Bidcorp

Annual integrated report 2016

Contents

www.bidcorpgroup.com

Passion

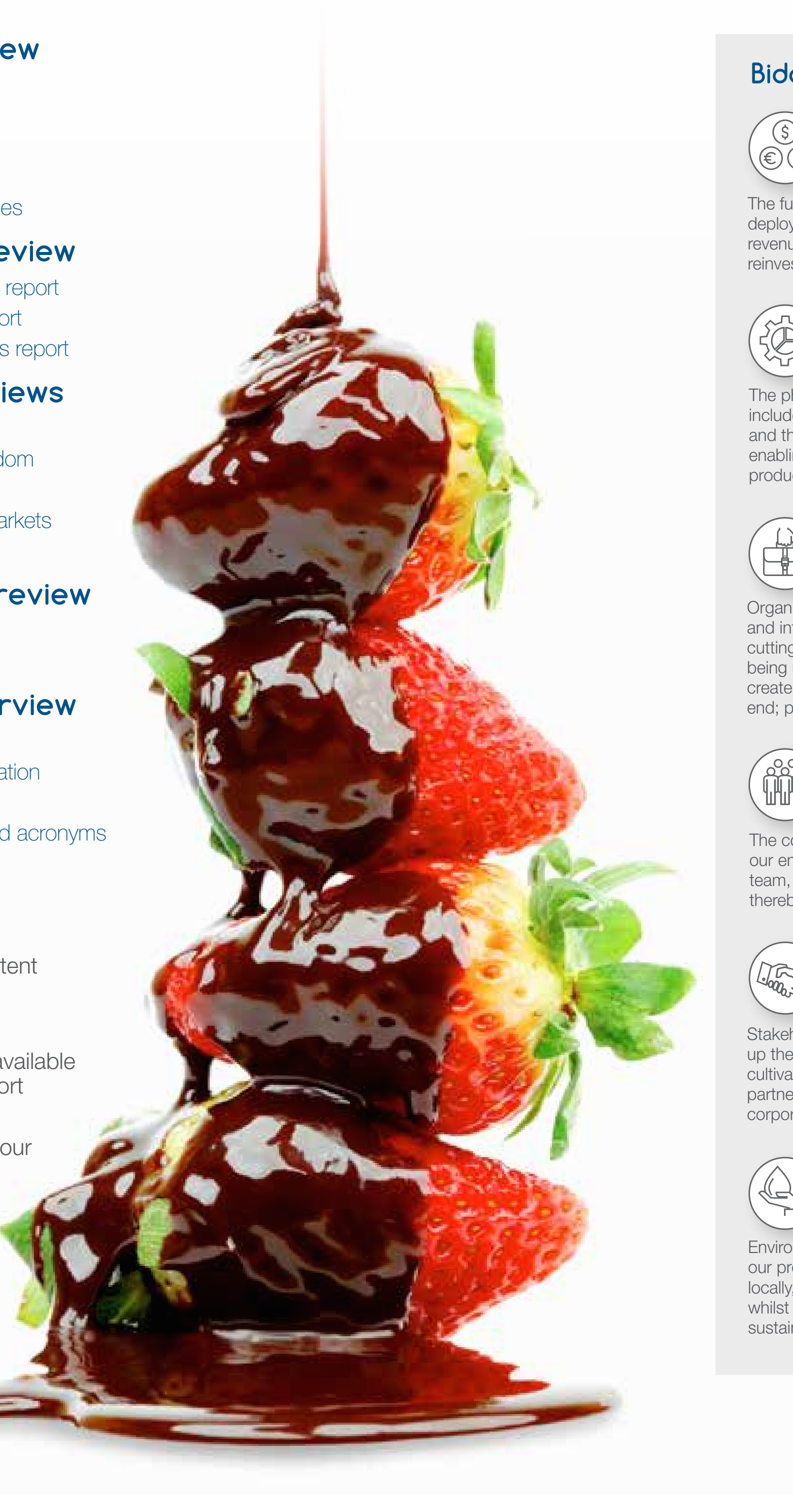
References

Cross-reference content within this report

Further information available within our online report

All definitions are included in our glossary on page 163.

A list of all external documents available can be found on page 164.



Feedback

We value your comments and suggestions, should you feel that there is important information that you would like to see included in future reports, please contact us on admin@bidcorp.co.za.

Bidcorp's six capitals defined

Financial capital

The funding and financial resources available to and deployed by the group; including finance raised, revenue generated, interest income and funds reinvested.

Manufactured capital

The physical infrastructure used to sell products; includes distribution centres (owned and leased) and the IT systems throughout the business enabling us to procure, import, deliver and sell our products and services around the world.

Intellectual capital

Organisational knowledge, systems, protocols and intellectual property in particular the innovative cutting edge online customer & supplier interfaces being used internationally to simplify, streamline and create efficiencies in our business process end-to-end; providing us with our competitive advantage.

Human capital

The competencies, capabilities and experience of our employees and globally diverse management team, enabling us to implement our strategy, thereby creating value for our stakeholders.

Social and relationship capital

Stakeholder relationships and engagement making up the critical, long-term relationships that we have cultivated with customers, suppliers and business partners in developing our internationally recognised corporate reputation.

Natural capital

Environmental resources form the foundation of our products and services. Sourcing food products locally, delivering them efficiently and responsibly whilst protecting and enabling the long-term sustainability of food production.

Bid Corporation Limited known as Bidcorp separated from Bidvest and listed on the JSE on Monday May 30 2016.

The unbundling provided Bidvest shareholders with the opportunity to participate directly in Bidcorp's Foodservice operations, as well as enabling each of the businesses to achieve their respective strategic goals.

A world-class international foodservice presence.

Bidcorp will focus on realising the potential that exists in its current Foodservice operations as well as acquisitive growth opportunities.

Focused on foodservice, the business comprises a mix of well-established leading and rapidly growing market positions, offering significant future upside. The profile of the customer base is strategically targeted to fully service the foodservice industry's needs.

Global

Bidcorp Australasia

Bidcorp United Kingdom

Foodservice UK	www.bidvest.co.uk
Fresh UK	www.bidvestfresh.co.uk
Logistics	www.bidvestlogistics.com

Bidcorp Europe

Netherlands	www.delixl.nl
Belgium	www.bidvest.be
Spain	www.bidfood.es
Italy	www.gruppodac.eu
Czech	www.bidvest.cz
Baltics	www.nowaco.lt
Poland	www.farutex.pl
Turkey	www.aktaes.com.tr

Bidcorp Emerging Markets

Africa	
BFS	www.bidvestfoodservice.co.za
BFI	www.crownnational.co.za
BBS	www.chipbake.co.za
Asia	
Hong Kong	www.angliss.com.hk
Singapore	www.angliss.com.sg
Middle East	
Al Diyafa	www.diyafa.com.sa
Horeca	www.horecatrade.com

Bidcorp Australasia

Australia	www.bidvest.com.au
New Zealand	www.bidvest.co.nz

P 00 Divisional reviews can be found on pages 22 to 29.

About this report

How to read this report

The Bidcorp annual integrated report for the year ended June 30 2016 reports consolidated information gathered from the global spread of the group's divisions. Bidcorp's geographic reach encompasses over 35 countries on five continents. Due to the expanse of local geographic regulations, we only include limited material sustainability information in the annual integrated report. Additional information is available on request at a business level.

In line with the guidelines from the Integrated Reporting Committee of South Africa we have incorporated the relevant six capitals as a platform to inform this review. By using the Global Reporting Initiative (GRI) framework while striving for concise reporting, only information relevant to the specific Bidcorp environment is reported. The GRI (G3/G4) indicator index can be found within our online report.

We stress that this report should be read together with the information available on the Bidcorp website (www.bidcorpgroup.com).

Bidcorp is excited to embark on this reporting journey guided by King III. Bidcorp is committed to reporting integrated and transparent financial, economic, environmental, social and governance information. The aim of this report is to present a holistic overview of the value Bidcorp creates for stakeholders by communicating content that is useful and relevant in an open and balanced manner.

Bidcorp embraces a decentralised entrepreneurial management structure. Stakeholder engagement by necessity happens at a group, divisional and company level, across a multitude of geographies. Each business engages with stakeholders important to their operations and which may be significantly impacted by their business activities, important commercial and sustainability issues and local relevance.

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

Assurance

To ensure the integrity of the annual integrated report, Bidcorp adopts a combined assurance model, which includes management, external audit, internal audit and other independent assurance providers. The annual financial statements included in this annual integrated report have been audited by the external auditors, KPMG.

The unbundling of Bidcorp from The Bidvest Group Limited was effective on May 30 2016. Prior to the unbundling, Bidcorp and The Bidvest Group Limited undertook a number of asset-for-share transactions, the details of which have been set out in the directors' report.

Accordingly, the statutory financial information for the years ended June 30 2016 and June 30 2015 does not reflect the full performance of the Bidcorp Group as it is currently structured. To assist shareholders in their understanding of Bidcorp, pro forma financial information for the years ended June 30 2016 and June 30 2015 has been disclosed in the annual financial statements as well as used in the financial results commentary. This reflects Bidcorp as it is now structured and as though it was in effect from the beginning of both financial years.

Materiality

Our report focuses on issues which the board believe are material to stakeholders and could impact value creation in the business. We aim to demonstrate the connectivity between our business model, strategy and our risks and opportunities analysis. The material issues are monitored by management on an ongoing basis. All matters that are considered material to the business have been included in this report.

Forward looking statements

The annual integrated report may contain statements regarding the future financial performance of the group and specific businesses, which may be considered to be forward looking statements. By their nature, forward looking statements involve risk and uncertainty, and although we have taken reasonable care to ensure the accuracy of the information presented, no assurance can be given that such expectations will prove to have been correct.

Board responsibility

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

The annual integrated report has been prepared in line with best practice pursuant to the recommendations of the King III Code (principle 9.1). The Bidcorp board has authorised the annual integrated report for release on October 7 2016.

Brian Joffe
Executive chairman

Bernard Berson
Chief executive officer

David Cleasby
Chief financial officer

Our history

We service a wide mix of small, medium and large customers with tailor-made solutions fit for the businesses purpose. Our teams strive to understand the markets that they operate in, and remain close to customers to respond to their requirements. We continually look for areas where we can add value and deepen our relationships with our customers.

1989

Acquired 100% of **Chipkins** followed shortly thereafter by the acquisition of **Sea World** signalling the start of Bidvest's foodservice operations in South Africa.

1992

Acquired **Crown Food Holdings** which later merged with **National Spice** to form the start of **BFI** in South Africa.

1995

Bidcorp was incorporated on August 17 1995 as a private company in SA.

Acquired an initial 40% interest in listed Australian foodservice business **Manettas**, the start of our business in Australia.

1997

Acquired control of **Manettas** following a rights offer and Manettas was renamed **Bidvest Australia Limited.**

1998

Established **Bidvest plc** (now Bidvest Foodservice International Limited) and Bidvest Australia Limited's shares were exchanged for shares in Bidvest plc.

1999

Booker Foodservice, renamed **3663 First for Foodservice,** acquired by Bidvest plc.

2000

Bidvest plc enters the New Zealand foodservice market with the acquisition of 100% of **Crean Foodservice.**

2001

John Lewis Foodservice acquired and incorporated into Bidvest Australia, creating the leading foodservice distributor in Australia.

2004

Bought out the minority shareholders in Bidvest plc.

2006

Acquired 100% of the Netherlands and Belgium foodservice company, **Deli XL** and an 80% stake in **Horeca Trade,** a small U.A.E-based foodservice distributor.

2007

Acquired 100% of **Angliss,** a leading foodservice wholesaler and distributor in Singapore and Hong Kong.

2009

Acquired 94% of **Nowaco,** a leading foodservice provider operating in the Czech Republic and Slovakia, and 91% of **Farutex,** a Polish foodservice provider.

2011

Acquired 100% of **Seafood Holdings,** a market leading fresh fish foodservice business operating in the United Kingdom.

2012

Acquisition of 80% of **Deli Meals** in Chile, our first entry into South America.

2013

Acquisition of 51% of **Aktaes Holdings,** a small Turkish Foodservice provider.

2014

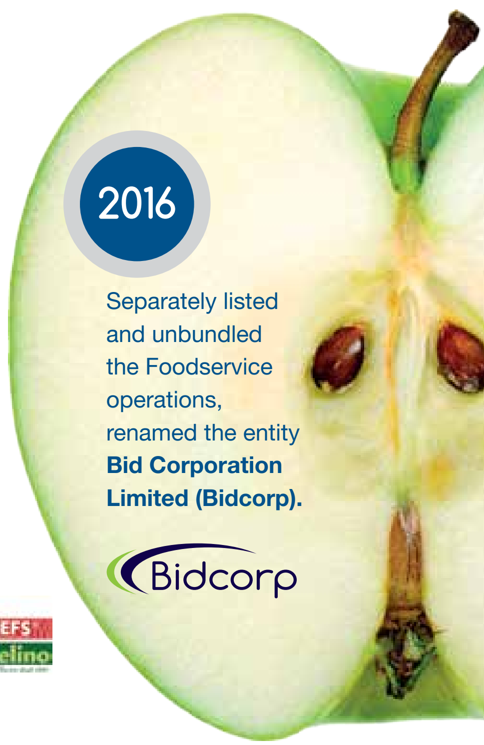
Acquired a 60% stake in **Distribuidora E Importadora Irmãos Avelino Avelino,** a Brazilian foodservice provider.

2015

Acquisition of a 60% stake in **Gruppo Dac S.p.A,** a leading Italian foodservice provider and 100% of **PCL24/7 Transport Limited,** a chilled products storage and distribution business in the UK.

2016

Separately listed and unbundled the Foodservice operations, renamed the entity **Bid Corporation Limited (Bidcorp).**



Delivering on our key ingredients

Our intention is to become one of the world's foremost foodservice businesses.

Bidcorp five-stage business model

Strategy *"Foodservice is our core business".*

We continue to focus on exiting low margin logistics contracts while concentrating on higher margin independent business.

Adapting a "direct-to-customer" model is expected to deliver improved results in the coming year.

Key to our strategy remains category development and growth of high value specialist products.

Opportunities exist in each of our markets to grow an entrepreneurially led business like Bidcorp.

Partnering with responsible supply partners allows us to bring a broad range of product solutions to suit our customers' needs. Extending the range into fresh produce, meat, fish and specialised categories at attractive margins.

We provide a one-stop supply solution, distributing ambient, chilled, frozen and fresh produce, meat and related non-food products to operations. Logistics are a value add to big volume contracts.

We are serious about service, getting it right the first time. Developing longstanding, mutually profitable partnerships with our customers and delivering the best customer experience in the foodservice industry.

We plan to become industry leaders in terms of driving innovation, customer friendly solutions and quality service delivery.

Real value is found on the plate. Foodservice deliveries to hotels, restaurants, caterers and institutions.

Using technology and e-commerce platforms to deliver operational efficiency. Implementing smart solutions faster through sharing of learning and ideas across businesses. Upgrading, modernisation and simplification of IT infrastructure such as online ordering and routing distribution efficiencies.

Capitals affected

Financial
Human
Manufactured
Social and relationship
Natural
Intellectual

Capital descriptions available on contents page.

Group totals

Pro forma revenue

2016: R140,5 bn — 2015: R116,3 bn

Pro forma trading profit

2016: R5,2 bn — 2015: R4,1 bn

Total employees for 2016

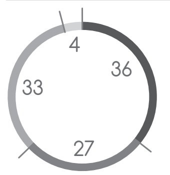
24 064

2015: 23 639

Distribution centres

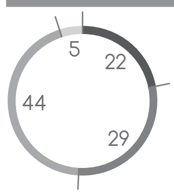
Total	259	m²	1 254 895

Product segmentation



Frozen	36%
Chilled	27%
Ambient	33%
Non-food	4%

Market segmentation



Logistics	22%
Chain	29%
Independent	44%
Retail/other	5%

Distribution vehicles 4 844

Fuel usage – kilolitres

Diesel (excl biodiesel) usage

2016: 66 707 — 2015: 63 242

Gasoline (petrol) usage

2016: 3 845 — 2015: 3 374

Total water usage – kilolitres

2016: 1 033 732 — 2015: 1 043 453

Divisional information is available on pages 22 to 29.

Risks and opportunities

Decentralised business models and geographic diversification is key to effective risk management within Bidcorp.

Sourcing and procurement

Product cost volatility

Foodservice distribution is characterised by high inventory turnover at relatively low profit margins. Volatile product costs have a direct impact. Our profit levels may be negatively affected by product cost deflation, even though our gross profit percentage may remain relatively constant. We tend not to enter into long-term customer agreements, as such, our businesses are able to react quickly to changes in product pricing.

Extreme weather conditions and natural disasters

Some of our facilities and our customers' facilities are located in areas that may be subject to extreme, and occasionally prolonged, weather conditions. Such extreme weather conditions may interrupt our operations and reduce the number of consumers who visit our customers in such areas, and may impede our access to customers, all of which could have an adverse effect on our business.

Third-party product supplier dependencies

Most of our products are sourced from third-party suppliers. We typically do not have long-term contracts with suppliers. Although our purchasing volume can provide leverage, suppliers may not be able to provide the quantities and prices requested. Hence we may incur delays caused by production interruption and costs based on conditions outside our control.

Group purchasing organisations

Some customers purchase through group purchasing organisations (GPO) in order to reduce prices paid on the foodservice orders, in turn placing pricing pressure from these GPOs on us. GPO membership has recently included smaller, independent restaurants. If GPO membership continues to add a significant number of our customers, we may be forced to lower the prices we charge in order to retain the business.

Warehousing and distribution

Timely infrastructural investment

Timely future investment in infrastructure development is key to creating the capacity demanded by growth. Expansion requires distribution centres and depots to be large enough to be economically viable, yet small enough to be agile and customer focused.

Fuel and other transportation costs

Fuel costs often negatively affects consumer confidence and discretionary spending. This could result in a reduction of the frequency and amount spent on food prepared away from home. Increasing fuel costs often increases product prices, and delivery costs to our customers. These factors affect our sales, margins, operating expenses and results.

Service excellence

Intense competition

Foodservice distribution is highly competitive driven by local presence, geographic reach, private label offerings, purchasing power, cost efficiencies and meeting varied customer requirements. By not having exclusive agreements, customers switch suppliers easily to lower prices, differentiated products or perceived better customer service. The cost of switching is very low as are the barriers to entry in this market.

Industry pricing practice changes

Foodservice distributors generate some gross margin from supplier promotional allowances. Promotional allowances are based upon efficiencies provided to suppliers through purchasing scale and marketing and merchandising expertise. Promotional allowances are a standard practice, however changes that might impact these allowances could be adversely disruptive.

Cash collection

Should customers suffer significant financial difficulty which results in an inability to pay debts timely. Even when contracts with these customers exist, if customers are unable to meet their obligations, it does adversely affect our collections, resulting often in negotiating discounts or financing terms.

Sales and customer mix

Foodservice distribution is a low margin industry. For customers in the independent or street segments, we provide a higher level of service and therefore create a higher operating margin. Our ability to grow this key customer base is a key element of our strategy.

We cannot control the national economy, but we can control how we respond to macro-opportunities and challenges.

Innovation

High depedency on technology

To effectively serve our customers requires that our IT systems are able to manage significant aspects of our business. These include purchases, orders, warehouse management, efficiently loading trucks, storage space optimisation and e-commerce. IT disruptions can negatively impact our customer service, decrease volumes and result in increased costs and lower returns. We have invested and continue to invest in technology security initiatives, business continuity and disaster recovery plans.

Cyber security

We rely upon IT networks and systems to process, transmit and store electronic transactions in virtually all of our business processes. This gives rise to cyber security risks such as security breach, espionage, system disruption, online platform hijacking or unauthorised access to information. We have implemented measures to prevent security breaches and cyber incidents; however a breach of this nature could still result in significant negative business disruption and/or reputational damage.

Horeca – to market

Changes in consumer eating habits

Changes in consumer eating habits such as a decline in consuming food away from home, declining portion sizes, or shifts in non-customer restaurant preferences could reduce demand for our products. If consumer eating habits change, we may be required to modify product lines at high implementation costs. We remain close to our customers' requirements arising from changes in consumer eating habits, however, compliance may be costly and time consuming.

Environmental, health and safety compliance

Compliance is non-negotiable. Non-compliance results in lawsuits, investigations and reputational damage. We face a broad range of international, national and local laws and regulations governing issues such as discharges to air, soil and water; hazardous substances; contamination exposures; employee health and safety; and fleet safety. The cost of compliance is significant, and although we are committed to ensuring we remain compliant, the risk is ongoing.

Reputational damage from adverse publicity

Good reputation is critical particularly in selling our own brand products. Any event that damages our reputation such as adverse publicity about the quality, safety or integrity of our products could quickly affect our results. Instances of food-borne illnesses or food tampering or other health concerns, even those unrelated to our products, can result in negative publicity about the foodservice industry and dramatically reduce our sales.

Product liability claims

As a reseller of food products, we may be exposed to liability claims should our products cause injury or illness. We have insurance to cover product liability claims. We generally seek contractual indemnification and insurance coverage from suppliers, but this indemnification is limited. The impact if we do not have adequate cover for a liability related to defective products could be significant.

Strategy

Growth through organic expansion and acquisition

Bidcorp may selectively pursue opportunities to supplement organic growth with strategic acquisitions. Any such acquisition or joint venture may change the scale of Bidcorp's business and operations and may expose it to new geographic, political, social, operating, financial, legal, regulatory and contractual risks.

Succession planning

Bidcorp's ability to operate or expand effectively depends largely on the experience, skills and performance of its senior management team and technically skilled employees. Any senior management departures or unavailability (due to death, injury, illness or other reasons) or technically skilled worker shortages could adversely affect Bidcorp's operational efficiency.

Macro-economic shifts

Brexit

Generally business sentiment to Brexit appears to be more cautious than consumer sentiment, however, the longer-term implications are unknown. Foodservice market impact is unseen currently, however, some food inflation would benefit but consumer confidence may inhibit demand. Increased tourism and "staycations" will most likely boost demand.

Economic, political or social instability

Bidcorp is a geographically diverse entity exposed to the changes or instability affecting the global economic, political or social environment in the various regions which could affect an investment in Bidcorp. Continued instability in South Africa could lead to increased borrowing costs and a diminished ability to raise capital from the international debt markets.

Leadership review

Focused

Sustained growth is our overriding target as a focused, separately listed foodservice business.

Brian Joffe

Executive chairman's report

Brian Joffe

Overview

Bidcorp's successful unbundling from Bidvest has given our newly listed company a platform for sustained growth within a clear area of focus – food and foodservices. Market excitement around our JSE debut on May 30 was early confirmation that the potential for strategic growth within the global foodservice industry is considerable.

Our business already has substantial scale and is represented in key markets around the world. This creates a springboard for further expansion now that our independent status gives us clear direction across well-defined parameters.

Considerable momentum was already evident across our business as teams achieved organic growth in the course of 2016 and made solid gains in local currency terms.

It was satisfying to see our businesses achieve higher growth levels than competitors as we continued to invest, to innovate and to implement plans for the long term.

Results

We delivered a pleasing set of results as we embarked on our new journey as a listed company in the JSE's "Food Retailers and Wholesalers" category.

Our pro forma headline earnings per share (HEPS) rose 32,5% to 1 080,0 cents (PF 2015: 815,2 cents) while pro forma basic earnings per share (EPS) rose 26,1% to 1 034,0 cents (PF2015: 819,8 cents).

Double success

Two factors underpinned the unbundling and separation from Bidvest: the desire to unlock value for shareholders and the need to provide for succession.

Enhancement of shareholder value was evident from the outset as the combined value of Bidvest and Bidcorp shares climbed steadily above the price prevailing on February 8, the time of announcing the unbundling.

Succession planning at Bidcorp appears to have received a similar boost.

Even on the run-in to separation, it was clear that new thinking, new direction and new enthusiasm were having a dramatic effect on our foodservice operations.

Tight focus is not restrictive. It has created space for ambitious growth by every executive, manager and team member. This was rapidly realised. In 2016, the dynamic, confident approach of revitalised management teams contributed to significant progress in every Bidcorp geography as our businesses achieved growth in difficult trading conditions.

- Our unbundling from Bidvest gives a solid base for focused growth
- Value unlocked for shareholders
- Succession planning re-energises the business
- Space for ambitious growth by every manager and team member
- Bidcorp businesses well positioned relative to competitors
- Sustained growth is the 2017 target

Strategic role

An extremely strong and experienced senior management team under the leadership of chief executive Bernard Berson is in place at Bidcorp. As executive chairman I retain a strategic role and provide insights and direction, where appropriate.

By staying close to markets we stay close to opportunities. That was always a key element of our business model and will not change.

South African base

Another thing that has not changed is our base. We remain a South African business with a significant international presence. Control remains in South Africa and we continue to report in rand terms, though geographic diversification ensures our financial results are not dependent on the performance of any one currency.

We operate several substantial businesses in South Africa with a growing exposure to other African geographies. They are significant contributors and we continue to invest in their growth.

Within South Africa, our commitment to empowerment remains as strong as ever. We have always invested in our people and encouraged personal growth. This will not change. On a strategic level, we see continued empowerment gains as a source of competitive advantage. For us, business transformation is an enabler of long-term growth.

Appreciation

Thanks are due to our customers and suppliers for their support in challenging market conditions. Without their support business growth would be impossible and I thank them sincerely for their vital role in our success.

Our managers and people put in a creditable performance in markets worldwide. Their ability to drive efficiencies and secure growth is remarkable… and greatly appreciated.

To the Bidvest team under the leadership of chief executive Lindsay Ralphs, I wish you well as you strive for even greater heights.

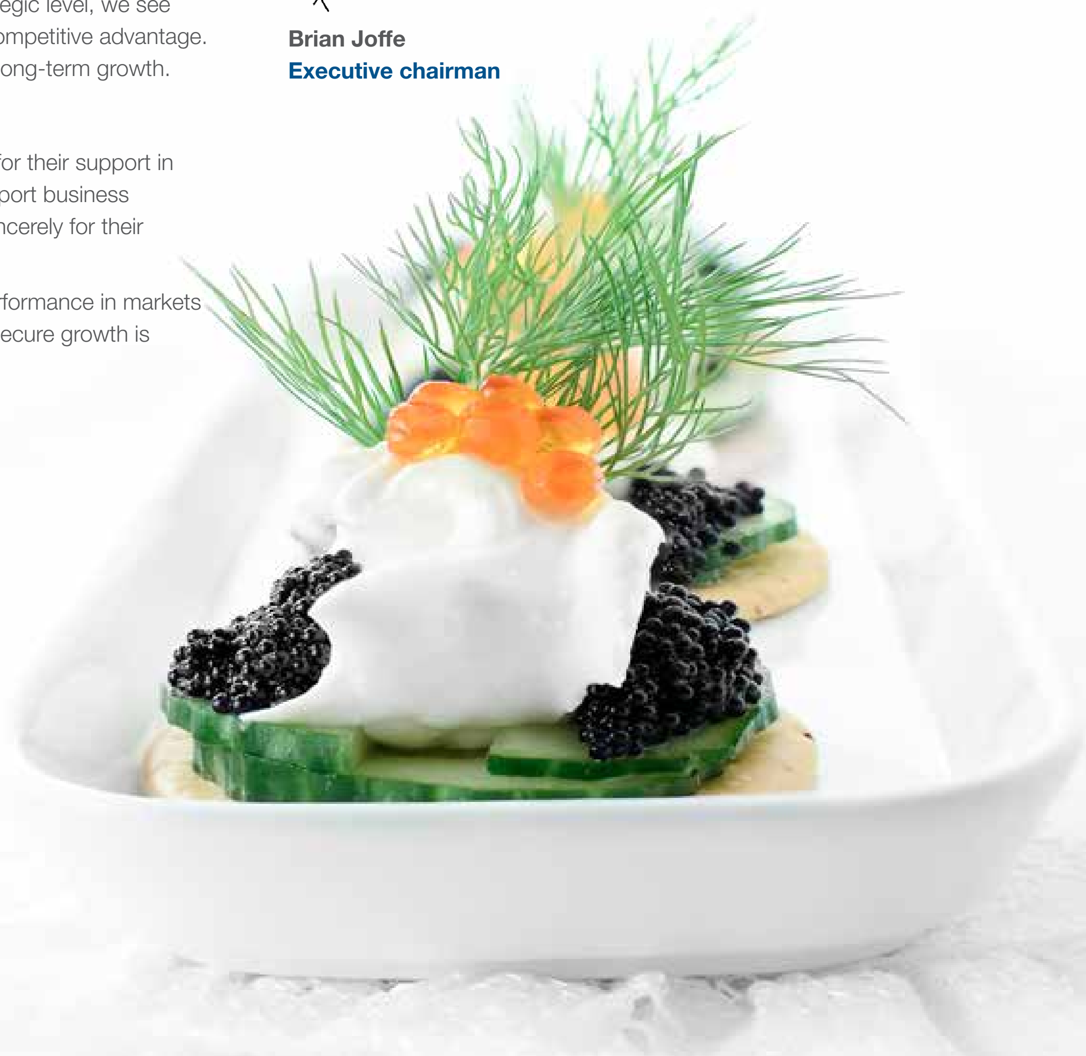
I also wish to salute another hard working and dedicated team – the Bidcorp board of directors. Their wisdom and strategic direction are invaluable and contributed greatly to our success in a watershed year. To Lorato Phalatse, who will stand down at the annual general meeting, sincere thanks for your valued contribution over many years.

The year ahead

Bidcorp is upbeat about prospects in the coming year. Admittedly, world growth rates remain modest and some national economies face continued pressure, but our businesses are well positioned relative to competitors and the board have every confidence in the strategic direction set in 2016.

Sustained growth is our overriding target as a focused, separately listed foodservice business.

Brian Joffe
Executive chairman



Chief executive's report

Bernard Berson

Overview

Bidcorp marked its emergence as a separately listed company with a strong set of results and pleasing performance by teams in every geography. The confident start underlined our status as a respected global player in the foodservice industry and an exciting new contributor to the JSE's Top 40 index.

Economic conditions varied enormously in every market in which we are represented. The only uniform factors were the hard work of our people and the ability of the Bidcorp business model to deliver solid gains irrespective of macro factors.

Bidcorp's reach is substantial from day one as an independent company. We are represented in every continent except North America. Such wide-ranging geographic diversification spreads risk and reduces negative impacts.

The value of diversification was underlined in a year when Brexit shook confidence in the UK, political uncertainties mounted in Brazil and terror attacks rocked jurisdictions as far apart as Turkey and Belgium.

Every event was significant locally, but the overall impact on Bidcorp performance was relatively modest and our long-term growth trajectory remains on track.

Pro forma comparisons show Bidcorp revenue rose 21% year-on-year while trading profit topped 26%. Headline earnings were up by nearly a third at R3,6 billion.

Amicable separation

Unbundling from the Bidvest industrial services group created understandable excitement, both internally and externally.

The investment community – in South Africa and offshore – welcomed the launch of the foodservice operations as a distinct listed entity. Subsequent to our May 30 listing, Bidcorp shares were actively traded and unlocked significant shareholder value.

Share performance to date – ours and that of our old parent, Bidvest – indicates that one of the key objectives of the unbundling, this unlocking of shareholder value, was quickly realised.

Unbundling was expected to proceed without serious difficulties. In fact, the process proved to be even smoother than anticipated. This was primarily a function of the decentralised Bidvest model and longstanding operational autonomy. The process was also assisted by goodwill and good personal relationships. Leading figures on both sides have worked well together for many years. This helped to ensure an amicable separation.

Relationships remain positive and we wish our Bidvest colleagues every success in the years ahead.

- Strong results mark Bidcorp debut as a JSE-listed company
- Global diversification supports pleasing overall performance
- Bidcorp investors welcome unbundling
- Pro forma headline earnings up by 32,5%
- Excitement across all teams as Bidcorp achieves independence
- Strategic rebalancing adds value and momentum
- South African commitment remains strong
- Base established for further growth, organic and acquisitive

South African pride

A JSE listing was a logical step for us. We treasure our South African roots. This is where the Bidcorp story began, where the initial base was built and where our reputation for delivering shareholder value was first established.

It was not until 1995 that foodservice began the process of international expansion.

Today, 8% of revenue is attributable to our South African operations. This does not mean they are marginal or incidental. We are extremely proud of our South African businesses and continue to invest in their growth in 2016. We see opportunities for sustained expansion in South Africa and further afield in Africa, and that investment will be maintained.

Enduring values

Our status has changed. We are now a separate listed company, but we have made no effort to distance ourselves from our Bidvest heritage.

Our growth has always been driven by entrepreneurial managers in autonomous operations who take personal responsibility for identifying and pursuing growth. These operations and their leadership teams are deliberately lean. They avoid complexity and stay close to their people, customers and markets.

This business model was put in place when the first foodservice business was acquired in 1989. It is still relevant today. We see no reason to change it.

Local listing

It is perhaps understandable that some commentators have speculated about a future listing outside of South Africa. After all, most of our earnings are denominated in foreign currencies and our global reach is likely to increase in the years to come.

However, we see no benefit at this time of a move to any other financial centre. Bidcorp therefore has no current plans to list in London or on any other stock exchange, but we will continually reassess this position.

The best interests of our investors is always the key driver of corporate decision making at Bidcorp.

At some stage in the future, a major transformational transaction might induce senior management and the board to consider an alternative listing, if this were felt to be in the best interest of our shareholders. This is a possibility at any global company with long-term growth ambitions.

No such trigger event is on the Bidcorp horizon and we are happy to call Johannesburg home.

Inner excitement

Our recent listing not only unlocked value, it triggered a wave of excitement across Bidcorp businesses.

Every business in every national market reacted with enthusiasm to these developments. Single-minded focus on foodservice enables every team to achieve objectives without distraction.

Pre-listing, senior management devoted a lot of time to communicating the vision and sketching out the Bidcorp future.

Our intention is to become one of the world's foremost foodservice businesses. Increased scale may result, but bulk is not the primary objective. We plan to become leaders in terms of innovation, customer-friendly solutions and quality service delivery.

Strategic vision

The year not only witnessed our unbundling, it also proved to be a watershed year for the strategic rollout of our long-term vision.

Historically, foodservice businesses have complemented their services to hotels, restaurants, caterers and institutions with logistics. Logistics contracts are big on volumes, small on profits.

Real value in foodservice is found on the plate not on a warehouse loading bay.

Strategically, the choice is clear: do you move boxes on the back of a truck or do you add value on the back of smart foodservice solutions?

Some years ago, the decision was made to scale back low-margin, big-contract logistics operations and build momentum as a focused foodservice business that can protect margins through value-adding services.

The customers that benefit most from value add like this tend to be small to mid-size independents as we can assist them with their product and menu development while using technology and e-commerce platforms to deliver ordering efficiencies.

Our ability to extend the range into the fresh produce, meat, fish and speciality categories also bestows competitive advantage at attractive margins.

Chief executive's report

Core addressable market

This is our core addressable market and this is where we focused as never before in 2016.

The strategy entails some tough decisions around the exit of some large volume, slim-margin contracts. These decisions have to be taken if we are to achieve the correct balance. There may be some short-term pain. Sales volumes may stall, but the strategic benefits are sizeable.

Completion of this process is imminent at our Australian business. In the year under review its revenue fell while profit levels rose – solid indication that substantial benefits accrue when appropriate balance is achieved.

On a smaller, but perhaps more dramatic scale, we have carried out a similar rebalancing process in Singapore. This business – once a major trading operation – has been transformed. Foodservice is today the principal activity and profit levels are responding accordingly.

In Singapore, this change of strategy took a year longer than originally planned. Clearly, staff buy-in is essential, this required ongoing communication and encouragement. Old habits had to change and new ideas had to be embraced. Our people can now see the benefits and the Singapore transformation is substantially complete.

Other operations in other national markets have undertaken a similar journey. All report substantial progress. The strategy is bedding in well, providing a platform for future growth.

New horizons

Ever tighter focus on our core addressable market is expected to deliver organic growth at acceptable margins across Bidcorp. Smaller bolt-on acquisitions were completed in several markets in 2016. Incremental acquisitive growth on this pattern will continue.

No major acquisitions took place in 2016. However, we have explored several opportunities; some sizeable, some in new markets. We feel no compulsion to conclude new transactions. When the right deal at the right time presents itself, we will be happy to proceed.

We set no artificial boundaries when examining the potential for geographic expansion. We are not currently represented in the North American markets of Canada and the USA. This means the canvas is broad and opportunities are unrestricted, but, as always, we have to identify areas in which we can add value and contribute to the growth of the acquisition target.

Risk and return

Geographic diversification is one of the keys to effective risk management at Bidcorp.

However, there is always a danger that investment will be made into countries where mounting risks could destroy value and undermine the business case for continued involvement.

What is the Bidcorp attitude in situations like this?

We live in a fast-changing world where risk profiles do not remain static for long. Safe "bets" are few and far between. If you wait for absolute safety you fail to enter the game.

France and Belgium were terror-free a couple of years ago. Not any more. Recent events indicate the risk of bombings and violent attacks has risen substantially in both countries.

Bidcorp's philosophy is simple… be aware of risks that might affect a country or region, but focus primarily on business considerations.

South America

Recent developments illustrate how this philosophy plays out in practice.

A few years ago we identified South America as an area of substantial long-term opportunity and took a stake in a Chilean foodservice business. Subsequently, we expanded into Brazil.

More recently, Brazil and South America generally have faced considerable challenges. Brazil has been in the grip of a political and economic crisis for more than a year. But we do not view these difficulties as justification for market exit.

Our Brazilian and Chilean businesses have demonstrated an admirable capacity to deal with national challenges and achieve profitable growth. We are happy to invest in teams with the resilience to grow at a time of market contraction. If further investment is necessary, we will be happy to make it.

Middle East

Different considerations apply in Lebanon, a market we recently exited.

The Middle East can be a highly volatile region and Lebanon's near-neighbour Syria is in the grip of a long-running civil war with the potential to spill over into neighbouring states.

However, these geo-political considerations were not the primary reason for our Lebanese exit. We entered the market to explore long-term potential. We invested and sought to achieve growth. Initial losses were accepted as the price of entry, but it soon became clear that foodservice operations on the Bidcorp model had little chance of success in the near or mid term.

In any Bidcorp market, a significant portion of our revenue is derived from the hotel and restaurant trade. The taste for western-style menu items and the trend to out-of-home eating help to support healthy volumes. Those positives were absent in Lebanon and real-life experience indicated that giving a market lead meant accepting a recurring loss. So we closed down and moved on.

This does not mean we are sceptical about the chance of growth in the rest of the Middle East. Our businesses in the UAE and Saudi Arabia are profitable and show good growth. We are happy with our investment and look forward to continued expansion in these centres.

We must acknowledge that another neighbour of Syria – Turkey – faces a growing challenge.

Tourism's vulnerability to terror attacks and political upheaval has been underlined by recent events. Despite these pressures, the general economy has demonstrated remarkable resilience. We therefore remain committed to our Turkish investment, but will closely review developments.

Brexit

The referendum on Britain's exit from the European Union occurred late in our final quarter and had no impact on 2016 results. Market reaction and over-reaction were to be expected in the short term. Bidcorp's attitude was simple: "Keep calm and carry on".

We take a long-term view. Britain has a sizeable economy. Opportunities for growth remain significant. We are well placed to take advantage of them.

We did not delay investment decisions on the run-in to the British referendum on EU membership, nor did we institute an investment freeze following the vote to leave. We will continue our strategy of selective UK growth in support of our focused foodservice model.

Britain and Europe have mature economies and mature political leaders. We believe they will make responsible decisions and facilitate the UK's orderly retreat from Europe without self-inflicted wounds.

Divisional overview

Australasia remains our biggest profit generator and the Australia business achieved pleasing earnings growth despite lower sales on the deliberate exit of several uneconomic contracts. Expenses moved higher, a function of the changing business mix. New Zealand continued its strong run and made further investment in sustained growth.

The United Kingdom foodservice business put in another pleasing performance, driven by continued growth of the foodservice and fresh produce businesses. Bolt-on acquisitions continued. The only significant disappointment related to the logistics business where management irregularities led to fraud investigations and impacted results.

European businesses put in a pleasing performance. The Belgian and Netherlands businesses showed improvement. Operations in the Czech Republic, Slovakia and Poland did well. A small loss was recorded in the Baltic Republics. We continued to grow our Italian interests and the Spanish business made progress while providing market intelligence on sectors with interesting potential.

Emerging Markets made a positive contribution and South African businesses built exciting momentum. Strong growth continued in Hong Kong and on the Chinese mainland. The Chinese economy may have slowed, but the growth of a middle class with a taste for western-style cuisine creates strong momentum for our businesses. Our South American operations showed continued growth and the core Middle East operations again put in a pleasing performance.

Appreciation

Our suppliers and customers took the transition to listed status in their stride. Relationships remained firmly in place, thanks to our decentralised business model and the growing sense of partnership with both suppliers and customers. We thank them all for their continuing support.

Without exception, the people of Bidcorp put in a sterling effort in a challenging year. Managers steer the business, people drive it. Our team got us off to a great start and I thank them all for their dedication and commitment.

