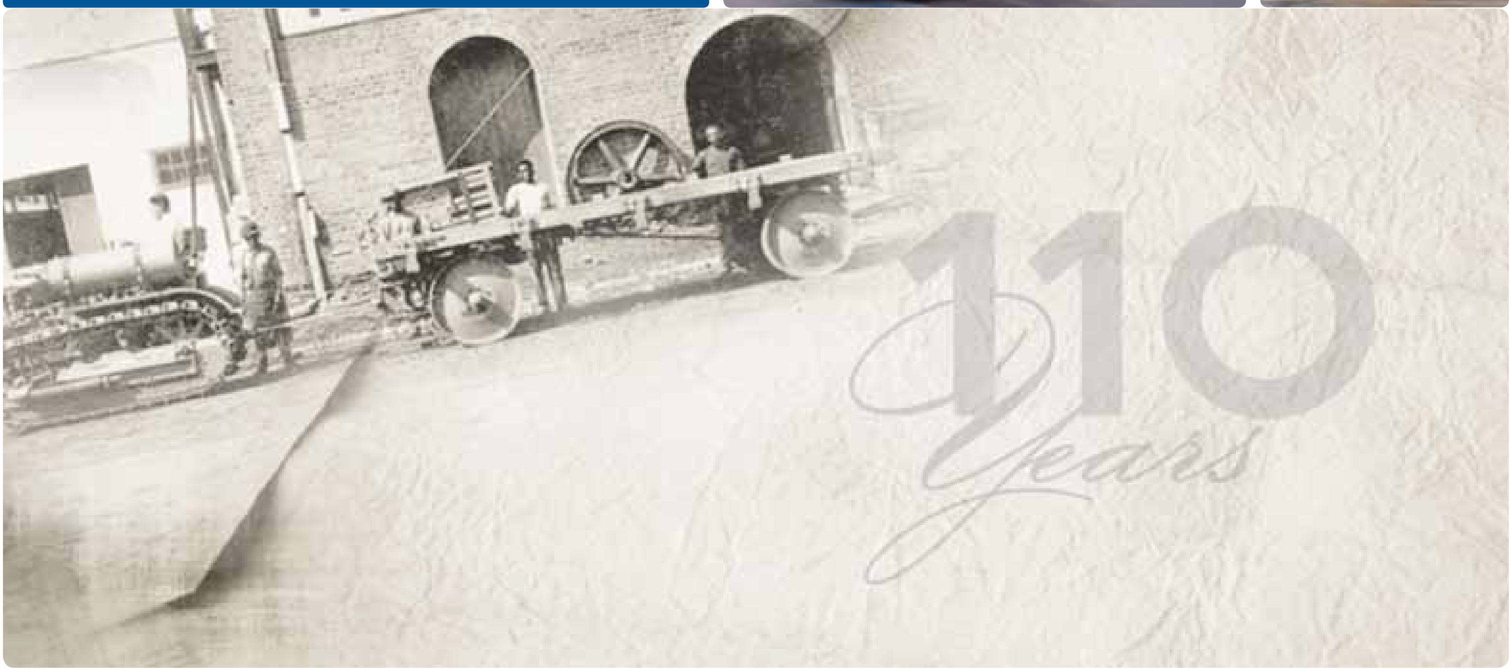
Barloworld
Leading brands

Consolidated Annual Financial Statements 2012


Our values live on ...





About Barloworld

Barloworld is a distributor of leading international brands providing integrated rental, fleet management, product support and logistics solutions. The core divisions of the group comprise Equipment (earthmoving and power systems), Automotive and Logistics (car rental, motor retail, fleet services, used vehicles and disposal solutions, logistics management and supply-chain optimisation) and Handling (materials handling and agriculture). We offer flexible, value adding, integrated business solutions to our customers backed by leading global brands. The brands we represent on behalf of our principals include Caterpillar, Hyster, Avis, Audi, BMW, Ford, General Motors, Mazda, Mercedes-Benz, Toyota, Volkswagen, Massey Ferguson and others.

Barloworld has a proven track record of long-term relationships with global principals and customers. We have an ability to develop and grow businesses in multiple geographies including challenging territories with high growth prospects. One of our core competencies is an ability to leverage systems and best practices across our chosen business segments.

As an organisation we are committed to sustainable development and playing a leading role in empowerment and transformation. The company was founded in 1902 and currently has operations in 27 countries around the world with approximately 65% of our 19 000 employees in South Africa.

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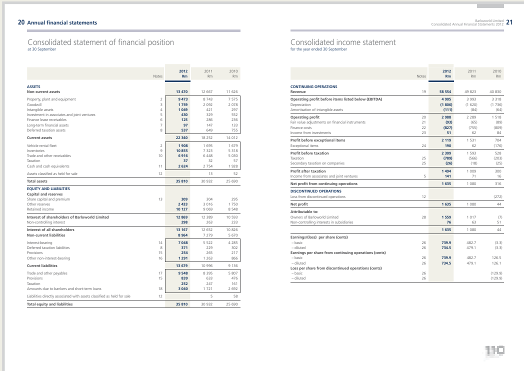

Finance director's report

Revenue for the year increased by 18% to R58.6 billion. Earnings before interest, taxation, depreciation and amortisation (EBITDA) increased by 23% to R4 905 million.

Donald Wilson, Finance director

Revenue for the year increased by 18% to R58.6 billion. Improved trading conditions particularly in the mining sector resulted in 30% and 49% increases in revenue earned in Equipment southern Africa and Russia, respectively.

Earnings before interest, taxation, depreciation and amortisation (EBITDA) increased by 23% to R4 905 million with operating profit rising by 31% to R2 988 million. Operating profit in Equipment southern Africa increased by 25% to R1 535 million. This result is notable in that it exceeds the record operating profits reported in 2008, immediately preceding the global financial crisis. The Russian equipment business delivered an excellent result, contributing R344 million (US$43 million), up by 52% on last year, to the group's operating profit. Equipment Iberia incurred a loss as demand continued to decline in Spain and Portugal as the respective governments grappled with their debt and infrastructure spending remained constrained. The Automotive and Logistics division performed well in a competitive trading environment, increasing revenue by 12% and operating profit by 26% to a record R1 152 million for the year. The Handling division recorded reduced profits in difficult trading conditions in certain regions compounded by the disruption and costs incurred with the sale of the US and UK handling businesses in April and September, respectively. Redundancy and restructuring charges of R102 million were incurred this year (2011: R73 million), principally in Spain. The increase in the company's share price since September 2011 resulted in an increased charge of R25 million in respect of the provision required for cash-settled Share Appreciation Rights previously awarded to employees (2011: R33 million). A change in the statutory measure of inflation for the UK pensioner increases reduced the company's pension fund liability in the period giving rise to a once-off benefit to operating profit of R74 million (£6.1 million).

The total negative fair value adjustments on financial instruments of R93 million (2011: R65 million) mainly comprised the cost of forward points in foreign exchange contracts in Equipment southern Africa.

Finance costs increased by R72 million to R827 million mainly owing to higher average debt. Additional interest charges of R23 million were incurred on the debt to fund the acquisition of the Bucyrus businesses for the last three months of the year.

Exceptional gains of R190 million mainly comprise net gains arising from the disposals of the handling businesses in the US and UK (R500 million) including realised foreign currency translation gains of R593 million, profits on disposals of properties (R9 million), reduced by impairments of goodwill in Equipment Iberia (R213 million) and Logistics Middle East (R142 million).

Taxation, before secondary tax on companies (STC), increased by 39% to R789 million. The charge includes the impairment of the deferred tax asset in Handling USA (R61 million) and the partial impairment of the deferred tax asset in Spain (R41 million).

The effective taxation rate (excluding STC, prior year taxation and taxation on exceptional items) was 32.7% (2011: 34.2%). The effective rate is lower than last year mainly owing to increased profits earned in lower taxed jurisdictions. Unrelieved tax losses in Spain increased the effective tax rate by 3.0% (2011: 3.0%).

Income from associates almost doubled to R141 million (2011: R71 million) owing to a substantially increased contribution from the Bartrac equipment joint venture in the DRC.

The non-controlling interest in the current year's earnings includes R27 million representing the dividends paid to the holders of 14 485 013 ordinary shares in terms of the B-BBEE transaction concluded in 2008. These shares are not included in issued shares for purposes of calculating headline earnings per share (HEPS).

HEPS increased by 46% to 680 cents (2011: 465 cents).

CASH FLOW

Working capital increased by R3.1 billion to support the growth in revenue, particularly in Equipment southern Africa and Russia. This resulted in a net outflow of funds this year of R2.9 billion (2011: R0.9 billion inflow).

A total of R1.4 billion (US$164 million) was outlayed to acquire the Bucyrus businesses in southern Africa. The disposals of the handling businesses in the US and UK realised gross proceeds of R465 million and R626 million, respectively.

SUMMARISED CASH FLOW STATEMENT

R million	**2012**	2011
Operating cash flows before working capital	**5 199**	4 528
(Increase)/decrease in working capital	**(3 128)**	(27)
Net investment in leasing assets and vehicle rental fleet	**(2 114)**	(1 397)
Cash (utilised)/generated from operations	**(43)**	3 104
Other net operating cash flows	**(1 311)**	(1 189)
Dividends paid (including minority shareholders)	**(443)**	(257)
Cash (used in)/retained from operating activities	**(1 797)**	1 658
Cash applied to investing activities	**(1 120)**	(712)
Net cash (outflow) inflow	**(2 917)**	946

FINANCIAL POSITION AND DEBT

Total assets employed in the group increased by R4 878 million to R35 810 million. The increase was driven by the acquisition of the Bucyrus businesses (R1 381 million) and increased inventories and trade receivables (R3 319 million), which were up by 26%. The disposals of the handling businesses reduced assets by R1 424 million.

Total interest bearing debt at 30 September 2012 increased to R10 088 million (2011: R7 243 million). Cash and cash equivalents amounted to R2 624 million (2011: R2 754 million). Net interest bearing debt at 30 September 2012 of R7 464 million (2011: R4 489 million) was R592 million lower than at March 2012 despite the acquisition of Bucyrus.

The group's funding maturity profile is well-balanced with only 6% of long-term debt maturing next year and a further 28% in 2014. Long-term debt raised during the year included three corporate bonds totalling R1 759 million (BAW12 to 14). The funds raised were utilised to pay for the South African tranche of the Bucyrus transactions and to fund growth in working capital. The long-term debt maturity profile at 30 September 2012 was 70% (2011: 76%).

Finance director's report continued

DEBT MATURITY PROFILE

R million	Borrowings September 2012	Redemption 2013	2014	2015	2016 onwards
South Africa	**8 958**	2 138	1 933	1 862	3 025
Offshore	**1 130**	902	175	17	36
Total	**10 088**	3 040	2 108	1 879	3 061

In South Africa, short-term debt due for redemption in 2012 includes commercial paper (CP) totalling R900 million. The CP market has remained liquid during the current year with spreads narrowing and we expect to maintain our participation in this market. The company has unutilised debt facilities with domestic banks totalling R3 297 million at 30 September 2012. The offshore facilities include five bilateral loans totalling £100 million (R1 332 million) which were undrawn at 30 September 2012. Other offshore unutilised bank lines amounted to the equivalent of R1 794 million.

