Bidvest

30 years

HOMEGROWN ENTREPRENEURSHIP

The Bidvest Group Limited
Unaudited results
for the half-year ended 31 December 2018

2019

Salient **features**

Headline earnings increased by 10.0% to
R2.1 billion

HEPS up 9.6% to
629.1 cents
per share

Trading profit growth, up 6.3% to
R3.3 billion

Normalised HEPS
635.7 cents
per share

Interim dividend of
282 cents
per share, up 10.6%

Strong balance sheet maintained with conservative gearing

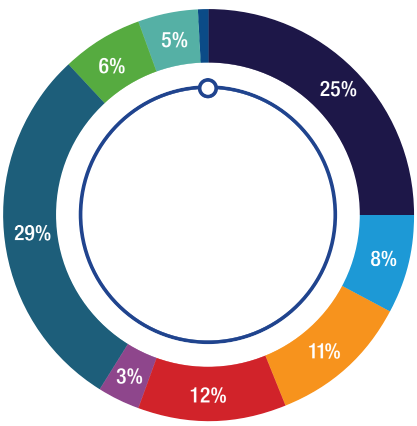
Key **financial statistics**

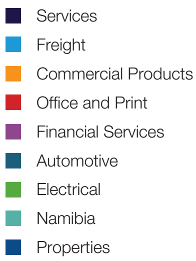
for the half-year ended 31 December 2018

		Half-year ended 31 December 2018 Unaudited	Half-year ended 31 December 2017 Unaudited	% change
Revenue	R billion	**40.0**	39.9	0.2
Gross profit margin[1]	%	**29.3**	28.1	
Operating expenses ratio[1]	%	**21.5**	20.6	
EBITDA	R billion	**4.2**	4.0	4.3
Trading profit	R billion	**3.3**	3.1	6.3
Trading profit margin	%	**8.4**	7.9	
Basic earnings	R billion	**2.2**	1.9	
Headline earnings	R billion	**2.1**	1.9	10.0
EPS	cents	**660.0**	560.6	17.7
HEPS	cents	**629.1**	574.0	9.6
Normalised HEPS[2]	cents	**635.7**	591.7	7.4
DPS	cents	**282.0**	255.0	10.6
EBITDA interest cover	times	**8.2**	7.6	
Net debt EBITDA	times	**1.1**	1.1	
Long-term portion of gross debt	%	**44.0**	61.0	
Average funds employed	R billion	**31.0**	29.6	4.9
Average return on funds employed (ROFE)	%	**22.8**	22.8	
Weighted number of shares	million	**336.8**	335.5	0.4

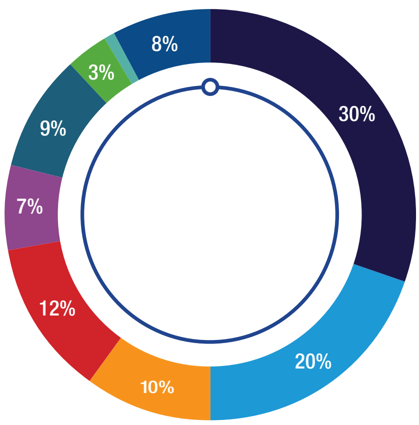
[1] *As percentage of revenue.*
[2] *Normalised headline earnings per share excludes acquisition costs and amortisation of acquired customer contracts.*

Contribution to revenue





Contribution to trading profit



Message to **shareholders**

Introduction

Bidvest is a leading business-to-business trading, distribution and services group, operating through seven divisions: Services, Freight, Automotive, Office and Print, Commercial Products, Financial Services and Electrical. The Group owns 66.0% of Bidvest Namibia and a significant Bidvest-occupied property portfolio. Bidvest continues to hold investments in Adcock Ingram (38.5%), Comair (27.2%) and Mumbai Airport (6.75%) (MIAL), as well as other listed and unlisted investments.

Highlights

Bidvest has produced a good result despite a frail economic backdrop as well as significant business and political uncertainty. The value of a diversified portfolio and the quality of the underlying businesses continue to manifest in the financial performance. Gross profit margin growth was pleasing, augmented by strong cost discipline as well as good capital management.

Trading profit grew by 6.3% off flat revenue. The Services, Freight and Office and Print divisions delivered stand-out performances. Some bolt-on acquisitions were concluded but have not fully contributed as yet. Difficult equity markets have impacted the results, specifically within the Financial Services division.

Bidvest's headline earnings per share (HEPS) increased by 9.6% to 629.1 cents (H1 2018: 574.0 cents).

Progress has been made on the non-core asset divestments. Our associate, Adcock Ingram, delivered strong results and secured a significant portion of the Government's ARV tender. Although Comair's profits contracted, a recent claim awarded against SAA should go some way in closing our value gap expectation.

The financial position of the Group remained very strong with net debt at R8.9 billion, representing net debt to rolling EBITDA cover of 1.1x, despite working capital absorption, continued corporate action and capital investment. Cash management has been good, as evidenced by flat net finance costs.

The Group has declared an interim dividend of 282 cents, 10.6% higher than last year and payable on 25 March 2019. The dividend per share is based on normalised HEPS.

Message to **shareholders** continued

Financial overview

Group revenue remained flat at R40.0 billion in growth constrained economies. The gross profit margin improved by 120bps to 29.3%, despite the mix impact of lower-margin Noonan and the fierce price competition in the market. A more meaningful evaluation is at divisional level. Operating expenses were well managed, increasing by only 4.7%.

Income from investments improved to R86.5 million (H1 2018: R24.9 million). This was as a result of the profit realised on the disposal of Bidcorp shares, an exchange rate revaluation gain on MIAL and unrealised losses on other smaller investments. The returns on the insurance investment portfolios were negative as at 31 December 2018, a negative swing of R85.6 million year-on-year.

Trading profit grew by 6.3% to R3.3 billion (H1 2018: R3.1 billion), with a higher trading margin of 8.4% (H1 2018: 7.9%). Services' trading profit broke through the R1.0 billion mark with strong growth, both locally and internationally, underscoring their annuity nature. Office & Print's result was pleasing given the structural decline of the industry in which it operates. Freight delivered a strong result off a high base benefitting from greater volumes handled and capacity investments made. Commercial Products posted a mixed result while a reasonable underlying result in Financial Services was dragged down by the investment portfolios' returns. Both Electrical and Automotive reported lower trading profit, both operating in challenging industries. Properties benefitted from rentalisation of projects and low vacancies. Results from continuing operations in Namibia improved off a depressed base.

Net capital items of R112.5 million resulted from positive adjustments of R123.2 million to the investment values of mainly Adcock Ingram and Comair compared to negative adjustments last year. The balance relates to the insurance receipts on storm-damaged Freight assets as well as closure costs.