In addition, I am deeply indebted to the directors of Bidcorp for their wisdom and guidance. Their strategic vision adds tremendous value to our business and I thank the entire board and our chairman and founder, Brian Joffe, for their support, wisdom and guidance.

Future perspectives

Challenges will continue in all Bidcorp geographies, but overall I believe there are more tailwinds than headwinds in the global foodservice industry. Bidcorp plans to make full use of them.

We see continued growth opportunities in every region – Australasia, the UK, Europe and Emerging Markets, including our home base here in South Africa.

The work of rebalancing the business will continue in every national market. Already, every operation draws considerable benefit from the clearer foodservice focus. Further benefits will be actively pursued. The work is very nearly done. In 2017, we intend to complete the job.

No major acquisitions took place in 2016, though several opportunities were explored. We remain an acquisitive business. If the right "fit" presents itself in 2017 we will pursue it, either to support operations in existing Bidcorp markets or as a means of gaining entry to new markets.

Our balance sheet is extremely strong. Our teams are well led, energetic and highly motivated. This gives us a firm foundation for continued growth in the year ahead, whether organic or acquisitive.

Bernard Berson
Chief executive officer

Chief financial officer's report

David Cleasby

Overview

In spite of tough international market trends, trading performance was excellent and cash generation remained strong. Generally, international interest and growth rates remained low and flat, with an increased risk of food deflation in some markets.

Solid performances by teams in Australia, New Zealand, UK Foodservice, Czech Republic, South Africa and China contributed to healthy cash generation and gains in market share. The result was notable for solid organic rather than acquisitive growth.

Volatile markets

Throughout the financial year, markets remained volatile in view of concerns about the effects of negative interest rates in several important jurisdictions, the slowing Chinese economy and Chinese debt levels, depressed commodity prices and volumes, sluggish recovery in many parts of the world and the impacts of central bank stimulus in Japan and the Eurozone.

Acts of terror and political and economic crises in a number of geographies added to nervousness. Meanwhile, the IMF repeatedly cut its world growth forecasts.

Despite these uncertainties, Bidcorp's management teams remained focused and delivered impressive gains.

Exchange rates

A significant market event like Brexit contributed to volatility in all foreign exchange markets, exposing mismatched corporate asset and liability positions. At Bidcorp, a fundamental risk mitigation strategy is to match both assets and liabilities in their respective currencies in order to avoid a mismatch of this nature and thereby protect Bidcorp's financial position.

In addition, each business is managed and performance evaluated in its home currency relative to local conditions. Results are then translated into rand, Bidcorp's functional reporting currency. The translation benefited the overall Bidcorp result in the financial year.

The average rand exchange rate weakened against the basket of Bidcorp currencies. The net result, excluding currency effects, was a pleasing 14,2% gain in profit attributable to shareholders.

Bidcorp listing

The financial community, local and international, reacted positively to our listing and unbundling and the emergence of Bidcorp as a member of the JSE's "Food Retailers and Wholesalers" sector.

- Headline earnings per share up 32,5% at 1 080,0 cents per share
- Revenue grows by 20,8% to R140,5 billion
- Gross profit percentage rises to 20,8%
- Group trading profit up by 26,1% to R5,2 billion with a trading margin of 3,7%
- Net finance charges fall 11,1% to R294,6 million
- Headline earnings move 32,7% higher to R3,6 billion
- Net debt falls to R1,7 billion
- Cash generated by operations extremely robust
- Dividend of 241,0 cents per share declared

Based on pro forma financial information

Bidvest shareholders welcomed the opportunity for direct participation in its foodservices operations. From management's perspective following the listing, access to further capital as Bidcorp remains exciting.

Following the listing at the end of May, Bidcorp shares were actively traded at levels significantly above the initial price of R270 a share. Though our former parent's share price rerated following the unbundling – in line with market expectations – participating Bidvest shareholders made significant gains on the split as value was unlocked.

Since the listing, Bidcorp shares have been well supported by both institutional and retail investors. An attractive factor within the South African market is the share's de facto positioning as a solid "rand hedge". Less than 10% of Bidcorp profit is derived from South African operations, while significant revenue streams are denominated in euro, sterling and Australian dollar.

By year-end, approximately 52% of Bidcorp shares were locally held while the rest were taken up by offshore asset managers and international investors.

See details of the shareholders' information on page 160.

Dedication and enthusiasm

Finance teams in every country and continent reacted positively to the creation of Bidcorp despite the additional workload created by the listing and unbundling. Bidcorp prides itself on the expertise and dedication of its finance teams in assisting the businesses to achieve their strategic objectives.

At operational level, strong emphasis was placed on efficiency improvements as the basis for continued organic growth in low-growth economies. Focus next year will be on streamlining and improving group reporting in order to achieve further efficiency gains.

Acquisitions and disposals

Several bolt-on acquisitions were finalised at regional and company level, namely MPD (Czech Republic – R162,0 million) and Caterfood and Cimandis (UK Foodservice – R464,0 million). Disposals include Patleys (Food Africa – R171,3 million) and our minority share in the associate VCN (Netherlands – R51,6 million).

Attention centred on the continued consolidation of Gruppo Dac S.p.A (DAC), acquired in the previous year. In 2016, DAC gave added impetus to growth within Europe.

PCL 24/7 Limited disappointed post-acquisition as margins were squeezed due to labour shortages and higher vehicle accident costs as a result of increased agency labour requirements. In addition, costs of implementing new contracts, surplus depot capacity and abnormal expenses eroded profitability.

Management irregularities were identified and investigated during the year. Some relate to PCL 24/7 Limited, others to operational activities within Logistics. All significantly impacted the division. These irregularities are subject to ongoing legal processes.

Any impact on non-current assets is continually monitored by management. In respect of net operating assets, management has provided for the worst case scenario, notwithstanding recoveries from legal action and insurance claims.

Financial performance

In addition to its actual results, Bidcorp has provided shareholders with pro forma financial information in the annual integrated report to enable a full appreciation of the group's true performance. The following comments are based on the pro forma information:

The group delivered very pleasing results for the year ended June 30 2016. Headline earnings per share (HEPS) increased by 32,5% to 1 080,0 cents per share (2015: 815,2 cents), with basic earnings per share (EPS) increasing by 26,1% to 1 034,0 cents per share (2015: 819,8 cents). On a constant currency basis, HEPS increased by 14,2%.

Chief financial officer's report

Revenue grew 20,8% to R140,5 billion (2015: R116,3 billion). Major contributors to the increases were the UK and European operations, reflecting organic growth and assistance from currency effects on translation. Revenue growth was dampened by the deliberate and planned exit of large contract, low margin business in various geographies.

The gross profit percentage increased to 20,8% (2015: 20,3%), reflecting the benefit of the strategy of focusing on the correct mix of business. Operating expenses remained well controlled, increasing by 6,2% on a constant currency basis. The benefits of lower fuel costs were negated by some wage pressure in a number of growing economies and higher sales and distribution costs, reflecting higher activity levels.

Group trading profit increased by 26,1% to R5,2 billion (2015: R4,1 billion) and the trading margin increased to 3,7% (2015: 3,5%), principally reflecting the operational focus in many geographies of growing the independent trade and rebalancing the customer portfolio.

Share-based payment costs declined from R89,9 million to R64,0 million, impacted by the unbundling and the run-off of previous option schemes. Long-term incentivisation remains a cornerstone of management motivation and new allocations to staff have been made.

Acquisition costs of R8,9 million (2015: R43,6 million) reflect minimal acquisition activity as compared to the prior year.

Net finance charges are 11,1% lower at R294,6 million (2015: R331,3 million), reflecting good cash generation despite greater utilisation of working capital. Bidcorp remains well capitalised, with trading profit interest cover at 17,5 times (2015: 12,3 times). We remain conservative in our approach to gearing.

Headline earnings increased by 32,7% to R3,6 billion (2015: R2,7 billion). Net headline earnings adjustments in the year totalled R152,7 million.

The group's financial position remains strong. Growth in total assets reflects normal levels of replacement, investment capital expenditure on fixed assets and higher trading activity in inventories and receivables.

Bidcorp's strategic positioning entails continued migration into high-margin areas of the foodservice industry. This highly competitive business-to-business environment necessitates continued innovation that adds value for customers. Investment in new systems, e-commerce platforms, multi-temp facilities and modern infrastructure was therefore constant. Capital expenditure rose to R2,1 billion (2015: R1,7 billion).

Net debt declined to R1,7 billion as compared to R3,3 billion at June 30 2015. Cash generated by operations was extremely robust as was working capital management, despite organic growth and currency impacts on translation. Net working capital days remained in line with the prior year (2015: -1 day).

The capital items that arose during the year totalled R152,7 million, the most material of which relating to write down of the investment in Icelandic Water Holdings ehf of R119,1 million.

Distribution

As a result of the listing and in accordance with its dividend policy, Bidcorp has declared a dividend of 241,0 cents per share based on the pro forma results, which pertain to the second half of the financial year.

Ratings

Three rating agencies stripped the UK of its AAA rating following the Brexit vote. The EU's long-term credit rating was also downgraded in the aftermath of the referendum.

South Africa avoided a downgrade of its sovereign credit rating to so-called junk status and remains just one rung above the BBB- level, with a negative outlook.

Markets anticipate such actions and price risk accordingly. However, the risk to these jurisdictions remains the ability to reverse the downward trend by taking hard economic decisions. History has shown that all participants in the economy are impacted by such downgrades.

Currently, Bidcorp does not have an international credit rating. This remains a strategic imperative in the year ahead.

Compliance, communication and regulation

All stakeholders expect regular and transparent communication. Accordingly, we give increasing time and attention to reporting and compliance matters. Executives and management are available to stakeholders, as required, and respond at frequent intervals through various types of engagement.

In our decentralised environment, we demand the highest level of personal integrity from our managers and staff. All personnel subscribe to a Bidcorp value system that stresses the need for honesty and transparency. This value system has always been part of the Bidcorp culture and its DNA.

We believe corporate regulation should take the form of self-regulation based on principles rather than rules. Regulation that proves stifling will result in less, not more, communication.

Taxation

Bidcorp is a multinational entity and each business is self-sufficient in each of its operating jurisdictions, in line with the group's decentralisation philosophy.

As a result, little inter-company business is conducted and we therefore have only a passing interest in the current global debate about transfer pricing and aggressive tax avoidance practices.

However, wide-ranging and stringent new regulations such as Base Erosion Profit Shifting and country-by-country reporting require companies to be more strategic with a focused approach to internal controls around these matters. Within Bidcorp we estimate our exposure to these issues to be negligible. However, the cost of compliance following a query on such matters can be onerous, especially in terms of management time.

Cost efficiency and shared learning synergies

In all geographies, ongoing focus is applied to identify areas of potential saving. This results in innovation being deployed to drive efficiency gains. Learnings and ideas are shared across our businesses, notably in the e-commerce arena, helping us implement smart solutions faster and with minimal disruption and cost.

The year ahead

Bidcorp made a robust debut in 2016. This creates a sound foundation from which to pursue further growth. Our financial position is strong, free cash flow is good and our people are committed to the vision of being a global leader in the foodservice industry.

We have ample financial resources to pursue opportunities to sustain ongoing organic growth and strategic expansion into appropriate markets.

Interest rates in many countries served by Bidcorp are low and, in some cases, negative. Some fell even lower early in our 2017 year. Where appropriate, we have renegotiated funding arrangements to capture the benefits of these lower rates. We are also undertaking a review of current gearing levels across the group in order to enhance returns, without departing from our fundamental practice of matching assets and liabilities in the same currencies.

Opportunities abound in each of our markets for an entrepreneurially led business like Bidcorp, providing scope for further consolidation and market share gains. Management teams have demonstrated a talent for growth despite difficult environmental circumstances, something that will serve us in good stead going forward.

David Cleasby
Chief financial officer

Divisional reviews

Diverse

Driving growth by developing our own manufactured lines and diverse product brands.

Bernard Berson

Divisional reviews

Bidcorp Australasia

Operating in Australia and New Zealand our businesses offer a full end-to-end national distribution service. Australia and New Zealand offer customers the industry's most comprehensive range, wide market coverage, economies of scale and one-stop solutions. The division is an innovator and leads its industry in the development of e-commerce solutions. Sustained investment in training and technology ensure high levels of service efficiency, quality and accreditation.

Australia

The economy sent out some mixed signals, though GDP growth remained robust and the unemployment rate remained steady at 5,7%. The downturn in the mining sector hurt Western Australia and some parts of Queensland, but growth in the tourism industry gave a boost to popular holiday destinations.

Our teams took a pragmatic approach. They cannot control the national economy, but they can control how they respond to macro opportunities and challenges. This attitude underpinned a very pleasing overall performance.

The Australian business recorded trading profit growth of 8,8%, a pleasing result as sales fell by 7%. The sales decline was foreseen and is in line with the strategy of exiting low-margin logistics contracts while concentrating on higher margin independent business.

Gross contribution was up on the prior year, driven higher by the changing mix of business.

Margins were well managed. Expenses moved higher, in line with management expectations as higher margin segments like Fresh and Meat typically involve higher costs and wages. Cash generation remained strong.

The Hospitality division was sold in July 2015. We acquired Pacific Providores, a small Fresh produce specialist, and merged it into our Sydney Fresh business.

Foodservice profits were up by 10,5%. The Meat and Fresh businesses underperformed. The Logistics result was as expected.

The Foodservice divisional result comes off the back of no real sales growth in a zero food inflation environment. Strong growth was again evident in the free trade

customer segment. Out of 30 Foodservice branches, 25 made or exceeded their targets. All opportunities for further organic and acquisitive growth in the Foodservice space will be pursued in 2017.

The Imports division registered a good sales result and maintained rigorous expense control. The potential for local packing of the division's own products is being explored. Opportunities for closer synergies with BPC and DAC Italy are also being considered.

Fresh division results were extremely disappointing. Six of the nine operations made losses. Focused management attention is being applied to all areas of underperformance.

Meat division achieved year-on-year profit growth, but results were significantly below expectation. Branches have adopted the direct-to-customers business model and substantial improvement is expected in the coming year. Closer collaboration with Foodservice will be a focus area.

Logistics registered a small loss as the strategy of exiting low-margin business continued. The Sydney operation was closed and the Adelaide Logistics business merged with its local Foodservice branch. Melbourne and Brisbane Logistics are preparing for similar integration into their local Foodservice branches.

In 2017, the Bidvest Australia strategy of developing the higher margin free trade market segment is expected to gain further momentum. The vision is to become a focused "food" business rather than a low-cost carton-mover.

In line with this strategy, we are putting new Foodservice depots in metropolitan centres that we believe have strong growth potential and where our performance can significantly improve, given the right infrastructure. Cities such as Melbourne, Sydney and Brisbane have been targeted. It is clear that depots need to be large enough to be economically viable yet small enough to be agile and customer focused. The new depots have been specified accordingly.

Own brands will receive strong focus going forward.

Further growth is expected in the new year.

E-commerce is an important part of this modern infrastructure and is constantly evolving, with experiences and know-how shared throughout the company, the key objective being the enhancement of customer service experiences.

New Zealand

The national economy remained steady, though food deflation set in following a drop in dairy prices. However, strong growth in retail spending and tourism were beneficial for our business.

All divisions put in a strong performance and maximised opportunities in a buoyant final quarter.

Revenue grew 12,8%, with trading profit topping the NZ$50 million milestone (21,0% increase).

The strong result was driven by focused application of the core strategies of category development and specialisation. At the same time, timely infrastructure investment created the capacity to maximise market potential in key areas such as Auckland, Tauranga, Whangarei and Queenstown.

Margins and working capital were generally well managed. The dollar value of inventories rose, a function of the growth of higher value categories such as meat.

Debtors management and collections were focus areas. Returns, excluding the effect of property investments, rose to record highs.

In the final quarter we disposed of our retail operations and acquired two businesses.

The first acquisition, Freshex, is a Hamilton-based small produce wholesaler. The other, Fire 'n Ice, is the New Zealand manufacturer of the NaturalAZ range of sous vide products.

Several land purchases were made during the year, creating capacity for expansion in Hamilton, Timaru, Invercargill and Hobsonville. In addition, a move is planned into a new purpose-built distribution centre in Nelson.

At divisional level, Foodservice put in a highly pleasing performance with strong results at all branches. The strategy of developing key centre-of-plate and fresh produce categories paid dividends.

The Fresh division also performed strongly. Despite market volatility, margins were generally steady. Expense management was rigorous. The export team achieved good sales growth.

At Logistics, the strong performance was driven by good ice cream sales, heightened focus on the route trade and exceptional growth by a key customer in the QSR space.

Processing more than doubled its profit and the Christchurch Butchery showed substantial improvement.

In the year ahead, New Zealand will strive to maintain momentum. The focus on the free trade market will intensify, specifically in specialist centre-of-the plate categories. Steps will be taken to further improve the processing business. Development of our new sous vide product range and our range of repack products is envisaged.

Further acquisition opportunities will be explored.

Pro forma revenue

2016: R30,3 bn 2015: R28,2 bn

Pro forma trading profit

2016: R1,8 bn 2015: R1,5 bn

Total employees for 2016

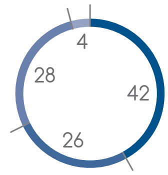
4 037

2015: 4 098

Distribution centres

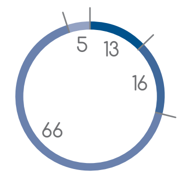
Total	70	m²	228 857

Product segmentation



Frozen	42%
Chilled	26%
Ambient	28%
Non-food	4%

Market segmentation



Logistics	13%
Chain	16%
Independent	66%
Retail/other	5%

Distribution vehicles 916

Fuel usage – kilolitres

Diesel (excl biodiesel) usage

2016: 8 733 2015: 8 355

Gasoline (petrol) usage

2016: 743 2015: 810

Total water usage – kilolitres

2016: 227 751 2015: 220 696

Divisional reviews

Bidcorp United Kingdom

United Kingdom is a market-leading foodservice and product distributor serving customers in the hospitality, institutional, catering and retail sectors in the United Kingdom and Ireland. Foodservice UK is a leading foodservice distributor and preferred supply partner for over 60 000 customers across the UK, providing every food option from quality ingredients to finished meals, including a number of own brand ranges. Fresh supply national and independent customers within the catering industry with fresh ingredients including fish, seafood, meat, produce, dairy products and ambient goods, offering direct delivery of all ingredients to customers' kitchens, with product freshness preserved through delivery in temperature-controlled vehicles. Logistics provides alternative multi-temperature services to meet the varying needs of our ever growing and diverse customer base.

Environmental awareness is pivotal to a company that has a large international logistics footprint and for whom food and the agricultural value chain is vital for its prosperity. Bidcorp has a philosophy that green initiatives make for good business, efficiency too, and there are numerous examples of this throughout the company. For example, Bidcorp monitors economical use of utilities and packaging and, in certain instances, biofuel is utilised in running fleets.

Foodservice

The business posted a strong set of results in an economy that maintained modest but consistent growth. Sales and trading profit were well ahead of the prior year while expenses were well controlled. All segments showed year-on-year improvements.

National accounts showed growth as several major customers renewed contracts. The strategy of re-tendering low-margin accounts at higher rates resulted in a number of customers exiting the relationship.

Free trade volumes, excluding acquisitions, eased lower, but customer margin improved slightly. Focus for 2017 is to grow the indirect customer base while maintaining margins. The Vivas joint venture in the wholesale segment achieved pleasing profit and sales growth. Caterfood, an independent wholesaler, was acquired in the third quarter and management are excited about the synergies that Foodservice can bring.

Working capital management improved and cash generated from operations remained robust. The return on funds employed was up 30,6% on the prior year.

Investment on infrastructure continued and included spending on new sites in Worthing and Slough, which became operational in June.

The upgrading, modernisation and simplification of IT infrastructure were completed and included the implementation of Bidcorp's e-commerce platform for product management and online trading. Voice picking was rolled out to 19 depots.

Among the specialist businesses, SLF reported significant trading profit growth and Catering Equipment exceeded expectations.

Logistics

Logistics overall benefited from higher revenue. However, trading profit performance disappointed as margins were squeezed. Labour shortages pushed expenses up significantly, as did higher vehicle accident costs as a result of more agency labour requirements. In addition, costs of implementing new contracts, surplus depot capacity and abnormal expenses eroded profitability. A review of the commercial scope of contracts and service levels is under way, combined with an aggressive review of management structures and overhead costs. Management irregularities were identified and investigated during the year, some of which relate to a recent acquisition and others to operational activities, all of which significantly impacted the division. These irregularities are subject to ongoing legal processes. Any impact on non-current assets is continually being monitored by management. In respect of the net operating assets, management has provided for the worst case scenario notwithstanding recoveries from legal action and insurance claims.

Fresh

Sales were somewhat ahead of budget, but profit was below expectation and below the prior year. Growth into the independent channel continued. National account business also showed growth, though margins came under pressure.

Underperformance at two depots at Seafood Holdings contributed to the disappointing result. A sudden rise in salmon prices put pressure on margins.

Oliver Kay had a good year, growing its exposure into the national sector. The Campbell's meat business showed improvement and moved from loss to a small profit.

Another meat specialist, Knights, was acquired in May. The acquisition of R Noone & Son (a Manchester fresh produce distributor focused on independents) was finalised late in the year.

Building in sustainable outcomes

Environmental sensitivity and a sustainability focus are built into standard working practice at Bidcorp UK and when new equipment and facilities are under consideration, sustainability is often integrated into the design.

For example, the ammonia refrigeration system at the new Slough depot will provide an annual carbon saving of 247,3 tonnes with zero global warming and ozone depletion potential.

What is more, since February 2015, the photovoltaic system at Chepstow depot (covering over 5 200m² of roof space) has generated more than 18% of the site's electricity consumption. This is the equivalent of 360 carbon tonnes a year. When the system generates more energy than the depot needs, it is passed to the local power grid.

To entrench a sustainability culture and foster improved nutrition, Bidcorp UK leverages numerous partnerships

- the WRAP Courtauld Committee on initiatives to deliver a 20% cut in the resource needed to provide food and drink to the UK (collaboration that showed in 2012 to 2014 the food wastage tonnage was cut by 36% and overall CO_2 emissions by 12%)

- the Logistics Carbon Reduction Scheme to record and reduce carbon emissions in the logistics industry
- Footprint (the sustainable, responsible business initiative) to publish the Sustainable Index Trends Report and track supply chain impacts
- hundreds of local growers to ensure local sourcing, thereby supporting local produce suppliers and reducing "food miles"

Bidcorp UK also encourages industry cooperation on sustainability and good nutrition, notably through www.plate2planet.co.uk, its web platform for sharing best practice.

Pro forma revenue

2016: R61,0 bn — 2015: R47,7 bn

Pro forma trading profit

2016: R1,4 bn — 2015: R1,1 bn

Total employees for 2016

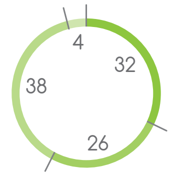
8 990

2015: 8 528

Distribution centres

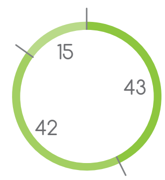
Total	55	m²	305 885

Product segmentation



Frozen	32%
Chilled	26%
Ambient	38%
Non-food	4%

Market segmentation



Logistics	43%
Chain	42%
Independent	15%
Retail/other	0%

Distribution vehicles 1 895

Fuel usage – kilolitres

Diesel (excl biodiesel) usage

2016: 41 418 — 2015: 37 815

Gasoline (petrol) usage

2016: 250 — 2015: 166

Total water usage – kilolitres

2016: 282 452 — 2015: 306 610

Divisional reviews

Bidcorp Europe

Reaching over 10 countries across Europe, Bidcorp businesses comprise leading foodservice distributors of prestigious brands. Supplying premium brands across a wide range of product lines, and a significant presence of own brand manufacturing and distribution, Bidcorp in Europe is the leading foodservice distributor to the Horeca sector. Bidcorp has a world-class service offering and a diverse product range that meets the needs of its vast customer base. Its innovations in product and menu development, allows Bidcorp to live up to its reputation of delivering smart solutions from a responsive foodservice partner, thereby creating opportunities to add value for both customer and supplier.

Netherlands

Turnover showed the first growth since 2013, buoyed by good performance in the hospitality sector which offset the continued decline in the institutional segment. Trading profit was ahead of budget. Institutional business decline appears to have bottomed out but remained under pressure, though catering sales moved higher.

Catering performance was driven by new contract gains and growing demand from existing customers.

National account volumes rose as a result of an uptick in out-of-home eating, with margins improving as marginal customers were exited. In the hospitality sector, the business made continued market share gains while maintaining margins.

Belgium

The economy slowed down in the second half and tourism came under pressure following the terror attacks in March. Horeca sales into Brussels were hard hit for a time. However, our teams put in a robust performance and both revenue and trading profit were ahead of forecasts while margins were largely maintained.

Teams sought sales growth with focus on the development of high-value categories.

Catering showed good growth, supported by the renewal of a significant contract with a large catering group. Horeca volumes were slightly down, though trading profit growth

was achieved. Good growth was seen in the institutional channel and within the logistics business.

Further tender gains in the new year for the institutional team bode well for the business going forward.

Czech Republic and Slovakia

The Czech Republic's economy returned to growth and our industry benefited from a growing influx of holiday visitors. Our operations maximised these opportunities and we achieved excellent revenue and trading profit growth.

Sales teams performed strongly and results were lifted by a good ice cream season. The past summer has been one of the hottest in 10 years and high ice cream volumes were helpful in margin management.

The Czech division achieved a sales rise of 11,5%, with strong contributions from Foodservice and Retail. The export department achieved a 30% sales rise. Overall costs were well, other than wages which are under pressure as improved economic activity increased demand for warehousing and distribution staff.

Slovakia's sales were up by more than 21%, with both Foodservice and Retail strong contributors.

Meat production from the Kralupy operation contributed to the strong overall result while trading profit from Opava production (ice cream, frozen vegetable, ready meals and potato products) was maintained.

Newly acquired MPD (providing cold storage capacity in Plzen) also made a positive start and met expectations.

Italy

Gradual improvement in the Italian economy is under way, though deflation is cause for concern.

Pleasing results were achieved, with revenue and trading profit above both budget and prior year. Expenses were impacted by the costs of operating the new Rome warehouse, but overall were well managed.

Sales of ambient and frozen products continue to grow as a result of strong penetration of the "street market". This element of the mix now accounts for about 60% of sales. The growth drive in the "single customer" channel will be maintained.

Cash generated by operations remained healthy as working capital was well controlled.

Going forward, slower growth in the national foodservice market is projected. To accelerate the rate of our own growth, DAC will pursue acquisition opportunities, with strong focus on central Italy and the south.

Poland

The national economy continued on the growth path, and our business recorded strong sales growth, with a particularly impressive performance in the wholesale segment of the market due to good volume increases. No significant contracts were lost while some key national accounts were extended for a further two years.

Trading profit was well ahead of the prior year and overheads were well controlled. Cash flow remained robust despite an investment into working capital for growth.

Construction on the new central warehouse was completed during the year. It went into full operation in October.

Baltics

Overall sales in Lithuania, Latvia and Estonia achieved solid growth. The main driver of higher volumes was the foodservice segment as retail exposure declined.

Sales of chilled, frozen and ambient product ranges show good growth, while fresh fish sales have enjoyed impressive gains. Retail sales have been under pressure, however. Foodservice sales to independent foodservice clients remain the core focus of the businesses.

Spain

The Spanish economy sent mixed signals as uncertainty set in following robust growth in the first quarter of calendar 2016. Annual sales rose, but failed to meet budget and a small loss was again recorded. Expense management remains a challenge.

Growth potential has been identified in the fresh produce category and the hotel channel. Efforts will be stepped up in these areas in 2017.

Turkey

Economic growth continued unabated, underpinned by solid consumer spending, though concern is growing around a fall-off in revenues from tourism.

Total sales moved higher, supported by strong growth in the foodservice segment. Terror attacks have impacted tourism and out-of-home eating in Istanbul, where our operations are mainly centred.

Pro forma revenue

2016: R31,0 bn — 2015: R24,8 bn

Pro forma trading profit

2016: R1 053,6 m — 2015: R860,5 m

Total employees for 2016

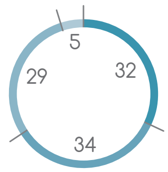
5 711

2015: 5 022

Distribution centres

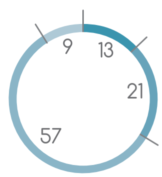
Total	54	m²	476 229

Product segmentation



Frozen	32%
Chilled	34%
Ambient	29%
Non-food	5%

Market segmentation



Logistics	13%
Chain	21%
Independent	57%
Retail/other	9%

Distribution vehicles 1 276

Fuel usage – kilolitres

Diesel (excl biodiesel) usage

2016: 10 534 — 2015: 10 098

Gasoline (petrol) usage

2016: 807 — 2015: 796

Total water usage – kilolitres

2016: 155 364 — 2015: 139 764

Divisional reviews

Bidcorp Emerging Markets

With geographic footprint over four continents, this division includes Bidcorp operations in Africa, South America, Asia and the Middle East. African operations manufacture and distribute meat, poultry, dairy and general food ingredients as well as baking ingredients and equipment and a multi-temperature foodservice offering of a full range of ambient, chilled and frozen food products. Asia and the Middle East distribute high-end speciality products into the western styled food market with supply exclusivity in many global brands. South America sources and distributes frozen, chilled and ambient local product into the independent street market across both Chile and Brazil.

While Bidcorp has grown into a substantial international business, it remains true to its South African heritage and the JSE listing is an exciting platform to share the next chapter in this success story. The focus as a standalone foodservice company will strengthen management's determination to continue generating and enhancing sustainable, long-term returns for all stakeholders.

Food Africa (BFA)

BFA returned excellent results, despite macro-economic challenges and heightened credit risk. Exchange rate fluctuations and inflation created trading opportunities. Sales exceeded budget, as did trading profits. However, margin pressure intensified.

Net sales growth exceeded food inflation, driven largely by pleasing sales gains at Food Ingredients (BFI) across the independent channels and Foodservice (BFS) in the independent and national account channels.

Bakery Solutions (BBS) continued to grow its penetration of the retail and franchise sector. Food Exports (BFE) achieved substantial growth in Zambia.

BFS' excellent growth was all organic. The independent and national account segments both achieved double-digit growth. The independent or street trade channel now accounts for more than half of sales.

A major contract win was recorded in the catering sector in the first half. Growth was also driven by the online ordering platform and private label product lines.

BFI drove growth by focusing on its own manufactured lines and product brands. Volume growth was recorded across most sectors and categories. The butcheries segment made impressive gains, as did casings (natural and artificial), additives and spices, condiments and packaging.

All Crown trading operations reported solid growth.

BBS had an excellent year, with focus on innovation and product development across its own manufactured products while strong growth was seen in the confectionery and sugar and syrup categories.

All trading branches built momentum on the back of a strong fourth quarter.

BFE made market share gains. Strong performance by the Zambian operation is expected to continue.

Brazil

Trading challenges mounted in a year of political and economic crisis. Foodservices were not hit as severely as some sectors of the economy, but out-of-home eating declined by an estimated 30%. In this environment, the business did well to maintain sales volumes while minimising the impact on trading profit.

Bad debt levels were well managed and expenses well controlled. The implementation of new IT systems contributed to routing and distribution efficiencies. Further improvements were evident following the opening of our new warehouse late in the second quarter. New trucks were purchased.

Regional reorganisation in the new year will ensure major benefits of improved cost of sales and better customer service.

The first supplies from Bidcorp Procurement Company (BPC) contributed to improved performance by our procurement department. A new branch was opened in Santa Catarina.

Better growth is projected for 2017. Acquisition opportunities will be pursued.

Chile

Our growth strategy was impacted by the slowdown of the national economy and belt tightening by consumers. Despite marketplace pressures, year-on-year sales and trading profit growth were achieved.

Performance was underpinned by new business gains, robust cross-selling and the introduction of meat to the product mix. The focus on collections and debtors management was tightened up and contract terms were renegotiated in some instances. Business casualties in the customer mix became cause for concern. Foodservice teams performed well.

We opened a new branch in Concepción and acquired a small Concepción-based distribution business. We disposed of our Santiago fresh bakery operation.

Santiago branch opened new sales channels and grew profit. The Puerto Montt operation grew its customer base.

Greater China

Despite a fiercely competitive market, a slowing national economy and pressures on the tourist industry, profit growth exceeded expectation. Sales were 4,2% higher, while expenses were controlled well, which resulted in trading profit increasing by 20,8%.

Hong Kong

Pleasing annual profit growth was achieved. Gourmet Cuisine did well on the back of strong promotional support while natural and organic food lines maintained good growth momentum. In Macau, solid sales were seen across the meat, dairy and seafood categories.

Continued momentum is expected in the coming year. Sales growth is expected from newly launched operations (Wine and Mastery Butchery). Continued growth of the natural foods product catalogue is planned.

China

Mainland operations put in another pleasing performance, with volumes and profits well ahead of projections.

Dairy and meat volumes to hotel and restaurant customers in Shanghai show continued growth. Strong supermarket demand underpinned gains in Beijing while bakery, retail and foodservice lines did well in Guangzhou. Sales in the Shenzhen foodservice and restaurant channels showed improvement. The President Products brand was the star performer.

Business growth continued in second-tier cities such as Changsha, Xian, Sanya and Wuhan.

Continued growth is projected for 2017. New product lines are being introduced.

Singapore

The business showed evidence of a turnaround, with profit in line with expectation while expenses were rigorously managed.

Sales volumes fell, however, in line with the ongoing transition to a fully fledged foodservice operation.

Low-margin operations were either closed or scaled back.

The largest division, Foodservice, continued to grow, supported by strong penetration of the restaurant industry. Gourmet lines performed strongly.

The Export division was reorganised into two businesses. PastryGlobal Singapore was integrated into Foodservice and Gourmet Partner.

Middle East

Regional growth remained sluggish. However, pleasing sales and trading profit growth was delivered, with strong contributions from UAE and Saudi Arabia. Cash generation remained strong. Improved supply chain management drove substantial inventory management improvements. Working capital was well managed.

Horeca UAE reported solid year-on-year growth in sales and trading profit, despite a disappointing fourth quarter that was impacted by pressure on the tourism sector. Competition increased. However, the retail channel secured pleasing revenue gains.

Al Diyafa (Saudi Arabia) enjoyed pleasing sales and trading profit growth. Retail achieved good momentum following additions to the range and increased promotional activity. Meat was added to the category mix and three new brands were introduced.

F&B Partners (Lebanon) delivered a solid volume increase on the prior year, but losses persisted. Bidcorp disposed of its interest in F&B at the end of May.

BPC

Improved foreign exchange management and significant demand from other Bidcorp businesses resulted in BPC's first operating surplus. The product mix was further widened and the number of supplier countries grew.

Buying of seafood products from Asia represents an area of opportunity. Growth here will be energetically pursued in 2017. Investment in new systems is under consideration.

Pro forma revenue

2016: R18,2 bn — 2015: R15,6 bn

Pro forma trading profit

2016: R934,4 m — 2015: R703,6 m

Total employees for 2016

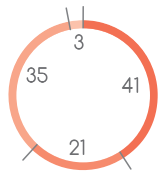
5 326

2015: 5 991

Distribution centres

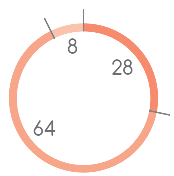
Total	80	m²	243 924

Product segmentation



Frozen	41%
Chilled	21%
Ambient	35%
Non-food	3%

Market segmentation



Logistics	0%
Chain	28%
Independent	64%
Retail/other	8%

Distribution vehicles 757

Fuel usage – kilolitres

Diesel (excl biodiesel) usage

2016: 6 022 — 2015: 6 974

Gasoline (petrol) usage

2016: 2 045 — 2015: 1 602

Total water usage – kilolitres

2016: 368 165 — 2015: 376 383

Community projects

Foodservice reaches into homes and families worldwide. Within our group, each decentralised business makes its own social and sustainability contribution in its own way. It is impossible to itemise every intervention, but we can describe some projects and the general Bidcorp approach.

Bidcorp believes in partnership and alignment. Partnership with specialists in various areas ensures optimum impact and minimal duplication. Alignment ensures focus on national and international priorities. Many interventions dovetail with the UN's 17 sustainable development goals.

Bidcorp United Kingdom

Making a difference the Bidcorp way

The goal of our social inventions is to make a sustainable difference, not a once-off cheque-writing exercise. To make initiatives real and relevant, social projects often have a connection to our business. Further traction is achieved by encouraging staff involvement.

The approach was recently highlighted by the One Water campaign at Bidcorp UK and the follow-up visit to Malawi by a group of staff members.

One Water, the ethical water brand, supports clean water, pump repair and educational initiatives in third world countries, including Malawi.

Bidcorp UK gave added impetus to One Water efforts by driving up sales of the brand. Sales growth of 136% was achieved. Meanwhile, staff members launched local fundraising efforts to add further financial muscle.

A group of employees then flew to Malawi to see One Water in action, while contributing to awareness-raising efforts to highlight the plight of African communities that have no access to running water.

The staff did not simply observe and contribute to a social media blog. They handed out basic learning materials at under-resourced schools, distributed T-shirts to children who had no change of clothes, and helped with pump repairs.

T-shirts carried the slogan "Together we can make the world a better place" – an insight borrowed from Bidcorp UK's plate2planet website. The slogan also featured on a branded Bidcorp banner displayed by the group.

UK staff saw African poverty first hand and joined in the trek (sometimes down a mountainside) that village women and children have to make to reach water sources when their village has no water pump.

The party is now back in the UK, providing further traction to this social intervention as they share their experiences with colleagues.

Bidcorp Europe

Netherlands

In western Europe, with its ageing population, initiatives to assist the elderly receive growing attention and for the last five years Deli XL Netherlands has been making a difference with its Ouderendag intervention.

This is an annual day out for residents of retirement homes. The chance to get out and about is always appreciated by these old people. The intervention also has relevance to our operations as the institutional business category is important to Deli XL.

The most recent Ouderendag involved a visit to a zoo (another customer of Deli XL). As is the Bidcorp way, our people are actively involved. Employees volunteer to help and are on hand to accompany the old people on their outing.

Ouderendag
is fast becoming a tradition. The elderly, our customers and our people all enjoy the day.

Bidcorp Australasia

Australia

A key community programme in Australia is KickStart for Kids. This programme, launched in 2011, is driven by the belief that every child, regardless of background, deserves an equal chance.

KickStart for Kids runs breakfast, lunch and mentoring programmes in South Australian schools. It also provides clothing and addresses healthcare needs.

If children are hungry or encounter hardship, they cannot fully engage at school. This hobbles educational outcomes, with the risk that the cycle of poverty and marginalisation will be perpetuated for another generation.

Research shows that children who grow up in hardship are more likely to be poorly educated and face deprivation as adults. KickStart for Kids tries to level the playing field.

To assist the programme, Australia donates a pallet of milk every week. This equates to an annual contribution of A$30,000 and enables KickStart for Kids to serve around 40 000 breakfasts and 10 000 lunches a week at over 300 South Australian schools.

Emerging Markets

South Africa

South Africa is one of Africa's most advanced economies, but unemployment, especially among young people, has become a major problem. Often, young people lack the education and skills to enter the formal economy. One response is the 'unemployed learnership programme' whereby a company provides job-related education and training for those without work.

Even in cases where the sponsoring company cannot offer employment within its own ranks, the successful learner has much-improved job prospects as a learnership is a nationally recognised industry qualification.

Food Africa (BFA) showed its commitment to job creation through skills transfer by enrolling 43 young unemployed people in a learnership programme, culminating in the award of certificates in professional cookery.

The one-year certificate programme gives them the grounding they need for entry-level jobs in professional kitchens. All successful programme participants were placed in formal employment with BFA customers.

At the same time, BFA funded the construction of training kitchens at two training schools, one black-owned and one black female-owned. BFA is committed to the training and development of black industry entrants and will provide mentoring and coaching for students at the two establishments.

Hong Kong

The food of love

To spread the joy of good food, Angliss Hong Kong Foodservice has arranged a series of cooking demonstrations by eight leading local chefs, representing eight non-governmental organisations or charities in Hong Kong.

Each chapter of *A Platter of Love*, a book published to mark the inspiring social initiative, tells the story of one of those events: the students, the organisation, the chef and the delicious dishes that were created.

For the participants, the experience of learning from theses culinary experts was a rare opportunity that they will treasure. For the chefs it was a chance to share their love of food with underprivileged members of society. The enthusiasm and emotion of all participants has made this programme very rewarding.

Governance review

Growth

A successful unbundling quickly realising unlocked shareholder value, creating a base for further growth.

Bernard Berson

Board of directors

Executive chairman

Brian Joffe

Qualification: CA(SA)

Age: 69

Appointed: August 17 1995

Chief executive officer (Australian)

Bernard Berson

Qualification: Australian CA

Age: 51

Appointed: March 20 2016

Chief financial officer

David Cleasby

Qualification: CA(SA)

Age: 54

Appointed: September 12 2007

Independent non-executive director

Lorato Phalatse

Qualification: BA Political Science (Hons), University of Leeds UK, MA Southern African Studies, University of York UK

Age: 54

Appointed: March 20 2016

Full CVs of the directors can be found on pages 60 and 61.

