

**The Bidvest Group Limited  
Audited Consolidated  
Annual Financial Statements  
for the year ended  
30 June 2024**

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# 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 2024, 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*

30 August 2024

## 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 98, fairly present in all material respects the financial position, financial performance and cash flows of The Bidvest Group Limited in terms of IFRS accounting standards;
- 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*

30 August 2024

# 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 2024, 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*

30 August 2024

# Preparer of financial statements

The consolidated and separate financial statements have been prepared under the supervision of the Chief Financial Officer, Mr 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*

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#### *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 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting 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 18 to 98 comprise:

- the consolidated statement of financial position as at 30 June 2024;
- the consolidated income statement for the year ending 30 June 2024;
- the consolidated statement of other comprehensive income;
- 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, including material accounting policy information.

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#### *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 statement* 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 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)*.

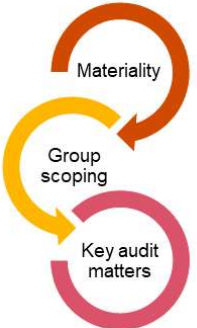
PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View, 2090  
Private Bag X36, Sunninghill, 2157, South Africa  
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za

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.

## Our audit approach

### Overview

	<p><b>Overall group materiality</b></p> <ul style="list-style-type: none"> <li>Overall group materiality: R450 million, which represents 5% of profit before tax from continuing operations.</li> </ul>
	<p><b>Group audit scope</b></p> <ul style="list-style-type: none"> <li>We performed full scope audits on 30 components.</li> <li>We also performed specified procedures, audits of account balances and analytical review procedures on components not in full scope for audit.</li> </ul>
	<p><b>Key audit matters</b></p> <ul style="list-style-type: none"> <li>Impairment assessment of indefinite useful life intangible assets and goodwill</li> <li>Identification and valuation of intangible assets arising from the material business combinations</li> </ul>

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate 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>	R450 million
<i>How we determined it</i>	5% of consolidated profit before taxation
<i>Rationale for the materiality benchmark applied</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.

### **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. In order to obtain audit evidence in respect of other components not in full scope, specified procedures were performed by the component team, audit of account balances were performed by the Group team, with analytical review procedures being performed on the remainder of components.

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.

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### *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="263 407 779 466"><i>Impairment assessment of indefinite useful life intangible assets and goodwill</i></p> <p data-bbox="263 504 769 558">Refer to notes 9.4 and 9.5 in the consolidated financial statements.</p> <p data-bbox="263 592 792 730">As at 30 June 2024, the Group’s consolidated statement of financial position included goodwill with a closing carrying value of R19.7 billion, and indefinite life intangible assets with a closing carrying value of R9.5 billion.</p> <p data-bbox="263 764 799 961">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="263 995 799 1276">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 the value-in-use for the applicable cash generating unit (CGU) to which the intangible asset is allocated or the applicable segment for goodwill impairment testing.</p> <p data-bbox="263 1310 799 1478">The impairment assessment is considered to be a matter of most significance to the audit as a result of the judgement applied in estimating the future cash flow forecasts, which includes the growth rate, the discount rate and terminal rate assumptions.</p>	<p data-bbox="818 407 1347 520">Using our valuation expertise, we assessed the valuation methodology applied by management against generally accepted valuation methods and IAS 36, noting no inconsistencies.</p> <p data-bbox="818 554 1354 781">We independently calculated the discount rates, using independently obtained data such as the cost of debt, adjusting for the contribution of lease discount rates to the cost of debt in accordance with IFRS 16, the risk-free rate, market risk premiums, debt/equity ratios as well as the beta of comparable companies, and incorporated this into our independent testing.</p> <p data-bbox="818 814 1360 1150">Using independent assumptions and our independently calculated discount rate noted above, 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="818 1163 1263 1247">Specific procedures performed over key assumptions and inputs utilised in our independent impairment test included:</p> <ul data-bbox="867 1255 1360 1852" style="list-style-type: none"> <li data-bbox="867 1255 1305 1331">● Agreeing cash flow forecasts to approved budgets, with no material differences noted.</li> <li data-bbox="867 1365 1354 1440">● Assessing the reliability of the forecasts by comparing current year actual results with the prior year budgeted results.</li> <li data-bbox="867 1474 1331 1558">● Determining growth projections using an appropriate average of historically achieved growth rates.</li> <li data-bbox="867 1591 1347 1675">● Comparing the terminal growth rates to consensus long-term inflation rates obtained from independent sources.</li> <li data-bbox="867 1709 1338 1852">● Agreeing the carrying values of the assets and liabilities included in the CGU and the segment to underlying accounting records, noting no material differences.</li> </ul>



- Performing an independent impairment calculation utilising the assumptions calculated above. Based on these calculations, we concurred with management's assessment that no impairments were required .
- For the Group's investment in Adcock Ingram Holdings Limited, we compared the carrying value of the assets and liabilities to the market capitalisation of the investment in terms of the requirements of IFRS 13, and consequently concurred with management's assessment that no impairment was required .

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 9.4 and 9.5 against the relevant disclosure requirements. No material disclosure deficiencies were noted.

#### Identification and valuation of intangible assets arising from the material business combinations

Refer to note 9.2 in the consolidated financial statements.

The Group made two significant acquisitions during the period, namely the acquisition of Consolidated Property Services Pty Limited and Rental Hygiene Services (Pte) Limited. This resulted in business combinations in terms of International Financial Reporting Standard 3: Business Combinations ("IFRS 3"). In accordance with the accounting requirements of IFRS 3, Purchase Price Allocations ("PPA") were completed during the 2024 financial year.

These PPA's resulted in the Group recognising intangible assets amounting to R751 million and goodwill of R2.4 billion.

This is considered to be a matter of most significance to the audit as a result of the judgement applied in the identification of the assets and liabilities acquired, and the valuation

We assessed whether the effective date of the acquisitions are in compliance with IFRS 3 per inspection of the salient terms and conditions of the purchase agreements and noted no matters for further consideration.

Utilising our valuation expertise, we performed an independent assessment of the fair values of the material 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.

Our independent assessment was compared to management's assessment for each acquisition after performing a combination of the following procedures, as appropriate:

- 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

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of the intangible assets identified, as further disclosed in note 9.4 to the consolidated financial statements.

the completeness of the intangible assets identified by management, noting no further matters for consideration.

- Comparing the valuation methodology applied in valuing the brand and customer relationships to generally accepted valuation methodology.
- Assessing the royalty rate applied to the brand in using the royalty relief method with reference to industry norms and comparable transactions completed, and noting this to be materially consistent.
- Assessing management's judgement that there is no foreseeable limit to the period over which identified indefinite life intangibles will generate cash flows, by considering the nature of the brand. We also assessed the useful life assigned to the finite life intangible assets by comparing these to industry norms based on our past experience. We noted no matters for further consideration.
- Using our valuation expertise we evaluated the reasonableness of the discount rate used, and utilised our independently calculated discount rate in our calculations.
- Assessing whether the goodwill and identified intangible assets recognised as a result of the PPAs 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 compared to intangible asset balances recognised for similar business combinations.
- Assessing the disclosures included in note 9.2 against the relevant IFRS Accounting Standards disclosure requirements. No material disclosure deficiencies were noted.

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*Other information*

The directors are responsible for the other information. The other information comprises the information included in the documents titled “*The Bidvest Group Limited Audited Consolidated Annual Financial Statements for the year ended 30 June 2024*” and “*The Bidvest Group Limited Audited Annual Financial Statements for the year ended 30 June 2024*”, which include the Directors’ Report, the Audit Committee’s Report and the Declaration by the 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 2024*”, 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 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 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 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.

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### *Responsibilities of the directors for the consolidated financial statements<sup>1</sup>*

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

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### *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.

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<sup>1</sup> “The examination of controls over the maintenance and integrity of the Company’s website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.”

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.



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### *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 six years.

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PricewaterhouseCoopers Inc.  
Director: A Tshesane  
Registered Auditor  
Johannesburg, South Africa  
30 August 2024

# Directors' report

The directors have pleasure in presenting their report for the year ended 30 June 2024.

## 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 98 fairly present the financial position of the Group as at 30 June 2024 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

The Bidvest Group Australia, a component of Bidvest Services International, acquired 100% of the ordinary share capital and voting rights of Consolidated Property Services Pty Limited (CPS), effective 20 September 2023. The acquisition price of AUD187 million (R2.3 billion) was funded from the Group's international revolving credit facilities. CPS is one of the largest professional cleaning service providers across Eastern Australia, servicing high profile commercial and retail sites. The acquisition augments and expands the Group's hygiene, cleaning and facilities management business in Australia.

Effective 1 July 2023, Bidvest Services International acquired 100% of the ordinary share capital and voting rights of Rental Hygiene Services Pte Ltd (RHS). RHS provides total hygiene and cleaning solutions, using a comprehensive line of washroom equipment and janitorial consumables, to customers on the Island of Singapore. The acquisition price of SGD48 million (R662 million), of which SGD9.3 million (R128 million) is contingent on the achievement of certain profit targets, the balance funded from existing facilities and cash resources and was executed to establish a foothold in the ASEAN region.

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

Effective 20 July 2023 Bidvest Services International acquired 100% of the ordinary share capital and voting rights of the Robinson Services group of companies (RSG), primarily Robinson Services Ltd, Robinson Services Laundry Ltd and Sword Security (NI) Ltd. RSG delivers key support services including cleaning, security, hygiene, workwear rental and laundering, dust mat rental, window cleaning and specialist services including one off cleans to a range of customers big and small across the Retail, Commercial, Industrial and Hospitality sectors throughout Northern Ireland. The acquisition increases the Group's footprint on the island of Ireland. The acquisition price was GBP7 million (R170 million).

Bidvest Services International acquired 100% of the ordinary share capital and voting rights of the following minor acquisitions: Pure Hygiene Pty Ltd (Australia), effective 1 September 2023, AUD3.4 million (R42 million); Principal Hygiene Systems Ltd (United Kingdom), effective 6 October 2023, GBP2.5 million (R58 million); Synergy Waste Solutions Ltd (United Kingdom), effective 1 February 2024, GBP 2.9 million (R75 million). Bidvest Services International acquired 37.5% of the ordinary share capital and voting rights of Daelibs Pty Ltd, a developer and creator of Facilities Management software, for AUD6.8 million (R81 million) effective 1 August 2023. These acquisitions assist in expanding the Group's Facilities Management service offering and geographic coverage.

Effective 1 July 2023, Bidvest Services South Africa acquired 100% of the ordinary share capital and voting rights of Interloc Freight Services (Pty) Ltd (Interloc) for R56 million. Interloc provides a neutral air and road freight consolidation facility through which freight forwarders, courier companies and airlines can benefit from operational integration, preferred capacity allocations and cost savings. The acquisition compliments the Group's existing Bidair Cargo operations.

Bidvest Branded Products acquired the assets, liabilities and businesses of Brandability Pty Ltd, effective 1 October 2023, for R51 million. Brandability specialises in the sale of corporate/promotional gifts and apparel, the acquisition complements the existing Waltons offering.

Effective 1 July 2023 Bidvest Branded Products acquired 100% of the ordinary share capital and voting rights of the following: Roan Group of companies, primarily Roan Systems Pty Ltd and Roan Safety Products Pty Ltd (RG). RG offers products and services for a variety of Information Technology, Production Automation, FMCG, Healthcare and various other sectors and applications. RG was acquired for R23.5 million; Green Home Products Pty Ltd (GHP). GHP is South Africa's first and longest running completely compostable food packaging company, whose vision is to provide sustainable packaging for takeaway food throughout Africa, and beyond. GHP was acquired for R19.5 million to augment the Group's existing packaging businesses; Channel Label Solutions Pty Ltd and Printer Distribution Company Pty Ltd for a combined acquisition price of R15.5 million.

# Directors' report

## Acquisitions and disposals (continued....)

### *Disposal group held for sale*

Towards the end of June 2023, the Group entered into a process to dispose of 100% of its shareholding and claims in Bidvest Life Limited (BLL). BLL is a licensed life assurance company and registered financial service provider specialising in income protection, disability, critical illness and life cover. Despite attracting a number of potential buyers BLL was not sold during the year, however it continues to be actively marketed for sale at a price which is reasonable to its fair value.

## Share Capital

17 013 717 unissued ordinary shares, 5% of the issued share capital of the company as at 23 October 2023, were placed under the control of the directors at the Annual General Meeting (AGM) held on 28 November 2023. The Company did not issue any shares during the year to settle share replacement and appreciation rights (2023: nil). 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 2 229 430 ordinary shares were acquired at an average price of R267,53 per share and disposed of at an average price of R266,02 per share in settlement of equity settled share based payments schemes (2023: 1 728 757).

## Special resolutions

The following Special resolutions were passed at the AGM held on 28 November 2023:

- non-executive directors' remuneration for FY24;
- 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.

## Dividends

The directors declared an interim gross cash dividend of 467 cents (373,60000 cents net of dividend withholding tax, where applicable) per ordinary share paid to ordinary shareholders recorded in the register on the record date, being Thursday, 28 March 2024. The dividend was declared from income reserves.

Subsequent to the year end, the board has declared a final gross cash dividend of 447 cents (357,6000 cents net of dividend withholding tax, where applicable) per ordinary share for the year ended 30 June 2024 to those shareholders recorded in the register on the record date, being Friday, 27 September 2024. The salient dates are:

Declaration date	Monday, 2 September 2024
Last day to trade cum dividend	Monday, 23 September 2024
First day to trade ex-dividend	Wednesday, 25 September 2024
Record date	Friday, 27 September 2024
Payment date	Monday, 30 September 2024

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 2 September 2023 to 30 August 2024 are as follows:

Ms NT Madisa (CEO)	Mr MJ Steyn	
Mr BF Mohale (Chairman)	Ms L Boyce	
Ms FN Khanyile	Mr K Shuenyane	Appointed 4 September 2023
Ms SN Mabaso-Koyana	Dr RD Mokate	
Ms GC McMahan	Mr NW Thomson	
Ms MG Khumalo		

## Directors' interest

The aggregate interest of the directors in the share capital of the Company at 30 June 2024 were:

	2024 number	2023 number
Beneficial	252 282	147 408
Held in terms of The Bidvest Incentive Scheme:		
Replacement rights	51 250	57 500
Appreciation rights	40 000	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 2024, held directly or indirectly, was:

Director	2024		2023	
	Number of shares Direct	Indirect	Number of shares Direct	Indirect
Ms NT Madisa	147 420	-	91 351	-
Ms GC McMahan	31 949	-	10 057	-
Mr MJ Steyn	72 913	-	46 000	-
	252 282	-	147 408	-

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

For the 2024 financial year, and in compliance with paragraph 3.84(h) of the JSE Listings Requirements, the board evaluated Ms NC Katamzi, the Company Secretary, 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 JSE Limited Listings Requirements for the financial year ended 30 June 2024. 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
- Dr RD Mokate (Independent Non-executive director) – appointed 2018
- Mr K Shuenyane (Independent Non-executive director) – appointed 2023
- 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, 29 November 2024. The profiles of the members, including their qualifications, can be viewed on the Group website, [www.bidvest.co.za/non-executive-directors.php](http://www.bidvest.co.za/non-executive-directors.php).

## Frequency and attendance of meetings

Audit	23 Nov 2023	29 Feb 2024	30 May 2024	26 Aug 2024	29 Aug 2024
Ms SN Mabaso-Koyana (chairperson)	√	√	√	√	√
Ms L Boyce	√	√	√	√	√
Ms MG Khumalo	√	√	√	√	√
Dr RD Mokate	√	√	√	√	√
Mr K Shuenyane <sup>1</sup>	√	√	√	√	√
Mr NW Thomson	√	√	√	√	√

<sup>1</sup> Appointed 4 September 2023

## 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 2025 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.

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.

# Audit committee report

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 Consolidated Property Services and Rental Hygiene Services business combinations.

## 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 chairperson.

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 Chief Financial Officer and finance function

The Committee has reviewed the current performance and future requirements for the financial management of the Company and concluded that the Chief Financial Officer and 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. 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*

30 August 2024

# Consolidated income statement

for the year ended 30 June

		2024	2023
	Notes	R'000	R'000
<b>Revenue</b>	5.1	<b>122 615 986</b>	114 911 518
Non-interest revenue		<b>122 309 811</b>	114 587 864
Net interest revenue		<b>306 175</b>	323 654
Cost of revenue		<b>(87 739 492)</b>	(81 570 287)
<b>Gross profit</b>		<b>34 876 494</b>	33 341 231
Operating expenses		<b>(22 908 200)</b>	(22 307 729)
Net impairment losses on financial assets		<b>8 268</b>	(61 549)
Other income		<b>438 973</b>	471 101
<b>Trading profit</b>	5.2	<b>12 415 535</b>	11 443 054
Share-based payment expense		<b>(362 538)</b>	(347 865)
Acquisition costs and customer contracts amortisation		<b>(475 356)</b>	(390 495)
Net capital items	5.4	<b>(147 546)</b>	(128 963)
<b>Profit before finance charges and associate income</b>	5.5	<b>11 430 095</b>	10 575 731
Net finance charges	10.1	<b>(2 506 296)</b>	(2 007 477)
Finance income		<b>207 474</b>	88 629
Finance charges		<b>(2 713 770)</b>	(2 096 106)
Share of profit of associates and joint ventures		<b>136 863</b>	125 872
Current period earnings		<b>136 819</b>	125 872
Net capital items	7.4	<b>44</b>	-
<b>Profit before taxation</b>		<b>9 060 662</b>	8 694 126
Taxation	6	<b>(2 289 050)</b>	(2 327 902)
<b>Profit for the year</b>		<b>6 771 612</b>	6 366 224
<b>Attributable to</b>			
Shareholders of the Company		<b>6 368 975</b>	5 972 689
Non-controlling interests		<b>402 637</b>	393 535
		<b>6 771 612</b>	6 366 224
Basic earnings per share (cents)	7.3	<b>1 873.8</b>	1 757.3
Diluted basic earnings per share (cents)	7.3	<b>1 869.0</b>	1 752.9
<b>Supplementary Information</b>			
Normalised headline earnings per share (cents)	7.6	<b>1 964.8</b>	1 884.7
Headline earnings per share (cents)	7.5	<b>1 912.6</b>	1 794.8
Diluted headline earnings per share (cents)	7.5	<b>1 907.6</b>	1 790.4

# Consolidated statement of other comprehensive income

for the year ended 30 June

	2024 R'000	2023 R'000
<b>Profit for the year</b>	<b>6 771 612</b>	6 366 224
<b>Other comprehensive income (expense) net of taxation</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>	<b>(577 937)</b>	811 594
(Decrease) increase in foreign currency translation reserve		
Exchange differences arising during the year	<b>(320 810)</b>	835 747
(Decrease) increase in fair value of cash flow hedges		
Fair value loss arising during the year	<b>(257 127)</b>	(24 153)
Taxation effect for the year	<b>(369 542)</b>	(35 252)
Taxation effect for the year	<b>112 415</b>	11 099
Other comprehensive income transferred to profit or loss	<b>(60 716)</b>	443 852
Realisation of exchange differences on disposal of subsidiaries	<b>-</b>	(13)
Hedging (losses) gains reclassified	<b>(80 955)</b>	591 820
Taxation effect	<b>20 239</b>	(147 955)
<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	<b>1 818</b>	9 888
Defined benefit obligations	<b>(1 324)</b>	37 696
Net remeasurement of defined benefit obligations during the year	<b>(1 695)</b>	51 638
Taxation effect for the year	<b>371</b>	(13 942)
<b>Total comprehensive income for the year</b>	<b>6 133 453</b>	7 669 254
<b>Attributable to</b>		
Shareholders of the Company	<b>5 752 779</b>	7 256 875
Non-controlling interest	<b>380 674</b>	412 379
	<b>6 133 453</b>	7 669 254