Debt totalling R1 907 million at 30 September 2012 is subject to covenants in terms of loan agreements and no covenants were breached during the year.

The company's credit rating of A+ was re-affirmed by Fitch Ratings in February 2012.

Gearing in the three segments are as follows:

Debt to equity (%)	Trading	Leasing	Car rental	Group total debt	Group net debt
Target range	30 – 50	600 – 800	200 – 300		
Ratio at 30 September 2012	50	472	217	77	57
Ratio at 30 September 2011	30	577	196	57	36

ACCOUNTING POLICIES

The group adopted various new or amended standards with effect from 1 October 2011 which did not have a significant impact on presentation, recognition or measurement for the group.

Further details regarding changes in accounting policy and disclosures can be found in note 34 to the consolidated annual financial statements on page 87.

DIVIDENDS

Dividends totalling 230 cents per share were declared in respect of this year's earnings (2011: 155 cents). Dividends are payable on 18 100 902 of the shares issued in respect of the B-BBEE transaction. The dividends declared this year are covered 2.8 times by headline earnings (2011: 2.8 times).

GOING FORWARD

The group achieved a return on net operating assets (excluding goodwill) of 18.8% in the current year. This was up on the 17.1% achieved last year. The group continues to focus on improving the return and the disposal of underperforming assets this year, together with an expected improvement in the Equipment Iberia performance, should contribute to a further increase next year.

DG Wilson
Finance director

Directors' responsibility and approval

The directors of Barloworld Limited have pleasure in presenting the consolidated annual financial statements for the year ended 30 September 2012.

In terms of the South African Companies Act, 2008 the directors are required to prepare the consolidated annual financial statements that fairly present the state of affairs and business of the group at the end of the financial year, and of the profit or loss for that year. To achieve the highest standards of financial reporting, these annual financial statements have been drawn up to comply with International Financial Reporting Standards.

The annual financial statements comprise:

- the consolidated statement of financial position
- the consolidated income statement
- the consolidated statement of comprehensive income
- the consolidated statement of cash flows
- the consolidated statement of changes in equity
- a consolidated seven-year summary of statements of financial position, income statements, statements of cash flows, as well as statistics in respect of ordinary share performance, profitability and asset management, liquidity and leverage, and a summary in other currencies
- the statement of total value added
- segmental analyses
- notes
- accounting policies

The reviews by the chairman, the chief executive, the finance director and the detailed operational reports discuss the results of operations for the year and those matters which are material for an appreciation of the state of affairs and business of the company and of the Barloworld group.

On the recommendation by the audit committee, the directors considered and are satisfied that the internal controls, systems and procedures in operation provide reasonable assurance that all assets are safeguarded, that transactions are properly executed and recorded, and that the possibility of material loss or misstatement is minimised. The directors have reviewed the appropriateness of the accounting policies, and concluded that estimates and judgements are prudent. They are of the opinion that the annual financial statements fairly present in all material respects the state of affairs and business of the group at 30 September 2012 and of the profit for the year to that date. The external auditors, who have unrestricted access to all records and information, as well as to the audit committee, concur with this statement.

In addition, the directors have also reviewed the cash flow forecast for the year to 30 September 2013 and believe that the Barloworld group has adequate resources to continue in operation for the foreseeable future. Accordingly, the annual financial statements have been prepared on a going-concern basis and the external auditors concur.

The annual financial statements were approved by the board of directors and were signed on their behalf by:

DB Ntsebeza
Chairman

CB Thomson
Chief executive

DG Wilson
Finance director

Sandton
19 November 2012

Preparer of annual financial statements

for the year ended 30 September 2012

These annual financial statements have been prepared under the supervision of IG Stevens BCom, CA(SA).

IG Stevens
Group general manager: finance

Sandton
19 November 2012

Independent auditors' report

TO THE SHAREHOLDERS OF BARLOWORLD LIMITED

We have audited the consolidated annual financial statements of Barloworld Limited and its related subsidiaries set out on pages 11 to 119, which comprise the consolidated statement of financial position as at 30 September 2012, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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.

AUDITORS' 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 consolidated annual financial statements present fairly, in all material respects, the financial position of Barloworld Limited and its related subsidiaries as at 30 September 2012 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.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the financial statements for the year ended 30 September 2012 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 consolidated annual financial statements.

These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated annual financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Deloitte & Touche
Registered Auditor

Per: **Graeme Berry**
Partner

19 November 2012

National executive: LL Bam Chief executive AE Swiegers Chief operating officer GM Pinnock Audit DL Kennedy Risk advisory NB Kader Tax L Geeringh Consulting, clients and industries JK Mazzocco Talent and transformation CR Beukman Finance M Jordan Strategy S Gwala Special projects TJ Brown Chairman of the board MJ Comber Deputy chairman of the board

A full list of partners and directors is available on request.

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

Member of Deloitte Touche Tohmatsu Limited

Certificate by secretary

for the year ended 30 September 2012

In my capacity as the company secretary, I hereby certify that Barloworld Limited has lodged with the Registrar of Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act, 2008. Further, I certify that such returns are true, correct and up to date.

B Ngwenya
Secretary

Sandton
19 November 2012

Audit committee report

The audit committee conducted its work in accordance with the written terms of reference approved by the board (information on this is recorded in the Corporate Governance Report) and is pleased to present its report in terms of the Companies Act and the Listings Requirements of the JSE for the financial year ended 30 September 2012.

The committee is satisfied that it has performed both the statutory requirements for an audit committee as set out in the Companies Act as well as the functions set out in the terms of reference, and that it has therefore complied with its legal, regulatory or other responsibilities.

MEMBERSHIP

In the 2012 financial year the audit committee consisted of the following independent non-executive directors appointed by the shareholders at the annual general meeting held on 25 January 2012: Messrs AGK Hamilton (chairman), MJN Njeke, SS Ntsaluba and Adv SAM Baqwa SC. Mr Njeke resigned from the committee on 29 February 2012 and Adv Baqwa on 10 May 2012. Ms B Ngonyama was appointed to the board on 1 May 2012 and was nominated by the board to join the committee, subject to the approval of shareholders at the next annual general meeting.

Their profiles, including their qualifications, are set out on page 26 of the AGM document.

The committee met seven times during the 2012 financial year. Details of the meetings and attendance are set out in the corporate governance report on page 46 of the AGM document.

EXTERNAL AUDIT

The committee

- Nominated and recommended to shareholders Deloitte & Touche as independent external auditors and the appointment of Mr G Berry as the independent designated auditor for the financial year ending 30 September 2013 in compliance with the Companies Act and the Listings Requirements of the JSE Limited;
- Nominated Deloitte & Touche as independent external auditors and the designated audit partner for Barloworld's subsidiary companies;
- Considered and confirmed the proposed external audit fees for each division and the group in consultation with group management and approved the external audit engagement letter;
- Reviewed and approved the policy for non-audit services that can be provided by external auditors and the pre-approval authorisation process for these services that the external auditors may provide; and
- Considered to its satisfaction the independence, objectivity and effectiveness of the external auditors and ensured that the scope of their additional (non-audit) services provided were not such that they could be seen to have impaired their independence.

INTERNAL CONTROL AND INTERNAL AUDIT

The committee

- Reviewed the appropriateness of the internal audit charter and recommended the approval of the charter by the board.
- Approved the one-year operational internal audit work plan as well as the capacity and resources within the internal audit function to execute its work plan and monitored adherence of internal audit to its annual plan.
- Monitored and supervised the functioning and performance of internal audit, compliance with its charter and reviewed and approved the annual risk-based audit plans, resources and budgets.
- Reviewed the independent quality assurance review of the internal audit function performed by PwC.
- Reviewed the appropriateness of the company's combined assurance model to ensure that the significant risks identified in the high-level risk assessments are adequately addressed.
- Received and reviewed reports from both internal and external auditors concerning the effectiveness of the internal control environment, systems and processes as well as their concerns arising out of their audits and requested appropriate responses from management.
- Reviewed the results of the financial control management self-assessments as contained in the Barloworld internal control matrix which is completed in respect of all business units and operations in the Barloworld group.
- Reviewed and evaluated the nature and extent of the documented review of internal financial controls performed by internal audit and evaluated whether any weaknesses identified in such financial controls were considered sufficiently material to be reported to the board and the stakeholders.
- Reviewed the report prepared by internal audit regarding the risk management process in the company and the level of embeddedness of such processes within each operational division.
- Reviewed the group information security policy and the results of the internal self-assessments of the levels of control in place across the group.
- Reviewed the results of divisional and business unit disaster recovery self-assessments, the testing of such plans and the internal audit review of such disaster recovery plans.
- Reviewed the performance and confirmed the suitability and expertise of the group head of internal audit Mr S Moodley; and considered the appropriateness of the expertise and adequacy of the resources of the group's internal audit function.

Based on the results of the formal documented review of the group's system of internal controls and risk management, including the design, implementation and effectiveness of the internal financial controls conducted by the internal audit function during the 2012 year and considering information and explanations given by management and discussions with the external auditor on the results of the audit, nothing has come to the attention of the committee that caused it to believe that the

Audit committee report continued

company's system of internal controls and risk management is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

EXPERTISE AND EXPERIENCE OF FINANCE DIRECTOR AND THE FINANCE FUNCTION

The committee

- Reviewed the performance and confirmed the suitability and expertise of the group finance director, Mr DG Wilson; and
- Considered the appropriateness of the expertise and adequacy of resources of the group's financial function and the experience of the senior members of management responsible for the financial function.

FINANCIAL STATEMENTS

The committee

- Considered accounting treatments, significant or unusual transactions and accounting judgements;
- Considered the appropriateness of accounting policies and any changes made;
- Met separately with management, external audit and internal audit and the chairman attended the risk and sustainability committee meetings;
- Made appropriate recommendations to the board of directors regarding the corrective actions to be taken as a consequence of audit findings;
- Reviewed the process in place for the reporting of concerns and complaints relating to accounting practices, internal audit, content of auditing of the company's financial statements, internal controls of the company and any related matters. The committee can confirm that there were no such complaints during the year under review;
- Reviewed and recommended for adoption by the board such financial information that is publicly disclosed which for the year included:
  - The interim results for the six months ended 31 March 2012;
  - The audited annual results for the year ended 30 September 2012;
- Reviewed the working capital packs prepared by management to support the board's going concern statement at reporting dates as well as the solvency and liquidity tests required in terms of the Companies Act 71 of 2008.

INTEGRATED REPORT

The audit committee considered the integrated report, incorporating the annual financial statements, for the year ended 30 September 2012. The audit committee has also considered the sustainability information as disclosed in the integrated annual report and has assessed its consistency with operational and other information known to audit committee members. The committee has also considered the external assurance provider's report and is satisfied that the information is reliable and consistent with the financial results. The annual financial statements have been prepared using appropriate accounting policies, which conform to International Financial Reporting Standards.

At their meeting held on 15 November 2012 the committee recommended the integrated report for approval by the board.