Board committees

- Audit and risk committee
- Social and ethics committee
- Acquisitions committee
- Nominations committee
- Remuneration committee

Lead independent non-executive director

Douglas Band

Qualification: CA(SA)

Age: 72

Appointed: March 20 2016

Independent non-executive director

Nigel Payne

Qualification: CA(SA), MBL

Age: 56

Appointed: March 20 2016

Independent non-executive director

Paul Baloyi

Qualification: MBA (Manchester Bangor University of Wales), MDP, SEP (Harvard)

Age: 59

Appointed: March 20 2016

Independent non-executive director (Australian)

Helen Wiseman

Qualification: BSc (Hons) University of Manchester, CA, GAICD

Age: 50

Appointed: March 20 2016

Governance report

How we govern our business

Bidcorp has a proven way of doing business. Our culture is proactive and entrepreneurial rather than reactive and corporate. At local level, our people are empowered to use their initiative, are held accountable and rewarded accordingly. Our decentralised business model is underpinned by our proven ability to attract, retain and develop self-reliant people who make optimum use of the autonomy Bidcorp provides. Criteria for staff selection and development are atypical. Enthusiasm, the ability to deliver and aptitude for the work take precedence over academic qualifications.

Bidcorp people and our business model are flexible and adaptable. Macro-economic conditions change, so does the business cycle, while the changing tastes and preferences of our customers can have a material impact on demand patterns. Bidcorp therefore expects all operations to be responsive and nimble.

Our competitive position has strengthened and market share gains have been made in numerous markets irrespective of market dynamics – positive or otherwise. Forward momentum is attributable to independent decision making by autonomous teams, depth of local knowledge, early identification of opportunities for expansion of the business base and our relentless quest for quality service at pace.

Bidcorp embraces corporate governance as a way of life rather than a way of putting ticks in the compliance "box". Stakeholders can only derive full, sustained value if the business is founded on honesty, integrity, accountability and transparency. Bidcorp prizes simplicity. Better focus makes it easier to manage your business and ensure good governance.

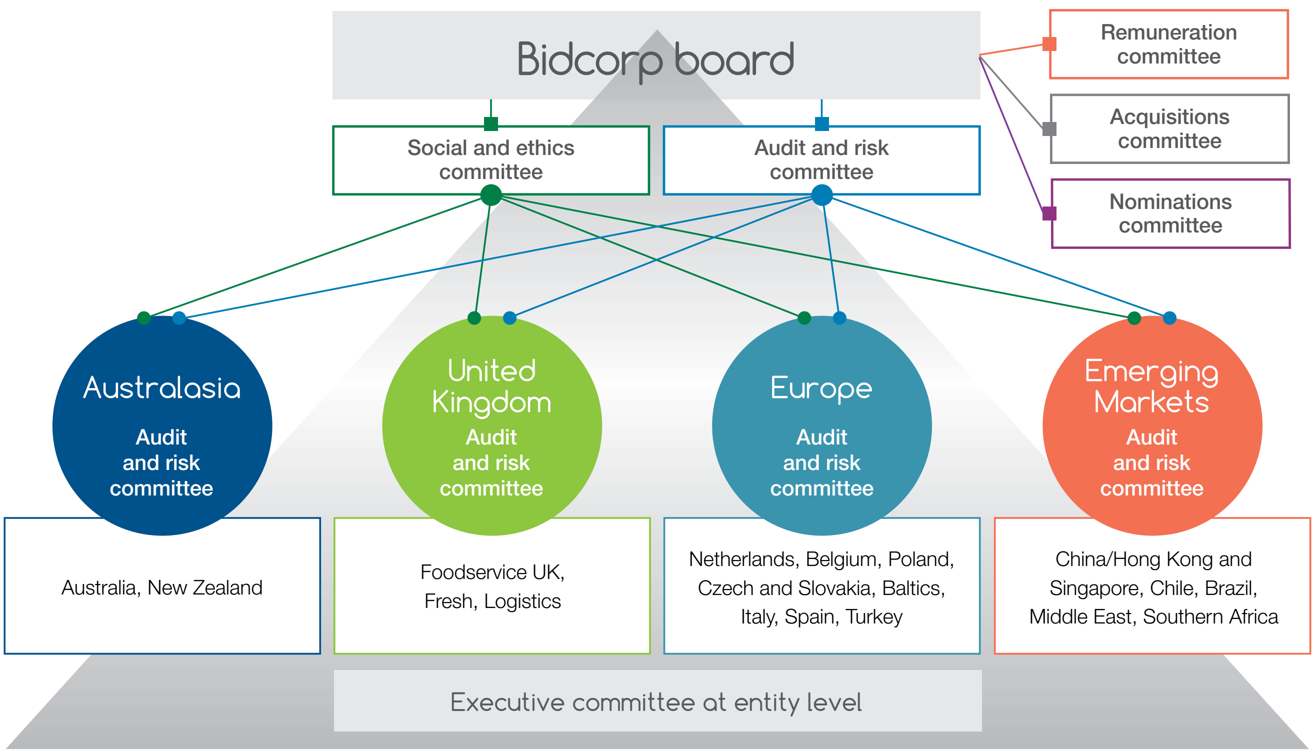
A firm basis for robust governance is provided by an appropriate structure that captures the talent and energy needed for continued growth. The key features of this geographically diversified framework are four international regions, supported by a South Africa-based head office and listing on South Africa's JSE Limited.

Each division is overseen by an independently chaired divisional audit and risk committee. These committees are convened each quarter. They collate information and report into the group structure, ensuring accountability within each division while providing the Bidcorp board with timely information flows. Reporting structures are flat.

How we integrate

Bidcorp recognises the value of an integrated approach to assurance and compliance.

Bidcorp manages the challenge of good governance in a decentralised environment by using a framework that integrates four basic pillars: governance, assurance, risk management and compliance. This framework ensures respect for legislated requirements and regulations yet is flexible enough to accommodate the high level of change and innovation experienced in today's business environment.



1. Governance

Bidcorp is fully committed to the four values that underpin good governance: responsibility, accountability, fairness and transparency. Our board charter expresses the board's promise to fulfil its responsibilities and make itself accountable for all activities. In certain specific, areas the board has delegated responsibility to board subcommittees and divisional committees. These bodies focus on the needs and strategies of the business while meeting the reporting requirements of a listed group.

Mandatory governance requirements are addressed by Bidcorp subsidiaries under the guidance of the Bidcorp group. Review of mandatory functions is carried out by divisional audit and risk committees, which disclose relevant charters, codes, policies and documents. In line with Bidcorp's decentralised structure, divisional management establishes any additional policies and procedures that may be required.

Role and function of the board

Executive directors implement strategies by taking the necessary operational decisions. Non-executive directors provide an independent perspective and complement the skills and experience of executive directors. Non-executive directors objectively assess strategy, budgets, performance, resources, transformation, diversity, employment equity and standards of conduct. They also contribute to strategy formulation and decision making.

The following directors were appointed to the Bidcorp board on March 10 2016: Messrs PC Baloyi, DDB Band, B Berson, NG Payne, and Mrs CWL Phalatse and H Wiseman. Collectively, the board believes its current mix of knowledge, skill and experience meets the requirement for effective leadership.

The board is chaired by Mr B Joffe, an executive director with many years of experience in leading our organisation. Mr DDB Band has been appointed as our lead independent non-executive director to ensure good governance principles are embraced. In addition, the board comprises a further four independent non-executive directors and two executive directors.

See details on the board spread on pages 34 and 35.

An employment agreement has been put in place for the executive chairman, Mr B Joffe. This contract includes a contract term of three years, normal inflation-related increases and a performance-related bonus. No other executive directors have a fixed-term contract.

In terms of the company's MoI, the directors scheduled to retire by rotation at the next annual general meeting are Messrs DE Cleasby, B Joffe and Mrs CWL Phalatse.

The board functions in accordance with the Companies Act, the requirements of King III, the Listings Requirements of the JSE Limited and other applicable laws, rules and codes of governance. The board is responsible for, among other things, the governance of risk and information technology and has ensured that the company has an effective, independent audit and risk committee and an effective risk-based internal audit function. On the recommendation of the audit and risk committee, the board has considered and approved the annual integrated report. Based on the report of the audit and risk committee and the written assessment of the internal auditor, the board is satisfied the with the effectiveness of the system of internal control.

Bidcorp's remuneration philosophy promotes the group's entrepreneurial culture within a decentralised environment with the aim of achieving sustainable growth at all businesses. The board defines the remuneration philosophy and aligns business strategy and objectives with the overall goal of creating stakeholder value. Fair and responsible remuneration practice is a key area of focus. A key objective is the maintenance of balance between employee and shareholder interests while fostering Bidcorp's entrepreneurial drive.

The board carries ultimate responsibility for remuneration policy. The remuneration committee operates in accordance with a board approved mandate. The board may refer matters for shareholder approval; for example, new and amended share-based incentive schemes and non-executive directors' fees. During the year, the board accepted the recommendations made by the remuneration committee.

See details in the remuneration committee report on page 58.

The full remuneration report is available within the online report.

Governance report

The board confirms its compliance with specific governance requirements in the disclosures set out below:

Appointment, induction and ongoing training of directors	The board has adopted a rigorous and transparent procedure for considering new director appointments. The selection process considered the required balance of skills and experience and the ongoing process of aligning board composition with group strategy. The company secretary ensures an appropriate induction programme is available for new directors. The board supports the development of directors. Training is available as required.
Board and board committees' performance assessment	The performance of the board and board committees is to be annually appraised and considered via the nominations committee. Recent appointments to the board and subcommittees have been favourably received and therefore no formal performance appraisal was performed at this year-end. The board and board committees are functioning effectively and efficiently.
Independence of non-executive directors	The board comprises a majority of independent non-executive directors. The board considered the issue of directorial independence in accordance with the rationale and meaning of King III independence requirements. An assessment of each non-executive director considered salient factors and each individual's unique qualities and circumstances. The board is satisfied the five non-executive directors are independent.
Chairman and chief executive	No individual has unfettered powers of decision making. Responsibility for running the board and executive responsibility for conducting the business are differentiated. Mr B Joffe is the board's executive chairman and Mr BL Berson, an executive director, is chief executive. The roles of executive chairman and chief executive are separate and clearly defined. In view of the chairman's executive role, a lead independent non-executive director, Mr DDB Band, was appointed to ensure adherence to good governance principles.
Prescribed officers	Due to our wide geographic spread, the nature of the business and the group's decentralised structure, the directors concluded that there be no prescribed officers of the company appointed at this time.
Directors' service contracts	B Joffe's employment agreement includes a contract term of three years, normal inflation-related increases and a performance-related bonus. No other executive directors have a fixed-term contract.
Directors' and officers' disclosure of interest in contracts	During the financial year, none of the current directors had any interest in any contract to which the company or any of its subsidiaries was a party. During the financial year, no contracts were entered into in which directors and officers of the company had an interest and which significantly affected the business of the group. The directors had no interest in any third party or company responsible for managing any of the business activities of the group.
Conflict of interest	The board recognises the importance of acting in the company's best interest and protecting the legitimate interests and expectations of stakeholders. The board consistently applies the provisions of the Companies Act on disclosing and avoiding conflicts of interest. Directors are required to declare their interests annually and, more specifically, at each meeting of the board.
Statutory powers	Section 66(1) of the Companies Act provides that the business and affairs of a company be managed by or be under the direction of its board, which has the authority to exercise all the powers and perform all the functions of the company, except to the extent that the Companies Act or the company's MoI provides otherwise. The general powers of the directors are set out in the company's MoI. The directors have further unspecified powers and authority for matters that may be exercised and dealt with by the company, which are not expressly reserved to shareholders of the company in general meeting.
Insider trading	Through appropriate procedures and communication, the board ensures no director, manager, employee or nominees or members of their immediate family deals directly or indirectly in the securities of the company on the basis of unpublished price-sensitive information nor during any embargo year determined by the board in terms of a formal policy implemented by the company secretary. A list of people who are restricted for this purpose has been approved by the board and is revised from time to time. Dealings in the company's securities by directors and officers are listed and circulated at every board meeting for noting. The Listings Requirements of the JSE Limited extend obligations on transactions in the company's securities to include those of any major subsidiary. Directors or officers of the company's major subsidiaries, whether wholly or partially owned, are also included in the list of directors, company secretary and other officers.
Company secretary	Mrs AK Biggs is the group company secretary, duly appointed by the board in accordance with the Companies Act. The secretariat provides a central source of guidance and advice within the company on business ethics and good governance. The secretariat fosters the highest standard of compliance with statutory and regulatory requirements.

All referenced charters and frameworks (including the code of ethics and stakeholder communication among others) can be found in the online report.

2. Assurance

Bidcorp has developed a robust, independent, risk-based internal audit function that delivers real value add to the group. A risk-based internal audit methodology is applied, with input from divisional management. The methodology is aligned with the organisation's risk management processes. In accordance with the group's combined assurance model, the internal audit team liaises with the external auditors, the insurance risk analysis team and other assurance providers to maximise efficiencies in the assurance coverage of key risks.

An annually prepared internal audit plan embraces the principle of combined assurance, and is presented to the audit and risk committee for review and approval. To achieve the objectives of the internal audit processes, the audit and risk committee considers the objectives and rationale that drive the plan.

The Bidcorp internal audit structure provides a progressive and responsive service that objectively evaluates business processes and internal controls. It simultaneously supports management efforts to foster a strong control environment focused on operational excellence. In light of growing reliance on information technology (IT), specialised IT auditing and consulting skills are being developed within the internal audit team. This will continue to be a major area of focus and development.

The purpose, authority and responsibility of the internal audit function are defined in a board approved charter that is consistent with the Institute of Internal Auditors' definition of internal auditing and the principles of King III. Internal audit focuses on the following principal areas, as required by King III:

- objective assessment of the effectiveness of the risk management process, internal financial control (including an assessment of the adequacy of accounting records) and overall operational internal control;
- systematic analysis and evaluation of business processes and associated controls;
- evaluation of the company's governance processes; and
- provision of a source of information, as appropriate, in any instances of fraud, corruption or unethical behaviour and in any cases of irregular activity.

In the past year, internal audit continued to function independently and objectively throughout the group. The internal audit manager within each division, and at group level, reports functionally to the chairman of the audit and risk committee. Unrestricted access to members of the audit and risk committee and executives of the organisation is available to the internal audit function. Regular and separate meetings between the divisional internal audit managers and the chairman of the audit and risk committee took place.

3. Compliance

Bidcorp recognises that potential vulnerability to the risk of statutory and regulatory non-compliance is created by the widespread geographies across which the group operates. Legislative impacts on each business differ from jurisdiction to jurisdiction. Each entity is therefore required to identify the legislative and regulatory requirements that apply to its specific operating environment and the information that must be held in terms of this legislation.

Bidcorp is listed on the JSE Limited. As such, the board annually confirms that the company complies with JSE Listings Requirements. The board places strong emphasis on the highest standards of financial management, accounting and reporting. Financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). On non-financial issues, the company follows the Global Reporting Initiatives (GRI G3.1) sustainability reporting guidelines on economic, environmental and social performance. The board has appointed a social and ethics committee. In addition, the board has placed compliance with social and ethics standards – group-wide, industry-wide and across regions – on the agenda of the audit and risk committee.

The group is committed to implementing King III principles and best practice recommendations. Bidcorp performs an annual review to assess the extent to which the group continues to apply King III principles and recommended practices. This analysis identifies the actions taken to ensure application of governance principles and those principles that will require ongoing attention and action.

Bidcorp has made use of the Institute of Directors Southern Africa's (IoDSA) recommended Governance Assessment Instrument (GAI) as a self-assessment tool to assess the extent of the application of the principles and practices recommended by King III. Results of this review are included in the summary table overleaf (page 40).

The Bidcorp detailed King III governance register can be found in the online report.

The Bidcorp detailed JSE Listings Requirements compliance register can be found in the online report.

Governance report

King III governance register at: June 30 2016

Status update	Areas of focus	GAI score
Chapter 1. Ethical leadership and corporate citizenship		
Code of ethics has been adopted by the board. The tip-offs line is operational and managed by an independent third party in support of the values and principles stated in the code of ethics.	A group-wide awareness campaign is planned, highlighting the positive role played by the tip-offs line to date and its future benefits.	Applied – AAA
Chapter 2. Boards and directors		
Principles relating to performance assessments have been applied and will be put into practice over coming year. Remuneration policy, in line with King III principles, has been approved and adopted.	Bidcorp intends to perform a board assessment in 2017 allowing the current board sufficient time to settle and understand the business.	Applied – AAA
Chapter 3. Audit committees		
Bidcorp has reviewed and updated the composition of the audit and risk committee in accordance with King III recommendations. The committee is independently chaired and has direct lines of communication with both internal and external audit teams. This creates a sound, robust platform for engagement with management and assurance providers.	Geographically focused divisional audit and risk committees have been constituted, under the single chairmanship of the group audit and risk committee. This creates opportunities for synergistic growth and implementation of best practice while delivering stronger assurance in the internal financial control and risk management areas.	Applied – AAA
Chapter 4. The governance of risk		
Divisional audit and risk committees have been established. They meet quarterly and are independently chaired by group audit and risk committee chairman.	Ongoing reviews of key material risk exposures are performed. Where necessary, interventions are initiated by the board.	Applied – AAA
Chapter 5. The governance of information technology		
An IT governance framework has been adopted.	Internal audit assurance and review teams report through the divisional and group audit and risk committee structures; supported by specialist third-party assurance providers, as required.	Applied – AAA
Chapter 6. Compliance with laws, rules, codes and standards		
Risk management focuses on the identification and management of an increasingly onerous regulatory universe across Bidcorp's decentralised, geographically diverse structure.	Ongoing investment in training and updates for all staff is a focus of each regional management team across all jurisdictions. Compliance reporting takes place through the divisional audit and risk committee structure.	Applied – AAA
Chapter 7. Internal audit		
Internal audit provides an opinion to the audit and risk committee on the current state of internal control, internal financial control and risk management. Internal audit adopts a risk-based audit approach when scrutinising the risk management process throughout the group.	Internal audit continuously reviews the audit approach to ensure it is driven by the key risks of the operational environment. Upskilling, training and alignment with a changing operational environment are key for internal audit to stay relevant and value adding.	Applied – AAA
Chapter 8. Governing stakeholder relationships		
Management identifies key stakeholder groups and reports continued engagement processes to the social and ethics committee, while focusing on the communication processes that monitor and strengthen these relationships.	Bidcorp management continues to identify and enhance stakeholder communication plans and reporting mechanisms.	Applied – AAA
Chapter 9. Integrated reporting and disclosure		
Bidcorp uses various media for reporting and disclosure. They include printed and soft copy materials and web-based content.	Bidcorp seeks feedback from third-party sources while continually developing its annual integrated report in line with best practice.	Applied – AAA

All referenced charters and frameworks (including the code of ethics and stakeholder communication among others) can be found in the online report.

4. Risk management

The board has delegated the responsibility for risk management to the audit and risk committee. This strengthens the board's ability to recognise all material risks to which the group is exposed while ensuring the requisite risk management culture, policies and systems are progressively implemented and function effectively. Management is accountable to the board for implementing and monitoring the processes of risk management while integrating them into day-to-day activities. Divisionally, risk processes and risk registers actively focus management on critical issues faced at a business and industry level. These issues are reported to the group audit and risk committee for consideration at board level.

We have integrated the applicable King III recommendations into our risk management function. These recommendations, along with identified group requirements, form part of an ongoing enterprise-wide risk assessment process in support of the group's philosophy. This ensures risks and opportunities are adequately identified, evaluated and managed at the appropriate level in each business, and that their individual and joint impact on the group is considered.

Our commitment to building and sustaining an ethical organisational culture is entrenched in our vision, mission, strategies and operations. The board has ultimate responsibility for the company's ethical performance, while executive management is responsible for establishing a well-designed and properly implemented ethics management process.

Ensuring an ethical environment

A prime duty of the board (its committees, directors and officers) and group management is to ensure our Code of Ethics is honoured. The board reviews the code of ethics annually and ensures its continued alignment with Bidcorp values. The code requires the highest standards of integrity, ethics and behaviour, non-discriminatory employment and promotion practices, support for employees through training and development, enabling them to reach their full potential, and proactive engagement on environmental, social and sustainability matters.

As an outward measure of support for and protection of this code and Bidcorp values, the board supports a confidential reporting (whistle-blowing) of fraud, theft, breach of ethics and other improper behaviour. This outsourced, independent and confidential tip-offs system enables stakeholders to report unethical, dishonest or improper behaviour, including non-compliance with company policies, as well as corruption and fraud. All reported incidents are investigated by management and, where appropriate, action is taken. In line with legislation, our commitment not to victimise whistle-blowers ensures transparency and promotes ethical conduct. The identity of whistle-blowers is protected by the service provider.

Code of ethics can be found in the online report.

Values

Bidcorp value system:
A need for honesty and transparency across all that we do. We demand the highest level of personal integrity.

Financial overview

Strategic investment in continued innovation that adds value for customers

David Cleasby

Contents

Passion

Entrepreneurial, adaptable and competitive, our philosophy drives performance, accountability and results.

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

This icon denotes further reading and information available

This icon denotes further information available online

All definitions are included in our glossary on page 163.
A list of all external documents available can be found on page 164.

Directors' responsibility for the financial statements

To the shareholders of Bid Corporation Limited

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRS), the interpretations adopted by the International Accounting Standards Board, the JSE Limited Listings 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 and company's ability to continue as a going concern and there is no reason to believe that the group and company will not be going concerns in the year ahead.

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

The consolidated and separate financial statements of the company for the year ended June 30 2016, were approved by the board of directors and are signed by:

Brian Joffe
Executive chairman
Authorised director

Bernard Larry Berson
Chief executive
Authorised director

David Edward Cleasby
Chief financial officer
Authorised director

October 7 2016

Declaration by company secretary

In my capacity as company secretary, I certify that to the best of my knowledge and belief, Bid Corporation Limited, in terms of section 88(2)(e) of the Companies Act of South Africa, has lodged with the Commissioner of the Companies and Intellectual Property Commission, all such returns and notices as prescribed by the Companies Act and that all such returns and notices appear to be true and up to date.

Ashley Kim Biggs
Company secretary

October 7 2016

Preparer of financial statements

The consolidated and separate financial statements have been prepared by Charlie Bishop CA(SA) (group financial manager) under the supervision of David Cleasby CA(SA) (chief financial officer), and in compliance with section 30 of the Companies Act of South Africa.

Directors' report

The directors have pleasure in presenting their report for the year ended June 30 2016.

Nature of business

Bid Corporation Limited (Bidcorp) is an international broadline foodservice group present in all continents other than North America and Antarctica. Bidcorp's focus is on realising the potential that exists in its current foodservice operations as well as acquisitive growth opportunities. The business comprises a mix of well-established operations in leading and rapidly growing markets, offering significant future upside. The profile of the customer base is strategically targeted to fully cater to the foodservice industry's needs.

Financial reporting

The directors are required by the Companies Act No 71 of 2008, as amended (the Act), to produce financial statements, which fairly present the state of affairs of the company and the group as at the end of the financial year and the profit or loss for that financial year, in conformity with IFRS and the Act.

The financial statements as set out in this report have been prepared by management in accordance with IFRS and the Act and are based on appropriate accounting policies supported by reasonable and prudent judgements and estimates.

The directors are of the opinion that the financial statements fairly present the financial position of the company and of the group as at June 30 2016 and the results of their operations and cash flows for the year then ended.

The directors are satisfied that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Stated capital

During the year, the company's authorised stated capital was increased by the creation of ordinary no par value shares, so as to result in the company's authorised capital being 540 000 000 no par value shares.

The company's 2015 authorised share capital of 90 000 ordinary par value shares was cancelled.

During the year the company issued:

- 335 394 112 ordinary no par value shares to The Bidvest Group Limited.

Unbundling from The Bidvest Group Limited

The unbundling was governed by and carried out in accordance with the Companies Act. The entire issued share capital of Bidcorp was unbundled to Bidvest shareholders by way of a distribution in specie in accordance with section 46 of the Companies Act, section 46 of the Income Tax Act and the JSE Listings Requirements. The Bidcorp shares were unbundled in a ratio of 1:1 with The Bidvest Group Limited shares.

The Bidvest Group Limited directors were of the opinion that the unbundling of Bidcorp would result in:

- streamlined activities and operations of Bidcorp while ensuring an improved platform from which it could each pursue continued growth;
- provide greater transparency with regard to the nature of the activities and geographies within which Bidcorp operates and the potential value of each business;
- improve management focus which will assist in identifying acquisition opportunities, both locally and abroad, and enable management to mitigate and manage specific risks and challenges faced by each business;
- enable seamless and transparent management succession; and
- provide Bidcorp with the flexibility to anticipate and react to changes within the specific market segment and economic landscape in which it operates.

Acquisitions

The group made a number of small acquisitions during the year namely, Caterfood (UK), Cimandis (UK), Knight Meats (UK), MPD (Czech Republic), Van Bennekom (Netherlands), Hume Fresh Produce and Pacific Provideros (Australia).

These acquisitions form part of the group's strategic expansion plans in the international foodservice industry. Goodwill arose on the acquisitions as the anticipated value of future cash flows that were taken into account in determining the purchase consideration exceeded the net assets acquired at fair value. The acquisitions have enabled the group to expand its range of complementary products and services and, as a consequence, has broadened the group's base in the marketplace.

There were no significant contingent liabilities identified in the businesses acquired.

Directors' report

Subsequent events

No material subsequent events have arisen since June 30 2016.

Results of operations

The unbundling of Bidcorp from The Bidvest Group Limited was effective on May 30 2016. Prior to the unbundling, Bidcorp and The Bidvest Group Limited undertook a number of asset-for-share transactions. As required for statutory reporting purposes, the statutory financial information for Bidcorp has been presented for the financial year ended June 30 2016 and comparative financial year ended June 30 2015. In this regard, Bidcorp's statutory financial information from April 1 2016 includes:

- transfer into Bidcorp of Bidvest Food Africa Proprietary Limited, Bidvest Food Properties Proprietary Limited and Bidvest treasury shares for the issue of 335,4 million Bidcorp shares to The Bidvest Group Limited; and
- transfer out of Bidcorp of EAS Zimbabwe Private Limited, EAS Zambia Limited and Bidvest Zambia Limited to The Bidvest Group Limited.

Accordingly, the statutory financial information for the years ended June 30 2016 and June 30 2015 does not fully reflect the performance of the Bidcorp Group as it is currently structured.

To assist shareholders in their understanding of Bidcorp, pro forma financial information for the years ended June 30 2016 and June 30 2015 has been disclosed from pages 137 to 159 in appendix B and appendix C respectively. This reflects Bidcorp as it is now structured and as if it was in effect from the beginning of both financial years.

Dividends

In line with the group dividend policy, the directors declared a final gross cash dividend of 241,0 cents (204,85 cents net of dividend withholding tax, where applicable) per ordinary share for the year ended June 30 2016 to those members registered on the record date, being Friday, September 16 2016.

Declaration date	Wednesday, August 24 2016
Last day to trade cum dividend	Tuesday, September 13 2016
First day to trade ex dividend	Wednesday, September 14 2016
Record date	Friday, September 16 2016
Payment date	Monday, September 19 2016

The dividend was paid out of income reserves. A dividend withholding tax of 15% was applicable to all shareholders who were not exempt.

Directorate and attendance

The directors who were in office during the year and the details of board meetings attended by each of the directors are as follows:

Director	Date of appointment	April 4 2016	May 30 2016	June 10 2016	August 23 2016
Executive chairman					
B Joffe	August 17 1995	^	^	^	^
Independent non-executive directors					
PC Baloyi	March 10 2016	^	^	^	^
DDB Band	March 10 2016	^	^	^	^
NG Payne	March 10 2016	^	^	A	^
CWL Phalatse	March 10 2016	^	^	^	^
H Wiseman	March 10 2016	^	^	^	^
Executive directors					
BL Berson	March 10 2016	^	^	^	^
DE Cleasby	September 12 2007	^	^	^	^

^ Attended in person, by video-conference or tele-conference.
A Apologies tendered.

Directors' shareholdings

Beneficial

The individual beneficial interests declared by the current directors and officers in the company's stated capital at June 30 2016 held directly or indirectly were:

	2016		2015	
	Number of shares		Number of shares	
Director	Direct	Indirect	Direct	Indirect
BL Berson	8	209 511	–	–
DE Cleasby	129 314	–	–	–
B Joffe	221 544	20 060	–	–
Total	**350 866**	**229 571**	–	–

Non-beneficial

In addition to the aforementioned holdings:

- B Joffe is a trustee and potential beneficiary of a discretionary trust holding 1 009 960 (2015: nil) shares.
- DE Cleasby is a potential beneficiary of a family trust holding 750 (2015: nil) shares.
- DE Cleasby is a trustee of The Bidvest Group Limited retirement funds which holds 541 636 (2015: nil) shares.

There has been no change in the directors' interest between 30 June and the issue date of the annual integrated report.

Directors' remuneration

The remuneration paid to executive directors while in office of the company during the year ended June 30 2016 can be analysed as follows:

	Remuneration and benefits paid to directors by the company				Remuneration and benefits paid to directors by The Bidvest Group Limited				
Director	Basic remuneration R'000	Other benefits and costs R'000	Retirement/ medical benefits R'000	Cash incentives R'000	Basic remuneration R'000	Other benefits and costs R'000	Retirement/ medical benefits R'000	Cash incentives R'000	Total emoluments R'000
BL Berson	12 777	275	370	14 864	–	–	–	–	28 286
DE Cleasby	335	19	41	442	3 693	495	439	4 858	10 322
B Joffe	9 115	45	38	10 311	8 133	1 755	873	8 800	39 070
2016 total	**22 227**	**339**	**449**	**25 617**	**11 826**	**2 250**	**1 312**	**13 658**	**77 678**

For comparative purposes the remuneration paid to the executive directors while in office of the company during the year ended June 30 2015 can be analysed as follows:

	Remuneration and benefits paid to directors by the company				Remuneration and benefits paid to directors by The Bidvest Group Limited				
Director	Basic remuneration R'000	Other benefits and costs R'000	Retirement/ medical benefits R'000	Cash incentives R'000	Basic remuneration R'000	Other benefits and costs R'000	Retirement/ medical benefits R'000	Cash incentives R'000	Total emoluments R'000
BL Berson	9 675	244	239	10 637	–	–	–	–	20 795
DE Cleasby	–	–	–	–	3 662	428	414	4 500	9 004
B Joffe	6 536	–	–	7 730	8 322	1 253	903	8 000	32 744
2015 total	16 211	244	239	18 367	11 984	1 681	1 317	12 500	62 543

Directors' report

The remuneration paid to non-executive directors while in office of the company during the year ended June 30 2016 is analysed as follows:

Non-executive director	Directors' fees R'000
PC Baloyi	**106**
DDB Band	**180**
NG Payne	**120**
CWL Phalatse	**115**
H Wiseman	**264**
2016 total	**785**

All non-executive directors were appointed with effect from March 10 2016.

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.

Share-based payment expense

	Accounted for in the company		Accounted for in The Bidvest Group Limited		Total	
Director	2016 R'000	2015 R'000	2016 R'000	2015 R'000	2016 R'000	2015 R'000
BL Berson	**6 428**	5 791	**5 068**	–	**11 496**	5 791
DE Cleasby	**101**	–	**6 122**	3 397	**6 223**	3 397
B Joffe	**373**	–	**23 326**	11 723	**23 699**	11 723
	6 902	5 791	**34 516**	15 120	**41 418**	20 911

Details of directors and officers' outstanding conditional share plan (CSP)

A conditional award is a conditional right to a share, which is awarded subject to performance and vesting conditions.

Conditional share plan awards accounted for in the company

Director	Balance at June 30 2015	New awards	Shares* awarded	Vesting arising out of unbundling**	Forfeited***	Transfer as a result of unbundling	Closing balance June 30 2016
BL Berson	151 163	35 000	(47 930)	(68 417)	(34 816)	–	**35 000**
DE Cleasby	–	–	–	–	–	19 000	**19 000**
B Joffe	–	–	–	–	–	70 000	**70 000**
	151 163	35 000	(47 930)	(68 417)	(34 816)	89 000	**124 000**

* *During 2016 shares were awarded at R342,62 per share.*

** *As a result of unbundling, The Bidvest Group Limited remuneration committee resolved to restructure the outstanding 2012, 2013, 2014, and 2015 Bidvest CSPs. On May 26 2016 CSPs were awarded at a market price of R346,00 per share.*

*** *Shares forfeited as a result of performance targets not being met.*

Director	Balance at June 30 2015	New awards	Shares* awarded	Vesting arising out of unbundling**	Forfeited***	Transfer as a result of unbundling	Closing balance June 30 2016
	Conditional share plan awards accounted for in The Bidvest Group Limited						
DE Cleasby	87 747	19 000	(31 228)	(37 340)	(19 179)	(19 000)	–
B Joffe	310 495	70 000	(89 421)	(145 329)	(75 745)	(70 000)	–
	398 242	89 000	(120 649)	(182 669)	(94 924)	(89 000)	–

* *During 2016 shares were awarded at R342,62 per share.*

** *As a result of unbundling, The Bidvest Group Limited remuneration committee resolved to restructure the outstanding 2012, 2013, 2014, and 2015 Bidvest CSPs. On May 26 2016 CSPs were awarded at a market price of R346,00 per share.*

*** *Shares forfeited as a result of performance targets not being met.*

Summary of executive directors' long-term incentives

Director	Share-based payment expense R'000	Benefit arising from award of CSP R'000	Benefit arising from restructure of CSPs R'000	Gross benefits R'000	Previous share-based payment expense in respect of awards R'000	Actual LTI benefit R'000
	Executive directors' long-term incentives accounted for in the company					
2016						
BL Berson	**6 428**	**16 422**	**23 672**	**46 522**	**(22 551)**	**23 971**
DE Cleasby	**101**	**–**	**–**	**101**	**–**	**101**
B Joffe	**373**	**–**	**–**	**373**	**–**	**373**
2016 total	**6 902**	**16 422**	**23 672**	**46 996**	**(22 551)**	**24 445**
2015						
BL Berson	5 791	21 292	–	27 083	(11 605)	15 478
2015 total	5 791	21 292	–	27 083	(11 605)	15 478

Directors' report

Executive directors' long-term incentives accounted for in The Bidvest Group Limited

Director	Share-based payment expense R'000	Benefit arising from award of CSP R'000	Benefit arising from restructure of CSPs R'000	Benefit arising from the exercise of options* R'000	Gross benefits R'000	Previous share-based payment expense in respect of awards R'000	Actual LTI benefit R'000
2016							
BL Berson	**5 068**	**–**	**–**	**–**	**5 068**	**–**	**5 068**
DE Cleasby	**6 122**	**10 699**	**12 920**	**–**	**29 741**	**(12 976)**	**16 765**
B Joffe	**23 326**	**30 637**	**50 284**	**11 408**	**115 655**	**(47 424)**	**68 231**
2016 total	**34 516**	**41 336**	**63 204**	**11 408**	**150 464**	**(60 400)**	**90 064**
2015							
DE Cleasby	3 397	15 969	–	–	19 366	(8 704)	10 662
B Joffe	11 723	31 939	–	–	43 662	(17 407)	26 255
2015 total	15 120	47 908	–	–	63 028	(26 111)	36 917

* *Includes taxable benefits arising on the settlement of The Bidvest Group Limited incentive scheme loans.*

Directors' service contracts

B Joffe's employment agreement includes a contract term of three years, normal inflation related increases and a performance-related bonus.

No other executive directors have a fixed-term contract.

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.

Logistics United Kingdom

Management irregularities were identified and investigated during the year, some of which relate to a recent acquisition and others to operational activities, all of which significantly impacted the Logistics division. These irregularities are subject to ongoing legal processes. Any impact on non-current assets is continually being monitored by management. In respect of the net operating assets, management has provided for the worst case scenario based on management's best estimate for the year then ended, notwithstanding potential recoveries from legal action and insurance claims.

Secretary

During the year under review, and in compliance with paragraph 3.84(i) and (j) of the JSE Listings Requirements, the board evaluated Mrs AK Biggs, the company secretary, and is satisfied that she is competent, suitably qualified and experienced.

Furthermore, since she is not a director, nor is she related to or connected to any of the directors, thereby negating a potential conflict of interest, it was agreed that she maintains an arm's-length relationship with the board.

The business and postal addresses of the secretary, which are also the registered addresses of the company, are 2nd Floor, North Wing, 90 Rivonia Road, Sandton, 2196 and Postnet Suite 136, Private Bag X9976, Sandton, 2146, respectively.

Audit and risk committee report

This is the report of the audit and risk committee (committee) of Bidcorp appointed for the financial year ended June 30 2016 in compliance with the Companies Act and in terms of the JSE Listings Requirements.

This committee was constituted by shareholders' special resolution passed on April 4 2016 in anticipation of the planned listing and unbundling of Bidcorp on May 30 2016. The Bidvest Group Limited divisional foodservice audit committee structure was incorporated to support the newly constituted committee, which brings a wealth of experience and knowledge to the committee. Under the single chairmanship of Mrs H Wiseman for group and divisional audit and risk committees, the board is satisfied that this committee can make a strong and effective contribution to the group.

The committee has approved a draft charter that was presented and adopted by the Bidcorp board at the meeting held on August 23 2016. The charter complies with the statutory requirements as set out in the Companies Act and recommendations set out by King III. Copies are available either from the company secretary on request, or can be downloaded from the company website.

Membership

The committee members for the financial year ended June 30 2016 have been appointed by shareholders' resolution passed on April 4 2016; and is made up of a minimum of three (3) independent non-executive directors, and chaired by an independent non-executive. The Bidcorp audit and risk committee members include Mrs H Wiseman (chairman), Messrs PC Baloyi and NG Payne in line with the charter requirements.

The shareholders appointed the committee for the 2016 financial year by special resolution in April 4 2016 and will be requested to approve the appointment of the chairman and members to the committee for the 2017 financial year at the annual general meeting scheduled for November 21 2016.

The committee consists solely of independent non-executive directors who are all financially literate. The board considers the membership of the committee adequate and the members are adequately experienced to perform the duties in line with the charter requirements.

Purpose

The purpose of the committee, is to:

- assist the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control and reporting processes, and the preparation of accurate reporting and financial statements in compliance with the applicable legal requirements and accounting standards;
- oversee the activities of, and to ensure coordination between, the activities of internal and external audit;
- provide a forum for discussing financial, enterprise-wide, market, regulatory, safety and other risks and control issues, and to monitor controls designed to minimise these risks;
- review the Bidcorp annual integrated report in conjunction with the social and ethics committee, including the consolidated and separate financial statements, as well as its interim report and any other public reports or announcements containing financial information;
- receive and deal with any complaints concerning the accounting practices, internal audit or the content and audit of its financial statements or related matters; and
- annually review the committee's work and charter to make recommendations to the board to ensure its effectiveness.

Duties carried out

The committee has successfully performed its duties during the financial year according to its charter. In the fulfilment of these duties, the major areas of focus were revenue recognition, recoverability of receivables, valuation of goodwill and other intangibles, existence and valuation of inventory, accuracy of taxation expenses and recoverability of taxation assets, acquisition accounting, accounting for customer and supplier bonuses/rebates, risks associated with management override of controls, enterprise risk management oversight, assessment of the ability of the group to continue as a going concern, related-party transactions, the overall presentation of the financial information to shareholders, as well as a key role in the financial and reporting requirements during the listing and unbundling process.

The committee confirms the following statutory and delegated duties were adequately addressed and sets out the results below.

Financial statements

The committee:

- confirmed, based on management's review, that the consolidated and separate financial statements were prepared on the going concern basis;
- examined the consolidated and separate financial statements and other financial information made public, prior to their approval by the board;
- considered accounting treatments, significant or unusual transactions and accounting judgements;
- considered the appropriateness of accounting policies and any changes made thereto;
- reviewed the representation letter relating to the consolidated and separate financial statements and the ISAE 3420 reasonable assurance opinion in respect of the provisional announcement, signed by management;
- considered any problems identified as well as any legal and tax matters that could materially affect the financial statements; and
- met separately with management, external audit and internal audit, and satisfied themselves that no material control weakness exists.

Audit and risk committee report

External audit

The committee:

- nominated KPMG as auditors and Mr M Hassan as the independent auditor and designated audit partner respectively to the shareholders for appointment for the financial year ended June 30 2016, of the group and company, and ensured that the appointments complied with legal and regulatory requirements for the appointment of an auditor;
- approved the external audit engagement letter, the audit plan and the budgeted audit fees payable to the external auditors;
- determined the nature and extent of all non-audit services provided by the independent auditors and pre-approved all non-audit services undertaken;
- obtained assurances from the independent auditors that adequate accounting records were being maintained; and
- confirmed that no reportable irregularities had been identified or reported by the independent auditors under the Auditing Profession Act.

Independence of external auditors, KPMG

The committee:

- reviewed representations made by KPMG to the committee;
- confirmed that the auditors did not, except as external auditors or in rendering permitted non-audit services, receive any remuneration or other benefit from the group;
- confirmed the auditors' independence was not impaired by any consultancy, advisory or other work undertaken;
- determined the auditors' independence was not prejudiced as a result of any previous appointment as auditors; and
- considered the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies and found no cause for concern or doubt of the independence of the external auditors, KPMG.