Share of profit from associates decreased by 7.4% due to the decline in Comair profits as a result of the higher aviation fuel price, which offset a strong performance from Adcock Ingram.

Net finance charges were largely unchanged at R524.0 million (H1 2018: R523.5 million), reflecting solid cash generation during the period despite continued bolt-on acquisitions and capital expenditure. In November 2018, Bidvest successfully raised three long-term bonds, totalling R1.3 billion, which were significantly oversubscribed, at attractive rates. The Group's average cost of funding is 6.6%.

The implied tax rate was influenced by capital items, the non-taxable MIAL mark-to-market gain and a lower corporate tax rate in the foreign operations.

Bidvest's headline earnings increased by 10.0% to R2.1 billion (H1 2018: R1.9 billion). Normalised HEPS (HEPS excluding acquisition costs and amortisation of acquired customer contracts), a metric used by management to assess the underlying business performance, is 635.7 cents. Basic earnings per share increased by 17.7% to 660.0 cents (H1 2018: 560.6 cents) mainly due to the increase in the share prices of the associate companies, compared to share price decreases in the prior period.

R4.1 billion cash was generated by the businesses, up from R3.9 billion in the prior year. Seasonally, working capital is absorbed during the first half of the financial year. During the six months to December 2018, the R3.1 billion working capital absorption was exacerbated by significantly lower disbursements as well as a slowdown of bank deposits. Strategically, Electrical and Office and Print stocked up on certain key inventory lines.

Progress on Bidvest Freight's R1.0 billion Liquified Petroleum Gas project is on schedule. Civil work is complete and construction started in preparation for the arrival of the storage tanks toward the middle of 2019. Commissioning is still targeted for the middle of 2020.

Message to **shareholders** continued

Return on funds employed (ROFE) was maintained at 22.8% on a 4.9% higher average asset base. Divisional ROFE was 34.0%, slightly down from 34.7% previously. ROIC was 16.0%.

New accounting requirements in terms of IFRS15 and IFRS9, which are effective 1 July 2018, have had no material impact on the Group's results.

Corporate action

The Group concluded bolt-on acquisitions mostly in Services as well as Office & Print, while minorities were bought out in Glassock (Financial Services) and Glenryck (in Namibia). Sebenza was merged into Bidvest Panalpina Logistics (BPL), which forms part of Freight. Services' acquisition of Aquazania for R390.0 million was concluded post interim end. Several opportunities were assessed, some of which are still being considered. We remain steadfast in our disciplines when evaluating and responding to opportunities.

The remaining 1.3 million Bidcorp shares were disposed of this period. The disposal of our stake in MIAL is progressing.

Management remains committed to non-core asset disposals, but only at fair value.

As announced by Bidvest Namibia on Friday 1 March 2019, Bidvest made a N$10.50 per share take-over offer for the shares we do not already own, conditional on the delisting approved by minority shareholders. Bidvest Namibia formed an independent board committee to deliberate this offer.

Prospects

The core competencies and drivers of Bidvest remain firmly intact and we expect that continued growth will be achieved in the financial year. Pockets of activity and opportunities exist across the economy and the Group is well positioned to participate in these.

At Bidvest, governance is in our DNA, and it is the way we do business, every day. As custodians of significant financial, social, human, intellectual and natural capital we are aware of our responsibilities toward all stakeholders. We continue to strive to deliver industry-leading returns and consistent growth while at the same time committing vast resources to support many different corporate and social initiatives, both within and outside the Group.

Economic growth, industrial activity and consumer spend are expected to remain lacklustre until certainty emerges post the national election in May 2019. The economic damage caused by corruption will take time to remedy. Government's ability to drive infrastructural spending, initiation of development programmes and ongoing maintenance in key entities and facilities remains critical to kick-start the economy.

The Group's financial position allows sufficient headroom to advance the Group's strategy, both locally and internationally, ensure growth in existing markets, continue to acquire bolt-on businesses, and pursue other strategic opportunities in our chosen niche areas.

Divisional review

Services

The Services division performed well over the six-month period with trading profit increasing by 13.0% to R1.1 billion. This included an additional two months of trading from Noonan in comparison to the previous interim period. The South African businesses increased trading profit by 7.6%, despite a challenging and price sensitive market in which higher fuel costs added pressure. Strong results were delivered by Steiner, Facilities Management, Protea Coin, BidAir and Allied Services. Disappointingly, Travel delivered a poor result. Downtrading and the loss of a few large customers were not neutralised by the technology investment and cost management efforts. Noonan continues to perform better than expected particularly on the back of integrated solutions in Ireland and cleaning in the United Kingdom. New contract wins to date are encouraging.

The Services division has sustained its expansion programme, acquiring ClickOn, an electronic visitor and resident access control system, in October 2018. Post period-end, Aquazania, a supplier of a range of bottled water coolers and dispensers, was acquired. Other opportunities in South Africa and offshore are continually being assessed and certain possibilities are being advanced.

Freight

The Freight division's trading profit of R700.1 million increased by 8.6% compared to the prior period. Freight volumes were buoyant for the first four months, but slowed over the latter two months. This was particularly evident in maize export volumes handled by the South African Bulk Terminals business. Bidvest Tank Terminals (BTT) again delivered a good result, while BPL experienced a slow-down in warehousing volumes in the last two months of the period. BTT's multi-purpose tanks in Richards Bay are operating as planned. Bidfreight Port Operations delivered good growth as a result of strong fertilizer and other commodity volumes. Bidvest SACD was negatively affected by reduced imports, while Bulk Connections had a very good period and handled higher chrome and manganese ore tonnages. The Freight division has assumed responsibility for the UK-based, OnTime business. OnTime is experiencing some growth.

Wheat import volumes have resumed and other commodities, specifically iron ore, manganese, coal and chrome ore remain positive.

Commercial Products

Bidvest Commercial Products delivered a satisfactory result culminating in a flattish trading profit. The Consumer division performed above expectations but those gains were neutralised by a difficult trading environment experienced by certain of the industrial focused businesses. Strong results were delivered by Burncrete, G Fox, Home of Living Brands, Interbrand, Moto Quip and Yamaha. Some market share gains, brand repositioning and a shift to trusted and supported brands contributed to this. Minimal industrial, agricultural and project work impacted Afcom, Renttech and Vulcan. The focus remains firmly on improving margins and ensuring relevant product and price points. Operational cash generation was good despite Academy Brushware and Plumblink in the Western Cape moving to new modern distribution centres which augurs well for productivity improvements going forward.