# Consolidated statement of cash flows

for the year ended 30 June

	Notes	2024 R'000	2023 R'000
<b>Cash flows from operating activities</b>		<b>5 998 996</b>	<b>5 055 038</b>
Cash generated by operations	5.6	13 897 407	12 128 499
Finance income	10.1	173 070	64 032
Finance charges	10.1	(2 570 983)	(1 879 213)
Taxation paid	6.2	(2 352 695)	(2 382 321)
Dividend income received		112 426	25 196
Distributions to shareholders	13.2	(3 260 229)	(2 901 155)
<b>Cash flows from of investment activities</b>		<b>(7 139 575)</b>	<b>(5 897 723)</b>
Amounts advanced to associates		(108 969)	(80 078)
Proceeds on disposal of investments	8.5	2 114 735	2 613 385
Investments acquired	8.5	(2 394 071)	(3 110 123)
Additions to property, plant and equipment		(3 880 216)	(3 518 781)
Additions to intangible assets		(167 635)	(196 394)
Proceeds on disposal of property, plant and equipment		499 560	332 440
Proceeds on disposal of intangible assets		107	289
Acquisition of businesses, subsidiaries and associates	9.2	(3 214 864)	(2 000 430)
Proceeds on disposal of interests in subsidiaries and associates	9.3	11 778	61 969
<b>Cash flows from financing activities</b>		<b>1 604 843</b>	<b>(2 453 947)</b>
Acquisition of treasury shares in settlement of share based payment liabilities		(596 431)	(414 678)
Acquisition of non-controlling interests	9.1	(328 285)	(556 546)
Disposal of non-controlling interests	9.1	-	187 710
Repayment of lease liabilities	8.2	(1 473 753)	(1 380 997)
Borrowings raised	10.4	5 640 817	4 234 337
Borrowings repaid	10.4	(1 637 505)	(4 523 773)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>464 264</b>	<b>(3 296 632)</b>
Cash and cash equivalents at beginning of year		7 560 841	10 476 688
Cash and cash equivalents of the disposal group held-for-sale	14	-	(71 005)
Effects of exchange rate fluctuations on cash and cash equivalents		(225 624)	451 790
<b>Cash and cash equivalents at end of year</b>		<b>7 799 481</b>	<b>7 560 841</b>
<b><i>Cash and cash equivalents comprise</i></b>			
Cash and cash equivalents	10.2	9 096 654	9 253 504
Bank overdrafts included in short-term portion of borrowings	10.3	(1 297 173)	(1 692 663)
		<b>7 799 481</b>	<b>7 560 841</b>

# Consolidated statement of financial position

at 30 June

	Notes	2024 R'000	2023 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>67 812 346</b>	63 503 817
Property, plant and equipment	8.1	17 642 389	16 457 121
Right-of-use assets	8.2	4 397 109	4 457 814
Intangible assets	9.4	15 490 257	15 388 222
Goodwill	9.5	19 664 282	17 424 831
Deferred taxation assets	6.3	1 638 858	1 607 318
Defined benefit pension surplus	12.3	238 190	344 987
Interest in associates and joint ventures	8.6	1 004 352	811 346
Investments	8.5	3 367 944	3 001 989
Currency swap derivative asset	11.4	1 127 020	1 513 982
Banking and other advances	8.3	3 241 945	2 496 207
<b>Current assets</b>		<b>44 451 392</b>	43 223 497
Inventories	8.7	14 894 387	14 111 588
Short-term portion of banking and other advances	8.3	882 034	855 768
Trade and other receivables	8.8	19 168 125	18 602 251
Taxation	6.2	410 192	400 386
Cash and cash equivalents	10.2	9 096 654	9 253 504
Assets of disposal group held-for-sale	14	317 781	781 208
<b>Total assets</b>		<b>112 581 519</b>	107 508 522
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>		<b>38 532 032</b>	36 331 692
Capital and reserves attributable to shareholders of the Company	13.1	35 324 074	32 992 176
Non-controlling interests		3 207 958	3 339 516
<b>Non-current liabilities</b>		<b>34 779 773</b>	32 291 126
Deferred taxation liabilities	6.3	4 621 432	4 631 801
Long-term portion of borrowings	10.3	25 845 725	23 151 013
Post-retirement obligations	12.3	57 646	65 751
Long-term portion of provisions	8.10	518 864	567 657
Long-term portion of lease liabilities	8.2	3 736 106	3 874 904
<b>Current liabilities</b>		<b>39 214 060</b>	38 527 809
Trade and other payables	8.9	22 958 643	23 215 138
Short-term portion of provisions	8.10	397 802	639 343
Vendors for acquisition		124 918	4 108
Taxation	6.2	581 426	761 424
Amounts owed to bank depositors	8.4	7 900 463	7 522 865
Short-term portion of borrowings	10.3	5 959 597	5 205 356
Short-term portion of lease liabilities	8.2	1 291 211	1 179 575
Liabilities of disposal group held-for-sale	14	55 654	357 895
<b>Total equity and liabilities</b>		<b>112 581 519</b>	107 508 522

# Consolidated statement of changes in equity

for the year ended 30 June

	2024 R'000	2023 R'000
<b>Equity attributable to shareholders of the Company</b>	<b>35 324 074</b>	32 992 176
<b>Share capital</b>	<b>17 014</b>	17 014
<b>Share premium</b>	<b>1 367 796</b>	1 367 796
<b>Foreign currency translation reserve</b>	<b>528 750</b>	840 887
Balance at beginning of the year	840 887	21 376
Movement during the year	(312 137)	819 524
Realisation of reserve on disposal of subsidiaries	-	(13)
<b>Hedging reserve</b>	<b>(40 109)</b>	263 960
Balance at beginning of the year	263 960	(154 006)
Net (losses) gains arising during the year	(436 723)	554 822
Taxation recognised directly in reserve	132 654	(136 856)
<b>Equity-settled share-based payment reserve</b>	<b>693 734</b>	623 992
Balance at beginning of year	623 992	332 121
Arising during current year	372 974	338 511
Taxation recognised directly in reserve	75 788	137 670
Utilisation during the year	(660 581)	(428 357)
Realisation of reserve on disposal of subsidiaries	36	552
Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries	-	(1 548)
Transfer to retained earnings	281 525	245 043
<b>Movement in retained earnings</b>	<b>32 081 248</b>	29 200 261
Balance at beginning of the year	29 200 261	26 103 669
Attributable profit	6 368 975	5 972 689
Opening balance IFRS 17 transition adjustment	(118 609)	-
Changes in the fair value of financial assets recognised through other comprehensive income	1 600	9 350
Net remeasurement of defined benefit obligations during the year	(1 590)	37 359
Net dividends paid	(3 079 383)	(2 722 501)
Transfer of reserves as a result of changes in shareholding of subsidiaries	(8 481)	44 738
Transfer from equity-settled share-based payment reserve	(281 525)	(245 043)
<b>Treasury shares</b>	<b>675 641</b>	678 266
Balance at beginning of the year	678 266	678 663
Purchase of shares	(596 431)	(414 764)
Shares disposed of in terms of share incentive scheme	593 806	414 367
<b>Equity attributable to non-controlling interests of the Company</b>	<b>3 207 958</b>	3 339 516
Balance at beginning of the year	3 339 516	3 508 709
Total comprehensive income	380 674	412 379
Attributable profit	402 637	393 535
Movement in foreign currency translation reserve	(8 673)	16 223
Movement in cash flow hedge fund	(13 774)	1 746
Changes in the fair value of financial assets recognised through other comprehensive income	218	538
Net remeasurement of defined benefit obligations during the year	266	337
Dividends paid	(180 846)	(178 654)
Movement in equity-settled share-based payment reserve	(11 582)	8 624
Transfer of equity-settled share-based payment reserve as a result of changes in shareholding of subsidiaries	-	1 548
Transactions with non-controlling interests	(328 285)	(368 352)
Transfer of reserves as a result of changes in shareholding of subsidiaries	8 481	(44 738)
<b>Total equity</b>	<b>38 532 032</b>	36 331 692



# Notes to the consolidated financial statements

for the year ended 30 June

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# 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 accounting standards, 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 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 statements in conformity with IFRS accounting standards 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, the Group's presentation currency. Assets and liabilities of foreign operations, including fair value adjustments arising on consolidation, are translated into South African Rands at rates of exchange ruling at the statement of financial position date. Income, expenditure and cash flow items are translated into South African Rands at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised via other comprehensive income 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 adoption of IFRS17 affects two of the Group's Financial Services operations, Bidvest Insurance Limited and Bidvest Life Limited (BLL). As of 30 June 2023 BLL has been disclosed as a Disposal group held-for-sale (refer *note 14. Disposal group held-for-sale*). Management has determined that the adoption of, and transition to IFRS17 has not had a material impact on the Group's consolidated income statement and statement of financial position, consequently the prior period comparatives have not been restated and the current period opening retained earnings has been adjusted by R119 million (refer *Consolidated statement of changes in equity*).

*In addition 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 1: (Narrow scope amendments 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.	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.  The impact of the OECD's Pillar Two model rules have been assessed and considered, refer <i>Note 6. Taxation</i> for further disclosure.	1 January 2023 (other disclosure requirements).

*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
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 2024
IAS 1: (Amendment to), Non-current liabilities with covenants	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.	1 January 2024
IFRS 16: (Amendment to), Leases, sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 January 2024

# Notes to the consolidated financial statements

for the year ended 30 June

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

Standard / interpretation	Description	Reporting period beginning on or after
IAS 7 and IFRS 7: (Amendment to), Supplier finance	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024 (with transitional reliefs in the first year)
IAS 21: (Amendments to), Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	1 January 2025 (early adoption is available)
IFRS 9 and IFRS 7: (Amendment to), Classification and Measurement of Financial Instruments	These amendments: <ul style="list-style-type: none"> <li>clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;</li> <li>clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion;</li> <li>add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and</li> <li>make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).</li> </ul>	1 January 2026 (early adoption is available)
IFRS 18: Presentation and Disclosure in Financial Statements	This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: <ul style="list-style-type: none"> <li>the structure of the statement of profit or loss;</li> <li>required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and</li> <li>enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.</li> </ul>	1 January 2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures	This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: <ul style="list-style-type: none"> <li>It does not have public accountability; and</li> <li>it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.</li> </ul>	1 January 2027 (early adoption is available)

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), Ms 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 and Compendium Insurance Brokers. 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, Australia and from 1 July 2023 Singapore.

### **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.

## 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 8.8. 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 accounting standards 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 Consolidated Property Services Pty Ltd and Rental Hygiene Services Pte Ltd required a significant amount of judgement and estimation, which has been included in *note 9.2. Acquisition of businesses, subsidiaries and associates* and *note 9.4 Intangible assets*.

### 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 8.7. 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 8.5. Investments*).

#### **Forward exchange contracts**

The fair value of forward exchange contracts is based on their market prices (refer *note 8.8. Trade and other receivables* and *note 8.9. 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 (refer *note 5.4. Net capital items* and *note 5.5. Profit before finance charges and associate income*).

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.

	2024 R'000	2023 R'000
Sale of goods <sup>1</sup>	66 749 279	66 957 214
Rendering of services <sup>2</sup>	55 104 990	48 199 247
Commissions and fees earned <sup>3</sup>	3 139 116	2 730 013
Billings relating to clearing and forwarding transactions <sup>4</sup>	2 964 306	2 703 072
Net Interest <sup>5</sup>	338 435	323 654
Insurance <sup>6</sup>	409 814	697 018
	<b>128 705 940</b>	121 610 218
Inter-group eliminations	<b>(6 089 954)</b>	(6 698 700)
Revenue	<b>122 615 986</b>	114 911 518
<b>Disaggregation of revenue from contracts with customers</b>		
Services South Africa <sup>2</sup>	10 983 916	9 836 703
Services International <sup>2</sup>	38 407 350	32 297 793
Branded Products <sup>1</sup>	11 625 967	10 531 547
Adcock Ingram <sup>1</sup>	9 643 128	9 131 852
Freight <sup>2,4</sup>	8 384 546	7 919 472
Commercial Products <sup>1</sup>	16 250 207	17 527 871
Financial Services <sup>3</sup>	1 088 682	975 765
Automotive <sup>1</sup>	24 776 284	24 489 162
Properties <sup>2</sup>	-	1 570
Corporate and investments <sup>1</sup>	3 373	476 157
	<b>121 163 453</b>	113 187 892
<b>Geographic disaggregation of revenue from contracts with customers</b>		
Southern Africa	89 880 929	88 205 606
International	31 282 524	24 982 286
	<b>121 163 453</b>	113 187 892
Reconciliation to Group revenue		
Revenue from contracts with customers	121 163 453	113 187 892
Leasing contracts	736 544	803 143
Gross insurance premiums	409 814	596 829
Net Interest	306 175	323 654
	<b>122 615 986</b>	114 911 518

# Notes to the consolidated financial statements

for the year ended 30 June

## 5. Operational performance (continued...)

### 5.1. Revenue (continued...)

	2024 R'000	2023 R'000
<b>Segmental revenue</b>		
Services South Africa	11 732 902	10 436 000
Services International	39 370 083	33 187 251
Branded Products	12 934 962	11 729 589
Adcock Ingram	9 643 128	9 131 852
Freight	8 769 063	8 393 662
Commercial Products	17 910 097	19 877 467
Financial Services	2 517 802	2 732 179
Automotive	25 092 568	24 934 816
Properties	731 961	677 489
Corporate and investments	3 374	509 913
	<b>128 705 940</b>	121 610 218
Inter-group eliminations	(6 089 954)	(6 698 700)
	<b>122 615 986</b>	114 911 518
<b>Geographic region</b>		
Southern Africa	97 234 304	96 469 869
International	31 471 636	25 140 349
	<b>128 705 940</b>	121 610 218

### 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.

	2024 R'000	2023 R'000
<b>Segmental trading profit</b>		
Services South Africa	1 268 663	1 068 453
Services International	3 769 930	3 352 615
Branded Products	1 042 399	860 586
Adcock Ingram	1 236 673	1 178 199
Freight	2 322 203	2 165 178
Commercial Products	1 297 440	1 425 635
Financial Services	642 576	463 540
Automotive	688 025	914 912
Properties	685 319	635 936
Corporate and investments	(537 693)	(622 000)
	<b>12 415 535</b>	11 443 054
<b>Geographic region</b>		
Southern Africa	9 689 779	9 156 846
International	2 725 756	2 286 208
	<b>12 415 535</b>	11 443 054



# 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

	2024 R'000	2023 R'000
Services South Africa	1 656 531	1 387 194
Services International	4 445 898	3 970 207
Branded Products	1 133 672	954 886
Adcock Ingram	1 371 309	1 313 146
Freight	2 584 119	2 429 650
Commercial Products	1 399 340	1 523 454
Financial Services	853 683	661 628
Automotive	702 822	931 029
Properties	688 495	640 542
Corporate and investments	(508 884)	(600 076)
	<b>14 326 985</b>	<b>13 211 660</b>
<b>Geographic region</b>		
Southern Africa	11 103 533	10 491 122
International	3 223 452	2 720 538
	<b>14 326 985</b>	<b>13 211 660</b>

### 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	33 453	12 667
Impairment of right-of-use assets	9 090	3 207
Impairment of intangible assets	1 083	62 173
Impairment of disposal group assets held-for-sale	76 832	-
Impairment of identifiable assets of disposal group	23 168	-
Compensation received on scrapping, loss or impairment of property plant and equipment	-	(42 664)
Net loss (profit) on disposal of property, plant and equipment	3 920	(44 971)
Net loss on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	-	138 551
Net capital items included in the consolidated income statement	<b>147 546</b>	<b>128 963</b>

# 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

	2024 R'000	2023 R'000
<i>Determined after charging (crediting)</i>		
Auditor's remuneration (PricewaterhouseCoopers Inc.)	125 407	107 775
Audit fees	123 706	106 704
Audit related expenses	49	48
Taxation services	490	289
Other attest services	1 162	734
Accounting services (other audit firms)	8 725	5 807
Audit fees	2 508	2 284
Audit related expenses	309	192
Consulting fees	62	-
Taxation services	4 056	1 544
Other attest services	1 790	1 787
Depreciation of property, plant and equipment	2 187 005	2 001 657
Depreciation right-of-use assets	1 493 591	1 426 863
Amortisation of intangible assets	540 010	465 625
Impairment of assets	35 358	139 596
Property, plant and equipment	33 453	12 667
Right-of-use assets - equipment and vehicles	1 778	-
Right-of-use assets - land and buildings	7 312	3 207
Intangible assets	1 083	62 173
Investments	21 803	(725)
Banking and other advances	1 149	36 617
Trade receivables	(31 220)	25 657
Compensation received on scrapping, loss or impairment of property plant and equipment	-	(42 664)
<i>Directors' emoluments ~</i>		
Executive directors ~	67 247	65 920
Basic remuneration	26 125	24 555
Retirement and medical benefits	1 410	1 401
Other benefits and costs	1 635	1 259
Cash incentives	38 077	38 705
Non-executive directors ~	11 729	9 679
Fees - Company	11 270	9 289
- subsidiaries	459	390
Employer contributions to	1 918 721	1 729 788
Defined contribution funds	1 249 127	1 117 605
Retirement funds	57 496	54 459
Social securities	300 403	255 969
Medical aids	311 695	301 755
Net expense related to post-retirement obligations for current service costs	7 784	(1 009)
Defined benefit pension plans	8 777	1 682
Post-retirement medical aid obligations	(993)	(2 691)
Share-based payment expense cash settled	1 146	730
Share-based payment expense equity settled	361 392	347 135
Staff	327 806	305 572
Executive directors	33 586	41 563
Fees for administrative, managerial and technical services	7 377	5 462
Research and development expenditure	72	121
Foreign exchange losses (gains) on hedging activities	73 760	(40 458)
Forward exchange contracts	69 649	(37 020)
Foreign bank accounts	4 111	(3 438)
Other foreign exchange losses (gains)	22 739	(130 530)
Realised	2 135	(55 829)
Unrealised	20 604	(74 701)
Income from investments	(118 281)	(187 362)
Dividends received from listed investments	(11 537)	(10 564)
Dividends received from unlisted investments	(8 428)	(8 077)
Loss on disposal	10 992	-
Fair value through profit or loss	(109 308)	(168 721)

~ 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...)

	2024 R'000	2023 R'000
<i>Determined after charging (crediting)</i>		
Net capital loss on disposal	3 920	93 580
Net loss (profit) on disposal of property, plant and equipment	3 920	(44 971)
Net loss on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	-	138 551
Low value, short-term leases and variable expense not included in lease liability	381 169	399 537
Land and buildings	167 786	192 940
Equipment and vehicles	213 383	206 597

### 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	R'000
Services South Africa	1 270 802	1 086 887
Services International	3 315 918	2 998 831
Branded Products	1 015 055	846 888
Adcock Ingram	1 220 806	1 168 741
Freight	2 306 770	2 183 097
Commercial Products	1 296 198	1 419 350
Financial Services	539 040	401 763
Automotive	676 248	909 366
Properties	698 501	651 751
Corporate and investments	(546 705)	(743 078)
	11 792 633	10 923 596
Share-based payment expense	(362 538)	(347 865)
	11 430 095	10 575 731
<i>Geographic region</i>		
Southern Africa	9 531 080	8 996 239
International	2 261 553	1 927 357
	11 792 633	10 923 596

### 5.6. Cash generated by operations

Profit before taxation	9 060 662	8 694 126
Costs incurred in respect of acquisitions	61 567	45 040
Net finance charges	2 506 296	2 007 477
Share of current year earnings of associates and joint ventures	(136 863)	(125 872)
Depreciation and amortisation	4 220 606	3 894 145
Share-based payment expense	361 392	347 135
Impairment of property, plant and equipment, right-of-use and intangible assets	43 626	78 047
Loss on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	-	138 551
Other non-cash items	(42 030)	(72 896)
Fair value of investments through profit or loss	(109 308)	(168 721)
Loss on disposal of investments	10 992	-
Remeasurement of post-retirement obligations	301	(11 885)
Decrease in life assurance fund	-	(71 413)
Working capital changes	(2 079 834)	(2 625 235)
Increase in inventories	(733 672)	(2 733 997)
Increase in trade and other receivables	(113 623)	(866 070)
Increase in banking and other advances	(772 004)	(877 589)
(Decrease) Increase in trade and other payables and provisions	(838 133)	1 623 341
Increase in amounts owed to bank depositors	377 598	229 080
Cash generated by operations	13 897 407	12 128 499

# 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.

The Group is within the scope of the OECD Pillar Two model rules which take effect from 1 January 2024. Most countries in which the Group operates are expected to report an effective rate in excess of 15% and therefore qualify for a safe harbour exemption such that no top-up tax should apply. In countries where this is not the case there is potential for Pillar Two taxes to apply, but these are not expected to be material.