Internal control and internal audit

The committee:

- reviewed the annual internal audit plans and evaluated the independence, effectiveness and performance of the internal audit function;
- considered the reports of the internal auditors on the group's systems of internal control including financial controls, business risk management and maintenance of effective internal control systems;
- received assurances that proper accounting records were maintained and that the systems safeguarded the group's assets against unauthorised use or disposal;
- reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto;
- assessed the adequacy of the performance of the internal audit function and found it satisfactory; and
- concluded the opinion recommended to the board at year-end that there were no material breakdowns in internal control.

Risk management

The committee:

- reviewed the group's policies and approach to risk management and found them to be sound;
- considered all material risks to which the group is exposed, ensuring that the requisite risk management culture, policies and systems are progressively implemented and functioning effectively;
- management is accountable to the board for implementing and monitoring the processes of risk management and integrating this into day-to-day activities; they confirm these processes through the completion of the quarterly Bidcorp management representation letter submitted to the audit and risk committee;
- performs ongoing monitoring of the enterprise-wide risk assessment process to ensure risks and opportunities are adequately identified, evaluated and managed at the appropriate level in each business, and that the individual and joint impact of risks identified on the group was considered;
- reviewed legal matters that could have a material impact on the group, as well as considering the adequacy and effectiveness of the group's procedures to ensure compliance with legal and regulatory responsibilities; and
- considered reports provided by management, internal assurance providers and the independent auditors regarding compliance with legal and regulatory requirements, and found Bidcorp's processes to be sound and effective.

Combined assurance

The committee:

- reviewed the plans and reports of the external and internal auditors and other assurance providers including management, and concluded that these were adequate to address all significant financial risks facing the business.

Chief financial officer (CFO)

The committee:

- considered the appropriateness of the experience and expertise of the CFO and concluded that this was appropriate; and
- considered the expertise, resources and experience of the finance function and concluded that these were appropriate.

Consolidated and separate financial statements

The committee:

- reviewed the consolidated and separate annual financial statements of Bidcorp for the year ended June 30 2016, and the committee is of the view that, in all material respects, it complies with the relevant provisions of the Companies Act and IFRS and fairly presents the financial position at that date and the results of its operations and cash flows for the year then ended; and
- in conjunction with the Bidcorp social and ethics committee, the committee has satisfied itself as to the integrity of the remainder of the annual integrated report.

Attendance

The names of the members who were in office during the period April 4 2016 to October 7 2016 and the number of audit and risk committee meetings attended by each of the members are:

Director	August 19 2016	September 16 2016
H Wiseman (chairman)*	^	^
PC Baloyi*	^	^
NG Payne*	^	^

^ *Attended in person, by video-conference or tele-conference.*

* *Appointed April 4 2016.*

Conclusion

Following the review by the committee for the year ended June 30 2016, the committee is of the view that, in all material respects, it has complied with the relevant requirements.

Having achieved its objectives for the financial year, the committee recommended the consolidated and separate financial statements and annual integrated report for the year ended June 30 2016 for approval to the board.

Signed on behalf of the audit and risk committee by:

Helen Wiseman

Helen Wiseman

Chairman

Acquisitions committee report

This is the report of the acquisitions committee (committee) of Bidcorp appointed for the financial year ended June 30 2016 in compliance with principles of good governance, the Companies Act and in terms of the JSE Listings Requirements.

The committee has approved a draft charter that was presented and adopted by the Bidcorp board at the meeting held on August 23 2016. The charter complies with the Companies Act and King III guidance for good governance. Copies are available either from the company secretary on request, or can be downloaded from the company website.

Membership

This committee was constituted by the board on June 1 2016, following the listing and unbundling of Bidcorp.

The committee has been appointed by the board and is made up of a minimum of three (3) independent non-executive directors, and chaired by an independent non-executive. The Bidcorp members appointed by the board include Messrs DDB Band (chairman), PC Baloyi, BL Berson, DE Cleasby, B Joffe and NG Payne in line with the charter requirements.

The board considers the membership of the committee adequate and the members are adequately experienced to perform the duties in line with the charter requirements.

Purpose

The primary purpose of the acquisitions committee is to:

- review any significant acquisition for an in-principle decision as to whether the acquisition should be investigated and pursued;
- recommend to the board planned acquisitions that have been approved to be in the best interest of shareholders and to the future growth of the group; and
- inform the board of acquisitions which it does not recommend for consideration.

Duties carried out

The committee was not required to meet from the time of its appointment, being one (1) month prior to the year ended June 30 2016. As potential acquisitions arise, the chairman or the members of the committee will be entitled to convene a meeting to consider these acquisitions, in line with the charter.

Attendance

The names of the members who were in office during the period June 1 2016 to October 7 2016 and the number of acquisition committee meetings attended by each of the members are:

Director	No meeting convened
DDB Band (chairman)*	n/a
PC Baloyi*	n/a
BL Berson*	n/a
DE Cleasby*	n/a
B Joffe*	n/a
NG Payne*	n/a

^ *Attended in person, by video-conference or tele-conference.*
* *Appointed June 1 2016.*

Conclusion

The committee has performed its duties and responsibilities during the financial year according to the board approved acquisitions committee charter.

Signed on behalf of the acquisitions committee by:

Doug Band
Chairman

Nominations committee report

This is the report of the nominations committee (committee) of Bidcorp appointed for the financial year ended June 30 2016 in compliance with the Companies Act and in terms of the JSE Listings Requirements.

The committee has approved a draft charter that was presented and adopted by the Bidcorp board at the meeting held on August 23 2016. The charter complies with the Companies Act and King III guidance for good governance. Copies are available either from the company secretary on request, or can be downloaded from the company website.

Membership

This committee was constituted by the board on June 1 2016, following the listing and unbundling of Bidcorp.

The committee has been appointed by the board and is made up of a minimum of three (3) members, majority of whom are independent non-executive directors. This committee is chaired by the chairman of the board. The Bidcorp committee members appointed by the board include Messrs B Joffe (chairman), DDB Band and PC Baloyi in line with the charter requirements.

The board considers the membership of the committee adequate and the members are adequately experienced to perform the duties in line with the charter requirements.

Purpose

The key responsibilities and role of the committee include but are not limited to:

- establishment of formal process for appointment of directors;
- identification of suitable directors in succession planning for senior appointments;
- ongoing training, development and updates of changing requirements in legislation and board roles necessary for the directors to satisfactorily perform their roles;
- evaluation of the independence of the long-serving independent non-executive directors;
- performance evaluations of existing directors; and
- recommendations to shareholders for annual re-election of those directors retiring by rotation, appointment of audit and risk committee members and other committee memberships as required.

Duties carried out

The duties completed by the committee this financial year included:

- assessment of the appropriate composition of the board to execute its duties effectively;
- recommendation of the appointment of board members to the Bidcorp subcommittees as appointed on June 1 2016;
- review and recommendation of the Bidcorp audit and risk committee members to the annual general meeting for shareholder approval;
- for those new appointments an induction process and ongoing training and development for all of the directors;
- board effectiveness is assessed through a further board evaluation process; and
- continuing succession plan development for the board, chief executive officer and senior management appointments.

Attendance

The names of the members who were in office during the period June 1 2016 to October 7 2016 and the number of committee meetings attended by each of the members are:

Director	**August 23 2016**
B Joffe (chairman)*	^
DDB Band*	^
PC Baloyi*	^

^ *Attended in person, by video-conference or tele-conference.*
* *Appointed June 1 2016.*

Conclusion

Following the review by the committee for the year ended June 30 2016, the committee is of the view that, in all material respects, it has achieved its objectives for the financial year ended June 30 2016.

Signed on behalf of the nominations committee by:

Brian Joffe
Chairman

Remuneration committee report

This is the report of the remuneration committee (committee) of Bidcorp appointed for the financial year ended June 30 2016 in compliance with the Companies Act and in terms of the JSE Listings Requirements.

The committee has approved a draft charter that was presented and adopted by the Bidcorp board at the meeting held on August 23 2016. The charter complies with the Companies Act and King III guidance for good governance. Copies are available either from the company secretary on request, or can be downloaded from the company website.

Membership

This committee was constituted by the board on June 1 2016, following the listing and unbundling of Bidcorp.

The committee members have been appointed by the board and is made up of a minimum of three (3) independent non-executive directors, and chaired by an independent non-executive. The Bidcorp remuneration committee members appointed on June 1 2016 include Messrs DDB Band (chairman), NG Payne and Mrs CWL Phalatse in line with the charter requirements.

The chief executive officer and other members of senior management may be invited to attend meetings, but may not participate in the voting process of the remuneration committee and recuse themselves from any discussion regarding their performance or remuneration. The committee utilises the services of PricewaterhouseCoopers (PwC) as independent advisers on an ad hoc basis.

The board considers the membership of the committee adequate and the members are adequately experienced to perform the duties in line with the charter requirements.

Purpose

The key responsibilities and role of the committee include but are not limited to:

- assisting the board to ensure directors and executives are fairly and responsibly remunerated, and disclosure thereof is complete and transparent;
- review management's proposals for fees for non-executive directors prior to submission to shareholders for approval;
- determining necessary criteria for performance assessment of the executive chairman, chief executive officer, chief financial officer and other executive directors in discharging their functions and responsibilities;
- considering the allocation of long-term incentives to directors and staff; and
- overseeing and recommending the remuneration report to the board for publication.

Duties carried out

The remuneration philosophy promotes the group's entrepreneurial culture within a decentralised environment with the aim of achieving sustainable growth within all businesses. The philosophy emphasises the fundamental value of Bidcorp's people and their role in attaining this objective.

The duties completed by the committee this financial year included the:

- review and approval of the granting of share appreciation rights benefits, from the newly created Bidcorp Incentive Scheme as recommended by the Bidcorp chief executive;
- review and approval of non-executive directors' fees;
- consideration of executive directors' remuneration including short and long-term incentive programmes; and
- drafting and approval of the remuneration report, included in the annual integrated report disclosure.

Attendance

The names of the members who were in office during the period June 1 2016 to October 7 2016 and the number of committee meetings attended by each of the members are:

Director	June 20 2016	August 22 2016
DDB Band (chairman)*	^	^
NG Payne*	^	^
CWL Phalatse*	^	^

^ *Attended in person, by video-conference or tele-conference.*
* *Appointed June 1 2016.*

Conclusion

Following the review by the committee for the year ended June 30 2016, the committee is of the view that, in all material respects, it has complied with the relevant requirements.

Having achieved its objectives for the financial year, the remuneration committee sets out the remuneration disclosure as part of the directors' report. Refer to the directors' report as set out on pages 49 to 52 for the full details pertaining to executive and non-executive directors' compensation.

Signed on behalf of the remuneration committee by:

Doug Band
Chairman

Social and ethics committee report

This is the report of the social and ethics committee (committee) of Bidcorp appointed for the financial year ended June 30 2016 in compliance with the Companies Act and in terms of the JSE Listings Requirements.

This committee was constituted by shareholders' special resolution passed on April 4 2016 in anticipation of the planned listing and unbundling of Bidcorp on May 31 2016.

The committee has approved a draft charter that was presented and adopted by the Bidcorp board at the meeting held on August 23 2016. The charter complies with the statutory requirements as set out in the Companies Act and recommendations set out by King III. Copies are available either from the company secretary on request, or can be downloaded from the company website.

Membership

The committee members have been appointed by the board and is made up of a minimum of three (3) independent non-executive directors, and chaired by an independent non-executive. The Bidcorp social and ethics committee members include Mr NG Payne (chairman), Mrs CWL Phalatse and Mrs H Wiseman in line with the charter requirements.

The board considers the membership of the committee adequate and the members are adequately experienced to perform the duties in line with the charter requirements.

Purpose

Responsibilities of this committee are in line with the legislated requirements. The key areas of responsibility are listed below:

- social and economic development;
- empowerment and transformation;
- corporate citizenship;
- labour and employment;
- environment, health and public safety;
- ethics and code of conduct compliance;
- stakeholder relations; and
- regulatory, statutory and legislative compliance.

Duties carried out

Progress can only be credibly reported if indicators are identified, monitored, measured and recorded. Within Bidcorp's sustainability performance a major focus going forward will be to monitor the performance of each division against their individually determined targets for sustainability performance, meeting group-wide requirements and specific geographic requirements.

The committee monitors the group's initiatives to promote diversity and advance the objectives of non-discrimination. The Bidcorp code of conduct was reviewed and approved by this committee, for group-wide roll out in the new financial year. Commitment to an ethical environment is demonstrated through the implementation of an independently administered Bidcorp whistle-blowing facility, the details of calls and follow-up action of which is presented to this committee for consideration.

Attendance

The names of the members who were in office during the period April 4 2016 to October 7 2016 and the number of social and ethics committee meetings attended by each of the members are:

Director	August 23 2016
NG Payne (chairman)*	^
CWL Phalatse*	^
H Wiseman*	^

^ *Attended in person, by video-conference or tele-conference.*
* *Appointed April 4 2016.*

Conclusion

Following the review by the committee for the year ended June 30 2016, the committee is of the view that, in all material respects, it has achieved its objectives for the financial year ended June 30 2016. There were no items reported on that would indicate non-compliance to the requirements of the social and ethics committee as required in terms of the Companies Act.

Signed on behalf of the social and ethics committee by:

Nigel Payne
Chairman

Directors' curricula vitae

Brian Joffe
Executive chairman
Age: 69
Qualification: CA(SA)
Board committee:

Since founding Bid Corporation in 1988, Brian served as executive chairman of The Bidvest Group Limited until his appointment as chief executive in 2004. Director of numerous Bidvest subsidiaries. Brian has over 33 years of South African and international commercial experience. Brian was one of the *Sunday Times*' top five businessmen in 1992 and is a past recipient of the Jewish Business Achiever of the Year award, was listed as one of the top 100 Africans of the Year in the Africa Almanac in 2001, was voted South Africa's Top Manager of the Year in 2002 in the Corporate Research Foundation's publication *South Africa's Leading Managers*, represented South Africa at the coveted Ernst & Young World Entrepreneur of the Year awards in 2003, voted the *Sunday Times*' Businessman of the Year in 2007, awarded an honorary doctorate in May 2008 by Unisa and selected in 2010 by Wits Business School Journal as one of South Africa's top 25 business leaders, having made a significant impact on business in South Africa over the last five years. Listed by *Forbes Magazine* as one of the 20 most powerful people in African business. Brian is vice-chairman of the board of Adcock Ingram Holdings Limited (previously chairman 2014 to 2015), a non-executive director of The Bidvest Group Limited and is the executive chairman of Bid Corporation Limited (appointed April 14 2016).

Bernard Larry Berson
Chief executive officer
Age: 51
Qualification: Australian CA
Board committee:

After qualifying as a chartered accountant, Bernard joined Bidvest in South Africa in 1990, as the financial director of the Packaging and Strapping division. Bernard then moved to Toronto, Canada, in 1993, and worked in a financial role in an aged care development business and then in a home fabrics distribution company. After immigrating to Sydney in early 1996, Bernard rejoined Bidvest, who had just bought into Manettas Limited, their first foray out of South Africa. Bernard has been involved in all aspects of the development of Bidvest's business in Australia, New Zealand and Asia, and in 2010 assumed responsibility as CEO of Bidvest's global foodservice business, including its operations in the UK and Europe. During the past 20 years with Bidvest's foodservice business, Bernard has been involved in all acquisitions and strategic direction setting of the business. Bernard was appointed to the role of Bid Corporation Limited chief executive on April 14 2016.

David Edward Cleasby
Chief financial officer
Age: 54
Qualification: CA(SA)
Board committee:

David was financial director of Rennies Terminals when Bidvest acquired Rennies group in 1998. In 2001, he joined the Bidvest corporate office where he was involved in both group corporate finance and investor relations. David was appointed as Bidvest financial director on July 9 2007. David also managed Bidvest's interests in the investments made by the group over the years. David was appointed as chief financial officer of Bid Corporation Limited on April 14 2016.

Paul Cambo Baloyi
Age: 59
Qualification: MBA (Manchester Bangor University of Wales), MDP, SEP (Harvard)
Board committee:

Paul is the managing director of CAP Leverage Proprietary Limited. From June 11 2006 until April 2012, he was the chief executive officer and managing director of the Development Bank of Southern Africa. Paul also served as chief executive officer and managing director of DBSA Development Fund. Prior to this, Paul had spent 30 years in the financial services sector, with both Standard Bank and the Nedbank group. His last position at Nedbank was as managing director of Nedbank Africa. Paul has been an independent non-executive director on many boards locally and internationally including, African financial institutions. He was a council member of the Institute of Bankers and also served as chairman of the Ned Medical Aid. Other boards include Old Mutual South Africa, AUSTRO Group Limited, Basil Read Limited (chairman) and CAP Leverage Proprietary Limited. Paul also serves on various board committees (audit, risk, remuneration and nominations) as member and chairman.

Board committees

- Audit and risk committee
- Social and ethics committee
- Acquisitions committee
- Nominations committee
- Remuneration committee

Douglas Denoon Balharrie Band
Age: 72
Qualification: CA(SA)
Board committee:

Doug has extensive experience in both commerce and industry and has previously served in the capacity of independent director in a number of JSE top 40 companies.

Nigel George Payne
Age: 56
Qualification: CA(SA), MBL
Board committee:

Nigel is a director of companies, including the JSE Limited, Mr Price Group Limited (chairman), Vukile Property Fund Limited and BSi Steel Limited, and is chairman of Bidvest Bank Limited.

Cecilia Wendy Lorato Phalatse
Age: 54
Qualification: BA Political Science (Hons), University of Leeds UK, MA Southern African Studies, University of York UK
Board committee:

Lorato is a non-executive director of Pick n Pay and The Bidvest Group Limited (chairman). Lorato has held various positions over the years including deputy director general in the office of the President and a number of other positions in the FMCG and retail banking sectors. Lorato was CEO and co-founder of Nozala Investments, a woman-led and controlled investment company.

Helen Wiseman
Age: 50
Qualification: BSc (Hons) University of Manchester, CA, GAICD
Board committee:

A non-executive director and former KPMG partner, Helen has extensive international business experience across a range of sectors including manufacturing, distribution, mining, energy and financial services. Helen has chaired regional audit committees of the Bidvest International Foodservice Business since 2011 and has held various board roles, including her current role as audit and risk committee chairman for Bid Corporation Limited.

Independent auditor's report

To the shareholders of Bid Corporation Limited

Report on the financial statements

We have audited the consolidated and separate financial statements of Bid Corporation Limited set out on pages 63 to 136, which comprise the consolidated and separate statements of financial position as at June 30 2016, and the consolidated and separate statements of profit or loss, consolidated statement of other comprehensive income, consolidated and separate statement of changes in equity, consolidated and separate statement of cash flows and the consolidated segmental analysis for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes and the directors' remuneration on pages 49 to 52.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Bid Corporation Limited as at June 30 2016, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended June 30 2016, we have read the directors' report, the audit and risk committee report and the declaration by company secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Report on other legal and regulatory requirements

In terms of the Independent Regulatory Board of Auditors' rule published in *Government Gazette* number 39475, dated December 4 2015, we report that KPMG Inc. was appointed for the first time as auditors for the year then ended June 30 2016.

KPMG Inc.
Registered auditors

Per Mohammed Hassan
Chartered Accountant (SA)
Director

October 7 2016

KPMG Crescent
85 Empire Road
Parktown
2193
(Private Bag 9, Parkview, 2122)

Consolidated statement of profit or loss

for the year ended June 30

	Note	2016 R'000	2015 R'000
Revenue	2	**135 537 531**	109 803 524
Cost of revenue		**(107 470 732)**	(87 697 720)
Gross profit		**28 066 799**	22 105 804
Operating expenses		**(23 233 908)**	(18 426 144)
Sales and distribution expenses		**(17 367 564)**	(13 585 270)
Administration expenses		**(3 503 102)**	(2 754 363)
Other expenses		**(2 363 242)**	(2 086 511)
Trading profit		**4 832 891**	3 679 660
Share-based payment expense		**(48 653)**	(57 181)
Acquisition costs		**(8 947)**	(43 611)
Net capital items	3	**(148 773)**	22 531
Operating profit	3	**4 626 518**	3 601 399
Net finance charges	4	**(223 779)**	(240 790)
Finance income		**66 846**	29 173
Finance charges		**(290 625)**	(269 963)
Share of profit of associates		**26 386**	15 634
Dividends received		**23 467**	–
Share of current year earnings		**2 919**	15 634
Profit before taxation		**4 429 125**	3 376 243
Taxation	5	**(1 109 081)**	(849 794)
Profit for the year		**3 320 044**	2 526 449
Attributable to			
Shareholders of the company		**3 279 576**	2 514 858
Non-controlling interests		**40 468**	11 591
		3 320 044	2 526 449
Basic earnings per share (cents)	6	**3 979,8**	24 899 584,2
Headline earnings per share (cents)	6	**4 154,0**	24 748 901,0
Dividends per share (cents)		**241,0**	–

Consolidated statement of other comprehensive income

for the year ended June 30

	2016 R'000	2015 R'000
Profit for the year	**3 320 044**	2 526 449
Other comprehensive income (expense) net of taxation	**2 214 461**	(145 277)
Items that may be classified subsequently to profit or loss	**2 262 343**	(163 789)
Increase (decrease) in foreign currency translation reserve	**2 259 035**	(173 242)
Movement in fair value of cash flow hedges	**3 308**	9 453
Fair value gains arising during the year	**607**	12 154
Deferred taxation relief (charge) for the year	**2 701**	(2 701)
Movement in available-for-sale financial assets	**–**	–
Fair value loss arising during the year	**(119 076)**	–
Reclassified to profit or loss	**119 076**	–
Items that will not be reclassified subsequently to profit or loss		
Defined benefit obligations	**(47 882)**	18 512
Net remeasurement of defined benefit obligations during the year	**(57 243)**	23 730
Deferred taxation relief (charge) for the year	**9 361**	(5 218)
Total comprehensive income for the year	**5 534 505**	2 381 172
Attributable to		
Shareholders of the company	**5 486 534**	2 359 931
Non-controlling interest	**47 971**	21 241
	5 534 505	2 381 172

Consolidated statement of cash flows

for the year ended June 30

	Note	2016 R'000	2015 R'000
Cash flows from operating activities		**4 740 623**	4 042 878
Cash generated by operations	7	**6 642 467**	5 095 000
Finance income		**66 846**	29 173
Finance charges	8	**(267 379)**	(251 455)
Taxation paid	9	**(1 150 888)**	(814 430)
Distributions to shareholders	10	**(550 423)**	(15 410)
Cash flows from investment activities		**(2 349 552)**	(3 466 969)
Amounts repaid by (advanced to) associates		**29 075**	(26 841)
Proceeds on disposal of investments		**344 319**	47 799
Investments acquired		**(105 222)**	(64 095)
Additions to property, plant and equipment		**(1 988 422)**	(1 587 472)
Additions to intangible assets		**(123 906)**	(125 245)
Proceeds on disposal of property, plant and equipment		**87 180**	437 683
Proceeds on disposal of intangible assets		**–**	6 315
Acquisition of businesses, subsidiaries and associates	11	**(720 637)**	(2 159 895)
Proceeds on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	12	**128 061**	4 782
Cash flows from financing activities		**(808 142)**	(1 401 338)
Disposal of treasury shares		**12 420**	–
Borrowings raised		**4 363 215**	2 032 614
Borrowings repaid		**(5 183 777)**	(3 433 952)
Net increase (decrease) in cash and cash equivalents		**1 582 929**	(825 429)
Cash and cash equivalents at beginning of year		**3 632 604**	4 372 476
Effects of exchange rate fluctuations on cash and cash equivalents		**289 976**	85 557
Cash and cash equivalents at end of year		**5 505 509**	3 632 604
Cash and cash equivalents comprise			
Cash and cash equivalents		**5 505 509**	3 632 608
Bank overdrafts included in short-term portion of borrowings	24	**–**	(4)
		5 505 509	3 632 604

Consolidated statement of financial position

at June 30

	Note	2016 R'000	2015 R'000
ASSETS			
Non-current assets		**26 792 068**	21 647 661
Property, plant and equipment	13	**11 016 705**	8 267 925
Intangible assets	14	**1 212 758**	1 202 463
Goodwill	15	**13 184 782**	11 338 647
Deferred taxation assets	16	**491 766**	338 932
Defined benefit pension assets	25	**15 255**	–
Interest in associates	17	**116 903**	140 148
Investments	18	**753 899**	359 546
Current assets		**29 548 613**	22 312 752
Inventories	19	**8 828 939**	6 484 646
Trade and other receivables	20	**15 214 165**	12 195 498
Cash and cash equivalents		**5 505 509**	3 632 608
Total assets		**56 340 681**	43 960 413
EQUITY AND LIABILITIES			
Capital and reserves		**24 217 574**	17 749 312
Capital and reserves attributable to shareholders of the company	21	**24 080 624**	17 683 366
Non-controlling interests		**136 950**	65 946
Non-current liabilities		**4 490 970**	3 520 196
Deferred taxation liabilities	16	**524 243**	254 971
Long-term portion of borrowings	24	**2 342 670**	1 821 434
Post-retirement obligations	25	**50 836**	189 193
Puttable non-controlling interest liabilities	26	**1 168 921**	913 638
Long-term portion of provisions	29	**397 970**	340 649
Long-term portion of operating lease liabilities	27	**6 330**	311
Current liabilities		**27 632 137**	22 690 905
Trade and other payables	28	**21 505 266**	16 913 943
Short-term portion of provisions	29	**358 319**	267 094
Vendors for acquisition		**513 308**	558 315
Taxation		**409 760**	417 438
Short-term portion of borrowings	24	**4 845 484**	4 534 115
Total equity and liabilities		**56 340 681**	43 960 413
Net asset value per share (cents)		**7 180**	175 082 832
Net tangible asset value per share (cents)		**2 887**	50 913 426

Consolidated statement of changes in equity

for the year ended June 30

	2016 R'000	2015 R'000
Equity attributable to shareholders of the company	**24 080 624**	17 683 366
Stated capital	**5 428 016**	#
Balance at beginning of year	**#**	#
Shares issued during the year	**5 428 016**	–
Treasury shares	**(949 731)**	–
Balance at beginning of year	**–**	–
Transfer as a result of unbundling	**(962 151)**	–
Shares disposed of in terms of share incentive scheme	**12 420**	–
Foreign currency translation reserve	**7 111 926**	4 852 891
Balance at beginning of year	**4 852 891**	5 035 783
Realisation of reserve on disposal of subsidiaries	**2 691**	–
Movement during the year	**2 256 344**	(182 892)
Hedging reserve	**–**	(3 308)
Balance at beginning of year	**(3 308)**	(12 761)
Fair value gains arising during the year	**607**	12 154
Deferred taxation recognised directly in reserve	**2 701**	(2 701)
Equity-settled share-based payment reserve	**(2 025)**	54 857
Balance at beginning of year	**54 857**	56 109
Arising during current year	**48 653**	57 181
Deferred taxation recognised directly in reserve	**27 776**	14 663
Utilisation during the year	**(133 660)**	(91 979)
Transfer as a result of unbundling	**(28 947)**	–
Transfer to retained earnings	**29 296**	18 883
Movement in retained earnings	**12 492 438**	12 778 926
Balance at beginning of year	**12 778 926**	10 264 326
Attributable profit	**3 279 576**	2 514 858
Net remeasurement of defined benefit obligations during the year	**(47 882)**	18 512
Net dividends paid	**(537 283)**	–
Transfers of subsidiaries under common control	**(2 973 047)**	–
Transfer from unbundling for equity-settled share-based payment reserve	**28 947**	–
Transfer of reserves as a result of changes in shareholding of subsidiaries	**(7 503)**	113
Transfer from share-based payment reserve	**(29 296)**	(18 883)
Equity attributable to non-controlling interests of the company	**136 950**	65 946
Balance at beginning of year	**65 946**	67 340
Other comprehensive income	**47 971**	21 241
Attributable profit	**40 468**	11 591
Movement in foreign currency translation reserve	**7 503**	9 650
Dividends paid	**(13 140)**	(15 410)
Movement in equity-settled share-based payment reserve	**(253)**	–
Changes in shareholding	**73 623**	895 298
Transfer to puttable non-controlling interest liabilities	**(44 700)**	(902 410)
Transfer of reserves as a result of changes in shareholding of subsidiaries	**7 503**	(113)
Total equity	**24 217 574**	17 749 312

Amounts below R1 000.

Notes to the consolidated financial statements

for the year ended June 30

BASIS OF PREPARATION

The consolidated and separate financial statements have been prepared on the historical cost basis, except that derivative financial instruments, financial instruments held-for-trading and financial instruments classified as available-for-sale are stated at their fair value.

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

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

Judgements made in the application of IFRS that have had an effect on the financial statements and estimates with a risk of adjustment in the next year are discussed in note 35.

Other income was re-presented into administration expenses during the year. The comparative year's disclosure has been re-presented to reflect these insignificant changes.

The consolidated financial statements as at and for the year ended June 30 2016 comprise the company and its subsidiaries (together referred to as the "group" or "Consolidated" and separately "Separate" or "company").

Except as detailed below, the accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements are presented in South African rand, which is the group's functional currency. All financial information has been rounded to the nearest thousand unless stated otherwise.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated and separate financial statements (financial statements) have been prepared in accordance with International Financial Reporting Standards (IFRS), the interpretations adopted by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in terms of the requirements of the Companies Act of South Africa.

1.1 New and revised accounting standards

There were no changes to the group's accounting policies during the year.

Details of new standards and interpretations that apply to the group are contained in note 39 to the financial statements.

1.2 Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiaries. Subsidiaries are entities controlled by the group. Control is achieved when the company has the power over an investee, is exposed or has rights to variable returns from its involvement with an investee and has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of these three elements.

When the company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including the size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders; potential voting rights held by the company, other vote holders or other parties; rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the company gains control until the date when the company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with the group's significant accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

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.

1.3 Business combinations

The group accounts for business combinations using the acquisition method. The consideration transferred for the acquisition of a business is the fair value of assets transferred, the liabilities incurred and the equity issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent arrangement. If the contingent arrangement is classified as equity, then it is not remeasured and settlement is accounted for in equity. Subsequent changes in the fair value of other contingent arrangements are recognised in profit or loss. Acquisition-related costs, apart from costs directly related to the raising of debt and/or equity, are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at acquisition date. The group recognises any non-controlling interest, at the non-controlling interest's proportionate share of the subsidiary's net assets on an acquisition-by-acquisition basis. When a business combination is achieved in stages, the group's previously held equity interest in an entity is remeasured to its acquisition date fair value and the resulting gain or loss recognised in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the entity and the acquisition date fair value of any previous equity interest in the business over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss as a bargain purchase gain.

The company carries its investments in subsidiaries at cost less accumulated impairment losses.

1.4 Business combinations under common control

For business combinations involving entities under common control of the group, the group has accounted for the difference between the book value of the transferred assets as a result of unbundling and the fair value of the consideration transferred as an adjustment to equity.

1.5 Puttable non-controlling interests

Put options held by non-controlling interests in the group's subsidiaries entitle the non-controlling interest to sell its interest in the subsidiary to the group at predetermined values and on contracted dates. In such cases, the group consolidates the non-controlling interest's share of the equity in the subsidiary and recognises the fair value of the non-controlling interest's put option, being the present value of the estimated future purchase price, as a financial liability in the statement of financial position. In raising this liability, the non-controlling interest is derecognised and any excess or shortfall is charged or realised directly in retained earnings in the statement of changes in equity.

The unwinding of the present value discount on these liabilities is recorded within finance charges in the statement of profit or loss using the effective interest rate method. The financial liability is fair valued at the end of each financial year and any changes in the value of the liability as a result of changes in assumptions used to estimate the future purchase price are recorded directly in retained earnings in the statement of changes in equity.

1.6 Revenue

Revenue comprises amounts earned from customers for goods and services and excludes value added tax. Revenue is net of returns and allowances, trade discounts and volume rebates.

Notes to the consolidated financial statements

for the year ended June 30

1.7 Revenue recognition

Revenue is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer, recovery of the consideration is considered probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from services rendered is recognised in the statement of profit or loss in proportion to the stage of completion of the transaction at the statement of financial position date.

Finance income comprises interest receivable on funds invested. Finance income is recognised using the effective interest rate method.

Dividends are recognised when the right to receive payment is established.

1.8 Finance charges

Finance charges comprise interest payable on borrowings calculated using the effective interest rate method. The interest expense component of finance lease payments is recognised in the statement of profit or loss using the effective interest rate method.

1.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially complete.

Capitalisation is suspended during extended periods in which active development is interrupted. All other borrowing costs are expensed in the period in which they are incurred.

1.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks net of bank overdrafts and investment in money market instruments, all of which are available for use by the group unless otherwise stated.

1.11 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 and is not depreciated. The present value of the estimated cost of dismantling and removing items and restoring the site in which they are located is provided for as part of the cost of the asset. Depreciation is provided for on the straight-line basis over the estimated useful lives of the property, plant and equipment to anticipated residual values. Estimate useful lives are:

Freehold land and buildings	Up to 50 years
Leasehold premises	Over the period of the lease
Plant and equipment	5 to 20 years
Office equipment, furniture and fittings	3 to 15 years
Vehicles	3 to 15 years
Capitalised leased assets	The same basis as owned assets or the lease period, whichever is the shorter

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

1.12 Leases

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the group are classified as finance leases. Assets acquired in terms of finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments at inception of the lease, and depreciated over the estimated useful life of the asset. The capital element of future obligations under the leases is included as a liability in the statement of financial position. Lease payments are allocated using the effective interest rate method to determine the lease finance cost, which is charged against income over the lease period, and the capital repayment, which reduces the liability to the lessor.

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Operating leases, which have a fixed determinable escalation, are charged against income on a straight-line basis. Leases with contingent escalations are expensed as and when incurred.

1.13 Goodwill

Goodwill arising on acquisition of a business is carried at cost, as established at the date of the acquisition of the business, less accumulated impairment losses.

Goodwill is tested annually for impairment. For the purposes of impairment testing, goodwill is allocated to each of the group's cash-generating units that are expected to benefit from the synergies of the business combination. Goodwill is monitored at an operational segment level.

1.14 Intangible assets

Software development costs are capitalised and are stated at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets acquired by the group are stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on research, internally generated goodwill and brands is recognised in the statement of profit or loss as an expense when incurred.

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

Amortisation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment at reporting date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are currently:

Patents, trademarks, tradenames and other intangibles	3 to 29 years
Computer software	3 to 8 years

1.15 Impairment of assets

The carrying value of assets is reviewed annually to assess whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Where the carrying value exceeds the estimated recoverable amount, such assets are written down to their recoverable amount.

The recoverable amount of cash-generating units to which goodwill is allocated is estimated annually each year. For assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date.

Impairment losses are recognised whenever the carrying amount of the asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

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

A cash-generating unit is not larger than any operational segment.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. For unlisted shares classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the counterparty; or
- default in interest or principal payments; or
- it becoming probable that the counterparty will enter bankruptcy or financial reorganisation.

Notes to the consolidated financial statements

for the year ended June 30

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the statement of profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the income statement.

The recoverable amount of the group's investments in held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (the effective interest rate is computed on initial recognition of these financial assets). Receivables with a short duration are not discounted. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

In respect of trade receivables, receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The recoverable amount of other assets is the greater of their fair value less costs to sell and their value-in-use. In assessing their value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through the statement of profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in the statement of profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an impairment allowance account. When a trade receivable is considered uncollectible, it is written off against the impairment allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the impairment allowance account are recognised in the statement of profit or loss.

Impairment losses in respect of goodwill are not reversed.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount.

Impairment losses are reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.16 Taxation

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

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

Deferred taxation is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the statement of financial position date. The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred taxation is charged to the statement of profit or loss 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 statement of profit or loss, 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.

1.17 Associates

An associate is a company over which the group has significant influence, but not control. Significant influence is the power to participate in the financial and operating policy decisions of a company but is not control over those policies.

The equity method of accounting for associates is adopted in the group financial statements. In applying the equity method, account is taken of the group's share of accumulated retained earnings and movements in reserves from the effective dates on which the companies became associates and up to the effective dates of disposal. In the event of associates making losses, the group recognises the losses to the extent of the group's exposure. The group carries its investment in associates at cost less any accumulated impairment losses.

1.18 Foreign operations

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into South African rand at rates of exchange ruling at the reporting date. Income, expenditure and cash flow items are translated into South African rand at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised directly in equity as a foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to the statement of profit or loss.

Foreign exchange differences arising on translation are recognised directly in a separate component of equity.

Acquisitions and disposals of foreign operations are accounted for at the exchange rate ruling on the date of the transaction.

1.19 Financial instruments

Financial instruments are recognised when the group or company becomes party to the contractual provisions of the arrangement.

Financial instruments are initially measured at fair value plus, for instruments not carried at fair value through profit or loss, any directly attributable transaction costs.

An instrument is classified as at fair value through profit or loss if it is held-for-trading, is a derivative or is designated as such upon initial recognition.

A financial asset is classified as held-for-trading if it has been acquired principally for the purpose of selling in the near future or it has been part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-making.

Financial instruments at fair value through profit or loss are measured at fair value, with any resultant gain or loss being recognised in the statement of profit or loss. The gain or loss recognised in the statement of profit or loss excludes the interest and dividends earned on the financial asset, which are separately disclosed as such in the statement of profit or loss. Held-for-trading financial instruments are measured at amortised cost if the fair value cannot be determined.

Notes to the consolidated financial statements

for the year ended June 30

Financial instruments classified as available-for-sale financial assets are carried at fair value with any resultant gain or loss, other than impairment losses and foreign exchange gains and losses on monetary items, being recognised directly in equity. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest bearing, interest calculated using the effective interest rate method is recognised in profit or loss.

Listed and unlisted investments are classified as investments at fair value through profit or loss or available-for-sale financial assets. Fair value of listed investments is calculated by reference to stock exchange quoted selling prices at the close of business on the reporting date. Fair value of unlisted investments is determined by using appropriate valuation models.

Trade and other receivables originated by the group or company are stated at amortised cost less an allowance for impairment losses.

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at reporting date.

Financial liabilities other than derivatives are recognised at amortised cost using the effective interest rate method.

Derivative instruments are measured at fair value through profit or loss.

Where a derivative financial instrument is used to economically hedge the foreign exchange exposure of a recognised financial asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in profit or loss. It is the policy of the group not to trade in derivative financial instruments for speculative purposes.

Gains and losses arising from measuring the hedging instruments relating to a fair value hedge at fair value are recognised in the statement of profit or loss. The hedged item is also stated at fair value in respect of the risk being hedged, with any gains or losses recognised in profit or loss.

Where a derivative is designated as a cash flow hedge, the effective part of the gains or losses from remeasuring the hedging instruments to fair value are initially recognised directly in other comprehensive income. If the hedged firm commitment or forecast transaction results in the recognition of a non-financial asset or liability, the cumulative amount recognised in equity up to the transaction date is adjusted against the initial measurement of the non-financial asset or liability. The ineffective part of any gain or loss is recognised in the statement of profit or loss immediately. For other cash flow hedges, the cumulative amount recognised in equity is included in net profit or loss in the period when the commitment or forecast transaction affects profit or loss.

Where the hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative unrealised gain or loss at that point remains in equity and is recognised in accordance with the aforementioned policy when the transaction occurs. If the hedged transaction is no longer expected to occur, the cumulative unrealised gain or loss is recognised in the statement of profit or loss immediately.

A financial asset is derecognised (or, where applicable, a part of a financial asset or a part of a group of similar financial assets is derecognised) if the group's contractual rights to the cash flows from the financial asset expire or if the group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

Where the group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit and loss.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial instruments have been grouped into classes for the purpose of financial instrument risk disclosure. The classes are the segments as disclosed in the segmental report as the operations within each segment have similar types of risks.

1.20 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 is determined on either the first-in first-out or average cost basis. The cost of manufactured inventory and work-in-progress includes materials and parts, direct labour, other direct costs and includes an appropriate portion of overheads, but excludes interest expense.

1.21 Foreign currencies

Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the reporting date. Translation differences are generally recognised in the statement of profit or loss.

Non-monetary assets and liabilities are measured based on historical cost in a foreign currency are translated at an exchange rate at the date of the transaction.

1.22 Share-based payments

The Bidcorp Incentive Scheme ("BIS") grants options or conditional share plan awards (CSPs) to acquire shares in the holding company, Bidcorp, to executive directors, management and staff. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options is measured using a binomial model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where staff are unable to meet the scheme's employment requirements. Participants of the BIS who were granted options and who had not exercised their options at the unbundling date, exchanged existing Bidvest Group Limited options for a replacement right over one Bidcorp share and one Bidvest share. The original option prices were not adjusted.

In terms of the conditional share plan scheme, a conditional right to a share in Bidcorp is awarded to executive directors subject to performance and vesting conditions. The fair value of services received in return for the CSPs has been determined by multiplying the number of conditional share awards expected to vest, by the share price at the date of the award less discounted by anticipated future cash outflows.

1.23 Employee benefits

Leave benefits due to employees are recognised as a liability in the financial statements.

