

BIDVESTCO LIMITED

for the year
ended
June 30

2015

AUDITED ANNUAL FINANCIAL STATEMENTS

REG. No. 1966/011512/06

BIDVESTCO LIMITED
(Reg no 1966/011512/06)
AUDITED ANNUAL FINANCIAL STATEMENTS
for the year ended June 30 2015

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Preparer of financial statements

The annual financial statements were prepared in compliance with the Companies Act of 2008 under the supervision of NEJ Goodwin CA (SA), Group Financial Manager. These financial statements have been audited in compliance with section 29 (1) of the Companies Act of South Africa.

Declaration by company secretary

In my capacity as company secretary, I hereby confirm, in terms of Section 88(2)(e) of the Companies Act, that for the year ended June 30 2015, the Company has lodged with the Registrar of Companies, all such returns as are required in terms of this Act and that all such returns are true, correct and up to date.



Craig Brighten
Company secretary

Directors' approval of the financial statements

The financial statements for the year ended June 30 2015 set out on pages 6 to 17 were approved by the directors on August 29 2015 and are signed on their behalf by:



Director



Director

BIDVESTCO LIMITED
AUDIT COMMITTEE'S REPORT
for the year ended June 30 2015

The Audit Committee of The Bidvest Group Limited assumes the role and responsibilities of the audit committee function of the Company. The Audit Committee's operation is guided by a detailed charter that is approved by the Board. The purpose of the committee is to assist the Board in discharging its duties relating to 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. Other responsibilities of the committee include assessing and approving the internal audit plan, assessing the report backs from both the internal and external auditors and assessing the going concern of the Company.

The external auditors have unrestricted access to the Audit Committee and attend meetings to report on their findings and to discuss accounting, auditing, internal control and financial reporting matters.

The Audit Committee has reviewed the scope as well as the independence and objectivity of the external auditors. The committee has satisfied itself that the external auditor is independent as defined by the Companies Act.



Audit Committee Chairman
The Bidvest Group Limited
Group Audit Committee
August 29 2015

BIDVESTCO LIMITED
DIRECTORS' REPORT
for the year ended June 30 2015

Nature of business

There were no changes in the nature of the Company's business during the year under review. The current business operations of the Company are to raise borrowings in the form of unsecured listed bonds and commercial paper and advance the amounts raised, to a fellow subsidiary.

Financial reporting

The directors are required by the Companies Act of South Africa to produce financial statements, which fairly present the state of affairs of the Company as at the end of the financial year and the profit or loss for that financial year, in conformity with International Financial Reporting Standards (IFRS) and the Companies Act of South Africa.

The directors are of the opinion that the financial statements fairly present the financial position of the Company as at June 30 2015 and the results of its operations and cash flows for the year then ended. The directors are satisfied that the Company 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.

Dividends

No dividends were declared and paid during the year (2014: nil).

Share capital

There were no changes in the authorised or issued share capital during the year (2014: nil).

Financial results

The financial results are set out in the attached financial statements.

Directors and secretary

The directors of the Company during the year and at the date of this report are - B Joffe, DE Cleasby, and NEJ Goodwin and the company secretary is CA Brighten.

Addresses

Business address - 2nd Floor, Bidvest House, 18 Crescent Drive, Melrose Arch, 2196

Postal address - P O Box 87274, Houghton, 2041

Holding company and ultimate holding company

The holding company is The Bidvest Group Limited, a company registered in the Republic of South Africa and listed on the JSE.