AGK Hamilton
Audit committee chairman
For and on behalf of the Barloworld Limited audit committee

19 November 2012

Directors' report

NATURE OF BUSINESS

Barloworld Limited ("Barloworld" or "company") is a registered holding company for a group that is a distributor of leading international brands providing integrated rental, fleet management, product support and logistics solutions. Barloworld comprises businesses that fit the strategic profile above, meet strict performance criteria and demonstrate good growth potential.

Barloworld maintains a primary listing on the main board of the JSE. The company also has secondary listings on the London and Namibia stock exchanges.

The company comprises the following main operations:

- Equipment (earthmoving and power systems)
- Automotive and Logistics (car rental, fleet services, motor retail, logistics and supply chain management)
- Handling (forklift truck distribution, fleet management and agriculture).

FINANCIAL RESULTS

The financial results for the year ended 30 September 2012 are set out in detail in the consolidated annual financial statements on pages 11 to 119.

AUDIT COMMITTEE REPORT

The report of the audit committee in terms of section 94(7) of the Companies Act, No 71 of 2008, for the year ended 30 September 2012 is set out in detail on pages 7 and 8.

YEAR UNDER REVIEW

The year under review is covered in the chairman, chief executive and finance director's reports in the integrated report 2012.

SHARE CAPITAL

Details of the authorised and issued share capital, together with details of shares issued during the year, appear in note 13 of the annual financial statements.

DIVIDENDS

Details of the dividends and distributions declared and paid are shown in the annual financial statements which are also available online at **www.barloworld.com.** The directors concluded that the company would be both solvent and liquid subsequent to such dividend declarations.

ACQUISITIONS AND DISPOSALS

Acquisition of Bucyrus assets

Barloworld and its subsidiaries, Barloworld South Africa Proprietary Limited, Barloworld Equipment Botswana Proprietary Limited and Barloworld Equipment UK Limited, entered into agreements in May 2012 with Caterpillar Global Mining LLC and its subsidiaries, Bucyrus Africa Underground Proprietary Limited and Bucyrus Botswana Proprietary Limited, for the acquisition of the Bucyrus distribution businesses in certain of our southern African Caterpillar dealership territories.

Acquisition of Barloworld Logistics Africa minority shareholding

Barloworld Logistics Proprietary Limited entered into a sale of shares and claims agreement with Old Priory Investments Proprietary Limited in order to purchase all of Old Priory's shares in and claims on loan account or howsoever arising against Barloworld Logistics Africa Proprietary Limited.

Disposal of Handling US

In April 2012 Barloworld concluded the sale of its US Materials Handling business to Briggs Equipment and LiftOne that each acquired a portion of Barloworld's assets and now represent the Hyster forklift brand in Barloworld's existing dealership territory in the south-east of the United States.

Disposal of Handling UK

In September 2012 Barloworld finalised agreements to sell its UK Materials Handling business to Briggs Equipment that acquired all the company's UK assets and now represent the Hyster forklift brand in the UK, including Northern Ireland.

DIRECTORS

Biographical notes of the current directors are given in the corporate governance report on pages 26 and 27 of the AGM document. Details of directors' remuneration, forfeitable shares, share appreciation rights and options appear in the consolidated annual financial statement on pages 89 to 95.

CHANGES IN DIRECTORATE

During the financial year under review, Mr MNJ Njeke and Adv SAM Baqwa SC resigned from the board as non-executive directors on 29 February 2012 and 10 May 2012 respectively, and Ms NP Dongwana and Ms B Ngonyama were appointed to the board as non-executive directors on 1 May 2012. Ms Ngonyama was also appointed to the audit committee on 1 May 2012 subject to the approval of shareholders at the 2013 annual general meeting.

According to the company's memorandum of incorporation, at the forthcoming annual general meeting, Ms Dongwana and Ngonyama, being directors appointed during the financial year under review retire, and Adv DB Ntsebeza, Messrs M Laubscher, OI Shongwe and DG Wilson retire by rotation. All are eligible, and have offered themselves, for re-election.

Having reached retirement age, Mr G Rodriguez de Castro Garcia de los Rios will retire at the annual general meeting and will not be eligible for re-election.

COMPANY SECRETARY AND REGISTERED OFFICE

The company secretary is Mr Bethuel Ngwenya and his address as well as that of the registered office is:

Business address	**Postal address**
180 Katherine Street	PO Box 782248
Sandton	Sandton, 2146
South Africa	South Africa

Directors' report continued

AUDITORS

Deloitte and Touche continued in office as auditors for the company and its subsidiaries.

At the annual general meeting shareholders will be requested to reappoint Deloitte and Touche as the independent external auditors of Barloworld Limited, and to confirm Mr Graeme Berry as the designated lead independent external auditor.

INSURANCE

The group placed cover in the London and South African traditional insurance markets up to R2 billion in excess of R17.5 million. Group captive insurers provide cover for losses that may occur below the R17.5 million level, retaining R30 million in the aggregate.

SUBSIDIARY COMPANIES

Details of principal subsidiary companies appear on pages 96 and 97 of the consolidated annual financial statements.

SPECIAL RESOLUTIONS

The following significant special resolutions were passed by subsidiaries of Barloworld Limited since the date of the previous directors' report:

Financial assistance in terms of section 45 of the Companies Act 71 of 2008 (the Act). Barloworld is a listed holding company with a large number of subsidiary companies which together comprise the Barloworld group of companies. The subsidiaries are from time to time required to provide financial assistance to companies within the group including related and inter-related companies in the form of operational loan funding, credit guarantees and general financial assistance as contemplated in section 45 of the Act.

No other special resolutions were passed by the subsidiaries, the nature of which might be significant to members in their appreciation of the state of affairs of the group.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The company's financial statements were prepared in accordance with International Financial Reporting Standards.

GOING CONCERN

The directors consider that the company has adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going-concern basis in preparing the company's financial statements. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

MAJOR SHAREHOLDERS

Shareholders holding beneficially, directly or indirectly, in excess of 4% of the issued share capital of the company at 30 September 2012 are detailed on pages 54 and 55 of the AGM document.

EVENTS AFTER THE REPORTING PERIOD

On 9 November 2012 certain Barloworld subsidiaries concluded an agreement with Caterpillar Global Mining LLC to acquire assets and assume liabilities in respect of the Bucyrus distribution and support business in our Caterpillar dealership territories in Russia. The transaction is expected to close in December 2012.

Accounting policies

DEFINITIONS

Refer to pages 114 to 119 for a list of financial terms used in the annual financial statements of Barloworld Limited (the company) and consolidated financial statements.

BASIS OF PREPARATION

1. Accounting framework

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board using the historical cost convention except for certain financial instruments that are stated at fair value and adjustments, where applicable, in respect of hyperinflation accounting.

The basis of preparation is consistent with the prior year, except for new and revised standards and interpretations adopted per note 34 to the financial statements.

The group has made the following accounting policy choices in terms of IFRS:

- Interest in associates and joint ventures are accounted using the equity method (policy note 6).
- The cost model is applied in accounting for investment property (policy note 8).

2. Underlying concepts

The financial statements are prepared on the going concern basis.

Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard.

Financial assets and financial liabilities are offset and the net amount reported only when a legally enforceable right to set off the amounts exists and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Derecognition of assets and liabilities

Financial assets are derecognised when the contractual rights to receive cash flows have been transferred or have expired or when substantially all the risks and rewards of ownership have passed.

All other assets are derecognised on disposal or when no future economic benefits are expected from their use.

Financial liabilities are derecognised when the relevant obligation has either been discharged, cancelled or has expired.

4. Foreign currencies

The functional currency of each entity within the group is determined based on the currency of the primary economic environment in which that entity operates. Transactions in currencies other than the entity's functional currency are recognised at the rates of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in such currencies are translated at the rates ruling at the financial position date.

Gains and losses arising on exchange differences are recognised in profit or loss.

The financial statements of entities within the group whose functional currencies are different to the group's presentation currency, which is South African Rand, are translated as follows:

- Assets, including goodwill, and liabilities at exchange rates ruling on the financial position date;
- Income items, expense items and cash flows at the average exchange rates for the period;
- Equity items at the exchange rate ruling when they arose.

Resulting exchange differences are classified as a foreign currency translation reserve and recognised as other comprehensive income. On disposal of such a business unit, this reserve is recognised in profit or loss.

CONSOLIDATED FINANCIAL STATEMENTS

5. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities, income, expenses and cash flows of the company and all entities controlled by the company as if they are a single economic entity. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of an investee acquired or disposed of during the period are included in the consolidated income statement from the date of obtaining control or up to the date of losing control.

Inter-company transactions and the resulting unrealised profits and balances between group entities are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are shown separately from the group equity therein. It consists of the amount of those interests at acquisition plus the non-controlling parties' subsequent share of changes in equity of the subsidiary. On acquisition date, the non-controlling interest is measured at the proportion of the fair values of the identifiable assets and liabilities acquired. Non-controlling parties are considered to be equity participants and all transactions with non-controlling parties are recorded directly within equity.

Accounting policies continued

6. Interests in associates and joint ventures

The consolidated financial statements incorporate the assets, liabilities, income and expenses of associates and joint ventures using the equity method of accounting, applying the group's accounting policies, from the acquisition date to the disposal date (except when the investment is classified as held for sale, in which case it is accounted for as a non-current asset held for sale (policy note 12)). The most recent audited annual financial statements of associates and joint ventures are used, which are all within three months of the year end of the group. Adjustments are made to the associate's or joint venture's financial results for material transactions and events in the intervening period. Losses of associates and joint ventures in excess of the group's interest are not recognised unless there is a binding obligation to contribute to the losses.

Goodwill arising on the acquisition of associates and joint ventures is included in the carrying amount of the associate and accounted for in accordance with the accounting policy for goodwill as set out in policy note 10 below with the exception of impairment testing which is done in accordance with policy note 24 below and not done separately from the investment.

Where a group entity transacts with an associate or a jointly controlled entity of the group, unrealised profits and losses are eliminated to the extent of the group's interest in the relevant associate or jointly controlled entity.

FINANCIAL STATEMENT ITEMS

STATEMENT OF FINANCIAL POSITION

7. Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes the estimated cost of dismantling and removing the assets.

Owner-occupied properties and investment properties in the course of construction are carried at cost, less any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying value. Cost includes professional fees and, for qualifying assets, borrowings costs capitalised in accordance with the group's accounting policy. Depreciation commences, on the same basis as other property assets, when the assets are ready for their intended use.

Depreciation is charged so as to write off the depreciable amount of the assets, other than land, over their estimated useful lives to estimated residual values, using a method that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity.

Where significant parts of an item have different useful lives to the item itself, these parts are depreciated over their individual estimated useful lives.

The methods of depreciation, useful lives and residual values are reviewed annually.

The following methods and rates were used during the year to depreciate property, plant and equipment to estimated residual values:

Aircraft	Straight line	5 years
Buildings	Straight line	20 to 50 years
Plant	Straight line	5 to 35 years
Vehicles	Straight line	5 to 10 years
Equipment	Straight line	5 to 10 years
Furniture	Straight line	3 to 15 years

Assets held under finance leases are depreciated over their expected useful lives or the term of the relevant lease, where shorter.