Office and Print

This division continues to deliver pleasing results. Despite the loss of the Zonke business, which was largely as a result of losing the national contract for the monitoring of limited pay-out machines, trading profit rose 8.3% to R436 million. Konica Minolta performed exceptionally well, while all other businesses contributed strongly. Waltons has faced a difficult few years, but revenue has stabilised, costs are well controlled and gross margins are being maintained. A shift from house brands together with product innovation drove good growth in Silveray. Kolok volumes were down but market share was gained. The print segment's growth was pleasing. The data and packaging sectors delivered acceptable growth. Cecil Nurse had a slow start. A few bolt-on acquisitions, to augment the product range, were concluded in the recent months. An enviable 40% ROFE was achieved.

Financial Services

Due to weak equity markets, the Financial Services division's investment portfolios were the largest contributor to the R75.9 million decline in trading profit to R242.9 million. The trading profit for Bidvest Bank grew 8.3% despite a lower contribution from Leasing and the growth strategy in Personal and Business Banking is starting to gain momentum. Bidvest Bank has secured new fleet contracts, including the Transnet heavy commercial vehicle contract. Bidvest Insurance achieved only modest growth in premiums and underwriting profit as its commercial book performed below expectations. Strategic initiatives are in place to enhance the Insurance business. Bidvest Life's strong sales growth continues to cause new business strain on the income statement. Compendium managed to grow marginally despite a hardening of the insurance market. Bidvest Wealth and Employee Benefits, previously Glassock, has turned the corner and is positioned for future growth.

Automotive

The South African vehicle retail sector continues to contract, particularly in the luxury segment. Total new vehicle dealer sales declined 2.2% over the six months under review. This led to the division's overall trading profit being down 5.5% at R323.9 million. Bidvest McCarthy's new vehicle sales remain the dominant contributor, and a strategy is underway to balance this with used car sales and aftermarket services. New vehicle sales were flat and used vehicle sales higher. Aftermarket revenue and margin declined. Bidvest Car Rental returned to a normalised trading profit. The strategic initiatives to lower operating costs and right-size the division are advancing, with some success already evident.

NAAMSA is expecting a modest decline in new vehicle sales for the 2019 year.

Electrical

Not surprisingly, trading profit for the Electrical division declined 18.6% to R120.0 million. The division remains fundamentally rooted in the construction, mining and infrastructural development sectors, and remains substantially affected by the current, dismal, environment. Various initiatives are underway to future-fit the businesses, specifically lowering the cost of doing business through technology and efficiency improvements. Despite the market challenges, the core Voltex wholesale business managed to deliver a solid performance in what has become a very competitive market. Circumstances within the cable market are challenging. Atlas proactively purchased cable and wire ahead of the widely publicised supply disruptions. Businesses focused on infrastructure and construction projects were hard hit. The value-added operations delivered reasonable results with pleasing orderbooks.

The industry outlook remains uncertain with financial strain very evident in the customer base.

Other investments

Bidvest Namibia (66% share)

Bidvest Namibia's trading profit from continuing operations rose 50.5% to R29.5 million off a very low base. Results have been mixed as all businesses experienced pressure on revenue due to the recession in Namibia. Freight & Logistics bucked the trend on the back of certain Oil and Gas project activities. Strategically, the disposal of the last fishing assets should be concluded in the coming months.

Bidvest Properties and Corporate

Bidvest Properties performed well with a 15.8% increase in trading profit to R269.8 million. This was the result of new projects rentalised, reasonable rental escalations and very low vacancies.

Early in the period under review, Bidvest sold its remaining shares in Bidcorp and recognised a profit. The weaker Rand resulted in a positive mark-to-market adjustment on the Mumbai International Airport investment.

Secretarial

In accordance with the Section 3.59 of the JSE Listings Requirements, the board of directors of the Group advised shareholders that, with effect from 30 October 2018, Ms XB Makasi resigned as company secretary and Ms I Roux has been appointed to the post. Ms I Roux also retains her position as the Bidvest Corporate Affairs executive and holds a BCom (Honours) CTA and CA(SA) qualification.

For and on behalf of the board

CWL Phalatse
Chairman

LP Ralphs
Chief executive

Johannesburg
1 March 2019

Dividend declaration

In line with the Group dividend policy, the directors have declared an interim gross cash dividend of 282 cents (225.6 cents net of dividend withholding tax, where applicable) per ordinary share for the six months ended 31 December 2018 to those members registered on the record date, being Friday, 22 March 2019.

The dividend has been declared from income reserves. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

Share code:	BVT
ISIN:	ZAE000117321
Company registration number:	1946/021180/06
Company tax reference number:	9550162714
Gross cash dividend amount per share:	282 cents
Net dividend amount per share:	225.6000 cents
Issued shares at declaration date:	337 768 923
Declaration date:	Monday, 4 March 2019
Last day to trade *cum* dividend:	Monday, 18 March 2019
First day to trade *ex*-dividend:	Tuesday, 19 March 2019
Record date	Friday, 22 March 2019
Payment date	Monday, 25 March 2019

Share certificates may not be dematerialised or rematerialised between Tuesday, 19 March 2019 and Friday, 22 March 2019, both days inclusive.

For and on behalf of the board

Ilze Roux

Company Secretary

Condensed consolidated **income statement**

for the half-year ended 31 December 2018

R'000		Half-year ended 31 December 2018 Unaudited	Half-year ended 31 December 2017 Unaudited	% change	Year ended 30 June 2018 Audited
Revenue		**40 002 674**	39 908 810	0.2	76 963 472
Cost of revenue		**(28 291 821)**	(28 691 135)	(1.4)	(54 716 818)
Gross profit		**11 710 853**	11 217 675	4.4	22 246 654
Operating expenses		**(8 596 279)**	(8 207 847)	4.7	(16 199 932)
Other income		**137 833**	107 794		319 558
Trading result		**3 252 407**	3 117 622	4.3	6 366 280
Income from investments		**86 538**	24 907		142 795
Trading profit		**3 338 945**	3 142 529	6.3	6 509 075
Share-based payment expense		**(92 483)**	(84 082)		(154 986)
Acquisition costs and customer contracts amortisation		**(25 194)**	(61 028)		(82 901)
Net capital items†		**112 479**	(1 949)		(351 977)
Operating profit		**3 333 747**	2 995 470	11.3	5 919 211
Net finance charges		**(524 025)**	(523 510)	0.1	(1 020 730)
Finance income		**87 181**	67 737		158 709
Finance charges		**(611 206)**	(591 247)		(1 179 439)
Share of profit of associates		**198 429**	214 352	(7.4)	423 729
Current year earnings		**201 081**	221 424	(9.2)	431 857
Net capital items		**(2 652)**	(7 072)		(8 128)
Profit before taxation		**3 008 151**	2 686 312	12.0	5 322 210
Taxation		**(751 221)**	(736 093)	2.1	(1 436 597)
Profit for the period		**2 256 930**	1 950 219		3 885 613
Attributable to:					
Shareholders of the Company		**2 223 239**	1 880 957	18.2	3 817 996
Non-controlling interest		**33 691**	69 262	(51.4)	67 617
		2 256 930	1 950 219	15.7	3 885 613
Basic earnings per share	(cents)	**660.0**	560.6	17.7	1 137.3
Diluted basic earnings per share	(cents)	**657.5**	557.1	18.0	1 132.4
Supplementary information					
Headline earnings per share	(cents)	**629.1**	574.0	9.6	1 231.6
Diluted headline earnings per share	(cents)	**626.7**	570.5	9.9	1 226.3
Normalised headline earnings per share*	(cents)	**635.7**	591.7	7.4	1 254.9
Shares in issue					
Total	('000)	**337 072**	336 296		336 766
Weighted	('000)	**336 843**	335 546		335 718
Diluted weighted	('000)	**338 125**	337 630		337 161
Dividends per share	(cents)	**282.0**	255.0	10.6	556.0

