12. EQUITY, DISTRIBUTIONS AND GROUP INFORMATION *(continued)*

12.6 Contingent liabilities

The group has outstanding legal and other claims arising out of its normal ongoing operating activities which have to be resolved. None of these claims are significant.

12.7 Subsequent events

There have been no material subsequent events from the reporting date.

12.8 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 that the group will not be a going concern in the year ahead.

13. DISCONTINUED OPERATION

In December 2017, management committed to a plan to discontinue the UK Contract Distribution (CD) business segment which operates in the United Kingdom. By year-end, we were close to finalising our proposed exit from this non-core segment. Costs associated with this anticipated exit were substantially provided for and any further costs are unlikely to be significant. The CD business segment is a component of the group's business, the operations and cash flows of which can be clearly distinguished from the rest of the group. CD represents a separate major line of business or geographical area in the United Kingdom. The relevant requirements of IFRS 5 were met for this operation to be classified as a discontinued operation.

Post the year-end, the prospective purchaser of our CD business notified Bidcorp that for its own internal reasons, it has decided not to proceed with the transaction. The CD business remains a non-core activity in respect of Bidcorp's global foodservice operations. Accordingly, Bidcorp is currently considering alternative proposals which were suspended due to the advanced sale process.

The CD segment was not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statement of profit or loss was restated to show the discontinued operation separately from continuing operations.

The results of the discontinued operation included in the group's results for the year ended June 30 are detailed below:

	2018 R'000	2017 R'000
Revenue	**18 254 268**	20 458 449
Cost of revenue	**(16 686 301)**	(18 622 873)
Gross profit	**1 567 967**	1 835 576
Operating expenses	**(2 194 450)**	(1 814 230)
Trading (loss) profit	**(626 483)**	21 346
Share-based payment expense	**(3 110)**	(3 456)
Impairment of property, plant and equipment	**(793)**	(21 366)
Operating loss	**(630 386)**	(3 476)
Net finance charges	**(5 226)**	(3 446)
Finance income	**5**	11
Finance charges	**(5 231)**	(3 457)
Loss before taxation	**(635 612)**	(6 922)
Taxation	**106 283**	(4 317)
Loss for the year from discontinued operation	**(529 329)**	(11 239)

for the year ended June 30

13. DISCONTINUED OPERATION *(continued)*

The following adjustments to profit attributable to shareholders were taken into account in the calculation of headline (loss) earnings:

	2018 R'000	2017 R'000
Loss attributable to shareholders of the company from discontinuing operation	**(529 329)**	(11 239)
Impairment of property, plant and equipment	**793**	21 366
Taxation relief	**(151)**	(4 060)
Headline (loss) earnings from discontinuing operation	**(528 687)**	6 067
Basic loss per share (cents)	**(159,1)**	(3,4)
Diluted basic loss per share (cents)	**(158,6)**	(3,4)
Headline (loss) earnings per share (cents)	**(158,9)**	1,8
Diluted headline (loss) earnings per share (cents)	**(158,5)**	1,8
Effect of the discontinued operation on the statement of financial position of the group		
Assets classified as held-for-sale	**2 590 657**	
Property, plant and equipment	**212 090**	
Intangible assets	**7 437**	
Deferred tax asset	**1 338**	
Investments and loans	**440**	
Inventories	**428 733**	
Trade and other receivables	**1 161 229**	
Taxation	**101 043**	
Cash and cash equivalents	**678 347**	
Liabilities classified as held-for-sale	**2 613 207**	
Deferred tax liability	**6 476**	
Long-term portion of provisions	**30 013**	
Trade and other payables	**2 576 718**	
Cash flows from discontinued operation		
Net operating cash flows from discontinued operation	**36 227**	(258 291)
Net investing cash flows from discontinued operation	**(12 491)**	(15 384)
Net increase (decrease) in cash and cash equivalents	**23 736**	(273 675)