The group's liability for post-retirement benefits, accruing to past and current employees in terms of defined benefit schemes, is actuarially calculated. Where the plan is funded, the obligation is reduced by the fair value of the plan assets. Unfunded obligations are recognised as a liability in the financial statements.

The projected unit credit method is used to determine the present value of the defined benefit obligations and the related current service cost and, where applicable, past service cost.

Actuarial gains or losses in respect of defined benefit plans are recognised in other comprehensive income.

However, when the actuarial calculation results in a benefit to the group, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Past service costs are recognised in the statement of profit or loss in the period of a plan amendment.

Liabilities for employee benefits which are not expected to be settled within 12 months are discounted using the market yields at the statement of financial position date on high-quality bonds with terms that most closely match the terms of maturity of the related liabilities.

Contributions to defined contribution pension plans are recognised as an expense in the statement of profit or loss as incurred.

Notes to the consolidated financial statements

for the year ended June 30

1.24 Provisions

Provisions are recognised when the group has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

A provision for dismantling and site restoration is calculated as the present value of the estimated cost of dismantling and removing items and restoring the site in which they are located when the legal or constructive obligation arises or when the damage to the site occurs.

A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net costs of continuing the contract. Before a provision is established, the group recognises any impairment loss on the assets associated with that contract.

Customer loyalty points are accounted for at fair value of the consideration received or receivable in respect of the initial sale, and are allocated between the loyalty points and the other components of the sale. The consideration allocated to the customer loyalty points is measured by reference to their fair value, which is the amount for which the loyalty points could be sold at, multiplied by the probability of their redemption. This amount is recognised as a provision until such time as the customer loyalty points are redeemed. Once the loyalty points are redeemed, the amount will be recognised as revenue.

1.25 Stated capital and treasury shares

No par value ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new no par value ordinary shares are deducted against the stated capital account.

Shares in the company, held by its subsidiary, are classified as 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 treasury shares is presented as a deduction from total equity. Distributions received on treasury shares are eliminated on consolidation.

1.26 Vendors for acquisition

Vendors for acquisition are recognised when the group or company becomes party to acquisition contractual arrangements in the form of earn-out targets. They are measured at fair value through profit or loss, with the resultant gain or loss being recognised in the statement of profit or loss. The gain or loss in the statement of profit or loss excludes interest.

1.27 Segmental reporting

The reportable segments of the group have been identified based on the geographies of the businesses. This basis is representative of the internal structure for management purposes.

"Segmental operating profit" includes revenue and expenses directly relating to a business segment but excludes net finance charges and taxation, which cannot be allocated to any specific segment.

"Segmental trading profit" is defined as operating profit excluding items of a capital nature and is the basis on which management's performance is assessed. Share-based payment costs are also excluded from the result as this is not a criteria used in the management of the reportable segments.

Segment operating assets and liabilities include property, plant and equipment, investments, inventories, trade and other receivables, trade and other payables, and post-retirement obligations but excludes cash, borrowings, current taxation, and deferred taxation.

Certain segments were reclassified during the year. The comparative year's segmental information has been represented to reflect these insignificant changes.

		2016 R'000	2015 R'000
2.	**REVENUE**		
	Sale of goods	**135 339 166**	109 663 898
	Rendering of services	**198 365**	139 626
		135 537 531	109 803 524
	Refer to annexure A for the nature of the business the group is involved in.		
3.	**OPERATING PROFIT**		
	Determined after charging (crediting)		
	Auditors' remuneration	**45 684**	32 919
	Audit fees	**35 537**	25 649
	Audit-related expenses	**2 438**	175
	Consulting fees	**799**	3 490
	Taxation services	**5 587**	3 127
	Other services	**1 323**	478
	Depreciation of property, plant and equipment	**1 027 648**	795 860
	Leasehold premises	**87 858**	55 069
	Plant and equipment	**363 418**	289 168
	Office equipment, furniture and fittings	**134 520**	107 267
	Vehicles	**441 852**	305 598
	Capitalised leased assets	**–**	38 758
	Amortisation of intangible assets	**209 834**	194 261
	Patents, trademarks, tradenames and other intangibles	**65 877**	62 093
	Computer software	**143 957**	132 168
	Impairment of assets	**103 810**	234 450
	Property, plant and equipment#	**41 463**	5 149
	Intangible assets#	**3 817**	113 137
	Trade receivables	**58 530**	116 164
	Directors' emoluments*		
	Executive directors	**48 632**	35 061
	Basic remuneration	**22 227**	16 211
	Retirement and medical benefits	**449**	239
	Other benefits and costs	**339**	244
	Cash incentives	**25 617**	18 367
	Non-executive directors	**785**	–
	Employer contributions to	**548 413**	440 364
	Defined contribution pension funds	**202 661**	151 531
	Provident funds	**19 840**	14 534
	Retirement funds	**26 500**	9 076
	Social securities	**278 241**	253 112
	Medical aids	**21 171**	12 111

* *Prior year directors' emoluments have been re-presented to reflect emoluments paid by the group.*

\# *Items above included as capital items on consolidated statement of profit or loss.*

Notes to the consolidated financial statements

for the year ended June 30

	2016 R'000	2015 R'000
3. OPERATING PROFIT *(continued)*		
Net expense related to post-retirement obligations for current service costs	**91 318**	76 574
Defined benefit pension plans	**87 983**	70 812
Defined benefit early retirement plan	**3 335**	5 762
Share-based payment expense	**48 653**	57 181
Staff costs excluding directors' emoluments and employer contributions	**11 811 251**	9 487 144
Fees for administrative, managerial and technical services	**23 119**	38 043
The Bidvest Group Limited pre-unbundling	**23 119**	27 887
Other	**–**	10 156
Foreign exchange losses (gains) on forward exchange contracts	**52 859**	(22 069)
Other foreign exchange gains	**(14 775)**	(71 620)
Realised	**(10 633)**	(64 151)
Unrealised	**(4 142)**	(7 469)
Net capital profit#	**(26 282)**	(140 817)
Net loss (profit) on disposal of property, plant and equipment	**4 256**	(139 444)
Net loss on disposal of intangible assets	**5 280**	–
Net profit on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	**(35 818)**	(1 373)
Operating lease charges	**1 425 206**	1 002 147
Land and buildings	**775 969**	554 193
Equipment and vehicles	**649 237**	447 954
Impairment of associate#	**10 699**	–
Impairment of available-for-sale investment#	**119 076**	–
# Items above included as capital items on consolidated statement of profit or loss	**148 773**	(22 531)

	2016 R'000	2015 R'000
4. NET FINANCE CHARGES		
Finance income	**66 846**	29 173
Interest income on other advances	**13 208**	12 470
Interest income on bank balances	**33 482**	16 703
Interest imputed on post-retirement assets (refer to note 25)	**20 156**	–
Finance charges	**(290 625)**	(269 963)
Interest expense on bank overdrafts	**(18 089)**	(9 021)
Interest expense on financed assets	**(13 102)**	(13 102)
Interest expense on other borrowings	**(216 107)**	(225 041)
Interest imputed on post-retirement obligations (refer to note 25)	**(20 242)**	(4 436)
Unwinding of discount on puttable non-controlling interest liabilities (refer to note 26)	**(23 085)**	(18 363)
	(223 779)	(240 790)
5. TAXATION		
Current taxation	**1 053 432**	873 116
Current year	**1 075 862**	882 978
Prior years' over provision	**(22 430)**	(9 862)
Deferred taxation	**48 953**	(32 061)
Current year	**70 788**	(29 733)
Prior years' under (over) provision	**847**	(2 282)
Change in rate of taxation	**(22 682)**	(46)
Foreign withholding taxation	**6 696**	8 739
Total taxation per consolidated statement of profit or loss	**1 109 081**	849 794
Comprising		
South African taxation	**96 172**	948
Foreign taxation	**1 012 909**	848 846
	1 109 081	849 794

Notes to the consolidated financial statements

for the year ended June 30

		2016 %	2015 %
5.	**TAXATION** *(continued)*		
	The reconciliation of the effective tax rate with the South African company tax rate is:		
	Taxation for the year as a percentage of profit before taxation	**25,0**	25,2
	Associates	**0,2**	0,1
	Effective rate excluding associate income	**25,2**	25,3
	Dividend and exempt income	**0,5**	0,7
	Foreign taxation rate differential	**2,6**	3,3
	Non-deductible expenses	**(2,2)**	(1,6)
	Deferred taxation assets not previously raised	**0,8**	–
	Exempt portion of capital gains	**0,1**	–
	Changes in prior years' estimation	**0,5**	0,3
	Change in rate of taxation	**0,5**	–
	Rate of South African company taxation	**28,0**	28,0
		R'000	R'000
	Estimated tax losses available for offset against future taxable income	**579 744**	290 841
	Utilised in the computation of deferred taxation	**(471 785)**	(191 655)
	Not accounted for in deferred taxation	**107 959**	99 186

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.

		2016	2015
6.	**EARNINGS PER SHARE**		
	Weighted average number of shares ('000)		
	Weighted average number of shares in issue for basic earnings per share and headline earnings per share calculations	**82 405**	10
	Potential dilutive impact of outstanding share options and conditional awards	**764**	–
	Number of outstanding staff share options	**3 133**	–
	Number of share options deemed to be issued at fair value	**(2 397)**	–
	Contingent issuable shares in terms of conditional share plan to be issued at fair value	**28**	–
	Diluted weighted average number of shares	**83 169**	10
	Attributable earnings (R'000)		
	Basic earnings per share and diluted earnings per share are based on profit attributable to shareholders of the company	**3 279 576**	2 514 858
	Basic earnings per share (cents)	**3 979,8**	24 899 584,2
	Diluted basic earnings per share (cents)	**3 943,3**	24 899 584,2
	Dilution (%)	**0,9**	–

		2016 R'000	2015 R'000
6.	**EARNINGS PER SHARE** *(continued)*		
	Headline earnings		
	Profit attributable to shareholders of the company	**3 279 576**	2 514 858
	Net impairments	**156 126**	89 746
	Available-for-sale investments	**119 076**	–
	Property, plant and equipment	**41 463**	5 149
	Intangible assets	**3 817**	113 137
	Taxation relief	**(8 230)**	(28 540)
	Net profit on disposal of interests in subsidiaries and disposal and closure of businesses	**(34 804)**	(961)
	On disposal and closure	**(35 818)**	(1 373)
	Taxation charge	**1 014**	412
	Net loss (profit) on disposal of property, plant and equipment and intangible assets	**11 499**	(104 004)
	Property, plant and equipment	**4 256**	(139 444)
	Intangible assets	**5 280**	–
	Taxation charge	**1 963**	35 440
	Impairment of associates	**10 699**	–
	Headline earnings	**3 423 096**	2 499 639
	Headline earnings per share (cents)	**4 154,0**	24 748 901,0
	Diluted headline earnings per share (cents)	**4 115,8**	24 748 901,0
	Dilution (%)	**0,9**	–
7.	**CASH GENERATED BY OPERATIONS**		
	Operating profit	**4 626 518**	3 601 399
	Costs incurred in respect of acquisitions	**8 947**	43 611
	Dividends received from associates	**23 467**	–
	Adjustment for depreciation and amortisation	**1 237 482**	990 121
	Adjustment for other non-cash items	**207 872**	(38 561)
	Reduction in post-retirement obligations	**(224 391)**	(26 804)
	Working capital changes	**762 572**	525 234
	Increase in inventories	**(497 329)**	(335 999)
	Increase in trade and other receivables	**(393 055)**	(404 847)
	Increase in trade and other payables and provisions	**1 652 956**	1 266 080
	Cash generated by operations	**6 642 467**	5 095 000

Notes to the consolidated financial statements

for the year ended June 30

		2016 R'000	2015 R'000
8.	**FINANCE CHARGES**		
	Charge per statement of profit or loss	**(290 625)**	(269 963)
	Unwinding of discount on puttable non-controlling interest liabilities (refer to note 26)	**23 085**	18 363
	Amounts capitalised to borrowings	**161**	145
	Amounts paid	**(267 379)**	(251 455)
9.	**TAXATION PAID**		
	Amounts payable at beginning of year	**(417 438)**	(302 759)
	Current taxation charge	**(1 060 128)**	(881 855)
	Businesses acquired	**(9 340)**	(40 189)
	Businesses disposed of	**717**	–
	Transfer as a result of unbundling	**(18 489)**	–
	Exchange rate adjustments	**(55 970)**	(7 065)
	Amounts payable at end of year	**409 760**	417 438
	Amounts paid	**(1 150 888)**	(814 430)
10.	**DISTRIBUTIONS TO SHAREHOLDERS**		
	Dividends paid to shareholders	**(537 283)**	–
	Dividends paid to non-controlling interests	**(13 140)**	(15 410)
	Amounts paid	**(550 423)**	(15 410)
11.	**ACQUISITION OF BUSINESSES, SUBSIDIARIES AND ASSOCIATES**		
	Property, plant and equipment	**(228 880)**	(344 956)
	Deferred taxation	**(5 695)**	100 482
	Interest in associates	**(5 726)**	(27 176)
	Investments and advances	**–**	(6 948)
	Intangible assets	**(800)**	–
	Inventories	**(67 837)**	(385 657)
	Trade and other receivables	**(185 102)**	(1 528 364)
	Cash and cash equivalents	**(10 988)**	(209 449)
	Post-retirement obligations	**–**	12 314
	Borrowings	**108 663**	343 841
	Trade and other payables and provisions	**183 773**	938 757
	Taxation	**9 340**	40 189
	Net fair value of assets carried forward	**(203 252)**	(1 066 967)

	2016 R'000	2015 R'000
11. ACQUISITION OF BUSINESSES, SUBSIDIARIES AND ASSOCIATES *(continued)*		
Net fair value of assets brought forward	**(203 252)**	(1 066 967)
Goodwill	**(486 542)**	(1 738 080)
Intangible assets	**–**	(547 469)
Non-controlling interest	**44 700**	895 298
Total value of acquisitions	**(645 094)**	(2 457 218)
Less: Cash and cash equivalents acquired	**10 988**	209 449
Vendors for acquisition at beginning of year	**(558 315)**	(459 243)
Vendors for acquisition at end of year	**513 308**	558 315
Costs incurred in respect of acquisitions	**(8 947)**	(43 611)
Exchange rate adjustments	**(32 577)**	32 413
Net amounts paid	**(720 637)**	(2 159 895)

The group made a number of small acquisitions during the year, namely Caterfood (UK), Cimandis (UK), Knight Meats (UK), MPD (Czech Republic), Van Bennekom (Netherlands), Hume Fresh Produce and Pacific Provideros (Australia).

These acquisitions form part of the group's strategic expansion plans in the international foodservice industry. Goodwill arose on the acquisitions as the anticipated value of future cash flows that were taken into account in determining the purchase consideration exceeded the net assets acquired at fair value. The acquisitions have enabled the group to expand its range of complementary products and services and, as a consequence, has broadened the group's base in the market place.

There were no significant contingent liabilities identified in the businesses acquired.

	2016 R'000	2015 R'000
Contribution to results for the year		
Revenue	**689 257**	3 805 634
Operating profit before acquisition costs	**25 988**	212 853
Contribution to results for the year if the acquisitions had been effective on July 1		
Revenue	**1 322 887**	3 805 634
Operating profit before acquisition costs	**66 913**	212 853

Notes to the consolidated financial statements

for the year ended June 30

		2016 R'000	2015 R'000
12.	**PROCEEDS ON DISPOSAL OF INTEREST IN SUBSIDIARIES AND ASSOCIATES, AND DISPOSAL AND CLOSURE OF BUSINESSES**		
	Property, plant and equipment	**15 104**	490
	Intangibles	**195**	–
	Goodwill	**18 468**	–
	Interest in associates	**20 515**	–
	Deferred taxation	**1 514**	–
	Investments and advances	**–**	2 919
	Inventories	**29 530**	–
	Trade and other receivables	**63 047**	–
	Cash and cash equivalents	**1 816**	–
	Borrowings	**(11 767)**	–
	Trade and other payables and provisions	**(50 816)**	–
	Taxation	**(717)**	–
	Fair value of net tangible assets	**86 889**	3 409
	Net profit on disposal of interest in subsidiaries and associates, and disposal and closure of businesses	**35 818**	1 373
	Non-controlling interests	**7 170**	–
	Less: Cash and cash equivalents disposed of	**(1 816)**	–
	Net proceeds	**128 061**	4 782
13.	**PROPERTY, PLANT AND EQUIPMENT**		
	Freehold land and buildings	**5 925 199**	4 469 007
	Cost	**7 328 906**	5 582 498
	Accumulated depreciation and impairments	**(1 403 707)**	(1 113 491)
	Leasehold premises	**721 699**	623 463
	Cost	**1 365 227**	1 143 096
	Accumulated depreciation and impairments	**(643 528)**	(519 633)
	Plant and equipment	**1 706 713**	1 232 583
	Cost	**5 556 502**	4 092 204
	Accumulated depreciation and impairments	**(3 849 789)**	(2 859 621)
	Office equipment, furniture and fittings	**449 348**	281 697
	Cost	**1 778 905**	1 253 605
	Accumulated depreciation and impairments	**(1 329 557)**	(971 908)
	Vehicles	**1 740 318**	1 314 399
	Cost	**4 396 278**	3 070 830
	Accumulated depreciation and impairments	**(2 655 960)**	(1 756 431)
	Capitalised leased assets	**–**	154 702
	Cost	**–**	550 575
	Accumulated depreciation and impairments	**–**	(395 873)
	Capital work-in-progress	**473 428**	192 074
		11 016 705	8 267 925

Property, plant and equipment with an estimated carrying value of R462 million (2015: R241 million) is pledged as security for borrowings of R363 million (2015: R180 million) (refer to note 24).

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

	2016 R'000	2015 R'000
13. PROPERTY, PLANT AND EQUIPMENT *(continued)*		
Movement in property, plant and equipment		
Carrying value at beginning of year	**8 267 925**	7 490 038
Capital expenditure	**1 988 422**	1 587 472
Freehold land and buildings	**399 849**	645 243
Leasehold premises	**138 348**	23 522
Plant and equipment	**453 879**	347 521
Office equipment, furniture and fittings	**246 207**	131 320
Vehicles	**494 864**	433 779
Capitalised leased assets	**–**	89
Capital work-in-progress	**255 275**	5 998
Expenditure	**583 621**	205 735
Transfers to other categories	**(328 346)**	(199 737)
Acquisition of businesses	**228 880**	344 956
Freehold land and buildings	**115 901**	30 360
Leasehold premises	**4 727**	91 019
Plant and equipment	**58 793**	46 470
Office equipment, furniture and fittings	**7 655**	9 415
Vehicles	**25 069**	144 521
Capitalised leased assets	**–**	22 357
Capital work-in-progress	**16 735**	814
Transfer as a result of unbundling	**676 382**	–
Freehold land and buildings	**323 967**	–
Leasehold premises	**17 288**	–
Plant and equipment	**212 612**	–
Office equipment, furniture and fittings	**24 133**	–
Vehicles	**95 509**	–
Capital work-in-progress	**2 873**	–
Disposals	**(91 436)**	(298 239)
Freehold land and buildings	**(9 678)**	(94 652)
Leasehold premises	**(1 321)**	–
Plant and equipment	**(12 862)**	(22 098)
Office equipment, furniture and fittings	**(5 712)**	(2 186)
Vehicles	**(61 692)**	(173 000)
Capitalised leased assets	**–**	(6 303)
Capital work-in-progress	**(171)**	–
Net transfers	**–**	–
Plant and equipment	**113**	–
Vehicles	**181 096**	–
Capitalised leased assets	**(181 209)**	–

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		2016 R'000	2015 R'000
13.	**PROPERTY, PLANT AND EQUIPMENT** *(continued)*		
	Movement in property, plant and equipment *(continued)*		
	Disposal of businesses	**(15 104)**	(490)
	Plant and equipment	**(11 668)**	(44)
	Office equipment, furniture and fittings	**(2 079)**	(446)
	Vehicles	**(1 357)**	–
	Exchange rate adjustments	**1 030 747**	(54 803)
	Freehold land and buildings	**624 267**	(94 995)
	Leasehold premises	**27 673**	37 726
	Plant and equipment	**175 484**	(19 661)
	Office equipment, furniture and fittings	**35 801**	9 548
	Vehicles	**134 373**	26 613
	Capitalised leased assets	**26 507**	(12 485)
	Capital work-in-progress	**6 642**	(1 549)
	Depreciation (refer to note 3)	**(1 027 648)**	(795 860)
	Impairment losses	**(41 463)**	(5 149)
	Carrying value at end of year	**11 016 705**	8 267 925
	The depreciation and impairment losses are included in operating expenses in the consolidated statement of profit or loss.		
14.	**INTANGIBLE ASSETS**		
	Patents, trademarks, tradenames and other intangibles	**710 249**	735 354
	Cost	**1 154 397**	1 100 066
	Accumulated amortisation and impairments	**(444 148)**	(364 712)
	Computer software	**465 412**	438 561
	Cost	**1 817 327**	1 541 291
	Accumulated amortisation and impairments	**(1 351 915)**	(1 102 730)
	Capital work-in-progress	**37 097**	28 548
		1 212 758	1 202 463
	Movement in intangible assets		
	Carrying value at beginning of year	**1 202 463**	819 940
	Additions	**123 906**	125 245
	Patents, trademarks, tradenames and other intangibles	**3 355**	958
	Computer software	**112 720**	114 966
	Capital work-in-progress	**7 831**	9 321
	Expenditure	**68 577**	40 531
	Transfers to other categories	**(60 746)**	(31 210)

		2016 R'000	2015 R'000
14.	**INTANGIBLE ASSETS** *(continued)*		
	Movement in intangible assets *(continued)*		
	Acquisition of businesses	800	547 469
	Patents, trademarks, tradenames and other intangibles	–	547 263
	Computer software	426	206
	Capital work-in-progress	374	–
	Disposals	(5 280)	(6 315)
	Patents, trademarks, tradenames and other intangibles	(584)	–
	Computer software	(4 696)	(6 315)
	Disposal of businesses		
	Computer software	(195)	–
	Exchange rate adjustments	104 715	23 522
	Patents, trademarks, tradenames and other intangibles	41 818	38 535
	Computer software	62 553	(16 866)
	Capital work-in-progress	344	1 853
	Amortisation (refer to note 3)	(209 834)	(194 261)
	Impairment losses	(3 817)	(113 137)
	Carrying value at end of year	1 212 758	1 202 463

Included in other intangibles is a material customer-related contract relating to the transportation and warehousing of dairy products in the United Kingdom. The carrying value at June 30 2016 was R548,3 million (2015: R557,3 million) and is amortised over 29 years (2015: 29 years).

The amortisation and impairment charges are included in operating expenses in the consolidated statement of profit or loss.

		2016 R'000	2015 R'000
15.	**GOODWILL**		
	Carrying value at beginning of year	11 338 647	9 650 357
	Acquisition of businesses	486 542	1 738 080
	Disposal of businesses	(18 468)	–
	Transfer as a result of unbundling	61 493	–
	Exchange rate adjustments	1 316 568	(49 790)
	Carrying value at end of year	13 184 782	11 338 647
	The carrying amount of goodwill was allocated to cash-generating units (CGUs) as follows:		
	Foodservice Australasia	2 878 106	2 570 224
	Foodservice United Kingdom	3 045 727	2 698 213
	Foodservice Europe	5 888 235	5 039 597
	Foodservice Emerging Markets	1 372 714	1 030 613
		13 184 782	11 338 647

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15. GOODWILL *(continued)*

Goodwill acquired through business combinations is allocated for impairment testing purposes to CGUs which reflect how it is monitored for internal management purposes, namely the various segments of the group. The carrying amount of goodwill was subject to an annual impairment test using either the fair value less costs to sell method or the discounted cash flow basis. The recoverable amount was determined by using the higher of the fair value less costs to sell and the discounted cash flow for each CGU.

Fair value less costs to sell method

The calculations used projected annualised earnings based on actual operating results. A price earnings multiple was applied to obtain the recoverable amount for each business unit. The earnings yields are considered to be consistent with similar companies within the industry and geographic segments. An average price earnings multiple of 12,7 (2015: 12,8) was used in the valuation of Foodservice Europe, 12,9 (2015: 12,8) for Foodservice United Kingdom, 13,0 (2015: 13,0) for Foodservice Australasia, and 14,1 (2015: 11,6) for Foodservice Emerging Markets.

Discounted cash flow method

The table below illustrates the weighted average cost of capital (WACC), cash flow growth, and terminal growth rates that were used in the discounted cash flow valuations for each of the CGUs.

	WACC rate		Cash flow growth rate		Terminal growth rate	
	2016	2015	**2016**	2015	**2016**	2015
Foodservice Australasia	**10%**	10%	**3 – 5%**	3 – 5%	**2%**	2%
Foodservice United Kingdom	**10%**	10%	**3 – 5%**	3 – 5%	**2%**	2%
Foodservice Europe	**5% – 10%**	4% – 10%	**0 – 10%**	0 – 10%	**2 – 3%**	2 – 3%
Foodservice Emerging Markets	**7% – 10%**	10%	**5 – 10%**	1 – 7%	**2 – 5%**	2 – 5%

The valuations resulted in significant surpluses over carrying values of the CGUs and thus the directors believe that a reasonably possible change in these multiples would not result in an impairment of the carrying value of goodwill. The valuation method is consistent with that used in the prior years and is considered a level 3 type valuation in accordance with IFRS 13 *Fair Value Measurement*.

No impairment was identified for the current financial year (2015: nil).

16. DEFERRED TAXATION

	2016 R'000	2015 R'000
Deferred taxation assets	**491 766**	338 932
Deferred taxation liabilities	**(524 243)**	(254 971)
Net deferred taxation liability	**(32 477)**	83 961
Movement in net deferred taxation assets and liabilities		
Balance at beginning of year	**83 961**	181 979
Per consolidated statement of profit or loss	**(48 953)**	32 061
Items recognised directly in equity and other comprehensive income	**39 838**	6 741
On acquisition of businesses	**5 695**	(100 482)
On disposal of businesses	**(1 514)**	–
Transfer as a result of unbundling	**(163 926)**	–
Exchange rate adjustments	**52 422**	(36 338)
Balance at end of year	**(32 477)**	83 961

		Assets R'000	Liabilities R'000	Net R'000
16.	**DEFERRED TAXATION** *(continued)*			
	Temporary differences			
	2016			
	Differential between carrying values and taxation values of property, plant and equipment	**(52 102)**	**(269 344)**	**(321 446)**
	Differential between carrying values and taxation values of intangible assets	**26 188**	**(138 140)**	**(111 952)**
	Estimated taxation losses	**104 049**	**11 388**	**115 437**
	Staff-related allowances and liabilities	**222 633**	**(200 821)**	**21 812**
	Operating lease liabilities	**3 987**	**31**	**4 018**
	Inventories	**13 650**	**273**	**13 923**
	Investments	**–**	**(36 077)**	**(36 077)**
	Trade and other receivables	**55 178**	**14 573**	**69 751**
	Trade, other payables and provisions	**118 183**	**93 874**	**212 057**
		491 766	**(524 243)**	**(32 477)**
	2015			
	Differential between carrying values and taxation values of property, plant and equipment	(43 506)	(166 582)	(210 088)
	Differential between carrying values and taxation values of intangible assets	17 606	(134 242)	(116 636)
	Estimated taxation losses	45 580	2 169	47 749
	Staff-related allowances and liabilities	170 203	10 713	180 916
	Operating lease liabilities	422	37	459
	Inventories	10 311	–	10 311
	Trade and other receivables	35 757	6 098	41 855
	Trade, other payables and provisions	102 559	26 836	129 395
		338 932	(254 971)	83 961

Deferred taxation has been provided at rates ranging between 5% and 36% (2015: 12% and 35%). The variance in rates arises as a result of the differing taxation rates present in the various countries in which the group operates.

Notes to the consolidated financial statements

for the year ended June 30

	2016 R'000	2015 R'000
17. INTEREST IN ASSOCIATES		
Unlisted associates	**83 716**	85 953
Net asset value at acquisition	**64 350**	45 558
Inherent goodwill	**17 246**	40 395
Transfer as a result of unbundling	**12 819**	–
Impairment	**(10 699)**	–
Investments in associates at cost net of impairments	**83 716**	85 953
Attributable share of post-acquisition reserves of associates	**(4 509)**	(1 711)
At beginning of year	**(1 711)**	(18 244)
Share of current year earnings net of dividends	**2 919**	15 634
Share of movement in other reserves	**(237)**	899
Reversal of prior year reserves on becoming subsidiary, disposal or change in shareholding	**(5 480)**	–
Advances to associates	**37 696**	55 906
	116 903	140 148

Unsecured advances to associates bear interest at rates of between 1,0% and 2,4% (2015: 2,4% and 3,7%) and have no fixed terms of repayment.

A list of the group's associates, their country of incorporation and principal place of business, the group's percentage shareholding and an indication of their nature of business is included in annexure A of these financial statements.

No individual associate is considered to be material, thus no summarised financial information is supplied in these financial statements.

	2016 R'000	2015 R'000
18. INVESTMENTS		
Listed held-for-trading	**501 293**	–
Unlisted held-for-trading	**152 426**	67 263
Unlisted available-for-sale	**100 180**	227 976
Unlisted preference shares	**–**	64 307
	753 899	359 546
Fair value hierarchy of investments		
Investments and loans held at cost or amortised cost	**242 777**	333 383
Investments held at fair value as determined on inputs based on:	**511 122**	26 163
Unadjusted quoted prices in an active market for identical assets	**501 293**	–
Factors that are observable for the asset either as prices or derived from prices	**2 054**	12 277
Factors that are not based on observable market data	**7 775**	13 886
	753 899	359 546

Listed held-for-trading investments include listed The Bidvest Group Limited shares which amount to R501,3 million.

An impairment loss of R119,1 million (2015: Rnil) was recognised on the Icelandic Water Holdings ehf investment. Management's best estimate of the impairment of the Icelandic Water investment was based on an offer to the holders of convertible loan notes and warrants which are convertible into common company stock.

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

		2016 R'000	2015 R'000
19.	**INVENTORIES**		
	Raw materials	**329 997**	192 849
	Work-in-progress	**12 871**	5 683
	Finished goods	**8 486 071**	6 286 114
		8 828 939	6 484 646
	Write down of inventory to net realisable value charged to the statement of profit or loss	**22 501**	22 077
	Provision for stock obsolescence included in the inventories balance	**188 349**	140 490
20.	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	**14 493 337**	11 623 744
	Impairment allowances	**(548 531)**	(377 288)
	Net trade receivables	**13 944 806**	11 246 456
	Forward exchange contracts asset	**3 447**	7 893
	Prepayments and other receivables	**1 265 912**	936 829
	Other	**–**	4 320
		15 214 165	12 195 498
	Refer to note 32 for further disclosure on trade receivables, impairment allowances, and forward exchange contracts.		
21.	**CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY**		
	Stated capital		
	Issued stated capital	**5 428 016**	#
	Less: Shares held by subsidiary as treasury shares	**(949 731)**	–
	Transfer as a result of unbundling	**(962 151)**	–
	Shares disposed of in terms of share incentive scheme	**12 420**	–
	Reserves		
	Foreign currency translation reserve	**7 111 926**	4 852 891
	Hedging reserve	**–**	(3 308)
	Equity-settled share-based payment reserve	**(2 025)**	54 857
	Retained earnings	**12 492 438**	12 778 926
	Total capital reserves comprise		
	Amounts attributable to shareholders of the company	**24 080 624**	17 683 366
	Amounts attributable to minority shareholders	**136 950**	65 946
		24 217 574	17 749 312
	Reserves comprise		
	Company and subsidiaries	**24 085 133**	17 685 077
	Associates	**(4 509)**	(1 711)
		24 080 624	17 683 366

 # Amount below R1 000.

Notes to the consolidated financial statements

for the year ended June 30

	2016 Number	2015 Number
21. CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY *(continued)*		
Stated capital		
Authorised		
540 000 000 ordinary shares of no par value (2015: 90 000 ordinary shares of 1 cent each and 10 000 variable rate preference shares of 1 cent each)		
Issued		
335 404 212 ordinary shares of no par value (2015: 10 000 ordinary shares of 1 cent each and 100 variable rate preference shares of 1 cent each)	**335 404 212**	#
Less: Shares held by subsidiary as treasury shares	**(3 566 357)**	–
Transfer as a result of unbundling	**(3 614 487)**	–
Shares disposed of in terms of share incentive scheme	**48 130**	–
	331 837 855	#

Amount below R1 000.

16 750 000 unissued no par value ordinary shares are under the control of the directors until the next annual general meeting.

Foreign currency translation reserve
The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

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

22. SUBSIDIARIES

A list of the group's significant subsidiaries, their country of incorporation and principal place of business, the group's percentage shareholding and an indication of their nature of business is included in annexure A of these financial statements.

There are no material non-controlling interests in the group.

23. SHARE-BASED PAYMENTS

Bidcorp's management share incentive plans comprise the Bidvest Incentive Scheme (BIS) and the Bidvest Conditional Share Plan (CSP), collectively referred to as the "Existing Share Plans".

As a result of unbundling of Bidcorp from The Bidvest Group Limited, measures were taken with regard to the Existing Share Plans in order to ensure the equitable and fair treatment of employees who are participants (participants) under the Existing Share Plans and who remain employed with the group post the unbundling from The Bidvest Group Limited.

The BIS
BIS participants were granted share options (options) that vest in tranches after three years (50%), four years (25%) and five years (25%). Options not exercised within a 10-year period following the award date lapse. The scheme has been classified as an equity-settled scheme, and therefore an equity-settled share-based payment reserve has been recognised.

23. SHARE-BASED PAYMENTS *(continued)*

The BIS *(continued)*

The terms and conditions of the options are:

Option holders are only entitled to exercise their options if they are in the employment of the Bidcorp Group in accordance with the terms of the BIS, unless otherwise recommended by the remuneration committee. To ensure that participants were fairly and reasonably treated on the unbundling of Bidcorp, participants of the BIS who were granted options in terms of the BIS and who have not exercised their options at the unbundling date, will exchange each one of their existing Bidvest Group Limited options for a replacement right over one Bidcorp share and one Bidvest share. The original option price was not adjusted, but on exercise of the replacement right, the original option price is deducted from the combined value of Bidcorp shares and Bidvest shares. The vesting date and lapse dates of the replacement rights are the same as that of the original options.

The number and weighted average exercise prices of share options granted to staff are:

	2016		2015	
	Number	**Average price R**	Number	Average price R
Beginning of year	**2 364 875**	**205,36**	2 298 750	182,07
Granted	**688 000**	**301,54**	501 500	250,73
Transfer as a result of unbundling	**985 845**	**193,00**	–	–
Lapsed	**(106 015)**	**210,07**	(5 000)	134,56
Exercised	**(799 480)**	**160,51**	(430 375)	134,64
End of year	**3 133 225**	**233,88**	2 364 875	205,36

The options outstanding at June 30 2016 have an exercise price in the range of R135,00 to R301,54 (2015: R135,00 to R250,73) and a weighted average contractual life of 4,4 to 9,5 years (2015: 5,4 to 9,4 years).

Share options outstanding at June 30 by year of grant are:

	Number	**Average price R**	Number	Average price R
2011	**67 050**	**135,00**	100 625	135,00
2012	**423 125**	**134,56**	536 750	134,56
2013	**479 250**	**208,91**	598 000	208,91
2014	**834 500**	**237,54**	628 000	237,54
2015	**641 300**	**250,73**	501 500	250,73
2016	**688 000**	**301,54**	–	–
	3 133 225	**233,88**	2 364 875	205,36

The fair value of services received in return for options awarded is measured based on a binomial model. The contractual life of the option is used as an input into this model.

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

	2016	2015
Fair value at measurement date (rand)	**86,12**	82,37
Exercise price (rand)	**301,74**	250,73
Expected volatility (%)	**23,78**	21,01
Option life (years)	**4,00 – 6,00**	4,00 – 6,00
Distribution yield (%)	**3,06**	2,78
Risk-free interest rate (based on national government bonds) (%)	**9,21**	7,70

The volatility is based on the recent historic volatility of The Bidvest Group Limited share.

Notes to the consolidated financial statements

for the year ended June 30

23. SHARE-BASED PAYMENTS *(continued)*

Conditional share plan

A conditional share plan, which awards executives of Bidcorp a conditional right to receive shares in Bidcorp free of any cost. Conditional awards granted are subject to performance conditions measured over a three-year performance period. Subject to the achievement of the performance conditions, 75% of the conditional awards vest after year three, and the remaining 25% after year four. Due to the unbundling, the 2015 awards for executive directors were restructured into replacement CSPs over Bidcorp shares. As it is anticipated that the participants will receive shares in settlement of their awards, a share-based payment reserve has been recognised. 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 discounted by anticipated future distribution flows. A total of 86 528 of the 124 000 shares are expected to vest, taking into account the performance of the group to date and forecasts to the end of the performance period, against the targets set at the time of the award. The average discounted share price used in the calculation of the share-based payment charge on the conditional share awards allotted during the year is R273,91 per share. These awards will vest in the next three years, where the executive will receive these awards in shares.

A total of 34 816 (2015: 5 348) conditional share awards were forfeited as a result of performance conditions not being met.

The number of conditional share awards in terms of the conditional share award scheme are:

	2016 Number	2015 Number
Beginning of year	**151 163**	190 000
Allotted during the year	**35 000**	37 500
Transfer as a result of unbundling	**89 000**	–
Awarded during the year	**(47 930)**	(70 989)
Vesting arising out of unbundling	**(68 417)**	–
Forfeited during the year	**(34 816)**	(5 348)
End of year	**124 000**	151 163

24. BORROWINGS

	2016 R'000	2015 R'000
Loans secured by mortgage bonds over fixed property (refer to note 13)	**78 436**	21 372
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements (refer to note 13)	**284 365**	158 622
Unsecured borrowings	**6 825 353**	5 053 356
Other borrowings	**–**	1 122 195
Borrowings	**7 188 154**	6 355 545
Bank overdrafts	**–**	4
Total borrowings	**7 188 154**	6 355 549
Less: Short-term portion of borrowings	**(4 845 484)**	(4 534 115)
Long-term portion of borrowings	**2 342 670**	1 821 434
Schedule of repayment of borrowings		
Year to June 2016	**–**	4 534 115
Year to June 2017	**4 845 484**	1 235 046
Year to June 2018	**1 425 966**	236 080
Year to June 2019	**747 223**	224 561
Year to June 2020	**66 940**	44 280
Year to June 2021	**14 183**	81 463
Thereafter	**88 358**	–
	7 188 154	6 355 545

	2016 R'000	2015 R'000
24. BORROWINGS *(continued)*		
Total borrowings comprise		
Foreign subsidiaries borrowings	**6 181 866**	6 355 545
South African subsidiary borrowings	**1 006 288**	–
Foreign subsidiaries overdraft	**–**	4
	7 188 154	6 355 549
	%	%
Effective weighted average rate of interest on		
South African borrowings excluding overdrafts	**8,5**	–
Foreign borrowings excluding overdrafts	**2,0**	2,1

	2016 Currency	2016 Nominal interest rate %	2016 Financial year of maturity	2016 R'000	2015 R'000
Terms and debt repayment schedule					
Terms and conditions of outstanding loans were:					
Borrowings of South African subsidiaries					
Unsecured loans	**ZAR**	**8,5**	**2017**	**1 006 288**	–
Borrowings of foreign subsidiaries				**6 181 866**	5 233 350
Loans secured by mortgage bonds over fixed property	**GBP**	**2,2 – 2,7**	**2020 – 2022**	**42 014**	7 344
	EUR	**1,6 – 10,0**	**2017 – 2022**	**23 554**	–
	CZK	**1,9**	**2020**	**12 868**	14 028
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**GBP**	**3,4 – 6,6**	**2017 – 2019**	**4 270**	1 302
	PLN	**2,2 – 2,3**	**2020 – 2021**	**41 973**	37 900
	EUR	**1,7 – 6,1**	**2017 – 2022**	**232 773**	119 420
	BRL	**2,5 – 18,2**	**2017 – 2018**	**5 349**	–
Unsecured borrowings	**GBP**	**0,0 – 9,6**	**2018 – 2023**	**535 563**	365 913
	EUR	**0,0 – 3,2**	**2017 – 2021**	**2 739 544**	2 220 621
	HKD	**0,9 – 3,3**	**2016 – 2018**	**1 415 240**	1 172 791
	SGD	**1,3 – 2,5**	**2017 – 2019**	**656 758**	740 089
	CZK	**1,5 – 5,0**	**2017 – 2019**	**233 866**	376 705
	PLN	**2,8 – 3,6**	**2017 – 2020**	**49 408**	30 968
	CLP	**0,0 – 8,9**	**2017 – 2022**	**71 138**	62 765
	AED	**0,0 – 5,0**	**2017 – 2022**	**52 621**	43 191
	USD	**1,9**	**2017**	**50 576**	–
	Other	**0,0 – 15,0**	**2017 – 2022**	**14 351**	15 086
	NZD	**–**	**–**	**–**	25 227
Total interest-bearing borrowings				**7 188 154**	5 233 350

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

Refer to note 32 for further disclosure.