** Normalised headline earnings per share excludes acquisition cost and amortisation of acquired customer contracts.*

R'000	Half-year ended 31 December 2018 Unaudited	Half-year ended 31 December 2017 Unaudited	% change	Year ended 30 June 2018 Audited
Supplementary information continued				
Headline earnings				
The following adjustments to profit attributable to shareholders were taken into account in the calculation of headline earnings:				
Profit attributable to shareholders of the Company	**2 223 239**	1 880 957	18.2	3 817 996
Impairment of property, plant and equipment, goodwill and intangible assets	**–**	–		12 840
Property, plant and equipment†	**–**	–		3 311
Goodwill†	**–**	–		15 258
Intangible assets†	**–**	–		1 115
Non-controlling interest	**–**	–		(6 844)
Net loss on disposal of interests in subsidiaries and disposal and closure of businesses	**10 817**	13 500		155 828
Loss on disposal and closure†	**12 449**	13 500		188 635
Impairment of disposal groups held for sale†	**–**	–		39 323
Taxation effect	**(1 632)**	–		(37 407)
Non-controlling interest	**–**	–		(34 723)
Net (gain) loss on disposal and remeasurement to recoverable fair value of associates	**(100 896)**	59 687		234 338
Remeasurement to recoverable fair value of associate†	**(100 618)**	59 144		248 709
Net (gain) loss on change in shareholding in associates†	**(278)**	543		(2 981)
Non-controlling interest	**–**	–		(11 390)
Net gain on disposal of property, plant and equipment and intangible assets	**(5 977)**	(35 200)		(24 185)
Property, plant and equipment†	**(4 652)**	(48 551)		(39 796)
Intangible assets†	**(4 380)**	(22 687)		(15 895)
Taxation effect	**1 303**	1 539		1 400
Non-controlling interest	**1 752**	34 499		30 106
Compensation received on loss or impairment of property plant and equipment	**(10 800)**	–		(70 263)
Compensation received†	**(15 000)**	–		(85 702)
Taxation effect	**4 200**	–		15 439
Non-headline items included in equity accounted earnings of associated companies	**2 652**	7 072		8 128
Headline earnings	**2 119 035**	1 926 016	10.0	4 134 682

† *Items above included as capital items on condensed consolidated income statement.*

Supplementary information continued

Normalised headline earnings per share

Normalised headline earnings per share is a measurement used by the chief operating decision maker. The calculation of normalised headline earnings per share excludes acquisition costs and amortisation of acquired customer contracts and is based on the normalised headline profit attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the period. The presentation of normalised headline earnings is not an IFRS requirement.

R'000	Half-year ended 31 December 2018 Unaudited	Half-year ended 31 December 2017 Unaudited	% change	Year ended 30 June 2018 Audited
Headline earnings	**2 119 035**	1 926 016		4 134 682
Acquisition costs	**3 222**	48 715		50 190
Amortisation of customer contracts	**21 972**	12 313		32 711
Taxation effect	**(2 883)**	(1 539)		(4 522)
Normalised headline earnings	**2 141 346**	1 985 505	7.8	4 213 061

Condensed consolidated statement **of other comprehensive income**

for the half-year ended 31 December 2018

R'000	Half-year ended 31 December 2018 Unaudited	Half-year ended 31 December 2017 Unaudited	Year ended 30 June 2018 Audited
Profit for the period	**2 256 930**	1 950 219	3 885 613
Other comprehensive expense net of taxation			
Items that may be reclassified subsequently to profit or loss	**(18 870)**	(45 925)	(38 783)
Decrease in foreign currency translation reserve			
Exchange differences arising during the period	**(22 435)**	(37 623)	(31 331)
Increase (decrease) in fair value of cash flow hedges	**670**	(8 302)	(7 452)
Fair value gain (loss) arising during the period	**931**	(11 531)	(10 350)
Taxation effect for the period	**(261)**	3 229	2 898
Share of other comprehensive income of associates	**2 895**	–	–
Items that will not be reclassified subsequently to profit or loss			
Increase (decrease) in fair value of financial assets not held for trading^	**1 571**	1 118	(3 111)
Share of other comprehensive income of associates	**286**	–	–
Defined benefit obligations	**–**	–	2 031
Net remeasurement of defined benefit obligations during the period	**–**	–	2 920
Taxation effect for the period	**–**	–	(889)
Total comprehensive income for the period	**2 239 917**	1 905 412	3 845 750
Attributable to:			
Shareholders of the Company	**2 206 563**	1 840 213	3 785 885
Non-controlling interest	**33 354**	65 199	59 865
	2 239 917	1 905 412	3 845 750

^ Changes in the fair value of equity instruments not held for trading have been reclassified for comparative periods.