The gain or loss arising on the disposal or scrapping of property, plant, and equipment is recognised in profit or loss.

Vehicle rental fleets are accounted for as part of property, plant and equipment but due to the short-term nature of the assets, the net book value is reflected under current assets on the statement of financial position.

8. Investment property

An investment property is either land or a building or part of a building held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both.

The cost model is applied in accounting for investment property, ie the investment property is recorded at cost less any accumulated depreciation and impairment losses.

9. Intangible assets

Intangible assets are initially recognised at cost if acquired separately or at fair value if acquired as part of a business combination. Intangible assets having a finite useful life is amortised over their useful lives (generally three to seven years) using a straight-line basis.

Supplier relationships are measured initially at fair value as part of a business combination. Supplier relationships are separately identifiable intangible assets from distribution agreements with suppliers specifying sales objectives, territory presence and service levels to be provided.

Research costs are recognised in profit or loss when incurred.

Development costs are capitalised only when and if it results in an asset that can be identified, it is probable that the asset will generate future economic benefits and the development cost can be reliably measured. Otherwise it is recognised in profit or loss.

Patents and trademarks are measured initially at cost and amortised on a straight-line basis over their estimated useful lives, which is on average 10 years.

Intangible assets are tested for impairment if there is an indication that they may be impaired.

10. Goodwill

Goodwill represents the future economic benefits arising from assets that are not capable of being individually identified and separately recognised in a business combination and is determined as the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary, associate or joint venture recognised at the date of acquisition.

Goodwill is recognised as an asset, is stated at cost less impairment losses and is not amortised.

If, on a business combination, the fair value of the group's interest in the identifiable assets, liabilities and contingent liabilities exceeds the cost of acquisition, this excess is recognised in profit or loss immediately. On disposal of a subsidiary, associate, jointly controlled entity or business unit to which goodwill was allocated on acquisition, the amount attributable to such goodwill is included in the determination of the profit or loss on disposal.

11. Deferred taxation assets and liabilities

Deferred taxation is recognised using the financial position liability method for all temporary differences, unless specifically exempt, at the tax rates that have been enacted or substantially enacted at the financial position date.

A deferred taxation asset represents the amount of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits (including unused credits for Secondary Taxation on Companies). Deferred taxation assets are only recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

A deferred taxation liability represents the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred taxation liabilities are recognised for taxable temporary differences, unless specifically exempt.

Deferred taxation assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects immediately neither taxable income nor accounting profit.

Deferred taxation arising on investments in subsidiaries, associates and joint ventures is recognised except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets against current taxation liabilities and it is the intention to settle these on a net basis.

12. Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if the carrying amount will be recovered principally through sale rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the assets (or disposal groups) are available for immediate sale in its present condition and management is committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of the classification.

Immediately prior to being classified as held for sale the carrying amount of assets and liabilities are measured in accordance with the applicable standard. After classification as held for sale it is measured at the lower of the carrying amount and fair value less costs to sell. An impairment loss is recognised in profit or loss for any initial and subsequent write-down of the asset and disposal group to fair value less costs to sell. A gain for any subsequent increase in fair value less costs to sell is recognised in profit or loss to the extent that it is not in excess of the cumulative impairment loss previously recognised.

Non-current assets or disposal groups that are classified as held for sale are not depreciated.

Rental assets that become available for sale after being removed from rental fleets are transferred to inventories (policy note 13) at their carrying amount. Sale proceeds from such rental assets are recognised as revenue in accordance with policy note 18.

13. Inventories

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, net of discount and rebates received. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion, distribution and selling.

The specific identification basis is used to arrive at the cost of items that are not interchangeable. Otherwise the first-in-

Accounting policies continued

first-out method or weighted average method for certain classes of inventory is used to arrive at the cost of items that are interchangeable.

14. Financial assets and financial liabilities (financial instruments)

Financial instruments are initially measured at fair value plus transaction costs. However, transaction costs in respect of financial instruments classified as at fair value through profit or loss are expensed.

Investments classified as held-to-maturity financial assets are measured at amortised cost using the effective interest rate method less any impairment losses recognised to reflect irrecoverable amounts.

Financial instruments are classified as financial instruments at fair value through profit or loss where the financial instrument is either held for trading (including derivative instruments) or is designated as at fair value through profit or loss and are carried at fair value with any gains or losses being recognised in profit or loss. Fair value, for this purpose, is market value if listed or a value arrived at by using appropriate valuation models if unlisted.

Trade and other receivables are classified as loans and receivables and are measured at amortised cost less provision for doubtful debts, which is determined as set out under Impairment of assets set out in policy note 24. Items with extended terms are initially recorded at the present value of future cash flows and interest received is accounted for over the term until payment is received. Write-downs of these assets are expensed in profit or loss.

Other investments are classified as available-for-sale financial assets. These investments are carried at fair value with any gains or losses being recognised in other comprehensive income. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is included in profit or loss for the period. Fair value, for this purpose, is market value if listed or a value arrived at by using appropriate valuation models if unlisted.

Cash and cash equivalents are measured at fair value, with changes in fair value being included in profit or loss.

Derivatives are measured at fair value, with changes in fair value being included in profit or loss other than derivatives designated as cash flow hedges. The fair value of derivatives is classified as non-current if the remaining maturity of the instruments are more than, and it is not expected to be realised within, 12 months.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risk and characteristics are not closely related to those of the host contract and the host contract is not classified as at fair value through profit or loss.

Non-derivative financial liabilities that are classified on initial recognition as financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value being included in net profit or loss.

Non-derivative financial liabilities that are not designated on initial recognition as financial liabilities at fair value through profit or loss (including interest-bearing loans and bank overdrafts) are measured at amortised cost using the effective interest rate method. Items with extended terms are initially recorded at the present value of future cash flows. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the accounting policy for borrowing costs (policy note 21).

15. Post-employment benefit obligations

Payments to defined contribution plans are recognised as an expense as they fall due. Payments made to industry-managed retirement benefit schemes are dealt with as defined contribution plans where the group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

The cost of providing defined benefits is determined using the projected unit credit method. Valuations are conducted every three years and interim adjustments to those valuations are made annually.

Actuarial gains and losses are recognised immediately in the statement of other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised in profit or loss when the group is demonstrably committed to the curtailment or settlement.

Past service costs are recognised immediately to the extent that the benefits are already vested. Otherwise they are amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for the unrecognised past service costs and reduced by the fair value of plan assets. Any asset is limited to the unrecognised actuarial losses, plus the present value of available refunds and reductions in future contributions to the plan.

To the extent that there is uncertainty as to the entitlement to the surplus, no asset is recognised.

16. Shareholders for equity dividends

Dividends to equity holders are only recognised as a liability when declared and are included as a movement in reserves. Secondary taxation on companies in respect of such dividends is recognised as a liability when the dividends are recognised as a liability and is included in the taxation charge in profit or loss.

17. Provisions

Provisions are recognised when the group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation.

Provisions are measured at the expenditure required to settle the present obligation. Where the effect of discounting is material, provisions are measured at their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks for which future cash flow estimates have not been adjusted.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The provision is measured at the lower of cost of fulfilment and penalties arising from failure to fulfil.

Restructuring

A restructuring provision is recognised when the group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Warranties

Provisions for warranty costs are recognised at the date of sale of the relevant products, at the estimated expenditure required to settle the group's obligation.

INCOME STATEMENT

18. Revenue

Included in revenue are net invoiced sales to customers for goods and services, rentals from leasing fixed and movable property, commission, hire purchase and finance lease income.

Revenue is measured at the fair value of the consideration of the amount received or receivable. Cash and settlement discounts, rebates, VAT and other indirect taxes are excluded from revenue.

Where extended terms are granted, interest received is accounted for over the term until payment is received.

Revenue from the rendering of services is measured using the stage of completion method based on the services performed to date as a percentage of the total services to be performed.

Revenue from the rendering of services is recognised when the amount of the revenue, the related costs and the stage of completion can be measured reliably.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred, when delivery has been made and title has passed, when the amount of the revenue and the related costs can be reliably measured and the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from royalties is recognised on the accrual basis in accordance with the substance of the relevant agreements.

Rental income is accounted for in accordance with policy note 25 on page 17.

Where the group acts as agent and is remunerated on a commission basis, only the commission is included in revenue. Where the group acts as principal, the total value of business handled is included in revenue.

19. Employee benefit costs

The cost of providing employee benefits is accounted for in the period in which the benefits are earned by employees.

The cost of short-term employee benefits is recognised in the period in which the service is rendered and is not discounted.

The expected cost of short-term accumulating compensated absences is recognised as an expense as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur.

The expected cost of profit-sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance and a reliable estimate of the obligation can be made.

20. Income from investments

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

21. Borrowing costs

Borrowing costs (net of investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets) directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

Accounting policies continued

22. Taxation

The charge for current taxation is based on the results for the year as adjusted for income that is exempt and expenses that are not deductible using tax rates that are applicable to the taxable income.

Deferred taxation is recognised in profit or loss except when it relates to items credited or charged to other comprehensive income, in which case it is also recognised in other comprehensive income.

Secondary Taxation on Companies (STC) is recognised as part of the current taxation charge when the related dividend is declared. Deferred STC is recognised if dividends received in the current year can be offset against future dividend payments to the extent of the reduction of future STC.

TRANSACTIONS AND EVENTS

23. Hedge accounting

If a fair value hedge meets the conditions for hedge accounting, any gain or loss on the hedged item attributable to the hedged risk is included in the carrying amount of the hedged item and recognised in profit or loss.

If a cash flow hedge meets the conditions for hedge accounting the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss. A hedge of the foreign currency risk of a firm commitment is designated and accounted for as a cash flow hedge.

If an effective hedge of a forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains or losses recognised in other comprehensive income are transferred to income in the same period in which the asset or liability affects profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gains or losses recognised in other comprehensive income are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

If a hedge of a net investment in a foreign entity meets the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income and the ineffective portion is recognised in profit or loss. On disposal of a foreign entity, the gain or loss recognised in other comprehensive income is transferred to profit or loss.

Hedge accounting is discontinued on a prospective basis when the hedge no longer meets the hedge accounting criteria (including when it becomes ineffective), when the hedge instrument is sold, terminated or exercised, when for cash flow hedges, the forecast transaction is no longer expected to occur or when the hedge designation is revoked. Any cumulative gain or loss on the hedging instrument for a forecast transaction is retained in other comprehensive income until the transaction occurs, unless the transaction is no longer expected to occur, in which case it is transferred to profit or loss for the period.

24. Impairment of assets

At each reporting date the carrying amount of the tangible and intangible assets are assessed to determine whether there is any indication that those assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of fair value less cost to sell or value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. Value in use, included in the calculation of the recoverable amount, is estimated taking into account future cash flows, forecast market conditions and the expected lives of the assets.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, its carrying amount is reduced to the higher of its recoverable amount and zero. The impairment loss is first allocated to reduce the carrying amount of goodwill and then to the other assets of the cash-generating unit. Subsequent to the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted to allocate its remaining carrying value, less any residual value, over its remaining useful life.