Events subsequent to year end

There are no facts or circumstances which have occurred between the date of the statement of financial position and the date of this report which in our opinion are material for an appreciation of the state of the Company's affairs.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BIDVESTCO LIMITED

We have audited the financial statements of Bidvestco Limited, set out on pages 6 to 17, which comprise the statement of financial position as at June 30 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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, the financial statements present fairly, in all material respects, the financial position of Bidvestco Limited as at June 30 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

National Executive: *LL Barn Chief Executive *AE Swiegers Chief Operating Officer *GM Pinnock Audit
DL Kennedy Risk Advisory *NB Kader Tax TP Pillay Consulting S Gwala BPaa5 *K Black Clients & Industries
*JK Mazzocco Talent & Transformation *MJ Jarvis Finance *M Jordan Strategy *TI Brown Chairman of the Board
*MJ Comber Deputy Chairman of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF BIDVESTCO LIMITED (continued)**

Other Reports required by the Companies Act

As part of our audit of the financial statements for the year ended June 30 2015, we have read the Directors' Report, the Audit Committee's 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 the reports and the audited financial statements. However, we have not audited the reports and accordingly do not express an opinion on these reports.

The logo for Deloitte & Touche, featuring the company name in a stylized, cursive script.

Deloitte & Touche
Registered Auditors
Mark Hugh Holme
Partner
August 29 2015

BIDVESTCO LIMITED
STATEMENT OF FINANCIAL POSITION
as at June 30 2015

	Notes	2015 R	2014 R
Assets			
Non-current asset			
Owing by fellow subsidiary	2	2 925 000 000	2 925 000 000
Current assets			
Owing by fellow subsidiary	2	1 369 631 865	3 693 932 320
Owing by holding company	3	44 068 357	44 068 357
Financial instruments	6	39 849 442	58 029 580
		<u>4 378 549 664</u>	<u>6 721 030 257</u>
Equity and liabilities			
Capital and deficit			
Share capital	4	731 840	731 840
Share premium		43 523 741	43 523 741
Accumulated loss		(187 224)	(187 224)
Non-current liabilities			
Borrowings	5	2 925 000 000	2 925 000 000
Current liabilities			
Borrowings	5	1 369 631 865	3 693 932 320
Financial instruments	6	39 849 442	58 029 580
		<u>4 378 549 664</u>	<u>6 721 030 257</u>

BIDVESTCO LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended June 30 2015

	Notes	2015 R	2014 R
Finance income from fellow subsidiary	7	345 520 343	401 667 630
Finance charges on borrowings	8	(345 520 343)	(401 667 630)
		<hr/>	<hr/>
Profit for the year		-	-
Other comprehensive income			
<i>Items that may be classified subsequently to profit or loss</i>			
Opening balance		-	-
Movement in fair value adjustment to interest rate swaps - financial asset		18 180 138	(382 951)
Deferred tax		(5 090 438)	107 226
Movement in fair value adjustment to interest rate swaps - financial liability		(18 180 138)	382 951
Deferred tax		5 090 438	(107 226)
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		-	-
		<hr/>	<hr/>

BIDVESTCO LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended June 30 2015

	2015 R	2014 R
Share capital	731 840	731 840
Share premium	43 523 741	43 523 741
Accumulated loss		
At beginning of the year	(187 224)	(187 224)
Comprehensive income for the year	-	-
Other comprehensive income		
Fair value of financial instruments	-	-
	<u>44 068 357</u>	<u>44 068 357</u>

STATEMENT OF CASH FLOWS
for the year ended June 30 2015

	Notes	2015 R	2014 R
Net cash flow from operating activities		-	-
Net cash inflow (outflow) from investing activities		2 669 820 798	(1 054 568 689)
Decrease(increase) in amount owing by fellow subsidiaries		5 551 000 000	(7 032 544 725)
Increase (decrease) in amounts due from fellow subsidiaries		(3 311 208 172)	5 584 000 000
Interest received	7	430 028 970	393 976 036
Net cash outflow (inflow) from financing activities		(2 669 820 798)	1 054 568 689
Borrowings raised		3 311 208 172	7 032 544 725
Borrowings repaid		(5 551 000 000)	(5 584 000 000)
Interest paid	8	(430 028 970)	(393 976 036)
Net cash flow		<u>-</u>	<u>-</u>

BIDVESTCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30 2015

1. Accounting policies

1.1 Statement of compliance

The 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.

The accounting policies have been consistently applied with the previous financial year.

The Company is incorporated in the Republic of South Africa.

1.2 Basis of Preparation

The financial statements are prepared on a historic cost basis, with the exception of financial instruments stated at fair value.