Condensed consolidated **statement of cash flows**

for the half-year ended 31 December 2018

R'000	Half-year ended 31 December 2018 Unaudited	Half-year ended 31 December 2017 Unaudited	Year ended 30 June 2018 Audited
Cash flows from operating activities	**(1 148 199)**	1 139 588	4 968 427
Operating profit	**3 333 747**	2 995 470	5 919 211
Dividends from associates	**78 480**	103 149	206 725
Acquisition costs	**3 222**	48 715	50 190
Depreciation and amortisation	**869 662**	883 335	1 680 638
Remeasurement to recoverable fair value of associates	**(100 618)**	59 144	248 709
Other cash and non-cash items	**(66 819)**	(205 664)	(261 045)
Cash generated by operations before changes in working capital	**4 117 674**	3 884 149	7 844 428
Changes in working capital	**(3 070 622)**	(631 281)	1 523 258
(Increase) decrease in inventories	**(542 349)**	(316 284)	45 270
Decrease (increase) in trade receivables	**427 222**	(113 617)	(776 913)
Increase in banking and other advances	**(421 215)**	(64 033)	(421 236)
(Decrease) increase in trade and other payables and provisions	**(2 436 652)**	(857 311)	1 467 099
(Decrease) increase in amounts owed to bank depositors	**(97 628)**	719 964	1 209 038
Cash generated by operations	**1 047 052**	3 252 868	9 367 686
Net finance charges paid	**(506 655)**	(517 315)	(1 038 799)
Taxation paid	**(636 556)**	(555 444)	(1 297 155)
Dividends paid by the Company	**(1 013 685)**	(884 649)	(1 740 197)
Dividends paid by subsidiaries	**(38 355)**	(155 872)	(323 108)
– Non-controlling shareholders	**(36 465)**	(155 872)	(319 984)
– Put-call option holders	**(1 890)**	–	(3 124)
Cash effects of investment activities	**(1 376 423)**	(4 913 559)	(5 872 506)
Net (acquisition) disposal of vehicle rental fleet	**(331 477)**	(427 843)	73 245
Net additions to property, plant and equipment	**(1 172 149)**	(1 033 230)	(2 204 353)
Net additions to intangible assets	**(53 924)**	(27 167)	(102 044)
Net disposal (acquisition) of subsidiaries, businesses, associates and investments	**181 127**	(3 425 319)	(3 639 354)
Cash effects of financing activities	**411 153**	717 447	671 239
Proceeds from shares issued (net of costs)	**59 268**	218 339	418 028
Settlement of puttable non-controlling interest liability	**(16 500)**	–	–
Net borrowings raised	**368 385**	499 108	253 211
Net decrease in cash and cash equivalents	**(2 113 469)**	(3 056 524)	(232 840)
Net cash and cash equivalents at the beginning of the period	**3 514 398**	3 886 417	3 886 417
Net cash and cash equivalents arising on consolidation of the Bidvest Education Trust	**–**	–	23 094
Net cash and cash equivalents of disposal groups held for sale	**–**	–	(122 651)
Exchange rate adjustment	**13 835**	(22 695)	(39 622)
Net cash and cash equivalents at end of the period	**1 414 764**	807 198	3 514 398
Net cash and cash equivalents comprise:			
Cash and cash equivalents	**5 221 027**	4 710 829	6 168 293
Bank overdrafts included in short-term portion of interest-bearing borrowings	**(3 806 263)**	(3 903 631)	(2 653 895)
	1 414 764	807 198	3 514 398

Condensed consolidated **statement of financial position**

as at 31 December 2018

R'000		Half-year ended 31 December 2018 Unaudited	Half-year ended 31 December 2017 Unaudited	Year ended 30 June 2018 Audited
ASSETS				
Non-current assets		**30 171 531**	29 495 039	28 950 541
Property, plant and equipment		**11 618 966**	10 952 087	11 173 458
Intangible assets		**3 399 155**	3 240 955	3 367 806
Goodwill		**4 529 277**	4 432 465	4 447 769
Deferred taxation assets		**702 736**	679 003	761 368
Defined benefit pension surplus		**224 577**	202 886	224 577
Interest in associates		**5 571 390**	5 422 643	5 342 027
Life assurance fund		**49 228**	–	21 324
Investments		**2 821 943**	3 441 503	2 802 905
Banking and other advances		**1 254 259**	1 123 497	809 307
Current assets		**28 062 411**	27 353 676	29 131 418
Vehicle rental fleet		**1 446 044**	1 302 094	1 205 591
Inventories		**9 101 823**	8 948 644	8 515 551
Short-term portion of banking and other advances		**1 058 046**	831 335	1 082 937
Trade and other receivables		**11 092 074**	11 362 836	12 033 937
Taxation		**143 397**	197 938	125 109
Cash and cash equivalents		**5 221 027**	4 710 829	6 168 293
Disposal group assets held for sale		**253 919**	–	253 919
Total assets		**58 487 861**	56 848 715	58 335 878
EQUITY AND LIABILITIES				
Capital and reserves		**26 129 311**	24 099 449	24 980 709
Attributable to shareholders of the Company		**25 137 558**	22 828 089	23 957 082
Non-controlling interest		**991 753**	1 271 360	1 023 627
Non-current liabilities		**7 826 381**	10 452 242	8 899 765
Deferred taxation liabilities		**1 054 051**	1 077 226	1 209 549
Life assurance fund		**–**	631 058	10 545
Long-term portion of borrowings		**6 253 671**	8 324 551	7 122 485
Post-retirement obligations		**76 600**	76 266	76 943
Puttable non-controlling interest liabilities		**80 174**	60 990	90 530
Long-term portion of provisions		**234 448**	176 017	248 633
Long-term portion of operating lease liabilities		**127 437**	106 134	141 080
Current liabilities		**24 500 384**	22 297 024	24 423 619
Trade and other payables		**10 396 001**	10 921 805	12 983 511
Short-term portion of provisions		**348 907**	453 230	281 532
Vendors for acquisition		**24 381**	56 471	22 708
Taxation		**363 637**	298 688	168 844
Amounts owed to bank depositors		**5 523 514**	5 132 068	5 621 142
Short-term portion of borrowings		**7 843 944**	5 434 762	5 345 882
Disposal group liabilities held for sale		**31 785**	–	31 785
Total equity and liabilities		**58 487 861**	56 848 715	58 335 878
Supplementary information				
Net tangible asset value per share	(cents)	**5 105**	4 506	4 793
Net asset value per share	(cents)	**7 458**	6 788	7 114