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

	2024 R'000	2023 R'000
Current taxation	2 270 513	2 391 355
Current year	2 250 974	2 351 163
Prior years' under charge	19 539	40 192
Deferred taxation	115 831	(75 913)
Current year	117 324	(24 642)
Prior years' over provision	(1 493)	(51 271)
Foreign withholding taxation	(97 294)	12 460
<b>Total taxation per consolidated income statement</b>	<b>2 289 050</b>	<b>2 327 902</b>
Comprising		
South African taxation	2 011 053	2 047 095
Foreign taxation	277 997	280 807
	<b>2 289 050</b>	<b>2 327 902</b>

### 6.2. Taxation paid

Net amounts payable at beginning of year	(361 038)	(278 142)
Current taxation charge	(2 173 219)	(2 403 815)
On acquisition of businesses	(3 781)	(4 274)
On disposal of business disposal and disposal group	-	(1 171)
Exchange rate adjustments	14 109	(55 957)
Amounts payable at end of year	581 426	761 424
Amounts receivable at end of year	(410 192)	(400 386)
<b>Taxation paid</b>	<b>(2 352 695)</b>	<b>(2 382 321)</b>

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

	2024 %	2023 %
Taxation for the year as a percentage of profit before taxation	25.3	26.8
Withholding tax	1.1	(0.1)
Reversal of IFRIC 23 provision	0.9	-
Associates	0.4	0.4
Effective rate excluding associate income and tax rate changes	27.7	27.1
Dividend and exempt income	0.9	1.6
Foreign taxation rate differential	0.5	0.6
Preference share funding	(0.5)	(0.4)
Other non-deductible expenses	(0.8)	(1.5)
Changes in recognition of deferred tax assets	(0.4)	(0.5)
Capital gains rate differential	-	0.1
Changes in prior years' estimation	(0.2)	0.1
Acquisition costs	(0.2)	(0.1)
<b>Rate of South African company taxation</b>	<b>27.0</b>	<b>27.0</b>

# Notes to the consolidated financial statements

for the year ended 30 June

## 6. Taxation (continued...)

### 6.3. Deferred taxation

	2024 R'000	2023 R'000
Deferred taxation assets	1 638 858	1 607 318
Deferred taxation liabilities	(4 621 432)	(4 631 801)
Net deferred taxation liability	(2 982 574)	(3 024 483)
<b>Movement in net deferred taxation assets and liabilities</b>		
Balance at beginning of year	(3 024 483)	(2 573 336)
Per consolidated income statement	(115 831)	75 913
Items recognised directly in equity, other comprehensive income	208 655	(13 520)
On acquisition of businesses	(134 985)	(158 585)
On disposal of businesses and transfer to disposal group	4 576	(29 667)
Exchange rate adjustments	79 494	(325 288)
Balance at end of year	(2 982 574)	(3 024 483)
Estimated tax losses available for offset against future taxable income	2 454 736	2 705 617
Utilised in the computation of deferred taxation	(660 345)	(624 996)
Not accounted for in deferred taxation	1 794 391	2 080 621
<b>Tax losses by territory</b>		
South Africa	909 318	753 953
International	1 545 418	1 951 664
	2 454 736	2 705 617
<b>Expected utilisation of tax losses</b>		
Tax losses utilised within one year	113 690	129 255
Tax losses utilised after one year but within five years	546 655	495 741
Utilised in the computation of deferred taxation	660 345	624 996

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. 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.

<b>Temporary differences</b>	2024		
	Assets R'000	Liabilities R'000	Net R'000
Differential between carrying values and tax values of property, plant and equipment	(30 474)	(908 141)	(938 615)
Differential between carrying values and tax values of intangible assets	19 417	(3 700 835)	(3 681 418)
Right-of-use assets	(744 861)	(450 739)	(1 195 600)
Lease liabilities	907 604	492 343	1 399 947
Estimated taxation losses	156 170	13 327	169 497
Staff related allowances and liabilities	746 228	(7 328)	738 900
Inventories	178 276	(633)	177 643
Investments	33 340	(159 981)	(126 641)
Trade and other receivables	(13 778)	(14 779)	(28 557)
Trade, other payables and provisions	386 936	115 334	502 270
	1 638 858	(4 621 432)	(2 982 574)

# Notes to the consolidated financial statements

for the year ended 30 June

## 6. Taxation (continued...)

### 6.3. Deferred taxation (continued...)

<i>Temporary differences</i>	2023		Net R'000
	Assets R'000	Liabilities 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)

Deferred taxation has been provided at rates ranging between 10% - 45% (2023: 10% - 45%). The variance in rates arises as a result of the differing corporate 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:*

	2024	2023
Weighted average number of shares in issue ('000)	339 888	339 877
Potential dilutive impact of outstanding staff share appreciation rights and conditional awards ('000)	881	852
Number of outstanding staff share appreciation right equivalent shares ('000)	4 791	4 873
Number of shares deemed to be issued at fair value ('000)	(4 293)	(4 456)
Contingent shares issuable in terms of conditional share plan ('000)	1 459	1 484
Contingent shares issuable in terms of conditional share plan at fair value ('000)	(1 075)	(1 049)
Diluted weighted average number of shares in issue ('000)	340 769	340 729
<b>7.2. Attributable earnings</b>		
<i>Basic earnings per share and diluted earnings per share are based on:</i>		
Profit attributable to shareholders of the Company (R'000)	6 368 975	5 972 689
<b>7.3. Basic earnings per share</b>		
Basic earnings per share	1 873.8	1 757.3
Diluted basic earnings per share	1 869.0	1 752.9
Dilution (%)	0.3	0.3

# 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

	2024 R'000	2023 R'000
Profit attributable to shareholders of the Company	6 368 975	5 972 689
Impairment of property plant and equipment, right-of-use assets goodwill and intangible assets	30 314	63 760
Property, plant and equipment	33 453	12 667
Right-of-use assets	9 090	3 207
Intangible assets	1 083	62 173
Taxation effect	(11 809)	(13 002)
Non-controlling interest	(1 503)	(1 285)
Net loss on disposal of interests in subsidiaries and disposal and closure of businesses	100 000	138 551
Loss on disposal and closure	-	138 551
Impairment of disposal group assets held-for-sale	76 832	-
Impairment of identifiable assets of disposal group	23 168	-
Net loss (profit) on disposal of property, plant and equipment and intangible assets	1 390	(38 126)
Property, plant and equipment	3 920	(44 971)
Taxation effect	(2 365)	6 873
Non-controlling interest	(165)	(28)
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	(29)	-
Non-headline earnings items	(44)	-
Non-controlling interest	15	-
<b>Headline earnings</b>	<b>6 500 650</b>	<b>6 100 250</b>
<b>Headline earnings per share (cents)</b>	<b>1 912.6</b>	<b>1 794.8</b>
<b>Diluted headline earnings per share (cents)</b>	<b>1 907.6</b>	<b>1 790.4</b>
<b>Dilution (%)</b>	<b>0.3</b>	<b>0.3</b>

### 7.6. Normalised headline earnings per share

Normalised headline earnings per share is a measurement used by the chief operating decision makers, Ms Mpumi Madisa and the Group executive directors. The calculation of normalised headline earnings per share excludes acquisition costs, amortisation of acquired customer contracts, the impact of one-off taxation events (refund of withholding tax and IFRIC 23 provision reversed) 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 accounting standards requirement.

	2024 R'000	2023 R'000
Headline earnings	6 500 650	6 100 250
Acquisition costs	61 567	45 040
Amortisation of acquired customer contracts	413 789	345 455
Taxation effect	(99 180)	(82 299)
Impact of one-off taxation events	(196 334)	-
Non-controlling interest	(2 512)	(2 879)
<b>Normalised headline earnings</b>	<b>6 677 980</b>	<b>6 405 567</b>
<b>Normalised headline earnings per share</b>	<b>1 964.8</b>	<b>1 884.7</b>

# 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

	2024 R'000	2023 R'000
Freehold land and buildings	5 514 433	5 232 593
Cost	6 024 588	5 710 097
Accumulated depreciation and impairments	(510 155)	(477 504)
Leasehold improvements	1 730 463	1 755 358
Cost	3 146 036	3 044 808
Accumulated depreciation and impairments	(1 415 573)	(1 289 450)
Plant and equipment	3 866 500	3 520 746
Cost	8 543 294	8 011 860
Accumulated depreciation and impairments	(4 676 794)	(4 491 114)
Office equipment, furniture and fittings	1 366 402	1 225 006
Cost	4 452 804	4 236 106
Accumulated depreciation and impairments	(3 086 402)	(3 011 100)
Vehicles, vessels and craft	873 152	783 956
Cost	2 300 778	2 125 828
Accumulated depreciation and impairments	(1 427 626)	(1 341 872)
Dispensing and cleaning equipment	1 667 019	1 565 435
Cost	4 163 484	4 025 192
Accumulated depreciation and impairments	(2 496 465)	(2 459 757)
Full maintenance leased assets *	1 484 787	1 599 124
Cost	2 177 346	2 465 251
Accumulated depreciation and impairments	(692 559)	(866 127)
Capital work-in-progress	1 139 633	774 903
	<b>17 642 389</b>	<b>16 457 121</b>

\* Full maintenance leased assets are subject to operating lease contracts refer note 8.11. Lessor accounting for further disclosure.

Property, plant and equipment with an estimated carrying value of R38 million (2023: R37 million) is pledged as security for borrowings of R30 million (2023: R30 million) (refer note 10.3. Borrowings).

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

	2024 R'000	2023 R'000
Carrying value at beginning of year	16 457 121	14 901 527
Capital expenditure	3 882 226	3 525 564
Freehold land and buildings	321 972	269 159
Leasehold improvements	123 575	116 832
Plant and equipment	888 181	591 170
Office equipment, furniture and fittings	627 320	560 560
Vehicles, vessels and craft	375 836	401 144
Dispensing and cleaning equipment	781 916	754 601
Full maintenance leased assets	398 273	540 608
Capital work-in-progress	365 153	291 490
Expenditure	1 021 376	654 620
Transfers to other categories *	(656 223)	(363 130)
On acquisition of businesses	102 085	172 967
Freehold land and buildings	8 437	-
Leasehold improvements	19 137	4 009
Plant and equipment	49 052	34 655
Office equipment, furniture and fittings	13 114	14 156
Vehicles and craft	6 177	6 104
Dispensing and cleaning equipment	6 168	114 043
Disposals	(503 480)	(287 470)
Freehold land and buildings	(10 951)	(73 594)
Leasehold improvements	(3 585)	(7 503)
Plant and equipment	(28 583)	(9 360)
Office equipment, furniture and fittings	(13 767)	(16 593)
Vehicles and craft	(51 918)	(40 801)
Dispensing and cleaning equipment	(42 201)	(40 096)
Full maintenance leased assets	(352 475)	(99 523)
On disposal of businesses and disposal groups	-	(126 650)
Freehold land and buildings	-	(96 190)
Leasehold improvements	-	(2 015)
Plant and equipment	-	(20 674)
Office equipment, furniture and fittings	-	(7 258)
Vehicles, vessels and craft	-	(513)
Exchange rate adjustments	(75 105)	285 507
Freehold land and buildings	(12 219)	44 643
Leasehold improvements	(4 095)	15 925
Plant and equipment	(14 028)	54 653
Office equipment, furniture and fittings	(6 736)	28 038
Vehicles, vessels and craft	(3 686)	3 650
Dispensing and cleaning equipment	(33 919)	137 903
Capital work-in-progress	(422)	695
Depreciation	(2 187 005)	(2 001 657)
Freehold land and buildings	(25 616)	(24 370)
Leasehold improvements	(156 471)	(156 115)
Plant and equipment	(527 301)	(476 244)
Office equipment, furniture and fittings	(469 888)	(412 805)
Vehicles and craft	(237 212)	(238 151)
Dispensing and cleaning equipment	(610 382)	(556 773)
Full maintenance leased assets	(160 135)	(137 199)
Impairment losses	(33 453)	(12 667)
Freehold land and buildings	217	-
Leasehold improvements	(3 456)	(2 314)
Plant and equipment	(21 566)	(8 458)
Office equipment, furniture and fittings	(8 648)	(1 898)
Vehicles and craft	-	3
Carrying value at end of year	17 642 389	16 457 121

\* Transfers were made to the following categories: R498 million (2023: R237 million) to Plant and equipment; R91 million (2023: R31 million) to Office equipment, furniture and fittings; R14 million (2023: R31 million) to Freehold land and buildings; R53 million (2023: R64 million) to Leasehold improvements.

# 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...)

	2024	2023
	R'000	R'000
<b>Segmental depreciation</b>		
Services South Africa	395 791	337 558
Services International	753 741	682 849
Branded Products	99 730	101 995
Adcock Ingram	147 126	144 532
Freight	363 022	343 474
Commercial Products	149 727	133 694
Financial Services	186 039	170 035
Automotive	84 062	77 155
Properties	5 066	6 088
Corporate and investments	2 701	4 277
	<b>2 187 005</b>	<b>2 001 657</b>
<b>Geographic region</b>		
Southern Africa	1 613 642	1 503 909
International	573 363	497 748
	<b>2 187 005</b>	<b>2 001 657</b>
<b>Segmental capital expenditure</b>		
Services South Africa	555 855	581 386
Services International	814 736	761 785
Branded Products	152 631	154 489
Adcock Ingram	127 741	148 086
Freight	962 436	591 381
Commercial Products	248 299	331 056
Financial Services	591 704	567 246
Automotive	127 752	150 857
Properties	298 885	236 795
Corporate and investments	2 187	2 483
	<b>3 882 226</b>	<b>3 525 564</b>
<b>Geographic region</b>		
Southern Africa	3 250 864	2 926 322
International	631 362	599 242
	<b>3 882 226</b>	<b>3 525 564</b>

### 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 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...)

	2024 R'000	2023 R'000
<b>Movement in right-of-use assets</b>		
Opening balance	4 457 814	4 507 081
Additions	1 295 205	1 034 423
On acquisition of businesses	17 027	38 346
On disposal of businesses and disposal groups	-	(15 557)
Modification to lease terms	174 747	146 168
Depreciation	(1 493 592)	(1 426 862)
Impairment	(9 090)	(3 207)
Foreign exchange adjustment	(45 002)	177 422
	<b>4 397 109</b>	<b>4 457 814</b>
<b>Classification of right-of-use assets</b>		
Equipment and vehicles	705 823	567 286
Land and buildings	3 691 286	3 890 528
	<b>4 397 109</b>	<b>4 457 814</b>
<b>Movement by category</b>		
Opening balance	4 457 814	4 507 081
Equipment and vehicles	567 286	581 957
Land and buildings	3 890 528	3 925 124
Additions	1 295 205	1 034 424
Equipment and vehicles	505 372	211 603
Land and buildings	789 833	822 821
On acquisition of businesses	17 027	38 346
Equipment and vehicles	2 846	3 292
Land and buildings	14 181	35 054
On disposal of businesses and disposal groups	-	(15 557)
Equipment and vehicles	-	(1 599)
Land and buildings	-	(13 958)
Modification to lease terms	174 747	146 169
Equipment and vehicles	(150)	(137)
Land and buildings	174 897	146 306
Foreign exchange adjustment	(45 003)	177 421
Equipment and vehicles	(24 889)	92 322
Land and buildings	(20 114)	85 099
Depreciation	(1 493 591)	(1 426 863)
Equipment and vehicles	(342 862)	(320 154)
Land and buildings	(1 150 729)	(1 106 709)
Impairment / reversal	(9 090)	(3 207)
Equipment and vehicles	(1 778)	-
Land and buildings	(7 312)	(3 207)
	<b>4 397 109</b>	<b>4 457 814</b>
<b>Segmental right-of-use assets depreciation and impairment</b>		
Services South Africa	191 104	216 841
Services International	400 027	310 753
Branded Products	138 311	130 217
Adcock Ingram	35 019	35 032
Freight	254 858	252 263
Commercial Products	209 610	204 257
Financial Services	41 924	53 811
Automotive	218 774	214 791
Properties	4 344	4 342
Corporate and investments	8 710	7 763
	<b>1 502 681</b>	<b>1 430 070</b>

# 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>	2024 R'000	2023 R'000
Southern Africa	1 143 866	1 157 694
International	358 815	272 376
	<b>1 502 681</b>	<b>1 430 070</b>

#### 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 term 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>	2024 R'000	2023 R'000
Opening balance	5 128 481	5 153 089
Additions	1 292 526	1 021 214
On acquisition of businesses	18 549	40 329
On disposal of businesses and disposal groups	-	(19 737)
Interest paid	421 614	399 087
Interest accrued	28 042	23 384
Modification to lease terms	142 925	132 598
Variable lease payment adjustments	8 120	222
Lease payments	(1 895 367)	(1 780 084)
Foreign exchange adjustment	(39 885)	158 379
	<b>5 105 005</b>	<b>5 128 481</b>

#### *Nature of lease liabilities*

Long-term portion of lease liabilities	3 813 794	3 948 906
Short-term portion of lease liabilities	1 291 211	1 179 575
	<b>5 105 005</b>	<b>5 128 481</b>

#### *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 8.11. Lessor accounting).

	R'000	R'000
Lease liability arising from short term leases, low value leases and lessor accounting	(81 807)	(72 107)
Less short-term portion included in trade and other payables	4 119	(1 895)
Long-term portion	<b>(77 688)</b>	<b>(74 002)</b>

#### *Undiscounted contractual maturities of lease liabilities*

Land and buildings	6 492 225	6 824 182
Due in one year	1 415 961	1 401 350
Due after one year but within five years	3 474 454	3 436 373
Due after five years	1 601 810	1 986 459
Equipment and vehicles	937 647	829 460
Due in one year	382 773	271 433
Due after one year but within five years	543 732	551 055
Due after five years	11 142	6 972
	<b>7 429 872</b>	<b>7 653 642</b>
Less amounts raised as liabilities	<b>(5 023 198)</b>	<b>(5 056 374)</b>
	<b>2 406 674</b>	<b>2 597 268</b>

# 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.

<b>Categories</b>	<b>2024</b>	2023
	<b>R'000</b>	R'000
Instalment finance	2 298 440	1 776 122
Mortgages	478 392	540 843
Call and term loans	846 422	694 695
Other advances	630 306	473 338
	<b>4 253 560</b>	3 484 998
Expected credit losses	(129 581)	(133 023)
	<b>4 123 979</b>	3 351 975
<b>Maturity analysis</b>		
Maturing in one year	882 034	855 768
Maturing after one year but within five years	2 640 953	1 915 961
Maturing after five years	600 992	580 246
	<b>4 123 979</b>	3 351 975

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	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<i>Instalment finance</i>						
Opening balance	8 504	9 128	2 897	1 959	27 119	34 428
Loss allowance raised during the year	4 888	6 142	278	955	11 147	5 093
Allowance reversed during the year	(5 374)	(6 766)	(2 892)	(17)	(1 143)	(4 147)
Write-offs	-	-	-	-	(1 924)	(8 255)
	8 018	8 504	283	2 897	35 199	27 119
<i>Mortgages</i>						
Opening balance	503	790	79	232	-	92
Loss allowance raised during the year	100	178	14	20	410	-
Allowance reversed during the year	(255)	(465)	(66)	(173)	-	(92)
Write-offs	-	-	-	-	-	-
	348	503	27	79	410	-
<i>Call and term loans</i>						
Opening balance	1 293	921	133	1 265	70 594	48 088
Loss allowance raised during the year	691	3 328	427	654	19 117	34 298
Allowance reversed during the year	-	(2 956)	(274)	(1 786)	(40 000)	(10 320)
Write-offs	-	-	-	-	(2 667)	(1 472)
	1 984	1 293	286	133	47 044	70 594
<i>Other advances</i>						
Opening balance	4 185	3 822	339	870	17 377	5 431
Loss allowance raised during the year	3 190	-	-	-	17 381	11 946
Allowance reversed during the year	-	363	(179)	(531)	(6 311)	-
Write-offs	-	-	-	-	-	-
	7 375	4 185	160	339	28 447	17 377

# 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

	2024			2023		
	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	3 754 964	(46 829)	3 708 135	3 458 424	(114 099)	3 344 325
Past due	498 596	(82 752)	415 844	26 574	(18 924)	7 650
0 - 30 days	109 715	(3 630)	106 085	811	(292)	519
31 - 60 days	6 739	(749)	5 990	1 041	(557)	484
61 - 90 days	1 802	(151)	1 651	41	-	41
91 - 120 days	3 389	(220)	3 169	-	-	-
121 + days	376 951	(78 002)	298 949	24 681	(18 075)	6 606
Total	4 253 560	(129 581)	4 123 979	3 484 998	(133 023)	3 351 975

#### Collateral held on past due amounts

	2024		2023	
	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	415 844	415 844	7 650	7 650

#### Expected credit losses at 30 June

	Effective interest rate %	ECL % of Gross value %	2024			
			Gross value R'000	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000
Instalment finance	11,5%	1,9%	2 298 440	(8 018)	(283)	(35 199)
Mortgages	11,7%	0,2%	478 392	(348)	(27)	(410)
Call and term loans	12,1%	5,8%	846 422	(1 984)	(286)	(47 044)
Negotiable securities	12,2%	2,4%	37 072	-	-	(894)
Overdrafts and other advances	11,9%	5,9%	593 234	(7 375)	(160)	(27 553)
			4 253 560	(17 725)	(756)	(111 100)
Expected losses on banking advances		3,0%	(129 581)			
Carrying value			4 123 979			
	Effective interest rate %	ECL % of Gross value %	2023			
			Gross value R'000	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000
Instalment finance	11,2%	2,2%	1 776 122	(8 504)	(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	(14 485)	(3 448)	(115 090)
Expected losses on banking advances		3,8%	(133 023)			
Carrying value			3 351 975			

# 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

	2024 R'000	2023 R'000
Call deposits	5 148 104	5 234 481
Fixed and notice deposits	2 752 359	2 288 384
	<b>7 900 463</b>	<b>7 522 865</b>

All amounts owed to bank depositors mature within one year.