Impairment losses on held-to-maturity financial assets as well as trade and other receivables are determined based on specific and objective evidence that assets are impaired and is measured as the difference between the carrying amount of assets and the present value of the estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are recognised in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use, goodwill and the cash-generating units to which these assets have been allocated are tested for impairment even if there is no indication of impairment. For the purpose of impairment testing goodwill is allocated to each of the cash-generating units expected to benefit from the synergies of the combination at inception of the combination. Impairment losses recognised on goodwill are not subsequently reversed. The attributable amount of goodwill is included in the profit or loss on disposal when the associated business is sold.

25. Leasing

Classification

Leases are classified as finance leases or operating leases at the inception of the lease.

In the capacity of a lessor

Amounts due from a lessee under a finance lease are recognised as receivables at the amount of the net investment in the lease, which includes initial direct costs. Where assets are leased by a manufacturer or dealer, the initial direct costs are expensed. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease or another basis if more representative of the time pattern of the user's benefit. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight-line basis over the term of the lease.

In the capacity of a lessee

Finance leases are recognised as assets and liabilities at the lower of the fair value of the asset and the present value of the minimum lease payments at the date of acquisition. Finance costs represent the difference between the total leasing commitments and the fair value of the assets acquired. Finance costs are charged to profit or loss over the term of the lease and at interest rates applicable to the lease on the remaining balance of the obligations.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease or another basis if more representative of the time pattern of the user's benefit. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the term of the lease.

26. Share-based payments

Equity-settled share options

Executive directors and senior executives have been granted equity-settled share options in terms of the Barloworld Share Option Scheme. After the date on which the options are exercisable and before the expiry date:

- the options can be exercised to purchase shares for cash or through a loan from the Barloworld Share Purchase Trust in which event the shares issued are accounted for in share capital and share premium at the amount of the exercise price, or
- the options can be ceded to an approved financial institution in which event there is no increase in share capital or share premium until the option is exercised by the financial institution, at which time they are accounted for at the amount of the option price.

Forfeitable Share Plan

Executive directors and senior executives have been granted equity-settled shares in terms of the Barloworld Forfeitable Share Plan (FSP). Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant and recognised in profit or loss on a straight-line basis over the vesting period, based on the estimated number of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. Fair value is measured using a binomial pricing model.

Cash-settled share appreciation rights

Cash-settled share appreciation rights granted to employees for services rendered or to be rendered are raised as a liability and recognised in profit or loss immediately or, if vesting requirements are applicable, over the vesting period. The liability is measured annually until settled and any changes in value are recognised in profit or loss. Fair value is measured using a binomial pricing model.

Equity-settled share appreciation rights

Equity-settled share appreciation rights have been granted to employees in terms of the Barloworld Share Appreciation Rights scheme (SAR). Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant and recognised in profit or loss on a straight-line basis over the vesting period, based on the estimated number of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. Fair value is measured using a binomial pricing model.

Black Economic Empowerment (BEE)

In a BEE transaction, the share-based payment is measured as the difference between the fair value of the equity instruments granted and the fair value of the cash and other assets received (ie the BEE equity credentials) and are recognised as follows:

- in profit or loss at the grant date unless there are service conditions in which case it is recognised over the relevant period of the service conditions
- as part of goodwill where the BEE equity credentials are obtained as part of the net assets acquired in a business combination.

27. Treasury shares

Treasury shares are equity instruments of the company, held by the company or other members of the consolidated group.

All costs relating to the acquisition of treasury shares as well as gains or losses on disposal or cancellation of treasury shares are recognised directly in equity.

Accounting policies continued

28. Insurance contracts

An insurance contract is a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Certain transactions are entered into by the group as insurer and which falls within this definition. Significant items included are maintenance contracts, guaranteed residual values on sold equipment/vehicles as well as credit life and warranty products sold.

Maintenance contracts

Revenue on maintenance contracts is recognised on the percentage of completion method based on the anticipated cost of repairs over the lifecycle of the equipment.

Guaranteed residual values

Guaranteed residual values are periodically given on repurchase commitments with customers. The likelihood of the repurchase commitments being exercised is assessed at the inception of the contract to determine whether significant risks and rewards have been transferred to the customer and if revenue should be recognised. If significant risks and rewards have not been transferred, revenue is not recognised and the transaction is accounted for as a pre-paid operating lease. Where the initial assessment was made that significant risks and rewards were transferred and revenue was recognised, but subsequent market conditions are considered to change the likelihood of the exercise of the buyback to become probable, the present value of the net expected future outflow is provided for, after taking into consideration any proceeds on subsequent disposal of the equipment. All repurchase commitments as well as the related asset's expected values are disclosed under contingent liabilities.

Credit life and warranty products

Premiums are recognised as revenue proportionally over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the financial position date is recognised as an unearned premium liability. Premiums are reflected before deduction of commission and are gross of any taxes or duties levied on premiums.

Claims and loss adjustment expenses are charged to profit and loss as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. These include direct and indirect claims settlement costs and arise from events that have occurred up to the financial position date even if it has not yet been reported to the company. Liabilities for unpaid claims are not discounted and are estimated using the input of assessments for individual cases reported to the group and statistical analyses for claims incurred but not reported as well as the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

Acquisition costs, which include commission and other related expenses, are recognised in the period in which they are incurred.

29. Financial guarantee contracts

The group regards financial guarantee contracts as insurance contracts and uses accounting applicable to insurance contracts. Details regarding financial guarantees issued are disclosed under contingent liabilities.

30. Judgements made by management and sources of estimation uncertainty

Preparing financial statements in conformity with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from these estimates.

Certain accounting policies have been identified as involving particularly complex or subjective judgements or assessments, as follows:

- *Recognition and derecognition of assets*

  The company has concluded certain buyback and rental agreements with vehicle suppliers in South Africa in the Avis Rent-a-Car and Logistics transport businesses. Management assessed that the significant risks and rewards remained with the suppliers. Accordingly the vehicles were not recognised as assets together with the accompanying debt obligations and the transactions were recorded as operating leases.

- *Interests in subsidiaries*

  The trusts established to hold the shares awarded in the black economic empowerment transaction to the black non-executive directors, the black managers and the education entity are considered to be controlled by the company. Accordingly the assets and liabilities and the results of these trusts have been consolidated from the date of the transaction.

  The special purpose entities established to hold the shares and loans related to the strategic partners and community service groups are not considered to be controlled by Barloworld. They are thus not consolidated.

- *Asset lives and residual values*

  Property, plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product lifecycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Deferred taxation assets*
  Deferred tax assets are recognised to the extent it is probable that taxable income will be available in future against which they can be utilised. Five-year business plans are prepared annually and approved by the boards of the company and its major operating subsidiaries. These plans include estimates and assumptions regarding economic growth, interest rates, inflation and competitive forces.

  The plans contain profit forecasts and cash flows and these are utilised in the assessment of the recoverability of deferred tax assets.

  Management also exercises judgement in assessing the likelihood that business plans will be achieved and that the deferred tax assets are recoverable.

  In certain circumstances further corroborative evidence is used, such as tax planning opportunities within the control of management, to support the recovery of the tax asset.

- *Post-employment benefit obligations*
  Post-retirement defined benefits are provided for certain existing and former employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets, healthcare inflation cost and rates of increase in compensation costs.

  Judgement is exercised by management, assisted by advisers, in adjusting mortality rates to take account of actual mortality rates within the schemes.

- *Warranty claims*
  Warranties are provided on certain equipment, spare parts and service supplied to customers. Management exercises judgement in establishing provisions required on the basis of claims notified and past experience.

- *Revenue recognition*
  The percentage of completion method is utilised to recognise revenue on long-term contracts. Management exercises judgement in calculating the deferred revenue reserve which is based on the anticipated cost of repairs over the lifecycle of the equipment, or motor vehicles, applied to the total expected revenue arising from maintenance and repair contracts.

  In addition, management exercises judgement in assessing whether significant risks and rewards have been transferred to the customer to permit revenue to be recognised.

  In cases where there is a buyback, management considers whether the buyback is set at a level which makes the buyback substantive. If so, management uses the guidance from IAS 18 with regard to the transfer of risks and rewards for the purposes of revenue recognition. If the buyback is not considered to be substantive, then it is ignored for the purposes of revenue recognition. If revenue is recognised on a transaction which includes a buyback, then provision is made on the basis set out in repurchase commitments below as and when such provision is required.

- *Impairment of assets*
  Goodwill is considered for impairment at least annually. Property, plant and equipment, and intangible assets are considered for impairment if there is a reason to believe that an impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

  Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is first allocated to goodwill and then to the other assets of a cash-generating unit.

  Cash flows which are utilised in these assessments are extracted from formal five-year business plans which are updated annually. The company utilises a discounted cash flow valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by other valuation techniques.

- *Repurchase commitments*
  Buyback (repurchase) arrangements with customers are periodically concluded. The likelihood of the repurchase commitments being exercised and quantification of the possible loss, if any, on resale of the equipment is assessed at the inception of the contract and at each reporting period. Significant assumptions are made in estimating residual values. These are assessed based on past experience and take into account expected future market conditions and projected disposal values.

31. Sources of estimation uncertainty

There are no significant assumptions made concerning the future or other sources of estimation uncertainty that has been identified as giving rise to a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Consolidated statement of financial position

at 30 September

	Notes	2012 Rm	2011 Rm	2010 Rm
ASSETS				
Non-current assets		**13 470**	12 667	11 626
Property, plant and equipment	2	**9 473**	8 743	7 575
Goodwill	3	**1 759**	2 092	2 078
Intangible assets	4	**1 049**	421	297
Investment in associates and joint ventures	5	**430**	329	552
Finance lease receivables	6	**125**	286	236
Long-term financial assets	7	**97**	147	133
Deferred taxation assets	8	**537**	649	755
Current assets		**22 340**	18 252	14 012
Vehicle rental fleet	2	**1 908**	1 695	1 679
Inventories	9	**10 855**	7 323	5 318
Trade and other receivables	10	**6 916**	6 448	5 030
Taxation		**37**	32	57
Cash and cash equivalents	11	**2 624**	2 754	1 928
Assets classified as held for sale	12		13	52
Total assets		**35 810**	30 932	25 690
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital and premium	13	**309**	304	295
Other reserves		**2 433**	3 016	1 750
Retained income		**10 127**	9 069	8 548
Interest of shareholders of Barloworld Limited		**12 869**	12 389	10 593
Non-controlling interest		**298**	263	233
Interest of all shareholders		**13 167**	12 652	10 826
Non-current liabilities		**8 964**	7 279	5 670
Interest-bearing	14	**7 048**	5 522	4 285
Deferred taxation liabilities	8	**371**	229	302
Provisions	15	**254**	265	217
Other non-interest-bearing	16	**1 291**	1 263	866
Current liabilities		**13 679**	10 996	9 136
Trade and other payables	17	**9 548**	8 395	5 807
Provisions	15	**839**	633	476
Taxation		**252**	247	161
Amounts due to bankers and short-term loans	18	**3 040**	1 721	2 692
Liabilities directly associated with assets classified as held for sale	12		5	58
Total equity and liabilities		**35 810**	30 932	25 690