Notes to the consolidated financial statements

for the year ended June 30

		2016 R'000	2015 R'000
25.	**POST-RETIREMENT OBLIGATIONS**		
	Post-retirement assets		
	Defined benefit pension assets	**(15 255)**	–
	Post-retirement obligations	**50 836**	189 193
	Defined benefit pension obligations	**36 952**	12 152
	Unfunded defined benefit early retirement plan	**13 884**	177 041
		35 581	189 193

Pension and provident funds

The group provides retirement benefits for its permanent employees through pension funds (with defined benefit and defined contribution categories) and defined contribution provident funds or appropriate industry funds.

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

The defined benefit funds operated by the group are The Bidvest South Africa Pension Fund in South Africa and Angliss Hong Kong Food Service Limited Retirement Benefit Plan.

Employer contributions to defined contribution funds are set out in note 3.

Summarised details of the defined benefit pension funds

	2016 R'000	2015 R'000
Defined benefit pension obligations (assets) of the various funds		
The Bidvest South Africa Pension Fund in South Africa	**(15 255)**	–
Angliss Hong Kong Food Service Limited Retirement Benefit Plan	**36 952**	12 152
	21 697	12 152
Contributions to the funds		
Employer contributions	**58 944**	97 580
Employee contributions	**6 685**	10 377
Total pension fund asset (unfunded pension liability)		
Fair value of plan assets	**133 768**	1 302 426
Actuarial present value of defined benefit obligations	**(154 824)**	(1 290 234)
Net (deficit) surplus in the plans	**(21 056)**	12 192
Amounts not recognised due to ceiling adjustments and other limitations	**(641)**	(24 344)
	(21 697)	(12 152)
Movement in the liability for defined benefit obligations		
Balance at beginning of year	**(1 290 234)**	(1 171 442)
Transfer as a result of unbundling	**(7 843)**	–
Transfer from early retirement fund	**(3 657)**	(5 168)
Benefits	**17 592**	29 332
Risk premiums and expenses	**5**	–
Current service costs	**(46 586)**	(67 719)
Past service costs	**–**	(9 143)
Interest	**(19 175)**	(33 712)
Member contributions	**(6 685)**	(10 377)
Actuarial losses	**(85 679)**	(84 906)
Settlements	**1 523 840**	10 899
Exchange rate adjustments on foreign plans	**(236 402)**	52 002
Balance at end of year	**(154 824)**	(1 290 234)

	2016 R'000	2015 R'000
25. POST-RETIREMENT OBLIGATIONS *(continued)*		
Pension and provident funds *(continued)*		
Summarised details of the defined benefit pension funds *(continued)*		
Movement in the plans' assets		
Balance at beginning of year	**1 302 426**	1 087 111
Transfer as a result of unbundling	**25 128**	–
Transfer from early retirement fund	**3 657**	5 168
Contributions paid into the plans	**65 629**	107 957
Benefits	**(17 592)**	(29 332)
Risk premiums and expenses	**(1 633)**	(2 356)
Interest income	**20 156**	32 252
Return on plan assets in excess of interest	**3 455**	150 961
Settlements	**(1 505 388)**	–
Exchange rate adjustments on foreign plans	**237 930**	(49 335)
Balance at end of year	**133 768**	1 302 426
The plans' assets comprise		
Cash	**14 932**	5 221
Equity securities	**69 161**	46 986
Bills, bonds and securities	**48 889**	1 250 219
Other	**786**	–
	133 768	1 302 426
Amounts recognised in the statement of profit or loss		
Current service costs	**46 586**	67 719
Past service costs	**–**	9 143
Interest on obligations	**19 175**	33 712
Interest on assets	**(20 156)**	(32 252)
Ceiling adjustments and other limitations	**641**	2 493
Risk premiums and expenses	**1 628**	2 356
Gain arising from settlements, plan amendments and curtailments	**(18 452)**	(10 899)
	29 422	72 272
Amounts recognised in other comprehensive income		
Return on plan assets in excess of interest income	**(3 455)**	(150 961)
Actuarial losses	**85 679**	84 906
Ceiling adjustments and other limitations	**(28 435)**	24 533
	53 789	(41 522)

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for the year ended June 30

		2016	2015
25.	**POST-RETIREMENT OBLIGATIONS** *(continued)*		
	Pension and provident funds *(continued)*		
	Summarised details of the defined benefit pension funds *(continued)*		
	Key actuarial assumptions used in the actuarial valuations		
	The Bidvest South Africa Pension Fund in South Africa		
	Number of in service members June 30	**2**	–
	Discount rate (%)	**9,6**	–
	Inflation rate (%)	**7,4**	–
	Salary increase (%)	**8,4**	–
	Pension increase allowance (%)	**5,2**	–
	Angliss Hong Kong Food Service Limited Retirement Benefit Plan		
	Number of in service members June 30	**303**	343
	Discount rate (%)	**0,8**	1,4
	Inflation rate (%)	**3,3**	3,3
	Salary increase (%)	**5,0**	5,0
	Date of valuation of all funds	**June 30 2016**	June 30 2015

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

Sensitivity analysis

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

	Impact of an increase in assumption R'000	Impact of a decrease in assumption R'000
2016		
The Bidvest South Africa Pension Fund in South Africa		
Discount rate – 1%	**2 207**	**(1 413)**
Pension increase – 1%	**(1 663)**	**1 610**
Salary increase – 1%	**(473)**	**1 613**
Angliss Hong Kong Food Service Limited Retirement Benefit Plan		
Discount rate – 0,25%	**1 831**	**(1 881)**
Salary increase – 0,25%	**(1 672)**	**1 639**
2015		
Angliss Hong Kong Food Service Limited Retirement Benefit Plan		
Discount rate – 0,25%	1 636	(1 691)
Salary increase – 0,25%	(1 541)	1 501

The sensitivity analyses presented above may not be representative of the actual change in the net deficit 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.

Unfunded defined benefit retirement plans

Subsidiaries in the Netherlands and Italy provide retirement plans for their employees. The Netherlands' unfunded retirement plan was settled during the financial year. The liability recognised is based on the actuarial valuation performed as at June 30.

	2016 Number	2015 Number
Number of members at June 30	**229**	576

	2016 R'000	2015 R'000
25. POST-RETIREMENT OBLIGATIONS *(continued)*		
Unfunded defined benefit retirement plans *(continued)*		
Movement in the liability for unfunded defined benefit early retirement plan		
Balance at beginning of year	**177 041**	155 154
Benefits paid	**–**	(7 092)
Current service costs	**3 335**	5 762
Interest expense	**1 067**	2 976
Transfer to pension fund	**(3 657)**	(648)
Actuarial adjustments recognised in other comprehensive income	**3 454**	17 792
Acquisition of businesses	**–**	12 314
Settlement	**(199 705)**	–
Exchange rate adjustments on foreign plans	**32 349**	(9 217)
Balance at end of year	**13 884**	177 041
	%	%
Key actuarial assumptions		
Discount rate	**0,5 – 1,2**	0,9 – 2,1
Salary increase rate	**1,5 – 2,75**	1,5 – 2,75
Date of valuation	**June 30 2016**	June 30 2015

26. PUTTABLE NON-CONTROLLING INTEREST LIABILITIES

The acquisition of Caterfood during the year resulted in a put option being agreed with the non-controlling shareholder. Certain of the put option arrangements were in existence at June 30 2015. The put options entitle the non-controlling shareholders to sell their holdings in the subsidiaries to the group at contracted dates and amounts.

The group has the following put options:

- The non-controlling shareholders in Distribuzione Alimentari Convivenze SPA (DAC) have the option to put their 40% interest in DAC to the group, using a market valuation formula on or about June 30 2019.
- The non-controlling shareholder in Caterfood has the option to put their 12% interest in Caterfood to the group, using a market valuation formula on or about September 30 2017.

	2016 R'000	2015 R'000
The effect of granting these put options on the group's results can be summarised as follows:		
Balance at beginning of year	**913 638**	–
Arising on the granting of put options to non-controlling interests during the year	**44 700**	902 410
Unwinding of present value discount recognised in the statement of profit or loss	**23 085**	18 363
Exchange rate adjustments	**187 498**	(7 135)
	1 168 921	913 638
DAC		
Discount rate	**1,99%**	1,99%
Expected settlement date	**July 1 2019**	July 1 2019
Caterfood		
Discount rate	**5,00%**	–
Expected settlement date	**September 30 2017**	–

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for the year ended June 30

	2016 R'000	2015 R'000
27. OPERATING LEASES		
Leases which have fixed determinable escalations are charged to the statement of profit or loss on a straight-line basis and liabilities are raised for the difference between the actual lease expense and the charge recognised in the statement of profit or loss. The liabilities are classified based on the timing of the reversal which will occur when the actual cash flow exceeds the statement of profit or loss amounts.		
Operating lease liabilities	**13 991**	4 834
Less: Short-term portion included in trade and other payables	**(7 661)**	(4 523)
Long-term portion	**6 330**	311
Operating lease commitments		
Land and buildings	**5 382 787**	4 695 173
Due in one year	**707 333**	586 468
Due after one year but within five years	**2 254 886**	1 916 522
Due after five years	**2 420 568**	2 192 183
Equipment and vehicles	**2 056 573**	1 246 197
Due in one year	**486 323**	351 282
Due after one year but within five years	**1 179 554**	746 212
Due after five years	**390 696**	148 703
	7 439 360	5 941 370
Less: Amounts raised as liabilities	**(13 991)**	(4 834)
	7 425 369	5 936 536
28. TRADE AND OTHER PAYABLES		
Trade payables	**17 369 810**	13 815 938
Forward exchange contracts liability	**11 416**	1 060
Interest rate swap liabilities	**–**	3 725
Other payables and accrued expenses	**4 124 040**	3 093 220
	21 505 266	16 913 943

Refer to note 32 for further disclosure.

	2016 R'000	2015 R'000
29. PROVISIONS		
Long-term portion	**397 970**	340 649
Short-term portion	**358 319**	267 094
	756 289	607 743

	Onerous contracts R'000	Dismantling and site restoration R'000	Customer loyalty programme R'000	Other R'000	Total R'000
Balance at July 1 2014	42 760	324 039	98 599	44 815	510 213
Created	22 847	69 909	35 846	39 764	168 366
Utilised	259	(58 329)	(28 845)	(13 940)	(100 855)
Net acquisition of businesses	–	2 704	–	25 238	27 942
Exchange rate adjustments	1 908	5 692	(5 931)	408	2 077
Balance at June 30 2015	67 774	344 015	99 669	96 285	607 743
Created	**806**	**166 865**	**25 031**	**53 173**	**245 875**
Utilised	**(31 649)**	**(65 400)**	**(18 832)**	**(60 039)**	**(175 920)**
Net acquisition of businesses	**–**	**2 149**	**(178)**	**(1 533)**	**438**
Exchange rate adjustments	**7 338**	**27 912**	**17 159**	**17 136**	**69 545**
Effect of discounting	**1 383**	**7 225**	**–**	**–**	**8 608**
Balance at June 30 2016	**45 652**	**482 766**	**122 849**	**105 022**	**756 289**

Onerous contracts

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

Provision for cost of dismantling and site restoration

A provision is raised for the estimated costs of dismantling and removing items, and restoring the property on which they are located. The change in the liability arising as a result of unwinding the discount is recognised in the statement of profit or loss as a finance charge. The dismantling of the plant and recommissioning of buildings is expected to coincide with the end of the useful life of the plant and lease periods.

Customer loyalty programme

This is a customer loyalty programme introduced by certain operations within the group, whereby customers can earn points for redemption in the form of gift certificates and products of the operations. The provision is calculated based on the points outstanding at year-end.

Other

Other consists of various individually insignificant provisions.

Notes to the consolidated financial statements

for the year ended June 30

		2016 R'000	2015 R'000
30.	**COMMITMENTS**		
	Capital expenditure approved:		
	Contracted for	**568 683**	407 181
	Not contracted for	**939 434**	989 645
		1 508 117	1 396 826

Capital expenditure amounting to R1 459 million (2015: R1 312 million) is in respect of property, plant and equipment and the remaining balance is in respect of computer software. It is anticipated that capital expenditure will be financed out of existing cash resources.

31. CONTINGENT LIABILITIES

The group has outstanding legal and other claims arising out of its normal ongoing operating activities. None of these claims are significant.

32. FINANCIAL INSTRUMENTS

32.1 Risk management overview

The group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk, including interest rate risk, currency risk and equity price risk.

This note presents information about the group's exposure to each of the aforementioned risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. IFRS 7 requires certain disclosures by class of instrument which the group has determined would be the segments as disclosed in the segmental report.

The group's major financial risks are mitigated in the way that it operates firstly through diversification of geography and secondly through decentralisation of the business model. Bidcorp is an international group with operations in the United Kingdom, Europe, Asia, Australia, New Zealand, South America, Middle East and various southern African countries.

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

Due to the diverse structure and decentralised management of the group, the group audit and 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 stakeholders.

The overall process of risk management in Bidcorp, which includes the related system of control, is the responsibility of the Bidcorp board of directors. The audit and risk committee is governed by a charter and reports regularly to the board of directors on its activities.

32. FINANCIAL INSTRUMENTS *(continued)*

32.1 Risk management overview *(continued)*

The primary purposes of the Bidcorp Group audit and risk committee in respect of risk are:

- to establish and maintain a common understanding of the risk universe (framework), which needs to be addressed in order to meet Bidcorp's 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 Bidcorp board of directors on the risk management work undertaken and the extent of any action taken by management to address areas identified for improvement; and
- to report to the Bidcorp board of directors on the company's process for monitoring compliance with laws and regulations.

Bidcorp has, due to the diversity of its operations in terms of geographical spread, determined that is better to have an in-house strategy for risk management, as opposed to adopting a recognised strategy and forcing its operations to adapt to the constraints of the strategy selected. Bidcorp has determined that utilising a common framework for the identification of risk assists the divisions to reduce the implementation time and cost, and give some assurance that all inherent identified 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. Bidcorp aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

Each division has an audit and risk committee, which subscribes to the same philosophies and practices as the group audit and risk committee. The divisional audit committees report to the group audit and risk committee. The divisional audit committees oversee how divisional and operational 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 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 regularly reported to the relevant divisional audit committee.

32.2 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, cash and cash equivalents and investments.

The board has implemented a "delegation of authority matrix" which provides guidelines to the divisions 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 amounting to R20 205 million (2015: R15 238 million), represents the group's maximum exposure to credit risk after taking into account the value of any collateral obtained.

This includes carrying values, net of impairment allowances, of R13 945 million (2015: R11 246 million) for trade receivables (refer to note 20), R5 506 million (2015: R3 632 million) for cash and cash equivalents and R754 million (2015: R360 million) for investments (refer to note 18).

The impairment allowance account in respect of trade receivables is used to record impairment losses unless the group is satisfied that no recovery of the amount owing is possible. At that point, the amount which is considered irrecoverable is written off directly against the respective assets.

Impairments of investments classified as available-for-sale or held-for-trading are written off against the investment directly and an impairment allowance account is not utilised.

Notes to the consolidated financial statements

for the year ended June 30

32. FINANCIAL INSTRUMENTS *(continued)*

32.2 Credit risk *(continued)*

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 creditworthiness 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 is held responsible for monitoring the operations' credit exposure.

32.2.1 Trade receivables

Refer to note 20 for further disclosure.

Trade receivables consist of a large number of customers spread across diverse markets and geographical areas. Ongoing credit evaluation is performed by the operational management on the financial condition of the operations' 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 R556 million (2015: R494 million). Management, in the various geographies, has assessed the recoverability of these amounts due in its geographies, and believes 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 function of the decentralised structure, each operation establishes an impairment allowance that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

The review of the impairment allowances in respect of trade and other receivables is monitored under the oversight of the divisional audit committees, and ultimately the group audit and risk committee. The operations' average credit periods depend on the local trends as well as the creditworthiness of their customers. The majority of the customers are given credit terms ranging from cash on delivery to 60 days from statement. The largest impairment raised for a specific trade receivable was obtained for each reporting operation and calculated as a percentage of the group's total impairment allowance. It was determined that such percentage did not exceed 2,3% (2015: 2,6%) of the total allowance raised at year-end.

	2016 R'000	2015 R'000
32. FINANCIAL INSTRUMENTS *(continued)*		
32.2 Credit risk *(continued)*		
32.2.1 Trade receivables *(continued)*		
Movement in impairment allowance in respect of trade receivables		
Balance at July 1	**377 288**	277 614
Allowances raised during the year	**256 832**	251 032
Foodservice		
Australasia	**33 650**	35 437
United Kingdom	**18 070**	25 186
Europe	**147 440**	144 501
Emerging Markets	**57 672**	45 908
Bad debts written off during the year	**(150 467)**	(134 868)
Foodservice		
Australasia	**(28 750)**	(22 788)
United Kingdom	**(19 236)**	(29 480)
Europe	**(80 616)**	(60 742)
Emerging Markets	**(21 865)**	(21 858)
Acquisition of businesses	**2 243**	58 810
Foodservice		
United Kingdom	**2 243**	–
Europe	**–**	58 810
Transfer as a result of unbundling		
Foodservice		
Emerging Markets	**39 698**	–
On disposal of business	**(403)**	–
Foodservice		
Emerging Markets	**(383)**	–
Bidvest Services	**(20)**	–
Allowances reversed during the year	**(47 835)**	(70 171)
Foodservice		
Australasia	**–**	(1 226)
United Kingdom	**(3 846)**	(26 214)
Europe	**(3 462)**	(42 731)
Emerging Markets	**(40 527)**	–
Exchange rate adjustments	**71 175**	(5 129)
Balance at June 30	**548 531**	377 288

Notes to the consolidated financial statements

for the year ended June 30

32. FINANCIAL INSTRUMENTS *(continued)*

32.2 Credit risk *(continued)*

32.2.1 Trade receivables *(continued)*

Ageing of trade receivables at June 30

	2016			2015		
	Gross trade receivables R'000	**Impairment allowance R'000**	**Net trade receivables R'000**	Gross trade receivables R'000	Impairment allowance R'000	Net trade receivables R'000
Not past due	**12 441 211**	**(25 585)**	**12 415 626**	10 089 532	(33 676)	10 055 856
Bidvest Services	**–**	**–**	**–**	1 775	–	1 775
Foodservice						
Australasia	**2 384 621**	**(9 526)**	**2 375 095**	2 018 626	(15 682)	2 002 944
United Kingdom	**4 406 945**	**–**	**4 406 945**	4 194 622	–	4 194 622
Europe	**3 531 335**	**(6 557)**	**3 524 778**	2 837 846	(15 725)	2 822 121
Emerging Markets	**2 118 310**	**(9 502)**	**2 108 808**	1 036 663	(2 269)	1 034 394
Past due 1 – 30 days	**1 074 017**	**(40 283)**	**1 033 734**	806 003	(26 234)	779 769
Bidvest Services	**–**	**–**	**–**	153	–	153
Foodservice						
Australasia	**189 850**	**(28 561)**	**161 289**	170 068	(14 280)	155 788
United Kingdom	**293 106**	**–**	**293 106**	108 376	(6 323)	102 053
Europe	**339 458**	**(7 348)**	**332 110**	304 870	(5 615)	299 255
Emerging Markets	**251 603**	**(4 374)**	**247 229**	222 536	(16)	222 520
31 – 180 days	**718 233**	**(280 620)**	**437 613**	565 302	(169 257)	396 045
Bidvest Services	**–**	**–**	**–**	(165)	(25)	(190)
Foodservice						
Australasia	**51 367**	**(37 439)**	**13 928**	45 039	(26 803)	18 236
United Kingdom	**112 206**	**(28 013)**	**84 193**	48 367	(26 933)	21 434
Europe	**375 545**	**(167 901)**	**207 644**	336 932	(99 157)	237 775
Emerging Markets	**179 115**	**(47 267)**	**131 848**	135 129	(16 339)	118 790
181 + days	**259 876**	**(202 043)**	**57 833**	162 907	(148 121)	14 786
Foodservice						
Australasia	**16 632**	**(12 922)**	**3 710**	15 604	(12 773)	2 831
United Kingdom	**55 400**	**(19 256)**	**36 144**	17 950	(15 372)	2 578
Europe	**141 180**	**(139 107)**	**2 073**	89 198	(89 130)	68
Emerging Markets	**46 664**	**(30 758)**	**15 906**	40 155	(30 846)	9 309
Total	**14 493 337**	**(548 531)**	**13 944 806**	11 623 744	(377 288)	11 246 456

32. FINANCIAL INSTRUMENTS *(continued)*

32.2 Credit risk *(continued)*

32.2.1 Trade receivables (continued)

Collateral held on past due amounts

	2016		2015	
	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
Cover by credit insurance				
Foodservice				
Australasia	**79 397**	**79 397**	52 685	52 685
United Kingdom	**44 919**	**44 919**	27 223	30 248
Europe	**82 781**	**140 153**	49 085	49 085
Emerging Markets	**117 353**	**38 604**	24 389	24 389
Total	**324 450**	**303 073**	153 382	156 407

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.

32.2.2 Investments

The classes for investments are listed held-for-trading, unlisted held-for-trading and unlisted available-for-sale, refer to note 18 for the carrying amounts for each of these categories. The group manages its credit risk for investments by investing in reputable instruments.

There was an impairment loss of R119,1 million (2015: Rnil) that was recognised in respect of investments which related to Icelandic Water Holdings ehf. Management's best estimate of the fair value of the Icelandic Water investment was based on an offer to the holders of convertible loan notes and warrants which are convertible into common company stock.

32.2.3 Cash and cash equivalents

The credit risk on cash and cash equivalents is addressed by utilising financial institutions of good standing for investment and cash management purposes.

32.3 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 segment. The divisions within each segment are therefore not responsible for the management of liquidity risk but rather senior management for each of these segments are responsible for implementing procedures to manage the regional liquidity risk.

Notes to the consolidated financial statements

for the year ended June 30

32. FINANCIAL INSTRUMENTS *(continued)*

32.3 Liquidity risk *(continued)*

32.3.1 Contractual maturities of financial liabilities, including interest payments

		Undiscounted contractual cash flows					
	Carrying amount R'000	Total R'000	6 months or less R'000	6 – 12 months R'000	1 – 2 years R'000	2 – 5 years R'000	More than 5 years R'000
2016							
Puttable non-controlling liabilities (refer to note 26)	**1 168 921**	**1 172 267**	**–**	**–**	**44 700**	**1 127 567**	**–**
Borrowings (refer to note 24)							
Loans secured by mortgage bonds over fixed property	**78 436**	**84 520**	**6 576**	**5 340**	**10 667**	**25 039**	**36 898**
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**284 365**	**305 365**	**45 050**	**44 042**	**112 980**	**87 091**	**16 202**
Unsecured loans	**6 825 353**	**7 739 753**	**3 852 089**	**318 760**	**629 621**	**1 041 348**	**1 897 935**
	7 188 154	**8 129 638**	**3 903 715**	**368 142**	**753 268**	**1 153 478**	**1 951 035**
Trade and other payables (refer to note 28)							
Trade and other payables (excluding forward exchange contracts)	**21 493 850**	**21 493 850**	**21 493 850**	**–**	**–**	**–**	**–**
2015							
Puttable non-controlling liabilities (refer to note 26)	913 638	954 635	–	–	–	954 635	–
Borrowings (refer to note 24)							
Loans secured by mortgage bonds over fixed property	21 372	22 660	2 743	2 710	5 327	11 880	–
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	158 622	165 956	39 910	39 961	40 573	45 512	–
Unsecured loans	5 053 356	5 155 480	1 470 324	1 937 533	1 436 789	264 145	46 689
Other borrowings	1 122 195	1 122 195	–	1 122 195	–	–	–
Bank overdrafts	4	4	–	4	–	–	–
	6 355 549	6 466 295	1 512 977	3 102 403	1 482 689	321 537	46 689
Trade and other payables (refer to note 28)							
Trade and other payables (excluding forward exchange contracts)	16 912 883	16 912 883	16 912 883	–	–	–	–

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.

	2016 R'000	2015 R'000
32. FINANCIAL INSTRUMENTS *(continued)*		
32.3 Liquidity risk *(continued)*		
32.3.2 Trade payables by class		
Trade payables		
Bidvest Services	–	3 160
Foodservice		
Australasia	3 342 044	2 803 751
United Kingdom	7 588 240	6 596 958
Europe	4 583 444	3 589 586
Emerging Markets	1 856 082	822 277
Corporate	–	206
	17 369 810	13 815 938
32.3.3 Undrawn facilities		
The group has the following undrawn facilities at its disposal to further reduce liquidity risk:		
Unsecured bank overdraft facility, reviewed annually and payable on 360 days' notice	1 303 748	1 089 858
Utilised	–	4
Unutilised	1 303 748	1 089 854
Unsecured loan facility with various maturity dates through to 2022 and which may be extended by mutual agreement	8 820 156	6 767 599
Utilised	6 798 453	4 915 612
Unutilised	2 021 703	1 851 987
Secured loan facilities with various maturity dates through to 2022 and which may be extended by mutual agreement	297 035	304 068
Utilised	189 536	137 024
Unutilised	107 499	167 044
Other banking facilities	755 731	1 405 889
Utilised	183 270	237 336
Unutilised	572 461	1 168 553
Total facilities	11 176 670	9 567 414
Utilised	7 171 259	5 289 976
Unutilised	4 005 411	4 277 438

32.4 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.

Notes to the consolidated financial statements

for the year ended June 30

32. FINANCIAL INSTRUMENTS *(continued)*

32.4 Market risk *(continued)*

32.4.1 Foreign currency risk

The group's financial instruments are not significantly exposed to currency risk for the reasons provided below. A sensitivity analysis has therefore not been performed.

Borrowings are matched to the same foreign currency as the division raising the loan thereby limiting the divisions' exposure to changes in a foreign currency which differs to their functional currency. Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying divisions of the group thereby providing an economic hedge for each class of borrowing.

The group incurs currency risk as a result of purchases and sales which are denominated in a currency other than the group entities' functional reporting currency. It is group policy that group entities hedge all trade receivables and trade payables denominated in a foreign currency which differs to its functional currency. At any point in time the entities also take out economic hedges over their estimated foreign currency exposure resulting from sales and purchases. The group entities hedge their foreign currency risk exposure either by taking out forward exchange contracts (FECs) or alternatively by purchasing in advance the foreign currency which will be required to settle the trade payables. Most of the FECs have maturities of less than one year after the reporting date. Where necessary, the FECs are rolled over at maturity. It is the group's policy not to trade in derivative financial instruments for speculative purposes.

Changes in the fair value of FECs that economically hedge monetary assets and liabilities in foreign currencies (in relation to the operations' functional currencies) and for which no hedge accounting is applied are recognised in the statement of profit or loss. Both the changes in fair value of the FECs and the foreign exchange gains and losses relating to the monetary items are recognised in operating profit (refer to note 3).

The periods in which the cash flows associated with the FECs are expected to occur are detailed below under the heading "settlement". The periods in which the cash flows are expected to impact the statement of profit or loss are believed to be in the same timeframe as when the actual cash flows occur.

		Contract value	
	Settlement	Foreign amount '000	Rand amount '000
2016			
In respect of FECs relating to foreign liabilities as at June 30 2016			
US dollar	July to August 2016	**(3 513)**	**(53 332)**
Euro	July to September 2016	**(8 110)**	**(135 592)**
Australian dollar	July 2016	**(20)**	**(225)**
Other	July 2016		**(10)**
			(189 159)
In respect of FECs relating to foreign assets as at June 30 2016			
US dollar	July to November 2016	**6 719**	**97 127**
Norwegian krone	July to October 2016	**14 569**	**26 530**
Euro	July to November 2016	**1 270**	**20 613**
			144 270
In respect of FECs relating to goods and services ordered not accounted for as at June 30 2016			
US dollar	July to May 2017	**(12 540)**	**(180 485)**
Australian dollar	July to August 2016	**(576)**	**(6 519)**
Euro	July to October 2016	**(1 200)**	**(19 173)**
			(206 177)

32. FINANCIAL INSTRUMENTS *(continued)*

32.4 Market risk *(continued)*

32.4.1 *Foreign currency risk* *(continued)*

	Settlement	Contract value Foreign amount '000	Contract value Rand amount '000
2015			
In respect of FECs relating to foreign liabilities as at June 30 2015			
US dollar	July to October 2015	(8 221)	(99 729)
Euro	July to September 2015	(7 818)	(107 122)
Australian dollar	July 2015	(603)	(5 689)
Other	July 2015		(289)
			(212 829)
In respect of FECs relating to foreign assets as at June 30 2015			
US dollar	July to November 2015	9 436	113 679
Euro	July to December 2015	1 738	25 064
			138 743
In respect of FECs relating to goods and services ordered not accounted for as at June 30 2015			
US dollar	July to October 2015	(5 000)	(59 492)
Euro	July 2015	(1 313)	(12 265)
Other	July to September 2015		(702)
			(72 459)

32.4.2 *Interest rate risk*

The group is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. This risk is managed by maintaining an appropriate mix between fixed and floating borrowings and by the use of interest rate swap contracts. 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:

	2016 R'000	2015 R'000
Fixed rate instruments		
Financial liabilities		
Borrowings	**(3 128 722)**	(3 702 934)
Derivative instruments in designated hedge accounting relationships	**–**	(3 725)
Variable rate instruments		
Financial assets		
Cash and cash equivalents	**5 509 505**	3 632 608
Financial liabilities		
Borrowings	**(4 059 432)**	(2 652 611)
Puttable non-controlling interest liabilities	**(1 168 921)**	(913 638)
Overdrafts	**–**	(4)

The group's exposure to interest rates on financial assets and liabilities are detailed in the various notes within the financial statements.

The variable rates are influenced by movements in the prime borrowing rates.

Notes to the consolidated financial statements

for the year ended June 30

32. FINANCIAL INSTRUMENTS *(continued)*

32.4 Market risk *(continued)*

32.4.2 Interest rate risk *(continued)*

Sensitivity analysis

Group borrowings have been categorised by geographical location and the percentage change used for each category has been selected based on what could reasonably be expected as a change in interest rates within that region based on historical movements in interest rates within that particular region.

This sensitivity analysis has been prepared using the average borrowings for the financial year as the actual borrowings at June 30 are not representative of the borrowings during the year. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as 2015. A decrease in interest rates would have an equal and opposite effect on profit after taxation as detailed below.

	2016		2015	
	Increase in interest rates %	**Decrease in profit after taxation R'000**	Increase in interest rates %	Decrease in profit after taxation R'000
Southern Africa and other Emerging Markets	**0,50**	**6 360**	0,50	4 874
United Kingdom and Europe	**0,25**	**9 955**	0,25	7 688
Australasia	**0,25**	**7 352**	0,25	8 974
		23 667		21 536

32.4.3 Equity price risk

Equity price risk arises from investments classified as held-for-trading and available-for-sale (refer to note 18). Unlisted investments comprise unlisted shares and loans which are classified as held-for-trading and available-for-sale, and are valued at fair value using a price earnings model.

32. FINANCIAL INSTRUMENTS *(continued)*

32.5 Fair values

The carrying amounts of all financial assets and liabilities approximate their fair values, with the exception of borrowings which have been accounted for at amortised cost. The fair value of borrowings, together with the carrying amounts shown in the statement of financial position, classified by class (being geographical location), are as follows:

	2016		2015	
	Carrying amount R'000	**Fair value R'000**	Carrying amount R'000	Fair value R'000
Borrowings (refer to note 24)				
Southern Africa and other Emerging Markets	**2 136 266**	**2 136 156**	972 461	972 155
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**5 349**	**5 349**	–	–
Unsecured loans	**2 130 917**	**2 130 807**	972 461	972 155
United Kingdom and Europe	**3 914 356**	**3 885 383**	4 292 227	4 292 227
Loans secured by mortgage bonds over fixed property	**78 436**	**78 436**	21 372	21 372
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**279 016**	**279 016**	158 622	158 622
Unsecured loans	**3 556 904**	**3 527 931**	2 990 034	2 990 034
Other borrowings	**–**	**–**	1 122 195	1 122 195
Bank overdrafts	**–**	**–**	4	4
Australasia				
Unsecured loans	**1 137 532**	**1 137 532**	1 090 861	1 090 861
	7 188 154	**7 159 071**	6 355 549	6 355 243
Unrecognised gain	**29 083**		306	

The methods used to estimate the fair values of financial instruments are discussed in note 36.

The interest rates used to discount cash flows, in order to determine fair values, are based on market-related rates at June 30 2016 plus an adequate constant credit spread, and range from 0,00% to 18,24% (2015: 0,25% to 12,5%).

Notes to the consolidated financial statements

for the year ended June 30

32. FINANCIAL INSTRUMENTS *(continued)*

32.5 Fair values (continued)

Fair value hierarchy

When measuring the fair value of an asset or a liability, the group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques categorised as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Non-current liabilities	Current assets (liabilities)					
R'000s	**Puttable non-controlling interests**	**Investments**	**Vendors for acquisition**	**Total**	**Level 1**	**Level 2**	**Level 3**
June 30 2016							
Financial assets measured at fair value	**–**	**511 122**	**–**	**511 122**	**501 293**	**2 054**	**7 775**
Financial liabilities measured at fair value	**(1 168 921)**	**–**	**(513 308)**	**(1 682 229)**	**–**	**–**	**(1 682 229)**
June 30 2015							
Financial assets measured at fair value	–	26 163	–	26 163	–	12 277	13 886
Financial liabilities measured at fair value	(913 638)	–	(558 315)	(1 471 953)	–	–	(1 471 953)

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the puttable non-controlling interests and vendors for acquisition fair values at June 30.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The expected payments are determined by considering the possible scenarios of forecast EBITDA, the amount to be paid under each scenario and the probability of each scenario. The valuation models consider the present value of expected payment, discounted using a risk-adjusted discount rate.	– EBITDA growth rates: 10 – 23% (2015: 10 – 23%) – EBITDA mutliples: 4,8x – 7x (2015: 4,8x – 7x) – Risk-adjusted discount rate: 1,99% – 5,00% (2015: 1,99%)	The estimated fair value would increase (decrease) if: – the EBITDA were higher (lower); or – the risk-adjusted discount rate were lower (higher).

33. CAPITAL MANAGEMENT

The board of directors' policy is to maintain a strong capital base so as to sustain future development of the businesses so that it can continue to provide benefits to its shareholders.

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

34. RELATED PARTIES

Identification of related parties

The group has a related-party relationship with its subsidiaries and associates. 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 exercises control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the group. They may include the individual's domestic partner and children, the children of the individual's domestic partner, and dependants of the individual or the individual's domestic partner.

Transactions with key management personnel

Directors' remuneration in total, paid by a subsidiary, is included in note 3. Details pertaining to executive and non-executive directors' compensation are set out in the directors' report on pages 49 to 52.

The group encourages its employees to purchase goods 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 group level.

Transactions with related parties

	2016 R'000	2015 R'000
Management fee paid to The Bidvest Group Limited pre-unbundling (note 3)	**23 119**	27 887
Outstanding amounts due at year-end by associates (note 17)	**37 696**	55 906
Outstanding amounts due at year-end by The Bidvest Group Limited entities pre-unbundling (note 20)	**–**	4 320
Outstanding amounts due at year-end to The Bidvest Group Limited entities pre-unbundling (note 24)	**–**	(1 122 195)

Details of effective interest, investments and loans to associates are disclosed in note 17.

35. ACCOUNTING ESTIMATES AND JUDGEMENTS

The board of directors has considered the group's critical accounting policies, key sources of uncertainty and areas where critical accounting judgements were required in applying the group's accounting policies.

Critical accounting policies

The group audit and risk committee is satisfied that the critical accounting policies are appropriate to the group.

Critical accounting judgements in applying the group's accounting policies

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

Property, plant and equipment

The residual values of these assets are reviewed annually after considering future market conditions, the remaining life of the asset and projected disposal values. The estimation of the useful lives is based on historic performance as well as expectation about future use and, therefore, requires a degree of judgement to be applied. The depreciation rates represent management's current best estimate of the useful lives of the assets. Certain properties are accounted for as own use assets and are thus held at cost less accumulated depreciation. Market indicators reflect that these properties could realise more than their carrying values if disposed of.

Notes to the consolidated financial statements

for the year ended June 30

35. ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

Goodwill and indefinite life intangible assets

The group has assessed the carrying value of goodwill and indefinite life intangible assets to determine whether any of the amounts have been impaired. The carrying values were assessed using a combination of discounted cash flow and price earnings methods and the actual results and forecasts for future years.

Deferred taxation

Deferred taxation assets are recognised to the extent it is probable that the taxable income will be available against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and taxation rates and competitive forces.

Investments

The group reflects its held-for-trading and available-for-sale investments at fair value. The directors' value of unlisted investments was determined using a combination of discounted cash flow, net asset value and price earnings methods. Certain investments are of a long-term nature and uncertainty surrounds their valuation, which may result in a significant change in value over time.

Inventories

Impairment allowances are raised against inventory when it is considered that the amount realisable from such inventory's sale is considered to be less than its carrying amount. The impairment allowances are made with reference to an inventory age analysis.

Trade receivables

Management identifies possible impairment of trade receivables on an ongoing basis. An impairment allowance in respect of doubtful debts is raised against the receivable when their collectability is considered to be doubtful. Management believes that the impairment adjustment is conservative and there are no significant receivables that are doubtful and have not been impaired or provided for. In determining whether a particular receivable could be doubtful, the age, customer current financial status and disputes with the customer are taken into consideration.

Provisions

Refer to note 29 for disclosure on the onerous contracts, provision for cost of dismantling and site restoration and customer loyalty programmes.

Post-retirement obligations

The group provides retirement benefits for its permanent employees through pension funds with defined benefit and defined contribution categories. Actuarial valuations are based on assumptions which include the discount rate, inflation rate, salary increase rate, expected return on plan assets and the pension increase allowance rate.

Puttable non-controlling interest liabilities

The group has entered into put arrangements where non-controlling interests are entitled to sell certain of their holdings in subsidiaries to the group at future contracted dates. The puttable non-controlling interest liability is calculated as the present value of the expected redemption value, discounted from the expected redemption date to the reporting date. There are two main assumptions used in the calculation of the liability: the expected redemption value at the expected redemption date and the discount rate used to discount the expected redemption value to the reporting date.

The discount rate is derived from an applicable government bond yield curve in the country in which the subsidiary operates and is applied over the number of years between the reporting date and the redemption date, plus an appropriate credit spread.

Logistics United Kingdom

Management irregularities were identified and investigated during the year, some of which relate to a recent acquisition and others to operational activities, all of which significantly impacted the division. These irregularities are subject to ongoing legal processes. Any impact on non-current assets is continually being monitored by management. In respect of the net operating assets, management has provided for the worst case scenario based on management's best estimate for the year then ended, notwithstanding potential recoveries from legal action and insurance claims.

36. DETERMINATION OF FAIR VALUES

A number of the group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market values of other assets are based on the quoted market prices for similar items.

Intangible assets

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

Inventory

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the efforts required to complete and sell the inventory.

Investments

Fair value of listed investments is calculated by reference to stock exchange quoted selling prices at the close of business on the report date. Fair value of unlisted investments is determined by using appropriate valuation models.

Forward exchange contracts

The fair value of forward exchange contracts is based on their market prices.

Borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements. The carrying value of the bank overdrafts is the fair value.

Share-based payments

The fair value of the share options is measured using a binomial method. Measurement inputs include share price at measurement date, exercise price of the instrument, expected volatility (based on the historic volatility of The Bidvest Group Limited share), option life, distribution yield and the risk-free interest rate (based on national government bonds).

37. SUBSEQUENT EVENTS

No material subsequent events have arisen since June 30 2016.

38. GOING CONCERN

The directors have made an assessment of the group's ability to continue as a going concern and there is no reason to believe the group will not be a going concern in the year ahead.

Notes to the consolidated financial statements

for the year ended June 30

39. ACCOUNTING STANDARDS AND INTERPRETATIONS NOT EFFECTIVE AT JUNE 30 2016

Standard/interpretation	Description	Reporting period beginning on or after
IFRS 9 *Financial Instruments*	A final version of IFRS 9 has been issued which replaces IAS 39 *Financial Instruments: Recognition and Measurement*. The completed standard comprises guidance on classification and measurement, impairment hedge accounting and derecognition. The statement introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. Changes have been made to the fair value option for financial liabilities to address the issue of own credit risk. The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. The statement contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements. It also carries forward the derecognition requirements of financial assets and liabilities from IAS 39.	January 1 2018
IFRS 10 *Consolidated Financial Statements,* IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures*	Applying the consolidation exception: amendments to IFRS 10, IFRS 12 and IAS 28 to introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the standards.	January 1 2016
IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*	Sale or contribution of assets between an investor and its associate or joint venture: an amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.	January 1 2016
IFRS 11 *Joint Arrangements*	Amendments adding new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business which specify the appropriate accounting treatment for such acquisitions.	January 1 2016
IFRS 15 *Revenue from Contracts from Customers*	This new standard requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five-step methodology that is required to be applied to all contracts with customers. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.	January 1 2018

39. ACCOUNTING STANDARDS AND INTERPRETATIONS NOT EFFECTIVE AT JUNE 30 2016 *(continued)*

Standard/interpretation	Description	Reporting period beginning on or after
IFRS 16 *Leases*	IFRS 16 provides a comprehensive model for identification of lease arrangements and their treatment in the financial statements of both leases and lessors. It supersedes IAS 17 *Leases* and its associated interpretative guidance.	January 1 2019
IAS 1 *Presentation of Financial Statements*	Amendments designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements. The amendments also clarify that entities should use professional judgement in determining where and in what order information is presented in the financial disclosures.	January 1 2016
IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*	Amendment establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets.	January 1 2016
IAS 19 *Employee Benefits*	Amendment clarifying the requirements to determine the discount rate in a regional market sharing the same currency.	January 1 2016
IAS 27 *Consolidated and Separate Financial Statements*	Amendment to allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.	January 1 2016

Management's assessment of the new standards, interpretations and amendments has not revealed a material impact on the June 30 2016 and June 30 2017 group's results.