#### Effective rates of interest

	%	%
Call deposits	3,9	4,6
Fixed and notice deposits	8,6	8,7

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. 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:

	2024 R'000	2023 R'000
Amortised cost	93 747	88 046
Fair value through other comprehensive income	2 241 661	1 954 529
Fair value through profit or loss	1 032 536	959 414
	<b>3 367 944</b>	<b>3 001 989</b>
Long-term portion of listed investments	2 440 259	2 179 509
Long-term portion of unlisted investments	927 685	822 480
	<b>3 367 944</b>	<b>3 001 989</b>

#### Fair value hierarchy of investments

		Restated*
Investments and loans held at cost or amortised cost	93 747	88 046
Investments held at fair value as determined on inputs based on:	3 274 197	2 913 943
Unadjusted quoted prices in an active market for identical assets (Level 1)	1 774 701	1 615 011
Factors that are observable for the asset either as prices or derived from prices (Level 2)	1 472 911	1 272 282
Factors that are not based on observable market data (Level 3)	26 585	26 650
	<b>3 367 944</b>	<b>3 001 989</b>

\* R 1 272 million treasury bills previously classified as Level 1 - fair value determined on inputs based on unadjusted quoted prices in an active market for identical assets in error have been reclassified as Level 2 - fair value determined on inputs based on factors that are observable for the asset either as prices or derived from prices.



# Notes to the consolidated financial statements

for the year ended 30 June

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

### 8.5. Investments (continued...)

	2024 R'000	2023 R'000
<b>Movement in investments</b>		
Balance at the beginning of year	3 001 989	2 378 183
On acquisition of business	-	10 699
Purchases and loan advances	2 394 071	3 110 123
Fair value adjustment recognised through other comprehensive income	1 976	10 279
Fair value adjustment arising during the year recognised in the income statement	109 308	168 721
Impairment of investments	-	725
Movement in expected credit loss	(13 671)	-
Proceeds on disposal, repayment of loans	(2 114 735)	(2 613 385)
Transfer to disposal group held-for-sale	-	(63 356)
Loss on disposal of investments	(10 994)	-
	<b>3 367 944</b>	<b>3 001 989</b>
<b>Expected credit losses on investments</b>		
Balance at the beginning of year	-	-
Allowance raised during the year	21 803	-
Investments written off / impaired	(8 132)	-
	<b>13 671</b>	<b>-</b>
<b>Analysis of investments at a fair value not determined by observable market data</b>		
Balance at the beginning of year	26 650	118 531
Purchases and loan advances	3 418	1 883
Fair value adjustment recognised through other comprehensive income	730	1 712
Fair value adjustment arising during the year recognised in the income statement	(2 805)	(6 080)
Proceeds on disposal, de-recognition or repayment of loans	(1 408)	(89 396)
	<b>26 585</b>	<b>26 650</b>

Investments measured at fair value through other comprehensive income includes R1 473 million treasury bills (2023: R1 272 million), R727 million Government bonds (2023: R645 million), R34 million VISA shares (2023: R32 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 R94 million (2023: R88 million) net of expected credit losses of R14 million (2023: Rnil).

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 R661 million (2023: R612 million). Included in listed investments is Bidcorp in the amount of R164 million (2023: R160 million), self-insurance captive portfolios in the amount of R101 million (2023: R81 million) and an insurance cell captive of R84 million (2023: R84 million).

The valuations of all listed investments are considered Level 1 type valuations in accordance with IFRS 13 *Fair Value Measurement* except for treasury bills R1 473 million (2023: R1 272 million) which are considered Level 2 type valuations.

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

### 8.6. Interest in associates and joint ventures

	2024 R'000	2023 R'000
Unlisted associates and joint ventures	621 639	562 032
Net asset value	668 940	688 436
Inherent goodwill	79 528	425
Impairment allowances	(126 829)	(126 829)
Investments in associates and joint ventures at cost net of impairment allowances	621 639	562 032
Attributable share of post-acquisition reserves of associates and joint ventures	137 032	112 602
At beginning of year	112 602	11 926
Share of current year earnings net of dividend	24 437	100 676
Movement arising on translation of associate post-acquisition reserves	(7)	-
Impairment of post acquisition reserves of associates and joint ventures - unlisted associates and joint ventures	(97)	(97)
Net advances to associates	245 778	136 809
Advances to associates	418 865	309 896
Expected loss allowances	(173 087)	(173 087)
	<b>1 004 352</b>	<b>811 346</b>

# Notes to the consolidated financial statements

for the year ended 30 June

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

### 8.6. Interest in associates and joint ventures (continued...)

	2024 R'000	2023 R'000
Adcock Ingram Limited (India)	448 665	471 319
National Renal Care Proprietary Limited	223 829	199 629
Other	331 858	140 398
	<b>1 004 352</b>	<b>811 346</b>

Loans to associates and joint ventures are disclosed as part of the carrying amount of the investment. Except for the R419 million (2023: R310 million) advance made to Strait Access Technologies Holdings Proprietary Limited, which attracts interest at the South African prime interest rate 11,75% (2023: 11,75%), 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	1 026 938	923 564
Profit for the year	192 207	171 416
Total comprehensive income for the year	192 207	171 416
Group's share of total comprehensive income	95 911	85 537
Dividends received	96 348	-
Current assets	637 611	691 698
Non-current assets	576 280	560 767
Current liabilities	(185 626)	(166 634)
Non-current liabilities	(129 137)	(141 304)
<b>Reconciliation of the above summarised financial information to the carrying amount of Adcock Ingram India recognised in the consolidated financial statements:</b>		
Net assets of Adcock Ingram India	899 128	944 527
Proportion of Group's interest	448 665	471 319
Carrying value of Group's interest	448 665	471 319

#### Summarised aggregated financial information of National Renal Care Proprietary Limited:

Revenue	1 432 993	1 239 435
Profit for the year	103 096	91 680
Total comprehensive income for the year	103 096	91 680
Group's share of total comprehensive income	39 200	39 203
Dividends received	15 000	25 000
Current assets	463 668	321 820
Non-current assets	513 460	557 637
Current liabilities	(344 510)	(277 913)
Non-current liabilities	(113 573)	(141 206)
Non-controlling interests	(71 390)	(61 080)
<b>Reconciliation of the above summarised financial information to the carrying amount of National Renal Care Proprietary Limited recognised in the consolidated financial statements:</b>		
Net assets of National Renal Care Proprietary Limited	447 655	399 258
Proportion of Group's interest	223 828	199 629
Carrying value of Group's interest	223 828	199 629

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

The Group's share of profit	1 752	1 132
The Group's share of total comprehensive income	1 752	1 132
Aggregate carrying amount of the Group investment in these associates and joint ventures	331 858	140 398

# Notes to the consolidated financial statements

for the year ended 30 June

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

### 8.7. 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.

	2024 R'000	2023 R'000
Raw materials	1 275 914	1 373 021
Work-in-progress	356 472	235 173
Finished goods	8 938 187	8 135 544
New vehicles and motor cycles	1 885 845	1 768 242
Used vehicles	1 179 216	1 257 593
Demonstration vehicles	719 137	832 542
Parts and accessories	539 616	509 473
	<b>14 894 387</b>	<b>14 111 588</b>
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)	1 199 350	828 934
Amounts included in trade and other payables relating to these assets (refer note 8.9. Trade and other payables)	753 853	926 666
	<b>1 953 203</b>	<b>1 755 600</b>
Write down of inventory to net realisable value charged to the income statement	312 562	213 214

### 8.8. 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 R303 million (2023: R385 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 3,5% (2023: 3,0%) of the total loss allowance raised at year end for continued operations.

	2024 R'000	2023 R'000
Trade receivables	15 347 677	14 979 779
Loss allowances	(600 520)	(722 755)
Net trade receivables	<b>14 747 157</b>	<b>14 257 024</b>
Forward exchange contracts asset	11 210	37 110
Derivative assets	47 988	26 604
Receivables relating to customer contracts	1 118 985	1 226 716
Deposits and prepayments	1 131 542	1 414 018
Currency swap derivative asset	-	16 856
Interest swap derivative asset	-	2 669
Value added tax receivable	322 928	202 072
Receivables arising on disposal of subsidiaries and or associates	19 919	32 813
Finance lease receivable	80 913	-
Other operating receivables *	1 687 483	1 386 369
	<b>19 168 125</b>	<b>18 602 251</b>

\* 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 R20 million (2023: R19 million) and receivables relating to customer contracts R18 million (2023: R17 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, currency and interest rate swaps.

# Notes to the consolidated financial statements

for the year ended 30 June

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

### 8.8. 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 are 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

	2024 R'000	2023 R'000
Balance at 1 July	722 755	731 140
Loss allowance raised during the year	182 759	160 780
Services South Africa	18 645	8 405
Services International	41 763	49 897
Branded Products	44 703	47 091
Adcock Ingram	16 303	-
Freight	1 337	11 642
Automotive	17 814	14 568
Commercial Products	35 094	26 969
Financial Services	7 056	2 066
Properties	43	35
Corporate and investments	1	107
Write-offs during the year	(120 356)	(86 067)
Services South Africa	(7 636)	(5 026)
Services International	(80 674)	(45 069)
Branded Products	(3 881)	(10 173)
Freight	(1 327)	(2 547)
Automotive	(2 809)	(4 543)
Commercial Products	(23 821)	(18 625)
Properties	(208)	(84)
Net acquisition of businesses and recognition of subsidiary	40 803	(7 762)
Services South Africa	253	-
Services International	40 550	12 316
Commercial Products	-	471
Financial Services	-	(2 754)
Corporate and investments	-	(17 795)
Reversal of loss allowance during the year	(213 979)	(135 123)
Services South Africa	(7 400)	(8 503)
Services International	(140 118)	(47 551)
Branded Products	(32 579)	(28 675)
Adcock Ingram	-	(5 812)
Freight	(7 947)	(1 361)
Automotive	(11 983)	(10 766)
Commercial Products	(13 680)	(17 560)
Financial Services	(272)	(14 895)
Exchange rate adjustments	(11 462)	59 787
Balance at 30 June	600 520	722 755

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

# Notes to the consolidated financial statements

for the year ended 30 June

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

### 8.8. Trade and other receivables (continued...)

	2024		2023	
	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	*	2 951	*	2 796
Services		190		-
Branded Products		164		98
Automotive		2 174		2 238
Commercial Products		423		460
Cover by credit insurance	977 747	979 993	834 002	836 428
Branded Products	47 242	49 451	52 185	54 773
Adcock Ingram	461 175	461 175	462 498	462 498
Freight	239 516	239 516	1 189	1 189
Automotive	231	231	7 473	7 473
Commercial Products	229 583	229 620	310 657	310 495
Pledge of assets	3	3	1 552	1 552
Services	3	3	-	-
Commercial Products	-	-	1 552	1 552
Other	45 124	45 124	50 880	50 880
Freight	43 258	43 258	34 345	34 345
Financial Services	238	238	3 645	3 645
Commercial Products	1 628	1 628	12 890	12 890
<b>Total</b>	<b>1 022 874</b>	<b>1 028 071</b>	<b>886 434</b>	<b>891 656</b>

\* 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...)

### 8.8. Trade and other receivables (continued...)

#### Ageing of trade receivables at 30 June

	2024				2023			
	<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
<b>Not past due</b>	0.6%	10 527 594	(62 390)	10 465 204	0.7%	9 569 466	(71 323)	9 498 143
Services South Africa	1.9%	1 062 382	(20 052)	1 042 330	1.5%	859 766	(13 171)	846 595
Services International	0.5%	3 618 646	(16 332)	3 602 314	1.2%	3 186 081	(36 871)	3 149 210
Branded Products	0.9%	1 030 115	(9 475)	1 020 640	0.7%	893 499	(6 502)	886 997
Adcock Ingram	0.4%	1 197 620	(4 966)	1 192 654	0.0%	1 147 991	-	1 147 991
Freight	0.4%	2 127 803	(9 297)	2 118 506	0.4%	2 023 271	(8 889)	2 014 382
Automotive	0.6%	295 879	(1 769)	294 110	0.1%	252 258	(310)	251 948
Commercial Products	0.0%	1 106 478	(375)	1 106 103	0.5%	1 125 769	(5 206)	1 120 563
Financial Services	0.1%	88 671	(124)	88 547	0.5%	80 831	(374)	80 457
Properties	0.0%	-	-	-	0.0%	-	-	-
Corporate and investments	0.0%	-	-	-	0.0%	-	-	-
<b>Past due</b>								
<b>0 - 30 days</b>	2.2%	2 658 450	(58 068)	2 600 382	1.7%	3 031 549	(50 197)	2 981 352
Services South Africa	2.3%	194 783	(4 399)	190 384	2.5%	260 524	(6 425)	254 099
Services International	3.4%	867 086	(29 822)	837 264	2.4%	916 373	(22 032)	894 341
Branded Products	3.5%	261 246	(9 150)	252 096	1.2%	228 759	(2 714)	226 045
Adcock Ingram	0.4%	599 753	(2 483)	597 270	0.0%	572 992	-	572 992
Freight	1.0%	350 110	(3 448)	346 662	0.7%	592 133	(4 346)	587 787
Automotive	11.4%	21 371	(2 444)	18 927	9.7%	58 358	(5 674)	52 684
Commercial Products	1.8%	344 612	(6 322)	338 290	2.6%	340 727	(8 983)	331 744
Financial Services	0.0%	19 241	-	19 241	0.0%	60 902	-	60 902
Properties	0.0%	248	-	248	0.0%	-	-	-
Corporate and investments	0.0%	-	-	-	2.9%	781	(23)	758
<b>31 - 120 days</b>	9.3%	1 358 443	(126 656)	1 231 787	7.2%	1 469 289	(106 508)	1 362 781
Services South Africa	9.2%	133 905	(12 338)	121 567	5.0%	136 797	(6 793)	130 004
Services International	3.9%	657 001	(25 863)	631 138	4.5%	816 819	(36 447)	780 372
Branded Products	30.2%	120 428	(36 408)	84 020	30.4%	107 366	(32 650)	74 716
Adcock Ingram	12.7%	101 148	(12 871)	88 277	0.0%	98 837	-	98 837
Freight	4.5%	147 457	(6 584)	140 873	3.8%	118 823	(4 541)	114 282
Automotive	20.9%	26 967	(5 649)	21 318	33.2%	20 339	(6 762)	13 577
Commercial Products	15.0%	156 962	(23 500)	133 462	16.4%	117 104	(19 256)	97 848
Financial Services	23.9%	14 248	(3 400)	10 848	0.1%	52 870	(59)	52 811
Properties	13.1%	327	(43)	284	0.0%	-	-	-
Corporate and investments	0.0%	-	-	-	0.0%	334	-	334
<b>121 + days</b>	44.0%	803 190	(353 406)	449 784	54.4%	909 475	(494 727)	414 748
Services South Africa	100.0%	1 062	(1 062)	-	88.8%	8 877	(7 884)	993
Services International	30.3%	450 335	(136 507)	313 828	49.5%	529 403	(262 050)	267 353
Branded Products	77.0%	47 075	(36 243)	10 832	59.7%	68 910	(41 167)	27 743
Adcock Ingram	50.9%	48 814	(24 860)	23 954	50.0%	57 802	(28 877)	28 925
Freight	49.8%	24 984	(12 434)	12 550	53.0%	42 598	(22 584)	20 014
Automotive	69.3%	28 040	(19 422)	8 618	90.4%	14 946	(13 514)	1 432
Commercial Products	75.4%	156 271	(117 775)	38 496	69.8%	167 629	(117 038)	50 591
Financial Services	10.1%	46 082	(4 668)	41 414	5.2%	18 670	(976)	17 694
Properties	100.0%	327	(327)	-	100.0%	528	(528)	-
Corporate and investments	54.0%	200	(108)	92	97.3%	112	(109)	3
<b>Total</b>	<b>3.9%</b>	<b>15 347 677</b>	<b>(600 520)</b>	<b>14 747 157</b>	<b>4.8%</b>	<b>14 979 779</b>	<b>(722 755)</b>	<b>14 257 024</b>

# Notes to the consolidated financial statements

for the year ended 30 June

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

### 8.9. Trade and other payables

	2024 R'000	2023 R'000
Trade payables	9 578 620	9 761 193
Non-interest bearing floorplan creditors	753 853	926 666
Forward exchange contracts liability	92 009	8 554
Derivative liabilities	46 729	32 208
Payables relating to customer contracts	2 200 493	2 214 236
Value added tax liability	1 016 715	994 107
Salary and wage related accruals	4 318 050	4 168 691
Adcock Ingram Black Managers Share Trust cash settled share-based payment scheme	25 134	22 772
Adcock Ingram cash settled share-based payment scheme	22 682	23 211
Goods in transit and other stock accruals	897 826	808 474
Operating expense accruals	4 006 532	4 255 026
	<b>22 958 643</b>	<b>23 215 138</b>

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

	2024 R'000	2023 R'000
Trade payables		
Services South Africa	461 599	477 518
Services International	1 381 788	1 090 128
Branded Products	1 133 852	1 172 680
Adcock Ingram	1 111 455	1 153 749
Freight	3 106 354	3 056 655
Automotive	657 625	812 293
Commercial Products	1 373 198	1 703 472
Financial Services	328 543	269 369
Properties	6 481	12 238
Corporate and investments	17 725	13 091
	<b>9 578 620</b>	<b>9 761 193</b>

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...)

### 8.9. Trade and other payables (continued...)

#### Forward exchange contracts

2024	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 2024</i>			
Japanese yen	July 2024 - October 2024	(2 866 756)	(370 508)
US dollar	July 2024 - December 2024	(16 039)	(298 782)
Euro	July 2024 - September 2024	(3 166)	(63 864)
Chinese Yuan	July 2024 - April 2025	(24 159)	(62 988)
Other	July 2024 - September 2024	(146)	(1 317)
			(797 459)
<i>In respect of forward exchange contracts relating to foreign assets as at 30 June 2024</i>			
Japanese yen	July 2024 - October 2024	1 152 225	131 165
US dollar	July 2024 - May 2025	4 951	90 343
Sterling	July 2024	116	2 721
			224 229
<i>In respect of forward exchange contracts relating to goods and services ordered not accounted for as at 30 June 2024</i>			
Japanese yen	July 2024 - September 2024	(54 349)	(6 873)
US dollar	July 2024 - June 2025	(39 900)	(748 118)
Euro	July 2024 - April 2025	(32 692)	(674 002)
Chinese Yuan	July 2024 - August 2024	(3 374)	(8 480)
Other	July 2024 - February 2025	(93)	(2 130)
			(1 439 603)
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	(219 761)	(29 493)
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	(18)	(25)
			(1 175 589)

The total value of trade receivables and trade payables whose payment terms are fixed in a foreign currency other than its operational currency are R348 million (2023: R357 million) and R844 million (2023: R905 million), respectively.