Consolidated income statement

for the year ended 30 September

	Notes	2012 Rm	2011 Rm	2010 Rm
CONTINUING OPERATIONS				
Revenue	19	**58 554**	49 823	40 830
Operating profit before items listed below (EBITDA)		**4 905**	3 993	3 318
Depreciation		**(1 806)**	(1 620)	(1 736)
Amortisation of intangible assets		**(111)**	(84)	(64)
Operating profit	20	**2 988**	2 289	1 518
Fair value adjustments on financial instruments	21	**(93)**	(65)	(89)
Finance costs	22	**(827)**	(755)	(809)
Income from investments	23	**51**	62	84
Profit before exceptional items		**2 119**	1 531	704
Exceptional items	24	**190**	62	(176)
Profit before taxation		**2 309**	1 593	528
Taxation	25	**(789)**	(566)	(203)
Secondary taxation on companies	25	**(26)**	(18)	(25)
Profit after taxation		**1 494**	1 009	300
Income from associates and joint ventures	5	**141**	71	16
Net profit from continuing operations		**1 635**	1 080	316
DISCONTINUED OPERATIONS				
Loss from discontinued operations	12			(272)
Net profit		**1 635**	1 080	44
Attributable to:				
Owners of Barloworld Limited	28	**1 559**	1 017	(7)
Non-controlling interests in subsidiaries		**76**	63	51
		1 635	1 080	44
Earnings/(loss) per share (cents)				
– basic	26	**739.9**	482.7	(3.3)
– diluted	26	**734.5**	479.1	(3.3)
Earnings per share from continuing operations (cents)				
– basic	26	**739.9**	482.7	126.5
– diluted	26	**734.5**	479.1	126.1
Loss per share from discontinued operations (cents)				
– basic	26			(129.9)
– diluted	26			(129.9)

Consolidated statement of comprehensive income

for the year ended 30 September

	2012 Rm	2011 Rm	2010 Rm
Profit for the year	**1 635**	1 080	44
Items that may be reclassified subsequently to profit or loss:	**(452)**	1 243	(938)
Exchange gains/(losses) on translation of foreign operations	**276**	1 048	(820)
Translation reserves realised on disposal of foreign joint venture and subsidiaries	**(593)**	11	(102)
(Loss)/gain on cash flow hedges	**(178)**	246	(24)
Deferred taxation on cash flow hedges	**43**	(62)	8
Items that will not be reclassified to profit or loss:	**(133)**	(274)	(176)
Actuarial losses on post-retirement benefit obligations	**(149)**	(351)	(238)
Taxation effect of net actuarial losses	**16**	77	62
Other comprehensive (loss)/income for the year, net of taxation	**(585)**	969	(1 114)
Total comprehensive income/(loss) for the year	**1 050**	2 049	(1 070)
Total comprehensive income attributable to:			
Non-controlling interest	**76**	63	51
Barloworld Limited shareholders	**974**	1 986	(1 121)
	1 050	2 049	(1 070)

Consolidated statement of cash flows

for the year ended 30 September

	Notes	**2012 Rm**	2011 Rm	2010 Rm
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers		**57 616**	49 030	41 707
Cash paid to employees and suppliers		**(55 545)**	(44 529)	(37 039)
Cash generated from operations before investment in rental assets	A	**2 071**	4 501	4 668
Net investment in fleet leasing and equipment rental assets	B	**(1 481)**	(1 013)	(847)
Net investment in vehicle rental fleet	B	**(633)**	(384)	(209)
Cash (utilised)/generated from operations		**(43)**	3 104	3 612
Finance costs		**(827)**	(755)	(833)
Realised fair value adjustments on financial instruments		**(19)**	(172)	(102)
Dividends received from investments, associates and joint ventures		**82**	67	6
Interest received		**49**	60	82
Taxation paid	C	**(596)**	(389)	(200)
Cash flow from operations		**(1 354)**	1 915	2 565
Dividends paid (including non-controlling interest)		**(443)**	(257)	(223)
Cash (utilised)/retained from operating activities		**(1 797)**	1 658	2 342
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of subsidiaries, investments and intangibles^	D	**(1 589)**	(271)	(3)
Proceeds on disposal of subsidiaries, investments and intangibles	E	**931**	185	309
Net investment in leasing receivables		**98**	56	135
Acquisition of other property, plant and equipment		**(824)**	(880)	(565)
Replacement capital expenditure		**(334)**	(305)	(346)
Expansion capital expenditure		**(490)**	(575)	(219)
Proceeds on disposal of property, plant and equipment		**264**	198	68
Net cash used in investing activities		**(1 120)**	(712)	(56)
Net cash (outflow)/inflow before financing activities		**(2 917)**	946	2 286
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds on share issue		**2**	6	43
Shares repurchased for forfeitable share plan		**(24)**	(21)	
Non-controlling equity loans		**9**		
Proceeds from long-term borrowings		**3 842**	2 653	1 920
Repayment of long-term borrowings		**(2 474)**	(1 470)	(2 928)
Increase/(decrease) in short-term interest-bearing liabilities		**1 360**	(1 346)	(826)
Net cash from/(used in) financing activities		**2 715**	(178)	(1 791)
Net (decrease)/ increase in cash and cash equivalents		**(202)**	768	495
Cash and cash equivalents at beginning of year		**2 754**	1 928	1 627
Cash and cash equivalents held for sale at beginning of year			6	145
Effect of foreign exchange rate movement on cash balance		**72**	52	(106)
Effect of cash balances classified as held for sale				(6)
Effect of disposal of car rental Scandinavia on cash balances				(227)
Cash and cash equivalents at end of year		**2 624**	2 754	1 928
Cash balances not available for use due to reserving restrictions		**182**	503	413

^ *This movement includes the repayment of loans by joint ventures and associates*

Consolidated statement of cash flows continued

for the year ended 30 September

	2012 Rm	2011 Rm	2010 Rm
CASH FLOWS FROM OPERATING ACTIVITIES (BEFORE DIVIDENDS PAID)			
Per business segment:			
Continuing operations			
– Equipment	**(1 050)**	1 454	2 383
– Automotive and Logistics	**(15)**	458	89
– Handling	**(403)**	91	206
– Corporate	**114**	(88)	(308)
Total continuing operations	**(1 354)**	1 915	2 370
Discontinued operations			
– Car rental – Scandinavia			195
Total discontinued operations			195
Total group	**(1 354)**	1 915	2 565
CASH FLOWS FROM INVESTING ACTIVITIES			
Per business segment:			
Continuing operations			
– Equipment	**(1 736)**	(505)	3
– Automotive and Logistics	**(399)**	(302)	(207)
– Handling	**954**	(30)	60
– Corporate	**61**	125	(95)
Total continuing operations	**(1 120)**	(712)	(239)
Discontinued operations			
– Car rental – Scandinavia			183
Total discontinued operations			183
Total group	**(1 120)**	(712)	(56)
CASH FLOWS FROM FINANCING ACTIVITIES			
Per business segment:			
Continuing operations			
– Equipment	**2 860**	(629)	(2 178)
– Automotive and Logistics	**825**	396	241
– Handling	**(377)**	8	(252)
– Corporate	**(593)**	47	490
Total continuing operations	**2 715**	(178)	(1 699)
Discontinued operations			
– Car rental – Scandinavia			(92)
Total discontinued operations			(92)
Total group	**2 715**	(178)	(1 791)

Notes to the consolidated statement of cash flows

for the year ended 30 September

		2012 Rm	2011 Rm	2010 Rm
A.	**CASH GENERATED FROM OPERATIONS IS CALCULATED AS FOLLOWS:**			
	Profit before taxation – continuing operations	**2 309**	1 593	528
	Loss before taxation – discontinued operations			(109)
	Adjustments for:			
	Depreciation	**1 806**	1 620	1 926
	Amortisation of intangible assets	**111**	84	67
	Loss/(profit) on disposal of plant and equipment and intangibles	**19**	(6)	2
	Profit on disposal of properties	**(12)**	(213)	(22)
	Profit on disposal of subsidiaries and investments	**(574)**	(62)	(38)
	Dividends received from investments	**(2)**	(2)	(6)
	Interest received	**(49)**	(60)	(82)
	Finance costs	**827**	755	833
	Fair value adjustments on financial instruments	**93**	65	89
	Asset impairments	**396**	213	236
	Valuation of retirement benefit obligation	**(81)**		
	IFRS 2 charge	**80**	68	24
	Non-cash movement in provisions	**266**	495	154
	Other non-cash flow items	**10**	(22)	(3)
	Operating cash flows before movements in working capital	**5 199**	4 528	3 599
	Continuing operations	**5 199**	4 528	3 486
	Discontinued operations			113
	(Increase)/decrease in working capital	**(3 128)**	(27)	1 069
	(Increase)/decrease in inventories	**(3 147)**	(1 359)	1 296
	Increase in receivables	**(937)**	(791)	(343)
	Increase in payables	**956**	2 123	116
	Cash generated from operations before investment in rental assets	**2 071**	4 501	4 668
B.	**NET INVESTMENT IN RENTAL ASSETS AND CAR HIRE VEHICLES**			
	Rental assets	**(1 481)**	(1 013)	(847)
	Additions	**(2 626)**	(2 406)	(1 791)
	Proceeds on disposal	**1 145**	1 393	944
	Car hire vehicles	**(633)**	(384)	(209)
	Additions	**(2 108)**	(2 169)	(3 285)
	Proceeds on disposal	**1 475**	1 785	3 076
	Net investment in fleet leasing and rental assets	**(2 114)**	(1 397)	(1 056)

Notes to the consolidated statement of cash flows continued

for the year ended 30 September

		2012 Rm	2011 Rm	2010 Rm
C.	**TAXATION PAID IS RECONCILED TO THE AMOUNTS DISCLOSED IN THE INCOME STATEMENT AS FOLLOWS:**			
	Amounts unpaid less overpaid at beginning of year	**(215)**	(105)	(53)
	Per the income statement (excluding deferred taxation)	**(588)**	(469)	(250)
	Adjustments in respect of subsidiaries acquired and sold including translation adjustments	**(8)**	(30)	(2)
	Amounts unpaid less overpaid at end of year	**215**	215	105
	Cash amounts paid	**(596)**	(389)	(200)
D.	**ACQUISITION OF SUBSIDIARIES, INVESTMENTS AND INTANGIBLES**			
	Inventories acquired	**(746)**	(513)	
	Receivables acquired	**(221)**	(254)	
	Payables, taxation and deferred taxation acquired	**227**	334	
	Borrowings net of cash	**161**	69	
	Provisions	**99**		
	Property, plant and equipment, non-current assets, goodwill and non-controlling interest	**(197)**	(181)	
	Total net assets acquired	**(677)**	(545)	
	Goodwill arising on acquisitions	**(54)**	(95)	
	Intangibles arising on acquisition i.t.o IFRS 3 Business Combinations	**(706)**	(82)	
	Total purchase consideration	**(1 437)**	(722)	
	Less: Deconsolidation of joint venture	**21**	361	
	Net cash cost of subsidiaries acquired	**(1 416)**	(361)	
	Bank balances and cash in subsidiaries acquired	**3**	213	
	Investment and intangible assets acquired	**(176)**	(123)	(3)
	Cash amounts paid to acquire subsidiaries, investments and intangibles	**(1 589)**	(271)	(3)

The group acquired the Bucyrus distribution and support businesses for a total cash consideration of R1.4 billion with effect from 1 July 2012. The primary reason for acquisition was to align the company with the increased product range offered by its principal, Caterpillar Inc. The new product range comprised surface and underground mining equipment including support service capability.