Notes to the consolidated financial statements

for the year ended June 30

		2016	2015
40.	**FOREIGN CURRENCY EXCHANGE RATES**		
	The following exchange rates were used in the conversion of foreign interests and foreign transactions at June 30		
	Rand/sterling		
	Closing rate	**19,81**	19,33
	Average rate	**21,49**	18,03
	Rand/euro		
	Closing rate	**16,43**	13,64
	Average rate	**16,11**	13,74
	Rand/Australian dollar		
	Closing rate	**11,01**	9,41
	Average rate	**10,57**	9,56
	Rand/New Zealand dollar		
	Closing rate	**10,52**	8,41
	Average rate	**9,71**	8,90
	Rand/Hong Kong dollar		
	Closing rate	**1,91**	1,59
	Average rate	**1,87**	1,48
	Rand/Singapore dollar		
	Closing rate	**10,97**	9,10
	Average rate	**10,45**	8,74
	Rand/Czech koruna		
	Closing rate	**0,61**	0,50
	Average rate	**0,60**	0,50
	Rand/Polish zloty		
	Closing rate	**3,72**	3,25
	Average rate	**3,75**	3,30
	Rand/Brazilian real		
	Closing rate	**4,58**	3,91
	Average rate	**3,94**	4,32
	Rand/US dollar		
	Closing rate	**14,79**	12,29
	Average rate	**14,52**	11,46
	Rand/Japanese yen		
	Closing rate	**0,14**	0,10
	Average rate	**0,12**	0,10

Consolidated segmental analysis

for the year ended June 30

	2016 R'000	2015 R'000
The group has the following strategic segments: Foodservice Australia, Foodservice United Kingdom, Foodservice Europe, Foodservice Emerging Markets, Bidvest Services and Corporate, which are the reportable segments.		
The reportable segments of the group have been identified based on the geographies of the businesses. This basis is representative of the internal structure for management purposes and management reports are reviewed by the executive management team on a monthly basis.		
Segmental revenue		
Trading division		
Foodservice	**135 531 898**	109 796 520
Australasia	**30 333 998**	28 187 109
United Kingdom	**60 991 803**	47 722 732
Europe	**30 988 054**	24 802 908
Emerging Markets	**13 218 043**	9 083 771
Bidvest Services	**5 633**	7 004
	135 537 531	109 803 524
Geographic region		
Southern Africa and other Emerging Markets	**13 223 676**	9 090 775
United Kingdom and Europe	**91 979 857**	72 525 640
Australasia	**30 333 998**	28 187 109
	135 537 531	109 803 524
Segmental trading profit		
Trading division		
Foodservice	**4 855 097**	3 724 309
Australasia	**1 778 121**	1 459 656
United Kingdom	**1 424 044**	1 118 563
Europe	**1 053 640**	860 522
Emerging Markets	**599 292**	285 568
Corporate	**(26 520)**	(45 755)
Bidvest Services	**4 314**	1 106
	4 832 891	3 679 660
Geographic region		
Southern Africa and other Emerging Markets	**577 086**	286 674
United Kingdom and Europe	**2 477 684**	1 933 330
Australasia	**1 778 121**	1 459 656
	4 832 891	3 679 660

Consolidated segmental analysis

for the year ended June 30

	2016 R'000	2015 R'000
Segmental operating profit		
Trading division		
Foodservice	**4 694 838**	3 702 696
Australasia	**1 781 548**	1 478 465
United Kingdom	**1 238 853**	1 133 860
Europe	**1 084 742**	804 803
Emerging Markets	**589 695**	285 568
Corporate	**(23 981)**	(45 222)
Bidvest Services	**4 314**	1 106
	4 675 171	3 658 580
Share-based payment expense	**(48 653)**	(57 181)
	4 626 518	3 601 399
Geographic region		
Southern Africa and other Emerging Markets	**570 028**	286 674
United Kingdom and Europe	**2 323 595**	1 893 441
Australasia	**1 781 548**	1 478 465
	4 675 171	3 658 580

Segment operating assets and liabilities include property, plant and equipment, investments (excluding unlisted preference shares), inventories, trade and other receivables, trade and other payables, provisions, operating lease liabilities, post-retirement obligations and defined benefit pension assets but excludes cash and cash equivalents, intangible assets, goodwill, puttable non-controlling interest liabilities, vendors for acquisition, borrowings, current taxation, and deferred taxation.

	2016 R'000	2015 R'000
Segmental operating assets		
Trading division		
Foodservice	**35 035 397**	26 716 128
Australasia	**7 603 598**	6 249 210
United Kingdom	**10 997 133**	9 573 505
Europe	**9 737 400**	7 584 655
Emerging Markets	**6 697 266**	3 308 758
Corporate	**910 469**	664 437
Bidvest Services	**–**	2 891
	35 945 866	27 383 456
Geographic region		
Southern Africa and other Emerging Markets	**7 607 735**	3 976 086
United Kingdom and Europe	**20 734 533**	17 158 160
Australasia	**7 603 598**	6 249 210
	35 945 866	27 383 456

	2016 R'000	2015 R'000
Segmental operating liabilities		
Trading division		
Foodservice	**22 196 727**	17 658 719
Australasia	**4 492 916**	3 713 072
United Kingdom	**8 625 464**	7 859 129
Europe	**6 091 261**	4 823 888
Emerging Markets	**2 987 086**	1 262 630
Corporate	**121 994**	47 015
Bidvest Services	**–**	5 456
	22 318 721	17 711 190
Geographic region		
Southern Africa and other Emerging Markets	**3 109 080**	1 268 086
United Kingdom and Europe	**14 716 725**	12 730 032
Australasia	**4 492 916**	3 713 072
	22 318 721	17 711 190
Segmental depreciation		
Trading division		
Foodservice	**1 027 494**	795 486
Australasia	**223 653**	187 933
United Kingdom	**437 181**	342 054
Europe	**272 545**	205 479
Emerging Markets	**94 115**	60 020
Corporate	**100**	208
Bidvest Services	**54**	166
	1 027 648	795 860
Geographic region		
Southern Africa and other Emerging Markets	**94 269**	60 186
United Kingdom and Europe	**709 726**	547 741
Australasia	**223 653**	187 933
	1 027 648	795 860

Consolidated segmental analysis

for the year ended June 30

	2016 R'000	2015 R'000
Segmental capital expenditure on property, plant and equipment and intangible assets		
Trading division		
Foodservice	**2 106 940**	1 712 341
Australasia	**557 067**	342 845
United Kingdom	**798 051**	890 062
Europe	**570 403**	388 213
Emerging Markets	**181 419**	91 221
Corporate	**5 125**	345
Bidvest Services	**263**	31
	2 112 328	1 712 717
Geographic region		
Southern Africa and other Emerging Markets	**186 807**	91 597
United Kingdom and Europe	**1 368 454**	1 278 275
Australasia	**557 067**	342 845
	2 112 328	1 712 717
Segmental amortisation and impairments on intangible assets		
Trading division		
Foodservice	**213 651**	307 362
Australasia	**13 371**	30 247
United Kingdom	**107 039**	88 445
Europe	**91 179**	188 085
Emerging Markets	**2 062**	585
Corporate	**–**	36
	213 651	307 398
Geographic region		
Southern Africa and other Emerging Markets	**2 062**	585
United Kingdom and Europe	**198 218**	276 566
Australasia	**13 371**	30 247
	213 651	307 398

	2016 R'000	2015 R'000
Segmental goodwill and intangible assets		
Trading division		
Foodservice	**14 397 532**	12 541 049
Australasia	**2 894 964**	2 552 266
United Kingdom	**3 832 422**	3 531 864
Europe	**6 269 491**	5 374 929
Emerging Markets	**1 400 655**	1 081 990
Corporate	**8**	27
Bidvest Services	**–**	34
	14 397 540	12 541 110
Geographic region		
Southern Africa and other Emerging Markets	**1 400 663**	1 082 024
United Kingdom and Europe	**10 101 913**	8 906 820
Australasia	**2 894 964**	2 552 266
	14 397 540	12 541 110
Employee benefits and remuneration		
Trading division		
Foodservice	**12 448 422**	9 997 095
Australasia	**2 800 822**	2 517 646
United Kingdom	**5 867 248**	4 534 587
Europe	**2 714 670**	2 029 537
Emerging Markets	**1 065 682**	915 331
Corporate	**50 858**	40 924
Bidvest Services	**1 119**	1 124
	12 500 399	10 039 143
Share-based payment expense	**48 653**	57 181
	12 549 052	10 096 324
Geographic region		
Southern Africa and other Emerging Markets	**1 117 659**	957 379
United Kingdom and Europe	**8 581 918**	6 564 118
Australasia	**2 800 822**	2 517 646
	12 500 399	10 039 143

Consolidated segmental analysis

for the year ended June 30

	Number	Number
Number of employees		
Trading division		
Foodservice	**24 053**	20 015
Australasia	**4 037**	4 098
United Kingdom	**8 990**	8 528
Europe	**5 711**	5 022
Emerging Markets	**5 315**	2 367
Corporate	**11**	6
Bidvest Services	**–**	5
	24 064	20 026
Geographic region		
Southern Africa and other Emerging Markets	**5 326**	2 372
United Kingdom and Europe	**14 701**	13 556
Australasia	**4 037**	4 098
	24 064	20 026

Company statement of profit or loss

for the year ended June 30

	Note	2016 R'000	2015 R'000
Operating expenses		**(3)**	–
Net finance charges	1	**186**	375
Finance income		**2 437**	375
Finance charges		**(2 251)**	–
Dividends received from subsidiaries		**1 036 584**	750 251
Profit before taxation		**1 036 767**	750 626
Taxation	2	**(4 444)**	(948)
Profit for the year attributable to shareholders		**1 032 323**	749 678
Other comprehensive income net of taxation		**–**	–
Total comprehensive income for the year		**1 032 323**	749 678

Company statement of cash flows

for the year ended June 30

	Note	2016 R'000	2015 R'000
Cash flows from operating activities		**741 726**	749 932
Cash (utilised) generated by operations	6	**(3 805)**	349
Finance income		**2 437**	375
Finance charges		**(2 251)**	–
Taxation paid	7	**(4 426)**	(1 043)
Dividends received		**1 036 584**	750 251
Dividends paid		**(286 813)**	–
Cash flows from investment activities		**3 613**	(1 500)
Increase in investment of subsidiaries		**(4 199)**	(1 500)
Proceeds on disposal of interests in subsidiaries		**7 812**	–
Cash flows from financing activities		**(740 452)**	(748 432)
Movement in amounts to subsidiaries		**3 746**	(801)
Other payables repaid	5	**(744 198)**	(747 631)
Net increase in cash and cash equivalents		**4 887**	–
Cash and cash equivalents at beginning of year		**–**	–
Cash and cash equivalents at end of year		**4 887**	–

Company statement of financial position

for the year ended June 30

	Note	2016 R'000	2015 R'000
ASSETS			
Non-current assets		**8 134 300**	2 701 634
Investment in subsidiaries	3	**8 129 485**	2 697 273
Amounts owing by subsidiaries		**4 815**	4 361
Current assets		**13 050**	4 379
Trade and other receivables		**8 122**	4 320
Taxation receivable		**41**	59
Cash and cash equivalents		**4 887**	–
Total assets		**8 147 350**	2 706 013
EQUITY AND LIABILITIES			
Capital and reserves			
Capital and reserves attributable to shareholders of the company	4	**8 143 150**	1 961 815
Current liabilities			
Amounts due to subsidiaries		**4 200**	–
Other payables	5	**–**	744 198
Total equity and liabilities		**8 147 350**	2 706 013

Company statement of changes in equity

for the year ended June 30

	2016 R'000	2015 R'000
Equity attributable to shareholders of the company	**8 143 150**	1 961 815
Stated capital	**5 428 016**	#
Balance at beginning of year	**#**	#
Shares issued during the year	**5 428 016**	–
Movement in retained earnings	**2 715 134**	1 961 815
Balance at beginning of year	**1 961 815**	1 212 137
Attributable profit	**1 032 323**	749 678
Dividends paid	**(286 813)**	–
Transfer as a result of unbundling	**7 809**	–

Amounts below R1 000.

Notes to the Company financial statements

for the year ended June 30

		2016 R'000	2015 R'000
1.	**NET FINANCE INCOME**		
	Finance income	**2 437**	375
	Interest income on bank balances	**1 983**	–
	Interest income on subsidiary loans	**454**	371
	Other interest income	**–**	4
	Finance charges		
	Interest expense on bank overdrafts	**(2 251)**	–
		186	375
2.	**TAXATION**		
	Current taxation	**2 321**	214
	Current year	**2 267**	313
	Prior years' under (over) provision	**54**	(99)
	Foreign withholding tax	**2 123**	734
	Total taxation per statement of profit or loss	**4 444**	948
	Comprising		
	South African taxation	**4 444**	948

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

	%	%
Taxation for the year as a percentage of profit before taxation	**0,4**	0,1
Dividend and exempt income	**27,6**	27,9
Rate of South African company taxation	**28,0**	28,0

	2016 %	2015 %	2016 R'000	2015 R'000
3. INVESTMENT IN SUBSIDIARIES				
Caterplus Botswana Proprietary Limited[(1)]	**100**	100	**11**	11
Bidvest International Limited[(2)]	**100**	100	**1 254 897**	1 254 897
Bidvest Foodservice International Limited[(2)]	**100**	100	**1 440 209**	1 440 209
Bidvest Food Mauritius Limited[(3)]	**90**	90	**#**	#
Bidvest Food Zambia Limited[(4)]	**60**	60	**3 652**	653
Bidvest Food Malawi[(5)]	**60**	60	**2 700**	1 500
Bidvest Food Africa Proprietary Limited	**100**	–	**3 053 173**	–
Bidvest Food Property Proprietary Limited	**100**	–	**851 028**	–
BTW Investments Proprietary Limited	**100**	–	**1 523 815**	–
Express Air Services (Zambia) Limited[(4)]	**–**	50	**–**	3
Bidvest Zambia Limited[(4)]	**–**	100	**–**	#
Express Air Services (Zimbabwe) Limited[(6)]	**–**	100	**–**	#
			8 129 485	2 697 273

In terms of the internal restructuring that was completed in April 2016, which was prior to the listing of Bidcorp and unbundling of Bidcorp from The Bidvest Group Limited:

- EAS Zimbabwe Private Limited, EAS Zambia Limited and Bidvest Zambia Limited were collectively disposed to The Bidvest Group Limited.
- Bidvest Food Africa Proprietary Limited, Bidvest Food Properties Proprietary Limited and BTW Investments Proprietary Limited (Bidvest treasury shares) were transferred to Bidcorp from The Bidvest Group Limited in terms of asset for share transactions and unbundling transactions in accordance with the provisions of sections 42 and 46 of the Income Tax Act.

Country of incorporation if not South Africa:
(1) Botswana
(2) Isle of Man
(3) Mauritius
(4) Zambia
(5) Malawi
(6) Zimbabwe

Investment in subsidiaries are reflected at cost less accumulated impairment losses. No impairment was identified for the current financial year (2015: Rnil).

A list of indirectly held subsidiaries is available for inspection at the registered office of the company and shown in annexure A.

 # Amounts below R1 000.

Notes to the company financial statements

for the year ended June 30

		2016 R'000	2015 R'000
4.	**CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY**		
	Stated capital		
	Issued stated capital	**5 428 016**	#
	Reserves		
	Retained earnings	**2 715 134**	1 961 815
	Total capital reserves comprise		
	Amounts attributable to shareholders of the company	**8 143 150**	1 961 815

		Number '000	Number '000
	Stated capital		
	Authorised		
	540 000 000 ordinary shares of no par value (2015: 90 000 ordinary shares of 1 cent each and 10 000 variable rate preference shares of 1 cent each)		
	Issued		
	335 404 212 ordinary shares of no par value (2015: 10 000 ordinary shares of 1 cent each and 100 variable rate preference shares of 1 cent each)	**335 404 212**	#

Amounts below R1 000.

16 750 000 unissued no par value ordinary shares are under the control of the directors until the next annual general meeting.

		2016 R'000	2015 R'000
5.	**OTHER PAYABLES**		
	The Bidvest Group Limited	**–**	744 198

The payable with The Bidvest Group Limited was settled prior to listing and unbundling of Bidcorp and was settled by utilising available cash resources.

		2016 R'000	2015 R'000
6.	**CASH (UTILISED) GENERATED BY OPERATIONS**		
	Operating loss	**(3)**	–
	Working capital changes		
	(Increase) decrease in trade and other receivables	**(3 802)**	349
	Cash (utilised) generated by operations	**(3 805)**	349

		2016 R'000	2015 R'000
7.	**TAXATION PAID**		
	Balance receivable (payable) at beginning of year	**59**	(36)
	Current taxation charge	**(2 321)**	(214)
	Foreign withholding tax	**(2 123)**	(734)
	Balance receivable at end of year	**(41)**	(59)
	Amounts paid	**(4 426)**	(1 043)

8. SUBSEQUENT EVENTS

No material subsequent events have arisen since June 30 2016

9. RELATED PARTIES

The subsidiaries and associates of the group are related parties of the company. The company has made loans to, and has received loans from, certain of these entities, details of which are reflected in annexure A of these financial statements.

All expenditure incurred by the company is borne by a subsidiary in lieu of administration fees and interest.

10. ACCOUNTING ESTIMATES AND JUDGEMENTS

CFC income (tax)

Detailed calculations are performed to determine taxation due on controlled foreign companies (CFCs) in terms of section 9D of the Income Tax Act. These calculations are based on financial data obtained directly from CFCs.

11. GOING CONCERN

The financial statements have been prepared on a going concern basis as the directors have every reason to believe that the company has adequate resources in place to continue in operation in the foreseeable future.

Interest in subsidiaries and associates

as at June 30

Annexure A

Subsidiaries	Nature of business	Country of incorporation and principal place of business	Effective holdings 2016 %	2015 %
3663 Alba Limited	1	England	**100**	100
Aktaes Holdings AS	1	Turkey	**51**	51
Al Diyafa Company for Catering Services LLC	1	Saudi Arabia	**52**	52
Amosco Pty Limited	1	Singapore	**100**	100
Angliss Beijing Food Service Limited	1	China	**70**	70
Angliss Guangzhou Food Service Co Limited	1	China	**90**	90
Angliss Hong Kong Foodservice Limited	1	Hong Kong	**100**	100
Angliss International Investment Limited	1	Hong Kong	**100**	100
Angliss Macau Food Service Limited	1	Macau	**100**	100
Angliss Seafood Pte Limited	1	Singapore	**100**	100
Angliss Shanghai Food Service Co Limited	1	China	**70**	70
Angliss Shenzen Food Service Co Limited	1	China	**100**	100
Angliss Singapore Pte Limited	1	Singapore	**100**	100
Applied Logic Systems Limited	1	New Zealand	**100**	100
BFS Group Limited (trading as 3663)	1	England	**100**	100
BFS Byron Bay Limited	1	Australia	**100**	100
Bidcorp Corporate Services Pty Limited	1	South Africa	**100**	–
Bidcorp Finance Limited	1	Isle of Man	**100**	100
Bidvest Australia Limited	1	Australia	**100**	100
Bidvest Bakery Solutions Pty Limited	1	South Africa	**100**	–
Bidvest Belgium NV	1	Belgium	**100**	100
Bidvest China Limited	1	China	**100**	100
Bidvest Czech Republic s.r.o.	1	Czech Republic	**94**	94
Bidvest Deli XL B.V.	1	Netherlands	**100**	100
Bidvest Food Africa Pty Limited	1	South Africa	**100**	–
Bidvest Food Exports Pty Limited	1	South Africa	**100**	–
Bidvest Food Ingredients Pty Limited	1	South Africa	**100**	–
Bidvest Food Properties Pty Limited	1	South Africa	**100**	–
Bidvest Foodservice (Botswana) Pty Limited	1	Botswana	**100**	100
Bidvest Foodservice (Europe) Limited	1	England	**100**	100
Bidvest Foodservices Pty Limited	1	South Africa	**100**	–
Bidvest International Limited	4	Isle of Man	**100**	100
Bidvest Properties International Limited	4	Isle of Man	**100**	100
Bidvest New Zealand Limited	1	New Zealand	**100**	100
Bidvest SA	1	Belgium	**100**	100
Bidvest Zambia Limited	3	Zambia	**–**	100
Bidvest (NSW) Pty Limited	1	Australia	**100**	100

Subsidiaries	Nature of business	Country of incorporation and principal place of business	Effective holdings 2016 %	2015 %
Bidvest (UK) Limited	1	England	**100**	100
Bidvest (Victoria) (Pty) Limited	1	Australia	**100**	100
Bidvest (WA) Pty Limited	1	Australia	**100**	100
BTW Investments Pty Limited	4	South Africa	**100**	–
Burleigh Marr Distributions (Pty) Limited	1	Australia	**100**	100
Campbell Brothers Limited	1	England	**100**	100
Caterfood Holdings Limited	1	England	**88**	–
Cater Plus (Pty) Limited	1	Australia	**100**	100
Cimandis Limited	1	Jersey	**100**	–
Clayton Cold Store Pty Limited	1	Australia	**100**	100
Cold Seas Pty Limited	1	Australia	**100**	100
De Clerq Zuiveldistributie NV	1	Belgium	**100**	100
Deli Meals Chile S.A.	1	Chile	**90**	80
Distribuidora E Importadora Irmaos Avelino Ltda	1	Brazil	**100**	100
Distrubuzione Alimentari Convivenze SPA	1	Italy	**60**	60
EAS Zambia Limited	2	Zambia	**–**	60
EAS Zimbabwe Pvt Limited	2	Zimbabwe	**–**	100
Farutex sp. z.o.o.	1	Poland	**91**	91
Food & Wine sp z.o.o.	1	Poland	**100**	100
Food 4 Thot SL	1	Spain	**100**	100
Giffords Fine Foods Limited	1	England	**100**	100
Henson Foods Limited	1	England	**83**	83
Him Kee Food Distribution Co. Limited	1	Hong Kong	**100**	100
Horeca Langens NV	1	Belgium	**100**	100
Horeca Trade LLC	1	United Arab Emirates	**80**	80
John Lewis Foodservice (Pty) Limited	1	Australia	**100**	100
Katy De Metselaar BDBA	1	Belgium	**100**	100
Knight Meal Limited	1	England	**100**	–
Mrazirny Plzen – Dysina a.s (MPD)	1	Czech Republic	**100**	–
McKenna Fish Sales Limited	1	England	**75**	75
Oliver Kay Limited	1	England	**100**	100
Pacific Providores (NSW) Pty Limited	1	Australia	**100**	–
Pastry Global Foodservice Limited	1	Hong Kong	**100**	100
PCL Transport 24/7 Limited	1	England	**60**	60
Prime Meats Wanaka Limited	1	New Zealand	**100**	100
Seafood Holdings Limited	1	England	**100**	100
South Lincs Limited	1	England	**100**	100
Tekoo SPOL SRO	1	Czech Republic	**100**	100

Interest in subsidiaries and associates

as at June 30

Annexure A

			Effective holdings	
Subsidiaries	Nature of business	Country of incorporation and principal place of business	**2016 %**	2015 %
The London Fine Meat Company Limited	1	England	**75**	75
UAB Bidvest Lietuva	1	Lithuania	**100**	100
United Imports & Exports Co. Pty Limited	1	Australia	**100**	100
Van Bennekom Participaties BV	1	Netherlands	**100**	25
Associates				
ATL Seafood Holding BV	1	Netherlands	**50**	50
Tot Uw Dienst Holding BV	1	Netherlands	**20**	20
2Meat & Co BV	1	Netherlands	**25**	25
ATL Seafood Ijmuiden BV	1	Netherlands	**30**	30
Van Gelder Ridderkerk BV	1	Netherlands	**20**	20
Maxxam CV	1	Netherlands	**17**	17
Maxxam BV	1	Netherlands	**17**	17
Farm Fresh Holding BV	1	Netherlands	**20**	20
COAR spa	1	Italy	**50**	–

Nature of business

1 Catering supplies, food and allied products
2 Aviation services
3 Laundry services
4 Group services, investments and property holding

Directors' responsibility statement

for the year ended June 30 2016

Annexure B – pro forma information

The directors are responsible for the preparation and presentation of the pro forma financial information which comprises the pro forma earnings and diluted earnings, headline and diluted headline earnings, net asset value and net tangible asset value per share of Bid Corporation Limited (Bidcorp or the group), pro forma statement of financial position of Bidcorp, the pro forma statement of comprehensive income of Bidcorp and the related notes, including a reconciliation showing all of the pro forma adjustments to the share capital, reserves and other equity items as at and for the year then ended June 30 2016.

The directors of Bidcorp are responsible for compiling the pro forma financial information on the basis of the applicable criteria as detailed in paragraphs 8.15 to 8.33 of the Listings Requirements and the SAICA Guide on Pro forma Financial Information, revised and issued in September 2014 (applicable criteria).

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the pro forma financial information that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The independent auditor is responsible for reporting on whether anything has come to their attention that causes them to believe that the pro forma financial information is not prepared in accordance with the applicable criteria.

Approval of the pro forma financial information

The pro forma financial information of Bid Corporation Limited for the year ended June 30 2016, as identified in the first paragraph, were approved by the directors on August 23 2016 and are signed by:

David Edward Cleasby
Chief financial officer
Authorised director

Independent reporting accountants' report on the 2016 pro forma financial information

Annexure B – pro forma information

The Directors
Bid Corporation Limited
2nd Floor, North Wing
90 Rivonia Road
Sandton
2196

23 August 2016

Reporting accountant's report on the compilation of the pro forma financial information of Bid Corporation Limited (Bidcorp Group or the group)

We have completed our assurance engagement to report on the compilation of the pro forma earnings and diluted earnings, headline and diluted headline earnings, net asset value and net tangible asset value per share of the Bidcorp Group, pro forma statement of financial position of the Bidcorp Group, the pro forma statement of comprehensive income of the Bidcorp Group and the related notes, including a reconciliation showing all of the pro forma adjustments to the share capital, reserves and other equity items relating to the Bidcorp Group (collectively pro forma financial information).

The pro forma financial information has been compiled by the directors of Bidcorp Group to illustrate the impact of the internal restructuring and listing on the Bidcorp Group financial position as at June 30 2016 and the Bidcorp Group financial performance for the year ended June 30 2016.

As part of this process, the earnings, diluted earnings, headline earnings and diluted headline earnings, net asset value and net tangible asset value per share, statement of comprehensive income and statement of financial position of the group prior to the internal restructuring have been extracted by the directors from the audited financial information as disclosed in the consolidated financial statements of the Bidcorp Group prior to the internal restructuring (financial information).

Directors' responsibility for the pro forma financial information

The directors of the Bidcorp Group are responsible for compiling the pro forma financial information on the basis of the applicable criteria as detailed in paragraphs 8.15 to 8.33 of the Listings Requirements and the SAICA Guide on Pro forma Financial Information, revised and issued in September 2014 (applicable criteria).

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors of Bidcorp Group on the basis of the applicable criteria, based on our procedures performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma financial information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the reporting accountants' comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors of the Bidcorp Group have compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any Historical Financial Information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information is solely to illustrate the impact of the internal restructuring and listing on the unadjusted financial information as if the internal restructuring and listing had been undertaken on July 1 2015 for purposes of the pro forma earnings, diluted earnings, headline and diluted headline earnings per share and the pro forma statement of comprehensive income and on June 30 2016 for purposes of the net asset value and net tangible asset value per share and statement of financial position. Accordingly, we do not provide any assurance that the actual outcome of the internal restructuring and listing, subsequent to their implementation, will be as presented in the pro forma financial information.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of Bidcorp in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the internal restructuring and the listing and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to the applicable criteria; and
- The pro forma financial information reflects the proper application of those pro forma adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the company, the internal restructuring and listing in respect of which the pro forma financial information has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria.

Yours faithfully

KPMG Inc.
Per **Mohammed Hassan**
Chartered Accountant (SA)
Director

KPMG Crescent
85 Empire Road
Parktown
2193

2016 pro forma financial information of the Bidcorp Group

Annexure B – pro forma information

Basis of preparation

The pro forma financial information of the Bidcorp Group (pro forma financial information) has been prepared for illustrative purposes and reflects the group as if the internal restructuring and listing occurred on July 1 2015.

The pro forma financial information of the Bidcorp Group has been prepared to illustrate the impact of the internal restructuring and listing of the Bidcorp Group using the financial information of the Bidcorp Group and including the following pro forma adjustments:

- transfer out of the Bidcorp Group of EAS Zimbabwe Private Limited, EAS Zambia Limited and Bidvest Zambia Limited (the excluded assets);
- transfer into the Bidcorp Group of Bidvest Food Africa, Bidvest Food Properties and the Bidvest treasury shares (transferring assets);
- issue of 335,4 million new Bidcorp shares to Bidvest as settlement of the disposal consideration in respect of the transferring assets; and
- various costs, inter alia, head office costs and share-based payment adjustments.

The transfer out of the Bidcorp Group of the excluded assets and the transfer into the Bidcorp Group of the transferring assets collectively constitute the internal restructuring which was undertaken prior to the listing and unbundling.

The pro forma adjustments in respect of the pro forma statement of comprehensive income and the pro forma statement of financial position set out below relate to the following:

Column 2 – financial information relating to the excluded assets for the nine months ended up to March 31 2016;

Column 3 – adjustments relating to the weighted average number of shares (basic and diluted) of the issue of 335,4 million new Bidcorp shares to Bidvest as settlement of the disposal consideration in respect of the transferring assets;

Column 4 – financial information relating to Bidvest Food Africa for the nine months ended up to March 31 2016;

Column 5 – financial information relating to Bidvest Food Properties and Bidcorp Corporate Services for the nine months ended up to March 31 2016;

Column 6 – adjustments relating to the dilutionary effect as a result of the transfer to the Bidcorp Group of the Bidvest treasury shares;

Column 7 – consolidation entries relating to columns 2 to 6;

Column 8 – Bidcorp Group after the internal restructuring.

The pro forma financial information of the Bidcorp Group has been prepared using the accounting policies of the Bidcorp which comply with IFRS and are consistent with those applied in the Bidcorp annual integrated report, set out in note 1 to the financial statements of Bidcorp.

The pro forma financial information of the Bidcorp Group is the responsibility of the directors.

Pro forma statement of comprehensive income of the Bidcorp Group

for the year ended June 30 2016

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
	Financial information of Bidcorp Audited R'000	Excluded assets Pro forma R'000	Issue of shares Pro forma R'000	SA food interests Pro forma R'000	Included food property and corporate Pro forma R'000	Treasury shares Pro forma R'000	Consolidation entries Pro forma R'000	Bidcorp Group Pro forma R'000
Revenue	135 537 531	(5 633)	–	4 991 403	46 190	–	(46 190)	140 523 301
Cost of revenue	(107 470 732)	4 679	–	(3 873 283)	–	–		(111 339 336)
Gross profit	28 066 799	(954)	–	1 118 120	46 190	–	(46 190)	29 183 965
Operating expenses	(23 233 908)	(3 360)	–	(832 849)	(9 425)	–	46 190	(24 033 352)
Sales and distribution expenses	(17 367 564)	–	–	(655 638)	–	–	–	(18 023 202)
Administration expenses	(3 503 102)	(3 357)	–	(166 350)	(9 425)	–	46 190	(3 636 044)
Other expenses	(2 363 242)	(3)	–	(10 861)	–	–	–	(2 374 106)
Trading profit	4 832 891	(4 314)	–	285 271	36 765	–	–	5 150 613
Share-based payment expense	(48 653)	–	–	(7 399)	(7 932)	–	–	(63 984)
Acquisition costs	(8 947)	–	–	–	–	–	–	(8 947)
Net capital items	(148 773)	–	–	(9 148)	–	–	–	(157 921)
Operating profit	4 626 518	(4 314)	–	268 724	28 833	–	–	4 919 761
Net finance charges	(223 779)	(37)	–	(58 856)	357	–	(12 238)	(294 553)
Finance expense	(290 625)	–	–	(97 920)	–	–	(12 238)	(400 783)
Finance income	66 846	(37)	–	39 064	357	–	–	106 230
Share of profit of associates	26 386	–	–	(2 401)	–	–	–	23 985
Dividends received	23 467	–	–	–	–	–	–	23 467
Share of current year earnings	2 919	–	–	(2 401)	–	–	–	518
Profit before taxation	4 429 125	(4 351)	–	207 467	29 190	–	(12 238)	4 649 193
Taxation	(1 109 081)	1 378		(66 243)	(8 173)	–	3 092	(1 179 027)
Profit for the year	3 320 044	(2 973)	–	141 224	21 017	–	(9 146)	3 470 166
Attributable to:								
Shareholders of the company	3 279 576	(1 960)	–	141 224	21 017	–	(9 146)	3 430 711
Non-controlling interest	40 468	(1 013)	–	–	–	–	–	39 455
	3 320 044	(2 973)	–	141 224	21 017	–	(9 146)	3 470 166
Basic earnings per share (cents)	3 979,8	(2,4)	–	42,6	6,3	–	(2,8)	1 034,0
Diluted basic earnings per share (cents)	3 943,3	(2,4)	–	42,6	6,3	–	(2,8)	1 031,6
Headline earnings per share (cents)	4 154,0	(2,4)	–	45,2	6,3	–	(2,8)	1 080,0
Diluted headline earnings per share (cents)	4 115,8	(2,4)	–	45,2	6,3	–	(2,8)	1 077,5
Weighted number of ordinary shares in issue	82 405	–	335 404	–	–	(3 613)	–	331 791
Diluted weighted number of ordinary shares in issue	83 169	–	336 168	–	–	(3 613)	–	332 555

Pro forma statement of comprehensive income of the Bidcorp Group

for the year ended June 30 2016

Annexure B – pro forma information

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
	Financial information of Bidcorp Audited R'000	Excluded assets Pro forma R'000	Issue of shares Pro forma R'000	SA food interests Pro forma R'000	Included food property and corporate Pro forma R'000	Treasury shares Pro forma R'000	Consolidation entries Pro forma R'000	Bidcorp Group Pro forma R'000
Profit for the year	3 320 044	(2 973)	–	141 224	21 017	–	(9 146)	3 470 166
Other comprehensive income net of taxation	2 214 461	–	–	–	–	–	–	2 214 461
Items that may be classified subsequently to profit or loss	2 262 343	–	–	–	–	–	–	2 262 343
Increase in foreign currency translation reserve	2 259 035	–	–	–	–	–	–	2 259 035
Increase in fair value of cash flow hedges	3 308	–	–	–	–	–	–	3 308
Items that will not be reclassified subsequently to profit or loss								
Defined benefit obligations	(47 882)	–	–	–	–	–	–	(47 882)
Net remeasurement of defined benefit obligations during the year	(57 243)	–	–	–	–	–	–	(57 243)
Deferred tax relief	9 361	–	–	–	–	–	–	9 361
Total comprehensive income for the year	5 534 505	(2 973)	–	141 224	21 017	–	(9 146)	5 684 627
Attributable to:								
Shareholders of the company	5 486 534	(2 080)	–	141 224	21 017	–	(9 146)	5 637 549
Non-controlling interest	47 971	(893)	–	–	–	–	–	47 078
	5 534 505	(2 973)	–	141 224	21 017	–	(9 146)	5 684 627

Pro forma statement of financial position of the Bidcorp Group

as at June 30 2016

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
	Financial information of Bidcorp Audited R'000	Excluded assets Pro forma R'000	Issue of shares Pro forma R'000	SA food interests Pro forma R'000	Included food property and corporate Pro forma R'000	Treasury shares Pro forma R'000	Consolidation entries Pro forma R'000	Bidcorp Group Pro forma R'000
ASSETS								
Non-current assets	26 792 068	–	–	–	–	–	–	26 792 068
Property, plant and equipment	11 016 705	–	–	–	–	–	–	11 016 705
Intangible assets	1 212 758	–	–	–	–	–	–	1 212 758
Goodwill	13 184 782	–	–	–	–	–	–	13 184 782
Deferred taxation assets	491 766	–	–	–	–	–	–	491 766
Defined benefit pension asset	15 255	–	–	–	–	–	–	15 255
Interest in associates	116 903	–	–	–	–	–	–	116 903
Investments	753 899	–	–	–	–	–	–	753 899
Current assets	29 548 613	–	–	–	–	–	–	29 548 613
Inventories	8 828 939	–	–	–	–	–	–	8 828 939
Trade and other receivables	15 214 165	–	–	–	–	–	–	15 214 165
Cash and cash equivalents	5 505 509	–	–	–	–	–	–	5 505 509
Total assets	56 340 681	–	–	–	–	–	–	56 340 681
EQUITY AND LIABILITIES								
Capital and reserves	24 217 574	–	–	–	–	–	–	24 217 574
Stated ordinary share capital	4 478 284	–	–	–	–	–	–	4 478 284
Reserves	19 602 340	–	–	–	–	–	–	19 602 340
Non-controlling interest	136 950	–	–	–	–	–	–	136 950
Non-current liabilities	4 490 970	–	–	–	–	–	–	4 490 970
Deferred tax liabilities	524 243	–	–	–	–	–	–	524 243
Long-term portion of borrowings	2 342 670	–	–	–	–	–	–	2 342 670
Post-retirement obligations	50 836	–	–	–	–	–	–	50 836
Puttable non-controlling interest liabilities	1 168 921	–	–	–	–	–	–	1 168 921
Long-term portion of provisions	397 970	–	–	–	–	–	–	397 970
Long-term portion of operating lease liabilities	6 330	–	–	–	–	–	–	6 330
Current liabilities	27 632 137	–	–	–	–	–	–	27 632 137
Trade and other payables	21 505 266	–	–	–	–	–	–	21 505 266
Short-term portion of provisions	358 319	–	–	–	–	–	–	358 319
Vendors for acquisition	513 308	–	–	–	–	–	–	513 308
Taxation	409 760	–	–	–	–	–	–	409 760
Short-term portion of borrowings	4 845 484	–	–	–	–	–	–	4 845 484
Total equity and liabilities	56 340 681	–	–	–	–	–	–	56 340 681
Net assets per share (cents)	7 180	–	–	–	–	–	–	7 180
Net tangible assets per share (cents)	2 887	–	–	–	–	–	–	2 887
Actual number of ordinary shares in issue	335 404	–	–	–	–	–	–	335 404

Equity reconciliation

as at June 30 2016

	Shares issued R'000	Equity value R'000
Equity reconciliation		
Issue of shares in respect of the acquisition of SA food interests	188 654	3 053 173
Issue of shares in respect of the acquisition of the included properties	52 585	851 028
Issue of shares in respect of the acquisition of treasury shares	94 155	1 523 815
Total	335 394	5 428 016

Headline earnings

as at June 30 2016

The following adjustments to profit attributable to shareholders were taken into account in the calculation of headline earnings:

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
	Financial information of Bidcorp Audited R'000	Excluded assets Pro forma R'000	Issue of shares Pro forma R'000	SA food interests Pro forma R'000	Included food property and corporate Pro forma R'000	Treasury shares Pro forma R'000	Consolidation entries Pro forma R'000	Bidcorp Group Pro forma R'000
Profit attributable to shareholders of the company	3 279 576	(1 960)	–	141 224	21 017	–	(9 146)	3 430 711
Impairment of property, plant and equipment, intangible assets and investments held-for-sale	156 126	–	–	–	–	–	–	156 126
Investment held available-for-sale	119 076	–	–	–	–	–	–	119 076
Property, plant and equipment	41 463	–	–	–	–	–	–	41 463
Intangible assets	3 817	–	–	–	–	–	–	3 817
Tax relief	(8 230)	–	–	–	–	–	–	(8 230)
Net (profit) loss on disposal of interests in subsidiaries and disposal and closure of businesses	(34 804)	–	–	9 148	–	–	–	(25 656)
(Profit) loss on disposal and closure of business	(35 818)	–	–	9 148	–	–	–	(26 670)
Tax relief	1 014	–	–	–	–	–	–	1 014
Net loss on disposal of property, plant and equipment and intangible assets	11 499	–	–	–	–	–	–	11 499
Property, plant and equipment	4 256	–	–	–	–	–	–	4 256
Intangible assets	5 280	–	–	–	–	–	–	5 280
Tax charge	1 963	–	–	–	–	–	–	1 963
Impairment of associate	10 699	–	–	–	–	–	–	10 699
Headline earnings	3 423 096	(1 960)	–	150 372	21 017	–	(9 146)	3 583 379

Notes to the pro forma statement of comprehensive income of the Bidcorp Group

for the year ended June 30 2016

Annexure B – pro forma information

1. Column 1 presents the actual financial information relating to the Bidcorp Group, which has been extracted from the audited financial information of the Bidcorp Group for the year ended June 30 2016.
2. Column 2 presents the unadjusted financial information relating to the excluded assets that did not form part of the Bidcorp Group from April 1 2016. The excluded assets were transferred out of the Bidcorp Group as part of the internal restructuring.
3. Column 3 presents financial effect on the weighted average number of shares (basic and diluted) of the issue of 335,4 million new Bidcorp shares had the unbundling taken effect on July 1 2015, as settlement for the disposal consideration in respect of the transferring assets. These adjustments will have a continuing effect on the Bidcorp Group's pro forma statement of comprehensive income.
4. Column 4 presents the financial information relating to Bidvest Food Africa from July 1 2015 to March 31 2016, which has been extracted from the financial information of Bidvest Food Africa for the period ended March 31 2016. Bidvest Food Africa forms part of the transferred assets that were transferred to the Bidcorp Group as part of the internal restructuring and as such, the income and expenditure relating to Bidvest Food Africa needs to be included in the consolidated pro forma financial information of the Bidcorp Group. The unadjusted income and expenditure relating to Bidvest Food Africa has been reviewed by KPMG Inc. and their unqualified review opinion is available for inspection. These adjustments will have a continuing effect on the Bidcorp Group's pro forma statement of comprehensive income.
5. Column 5 presents the unadjusted financial information relating to Bidvest Food Properties, which has been extracted from the financial statements Bidvest Food Properties for the period ended March 31 2016. Bidvest Food Properties forms part of the transferred assets and were transferred to the Bidcorp Group as part of the internal restructuring. The properties housed in Bidvest Food Properties are all owner occupied in terms of inter-company triple net leases. All expenditure relating to such properties, therefore, have historically, and will continue to eliminate on consolidation.