Condensed consolidated **statement of changes in equity**

for the half-year ended 31 December 2018

R'000	Half-year ended 31 December 2018 Unaudited	Half-year ended 31 December 2017 Unaudited	Year ended 30 June 2018 Audited
Equity attributable to shareholders of the Company	**25 137 558**	22 828 089	23 957 082
Share capital	**16 888**	16 830	16 873
Balance at beginning of the period	**16 873**	16 770	16 770
Shares issued during the period	**15**	60	103
Share premium	**856 970**	598 071	797 717
Balance at beginning of the period	**797 717**	379 792	379 792
Shares issued during the period	**59 393**	218 613	418 505
Share issue costs	**(140)**	(334)	(580)
Foreign currency translation reserve	**221 386**	253 216	262 787
Balance at beginning of the period	**262 787**	286 628	286 628
Movement during the period	**(22 098)**	(33 560)	(23 168)
Realisation of reserve on disposal of subsidiaries and or associates	**(19 303)**	148	(673)
Hedging reserve	**(293)**	(1 813)	(963)
Balance at beginning of the period	**(963)**	6 489	6 489
Fair value losses arising during the period	**931**	(11 531)	(10 350)
Deferred tax recognised directly in reserve	**(261)**	3 229	2 898
Equity-settled share-based payment reserve	**(211 360)**	(49 459)	(243 388)
Balance at beginning of the period	**(243 388)**	(14 787)	(14 787)
Arising during the period	**92 444**	83 945	155 637
Deferred tax recognised directly in reserve	**9 059**	100 056	36 540
Utilisation during the period	**(58 259)**	(218 673)	(419 756)
Realisation of reserve on disposal of subsidiaries and or associates	**–**	–	(1 022)
Transfer to retained earnings	**(11 216)**	–	–
Movement in retained earnings	**23 616 904**	21 268 092	22 486 993
Balance at beginning of the period	**22 486 993**	20 279 261	20 279 261
IFRS 15 adjustment to balance at beginning of the period	**(38 723)**	–	–
IFRS 9 adjustment to balance at beginning of the period	**(43 223)**	–	–
Attributable profit	**2 223 239**	1 880 957	3 817 996
Change in fair value of available-for-sale financial assets	**1 571**	1 118	(3 111)
Net remeasurement of defined benefit obligations during the period	**–**	–	1 620
Share of other comprehensive income of associates	**3 181**	–	–
Retained earnings arising on consolidation of the Bidvest Education Trust	**–**	–	222 155
Transfer of reserves as a result of changes in shareholding of subsidiaries	**(8 138)**	(8 595)	(85 706)
Remeasurement of put option liability	**(5 527)**	–	(5 025)
Net dividends paid	**(1 013 685)**	(884 649)	(1 740 197)
Transfer from equity-settled share-based payment reserve	**11 216**	–	–
Treasury shares	**637 063**	743 152	637 063
Balance at beginning of the year	**637 063**	743 152	743 152
Treasury shares arising on consolidation of the Bidvest Education Trust	**–**	–	(106 089)

Condensed consolidated **statement of changes in equity** continued

for the half-year ended 31 December 2018

R'000	**Half-year ended 31 December 2018 Unaudited**	Half-year ended 31 December 2017 Unaudited	Year ended 30 June 2018 Audited
Equity attributable to non-controlling interests of the Company	**991 753**	1 271 360	1 023 627
Balance at beginning of the period	**1 023 627**	1 347 018	1 347 018
IFRS 15 adjustment to opening balance	**(14 506)**	–	–
Total comprehensive income	**33 354**	65 199	59 865
Attributable profit	**33 691**	69 262	67 617
Movement in foreign currency translation reserve	**(337)**	(4 063)	(8 163)
Net remeasurement of defined benefit obligations during the period	**–**	–	411
Dividends paid	**(36 465)**	(155 872)	(319 984)
Movement in equity-settled share-based payment reserve	**39**	137	(651)
Changes in shareholding	**(22 434)**	6 283	(125 405)
Grant of put options to non-controlling interests	**–**	–	(22 922)
Transfer of reserves as a result of changes in shareholding of subsidiaries	**8 138**	8 595	85 706
Total equity	**26 129 311**	24 099 449	24 980 709

Condensed **segmental analysis**

for the half-year ended 31 December 2018

R'000	Half-year ended 31 December 2018 Unaudited	Half-year ended 31 December 2017 Unaudited	Percentage change	Year ended 30 June 2018 Audited
Segmental revenue				
Services	**10 379 961**	8 999 035	15.3	18 968 423
Freight	**3 247 565**	3 102 541	4.7	6 074 971
Commercial Products	**4 584 164**	4 429 244	3.5	8 920 467
Office and Print	**4 852 880**	4 939 676	(1.8)	9 304 937
Financial Services	**1 350 746**	1 786 523	(24.4)	2 562 848
Automotive	**12 057 939**	12 695 722	(5.0)	24 701 500
Electrical	**2 661 918**	2 900 602	(8.2)	5 695 171
Namibia	**1 893 433**	2 040 070	(7.2)	3 381 027
Properties	**292 201**	260 748	12.1	531 981
Corporate and investments	**312 278**	350 139	(10.8)	683 363
	41 633 085	41 504 300	0.3	80 824 688
Inter-group eliminations	**(1 630 411)**	(1 595 490)		(3 861 216)
	40 002 674	39 908 810	0.2	76 963 472
Segmental trading profit				
Services	**1 075 593**	951 482	13.0	1 991 786
Freight	**700 122**	644 772	8.6	1 318 298
Commercial Products	**355 105**	353 780	0.4	710 492
Office and Print	**436 044**	402 717	8.3	700 748
Financial Services	**242 919**	318 831	(23.8)	631 868
Automotive	**323 877**	342 748	(5.5)	602 136
Electrical	**120 017**	147 466	(18.6)	300 257
Namibia	**26 963**	7 517	258.7	75 281
Properties	**269 795**	233 046	15.8	475 639
Corporate and investments	**(211 490)**	(259 830)	(18.6)	(297 430)
	3 338 945	3 142 529	6.3	6 509 075
Segmental operating assets				
Services	**5 227 910**	5 042 569	3.7	5 209 904
Freight	**5 768 077**	5 392 221	7.0	5 728 589
Commercial Products	**3 685 242**	3 665 770	0.5	3 762 876
Office and Print	**3 666 646**	3 467 080	5.8	3 199 313
Financial Services	**6 284 497**	6 385 319	(1.6)	5 502 744
Automotive	**5 878 061**	5 896 136	(0.3)	5 783 899
Electrical	**2 404 564**	2 460 571	(2.3)	2 629 086
Namibia	**1 559 709**	2 058 503	(24.2)	1 843 265
Properties	**3 131 624**	2 685 696	16.6	2 801 996
Corporate and investments	**7 327 512**	7 194 336	1.9	7 440 715
	44 933 842	44 248 201	1.5	43 902 387
Inter-group eliminations	**(695 492)**	(660 676)		(690 773)
	44 238 350	43 587 525	1.5	43 211 614

Condensed **segmental analysis** continued

for the half-year ended 31 December 2018

R'000	Half-year ended 31 December 2018 Unaudited	Half-year ended 31 December 2017 Unaudited	Percentage change	Year ended 30 June 2018 Audited
Segmental operating liabilities				
Services	**2 710 561**	2 654 029	2.1	3 060 388
Freight	**2 244 871**	2 491 794	(9.9)	3 193 082
Commercial Products	**1 215 229**	1 213 379	0.2	1 296 969
Office and Print	**1 392 268**	1 287 373	8.1	1 535 893
Financial Services	**6 682 307**	6 974 156	(4.2)	6 766 924
Automotive	**1 859 155**	2 105 392	(11.7)	2 317 409
Electrical	**443 358**	618 511	(28.3)	914 579
Namibia	**573 375**	556 407	3.0	526 100
Properties	**19 422**	16 765	15.8	26 402
Corporate and investments	**261 854**	239 448	9.4	416 413
	17 402 400	18 157 254	(4.2)	20 054 159
Inter-group eliminations	**(695 493)**	(660 676)		(690 773)
	16 706 907	17 496 578	(4.5)	19 363 386

Basis of presentation of condensed **consolidated financial statements**

The interim condensed consolidated financial statements have been prepared in accordance with and containing information required by IAS 34: Interim Financial Reporting, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the Companies Act of South Africa, and the JSE Listings Requirements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding to the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2018.