# Notes to the consolidated financial statements

for the year ended 30 June

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

### 8.10. Provisions

			2024	2023
			R'000	R'000
Long-term portion			518 864	567 657
Short-term portion			397 802	639 343
			<b>916 666</b>	1 207 000

	Onerous contracts R'000	Business Integration R'000	Insurance liabilities R'000	Legal claims R'000	Other R'000	Total R'000
Balance at 1 July 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 acquisition of businesses	-	-	-	(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
Created	1 626	18 192	139 745	312 569	17 817	489 949
Utilised	(1 110)	(92 060)	(228 981)	(403 877)	(27 023)	(753 051)
Net disposal of businesses and disposal group	-	-	-	-	-	-
Exchange rate adjustments	(410)	(7 935)	-	(18 887)	-	(27 232)
Balance at 30 June 2024	<b>13 927</b>	<b>226 670</b>	<b>158 772</b>	<b>462 118</b>	<b>55 179</b>	<b>916 666</b>

#### 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 17 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, R55 million (2023: R63 million).

# Notes to the consolidated financial statements

for the year ended 30 June

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

### 8.11. 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).

<i>Operating lease income</i>	2024 R'000	2023 R'000
Fixed lease receipts	660 416	698 355
Other operating lease income	76 128	104 788
	<b>736 544</b>	<b>803 143</b>
<b><i>Undiscounted contractual receipts from operating lease contracts</i></b>		
Land and buildings	282 374	215 660
Due in one year	78 803	58 661
Due after one year but within five years	162 944	121 632
Due after five years	40 627	35 367
Equipment and vehicles	1 178 689	1 664 901
Due in one year	319 770	344 741
Due after one year but within five years	730 041	1 072 182
Due after five years	128 878	247 978
	<b>1 461 063</b>	<b>1 880 561</b>
<b><i>Finance lease income</i></b>		
Finance income on net investment in lease	201 065	160 780
<b><i>Movement in carrying value of net investment in finance leases</i></b>		
Opening balance	1 776 122	1 276 692
Additions	1 358 465	1 072 987
Finance income	201 065	160 780
Receipts	(956 299)	(734 337)
	<b>2 379 353</b>	<b>1 776 122</b>
Loss allowances raised against investment in finance leases *	(43 500)	(38 520)
	<b>2 335 853</b>	<b>1 737 602</b>
<i>* refer note 8.3. Banking and other advances - Installment finance</i>		
<b><i>Undiscounted contractual receipts from finance lease contracts</i></b>		
Equipment and vehicles	2 855 620	2 098 415
Due in one year	1 143 669	928 228
Due after one year but within five years	1 676 421	1 154 308
Due after five years	35 530	15 879
	<b>2 855 620</b>	<b>2 098 415</b>
Impact of discounting	(476 267)	(322 293)
	<b>2 379 353</b>	<b>1 776 122</b>

# Notes to the consolidated financial statements

for the year ended 30 June

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

### 8.12. 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 and defined benefit pension surplus.

	2024 R'000	2023 R'000
Services South Africa	3 723 750	3 218 736
Services International	10 896 352	10 310 945
Branded Products	4 859 857	4 664 757
Adcock Ingram	7 030 069	6 838 055
Freight	9 524 517	9 252 961
Commercial Products	9 063 254	8 512 358
Financial Services	9 678 658	8 765 659
Automotive	5 465 650	5 280 207
Properties	4 732 277	4 455 355
Corporate and investments	1 059 594	827 863
	<b>66 033 978</b>	62 126 896
Inter-group eliminations	(1 197 503)	(987 825)
	<b>64 836 475</b>	61 139 071
<b>Geographic region</b>		
Southern Africa	56 841 228	53 479 938
International	9 192 750	8 646 958
	<b>66 033 978</b>	62 126 896
<b>Reconciliation to total assets</b>		
Operating assets	<b>64 836 475</b>	61 139 071
Goodwill	<b>19 664 282</b>	17 424 831
Intangible assets	<b>15 490 257</b>	15 388 222
Deferred taxation asset	<b>1 638 858</b>	1 607 318
Currency swap derivative asset	<b>1 127 020</b>	1 513 982
Taxation	<b>410 192</b>	400 386
Cash and cash equivalents	<b>9 096 654</b>	9 253 504
Disposal group assets held-for-sale	<b>317 781</b>	781 208
	<b>112 581 519</b>	107 508 522

# Notes to the consolidated financial statements

for the year ended 30 June

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

### 8.13. Segmental operating liabilities

Operating liabilities include post retirement obligations, trade and other payables and provisions, amounts owed to bank depositors and lease liabilities.

	2024 R'000	2023 R'000
Services South Africa	2 628 988	2 282 604
Services International	8 804 820	8 124 162
Branded Products	2 649 481	2 649 897
Adcock Ingram	2 666 867	2 566 362
Freight	5 034 175	5 505 310
Commercial Products	3 638 047	3 927 396
Financial Services	9 575 327	9 455 919
Automotive	2 593 726	2 993 834
Properties	67 301	78 073
Corporate and investments	399 506	469 501
	<b>38 058 238</b>	38 053 058
Inter-group eliminations	(1 197 503)	(987 825)
	<b>36 860 735</b>	37 065 233
<b>Geographic region</b>		
Southern Africa	30 461 973	31 098 744
International	7 596 265	6 954 314
	<b>38 058 238</b>	38 053 058
<b>Reconciliation to total liabilities</b>		
Operating liabilities	36 860 735	37 065 233
Deferred taxation liabilities	4 621 432	4 631 801
Interest bearing borrowings	31 805 322	28 356 369
Vendors for acquisition	124 918	4 108
Taxation	581 426	761 424
Disposal group liabilities held-for-sale	55 654	357 895
	<b>74 049 487</b>	71 176 830

# 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 in *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.

Included in the Group's transactions with non-controlling interests of R328 million (*refer consolidated cash flow statement*) is the acquisition of an additional 2,5% (2023: 4,4%) of Adcock Ingram for R328 million (2023: R534 million).

<b>Contribution to non-controlling interests</b>	<b>2024</b>	2023
	<b>R'000</b>	R'000
Profit allocated to non-controlling interests		
Adcock Ingram	336 666	364 709
Non-controlling interests of Adcock Ingram	336 666	364 759
Non-controlling interests of Adcock Ingram subsidiaries	-	(50)
Other non-controlling interests	65 971	28 826
<b>Total profit allocated to non-controlling interests</b>	<b>402 637</b>	393 535
Accumulated non-controlling interests		
Adcock Ingram	2 884 478	3 041 503
Non-controlling interests of Adcock Ingram	2 884 522	3 041 529
Non-controlling interests of Adcock Ingram subsidiaries	(44)	(26)
Other non-controlling interests	323 480	298 013
<b>Total accumulated non-controlling interests</b>	<b>3 207 958</b>	3 339 516

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

The Group's effective economic interest in Adcock Ingram is 64,8% (2023: 62,3%).

	<b>R'000</b>	R'000
<i>Statement of financial position items</i>		
Current assets	4 885 785	4 614 417
Non-current assets	3 469 098	3 648 117
Current liabilities	(2 530 348)	(2 434 209)
Non-current liabilities	(411 759)	(440 413)
Non-controlling interests	44	26
<b>Equity attributable to the owners of the company</b>	<b>(5 412 820)</b>	(5 387 938)
<i>Statement of comprehensive income items</i>		
Revenue	9 643 128	9 131 852
Expenses	8 829 119	8 233 442
Profit for the year	814 009	898 360
Profit attributable to non-controlling interests	-	50
<b>Profit attributable to the owners of the company</b>	<b>814 009</b>	898 410
Other comprehensive income attributable to owners of the company (will not subsequently be reclassified to profit or loss)	1 271	2 318
Other comprehensive income attributable to owners of the company (may subsequently be reclassified to profit or loss)	(72 579)	102 554
<b>Total comprehensive income for the year</b>	<b>742 701</b>	1 003 282
Dividends paid to non-controlling interests	18	204
<i>Statement of cash flow items</i>		
Cash inflow from operating activities	564 806	381 752
Cash outflow from investing activities	(125 137)	(141 624)
Cash outflow from financing activities	(431 409)	(504 638)
<b>Net cash inflow (outflow)</b>	<b>8 260</b>	(264 510)

# 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>	2024 R'000	2023 R'000
Property, plant and equipment	(102 085)	(172 967)
Right-of-use assets	(17 027)	(38 346)
Deferred taxation	134 985	158 585
Interest in associates and joint ventures	(81 385)	-
Investments and advances	-	(10 699)
Inventories	(61 442)	(17 492)
Trade and other receivables	(697 926)	(253 886)
Cash and cash equivalents	(241 711)	(112 068)
Borrowings	129 242	77 980
Trade and other payables and provisions	941 020	379 295
Lease liabilities	18 549	40 329
Taxation	3 781	4 274
Net fair value of (assets) liabilities	26 001	55 005
Goodwill	(2 754 709)	(1 425 901)
Intangible assets	(848 422)	(640 985)
Total value of acquisitions	(3 577 130)	(2 011 881)
Less: Cash and cash equivalents acquired	241 711	112 068
Vendors for acquisition at beginning of year	(4 108)	(752)
Vendors for acquisition at end of year	124 918	4 108
Prepaid in prior year / prepaid acquisitions *	58 500	(58 500)
Costs incurred in respect of acquisitions	(61 567)	(45 040)
Exchange rate adjustments	2 812	(433)
Net amounts paid	(3 214 864)	(2 000 430)

(refer note 9.4 for key assumptions regarding fair value of assets and liabilities acquired).

\* Consideration for the acquisition of the Roan Group of companies, Green Home Products, Channel Label Solutions and Printer Distribution Company was paid in June 2023, but the acquisition was effective 1 July 2023.

The Bidvest Group Australia, a component of Bidvest Services International, acquired 100% of the ordinary share capital and voting rights of Consolidated Property Services Pty Limited (CPS), effective 20 September 2023. The acquisition price of AUD187 million (R2.3 billion) was funded from the Group's international revolving credit facilities. CPS is one of the largest professional cleaning service providers across Eastern Australia, servicing high profile commercial and retail sites. The acquisition augments and expands the Group's hygiene, cleaning and facilities management business in Australia.

Effective 1 July 2023, Bidvest Services International acquired 100% of the ordinary share capital and voting rights of Rental Hygiene Services Pte Ltd (RHS). RHS provides total hygiene and cleaning solutions, using a comprehensive line of washroom equipment and janitorial consumables, to customers on the Island of Singapore. The acquisition price of SGD48 million (R662 million), of which SGD9.3 million (R128 million) is contingent on the achievement of certain profit targets, the balance funded from existing facilities and cash resources and was executed to establish a foothold in the ASEAN region.

(refer note 9.4 for key assumptions regarding fair value of assets and liabilities acquired).

# 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...)

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

Effective 20 July 2023 Bidvest Services International acquired 100% of the ordinary share capital and voting rights of the Robinson Services group of companies (RSG), primarily Robinson Services Ltd, Robinson Services Laundry Ltd and Sword Security (NI) Ltd. RSG delivers key support services including cleaning, security, hygiene, workwear rental and laundering, dust mat rental, window cleaning and specialist services including one off cleans to a range of customers big and small across the Retail, Commercial, Industrial and Hospitality sectors throughout Northern Ireland. The acquisition increases the Group's footprint on the island of Ireland. The acquisition price was GBP7 million (R170 million).

Bidvest Services International acquired 100% of the ordinary share capital and voting rights of the following minor acquisitions: Pure Hygiene Pty Ltd (Australia), effective 1 September 2023, AUD3.4 million (R42 million); Principal Hygiene Systems Ltd (United Kingdom), effective 6 October 2023, GBP2.5 million (R58 million); Synergy Waste Solutions Ltd (United Kingdom), effective 1 February 2024, GBP 2.9 million (R75 million). Bidvest Services International acquired 37.5% of the ordinary share capital and voting rights of Daelibs Pty Ltd, a developer and creator of Facilities Management software, for AUD6.8 million (R81 million) effective 1 August 2023. These acquisitions assist in expanding the Group's Facilities Management service offering and geographic coverage.

Effective 1 July 2023, Bidvest Services South Africa acquired 100% of the ordinary share capital and voting rights of Interloc Freight Services (Pty) Ltd (Interloc) for R56 million. Interloc provides a neutral air and road freight consolidation facility through which freight forwarders, courier companies and airlines can benefit from operational integration, preferred capacity allocations and cost savings. The acquisition complements the Group's existing Bidair Cargo operations.

Bidvest Branded Products acquired the assets, liabilities and businesses of Brandability Pty Ltd, effective 1 October 2023, for R51 million. Brandability specialises in the sale of corporate/promotional gifts and apparel, the acquisition complements the existing Waltons offering.

Effective 1 July 2023 Bidvest Branded Products acquired 100% of the ordinary share capital and voting rights of the following: Roan Group of companies, primarily Roan Systems Pty Ltd and Roan Safety Products Pty Ltd (RG). RG offers products and services for a variety of Information Technology, Production Automation, FMCG, Healthcare and various other sectors and applications. RG was acquired for R23.5 million; Green Home Products Pty Ltd (GHP). GHP is South Africa's first and longest running completely compostable food packaging company, whose vision is to provide sustainable packaging for takeaway food throughout Africa, and beyond. GHP was acquired for R19.5 million to augment the Group's existing packaging businesses; Channel Label Solutions Pty Ltd and Printer Distribution Company Pty Ltd for a combined acquisition price of R15.5 million.

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:*

	Consolidated Property Services R'000	Rental Hygiene Services R'000	Other smaller acquisitions R'000	Total R'000
<b>Identifiable assets and liabilities acquired</b>				
Property, plant and equipment	62 992	17 337	21 757	102 086
Right-of-use assets	7 623	9 404	-	17 027
Deferred taxation	(84 788)	(29 856)	(20 341)	(134 985)
Inventories	1 116	12 919	47 407	61 442
Trade and other receivables	439 926	80 881	177 119	697 926
Cash and cash equivalents	98 138	32 473	111 100	241 711
Borrowings	(82 469)	(41 597)	(5 176)	(129 242)
Trade and other payables and provisions	(679 025)	(37 276)	(224 719)	(941 020)
Lease liabilities	(7 939)	(10 610)	-	(18 549)
Taxation	4 964	(8 389)	(356)	(3 781)
Intangible assets	563 964	187 264	97 195	848 423
	324 502	212 550	285 371	822 423
Goodwill	1 960 414	449 623	344 672	2 754 709
Net assets acquired	2 284 916	662 173	630 043	3 577 132
Less: Cash and cash equivalents acquired	(98 138)	(32 473)	(111 100)	(241 711)
Net consideration	2 186 778	629 700	518 943	3 335 421
<b>Trade and other receivables stated net of the following loss allowances</b>				
Expected credit loss allowances	39 771	780	253	40 804
<b>Contribution to results for the year</b>				
Revenue	1 932 679	245 926	899 769	3 078 374
Profit or (loss)	210 965	34 008	62 202	307 175
<b>Contribution to results for the year if the acquisitions had been effective on 1 July 2023</b>				
Revenue	2 469 947	245 926	982 674	3 698 547
Profit or (loss)	269 611	34 008	73 850	377 469

# 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

	2024 R'000	2023 R'000
Property, plant and equipment	-	122 960
Right-of-use assets	-	14 565
Intangibles	-	974
Goodwill	-	2 084
Deferred taxation	-	(28 090)
Interest in associates	-	-
Inventories	-	57 657
Trade and other receivables	-	153 799
Cash and cash equivalents and bank overdrafts	-	9 997
Lease liability	-	(18 376)
Trade and other payables and provisions	-	(115 996)
Taxation	-	(61)
Carrying value of net assets	-	199 513
Non-controlling interest	-	484
Realisation of foreign currency translation reserves	-	(13)
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)
Cash and cash equivalents and bank overdrafts disposed of	-	(9 997)
Net settlement of other receivables arising on disposal of subsidiaries and associates *	11 778	10 407
Net cash impact	11 778	61 969

\* The receivable arose on disposal of Ontime Automotive (2021) and is included in trade and other receivables (refer note 8.8. Trade and other receivables)

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

	Other disposal impact R'000	Total R'000
<b>Identifiable assets and liabilities disposed</b>		
Net receivable reversed on disposal of subsidiaries and associates	(11 778)	(11 778)
Net proceeds on disposal of businesses, subsidiaries, associates and investments	(11 778)	(11 778)



# 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 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 flow calculations were performed over a five year period, net working capital increases were based on expected growth rates in revenue and capex based on maintaining the capital base.

	2024		2023	
	Local	International	Local	International
Terminal rate (range)	2,8% to 6,3%	4,7% to 5,1%	2,2% to 6,3%	4,9% to 5,3%
Pre-tax discount rate (range)	19,2% to 22,9%	15,5% to 15,9%	16,2% to 18,4%	14,8% to 15,14%
Growth rate	3,0% to 6,9%	4,6% to 5,0%	2,1% to 7,9%	4,9% to 5,3%

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

	2024 R'000	2023 R'000
Patents, trademarks, tradenames and other intangibles	14 972 678	14 916 267
Cost	17 783 585	17 361 359
Accumulated amortisation and impairments	(2 810 907)	(2 445 092)
Computer software	487 337	453 727
Cost	1 518 832	1 471 977
Accumulated amortisation and impairments	(1 031 495)	(1 018 250)
Capital work-in-progress	30 242	18 228
	15 490 257	15 388 222

# 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

	2024 R'000	2023 R'000
Carrying value at beginning of year	15 388 222	13 633 353
Additions	167 635	196 394
Patents, trademarks, tradenames and other intangibles	2 242	37 000
Computer software	153 379	171 032
Capital work-in-progress	12 014	(11 638)
Expenditure	97 633	9 978
Transfers to other categories	(85 619)	(21 616)
On acquisition of businesses	848 422	640 985
Patents, trademarks, tradenames and other intangibles	846 143	640 985
Computer software	2 279	-
Disposals	(107)	(289)
Computer software	(107)	(289)
On disposal of businesses and disposal groups	-	(23 290)
Computer software	-	(23 290)
Exchange rate adjustments	(372 822)	1 468 867
Patents, trademarks, tradenames and other intangibles	(371 610)	1 463 120
Computer software	(1 212)	5 747
Amortisation	(540 010)	(465 625)
Patents, trademarks, tradenames and other intangibles	(420 364)	(350 348)
Computer software	(119 646)	(115 277)
Impairment	(1 083)	(62 173)
Patents, trademarks, tradenames and other intangibles	-	(22 264)
Computer software (reversal in prior year)	(1 083)	(39 909)
Carrying value at end of year	15 490 257	15 388 222
<i>* Transfers of R86 million (2023: R22 million) were made to Computer software.</i>		
<b>Segmental intangible assets</b>		
Services South Africa	735 190	729 768
Services International	8 893 364	8 820 575
Branded Products	148 394	157 703
Adcock Ingram	4 695 765	4 705 140
Freight	76 960	73 907
Commercial Products	615 742	598 196
Financial Services	261 705	244 488
Automotive	839	1 987
Corporate and investments	62 298	56 458
	15 490 257	15 388 222
<b>Geographic region</b>		
Southern Africa	6 672 292	6 642 715
International	8 817 965	8 745 507
	15 490 257	15 388 222

# 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

	2024 R'000	2023 R'000
Services South Africa	11 370	12 711
Services International	410 832	339 506
Branded Products	13 307	22 740
Adcock Ingram	9 374	9 374
Freight	18 713	25 373
Commercial Products	6 382	8 679
Financial Services	41 948	106 400
Automotive	1 148	1 141
Corporate and investments	28 019	1 874
	<b>541 093</b>	<b>527 798</b>
<b>Geographic region</b>		
Southern Africa	136 684	193 414
International	404 409	334 384
	<b>541 093</b>	<b>527 798</b>

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

##### 2024

Cash generating unit	Opening balance R'000	Acquisitions R'000	Disposals R'000	Impairments R'000	Exchange rate adjustments R'000	Closing balance R'000
Bidvest Services South Africa	697 435	-	-	-	-	697 435
Bidvest Services International	4 029 782	95 944	-	-	(173 462)	3 952 264
Adcock Ingram	4 194 291	-	-	-	-	4 194 291
Bidvest Branded Products	115 000	-	-	-	-	115 000
Bidvest Commercial Products	579 892	-	-	-	-	579 892
	<b>9 616 400</b>	<b>95 944</b>	<b>-</b>	<b>-</b>	<b>(173 462)</b>	<b>9 538 882</b>

##### 2023

Cash generating unit	Opening balance R'000	Acquisitions R'000	Disposals R'000	Impairments R'000	Exchange rate adjustments R'000	Closing balance 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
	<b>8 745 339</b>	<b>212 000</b>	<b>-</b>	<b>-</b>	<b>659 061</b>	<b>9 616 400</b>

# 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:*

2024

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	13 481	-	(4 299)	-	-	9 182
Bidvest Services International	4 738 253	750 199	(396 580)	-	(198 013)	4 893 859
Adcock Ingram	150 768	-	(9 374)	-	-	141 394
Bidvest Financial Services	15 465	-	(3 536)	-	-	11 929
	4 917 967	750 199	(413 789)	-	(198 013)	5 056 364

The fair values of the assets and liabilities have been determined for the acquisition of Consolidated Property Services (CPS) and resulted in the identification of definite life customer relationship intangible assets in the amount of AUD46 million (R564 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 20 years. An existing customer attrition rate of 10% was applied to forecasted existing customer revenues. A Weighted Average Cost of Capital (WACC) in a range of 11.8% to 13.6%, plus a premium of 0.25%, was applied in the valuation. No value was assigned to the CPS brand. A portion of the residual Goodwill is supported by the identified trained and assembled workforce.