   Column 5 also includes the financial information relating to Bidcorp Corporate Services:
   - Costs of R39,2 million which relate to the executives who were employed by Bidvest but who are now employed by the Bidcorp Group subsequent to the listing and unbundling and other costs ("head office costs"). These adjustments will have a continuing effect on the Bidcorp Group's pro forma statement of comprehensive income;
   - Inclusion of the historical administrative fee income of R29,6 million incurred by subsidiaries of Bidcorp which represents a recovery of the head office costs. These adjustments will have a continuing effect on the Bidcorp Group's pro forma statement of comprehensive income;
   - Share-based payment (IFRS 2) charge of R7,9 million, and the related taxation adjustment, which relates to the executives who were employed by Bidvest but are now employed by the Bidcorp Group subsequent to the listing and the unbundling. These adjustments will have a continuing effect on the Bidcorp Group's pro forma statement of comprehensive income.
6. Column 6 read together with Column 7 illustrate that the financial effects of the transfer of the Bidvest treasury shares to Bidcorp and does not have an impact on the Bidcorp Group's pro forma statement of comprehensive income, other than the dilutionary effect of the increased number of issued shares. The effect of any dividends have not been taken into account as it is not considered to be material.
7. Column 7 illustrates the elimination of the revenue and the related taxation from the included properties on consolidation and the financial effects of additional group interest due to the settlement of Bidvest inter-group loans. An expected interest charge of R12,2 million was calculated using an interest rate of 2,0%.
8. Column 8 presents the pro forma statement of comprehensive income of the Bidcorp Group subsequent to the internal restructuring and including the adjustments detailed in columns 2 to 7, to reflect the Bidcorp Group as if the internal restructuring occurred on July 1 2015.

Notes to the pro forma statement of financial position of the Bidcorp Group

for the year ended June 30 2016

1. Column 1 presents the audited statement of financial position relating to the Bidcorp Group Limited at June 30 2016.
2. Column's 2 to 7, show no changes to the pro forma statement of financial position of the Bidcorp Group as at June 30 2016 as the balances have been correctly excluded or included in the financial position of the Bidcorp Group in Column 1. Therefore, no adjustments to the statement of financial position were required.
3. Column 8 presents the audited statement of financial position relating to the Bidcorp Group Limited at June 30 2016.

Directors' responsibility statement

for the year ended June 30 2015

Annexure C – pro forma information

The directors are responsible for the preparation and presentation of the pro forma financial information which comprises the pro forma earnings and diluted earnings, headline and diluted headline earnings, net asset value and net tangible asset value per share of the Bid Corporation Limited (Bidcorp or the group), pro forma statement of financial position of Bidcorp, the pro forma statement of comprehensive income of Bidcorp and the related notes, including a reconciliation showing all of the pro forma adjustments to the share capital, reserves and other equity items relating to Bidcorp (collectively pro forma financial information) as at and for the year then ended June 30 2015.

The directors of Bidcorp are responsible for compiling the pro forma financial information on the basis of the applicable criteria as detailed in paragraphs 8.15 to 8.33 of the Listings Requirements and the SAICA Guide on Pro forma Financial Information, revised and issued in September 2014 (applicable criteria).

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the pro forma financial information that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The independent auditor is responsible for reporting on whether anything has come to their attention that causes them to believe that the pro forma financial information is not prepared in accordance with the applicable criteria.

Approval of the pro forma financial information

The pro forma financial information of Bid Corporation Limited for the year ended June 30 2015, as identified in the first paragraph, were approved by the directors on August 23 2016 and are signed by:

David Edward Cleasby
Chief financial officer
Authorised director

Independent reporting accountants' report on the 2015 pro forma financial information

Annexure C – pro forma information

The Directors
Bid Corporation Limited
2nd Floor, North Wing
90 Rivonia Road
Sandton
2196

August 23 2016

Reporting accountant's report on the compilation of the pro forma financial information of Bid Corporation Limited (Bidcorp Group or the group)

We have completed our assurance engagement to report on the compilation of the pro forma earnings and diluted earnings, headline and diluted headline earnings, net asset value and net tangible asset value per share of the Bidcorp Group, pro forma statement of financial position of the Bidcorp Group, the pro forma statement of comprehensive income of the Bidcorp Group and the related notes, including a reconciliation showing all of the pro forma adjustments to the share capital, reserves and other equity items relating to the Bidcorp Group, (collectively pro forma financial information).

The pro forma financial information has been compiled by the directors of Bidcorp Group to illustrate the impact of the internal restructuring and listing on the Bidcorp Group financial position as at June 30 2015 and the Bidcorp Group financial performance for the year ended June 30 2015.

As part of this process, the earnings, diluted earnings, headline earnings and diluted headline earnings, net asset value and net tangible asset value per share, statement of comprehensive income and statement of financial position of the group prior to the internal restructuring have been extracted by the directors from the audited financial information as disclosed in the consolidated financial statements of the Bidcorp Group prior to the internal restructuring (financial information).

Directors' responsibility for the pro forma financial information

The directors of the Bidcorp Group are responsible for compiling the pro forma financial information on the basis of the applicable criteria as detailed in paragraphs 8.15 to 8.33 of the Listings Requirements and the SAICA Guide on pro forma financial information, revised and issued in September 2014 (applicable criteria).

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors of Bidcorp Group on the basis of the applicable criteria, based on our procedures performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the reporting accountants' comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors of the Bidcorp Group have compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information is solely to illustrate the impact of the internal restructuring and listing on the unadjusted financial information as if the internal restructuring and listing had been undertaken on July 1 2014for purposes of the pro forma earnings, diluted earnings, headline and diluted headline earnings per share and the pro forma statement of comprehensive income and on June 30 2015 for purposes of the net asset value and net tangible asset value per share and statement of financial position. Accordingly, we do not provide any assurance that the actual outcome of the internal restructuring and listing, subsequent to their implementation, will be as presented in the pro forma financial information.

Independent reporting accountants' report on the 2015 pro forma financial information

Annexure C – pro forma information

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of Bidcorp in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the internal restructuring and the listing and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to the applicable criteria; and
- The pro forma financial information reflects the proper application of those pro forma adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the internal restructuring and listing in respect of which the pro forma financial information has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria.

Yours faithfully

KPMG Inc.
Per **Mohammed Hassan**
Chartered Accountant (SA)
Director

KPMG Crescent
85 Empire Road
Parktown
2193

2015 pro forma financial information of the Bidcorp Group

Annexure C – pro forma information

Basis of preparation

The pro forma financial information of the Bidcorp Group (pro forma financial information) has been prepared for illustrative purposes and reflects the group as if the internal restructuring and listing occurred on July 1 2014.

The pro forma financial information of the Bidcorp Group has been prepared to illustrate the impact of the internal restructuring and listing of the Bidcorp Group using the financial information of the Bidcorp Group and including the following pro forma adjustments:

- transfer out of the Bidcorp Group of EAS Zimbabwe Private Limited, EAS Zambia Limited and Bidvest Zambia Limited (the excluded assets);
- transfer into the Bidcorp Group of Bidvest Food Africa, Bidvest Food Properties and the Bidvest treasury shares (transferring assets);
- issue of 335,4 million new Bidcorp shares to Bidvest as settlement of the disposal consideration in respect of the transferring assets; and
- various costs, inter alia, head office costs and share-based payment adjustments.

The transfer out of the Bidcorp Group of the excluded assets and the transfer into the Bidcorp Group of the transferring assets collectively constitute the internal restructuring which was undertaken prior to the listing and unbundling.

The pro forma adjustments in respect of the pro forma statement of comprehensive income and the pro forma statement of financial position set out below relate to the following:

Column 2 – financial information relating to the excluded assets for the year ended June 30 2015;

Column 3 – adjustments relating to the weighted average number of shares (basic and diluted) of the issue of 335,4 million new Bidcorp shares to Bidvest as settlement of the disposal consideration in respect of the transferring assets;

Column 4 – financial information relating to Bidvest Food Africa for the year ended June 30 2015;

Column 5 – financial information relating to Bidvest Food Properties and Bidcorp Corporate Services for the year ended June 30 2015;

Column 6 – adjustments relating to the dilutionary effect as a result of the transfer to the Bidcorp Group of the Bidvest treasury shares;

Column 7 – consolidation entries relating to columns 2 to 6;

Column 8 – Bidcorp Group after the internal restructuring;

Column 9 – adjustments relating to other; and

Column 10 – Bidcorp Group after the internal restructuring and other adjustments.

The pro forma financial information of the Bidcorp Group has been prepared using the accounting policies of the Bidcorp which comply with IFRS and are consistent with those applied in the Bidcorp annual integrated report, set out in note 1 to the financial statements of Bidcorp.

The pro forma financial information of the Bidcorp Group is the responsibility of the directors.

Pro forma statement of comprehensive income of the Bidcorp Group

for the year ended June 30 2015

Annexure C – pro forma information

	Column 1	Column 2	Column 3	Column 4
	Historical financial information of Bidcorp Audited R'000	Excluded assets Pro forma R'000	Issue of shares Pro forma R'000	SA food interests Pro forma R'000
Revenue	109 803 524	(7 004)	–	6 513 661
Cost of revenue	(87 697 720)	6 936	–	(4 986 984)
Gross profit	22 105 804	(68)	–	1 526 677
Operating expenses	(18 426 144)	(1 039)	–	(1 159 801)
Sales and distribution expenses	(13 585 270)	–	–	(719 191)
Administration expenses	(2 754 363)	(1 042)	–	(418 507)
Other expenses	(2 086 511)	3	–	(22 103)
Trading profit	3 679 660	(1 107)	–	366 876
Share-based payment expense	(57 181)	–	–	(15 992)
Acquisition costs	(43 611)	–	–	–
Net capital items	22 531	–	–	–
Operating profit	3 601 399	(1 107)	–	350 884
Net finance charges	(240 790)	(58)	–	(67 874)
Finance expense	(269 963)	–	–	(75 920)
Finance income	29 173	(58)	—	8 046
Share of profit of associates	15 634	–	–	–
Dividends received	–	–		–
Share of current year earnings	15 634	–	–	–
Profit before taxation	3 376 243	(1 165)	–	283 010
Taxation	(849 794)	146	–	(80 008)
Profit for the year	2 526 449	(1 019)	–	203 002
Attributable to:				
Shareholders of the company	2 514 858	(908)	–	203 002
Non-controlling interest	11 591	(111)	–	–
	2 526 449	(1 019)	–	203 002
Basic earnings per share (cents)	24 899 584,2	(8 990,1)	–	60,5
Diluted basic earnings per share (cents)	24 899 584,2	(8 990,1)	–	60,4
Headline earnings per share (cents)	24 748 901,0	(8 990,1)	–	60,5
Diluted headline earnings per share (cents)	24 748 901,0	(8 990,1)	–	60,4

Column 5	Column 6	Column 7	Column 8	Column 9	Column 10
Included food property and corporate Pro forma R'000	Treasury shares Pro forma R'000	Consolidation entries Pro forma R'000	Bidcorp Group after internal restructuring Pro forma R'000	Adjustments relating to other Pro forma R'000	Bidcorp Group Pro forma R'000
51 172	–	(51 172)	116 310 181	–	116 310 181
–	–		(92 677 768)	–	(92 677 768)
51 172	–	(51 172)	23 632 413	–	23 632 413
(12 292)	–	51 172	(19 548 104)	–	(19 548 104)
–	–	51 172	(14 253 289)	–	(14 253 289)
(12 292)	–	–	(3 186 204)	–	(3 186 204)
–	–	–	(2 108 611)	–	(2 108 611)
38 880	–	–	4 084 309	–	4 084 309
(16 679)	–	–	(89 852)	–	(89 852)
–	–	–	(43 611)	–	(43 611)
–	–	–	22 531	–	22 531
22 201	–	–	3 973 377	–	3 973 377
–	–	–	(308 722)	(22 585)	(331 307)
–	–	–	(345 883)	(22 585)	(368 468)
–	–	–	37 161	–	37 161
–	–	–	15 634	–	15 634
–	–	–	–	–	–
–	–	–	15 634	–	15 634
22 201	–	–	3 680 289	(22 585)	3 657 704
(6 543)	–	–	(936 199)	5 716	(930 483)
15 658	–	–	2 744 090	(16 869)	2 727 221
15 658	–	–	2 732 610	(16 869)	2 715 741
–	–	–	11 480	–	11 480
15 658	–	–	2 744 090	(16 869)	2 727 221
4,7	–	–	824,8	(5,1)	819,8
4,7	–	–	823,4	(5,1)	818,3
4,7	–	–	820,3	(5,1)	815,2
4,7	–	–	818,8	(5,1)	813,8

Pro forma statement of comprehensive income of the Bidcorp Group

for the year ended June 30 2015

Annexure C – pro forma information

	Column 1	Column 2	Column 3	Column 4
	Historical financial information of Bidcorp Audited R'000	Excluded assets Pro forma R'000	Issue of shares Pro forma R'000	SA food interests Pro forma R'000
Profit for the year	2 526 449	(1 019)	–	203 002
Other comprehensive income (expense) net of taxation	(145 277)	–	–	–
Items that may be classified subsequently to profit or loss				
Decrease in foreign currency translation reserve	(173 242)	–	–	–
Increase in fair value of cash flow hedges	9 453	–	–	–
Fair value gains arising during the year	12 154	–	–	–
Deferred taxation charge for the year	(2 701)	–	–	–
Items that will not be reclassified subsequently to profit or loss				
Defined benefit obligations	18 512	–	–	–
Net remeasurement of defined benefit obligations during the year	23 730	–	–	–
Deferred taxation charge for the year	(5 218)	–	–	–
Total comprehensive income for the year	2 381 172	(1 019)	–	203 002
Attributable to:				
Shareholders of the company	2 359 931	(1 028)	–	203 002
Non-controlling interest	21 241	9	–	–
	2 381 172	(1 019)	–	203 002

Column 5	Column 6	Column 7	Column 8	Column 9	Column 10
Included food property and corporate Pro forma R'000	Treasury shares Pro forma R'000	Consolidation entries Pro forma R'000	Bidcorp Group after internal restructuring Pro forma R'000	Adjustments relating to other Pro forma R'000	Bidcorp Group Pro forma R'000
15 658	–	–	2 744 090	(16 869)	2 727 221
–	–	–	(145 277)	–	(145 277)
–	–	–	(173 242)	–	(173 242)
–	–	–	9 453	–	9 453
–	–	–	12 154	–	12 154
–	–	–	(2 701)	–	(2 701)
–	–	–	18 512	–	18 512
–	–	–	23 730	–	23 730
–	–	–	(5 218)	–	(5 218)
15 658	–	–	2 598 813	(16 869)	2 581 944
15 658	–	–	2 577 563	(16 869)	2 560 694
–	–	–	21 250	–	21 250
15 658	–	–	2 598 813	(16 869)	2 581 944

Pro forma statement of financial position of the Bidcorp Group

as at June 30 2015

Annexure C – pro forma information

	Column 1	Column 2	Column 3	Column 4
	Historical financial information of Bidcorp Audited R'000	Excluded assets Pro forma R'000	Issue of shares Pro forma R'000	SA food interests Pro forma R'000
ASSETS				
Non-current assets	21 647 661	(47)	5 363 142	459 470
Property, plant and equipment	8 267 925	(48)	–	337 024
Intangible assets	1 202 463	–	–	788
Goodwill	11 338 647	(34)	–	61 493
Deferred taxation assets	338 932	35	–	40 413
Interest in subsidiaries	–	–	5 363 142	–
Interest in associates	140 148	–	–	–
Investments	359 546	–	–	19 752
Current assets	22 312 752	(15 599)	–	2 089 409
Inventories	6 484 646	–	–	802 339
Amount due from group entities	4 320	–	–	–
Trade and other receivables	12 191 178	(2 842)	–	854 107
Cash and cash equivalents	3 632 608	(12 757)	–	432 963
Total assets	43 960 413	(15 646)	5 363 142	2 548 879
EQUITY AND LIABILITIES				
Capital and reserves	17 749 312	(10 699)	5 363 142	608 283
Stated ordinary share capital	–	–	5 363 142	3 053 173
Reserves	17 683 366	(9 715)	–	(2 444 890)
Non-controlling interest	65 946	(984)	–	–
Non-current liabilities	3 520 196	–	–	8 203
Deferred tax liabilities	254 971	–	–	7 858
Long-term portion of borrowings	1 821 434	–	–	–
Post-retirement obligations	189 193	–	–	–
Puttable non-controlling interest liabilities	913 638	–	–	–
Long-term portion of provisions	340 649	–	–	–
Long-term portion of operating lease liabilities	311	–	–	345
Current liabilities	22 690 905	(4 947)	–	1 932 393
Trade and other payables	16 913 943	(5 455)	–	932 514
Short-term portion of provisions	267 094	–	–	2 065
Vendors for acquisition	558 315	–	–	–
Taxation	417 438	508	–	(7 595)
Banking liabilities	–	–	–	–
Inter-group loans	1 122 195	–	–	1 005 409
Short-term portion of borrowings	3 411 920	–	–	–
Total equity and liabilities	43 960 413	(15 646)	5 363 142	2 548 879
Net assets per share (cents)	175 082 832	(96 188)	1 599	181
Net tangible assets per share (cents)	50 913 426	(95 851)	1 599	163
Actual number of ordinary shares in issue	10	–	335 394	–
Diluted weighted number of ordinary shares in issue	10	–	335 969	–

Column 5 Included food property and corporate Pro forma R'000	Column 6 Treasury shares Pro forma R'000	Column 7 Consolidation entries Pro forma R'000	Column 8 Bidcorp Group after internal restructuring Pro forma R'000	Column 9 Adjustments relating to other Pro forma R'000	Column 10 Bidcorp Group Pro forma R'000
854 977	1 523 815	(7 001 564)	22 847 454	(64 306)	22 783 148
836 413	–	(542 189)	8 899 125	–	8 899 125
–	–	–	1 203 251	–	1 203 251
–	–	–	11 400 106	–	11 400 106
18 564	–	–	397 944	–	397 944
–	–	(5 363 142)	–	–	–
–	–	–	140 148	–	140 148
–	1 523 815	(1 096 233)	806 880	(64 306)	742 574
(1 143)	–	–	24 385 419	(1 504 014)	22 881 405
–	–	–	7 286 985	–	7 286 985
–	–	–	4 320	–	4 320
–	–	–	13 042 443	–	13 042 443
(1 143)	–	–	4 051 671	(1 504 014)	2 547 657
853 834	1 523 815	(7 001 564)	47 232 873	(1 568 320)	45 664 553
827 256	1 523 815	(7 001 564)	19 059 545	–	19 059 545
786 153	1 523 815	(6 459 375)	4 266 908	–	4 266 908
41 103	–	(542 189)	14 727 675	–	14 727 675
–	–	–	64 962	–	64 962
13 416	–	–	3 541 815	–	3 541 815
13 416	–	–	276 245	–	276 245
–	–	–	1 821 434	–	1 821 434
–	–	–	189 193	–	189 193
–	–	–	913 638	–	913 638
–	–	–	340 649	–	340 649
–	–	–	656	–	656
13 162	–	–	24 631 513	(1 568 320)	23 063 193
–	–	–	17 841 002	–	17 841 002
–	–	–	269 159	–	269 159
–	–	–	558 315	–	558 315
–	–	–	410 351	–	410 351
–	–	–	–	–	–
13 162	–	–	2 140 766	(2 140 766)	–
–	–	–	3 411 920	572 446	3 984 366
853 834	1 523 815	(7 001 564)	47 232 873	(1 568 320)	45 664 553
247	454	(2 088)	5 734	–	5 734
247	454	(2 088)	1 929	–	1 929
–	(4 118)	–	331 286	331 286	331 286
–	(4 118)	–	331 861	331 861	331 861

Equity reconciliation

as at June 30 2015

Annexure C – pro forma information

	Shares issued R'000	Equity value R'000
Equity reconciliation		
Issue of shares in respect of the acquisition of SA food interests	190 936	3 053 173
Issue of shares in respect of the acquisition of the included properties	49 163	786 154
Issue of shares in respect of the acquisition of treasury shares	95 295	1 523 815
Total	335 394	5 363 142

Headline earnings

as at June 30 2015

The following adjustments to profit attributable to shareholders were taken into account in the calculation of headline earnings:

	Column 1	Column 2	Column 3	Column 4
	Historical financial information of Bidcorp Audited R'000	Excluded assets Pro forma R'000	Issue of shares Pro forma R'000	SA food interests Pro forma R'000
Profit attributable to shareholders of the company	2 514 858	(908)	–	203 002
Net impairments	89 746	–	–	–
Property, plant and equipment	5 149	–	–	–
Intangible assets	113 137	–	–	–
Tax relief	(28 540)	–	–	–
Net profit on disposal of interests in subsidiaries and disposal and closure of businesses	(961)	–	–	–
Profit on disposal and closure	(1 373)	–	–	–
Tax charge	412	–	–	–
Net profit on disposal of property, plant and equipment and intangible assets	(104 004)	–	–	–
Property, plant and equipment	(139 444)	–	–	–
Tax charge	35 440		–	–
Headline earnings	2 499 639	(908)	–	203 002

Column 5	Column 6	Column 7	Column 8	Column 9	Column 10
Included food property and corporate Pro forma R'000	Treasury shares Pro forma R'000	Consolidation entries Pro forma R'000	Bidcorp Group after internal restructuring Pro forma R'000	Adjustments relating to other Pro forma R'000	Bidcorp Group Pro forma R'000
15 658	–	–	2 732 610	(16 869)	2 715 741
–	–	–	89 746	–	89 746
–	–	–	5 149	–	5 149
–	–	–	113 137	–	113 137
–	–	–	(28 540)	–	(28 540)
–	–	–	(961)	–	(961)
–	–	–	(1 373)	–	(1 373)
–	–	–	412	–	412
–	–	–	(104 004)	–	(104 004)
–	–	–	(139 444)	–	(139 444)
–	–	–	35 440	–	35 440
15 658	–	–	2 717 391	(16 869)	2 700 522

Notes to the pro forma statement of comprehensive income of the Bidcorp Group

for the year ended June 30 2015

Annexure C – pro forma information

1. Column 1 presents the historical financial information relating to the Bidcorp Group prior to the internal restructuring, which has been extracted from the audited historical financial information of the Bidcorp Group prior to the internal restructuring for the year ended June 30 2015.
2. Column 2 presents the unadjusted historical financial information relating to the excluded assets that will not form part of the Bidcorp Group. The excluded assets were transferred out of the Bidcorp Group as part of the internal restructuring.
3. Column 3 presents financial effect on the weighted average number of shares (basic and diluted) of the issue of 335,4 million new Bidcorp shares had the unbundling taken effect on July 1 2014, as settlement for the disposal consideration in respect of the transferring assets. These adjustments will have a continuing effect on the Bidcorp Group's pro forma statement of comprehensive income.
4. Column 4 presents the unadjusted historical financial information relating to Bidvest Food Africa, which has been extracted from the historical financial information of the Bidvest Group prior to the internal restructuring for the year ended June 30 2015 as reported in the annual integrated report of the Bidvest Group Limited. Bidvest Food Africa forms part of the transferring assets that were transferred to the Bidcorp Group as part of the internal restructuring and as such, the income and expenditure relating to Bidvest Food Africa needs to be included in the consolidated pro forma financial information of the Bidcorp Group. The unadjusted historical income and expenditure relating to Bidvest Food Africa has been reviewed by KPMG Inc. and their unqualified review opinion is available for inspection. These adjustments will have a continuing effect on the Bidcorp Group's pro forma statement of comprehensive income.
5. Column 5 presents the unadjusted historical financial information relating to Bidvest Food Properties, which has been extracted from the historical financial information of the Bidvest Group prior to the internal restructuring for the year ended June 30 2015 as reported in the annual report of the Bidvest Group Limited. Bidvest Food Properties forms part of the transferring assets and were transferred to the Bidcorp Group as part of the internal restructuring. The properties housed in Bidvest Food Properties are all owner occupied in terms of inter-company triple net leases. All expenditure relating to such properties, therefore, have historically, and will continue to eliminate on consolidation.

   Column 5 also includes the unadjusted historical financial information relating to Bidcorp Corporate Services:
   - Costs of R44,1 million which relate to the executives who were employed by Bidvest but who are now employed by the Bidcorp Group subsequent to the listing and unbundling and other costs (head office costs). These adjustments will have a continuing effect on the Bidcorp Group's pro forma statement of comprehensive income;
   - Inclusion of the historical administrative fee income of R31,7 million incurred by subsidiaries of Bidcorp which represents a recovery of the head office costs. These adjustments will have a continuing effect on the Bidcorp Group's pro forma statement of comprehensive income;
   - Share-based payment (IFRS 2) charge of R16,7 million, and the related taxation adjustment, which relates to the executives who were employed by Bidvest but are now employed by the Bidcorp Group subsequent to the listing and the unbundling. These adjustments will have a continuing effect on the Bidcorp Group's pro forma statement of comprehensive income.
6. Column 6 read together with Column 7 illustrate that the financial effects of the transfer of the Bidvest treasury shares to Bidcorp and does not have an impact on the Bidcorp Group's pro forma statement of comprehensive income, other than the dilutionary effect of the increased number of issued shares. The effect of any dividends have not been taken into account as it is not considered to be material. Column 7 also illustrates the elimination of the revenue and the related taxation from the included properties on consolidation.
7. Column 8 presents the pro forma statement of comprehensive income of the Bidcorp Group subsequent to the internal restructuring and including the adjustments detailed in columns 2 to 7.
8. Column 9 presents the financial effects of additional group interest due to the settlement of inter-group loans and raising external financing. An expected interest charge of R22,7 million was calculated using an interest rate of 2,0%. These adjustments will have a continuing effect on the Bidcorp Group's pro forma statement of comprehensive income.
9. Column 10 presents the pro forma statement of comprehensive income of the Bidcorp Group subsequent to the adjustments detailed in columns 2 to 9, to reflect the Bidcorp Group as if the internal restructuring occurred on July 1 2014.

Notes to the pro forma statement of financial position of the Bidcorp Group

for the year ended June 30 2015

1. Column 1 presents the historical financial information relating to the Bidcorp Group prior to the internal restructuring, which has been extracted from the reviewed historical financial information of the Bidcorp Group prior to the internal restructuring for the year ended June 30 2015, as presented in the special purpose financial statements of Bid Corporation Limited at June 30 2015.
2. Column 2 presents the unadjusted historical financial information which has been extracted from the historical financial information of the Bidvest Group prior to the internal restructuring for the year ended June 30 2015 as reported in the annual integrated report of the Bidvest Group Limited relating to the excluded assets that will not form part of the Bidcorp Group. The excluded assets were transferred out of the Bidcorp Group as part of the internal restructuring.
3. Column 3 presents the financial effects of the issue of 335,4 million new Bidcorp shares as settlement for the disposal consideration relating to the transferring assets. Stated ordinary share capital has been credited with the fair value of the issue of the 335,4 million new Bidcorp shares amounting to R5,4 billion and investment in subsidiaries has been debited with the same amount. The dilutionary effect of the issue of the new Bidcorp shares has also been taken into account in calculating the net asset value and tangible net asset value per share subsequent to the internal restructuring and the listing.
4. Column 4 presents the unadjusted historical financial information relating to Bidvest Food Africa which has been extracted from the historical financial information of the Bidvest Group prior to the internal restructuring for the year ended June 30 2015 as reported in the annual integrated report of the Bidvest Group Limited. Bidvest Food Africa was transferred to Bidcorp as part of the transferring assets in terms of the internal restructuring and, as such, the assets and liabilities relating to Bidvest Food Africa needs to be included in the consolidated pro forma financial information of the Bidcorp Group. The unadjusted historical assets and liabilities relating to Bidvest Food Africa has been reviewed by KPMG Inc. and their unqualified review opinion is available for inspection at the offices of the Bidcorp Group.
5. Column 5 presents the unadjusted historical financial information relating to Bidvest Food Properties, which has been extracted from the historical financial information of the Bidvest Group prior to the internal restructuring for the year ended June 30 2015 as reported in the annual integrated report of the Bidvest Group Limited. Bidvest Food Properties was transferred to Bidcorp as part of the transferring assets in terms of the internal restructuring and, as such, the assets and liabilities relating to Bidvest Food Africa needs to be included in the consolidated pro forma financial information of the Bidcorp Group. The owner occupied properties held by Bidvest Food Properties have been raised at their fair value in terms of a directors' valuation in accordance with IFRS 13: *Fair value adjustment*.
6. Column 6 presents the financial effects of the Bidvest treasury shares that were transferred to Bidcorp prior to the listing. The Bidvest treasury shares will be accounted for as an investment in Bidcorp and has been raised at the fair value of R1,5 billion calculated as 4 118 420 Bidvest shares multiplied by the closing market price per Bidvest share on May 27 2016 of R370,00. No mark to market adjustment has been shown as in the 2015 pro forma financial information due to the nature of the shares being "treasury shares" in nature prior to the unbundling date of May 30 2016.
7. Column 7 presents the consolidation entries relating to columns 2 to 6 above as follows:
   a. reversal of the excess of the fair value of the owner occupied properties held by Bidvest Food Properties and the book value of such properties;
   b. reversal of the interest in subsidiaries by Bidcorp on consolidation of Bidvest Food Africa and Bidvest Food Properties;
   c. reversal of the Bidcorp treasury shares on consolidation. The adjustment for the Bidcorp treasury shares has been calculated at a notional fair value of R1,1 billion, which is equal to 72% of the value of the investment in Bidvest shares detailed in note 6 above. The fair value is based on the volume weighted average price (VWAP) percentages for Bidvest and Bidcorp being 28% and 72% respectively;
   d. stated ordinary share capital has been adjusted to reverse the share capital relating to Bidvest Food Africa and Bidvest Food Properties on consolidation.
8. Column 8 presents the pro forma statement of financial position of the Bidcorp Group subsequent to the internal restructuring and including the adjustments detailed in columns 2 to 7 above.
9. Column 9 presents the financial effects relating to the settlement of inter-group loans, amounting to R2,2 billion and preference shares, amounting to R64,3 million. The inter-group loans in relation to Bidvest Food Africa was settled with Bidvest by drawing down on newly acquired external loans from a financial institution amounting to R550 million. Other inter-group loans were settled by utilising Bidcorp's available cash resources. The preference shares investment, amounting to R64,3 million, held in a subsidiary of Bidvest Group Limited was redeemed resulting in a cash inflow.
10. Column 10 presents the pro forma statement of financial position of the Bidcorp Group subsequent to the adjustments detailed in columns 2 to 9 above in respect of the internal restructuring.

Shareholders' information

	Total shareholding	%
BENEFICIAL SHAREHOLDINGS		
Major shareholders holding 3% or more of the shares in issue		
Beneficial shareholdings		
Government Employees Pension Fund (PIC)	48 334 102	14,41
GIC Asset Management Private Limited	11 191 352	3,34
	59 525 454	17,75
INVESTMENT MANAGEMENT SHAREHOLDINGS		
Fund managers holding 3% or more of the shares in issue		
Investment manager		
Total shareholding		
PIC	45 178 233	13,47
JP Morgan Asset Management	23 790 633	7,09
Genesis Investment Management LLP	15 385 336	4,59
Sanlam Investment Management	12 004 780	3,58
BlackRock Inc	11 641 599	3,47
Lazard Asset Management LLC Group	10 819 041	3,23
GIC Asset Management	10 735 741	3,20
The Vanguard Group Inc	10 512 004	3,13
	140 067 367	41,76
SHARES IN ISSUE		
Total number of shares in issue	335 404 212	
BTW Investments Proprietary Limited (treasury shares)	(3 566 357)	
	331 837 855	

	Total shareholding	% of issued capital
BENEFICIAL SHAREHOLDER CATEGORIES		
Category		
Unit trusts/mutual funds	102 559 397	30,58
Pension funds	95 211 416	28,39
Other managed funds	34 713 064	10,35
Sovereign wealth	25 419 058	7,58
Private investors	22 793 751	6,80
Insurance companies	13 838 727	4,13
Corporate	7 426 334	2,21
Custodian	7 068 263	2,11
Exchange-traded fund	6 864 970	2,05
Investment trust	2 323 407	0,69
Black economic empowerment	2 034 813	0,61
Hedge fund	1 961 366	0,58
Charity	363 693	0,11
Medical aid scheme	235 906	0,07
Local authority	152 195	0,05
University	141 110	0,04
Remainder	12 296 742	3,67
Total	335 404 212	100,00

	Total shareholding	% of issued capital
GEOGRAPHIC SPLIT OF BENEFICIAL SHAREHOLDERS		
Region		
South Africa	174 784 873	52,11
United States of America and Canada	64 390 682	19,20
United Kingdom	19 699 270	5,87
Europe	42 199 832	12,58
Rest of the world	34 329 555	10,24
Total	335 404 212	100,00

	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
ANALYSIS OF SHAREHOLDING				
Shareholder spread				
1 – 1 000 shares	36 822	83,11	10 047 499	3,00
1 001 – 10 000 shares	6 311	14,25	16 640 329	4,96
10 001 – 100 000 shares	886	2,00	27 138 609	8,09
100 001 – 1 000 000 shares	233	0,53	70 873 813	21,13
1 000 001 shares and above	51	0,11	210 703 962	62,82
Total	44 303	100,00	335 404 212	100,00
SHAREHOLDER SPREAD				
Shareholder type				
Non-public shareholders	4	0,01	5 118 703	1,53
■ BTW Investments Proprietary Limited	1	0,00	3 566 357	1,06
■ Directors, associates and family trusts	3	0,01	1 552 346	0,47
Public shareholders	44 299	99,99	330 285 509	98,47
Total	44 303	100,00	335 404 212	100,00

Shareholders' diary

Financial year-end		June 30
Annual general meeting		November
Reports and accounts		
Interim report for the half year ending December 31		February
Announcement of annual results		August
Annual report		October
Distributions	**Declaration**	**Payment**
Interim distribution	February/March	March/April
Final distribution	August/September	September/October

Glossary of terms and acronyms

Ambient products	Products can be stored at room temperature
Bakery segment	Segment of the group which manufactures and distributes baking ingredients and equipment
B-BBEE	Broad-based black economic empowerment
BBS	Bidvest Bakery Solutions (Pty) Ltd – a company registered in South Africa
BFA	Bidvest Food Africa (Pty) Ltd – a company registered in South Africa
BFE	Bidvest Food Exports (Pty) Ltd – a company registered in South Africa
BFI	Bidvest Food Ingredients (Pty) Ltd – a company registered in South Africa
BFS (UK)	Bidvest Foodservice UK – a company registered in United Kingdom
BFS	Bidvest Foodservice (Pty) Ltd – a company registered in South Africa
BID	Share code for Bidcorp on the JSE
Bidcorp	Bid Corporation Limited – a company registered in South Africa
Bidvest	The Bidvest Group Limited – a company registered in South Africa
BPC	Bidcorp procurement company – Global procurement company sourcing product for Bidcorp from within Asia
Brexit	Withdrawal of the United Kingdom from the European Union
Catering sector	A broad service category that provides food service at a remote site or a site at a hotel, care home, office building etc
Centre-of-plate	Current meal trends consumers are pursuing either portable and convenient or fresh and customised
Chilled products	Food that is stored at refrigeration temperatures
Contract distribution	Entire order delivered on one truck with freedom to select products, regular timed deliveries
DAC	Distribuzione Alimentari Convivenze SPA – catering and food distribution company in Italy
DC	Distribution Centre
Direct	Online system for product management and online trading
Direct-to-customer	A business model adopted designed to sell online products direct to customers
DSM	Demand-side management
EMS	Environmental management system
Foodservice sector	The business of being a delivered wholesaler of a broad multi-temperature product range to the Catering and Hospitality sectors
Four geographic divisions	Australasia, UK, Europe and Emerging Markets (see pages 22 to 29)
Free trade, street trade or independent	Independent customers not part of a large conglomerate or holding entity, usually owner managed high-end restaurants
Fresh products/produce	Fresh produce (fruits and vegetables), meat, fish or poultry
Fresh segment	A segment of the Foodservice sector that supplies fresh products to the Catering and Hospitality sectors
Frozen Products	Prepared fresh product, packaged and frozen for distribution
Group/Consolidated	Bidcorp and all subsidiaries
HORECA	A food service distribution channel that includes hotels, restaurants, caterers, cafés and the broader hospitality industry
Hospitality sector	A broad service category that *inter alia* provides food service at a hospitality unit such as a restaurant, pub, hotel etc
Institutions	A food service distribution channel that includes hospitals, schools, care homes, prisons etc
Logistics segment	A segment of the Foodservice sector that supplies logistic solution to large scale food providers and the QSR trade
MoI	Memorandum of Incorporation
MPD	Recent acquisition in Czech Republic
Opava	City in Czech Republic
Out-of-home eating	Restaurant and casual dining of meals that were not prepared at home
Own brands	Brands manufactured by Bidcorp and TM Registered
Processing segment	A segment of the Foodservice sector which manufactures and distributes processed, semi-processed and prepackaged products
QSR	Quick service restaurant
Repack Products	Repacking of bulk containers of whole produce into smaller quantities
Retail segment	Business which supplies a full-range of products to supermarkets and hypermarkets
Route Trade	Export of food and non-food items by sea or air and sourcing of products required by customers
SLF	South Lincs Foodservice, part of Bidcorp UK
Sous Vide Products	Quality cuts sealed in airtight plastic bags for slow cooking in water baths or in temperature-controlled steam environments
Vivas	Bidvest Foodservice UK company which supplies and delivers wines
Voice picking	Accurate and efficient, order picking system implemented in warehouses

Reports available within our online report:

- Remuneration report
- Bidcorp's charters and policies
- GRI report
- Code of ethics
- Sustainable development
- Transformation report
- Notice of AGM
- Carbon footprint
- Stakeholder engagement

Administration

Bid Corporation Limited

("Bidcorp" or "the group" or "the company")
Incorporated in the Republic of South Africa
Registration number: 1995/008615/06
Share code: BID
ISIN: ZAE000216537

Directors

Executive chairman: B Joffe
Lead independent director: DDB Band
Independent non-executive: PC Baloyi, NG Payne, CWL Phalatse, H Wiseman*
Executive directors: BL Berson* (chief executive), DE Cleasby (chief financial officer)
**Australian*

Secretary

AK Biggs

Independent auditors

KPMG Inc.
Registration number: 1999/021543/2
KPMG Crescent, 85 Empire Road
Parktown, Johannesburg, 2193

Legal advisers

Baker & McKenzie
Edward Nathan Sonnenbergs

Transfer secretaries

Computershare Investor Services
Proprietary Limited
Registration number: 2004/003647/07
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107
Telephone +27 (11) 370 5000

Sponsor

The Standard Bank of South Africa Limited
30 Baker Street, Rosebank
South Africa, 2196

Bankers

ABSA Bank Limited
ASB Bank Limited
Bank of China Limited
Barclays Bank Limited
BNP Paribas Fortis
Československá obchodni banka, a.s (ČSOB)
Commonwealth Bank of Australia Limited
Fortis Bank Polska SA
Hang Seng Bank Limited
HSBC Bank plc
Internationale Nederlanden Groep (ING)
Nedbank Limited
The Royal Bank of Scotland Group Plc
The Standard Bank of South Africa Limited
Standard Chartered PLC
UBI Banca

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Bidcorp ethics line

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Further information regarding our group can be found on the Bidcorp website:
www.bidcorpgroup.com

Bidcorp

www.bidcorpgroup.com