

Notes to the Company financial statements

for the year ended June 30

	2010 R'000	2009 R'000
1. Taxation		
Current taxation	(8)	25 324
Current year	–	25 317
Prior years	(8)	7
Foreign withholdings tax	810	1 100
Total taxation per income statement	802	26 424
The reconciliation of the effective tax rate with the Company tax rate is as follows:	%	%
Taxation for the year as a percentage of profit before taxation	0,1	1,7
Dividend and exempt income	28,0	15,7
Difference in rate as a result of capital gains taxation	–	11,3
Withholding taxes	(0,1)	–
Expenses not taxable or allowed	–	(0,7)
Rate of South African company taxation	28,0	28,0
	R'000	R'000
Secondary taxation on companies – dividend credits available	100 569	1 908
2. Cash generated by operations		
Profit before taxation	1 167 785	1 525 254
Adjustment for non-cash items	(174 274)	(662 931)
Working capital changes		
Decrease (increase) in trade and other payables and provisions	(1 365)	464
Increase (decrease) in trade and other receivables	256 526	(256 526)
Cash generated by operations	1 248 672	606 261
3. Taxation refund received (taxation paid)		
Amount payable at beginning of year	(1)	–
Per income statement	(802)	(26 424)
Amount payable at end of year	–	1
Amount paid	(803)	(26 423)
4. Acquisition of subsidiaries and associates		
Interest in subsidiaries	(525 191)	(45 686)
Interest in associates	–	(8 438)
Total value of acquisitions	(525 191)	(54 124)
Vendors for acquisition at beginning of year	(15 629)	–
Vendors for acquisition at end of year	–	15 629
Amounts paid	(540 820)	(38 495)

	2010 R'000	2009 R'000
5. Proceeds on disposal of subsidiaries, joint ventures and associates		
Interest in subsidiaries	416 673	76 692
Interest in associates	–	43 697
Net carrying value	416 673	120 389
Profit on disposal	200 088	704 638
Net proceeds	616 761	825 027
6. Interest in subsidiaries		
Shares at cost	3 734 126	3 623 509
Due by subsidiaries	4 245 030	3 125 923
Due to subsidiaries	(314 488)	(308 425)
	7 664 668	6 441 007
Details of major subsidiaries are reflected on pages 205 to 210 of this report.		
7. Interest in joint ventures		
Shares at cost	4 540	4 540
Details of major joint ventures are reflected on page 210 of this report.		
8. Interest in associates		
Listed	5 742	5 742
Unlisted	69 818	68 620
	75 560	74 362
Interest-free advances	20 095	20 095
	95 655	94 457
Market value of listed associates	24 700	24 711
Directors' value of unlisted associates	277 900	233 000
	302 600	257 711
Details of major associates are reflected on pages 211 of this report.		
9. Investments		
Unlisted shares	350	350
Directors' value of unlisted investments	350	350
10. Capital and reserves		
Share capital		
Authorised		
540 000 000 (2005: 540 000 000) ordinary shares of 5 cents each	27 000	27 000
	Number	Number
Issued		
Balance at beginning of year	336 284 567	331 837 415
Capitalisation issue	–	3 326 310
Shares issued for cash	9 970 240	–
Shares issued in terms of the share incentive scheme	3 889 939	1 120 842
Balance at end of year	350 144 746	336 284 567

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for the year ended June 30

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10. Capital and reserves <i>(continued)</i>		
Issued share capital		
Share capital	17 507	16 814
Share premium	81 258	228 301
Reserves		
Equity-settled share-based payment reserve	283 594	254 483
Retained earnings	7 489 284	6 322 301
	7 871 643	6 821 899

30 000 000 of the unissued shares are under the control of the directors until the next annual general meeting.

11. Contingent liabilities

In respect of guarantees of banking and other facilities granted to subsidiaries and associates

Of which has been utilised

24 956 610	20 691 172
8 001 822	7 566 027

The Dinatla Investment Holdings (Pty) Limited (Dinatla) refinancing arrangements was concluded in November 2006. In terms of this arrangement, Bidvest granted Dinatla the right to require Bidvest to purchase 15 million Bidvest shares from Dinatla at R75 per Bidvest share if the 10-day volume weighted average price per Bidvest share is equal to or less than R75 per Bidvest share (the put option). The put option expires on the earlier of the date on which Dinatla discharges all of its obligations under its funding arrangements in full or on March 30 2012.

12. Borrowing powers

Borrowing powers, in terms of the articles of association, are unlimited.

13. Related parties

The subsidiaries, joint ventures and associates of the Group are identified in the annexure set out on pages 205 to 211. All of these entities are related parties of the Company. The Company has made loans to, and has received loans from, certain of these entities as set out in the said annexure.

Details of income received from these related parties are included in the income statement.

All expenditure incurred by the Company is borne by a subsidiary in lieu of administration fees and interest.