The fair values of the assets and liabilities have been determined for the Rental Hygiene Services (RHS) acquisition and resulted in the identification of definite life customer relationship intangible assets in the amount of SGD6.5 million (R89 million) and indefinite life Brand intangible assets of SGD7 million (R96 million). The MPEEM, using cash flows attributable to the customer related intangible asset, was used to value Customer Relationships, which were estimated to have an RUL of 15 years. An existing customer attrition rate of 13.5% was applied to forecasted existing customer revenues. A WACC in a range of 10.1% to 11.1%, 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 Rental Hygiene Services brand, which is well established and has been in existence since 2002 and therefore concluded to have an indefinite future life. The use of a royalty rate of 3% was informed by market data for similar transactions with similar profitability to RHS. Included in the intangibles acquired is computer software with a carrying value of SGD163 thousand (R2.2 million). A portion of the residual Goodwill is supported by the identified trained and assembled workforce.

Management has assessed the fair values of assets and liabilities acquired in the Robinson Services group of companies. The application of the MPEEM led to the identification of a customer relationship intangible in the amount of GBP3.7million (R88 million), using a RUL of 10 years, a customer attrition rate of 10% on forecasted existing customer revenues, and a WACC in a range of 9% to 11%. 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 R9 million definite life Customer Relationships, which are estimated to have a Remaining Useful Life (RUL) of 10 years.

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.

# Notes to the consolidated financial statements

for the year ended 30 June

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

### 9.5. Goodwill

	2024 R'000	2023 R'000
Carrying value at beginning of year	17 424 831	14 085 245
Exchange rate adjustments	(515 258)	1 921 834
On acquisition of businesses	2 754 709	1 425 901
On disposal of businesses and disposal group	-	(8 149)
Carrying value at end of year	19 664 282	17 424 831

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 and fair value less cost to sell methods.

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

	R'000	R'000
Services South Africa	1 562 789	1 532 414
Services International	14 354 346	12 226 697
Branded Products	1 100 981	1 019 554
Adcock Ingram	1 303 200	1 303 200
Freight	99 895	99 895
Commercial Products	912 444	912 444
Financial Services	256 856	256 856
Automotive	46 574	46 574
Properties	27 197	27 197
	19 664 282	17 424 831
<b>Geographic region</b>		
Southern Africa	5 624 692	5 513 205
International	14 039 590	11 911 626
	19 664 282	17 424 831

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:

2024

Value-in-use

Group segment	DCF growth rate	DCF terminal rate	Pre-tax discount rate <sup>^</sup>	Impairment R'000	Reasons	Sensitivity *
Bidvest Services SA	5,3% to 6,4%	5,4%	20,6%	-	Carry value < recoverable amount	No significant impact
Bidvest Services International	4,6% to 5,0%	4,9%	15,7%	-	Carry value < recoverable amount	No significant impact
Bidvest Freight	5,7% to 6,9%	5,8%	18,7%	-	Carry value < recoverable amount	No significant impact
Bidvest Branded Products	5,9% to 6,4%	5,8%	19,4%	-	Carry value < recoverable amount	No significant impact
Bidvest Commercial Products	5,6% to 5,9%	5,8%	20,8%	-	Carry value < recoverable amount	No significant impact
Bidvest Financial Services	6,1% to 6,5%	6,2%	22,7%	-	Carry value < recoverable amount	No significant impact
Bidvest Automotive	4,3% to 5,2%	4,9%	19,4%	-	Carry value < recoverable amount	No significant impact
Bidvest Properties	3,0% to 3,3%	2,8%	18,2%	-	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.

<sup>^</sup> 2024 pre-tax discount rates were impacted by significant further increases in risk free rates.

2024

Fair value less cost to sell based on discounted cashflows

Group segment	DCF growth rate	DCF terminal rate	Pre-tax discount rate	Impairment R'000	Reasons	Sensitivity *
Adcock Ingram	6,3% to 6,5%	6,3%	20,1%	-	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.

# 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

Value-in-use

Group segment	DCF growth rate	DCF terminal rate	Pre-tax discount rate <sup>^</sup>	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.

<sup>^</sup> 2023 pre-tax discount rates were impacted by significant increases in risk free rates.

2023

Fair value less cost to sell based on discounted cashflows

Group segment	DCF growth rate	DCF terminal rate	Pre-tax discount rate	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.

## 10. Cash and cash equivalents and interest bearing borrowings

### 10.1. Net finance charges

	2024 R'000	2023 R'000
Finance income	1 086 175	824 713
Interest income on banking and other advances	506 030	404 250
Interest income on finance lease	201 065	160 780
Interest income on bank balances	112 609	94 950
Interest imputed on post-retirement assets	40 969	31 099
Interest income on financial instruments held at fair value through other comprehensive income	225 502	133 634
Finance charges	(3 286 296)	(2 508 536)
Interest expense on amounts owed to bank depositors	(547 275)	(425 530)
Interest expense on bank overdrafts	(334 362)	(148 694)
Interest expense on listed bonds and commercial paper	(504 729)	(389 990)
Interest expense on Eurobond	(542 647)	(514 456)
Interest on lease liabilities	(449 656)	(422 471)
Interest expense on vehicle lease creditors and floorplan creditors	(143 831)	(80 196)
Interest expense on syndicated multicurrency facility and other borrowings	(595 149)	(382 969)
Interest imputed on post-retirement obligations	(6 565)	(6 502)
Dividends on preference shares included in borrowings	(164 092)	(144 511)
Less borrowing costs capitalised to property, plant and equipment **	2 010	6 783
	(2 200 121)	(1 683 823)
Less net finance income from banking operations included in trading profit	(306 175)	(323 654)
Income	(878 701)	(736 084)
Charges	572 526	412 430
	(2 506 296)	(2 007 477)

\*\* 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>	2024 R'000	2023 R'000
Charge per income statement	(2 713 770)	(2 096 106)
Amounts capitalised to borrowings	116 755	200 292
Amounts capitalised to lease liabilities	28 042	23 384
Amounts capitalised to property, plant and equipment	(2 010)	(6 783)
Amounts paid	(2 570 983)	(1 879 213)
Income per income statement	207 474	88 629
Accrued interest on retirement fund surplus	(34 404)	(24 597)
Amounts received	173 070	64 032

### 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
<b><i>Cash on hand and at bank</i></b>		
Banking, Insurance and other financial operations	3 261 759	3 979 770
Other Group operations	5 834 895	5 273 734
Cash on hand and at bank	9 096 654	9 253 504
<b><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></b>		
Banking, Insurance and other financial operations	220 623	203 024
Other Group operations	199 897	198 265
Total reserving requirements	420 520	401 289
Amounts included in cash on hand and at bank relating to customer contracts	6 501	6 000

#### *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	P-3	Baa3	Barclays Bank	P-1	A1
Nedbank	P-3	Baa3	National Westminster Bank	P-1	A1
ABSA Bank	P-3	Baa3	Standard Charter Bank	P-1	A1
FirstRand Bank	P-3	Baa3	Bank of America Europe D.A.C.	P-1	A1
Investec Bank	P-3	Baa3	BNP Paribas	P-1	A2
			Citibank	P-1	A1

# 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

	2024 R'000	2023 R'000
Loans secured by lien over certain property, plant and equipment (refer note 8.1. <i>Property, plant and equipment</i> )	30 125	30 992
Unsecured borrowings	29 278 674	25 803 780
Bonds	20 791 684	19 651 322
Cumulative redeemable preference shares	2 121 452	2 119 825
Syndicated Multicurrency facility	5 591 630	3 773 217
Other borrowings	773 908	259 416
Floorplan creditors secured by pledge of inventories (refer note 8.7. <i>Inventories</i> )	1 199 350	828 934
Borrowings	30 508 149	26 663 706
Bank overdrafts	1 297 173	1 692 663
Total borrowings	31 805 322	28 356 369
Less short-term portion of borrowings	(5 959 597)	(5 205 356)
Long-term portion of borrowings	25 845 725	23 151 013
<b>Schedule of repayment of borrowings</b>		
Year to June 2024	-	3 512 693
Year to June 2025	4 662 424	2 434 245
Year to June 2026	1 120 465	4 972 987
Year to June 2027 *	23 068 356	15 697 716
Year to June 2028	904	46 065
Thereafter	1 656 000	-
	30 508 149	26 663 706

\* Management has initiated plans to refinance borrowings based on medium to long-term requirements, projections and forecasts.

#### 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 the first measurement period (31 December 2023) Net Debt to EBITDA was 2,0:1 and the Net Interest Cover Ratio was 7,3:1; at the second measurement period (30 June 2024) Net Debt to EBITDA was 1,7:1 and the Net Interest Cover Ratio was 7,0:1. The covenant measurement requirements are expected met in the foreseeable future.

#### Total borrowings comprise

	R'000	R'000
Borrowings	30 508 149	26 663 706
Local subsidiaries	9 447 688	7 626 382
Foreign subsidiaries	21 060 461	19 037 324
Overdrafts	1 297 173	1 692 663
Local subsidiaries	1 297 173	1 664 149
Foreign subsidiaries	-	28 514
	31 805 322	28 356 369
<b>Effective weighted average rate of interest on</b>	%	%
Local borrowings excluding overdrafts	9,3%	9,2%
Foreign borrowings excluding overdrafts	4,5%	4,2%



# 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:

	2024		2023	
	Carrying amount R'000	Fair value R'000	Carrying amount R'000	Fair value R'000
Southern Africa	11 002 998	11 033 282	9 468 467	9 487 515
Loans secured by lien over certain property, plant and equipment	10 562	10 562	20 215	20 215
Unsecured loans	8 495 913	8 526 196	6 955 169	6 974 217
Floor plan creditors secured by pledge of inventories	1 199 350	1 199 350	828 934	828 934
Bank overdrafts	1 297 173	1 297 173	1 664 149	1 664 149
United Kingdom and Europe	20 782 761	19 664 664	18 877 117	17 331 447
Unsecured loans and bonds	20 782 761	19 664 664	18 848 603	17 302 933
Bank overdrafts	-	-	28 514	28 514
Australia	19 563	19 563	10 777	10 777
Loans secured by lien over certain property, plant and equipment	19 563	19 563	10 777	10 777
	31 805 322	30 717 509	28 356 361	26 829 739
Unrecognised gain	1 087 814		1 526 622	

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 2024 plus an adequate constant credit spread, between 3,0% and 5,2% for Asia Pacific, between 3,6% and 7,8% for Europe and between 7,8% and 15,5% for Southern Africa (2023: 3,0% Asia Pacific, between 3,6% and 7,0% for Europe and between 7,6% and 15,5% for Southern Africa).

Terms and debt repayment schedule	Currency	Nominal interest rate %	Financial year of maturity	2024	Nominal interest rate %	2023
				Carrying value R'000		Carrying value R'000
Terms and conditions of outstanding loans were:						
<b>Borrowings of local subsidiaries</b>				9 447 688		7 626 382
Loans secured by lien over certain property, plant and equipment	ZAR	15,3 - 15,5	2025 - 2028	10 562	15,3 - 15,5	20 215
Bonds	ZAR	9,5 - 10,5	2025 - 2029	6 198 458	8,8 - 10,1	4 575 929
Cumulative redeemable preference shares	ZAR	7,6 - 7,8	2026 - 2027	2 121 452	7,6 - 8,1	2 119 825
Other unsecured borrowings	ZAR	8,3 - 9,1	2025 - 2028	156 003	8,3 - 10,7	239 343
Floorplan creditors secured by pledge of inventories	ZAR	10,0 - 11,3	2025	961 213	10,3 - 11,8	671 070
				-		-
<b>Borrowings of foreign subsidiaries</b>				21 060 461		19 037 324
Loans secured by lien over certain property, plant and equipment	AUD	3,0 - 5,2	2027	19 563	3,0	10 777
Bonds	USD	3,7	2027	14 593 226	3,7	15 075 393
Floorplan creditors secured by pledge of inventories	ZAR	13,3	2025	137 603	13,3	102 960
	NAD	9,5 - 11,5	2025	100 534	9,5 - 11,5	54 904
Revolving credit facilities	GBP	7,8	2027	2 352 202	7,0	289 227
	EUR	6,0	2027	3 239 428	5,7	3 483 977
Other unsecured borrowings	GBP	4,0	2025	597 905	-	-
	NAD	10,0	2025	20 000	10,0	20 086
Total interest bearing borrowings				30 508 149		26 663 706

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

	2024 R'000	2023 R'000
The Group has the following undrawn facilities at its disposal to further reduce liquidity risk:		
Unsecured bank overdraft facility, reviewed annually	10 462 265	9 685 347
Utilised	1 297 173	1 692 663
Unutilised	9 165 092	7 992 684
Unsecured loan facility with various maturity dates through to 2028	35 351 229	37 395 527
Utilised	23 080 216	21 227 850
Unutilised	12 271 013	16 167 677
Secured loan facilities with various maturity dates through to 2025 and which may be extended by mutual agreement	3 720 374	3 343 272
Utilised	1 229 475	859 926
Unutilised	2 490 899	2 483 346
Other banking facilities	3 200 911	2 929 727
Utilised (indirect)	12 274	10 377
Unutilised	3 188 637	2 919 350
Unsecured Domestic Medium Term Notes Programme	12 000 000	12 000 000
Utilised	6 198 458	4 575 930
Unutilised	5 801 542	7 424 070
<b>Total facilities</b>	<b>64 734 778</b>	<b>65 353 873</b>
Utilised	31 805 322	28 356 369
Utilised (indirect)	12 274	10 377
Unutilised	32 917 182	36 987 127

### 10.4. Net debt reconciliation

Cash and cash equivalents	9 096 654	9 253 504
Borrowings	(30 508 149)	(26 663 706)
Bonds	(20 791 684)	(19 651 322)
Cumulative redeemable preference shares	(2 121 452)	(2 119 825)
Syndicated Multicurrency facility	(5 591 630)	(3 773 217)
Other borrowings	(804 033)	(290 408)
Interest bearing floor plan creditors	(1 199 350)	(828 934)
Overdraft facilities	(1 297 173)	(1 692 663)
<b>Net borrowings</b>	<b>(22 708 668)</b>	<b>(19 102 865)</b>
Cash and cash equivalents	9 096 654	9 253 504
Gross borrowings at fixed interest rates	(14 613 155)	(15 974 336)
Gross borrowings at variable interest rates	(17 192 167)	(12 382 033)
<b>Net borrowings</b>	<b>(22 708 668)</b>	<b>(19 102 865)</b>

#### Movement in gross borrowings

Opening balance	(26 663 706)	(24 038 494)
Cash outflow	1 637 505	4 523 773
Cash inflow	(5 640 817)	(4 234 337)
Movement in Interest bearing floor plan creditors (supplier finance arrangements) *	(365 300)	-
Capitalised interest	(116 755)	(200 292)
Net acquisitions	(129 242)	(77 980)
Currency valuation adjustment	(80 955)	591 820
Foreign exchange translation adjustment	851 121	(3 228 196)
<b>Closing balance</b>	<b>(30 508 149)</b>	<b>(26 663 706)</b>

\* The movement in the supplier finance arrangement, Interest bearing floor plan creditors, has been included in Cashflows from operating activities (Changes in working capital).

# 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, Singapore, 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 747 million (2023: R14 257 million) for trade receivables (refer note 8.8. *Trade and other receivables*), R4 124 million (2023: R3 352 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*

	2024	2024	2023	2023
	Gross trade receivables	Expected credit losses	Gross trade receivables	Expected credit losses
	R'000	R'000	R'000	R'000
New customers (less than six months)	658 260	(37 865)	414 954	(13 778)
Existing customers (greater than six months) with no defaults in the past	11 705 087	(233 469)	11 329 504	(342 527)
Existing customers (greater than six months) with some defaults in the past	2 984 330	(329 186)	3 235 321	(366 450)
	15 347 677	(600 520)	14 979 779	(722 755)

### 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, Australia and Singapore. 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

2024	Carrying amount R'000	Total R'000	Undiscounted contractual cash flows			More than 5 years R'000
			0 - 12 months R'000	1 -2 years R'000	2 - 5 years R'000	
Lease liabilities (refer note 8.2.)	5 105 005	7 429 872	1 798 734	1 915 652	2 102 534	1 612 952
Borrowings (refer note 10.3.)						
Loans secured by lien over certain property, plant and equipment	30 125	34 718	20 471	9 458	4 789	-
Unsecured loans	29 278 674	33 406 403	4 874 098	2 488 438	26 043 867	-
Floorplan creditors secured by pledge of inventories and bonded property	1 199 350	1 199 965	1 199 965	-	-	-
Bank overdrafts*	1 297 173	1 297 173	1 297 173	-	-	-
	<b>36 910 327</b>	<b>43 368 131</b>	<b>9 190 441</b>	<b>4 413 548</b>	<b>28 151 190</b>	<b>1 612 952</b>
Trade and other payables (refer note 8.9.)						
Forward exchange contracts	92 009	2 237 062	2 237 062	-	-	-
Trade and other payables (excluding forward exchange contracts)	22 866 634	22 866 634	22 866 634	-	-	-
	<b>22 958 643</b>	<b>25 103 696</b>	<b>25 103 696</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amounts owed to bank depositors (refer note 8.4.)						
Call deposits	5 148 104	5 198 905	5 198 905	-	-	-
Fixed and notice deposits	2 752 359	2 841 053	2 841 053	-	-	-
	<b>7 900 463</b>	<b>8 039 958</b>	<b>8 039 958</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* 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.

2023	Carrying amount R'000	Total R'000	Undiscounted contractual cash flows			More than 5 years 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	27 933 603	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	-	-	-
	<b>33 484 850</b>	<b>38 142 612</b>	<b>7 426 931</b>	<b>4 503 694</b>	<b>24 218 556</b>	<b>1 993 431</b>
Trade and other payables (refer note 8.9.)						
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	-	-	-
	<b>23 206 584</b>	<b>25 218 706</b>	<b>25 218 706</b>	<b>-</b>	<b>-</b>	<b>-</b>
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	-	-	-
	<b>7 522 865</b>	<b>7 613 841</b>	<b>7 613 841</b>	<b>-</b>	<b>-</b>	<b>-</b>

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:

	2024 R'000	2023 R'000
<b>Fixed rate instruments</b>		
Financial assets		
Fair value through other comprehensive income equity / debt instruments	2 241 661	1 954 529
Fair value through profit or loss equity / debt instruments	915 043	856 368
Fair value through profit or loss bonds	117 493	103 046
Banking and other advances	330 136	192 957
Derivative instruments in designated hedge accounting relationships	1 175 008	1 557 442
Financial liabilities		
Borrowings	(14 613 155)	(15 974 336)
Amounts owed to bank depositors	(2 759 740)	(2 290 806)
Derivative instruments in designated hedge accounting relationships	(46 729)	(32 208)
<b>Variable rate instruments</b>		
Financial assets		
Cash and cash equivalents	9 096 654	9 253 504
Banking and other advances	3 793 843	3 159 018
Financial liabilities		
Borrowings	(15 894 994)	(10 689 370)
Amounts owed to bank depositors	(5 140 723)	(5 232 059)
Overdrafts	(1 297 173)	(1 692 663)

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% (2023: 0,5%) increase in interest rates would decrease profit after tax by R23 million (2023: R6 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 2023. 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.