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2018.

Significant accounting policies

The accounting policies applied in these interim condensed financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ending 30 June 2018, except as detailed below:

The Group has adopted the following new accounting standards as issued by the IASB, which were effective for the Group from 1 July 2018:

- IFRS 15 Revenue from Contracts with Customers (IFRS 15)
- IFRS 9 Financial Instruments (IFRS 9)

The application of both IFRS 15 and IFRS 9 has had no material impact on the Group's results.

Retained earnings as at 1 July 2018 has been restated as follows:

R'000	**Half-year ended 31 December 2018 Unaudited**
Retained earnings at the beginning of the period	**22 486 993**
Bill-and-hold arrangement (IFRS 15)	**(40 294)**
Performance obligations satisfied over time (IFRS 15)	**(37 062)**
Customer acceptance (IFRS 15)	**3 431**
Expected credit loss model (IFRS 9)	**(58 107)**
Taxation effect	**35 580**
Non-controlling interest	**14 506**
Restated retained earnings at the beginning of the period	**22 405 047**

Adoption of and transition to IFRS 15

In transitioning to IFRS 15 the Group applied the cumulative effect method and retained prior period figures as reported under the previous standards, recognising the cumulative effect of applying the new standard as an adjustment to the opening balance of equity as at the date of initial application (beginning of current reporting period).

The Group principally generates revenue from providing a wide range of goods and services through its seven core trading operations, Services, Freight, Commercial Products, Office and Print, Financial Services, Automotive and Electrical.

Basis of presentation of **condensed consolidated financial statements** continued

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled for transferring goods and services to a customer. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over products or services to a customer.

On conclusion of a detailed assessment the Group identified the following impact of the change in accounting policy, the prior period financial effects of which are detailed in the table above.

- **Bill-and-hold arrangements.** Upon review of the IFRS 15 requirements for satisfaction of performance obligations and acceptable measures of progress, management concluded that the Group did not fully satisfy the performance obligations at inception of the contracts. Following adoption of IFRS 15 revenue is recognised at the point in time when control transfers to the customers.
- **Performance obligations satisfied over time.** Upon review of the IFRS 15 requirements for satisfaction of performance obligations and acceptable measures of progress, management concluded that the Group did not fully satisfy the performance obligations at inception of the contract. Following adoption of IFRS 15 revenue is recognised at the point in time when control transfers to the customer.
- **Customer acceptance.** Upon review management has concluded that these sales meet the IFRS 15 requirements to recognise revenue when control transfers, and although customer acceptance is required, the other determinants of control in IFRS 15 indicate that revenue should be recognised prior to customer acceptance. Therefore revenue for these services will be recognised earlier under IFRS 15.

Given the diverse nature of the business management believes the condensed segmental revenue analysis presents the nature and amount of Group revenue streams with sufficiently different characteristics not obscured by insignificant detail, and therefore fulfills the disaggregation disclosure requirements of IFRS 15.

Adoption of and transition to IFRS 9

As a result of the adoption of IFRS 9 the Group changed from the incurred credit loss model detailed in IAS 39 to the expected credit loss (ECL) model to calculate impairments of financial instruments. IFRS 9 also resulted in a change in the classification of the measurement categories for financial instruments. In transitioning to IFRS 9 the Group has applied the changes retrospectively but has elected not to restate comparative information.

Impairment

Applying the incurred loss model, the Group assessed whether there was any objective evidence of impairment at the end of each reporting period. If such evidence existed the allowance for credit losses in respect of financial assets at amortised cost was calculated as the difference between the asset's carrying amount and its recoverable amount.

Following the adoption of IFRS 9 the Group calculates allowance for credit losses as ECLs for financial assets measured at amortised cost, debt investments at fair value through other comprehensive income (FVOCI) and contract assets. ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive. ECLs are discounted at the original effective interest rate of the financial asset. The Group applies the simplified approach to determine the ECL for trade receivables, contract assets and lease receivables (collectively, accounts receivable). This results in calculating lifetime expected credit losses for these receivables. ECL for accounts receivable is calculated using a provision matrix.

The Group operates a decentralised structure and the provision matrix is deployed for each operating entity's accounts receivable as follows: ECLs are calculated by applying a loss ratio to the aged balance of accounts receivable at each reporting date. The loss ratio is calculated according to the ageing/payment profile of sales by applying historic write-offs to the payment profile of the sales population. In instances where there was no evidence of historical write-offs, management used a proxy write-off. Accounts receivable balances have been grouped so that the ECL calculation is performed on groups of receivables with similar risk characteristics and ability to pay. Similarly, the sales population selected to determine the ageing/payment profile of the sales is representative of the entire population and in line with future payment expectations. The historic loss ratio is then adjusted for forward looking information to determine the ECL for the portfolio of accounts receivable at the reporting period to the extent that there is a strong correlation between the forward looking information and the ECL.

Basis of presentation of **condensed consolidated financial statements** continued

In determining the ECL for its financial assets Bidvest Bank applies the three stage general approach, which is based on changes in credit quality since initial recognition. ECLs are calculated using, a probability of default, a loss given default and the exposure at default. Both forward-looking macro-economic information and historical data are considered in the assessment of ECL.

The financial impact on prior periods of changing from an incurred loss model to an ECL model has been detailed in the table above.

Classification, initial recognition and subsequent measurement

IFRS 9 introduces new measurement categories for financial assets. The measurement categories of IFRS 9 and IAS 39 are illustrated in the comparative table below. From 1 July 2018, the Group classifies financial assets in each of the IFRS 9 measurement categories based on the Group's business model for managing the financial asset and the cash flow characteristics of the financial asset.

