for the year ended June 30

2013

AUDITED ANNUAL FINANCIAL STATEMENTS

REG. No. 1966/011512/06

(Reg no 1966/011512/06)

AUDITED ANNUAL FINANCIAL STATEMENTS

for the year ended June 30 2013

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Preparer of financial statements

The annual financial statements were prepared in compliance with the Companies Act of 2008 and all its amendments under the supervision of NEJ Goodwin CA (SA). 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 2013, 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.

Crajg Brighten Company secretary

Directors' approval of the financial statements

The financial statements for the year ended June 30 2013 set out on pages 6 to 15 were approved by the directors on October 3 2013 and are signed on their behalf by:

ector

Director

BIDVESTCO LIMITED AUDIT COMMITTEE'S REPORT

for the year ended June 30 2013

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 and the group.

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:

BIDVESTCO LIMITED DIRECTORS' REPORT

for the year ended June 30 2013

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 fixed rate notes 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 2013 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 (2012: nil).

Share capital

There were no changes in the authorised or issued share capital during the year (2012: 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, Y Strydom 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



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF BIDVESTCO LIMITED

We have audited the annual financial statements of Bidvestco Limited, set out on pages 6 to 15, which comprise the statement of financial position as at June 30 2013, 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 2013, 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 K Black Clients & Industries Ikazzocco Talent & Transformation CR Beukman Finance M Jordan Strategy 5 Gwala Special Projects TJ Brown Chairman of the Board MJ Comber Deputy Chairman of the Board

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 30 June 2013, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate 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 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.

Deloitte & Touche

elitte & Tombe

Registered Auditors

MH Holme

Partner

October 3 2013

BIDVESTCO LIMITED STATEMENT OF COMPREHENSIVE INCOME for the year ended June 30 2013

	Notes	2013 R	2012 R
Finance income from fellow subsidiary Finance charges on borrowings	7 8	348 137 165 (348 137 165)	314 897 284 (314 897 284)
Profit for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

BIDVESTCO LIMITED STATEMENT OF FINANCIAL POSITION

as at June 30 2013

	Notes	2013 R	2012 R
Assets		I.	K
Non-current asset Owing by fellow subsidiary	2	2 925 000 000	1 500 000 000
Current assets Owing by fellow subsidiary Owing by holding company Financial instrument	2 3 6	2 237 696 001 44 068 357 57 646 629	2 559 554 244 44 068 357
		5 264 410 987	4 103 622 601
Equity and liabilities Capital and deficit Share capital Share premium Accumulated loss	4	731 840 43 523 741 (187 224)	731 840 43 523 741 (187 224)
Non-current liabilities Borrowings	5	2 925 000 000	1 500 000 000
Current liabilities Borrowings Financial instrument	5 6	2 237 696 001 57 646 629	2 559 554 244
		5 264 410 987	4 103 622 601

BIDVESTCO LIMITED STATEMENT OF CHANGES IN EQUITY for the year ended June 30 2013

	2013 R	2012 R
Share capital	731 840	731 840
Share premium	43 523 741	43 523 741
Accumulated loss At beginning of the year Comprehensive income for the year	(187 224)	(187 224)
Other comprehensive income Fair value of financial instruments	**	_
	44 068 357	44 068 357

STATEMENT OF CASH FLOWS for the year ended June 30 2013

	Notes	2013 R	2012 R
Net cash flow from operating activities		•	-
Net cash (outflow) inflow from investing activities Increase in amount owing by fellow subsidiary Interest received	7	(755 004 593) (1 103 998 355) 348 993 762	162 408 121 (143 843 976) 306 252 097
Net cash inflow (outflow) from financing activities Borrowings raised Borrowings repaid Interest paid	8	755 004 593 8 787 998 355 (7 684 000 000) (348 993 762)	(162 408 121) 6 693 843 976 (6 550 000 000) (306 252 097)
Net cash flow		-	

BIDVESTCO LIMITED NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30 2013

1. Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board and 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 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.

1.4 Finance income and costs

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

BIDVESTCO LIMITED NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended June 30 2013

1. Accounting policies (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended June 30 2013

	2013 R	2012 R
2. Owing by fellow subsidiary		
Amounts advanced to Bid Industrial Holdings Proprietary Limited		
Non-current Unsecured loan, repayable on August 6 2014 bearing interest at 10,19%, interest payable six- monthly Unsecured loan repayable on November 23 2017 bearing interest at 7,15%, interest payable on a quarterly basis	1 500 000 000 1 425 000 000	1 500 000 000
quarterly basis		
	2 925 000 000	1 500 000 000
Current Unsecured loan repayable on July 14 2012 bearing interest at 11,2%, interest payable on a		100 000 000
quarterly basis Unsecured loan repayable on July 14 2012 bearing interest at 11,29%, interest payable on a six-monthly	-	250 000 000
Unsecured loan repayable on August 2 2012 bearing interest at 6,01%, interest payable on maturity	-	582 640 364
Unsecured loan repayable on October 17 2012 bearing interest at 6,03%, interest payable on maturity	-	734 792 798
Unsecured loan repayable on July 27 2012 bearing interest at 5,71%, interest payable on maturity Unsecured loan repayable on October 21 2013	-	788 408 363
bearing interest at 5,39%, interest payable on maturity Unsecured loan repayable on September 4 2013	774 932 918	•
bearing interest at 5,29%, interest payable on maturity Unsecured loan repayable on August 2 2013	925 031 518	-
bearing interest at 5,78%, interest payable on maturity Interest receivable	434 875 444 102 856 121	103 712 719
	2 237 696 001	2 559 554 244
3. Owing by holding company		
Amount owing, interest free with no fixed terms of repayment	44 068 357	44 068 357