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

The Group makes use of 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 R1,1 billion (£49 million) asset derivative instrument has been disclosed at year end and included in the Consolidated Statement of Financial Position as a non-current asset; R17 million (£727 thousand) was credited to the Consolidated Income Statement via finance charges; a currency valuation adjustment was credited to interest bearing borrowings in the amount of R81 million (£3,5 million) and R280 million (£12 million) debited to the hedging reserve net of R118 million (£5 million) deferred taxation through the Consolidated Statement of Other Comprehensive Income. On application of hedge accounting the R81 million (£3,5 million) currency valuation adjustment to borrowings was debited to the Consolidated Statement of Other Comprehensive Income and credited against the unrealised foreign exchange loss 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 R286 million (£12 million) 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
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
<i>Movements through total comprehensive income</i>							
Fair value	-	(285 778)	-	285 777	-	-	1
Amortisation	-	(14 427)	-	-	-	-	14 427
Interest capitalised	(542 647)	-	-	-	-	-	542 647
Translation to USD spot rate	(80 955)	-	-	-	-	80 955	-
Hedging gains reclassified from OCI	-	-	-	80 955	-	(80 955)	-
Interest expense	-	-	-	31 545	-	-	(31 545)
Foreign currency translation	602 448	(51 796)	-	-	(550 652)	-	-
Deferred tax	-	-	122 161	(118 554)	-	-	(3 607)
<i>Other movements</i>							
Interest paid	549 770	-	-	-	-	-	-
Settlement of derivative	-	(34 961)	-	-	-	-	-
30 June 2024	(14 689 762)	1 127 020	27 669	28 683	1 596 249	-	1 340 478

##### Interest rate swap contracts

From time to time the Group enters into interest rate swap contracts, in order to fix the interest rates on variable rate corporate bonds and loans. At 30 June 2024 the Group was not party to any interest rate swap contracts.



# Notes to the consolidated financial statements

for the year ended 30 June

## 11. Risk management (continued...)

### 11.4. Market risk (continued...)

#### 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 8.5. Investments*). Fair value through other comprehensive income financial assets includes an irrevocable election of equity investments in, R1 473 million treasury bills (2023: R1 272 million), R727 million Government bonds (2023: R644 million), R34 million VISA shares (2023: R32 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 R641 million (2023: R612 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 R164 million (2023: R160 million) and insurance cell captives R185 million (2023: R181 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 replaced 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:

	2024		2023	
	Number	Average price R	Number	Average price R
Beginning of the year	271 813	272,15	507 684	267,53
Lapsed	(5 625)	301,54	(913)	285,51
Exercised	(136 400)	252,97	(234 958)	262,11
End of the year	129 788	291,02	271 813	272,15
Replacement rights outstanding at 30 June by year of grant are:				
2012	-	-	7 500	134,56
2013	-	-	6 000	208,91
2014	-	-	56 400	236,87
2015	26 875	250,73	49 875	250,73
2016	102 913	301,54	152 038	301,54
	129 788	291,02	271 813	272,15

# Notes to the consolidated financial statements

for the year ended 30 June

## 12. Staff remuneration (continued...)

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

#### Replacement rights scheme (previously share option scheme) (continued...)

The replacement rights outstanding at 30 June 2024 have an award price in the range of R250,73 to R301,54 (2023: R134,56 to R301,54) and a weighted average contractual life of 0,4 to 1,4 (2023: 0,4 to 2,4) years. The average combined value of the Bidvest and Bidcorp shares during the year was R684,71 (2023: R583,42).

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:

	2024		2023	
	Number	Average price R	Number	Average price R
Beginning of the year	18 008 529	174,30	18 219 554	165,52
Granted	4 900 300	212,64	4 835 000	201,59
Lapsed	(1 320 269)	177,29	(776 259)	165,34
Exercised	(4 535 611)	164,44	(4 269 766)	169,39
End of the year	17 052 949	187,70	18 008 529	174,30
Share appreciation rights outstanding at 30 June by year of grant are:				
2017	-	-	372 000	146,45
2018	179 250	158,75	574 444	158,75
2019	465 088	188,42	1 487 485	188,42
2020	1 153 018	173,43	2 309 117	173,43
2021	2 254 375	148,75	4 179 133	148,75
2022	3 799 459	168,61	4 271 350	168,61
2023	4 326 459	201,59	4 815 000	201,59
2024	4 875 300	212,64	-	-
	17 052 949	187,70	18 008 529	174,30

The SARs outstanding at 30 June 2024 have an award price in the range of R148,75 to R212,64 (2023: R138,48 to R201,59) and a weighted average contractual life of 0,4 to 6,4 (2023: 0,4 to 6,4) years. The average value of the Bidvest share during the year was R256,87 (2023: R232,52).

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:

	2024	2023
Fair value at measurement date (Rand)	236,27	223,99
Exercise price (Rand)	212,64	201,59
Expected volatility (%)	30,87	31,34
Option life (years)	4,00-6,00	4,00-6,00
Distribution yield (%)	3,80	3,59
Risk-free interest rate (based on the ZAR Bond static yield curve) (%)	8,71	7,85

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 1 459 015 (2023: 1 484 389) of the 1 792 016 (2023: 1 592 473) 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 granted during the year is R233,93 (2023: R181,43) per share. These grants 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...)

19 692 (2023: 29 202) conditional share awards were forfeited as a result of performance conditions not being met, 60 122 (2023: 141 027) conditional share awards were forfeited as a result of retirement or resignation.

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

	2024 Number	2023 Number
Beginning of the year	1 592 473	1 306 390
Granted during the year	640 500	622 000
Awarded during the year	(347 940)	(165 688)
Awarded during the year as result of accelerated vesting	(15 878)	-
Forfeited during the year	(79 814)	(170 229)
End of the year	1 789 341	1 592 473

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 Bidvest and Bidcorp share prices at 30 June 2024, it is estimated that 7 500 000 (2023: 8 000 000) Bidvest ordinary shares would be required to settle the Group's share-based payment obligations.

The 64,8% 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 R36,9 million (2023: R50,4 million), which comprises a charge to share-based payment expenses of R138 million (2023: R95 million) less settlement of R87 million (2023: R20 million) plus R6 million transfer to retained income, with R20 million (2023: R30,5 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 8.9. *Trade and other payables* and in aggregate amount to R48 million (2023: R46 million). An amount of R1,1 million (2023: R730 thousand) 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 R530 thousand (2023: R12 million).

# 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 2024 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	12 795	757	726	19 493	33 175	66 946
Ms GC McMahon	5 847	370	389	8 271	11 928	26 805
Mr MJ Steyn	7 483	283	520	10 313	19 327	37 926
	<b>26 125</b>	<b>1 410</b>	<b>1 635</b>	<b>38 077</b>	<b>64 430</b>	<b>131 677</b>

For comparative purposes 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
	<b>24 555</b>	<b>1 401</b>	<b>1 259</b>	<b>38 705</b>	<b>30 052</b>	<b>95 972</b>

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	2024			2023
	Directors' fees R'000	As directors of subsidiary companies and other services R'000	Total emoluments R'000	Total R'000
Ms L Boyce	1 273	459	1 732	1 451
Ms SN Mabaso-Konyana	1 553	-	1 553	1 300
Ms BF Mohale	2 776	-	2 776	2 059
Dr RK Mokate	1 894	-	1 894	1 315
Mr K Shuenyane <sup>1</sup>	619	-	619	-
Mr NW Thomson	1 039	-	1 039	980
Ms FN Khanyile	1 024	-	1 024	862
Ms MG Khumalo	1 092	-	1 092	860
Retired directors <sup>2</sup>	-	-	-	852
<b>2024 total</b>	<b>11 270</b>	<b>459</b>	<b>11 729</b>	<b>9 679</b>
2023 total	9 289	390	9 679	-

<sup>1</sup> Appointed 4 September 2023

<sup>2</sup> Ms S Masinga and Ms N Siyotula 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 2023		Replacement rights exercised during the year		Replacement rights lapsed during the year		Replacement rights at 30 June 2024	
	Number	Average price R	Number	Market price	Number	Market price	Number	Average price R
Ms NT Madisa	26 250	286.30	(6 250)	264.00	-	-	20 000	301.54
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	(6 250)	264.00	-	-	51 250	292.87

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

Directors	SAR at 30 June 2023		SAR exercised during the year		SAR lapsed during the year		SARs at 30 June 2024	
	Number	Average price R	Number	Average price R	Number	Market price	Number	Average price R
Mr MJ Steyn	80 000	152.68	(40 000)	264.25	-	-	40 000	158.75

These SARs are exercisable over the period 1 July 2024 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 2023 Number	New award Number	Forfeited Number	Shares vested Number	Accelerated vested shares Number	Closing balance 30 June 2024 Number
Ms NT Madisa	374 358	103 500	(6 297)	(112 139)	-	359 422
Ms GC McMahon	152 406	45 500	(2 679)	(43 786)	-	151 441
Mr MJ Steyn	188 587	57 000	(2 161)	(53 830)	-	189 596
	715 351	206 000	(11 137)	(209 755)	-	700 459

#### Share-based payment expense

	2024 R'000	2023 R'000
Ms NT Madisa	17 203	20 997
Ms GC McMahon	7 812	8 770
Mr MJ Steyn	8 571	11 796
	33 586	41 563

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.

	2024 R'000	2023 R'000
Post-retirement assets		
Defined benefit pension surplus	(238 190)	(344 987)
Post-retirement obligations		
Post-retirement medical aid obligations	57 646	65 751
	<b>(180 544)</b>	<b>(279 236)</b>

### 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>	<b>Warner Howard Limited Pension Plan</b>		<b>The Bidvest South Africa Pension Fund</b>	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Defined benefit pension obligations (assets) of the fund	-	-	(238 190)	(344 987)
	-	-	(238 190)	(344 987)
<b>Contributions to the fund</b>				
Employee contributions	-	-	143	159
<b>Total pension fund asset</b>				
Fair value of plan assets	168 195	168 380	613 366	740 304
Actuarial present value of defined benefit obligations	(166 839)	(170 032)	(375 176)	(388 963)
Net surplus in the plans	1 356	(1 652)	238 190	351 341
Amounts not recognised due to ceiling adjustments and other limitations	(1 356)	1 652	-	(6 354)
	-	-	238 190	344 987
<b>Movement in the liability for defined benefit obligations</b>				
Balance at beginning of year	(170 032)	(173 784)	(388 963)	(372 551)
Benefits paid	12 650	12 971	31 610	32 825
Settlement of defined benefit obligations	-	-	26 138	-
Settlement cost	-	-	(7 308)	-
Risk premiums and expenses	-	-	467	576
Current service costs	-	-	(713)	(1 116)
Interest expense	(8 716)	(6 700)	(44 798)	(42 563)
Member contributions	-	-	(143)	(159)
Actuarial gains / (losses)	(7 538)	29 003	8 534	(5 975)
Exchange rate adjustments on foreign plans	6 797	(31 522)	-	-
Balance at end of year	<b>(166 839)</b>	<b>(170 032)</b>	<b>(375 176)</b>	<b>(388 963)</b>

# 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...)	Warner Howard Limited Pension Plan		The Bidvest South Africa Pension Fund	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>Movement in the plans' assets</b>				
Balance at beginning of year	168 380	172 393	740 304	643 469
Contributions paid into the plans	-	-	143	159
Benefits paid	(12 650)	(12 971)	(31 610)	(32 825)
Transfer to Provident Fund	-	-	(131 100)	-
Settlement of defined benefit obligations	-	-	(26 138)	-
Risk premiums and expenses	1 036	(5 522)	(467)	(576)
Interest income	8 716	6 528	86 523	74 400
Return on plan assets in excess of interest income	9 517	(29 003)	(24 289)	55 677
Exchange rate adjustments on foreign plans	(6 804)	36 955	-	-
Balance at end of year	168 195	168 380	613 366	740 304
<b>The plans' assets comprise</b>				
Cash	1 177	(1 684)	106 112	84 395
Equity securities	-	-	199 344	352 385
Bills, bonds and securities	169	170 064	120 220	119 189
Property	-	-	15 948	21 469
International	-	-	156 408	149 541
Other	166 850	-	15 334	13 325
	168 196	168 380	613 366	740 304
<b>Amounts recognised in the income statement</b>				
Current service costs	-	-	713	1 116
Settlement cost	-	-	7 308	-
Interest on obligations	8 716	6 700	44 798	42 563
Interest income on plan assets	(8 716)	(6 528)	(86 523)	(74 400)
Ceiling adjustments and other limitations	-	(172)	756	738
	-	-	(32 948)	(29 983)
<b>Amounts recognised in other comprehensive income</b>				
Return on plan assets in excess of interest income	(9 517)	29 003	24 289	(55 677)
Actuarial (gains) losses	7 538	(29 003)	(8 534)	5 975
Ceiling adjustments and other limitations	1 979	-	(7 110)	(635)
	-	-	8 645	(50 337)
<b>Key actuarial assumptions used in the actuarial valuations:</b>				
Number of in service members 30 June	-	-	-	7
Number of pensioners 30 June	138	138	396	419
Discount rate (%)	5,00	5,40	11,80	11,90
Inflation rate (%)	3,60	3,55	6,10	6,50
Salary increase (%)	-	-	7,10	7,50
Pension increase allowance (%)	3,4	3,4	4,27	4,55
Date of valuation of all funds	30 June 2024	30 June 2023	30 June 2024	30 June 2023

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.

	Warner Howard Limited Pension Plan		The Bidvest South Africa Pension Fund	
	2024 Impact of an increase in assumption * R'000	2023 Impact of an increase in assumption R'000	2024 Impact of an increase in assumption ^ R'000	2023 Impact of an increase in assumption R'000
Discount rate - 1%	-	-	-	3 404
Pension increase - target 100% of inflation (assumption 50%)	-	-	-	(4 126)
Salary increase - 1%	-	-	-	(1 499)

\* 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 Bidvest South Africa Pension Fund has no remaining defined benefit obligations at the valuation date therefore any change in the salary increase will have no impact on the fund liability. A 1% change in the discount rate and pensioner increase will have no impact on the fund liability as all excess pensioner assets have been allocated to the pensioner account for the benefit of the pensioners.

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

	2024 R'000	2023 R'000
Opening provision raised against unfunded obligation	65 751	73 551
Current service costs (relief)	(993)	(2 691)
Interest expense	6 565	6 502
Benefits paid	(6 727)	(10 310)
Actuarial adjustments recognised in other comprehensive income	(6 950)	(1 301)
Closing provision raised against unfunded obligation	57 646	65 751

#### Key actuarial assumptions

	2024 %	2023 %
Discount rate	11,3	10,5
Inflation rate (CPI)	5,7	6,8
Health care cost inflation	7,7	8,8
Date of valuation	30 June 2024	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	
	2024 Number	2023 Number	2024 R'000	2023 R'000
Services South Africa	36 216	34 553	5 198 961	4 533 930
Services International	68 076	67 503	22 970 927	19 138 719
Branded Products	5 051	4 939	1 678 979	1 564 195
Adcock Ingram	2 881	2 741	1 467 942	1 410 165
Freight	5 039	4 947	1 863 859	1 775 470
Commercial Products	8 965	8 708	2 216 073	2 169 875
Financial Services	1 223	1 160	705 441	723 606
Automotive	3 764	3 780	1 779 034	1 844 503
Properties	14	16	12 020	20 578
Corporate and investments	97	124	192 731	273 524
	131 326	128 471	38 085 967	33 454 565
Share-based payment expense	-	-	362 538	347 865
	131 326	128 471	38 448 505	33 802 430
<b>Geographic region</b>				
Southern Africa	98 193	95 526	18 505 114	17 479 637
International	33 133	32 945	19 580 853	15 974 928
	131 326	128 471	38 085 967	33 454 565



# 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.

	2024 R'000	2023 R'000
<b>Share capital</b>		
Issued share capital	17 014	17 014
Share premium	1 367 796	1 367 796
<b>Reserves</b>	<b>33 263 623</b>	<b>30 929 100</b>
Foreign currency translation reserve	528 750	840 887
Hedging reserve	(40 109)	263 960
Equity-settled share-based payment reserve	693 734	623 992
Retained earnings	32 081 248	29 200 261
<b>Shares held by subsidiary as treasury shares</b>	<b>675 641</b>	<b>678 266</b>
Share capital	(2)	(2)
Share premium	675 643	678 268
Capital and reserves attributable to shareholders of the Company	<b>35 324 074</b>	<b>32 992 176</b>
<b>Reserves comprise</b>		
Company and subsidiaries	33 126 591	30 816 498
Associates	137 032	112 602
	<b>33 263 623</b>	<b>30 929 100</b>
<b>Share capital</b>		
<i>Authorised</i>		
540 000 000 (2023: 540 000 000) ordinary shares of 5 cents each	27 000	27 000
	<b>Number</b>	<b>Number</b>
<i>Issued</i>		
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	(2 229 430)	(1 728 757)
Sale of shares by subsidiary to staff in terms of share incentive scheme	2 229 430	1 728 757
Net shares in issue	<b>339 887 742</b>	<b>339 887 742</b>

17 013 717 (2023: 17 013 717) 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 against the acquisition cost.

#### Equity-settled share-based payment reserve

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

# Notes to the consolidated financial statements

for the year ended 30 June

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

### 13.2. Dividends per share

	2024	2023
	cents	cents
Dividend paid to shareholders on 2 April 2024 (2023: Dividend paid to shareholders on 3 April 2023)	467.0	437.0
Dividend paid to shareholders on 30 September 2024 (2023: Dividend paid to shareholders on 2 October 2023)	447.0	439.0
	<b>914.0</b>	876.0
Distributions to shareholders are accounted for once they have been approved by the board of directors.		
	R'000	R'000
<b>Reconciliation to consolidated cashflow statement</b>		
Dividends paid to shareholders	(3 082 886)	(2 725 598)
Dividends received by subsidiaries on treasury shares	3 503	3 097
Dividends paid to non-controlling interests	(180 846)	(178 654)
Amounts paid	<b>(3 260 229)</b>	(2 901 155)

### 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

	2024	2023
	R'000	R'000
Capital expenditure approved		
Contracted for	1 299 513	1 161 288
Not contracted for	684 057	815 706
	<b>1 983 570</b>	1 976 994

Capital expenditure amounting to R1,9 billion (2023: R1,9 billion) 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.

The project for the refurbishment and repurposing of three old butadiene spheres for butane storage at the Bidvest Tank Terminal's (BTT) Richards Bay facility was commissioned in October 2023 at a total cost of R180 million. At 30 June 2024 R408 million of the approved R550 million has been spent on 18 additional multi-purpose storage tanks at the same Richards Bay facility, this project was commissioned during July 2024 and all tanks were ready for commercial use from 1 August 2024. In addition, R27 million of the approved R183 million was spent on the development of two additional fuel tanks at the Richards Bay facility which is estimated to be commissioned in July 2025.

### 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:

	2024 R'000	2023 R'000
<b>Transactions between Group subsidiaries</b>		
Total value of sales between related parties	6 089 954	6 698 700
Total value of inventory purchased from related parties	3 311 644	4 039 384
Total value of services purchased from related parties	2 778 310	2 659 315
Total value of related party trade payables / receivables	1 102 720	896 941
Total value of related party loans payable / receivable	40 239 939	39 203 639
Total value of related party interest bearing loans between Bidvestco and Bidvest Treasury Services	6 125 000	4 532 000
Total value of related party interest bearing loans payable to Bidvest Treasury Services	9 951 988	9 361 358
Total value of related party interest bearing loans payable to The Bidvest Group UK	20 644 772	18 948 003
Total value of related party deposits at Bidvest Bank	436 248	480 732
Total value of related party overdrafts at Bidvest Bank	71 479	38 119
<b>Transactions with associates and joint ventures</b>		
Purchases	713 716	575 293
Outstanding amounts due to the Group at year end included in advances to associates	245 778	136 809

### 13.7. Subsequent events

Following the year end a formal process was initiated to dismantle the Financial Services segment and dispose of Bidvest Bank and FinGlobal. The remaining Financial Services short-term insurance businesses, which focus primarily on vehicle insurance cover and related value added products, will be transferred to the Automotive segment.