1.3 New and revised accounting standards

The Company considered adopting the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of July 1 2014.

- IFRS 10 - Consolidated Financial Statements
- IFRS 11 - Joint Arrangements
- IFRS 12 - Disclosure of Interests in Other Entities
- IFRS 13 - Fair Value Measurement
- IAS 19 - Employee Benefits

With the exception of IFRS 13, these standards are not applicable to the financial statements.

IFRS 13 - Fair Value Measurement

IFRS 13 is a single cohesive standard consolidating the principles of fair value measurement and disclosures for financial reporting. Fair value measurements of a non-financial asset will take into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In accordance with the transitional provisions of IFRS 13, the Company has applied the new fair value measurement guidance prospectively. Notwithstanding the above, the change had no significant impact on the measurement of the Company's assets and liabilities.

BIDVESTCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended June 30 2015

1. Accounting policies (continued)

1.4 Financial Instruments

Financial instruments are recognised when the Company becomes party to the contractual provisions of the arrangement.

Financial instruments are initially measured at fair value plus any directly attributable transaction costs. Trade and other receivables are stated at fair value less an allowance for impairment losses. Cash and cash equivalents are measured at fair value. Financial liabilities are recognised at amortised cost using the effective interest rate method.

A financial asset is derecognised if the Company's contractual rights to the cash flows from the financial asset expire or if the Company transfers the financial assets to another party without retaining control, or substantially all the risks and rewards of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability 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 respected carrying amounts is recognised in profit and loss.

1.5 Hedge accounting

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 equity. 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 profit and 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 profit and loss immediately.

1.6 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.

BIDVESTCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended June 30 2015

1. Accounting policies (continued)

1.6 Impairment of assets (continued)

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.

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.

1.7 Finance income and costs

Finance income and costs are recognised on an accrual basis using the effective interest rate method.

1.8 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 balance sheet date, and any adjustment of tax payable for previous years.

Deferred taxation is recognised using the balance sheet liability method based on temporary differences between the tax base of an asset or liability and its balance sheet carrying amount. Temporary differences are differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax base. 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. Deferred taxation is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effects on deferred taxation of any changes in tax rates are recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

BIDVESTCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended June 30 2015

	2015 R	2014 R
2. Owing by fellow subsidiary		
Amounts advanced to Bidvest Treasury Services Proprietary Limited (2014 : Bid Industrial Holdings Proprietary Limited)		
<i>Non-current</i>		
Unsecured loan repayable on June 30 2019 bearing interest at an effective rate of 8.75%, interest payable on a quarterly basis	260 000 000	260 000 000
Unsecured loan repayable on June 30 2019 bearing interest at 8.86%, interest payable six monthly	1 240 000 000	1 240 000 000
Unsecured loan repayable on November 23 2017 bearing interest an effective rate of 7.15%, interest payable on a quarterly basis	1 425 000 000	1 425 000 000
	<u>2 925 000 000</u>	<u>2 925 000 000</u>
<i>Current</i>		
Unsecured loan, repayable on August 6 2015 bearing interest at 10.19%, interest payable six-monthly	-	1 500 000 000
Unsecured loan, repayable on August 5 2015 bearing interest at 6.59%, interest payable on maturity	-	237 203 200
Unsecured loan repayable on September 4 2015 bearing interest at 6.61%, interest payable on maturity	-	967 922 507
Unsecured loan repayable on October 16 2015 bearing interest at 6.56%, interest payable on maturity	-	878 258 898
Unsecured loan repayable on July 7 2015 bearing interest at 6.47%, interest payable on maturity	236 191 254	-
Unsecured loan repayable on October 13 2015 bearing interest at 6.76%, interest payable on maturity	513 000 000	-
Unsecured loan repayable on August 7 2015 bearing interest at 6.48%, interest payable on maturity	594 401 523	-
Interest payable	26 039 088	110 547 715
	<u>1 369 631 865</u>	<u>3 693 932 320</u>
3. Owing by holding company		
Amount owing, interest free with no fixed terms of repayment, repayable on demand	44 068 357	44 068 357

BIDVESTCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended June 30 2015

	2015 R	2014 R
4. Share capital		
Authorised		
120 000 000 ordinary shares of 1 cent each	1 200 000	1 200 000
Issued		
73 183 968 ordinary shares of 1 cent each	731 840	731 840
5. Borrowings		
<i>Non-current</i>		
Unsecured loan repayable on June 30 2019 bearing interest an effective rate of 8.75%, interest payable on a quarterly basis	260 000 000	260 000 000
Unsecured loan repayable on June 30 2019 bearing interest at 8.86%, interest payable six monthly	1 240 000 000	1 240 000 000
Unsecured loan repayable on November 23 2017 bearing interest an effective rate of 7.15%, interest payable on a quarterly basis	1 425 000 000	1 425 000 000
	<u>2 925 000 000</u>	<u>2 925 000 000</u>
<i>Current</i>		
Unsecured loan, repayable on August 6 2015 bearing interest at 10.19%, interest payable six-monthly	-	1 500 000 000
Unsecured loan, repayable on August 5 2015 bearing interest at 6.59%, interest payable on maturity	-	237 203 200
Unsecured loan repayable on September 4 2015 bearing interest at 6.61%, interest payable on maturity	-	967 922 507
Unsecured loan repayable on October 16 2015 bearing interest at 6.56%, interest payable on maturity	-	878 258 898
Unsecured loan repayable on July 15 2015 bearing interest at 6.47%, interest payable on maturity	236 191 254	-
Unsecured loan repayable on October 12 2015 bearing interest at 6.76%, interest payable on maturity	513 000 000	-
Unsecured loan repayable on August 7 2015 bearing interest at 6.48%, interest payable on maturity	594 401 523	-
Interest payable	26 039 088	110 547 715
	<u>1 369 631 865</u>	<u>3 693 932 320</u>

BIDVESTCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended June 30 2015

5. Borrowings (continued)

The Company's facility in the current year is R 9 billion (2014: R9 billion). As at June 30 2015, the Company has R 4.7 billion (2014: 2.4 billion) of undrawn facility at its disposal.

6. Financial instruments

The Company has entered into the following interest rate swap contracts:

- two fixed for floating interest rate swaps with ABSA, of equal amount, totalling R1 425 million, to fix the interest rate on the R1 425 million, five year, variable rate corporate bond issued in November 2012. The variable three month JIBAR rate plus 130 basis points, has been fixed at annual rates of 7.17% and 7.13% per swap respectively, with an average rate of 7.15% achieved. The swap contracts match the duration of the bond and expire in November 2017.
- a fixed for floating interest rate swap with RMB for R260 million to fix the interest rate on the R260 million, four year, variable rate corporate bond issued in June 2015. The variable three month JIBAR rate plus 125 basis points, has been fixed at an annual rate of 8.75%. The swap contract matches the duration of the bond and expires in June 2019.

The difference between the fixed and floating interest rates on the above swaps is settled on a quarterly basis simultaneously with the payment of interest to bondholders. The interest rate swap contracts have enabled the Company to mitigate the risk of fluctuating interest rates on the fair value of the bonds issued. The interest rate swaps have been designated as hedging instruments and accounted for as cash flow hedges.

The fair value of the interest rate swaps at the reporting date is determined by discounting the future cash flows using the interest rate curves at the reporting date and the credit risk inherent in the contracts, resulting in a fair value asset of R39 849 442 (2014 : R 58 029 580).

The Company entered into back-to-back agreements with Bidvest Treasury Services Proprietary Limited on March 23, 2015 for the above interest rate swaps. These agreements replaced the previous back-to-back agreements entered into with Bid Industrial Holdings Proprietary Limited. The back-to-back agreements reflect the same terms and conditions as per the bank interest rate swap contracts. The fair value of the back-to-back interest rate swaps at the reporting date is determined by discounting the future cash flows using the interest rate curves at the reporting date and the credit risk inherent in the agreements, resulting in a fair value liability of R39 849 442 (2014 : R 58 029 580).

