| | Number of share held | % of shares issued | % of effective holding |
|---|-------------------------|-----------------------|------------------------------|
| Beneficial shareholding | | | |
| Major shareholders holding 3% or more of the shares in issue | | | |
| Government Employees Pension Fund | 70 121 144 | 52.41 | 20.63 |
| Government of Singapore | 14 542 580 | 10.87 | 4.28 |
| WGI Emerging Markets | 12 560 938 | 9.39 | 3.70 |
| Old Mutual Life Assurance Co Ltd | 9 265 678 | 6.94 | 2.73 |
| | 106 490 340 | 31.30 | 31.33 |

Investment management holdings

| | | | |
|--|-------------|-------|-------|
| Fund managers holding 3% or more of the shares in issue | | | |
| PIC | 56 315 653 | 16.55 | 16.57 |
| Westwood Global Investments LLC | 23 291 886 | 6.85 | 6.85 |
| GIC Asset Management | 14 542 580 | 4.27 | 4.28 |
| Old Mutual Ltd | 14 273 610 | 4.19 | 4.20 |
| The Vanguard Group Inc | 13 560 887 | 3.99 | 3.99 |
| J.P. Morgan Asset Management | 11 811 374 | 3.47 | 3.48 |
| | 133 795 990 | 39.32 | 39.36 |

Shares in issue

| | |
|-------------------------------------|-------------|
| Total number in issue | 340 274 346 |
| Bidvest Education Trust | (386 604) |
| Effective number of shares in issue | 339 887 742 |

| Shareholder categories | Number of shares held | % of shares issued |
|------------------------------|--------------------------|-----------------------|
| Pension Funds | 116 304 589 | 34.18 |
| Unit Trusts/Mutual Fund | 108 706 239 | 31.95 |
| Sovereign Wealth | 29 156 978 | 8.57 |
| Private Investor | 24 391 652 | 7.17 |
| Hedge Fund | 13 238 216 | 3.89 |
| Insurance Companies | 11 775 600 | 3.46 |
| Exchange-Traded Fund | 10 318 390 | 3.03 |
| Trading Position | 7 216 614 | 2.12 |
| Charity | 5 392 017 | 1.58 |
| American Depository Receipts | 3 940 576 | 1.16 |
| Corporate Holding | 2 144 227 | 0.63 |
| Black Economic Empowerment | 1 198 495 | 0.35 |
| Others/Custodial/Unknown | 6 490 753 | 1.91 |
| | 340 274 346 | 100.00 |

Geographic split of beneficial shareholders

| | | |
|----------------|-------------|--------|
| South Africa | 170 420 011 | 50.08 |
| North America | 84 533 238 | 24.84 |
| United Kingdom | 12 013 524 | 3.53 |
| Rest of Europe | 27 222 718 | 8.00 |
| Rest of World | 46 084 855 | 13.54 |
| | 340 274 346 | 100.00 |

Shareholder information

as at 30 June 2022

| Analysis of shareholdings | Number of shareholders | % of all shareholders | Number of shares held | % of shares issued |
|---------------------------|------------------------|-----------------------|-----------------------|--------------------|
| 1 - 1 000 | 37 065 | 83.90 | 9 221 320 | 2.71 |
| 1 001 - 10 000 | 5 938 | 13.44 | 15 751 799 | 4.63 |
| 10 001 - 100 000 | 855 | 1.94 | 27 263 495 | 8.01 |
| 100 001 - 1 000 000 | 283 | 0.64 | 81 999 470 | 24.10 |
| 1 000 001 - and more | 38 | 0.09 | 206 038 262 | 60.55 |
| | 44 179 | 100.00 | 340 274 346 | 100.00 |

Shareholder spread

| | | | | |
|---------------------------------|--------|--------|-------------|--------|
| Public shareholders | 44 171 | 99.98 | 339 204 158 | 99.69 |
| Non-public shareholders | 8 | 0.02 | 1 070 188 | 0.31 |
| • Bidcorp Group Retirement Fund | 4 | 0.01 | 536 179 | 0.16 |
| • Bidvest Education Trust | 1 | 0.00 | 386 601 | 0.11 |
| Directors & Family Trust | 3 | 0.01 | 147 408 | 0.04 |
| | 44 179 | 100.00 | 340 274 346 | 100.00 |

Administration

The Bidvest Group Limited

Incorporated in the Republic of South Africa

Registration number: 1946/021180/06

ISIN: ZAE000117321

Share code: BVT

Group company secretary

Nonqaba Katamzi

Auditors

PricewaterhouseCoopers Inc.

Legal advisers

Alchemy Law Africa

Baker & McKenzie

Edward Nathan Sonnenbergs

Werksmans Inc

Bankers

ABSA Bank Limited

Bank of America

Barclays PLC

FirstRand Group Limited

Investec Bank Limited

Nedbank Limited

The Standard Bank of South Africa Limited

Share transfer secretaries

Computershare Investor Services

Proprietary Limited

PO Box 61051

Marshalltown

2107

0861 100 950

Sponsor

Investec Bank Limited

Chief financial officer

Mark Steyn

Investor relations

Ilze Roux

Registered office

Bidvest House

18 Crescent Drive

Melrose Arch

Melrose

2196

South Africa

PO Box 87274

Houghton

2041

South Africa

Telephone +27 (11) 772 8700

Website

www.bidvest.com

E-mail

info@bidvest.co.za

investor@bidvest.co.za

Bidvest call line

0860 BIDVEST

Ethics line

Freecall 0800 50 60 90

Freefax 0800 00 77 88

E-mail bidvest@tip-offs.com

Freepost Tip-offs Anonymous
138 Umhlanga Rocks

KwaZulu-Natal

4320

South Africa