The group had a 50% joint interest in Phakisaworld and on 11 January 2012 the group acquired the remaining 50% interest for a total cash consideration of R14 million. The acquisition-date fair value of the joint interest held by the group immediately before the acquisition amounted to R21 million, the provisional gain recognised as a result of premeasuring to fair value amounted to R7.8 million. The primary reason for the acquisition was to obtain control over Phakisaworld.

Goodwill arose from relationships with the National Department of Transport to whom existing fleet solution products could be introduced and the potential expansion of fleet solutions to other government departments.

The group acquired a 100% interest in Ecosse Tankers (Pty) Limited on 1 May 2012 for a total cash consideration of R15 million. The primary reason for the acquisition was to increase market share and to enter into the chemical transport market. Goodwill arose from the knowledge and experience of the employees and potential customer contracts in the chemical transport market.

		2012 Rm	2011 Rm	2010 Rm
E.	**PROCEEDS ON DISPOSAL OF SUBSIDIARIES, INVESTMENTS AND INTANGIBLES**			
	Inventories disposed	**203**	11	18
	Receivables disposed	**526**	108	461
	Payables, taxation and deferred taxation balances disposed and settled	**(268)**	(115)	(424)
	Borrowings net of cash	**(60)**	2	(577)
	Property, plant and equipment, non-current assets, goodwill and intangibles	**548**	5	1 187
	Net assets disposed	**949**	11	665
	Less: Non-cash translation reserves realised on disposal of foreign subsidiaries	**(593)**		(102)
	Less: Non-cash consideration on deconsolidation of subsidiary			(180)
	Total net assets disposed	**356**	11	383
	Profit/(loss) on disposal	**596**	(7)	(186)
	Net cash proceeds on disposal of subsidiaries	**952**	4	197
	Proceeds on disposal of investments and intangibles		9	112
	Investment in associates and joint ventures loans, intangibles and loans repaid		174	
	Bank balances and cash in subsidiaries disposed	**(21)**	(2)	
	Cash proceeds on disposal of subsidiaries, investments and intangibles	**931**	185	309

Net cash proceeds on disposal of subsidiaries relates to the disposal of Handling US during April 2012 as well as the sale of substantially all assets and liabilities of Handling UK which was sold effective 28 September 2012.

Consolidated statement of changes in equity

for the year ended 30 September

	Notes	Share capital and premium Rm	Foreign currency translation reserves Rm	Revaluation reserve and cash flow hedging reserves Rm	Legal and other reserves Rm
Balance at 1 October 2009		252	2 169	(51)	359
Movement on foreign currency translation reserve			(820)		
Translation reserves realised on disposal of foreign subsidiaries			(102)		
Decrease in fair value of hedging instruments				(24)	
Deferred taxation charge to other comprehensive income				8	
Net actuarial losses on post-retirement benefit obligations					
Other comprehensive income			(922)	(16)	
Profit for the year					
Total comprehensive income for the year			(922)	(16)	
Other reserve movements					(14)
Dividends	27				
Shares issued in current year	13	43			
Balance at 30 September 2010		295	1 247	(67)	345
Changes in equity recognised during 2011					
Movement on foreign currency translation reserve			1 048		
Translation reserves realised on disposal of foreign joint venture			11		
Decrease in fair value of hedging instruments				246	
Deferred taxation charge to other comprehensive income				(62)	
Net actuarial losses on post-retirement benefit obligations					
Other comprehensive income			1 059	184	
Profit for the year					
Total comprehensive income for the year			1 059	184	
Other reserve movements					7
Dividends	27				
Treasury shares issued	13	3			
Shares issued in current year	13	6			
Balance at 30 September 2011		304	2 306	117	352
Changes in equity recognised during 2012					
Movement on foreign currency translation reserve			**276**		
Translation reserves realised on disposal of foreign subsidiary			**(593)**		
Decrease in fair value of hedging instruments				**(178)**	
Deferred taxation charge to other comprehensive income				**43**	
Net actuarial losses on post-retirement benefit obligations					
Other comprehensive income			**(317)**	**(135)**	
Profit for the year					
Total comprehensive income for the year			**(317)**	**(135)**	
Other reserve movements					**(133)**
Dividends	**27**				
Treasury shares issued	**13**	**3**			
Shares issued in current year	**13**	**2**			
Balance at 30 September 2012		**309**	**1 989**	**(18)**	**219**

Equity compensation reserves Rm	Total other reserves Rm	Retained income Rm	Net actuarial losses on post-retirement benefits Rm	Total retained income Rm	Attributable to Barloworld Limited shareholders Rm	Non-controlling interest Rm	Interest of all shareholders Rm
211	2 688	9 850	(937)	8 913	11 853	217	12 070
	(820)				(820)		(820)
	(102)				(102)		(102)
	(24)				(24)		(24)
	8				8		8
			(176)	(176)	(176)		(176)
	(938)		(176)	(176)	(1 114)		(1 114)
		(7)		(7)	(7)	51	44
	(938)	(7)	(176)	(183)	(1 121)	51	(1 070)
14		7		7	7	(1)	6
		(189)		(189)	(189)	(34)	(223)
					43		43
225	1 750	9 661	(1 113)	8 548	10 593	233	10 826
	1 048				1 048		1 048
	11				11		11
	246				246		246
	(62)				(62)		(62)
			(274)	(274)	(274)		(274)
	1 243		(274)	(274)	969		969
		1 017		1 017	1 017	63	1 080
	1 243	1 017	(274)	743	1 986	63	2 049
16	23	1		1	24	1	25
		(223)		(223)	(223)	(34)	(257)
					3		3
					6		6
241	3 016	10 456	(1 387)	9 069	12 389	263	12 652
	276				**276**		**276**
	(593)				**(593)**		**(593)**
	(178)				**(178)**		**(178)**
	43				**43**		**43**
			(133)	**(133)**	**(133)**		**(133)**
	(452)		**(133)**	**(133)**	**(585)**		**(585)**
		1 559		**1 559**	**1 559**	**76**	**1 635**
	(452)	**1 559**	**(133)**	**1 426**	**974**	**76**	**1 050**
2	**(131)**	**25**		**25**	**(106)**	**9**	**(97)**
		(393)		**(393)**	**(393)**	**(50)**	**(443)**
					3		**3**
					2		**2**
243	**2 433**	**11 647**	**(1 520)**	**10 127**	**12 869**	**298**	**13 167**

Notes to the consolidated annual financial statements

for the year ended 30 September

	Continuing operations											
	Consolidated*			Eliminations			Equipment			Automotive and Logistics – Motor retail		
R million	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010
1. OPERATING AND GEOGRAPHICAL SEGMENTS**												
Revenue												
Southern Africa	**41 420**	35 195	28 643				**16 326**	12 578	8 379	**15 209**	14 050	12 341
Europe@	**11 074**	9 198	7 010				**7 947**	6 109	3 854			
North America	**1 013**	1 585	1 440									
Australia	**5 047**	3 845	3 737							**5 047**	3 845	3 737
	58 554	49 823	40 830				**24 273**	18 687	12 233	**20 256**	17 895	16 078
Inter-segment revenue***				**(1 533)**	(1 381)	(943)	**1 029**	796	529	**27**	12	28
	58 554	49 823	40 830	**(1 533)**	(1 381)	(943)	**25 302**	19 483	12 762	**20 283**	17 907	16 106
Segment result												
Operating profit/(loss)												
Southern Africa	**2 630**	2 105	1 594				**1 535**	1 228	725	**352**	279	258
Europe@	**245**	86	(139)				**205**	124	(69)			
North America	**(14)**	(2)	(19)									
Australia	**127**	100	82							**127**	100	82
Operating profit/(loss)	**2 988**	2 289	1 518				**1 740**	1 352	656	**479**	379	340
Fair value adjustments on financial instruments	**(93)**	(65)	(89)				**(62)**	(89)	(58)	**9**	3	5
Total segment result	**2 895**	2 224	1 429				**1 678**	1 263	598	**488**	382	345
By geographical region												
Southern Africa	**2 552**	2 050	1 513				**1 486**	1 145	666	**361**	282	263
Europe@	**230**	76	(147)				**192**	118	(68)			
North America	**(14)**	(2)	(19)									
Australia	**127**	100	82							**127**	100	82
Total segment result	**2 895**	2 224	1 429				**1 678**	1 263	598	**488**	382	345
Income from associates and joint ventures	**141**	71	16				**146**	59	8	**(8)**		
Segment result including associate income	**3 036**	2 295	1 445				**1 824**	1 322	606	**480**	382	345
Finance costs	**(827)**	(755)	(809)									
Income from investments	**51**	62	84									
Exceptional items	**190**	62	(176)									
	2 450	1 664	544									
Taxation	**(815)**	(584)	(228)									
Net profit	**1 635**	1 080	316									
Non cash expenses per segment												
Depreciation	**1 806**	1 620	1 736				**392**	364	373	**66**	58	85
Amortisation of intangibles	**111**	84	64				**47**	33	18	**6**	5	5
Impairment losses/(reversals)	**396**	213	236				**246**	(2)	44	**8**	7	

* *The consolidated total excludes discontinued operations for income statement items but includes it for the statement of financial position.*
** *The geographical segments are determined by the location of assets.*
*** *Inter-segment revenue is priced on an arm's-length basis.*
@ *Including Russia, Middle East and Asia.*