The fair value of these financial instruments , level 1, is based on factors that are observable for the asset and liability either as market prices or derived from market prices.

	2015	2014
	R	R
7. Finance income from fellow subsidiary		
Balance at beginning of the year	110 547 715	102 856 121
Interest income	345 520 343	401 667 630
Balance at end of the year	(26 039 088)	(110 547 715)
	<hr/>	<hr/>
Interest received in cash	430 028 970	393 976 036
	<hr/>	<hr/>

BIDVESTCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended June 30 2015

	2015 R	2014 R
8. Finance charges on borrowings		
Balance at beginning of the year	(110 547 715)	(102 856 121)
Interest charge	(345 520 343)	(401 667 630)
Balance at end of the year	26 039 088	110 547 715
	<hr/>	<hr/>
Interest paid in cash	(430 028 970)	(393 976 036)
	<hr/>	<hr/>

9. Related party information

9.1 Related parties

The Holding Company of Bidvestco Limited is The Bidvest Group Limited, which holds 100% (2014 – 100%) of the Company's ordinary shares. The Holding Company and its subsidiaries are considered to be related parties.

The directors of the Company are DE Cleasby, B Joffe, and NEJ Goodwin, who are also considered to be related parties.

9.2 Related party transactions

The Company raised borrowings in the form of unsecured fixed rate notes (refer note 5) and advanced the same amount, with the same terms, to a fellow subsidiary (refer note 2). The Company has a liability for interest payable to note holders, which is matched by an interest receivable from the fellow subsidiary.

In terms of an agreement, the fellow subsidiary to which the loan was advanced was charged interest at the same rate as the senior fixed rate notes and in return any administrative expenses or expenses relating to the issuing of the fixed rate notes were borne by the fellow subsidiary.

Related party transactions are conducted on an arms length basis.

9.3 Directors' remuneration

No remuneration was paid to any of the directors by the Company, the holding company or any fellow subsidiary, for their services as directors to the Company, during the current or preceding financial year. Details of remuneration paid to the directors as employees of fellow subsidiaries is contained in Annexure 'A' of these financial statements.

BIDVESTCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended June 30 2015

10. Financial instruments

The Company has limited exposure to risks arising from its use of financial instruments. The Company is a subsidiary of The Bidvest Group Limited and the instruments listed in note 5 are guaranteed by The Bidvest Group Limited.

Details of policies and procedures followed to measure and manage the risks from use of financial instruments can be found in the Holding Company, The Bidvest Group Limited's Annual Report 2015. The Group financial risks are managed by segment (as defined within The Bidvest Group Limited Annual Report 2015).

The Company considered the following risks from its use of financial instruments: credit risk; liquidity risk; and market risk (which comprises interest rate risk).

10.1 Credit risk

The Company only trades with fellow subsidiaries of The Bidvest Group Limited and thus the Company's directors believe that it is not exposed to any credit risk.

10.2 Liquidity risk

The borrowings have been on-lent to a fellow subsidiary within The Bidvest Group Limited. The fellow subsidiary has access to facilities as well as the support of the Holding Company to settle the loan which in turn will be utilised by the Company to settle the outstanding borrowings. Refer note 5 for details of borrowings. The expected maturity of financial liabilities is not expected to differ from the contractual maturities as disclosed in note 5.

10.3 Interest rate risk

The Company's exposure to interest rate risk is limited as the interest rates for borrowings have been fixed (refer note 5).

11. IFRS standards and interpretations not yet effective

There are new accounting standards and interpretations in issue that are not yet effective. The directors have considered all of these standards and interpretations and believe they will have no impact on the Company.

12. Accounting estimates and judgements

No significant judgements or estimates were made when preparing these financial statements.

13. Taxation

No provision has been made for tax by the Company as its taxable income is nil (2014: nil).

14. Events subsequent to year end

There are no facts or circumstances which have occurred between the date of the statement of financial position and the date of this report which are material for an appreciation of the state of the Company's affair.