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended June 30 2013

		2013 R	2012 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		
	Non-current Unsecured loan, repayable on August 6 2014 bearing interest at 10,19%, interest payable six- monthly Unsecured loan repayable on November 23 2017	1 500 000 000	1 500 000 000
	bearing interest at 7,15%, interest payable on a quarterly basis	1 425 000 000	-
		2 925 000 000	1 500 000 000
	Current Unsecured loan repayable on July 14 2012 bearing interest at 11,2%, interest payable on a quarterly basis Unsecured loan repayable on July 14 2012	•	100 000 000
	bearing interest at 11,29%, interest payable on a six-monthly Unsecured loan repayable on August 2 2012		250 000 000
	bearing interest at 6,01%, interest payable on maturity Unsecured loan repayable on October 17 2012	-	582 640 364
	bearing interest at 6,03%, interest payable on maturity Unsecured loan repayable on July 27 2012	-	734 792 798
	bearing interest at 5,71%, interest payable on maturity Unsecured loan repayable on October 21 2013	-	788 408 363
	bearing interest at 5,39%, interest payable on maturity Unsecured loan repayable on September 4 2013	774 932 918	-
	bearing interest at 5,29%, interest payable on maturity Unsecured loan repayable on August 2 2013	925 031 518	
	bearing interest at 5,78%, interest payable on maturity Interest payable	434 875 444 102 856 121	103 712 719
		2 237 696 001	2 559 554 244
			the state of the s

During the current year, the Company increased its facility to R9 billion (2012: R4.5 billion). As at June 30 2013, the Company has R3.9 billion (2012: R544 million) of undrawn facility at its disposal.

BIDVESTCO LIMITED NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended June 30 2013

6. Financial instruments

The Company entered into two interest rate swap contracts with ABSA, for a notional amount of R713 million each, in order to fix the interest rates on the R1 425 million, five year, variable rate corporate bonds issued in November 2012. The variable rate, of three monthly JIBAR plus 130 basis points, has been fixed at average fixed rates of 7,17% and 7,13% per annum, respectively. The swap contracts match the duration of the bond and expire in November 2017. The difference between fixed and floating interest rates 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.

In addition, 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 contract, resulting in a fair value asset of R57 646 629.

The Company entered into back-to-back agreements with Bid Industrial Holdings Proprietary Limited on November 23 2012 for two interest rate swaps, reflecting the same terms and conditions as per the ABSA 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 agreement, resulting in a fair value liability of R57 646 629.

		2013 R	2012 R
7.	Finance income from fellow subsidiary		
	Balance at beginning of the year Interest income Balance at end of the year	103 712 718 348 137 165 (102 856 121)	95 067 531 314 897 284 (103 712 718)
	Interest received in cash	348 993 762	306 252 097
8.	Finance charges on borrowings		
	Balance at beginning of the year Interest charge Balance at end of the year	(103 712 718) (348 137 165) 102 856 121	
	Interest paid in cash	(348 993 762)	(306 252 097)

BIDVESTCO LIMITED NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended June 30 2013

9. Related party information

9.1 Related parties

The Holding Company of Bidvestco Limited is The Bidvest Group Limited, which holds 100% (2012 – 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, Y Strydom 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. Messrs Cleasby and Joffe are also directors of Bid Industrial Holdings Proprietary Limited, a fellow subsidiary by whom they are employed, and The Bidvest Group Limited, the Company's holding company. Details of remuneration earned by these directors in respect of the carrying on of the affairs of Bid Industrial Holdings Proprietary Limited, as required by section 30 of the Companies Act 71 of 2008, is fully disclosed in the Directors' Report of The Bidvest Group Limited's Annual Report 2013 which is available on the website www.bidvest.co.za.

10. Financial instruments

The Company has limited exposure to risks arising from use of financial instruments. The Company is a subsidiary of The Bidvest Group Limited and has the full support of the Holding Company in managing its limited exposure to financial risks.

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 2013. The Group financial risks are managed by segment (as defined within The Bidvest Group Limited Annual Report 2013).

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended June 30 2013

10. Financial instruments (continued)

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 Market 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 (2012: nil).

14. Subsequent events

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.