IAS 39 category	IFRS 9 category
Financial assets at fair value through profit or loss (FVTPL)	Financial assets at FVTPL
Loans and receivables	Financial assets at amortised cost
Available for sale	Investment at fair value through other comprehensive income (FVOCI)*
Held to maturity	

** This includes both debt and equity instruments. The biggest change is that on derecognition of equity instruments gains and losses accumulated in OCI are not reclassified to profit or loss.*

On initial recognition of equity investments not held for trading the Group may elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis. Fair value gains or losses on these instruments will not be recycled to profit and loss when sold, but rather transferred within equity.

Financial liabilities are measured at amortised cost.

Comparatives

During the period, certain operations were reclassified between segments as a result of an internal reporting restructure. The comparative period's segmental information has been amended to reflect these insignificant changes. No comparative information has been changed following the adoption of IFRS 9 and IFRS 15.

Significant commitments

Bidvest Freight is in the process of constructing an LPG tank farm in the port of Richards Bay. To 31 December 2018, R308 million has been spent with an additional R629 million committed to the project, the estimated completion date is July 2020. Bidvest Properties and Bidvest Bank are parties to the development of a property in the Sandton CBD and have a combined commitment of R250 million.

Fair value of financial instruments

The Group's investments of R2 822 million (H1 2018: R3 442 million) include R11 million (H1 2018: R34 million) recorded at amortised cost, R1 706 million (H1 2018: R2 455 million) recorded and measured at fair values using quoted prices (Level 1) and R1 105 million (H1 2018: R953 million) recorded and measured at fair value using factors not based on observable data (Level 3). Fair value gains on Level 3 investments recognised in the income statement total R45 million (H1 2018: R43 million loss).

Basis of presentation of **condensed consolidated financial statements** continued

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

R'000	Half-year ended 31 December 2018 Unaudited	Half-year ended 31 December 2017 Unaudited	Year ended 30 June 2018 Audited
Balance at the beginning of period	**1 056 988**	995 961	995 961
Purchases, loan advances or transfers from other categories	**4 283**	–	5 434
Fair value adjustment arising during the period recognised in the income statement	**45 019**	(43 151)	56 559
Proceeds on disposal, repayment of loans or transfers to other categories	**(12 906)**	–	–
Profit on disposal of investments	**11 459**	–	–
Exchange rate adjustments	**38**	14	(966)
	1 104 881	952 824	1 056 988

The Group's effective beneficial interest in the Indian based Mumbai International Airport Private Limited (MIAL) is included in unlisted investments held-for-trade, where the fair value is not based on observable market data (Level 3). The carrying value of this investment at 31 December 2018, based on the directors' valuation of 30 June 2018, is R1 036 million (US$72 million) (H1 2018: R892 million (US$72 million)). The valuation of MIAL is fair value less cost to sell. The calculation used the actual operating results for MIAL based on its most recent financial statements and a discounted median multiple for the peer group which is in a range of 12,5 and 14,1x EBITDA. A 1% change in the multiple or EBITDA will result in US$1,4 million change in the value.

MIAL is a foreign based asset and the ruling period end exchange rate, US$1 = R14.39 (H1 2018: US$1 = R12.38), is a further factor that affects the carrying value.

The carrying values of all financial assets and liabilities approximate their fair values, with the exception of borrowings of R14 105 million whose carrying value is R14 098 million.

Net disposal of businesses, subsidiaries, associates and investments

During the period the Group disposed of its entire shareholding in Al Jaber Coin Security Company LLC (Al Jaber), a security services company domiciled and operating in the UAE, and it's 50% share of Gerlan Properties (Pty) Ltd (Gerlan).

The Group made a number of small bolt-on acquisitions during the period. These acquisitions were funded from existing cash resources.

The final accounting for all the acquisitions had not been completed at the time these condensed consolidated interim financial statements were issued, in each case the final accounting will be completed within 12 months of the acquisition date, as allowed by the applicable accounting standard.

The following table summarises and incorporates the provisional amounts of assets acquired and liabilities assumed which have been included in these results from the respective dates.

Basis of presentation of **condensed consolidated financial statements** continued

R'000	Al Jaber	Gerlan	Other	Total
Property, plant and equipment	(1 565)	(37 282)	50	(38 797)
Deferred taxation	–	6 568	1 650	8 218
Interest in associates	–	–	8 367	8 367
Investments and advances	–	–	(39 800)	(39 800)
Inventories	–	–	3 804	3 804
Trade and other receivables	(153 646)	(142)	(9 937)	(163 725)
Cash and cash equivalents	(5 627)	–	24 648	19 021
Borrowings	–	–	(6 307)	(6 307)
Trade and other payables and provisions	120 920	(204)	227	120 943
Taxation	–	1 193	(19 902)	(18 709)
Intangible assets	–	–	651	651
	(39 918)	(29 867)	(36 549)	(106 334)
Non-controlling interest	–	14 934	7 500	22 434
Realisation of foreign currency translation reserve	18 131	–	1 172	19 303
Goodwill	–	–	80 896	80 896
Net assets acquired	(21 787)	(14 933)	53 019	16 299
Settled as follows:				
Cash and cash equivalents acquired				(19 021)
Acquisition costs				3 222
Net loss on disposal of operations				10 539
Settlement of receivable arising on disposal of subsidiaries and associates in prior periods				(190 741)
Net change in vendors for acquisition				(1 425)
Net disposal of businesses, subsidiaries, associates and investments				(181 127)

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.

The small bolt-on acquisitions did not contribute materially to the Group's revenue or operating profit for the period under review.

Subsequent events

Subsequent to half year-end Pureau Fresh Water Company Proprietary Limited, 82% owned by the Group, acquired 100% of the ordinary share capital of Zanihold Proprietary Limited (Aquazania), holding company of Aquazania Proprietary Limited and Aquazania Africa Proprietary Limited for R390 million. Aquazania supplies a range of bottled water coolers and plumbed in water dispensers (bottleless water coolers) to households and to a wide variety of corporate customers. The acquisition was funded using existing facilities.

Bidvest made a take-over cash offer of N$10.50 to the minority shareholders of Bidvest Namibia, conditional on a delisting from the Namibian Stock Exchange.

Unaudited results

These results have not been audited or reviewed by the Group's auditors. The interim condensed consolidated financial statements have been prepared under supervision of the Chief Financial Officer, MJ Steyn BCom CA (SA), and were approved by the board of directors on 1 March 2019.

Bidvest

www.bidvest.com

REGISTERED OFFICE SOUTH AFRICA
Bidvest House, 18 Crescent Drive, Melrose Arch, Melrose,
Johannesburg, 2196, South Africa
Telephone: +27 (11) 772 8700
Email: info@bidvest.co.za