Subsequent to 30 June 2024 the Group entered into an agreement to acquire 100% of Citron Hygiene LP from Birch Hill Equity Partners and other investors. Citron, headquartered in Toronto, Canada, was founded in 1974 and serves approximately 50 000 customer locations from seven branches in Canada, four in the USA and ten in the UK. The Acquisition is subject to UK Competition and Markets Authority approval, with a decision expected within five months of submission. The anticipated acquisition will be financed using existing facilities and will be included in the Services International segment.

### 13.8. Foreign currency exchange rates

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

	2024	2023
<b>Rand/Sterling</b>		
Closing rate	23,00	23,94
Average rate	23,56	21,40
<b>Rand/Euro</b>		
Closing rate	19,47	20,57
Average rate	20,23	18,62
<b>Rand/Australian Dollar</b>		
Closing rate	12,12	12,55
Average rate	12,26	11,95
<b>Rand/US Dollar</b>		
Closing rate	18,18	18,84
Average rate	18,71	17,77
<b>Rand/Singapore Dollar</b>		
Closing rate	13,41	-
Average rate	13,87	-
<b>Rand/Japanese Yen</b>		
Closing rate	0,113	0,130
Average rate	0,126	0,130

# Notes to the consolidated financial statements

for the year ended 30 June

## 14. Disposal group held-for-sale

Towards the end of June 2023, the Group entered into a process to dispose of 100% of its shareholding and claims in Bidvest Life Limited (BLL). BLL is a licensed life assurance company and registered financial service provider specialising in income protection, disability, critical illness and life cover. Despite attracting a number of potential buyers BLL was not sold during the year, however it continues to be actively marketed for sale at a price which is reasonable to its fair value.

	2024 R'000	2023 R'000
Disposal group liabilities held-for-sale		
Life assurance fund (re-insurers share)	-	302 733
Net insurance contract liability	53 791	-
Trade and other payables and provisions	1 863	53 801
Lease liability	-	1 361
	<b>55 654</b>	<b>357 895</b>
Disposal group assets held-for-sale		
Property, plant and equipment	-	3 690
Right-of-use assets	-	992
Life assurance fund	-	583 218
Net insurance contract asset	260 232	-
Deferred taxation	53 059	57 757
Trade and other receivables	6 581	34 507
Cash and cash equivalents and bank overdrafts	73 509	71 005
Taxation	1 232	1 232
Intangible assets	-	22 316
Share based payment reserve	-	426
Goodwill	-	6 065
	<b>394 613</b>	<b>781 208</b>
Impairment to fair value less cost to sell	<b>(76 832)</b>	<b>-</b>
Net carrying value	<b>262 127</b>	<b>423 313</b>

In determining the fair value less cost to sell the following identifiable assets have been impaired: Property, plant and equipment R2 million; Computer software R15 million; and Goodwill R6 million. The balance of the disposal group was impaired by R77 million (refer *note 7.4. Headline earnings*).

# Interest in subsidiaries and associates

as at 30 June

## Annexure A

	Country of incorporation if not SA	Note	Effective holdings	Effective holdings
			2024 %	2023 %
<b>Significant subsidiaries</b>				
<b>Adcock Ingram <sup>(N)</sup></b>				
Adcock Ingram Holdings Limited			65	62
<b>Bidvest Automotive <sup>(A)</sup></b>				
Autohaus Centurion Pty Ltd			50	50
Bidvest Automotive Holdings Pty Ltd			100	100
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
Burchmore's Car Auctions Pty Ltd			100	100
Carheim Investments Pty Ltd	10		100	100
Cubbi Pty Ltd			100	100
Inyanga Plaza Investments Pty Ltd *			-	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
Novel Motor Company Pty Ltd	10		100	100
<b>Bidvest Branded Products <sup>(F,G,M)</sup></b>				
Airport Retail and Luggage Repairs (Coastal) Pty Ltd			70	70
Amalgamated Appliances Pty Ltd			100	100
Bartrans Pty Ltd *			-	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
Cecil Nurse Namibia Pty Ltd	10		100	100
Channel Label Solutions Pty Ltd ^			100	-
Dauphin Office Seating S.A. Pty Ltd			100	100
Globe Stationery Manufacturing Company Pty Ltd			100	100
Green Home Products Pty Ltd ^			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 Corporate Pty Ltd		1	49	49
Lithotech Mailing Services Pty Ltd *			-	100
Lithotech Manufacturing Pinetown Pty Ltd			100	100
Lithotech Sales Cape Pty Ltd *			-	100
Lufil Packaging Pty Ltd			100	100
Main Street 573 Pty Ltd			70	70
Minolco (Namibia) Pty Ltd	10		100	100
Phakama Print Pty Ltd			40	40
R Giese Printing Pty Ltd *			-	100
Roan Systems Pty Ltd ^			100	-
Roan Safety Products 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
			2024 %	2023 %
<b>Significant subsidiaries</b>				
<b>Bidvest Branded Products</b> <sup>(F,G,M)</sup> (continued)				
Silveray Statmark Company Pty Ltd			100	100
SMC Sales Logistics Pty Ltd			100	100
Tension Envelope Pty Ltd			100	100
The Printer Distribution Company Pty Ltd ^			100	-
Waltons Namibia Pty Ltd	10		100	100
Whitebord Pty Ltd			100	100
Zonke Monitoring Systems Pty Ltd			78	78
<b>Bidvest Commercial</b> <sup>(B,E,K)</sup>				
Academy Brushware Pty Ltd#			100	100
Afcom Group Limited			100	100
B M O Food Services Pty Ltd *			-	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	18		75	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	15		100	100
Eagle Lighting Pty Ltd			100	100
Electtech Power Solutions Pty Ltd			100	100
G Fox Pty Ltd#			100	100
G Fox Swaziland Pty Ltd	15		75	75
JMS Technical Solutions Pty Ltd			100	100
King Pie Holdings Pty Ltd			100	100
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	100
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 Equipment Pty Ltd			100	100
<b>Bidvest Financial Services</b> <sup>(C)</sup>				
Autosure Pty Ltd			100	100
Autosure Cover Pty Ltd			100	100
Bid Finserv Capital Pty Ltd			100	100
Bidvest Asset Management Pty Ltd			100	100
Bidvest Bank Holdings Limited			100	100

# Interest in subsidiaries and associates

as at 30 June

## Annexure A

	Country of incorporation if not SA	Note	Effective holdings	Effective holdings
			2024 %	2023 %
<b>Significant subsidiaries</b>				
<b>Bidvest Financial Services <sup>(C)</sup> (continued)</b>				
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
Cignet Administration Services Pty Ltd			100	100
Compendium Group Investment Holdings Pty Ltd			100	100
Compendium Insurance Brokers Pty Ltd			100	100
Compendium Insurance Brokers (KZN) Pty Ltd			70	70
Compendium Life Insurance Brokers Pty Ltd			100	100
F&I products and Consulting Services Pty Ltd			100	100
Financial Management International Pty Ltd			100	100
FinGlobal Australia Limited		1	100	100
FinGlobal Finance Pty Ltd *			-	100
FinGlobal Holdings Pty Ltd			100	100
FinGlobal Migration Pty Ltd *			-	100
FinGlobal Tax Pty Ltd *			-	100
GL Broking Enterprises Pty Ltd *			-	100
Lwendo Fleet Solutions Pty Ltd *			-	100
Master Currency Pty Ltd			100	100
Namibia Bureau de Change Pty Ltd		10	100	100
Swift Auto Brokers Pty Ltd			100	100
Watersure Pty Ltd			100	100
<b>Bidvest Freight <sup>(D)</sup></b>				
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 Bulk Terminal Pty Ltd		10	100	100
Makana Bid Properties Pty Ltd			100	100
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

# Interest in subsidiaries and associates

as at 30 June

## Annexure A

	Country of incorporation if not SA	Note	Effective holdings	Effective holdings
			2024 %	2023 %
<b>Significant subsidiaries</b>				
<b>Bidvest Freight <sup>(D)</sup> (continued)</b>				
Rennies Ships Agency Mozambique Limitada	9		100	100
Rennies Ships Agency Pty Ltd			100	100
Safcor Freight Pty Ltd (t/a Bidvest International Logistics)			64	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
<b>Bidvest Services South Africa <sup>(H,J)</sup></b>				
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	18		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			63	63
Bidvest Protea Coin Technical And Physical Security Pty Ltd			100	100
Bidvest Steripic and Promosachets Pty Ltd *			-	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
Connex Travel Holdings Pty Ltd *			-	100
Cruises International SA Pty Ltd			100	100
Cudha SARL	9		50	50
Dinatla Property Services Pty Ltd			100	100
EAS Zimbabwe Pvt Ltd	19		70	70
Execufloa Pty Ltd			100	100
Express Air Services Pty Ltd			100	100
Express Air Services Uganda Limited	16		100	100
Express Air Services Zambia Limited	18		100	60
First Garment Rental Pty Ltd			100	100
Harvey World Travel Southern Africa Pty Ltd			100	100
Hotel Amenities Suppliers Pty Ltd			100	100
Interloc Freight Services Pty Ltd ^			100	-
Ithabeleng Food Services Pty Ltd *			-	100
Macardo Lodge Pty Ltd t/a Travelwise	2		51	51
New Frontiers Tours Pty Ltd			100	100
Nomtsalane Property Services Pty Ltd			86	86
Protea Security Services (West Rand) Pty Ltd			100	100
Pureau Fresh Water Company Pty Ltd			100	100



# Interest in subsidiaries and associates

as at 30 June

## Annexure A

	Country of incorporation if not SA	Note	Effective holdings 2024 %	Effective holdings 2023 %
<b>Significant subsidiaries</b>				
<b>Bidvest Services South Africa <sup>(H,J)</sup> (continued)</b>				
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
Royalmnandi Duduza Pty Ltd			60	60
Royalmnandi Events Pty Ltd			100	100
Royalmnandi Food Services Pty Ltd			100	100
Top Turf Group Pty Ltd			100	100
Top Turf Lesotho Pty Ltd	7		100	100
Top Turf Swaziland Pty Ltd	15		100	100
Travel Connections Pty Ltd			100	100
UAV and Drone Solutions Pty Ltd			100	100
Uniworld 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
<b>Bidvest Services International <sup>(I)</sup></b>				
Amber Support Solutions Limited	17		100	100
Axis Cleaning and Support Services Limited	17		100	100
Axis Group Integrated Services Limited	17		100	100
Axis Security Services Limited	17		100	100
B.I.C Services Pty Ltd	1		100	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	17		100	100
Bidvest Prestige Cleaning Pty Ltd	10		100	100
Bidvest Services (ROI) Limited	11		100	100
Bidvest Services (UK) Limited	17		100	100
Bidvest Services Group (UK) Limited	17		100	100
Bidvest Services Holdings Pty Ltd			100	100
Bidvest Services Pty Ltd			100	100
CLM Safety Limited	17		100	100
Consolidated Property Services Pty Ltd ^	1		100	-
Cordant Cleaning Limited	17		100	100
Cordant Security Limited	17		100	100
Cordant Thistle Limited	17		100	100
Crane Midco Limited	17		100	100
Dartry Laundry Ltd ("Dartry")	17		100	100
Dinosi Cleaning Services Pty Ltd			55	55
Direct365Online Limited	17		100	100
Epsilon Test Services Limited	17		100	100
Future Carpet Cleaning Services Limited	17		100	100
Future Cleaning (Southwest) Limited	17		100	100
Future Cleaning FCS Limited	11		100	100
Future Cleaning Services Limited	17		100	100
Hygiene Matters Limited	11		100	100

# Interest in subsidiaries and associates

as at 30 June

## Annexure A

	Country of incorporation if not SA	Note	Effective holdings	Effective holdings
			2024 %	2023 %
<b>Significant subsidiaries</b>				
<b>Bidvest Services International <sup>(1)</sup> (continued)</b>				
Ikhayelihle Royalserve Cleaning Services Pty Ltd			100	100
Industro-Clean Botswana Pty Ltd			100	100
Karmarton Limited	2		100	100
Lehlangene Facilities Management Pty Ltd	11		100	100
L. Lynch (H2O) Solutions Limited			100	100
L. Lynch Interact Limited	11		100	100
LTP Mast and Infrastructure Services Pty Ltd			100	100
Mayflower Hygiene Supplies (London) Limited	17		100	100
Mayflower Hygiene Supplies (Ireland) Limited	11		100	100
Mediguard WIC Cleaning Services (Lesotho) Pty Ltd	7		51	51
Noonan Topco Limited	17		100	100
Personnel Hygiene Services Limited	17		100	100
PHS Bidco Limited	17		100	100
PHS Compliance Limited	17		100	100
PHS Group Limited	17		100	100
PHS Holdings Limited	17		100	100
PHS Hygiene Pty Ltd	1		100	100
PHS Investments Limited	17		100	100
PHS Services Limited	17		100	100
PHS Serkon SAU	14		100	100
PHS Washrooms Limited	17		100	100
PHS Western Limited	17		100	100
Prestige Cleaning Services Pty Ltd			100	100
Principal Hygiene Systems Limited ^	17		100	-
Pure Hygiene Pty Ltd ^	1		100	-
QMS Consulting Pty Ltd			100	100
Rebserve Facilities Management Pty Ltd			80	80
Rental Hygiene Services Pte Ltd ^	13		100	-
Robinson Services Limited ^	17		100	-
Robinson Services Laundry Limited ^	17		100	-
Steiner Environmental Solutions Pty Ltd			100	100
Steiner Hygiene Pty Ltd			100	100
Steiner Hygiene Swaziland Pty Ltd	15		100	100
Servicios Antiplagas, Higiene Y Control Ambiental SAU (Sahicasa)	14		100	100
Sword Security (NI) Limited ^	17		100	-
Synergy Waste Solutions Pty Ltd ^	17		100	-
Szense Air Aroma Pte Ltd ^	13		100	-
Test Monetary Systems Pty Ltd			100	100
Taemane Cleaning Services Pty Ltd			100	100
Teacrate Limited	17		100	100
Teacrate Rentals Limited	17		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	Effective holdings
			2024 %	2023 %
<b>Significant subsidiaries</b>				
<b>Bidvest Properties <sup>(O)</sup></b>				
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	17		100	100
Bidvest Properties Pty Ltd			100	100
Bidvest Property Holdings 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
<b>Bidvest Corporate <sup>(L)</sup></b>				
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	17		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	17		100	100
Bidvest Outsourced Services Limited	17		100	100
Bidvest Property Limited	17		100	100
Bidvestco Limited			100	100
Duiker Investments 172 Pty Ltd	10		100	100
Duiker 2019 Pty Ltd	10		100	100
Duiker Investments 2020 Pty Ltd	10		100	100
Matador Enterprises Pty Ltd *	10		-	100
Skillion Limited	17		100	100
The Bidvest Education Trust			100	100
The Bidvest Group (UK) Plc	17		100	100
The Bidvest Group Australia Pty Ltd	1		100	100
The Bidvest Group Singapore Pte Ltd ^	13		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
			2024 %	2023 %
<b>Significant associates and joint ventures</b>				
Adcock Ingram Limited (India) <sup>(JV) (N)</sup>	4		50	50
DKTOB Pty Ltd (Daelibs) <sup>(I) ^</sup>	1		38	-
"K" Line Shipping (South Africa) Pty Ltd <sup>(D)</sup>			49	49
Ilembe Airport Construction Services Pty Ltd <sup>(P)</sup>			20	20
National Renal Care Pty Ltd <sup>(JV) (N)</sup>			50	50
Strait Access Technologies Pty Ltd <sup>(N)</sup>			50	50

### Footnotes

<sup>^</sup> acquired during 2024

\* disposed during 2024

# 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
- ## Namibia
- ## Republic of Ireland
- ## Seychelles
- ## Singapore
- ## Spain
- ## Swaziland
- ## Uganda
- ## United Kingdom
- ## Zambia
- ## Zimbabwe

#### Additional Notes

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

JV Joint venture

#### Nature of business

- <sup>(A)</sup> Motor vehicle retailing and related services
- <sup>(B)</sup> Manufacturer and distributor of electrical products and services
- <sup>(C)</sup> Banking products and services, foreign exchange and insurance
- <sup>(D)</sup> Freight, forwarding, clearing, distribution, warehousing and allied activities
- <sup>(E)</sup> Distributor of forklifts, power and marine products, music and sound equipment, packaging closures and catering equipment
- <sup>(F)</sup> Distributor of office stationery; furniture and office automation products and related services
- <sup>(G)</sup> Manufacturer, supplier and distributor of commercial office products, printer products, services, stationery and packaging products
- <sup>(H)</sup> Rental of garments and water and coffee dispensers, suppliers of consumables, specialised clothing and laundry; security, interior and exterior landscaping services
- <sup>(I)</sup> Rental of hygiene equipment and suppliers of consumables, cleaning, hygiene and facilities management services
- <sup>(J)</sup> Travel management services, aviation services and car rental
- <sup>(K)</sup> Catering supplies, food and allied products
- <sup>(L)</sup> Group services and investment
- <sup>(M)</sup> Distributor of electrical appliances
- <sup>(N)</sup> Manufacturer, marketer and distributor of healthcare products
- <sup>(O)</sup> Property holding
- <sup>(P)</sup> Construction
- <sup>(Q)</sup> Public private partnership

# Shareholder information

as at 30 June 2024

	Number of share held	% of shares issued	% of effective holding
<b>Beneficial shareholding</b>			
<b>Major shareholders holding 3% or more of the shares in issue</b>			
Government Employees Pension Fund (PIC)	69 869 962	20.53	20.56
GIC Asset Management Pte Ltd	17 141 803	5.04	5.04
WGI Emerging Markets Fund LLC	12 800 707	3.76	3.77
	99 812 472	29.33	29.37

## Investment management holdings

<b>Fund managers holding 3% or more of the shares in issue</b>			
PIC (Manager)	73 328 576	21.55	21.57
Westwood Global Investments LLC	22 208 045	6.53	6.53
GIC Asset Management Pte Ltd	17 141 803	5.04	5.04
BlackRock Inc	14 240 651	4.19	4.19
The Vanguard Group Inc	13 907 979	4.09	4.09
Lazard Asset Management LLC Group	12 797 499	3.76	3.77
Old Mutual Ltd	12 037 525	3.54	3.54
Sanlam Investment Management	10 332 040	3.04	3.04
	175 994 118	51.72	51.78

## 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	111 882 146	32.88
Unit Trusts / Mutual Fund	96 534 646	28.37
Sovereign Wealth	32 464 901	9.54
Private Investor	25 933 564	7.62
Hedge Fund	13 737 242	4.04
Insurance Companies	10 248 449	3.01
Trading Position	9 748 052	2.86
Exchange-Traded Fund	9 246 625	2.72
Charity	5 525 989	1.62
American Depository Receipts	4 106 148	1.21
Custodians	2 705 136	0.79
Corporate Holding	1 933 496	0.57
Black Economic Empowerment	1 258 495	0.37
Others/Custodial/Unknown	14 949 457	4.39
	340 274 346	100.00

## Geographic split of beneficial shareholders

South Africa	169 129 460	49.70
North America	86 192 145	25.33
United Kingdom	16 511 326	4.85
Rest of Europe	26 805 261	7.88
Rest of World	41 636 154	12.24
	340 274 346	100.00

# Shareholder information

as at 30 June 2024

Analysis of shareholdings	Number of shareholders	% of all shareholders	Number of shares held	% of shares issued
1 - 1 000	40 445	84.01	9 826 479	2.89
1 001 - 10 000	6 401	13.30	16 896 529	4.97
10 001 - 100 000	997	2.07	30 924 352	9.09
100 001 - 1 000 000	256	0.53	75 762 762	22.27
1 000 001 - and more	42	0.09	206 864 224	60.78
	48 141	100.00	340 274 346	100.00

## Shareholder spread

Public shareholders	48 133	99.98	339 308 393	99.72
Non-public shareholders	8	0.02	965 953	0.28
• Bidcorp Group Retirement Fund	4	0.01	327 067	0.10
• Bidvest Education Trust	1	0.00	386 604	0.11
Directors & Family Trust	3	0.01	252 282	0.07
	48 141	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

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