	Continuing operations																		Discontinued operations		
	Automotive and Logistics									Handling						Corporate			Automotive		
	Car rental Southern Africa			Leasing			Logistics			Trading			Leasing						Car rental – Scandinavia		
	2012	2011	2010	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010
	3 555	3 341	3 204	**2 294**	1 779	1 545	**2 535**	2 294	2 256	**1 484**	1 141	912				**17**	12	6			
							850	1 106	1 422	**2 244**	1 948	1 693	**33**	35	41						1 219
										1 013	1 585	1 440									
	3 555	3 341	3 204	**2 294**	1 779	1 545	**3 385**	3 400	3 678	**4 741**	4 674	4 045	**33**	35	41	**17**	12	6			1 219
	6	17	3	**76**	62	54	**273**	222	65	**103**	53	33				**19**	219	231			
	3 561	3 358	3 207	**2 370**	1 841	1 599	**3 658**	3 622	3 743	**4 844**	4 727	4 078	**33**	35	41	**36**	231	237			1 219
	251	220	283	**349**	285	277	**92**	49	50	**61**	76	42				**(10)**	(32)	(41)			
							(19)	(22)	(40)	**(39)**	(34)	(65)	**30**	32	39	**68**	(14)	(4)			(89)
										(15)	(2)	(18)	**1**		(1)						
	251	220	283	**349**	285	277	**73**	27	10	**7**	40	(41)	**31**	32	38	**58**	(46)	(45)			(89)
		(1)	(1)			(2)	**3**	1	(7)	**(44)**	17	(28)				**1**	4	2			
	251	219	282	**349**	285	275	**76**	28	3	**(37)**	57	(69)	**31**	32	38	**59**	(42)	(43)			(89)
	251	219	282	**349**	285	275	**94**	49	45	**18**	94	13				**(7)**	(24)	(31)			
							(18)	(21)	(42)	**(40)**	(35)	(64)	**30**	32	39	**66**	(18)	(12)			(89)
										(15)	(2)	(18)	**1**		(1)						
	251	219	282	**349**	285	275	**76**	28	3	**(37)**	57	(69)	**31**	32	38	**59**	(42)	(43)			(89)
		1	(1)	**1**	8	5				**2**	3	3						1			
	251	220	281	**350**	293	280	**76**	28	3	**(35)**	60	(66)	**31**	32	38	**59**	(42)	(42)			(89)
	442	386	452	**639**	561	512	**65**	51	59	**177**	176	221	**11**	11	16	**14**	13	18			190
	2	5	4	**5**	1	1	**36**	28	23	**12**	10	10				**3**	2	3			3
							142	96	192		115						(3)				

Notes to the consolidated annual financial statements continued

for the year ended 30 September

	Continuing operations											
	Consolidated*			Eliminations			Equipment			Automotive and Logistics Motor retail		
R million	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010
1. OPERATING AND GEOGRAPHICAL SEGMENTS** (continued)												
Assets												
Property, plant and equipment	**9 473**	8 743	7 575				**2 937**	2 402	1 777	**1 978**	1 876	1 647
Intangible assets	**1 049**	421	297				**849**	143	54	**6**	9	9
Investment in associates and joint ventures	**430**	329	552				**379**	272	512	**9**		
Long-term finance lease receivables	**125**	286	236					8	45			
Long-term financial assets	**97**	147	133				**60**	28	14	**21**	20	
Vehicle rental fleet	**1 908**	1 695	1 679									
Inventories	**10 855**	7 323	5 318				**7 105**	3 996	2 623	**2 561**	2 331	1 939
Trade and other receivables	**6 916**	6 448	5 030				**4 620**	3 979	2 575	**616**	559	450
Assets classified as held for sale		13	52								12	
Segment assets#	**30 853**	25 405	20 872				**15 950**	10 828	7 600	**5 191**	4 807	4 045
By geographical region												
Southern Africa	**22 802**	17 300	14 488				**10 211**	6 459	4 517	**3 533**	3 374	2 937
Europe@	**6 385**	6 010	4 671				**5 739**	4 369	3 083			
North America	**8**	662	605									
Australia	**1 658**	1 433	1 108							**1 658**	1 433	1 108
Total segment assets	**30 853**	25 405	20 872				**15 950**	10 828	7 600	**5 191**	4 807	4 045
Goodwill#	**1 759**	2 092	2 078				**115**	318	184	**255**	255	244
Taxation	**37**	32	57									
Deferred taxation assets	**537**	649	755									
Cash and cash equivalents	**2 624**	2 754	1 928									
Consolidated total assets	**35 810**	30 932	25 690									
Liabilities												
Long-term non-interest bearing incl provisions	**1 545**	1 528	1 083				**226**	144	108	**114**	113	58
Trade and other payables incl provisions	**10 387**	9 028	6 283				**5 124**	4 062	2 060	**1 981**	1 962	1 624
Liabilities directly associated with assets classified as held for sale*		5	58								5	
Segment liabilities	**11 932**	10 561	7 424				**5 350**	4 206	2 168	**2 095**	2 080	1 682
By geographical region												
Southern Africa	**8 449**	7 259	5 095				**3 624**	3 064	1 527	**1 864**	1 903	1 516
Europe@	**3 229**	2 893	1 957				**1 726**	1 142	641			
North America	**23**	232	206									
Australia	**231**	177	166							**231**	177	166
Total segment liabilities	**11 932**	10 561	7 424				**5 350**	4 206	2 168	**2 095**	2 080	1 682
Interest-bearing liabilities (excluding held for sale amounts)	**10 088**	7 243	6 977									
Deferred taxation liabilities	**371**	229	302									
Taxation	**252**	247	161									
Consolidated total liabilities	**22 643**	18 280	14 864									
Capital additions												
Southern Africa	**5 185**	4 718	4 086				**1 116**	759	326	**128**	158	68
Europe@	**447**	598	1 495				**350**	559	245			
North America	**63**	131	52									
Australia	**7**	8	9							**7**	8	9
	5 702	5 455	5 642				**1 466**	1 318	571	**135**	166	77

* *The consolidated total excludes discontinued operations for income statement items but includes it for the statement of financial position.*
** *The geographical segments are determined by the location of assets.*
@ *Including Russia, Middle East and Asia.*
\# *Segment assets have been reclassified to exclude goodwill.*

	Continuing operations																		Discontinued operations		
	Automotive and Logistics									Handling						Corporate			Automotive		
	Car rental Southern Africa			Leasing			Logistics			Trading			Leasing						Car rental – Scandinavia		
	2012	2011	2010	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010
	388	336	393	**2 874**	2 382	2 171	**412**	333	280	**232**	785	686		26	26	**652**	603	595			
	3	4	11	**8**	6	1	**164**	149	120	**2**	93	83				**17**	17	19			
	2	2	1		12	4		2	2	**20**	19	28				**20**	22	5			
				119	98	97				**6**	19	16		161	78						
			20				**2**	2	4		50	53		13	15	**14**	34	27			
	1 908	1 695	1 679																		
	186	174	134	**28**	40	24	**7**	4	3	**974**	772	595				**(6)**	6				
	368	357	349	**498**	226	183	**746**	728	763	**402**	680	478	**8**	103	181	**(342)**	(184)	51			
								1	52												
	2 855	2 568	2 587	**3 527**	2 764	2 480	**1 331**	1 219	1 224	**1 636**	2 418	1 939	**8**	303	300	**355**	498	697			
	2 855	2 568	2 587	**3 527**	2 764	2 480	**1 016**	843	856	**1 068**	860	616				**592**	432	495			
							315	376	368	**568**	908	729		291	289	**(237)**	66	202			
											650	594	**8**	12	11						
	2 855	2 568	2 587	**3 527**	2 764	2 480	**1 331**	1 219	1 224	**1 636**	2 418	1 939	**8**	303	300	**355**	498	697			
	793	787	784	**292**	282	282	**282**	409	441	**22**	41	143									
	5	4	55	**245**	183	167	**7**	7	6	**37**	61	56	**2**	40	45	**909**	976	588			
	884	922	736	**695**	408	326	**970**	751	746	**851**	1 091	779	**21**	8	11	**(139)**	(176)	1			
									58												
	889	926	791	**940**	591	493	**977**	758	810	**888**	1 152	835	**23**	48	56	**770**	800	589			
	889	926	791	**940**	591	493	**792**	527	524	**487**	403	247				**(147)**	(155)	(3)			
							185	231	286	**401**	525	388		40	50	**917**	955	592			
											224	200	**23**	8	6						
	889	926	791	**940**	591	493	**977**	758	810	**888**	1 152	835	**23**	48	56	**770**	800	589			
	2 221	2 210	2 287	**1 438**	1 183	1 021	**136**	102	39	**83**	278	164				**63**	28	181			
							5	6	5	**91**	29	90	**1**	4	10						1 145
										63	131	52									
	2 221	2 210	2 287	**1 438**	1 183	1 021	**141**	108	44	**237**	438	306	**1**	4	10	**63**	28	181			1 145

Notes to the consolidated annual financial statements continued

for the year ended 30 September

1. OPERATING AND GEOGRAPHICAL SEGMENTS** (continued)

1.1 Segmentation for purpose of gearing and interest cover targets^

These schedules are provided to assist users to gain a better understanding of how the group segments its statement of financial position and income statement in order to set appropriate gearing and interest cover targets. For this purpose three broad segments have been defined namely:

- Trading (dealership and logistics businesses)
- Leasing (long-term leasing solutions including fleet services)
- Car Rental (short-term car hire)

In view of the nature of the Leasing and Car rental businesses, these operations are more highly geared and in this respect are different from the rest of the group. Short-term equipment rental businesses with a net book value of rental assets amounting to R1 498 million (2011: R1 373 million; 2010: R1 191 million) are included as part of the Trading operations.

	Total group			Trading			Leasing			Car rental		
	2012 Rm	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm
Consolidated statement of financial position												
Assets												
Property, plant and equipment												
Cost	**15 780**	15 200	13 563	**9 021**	9 393	8 014	**4 137**	3 539	3 177	**2 622**	2 268	2 372
Accumulated depreciation	**4 399**	4 761	4 306	**2 811**	3 393	3 026	**1 262**	1 131	979	**326**	237	301
Net book value	**11 381**	10 439	9 257	**6 210**	6 000	4 988	**2 875**	2 408	2 198	**2 296**	2 031	2 071
Less: Items reflected under current assets as vehicle rental fleet and assets classified as held for sale	**1 908**	1 696	1 682		1	3				**1 908**	1 695	1 679
Property, plant and equipment – net book value	**9 473**	8 743	7 575	**6 210**	5 999	4 985	**2 875**	2 408	2 198	**388**	336	392
Goodwill	**1 759**	2 092	2 078	**674**	1 023	1 012	**292**	282	282	**793**	787	784
Intangible assets	**1 049**	421	297	**1 038**	411	285	**8**	6	1	**3**	4	11
Finance lease receivables	**125**	286	236	**7**	27	61	**118**	259	175			
Long-term financial assets, investment in associates and joint ventures	**527**	476	685	**525**	449	645		25	19	**2**	2	21
Deferred taxation assets	**537**	649	755	**533**	615	725		34	30	**4**		
Non-current assets	**13 470**	12 667	11 626	**8 987**	8 524	7 713	**3 293**	3 014	2 705	**1 190**	1 129	1 208
Current assets	**22 340**	18 252	14 012	**19 269**	15 625	11 319	**590**	385	410	**2 481**	2 242	2 283
Finance lease receivables	**145**	270	331	**12**	69	55	**133**	201	276			
Cash and cash equivalents	**2 624**	2 754	1 928	**2 554**	2 723	1 792	**52**	16	19	**18**	15	117
Other current assets	**19 571**	15 228	11 753	**16 703**	12 833	9 472	**405**	168	115	**2 463**	2 227	2 166
Assets classified as held for sale		13	52		13	52						
Total assets	**35 810**	30 932	25 690	**28 256**	24 162	19 084	**3 883**	3 399	3 115	**3 671**	3 371	3 491
Equity and liabilities												
Interest of all shareholders	**13 167**	12 652	10 826	**11 843**	11 486	9 552	**479**	382	414	**845**	784	860
Non-current liabilities	**8 964**	7 279	5 670	**4 411**	3 164	1 607	**2 635**	2 518	2 196	**1 918**	1 597	1 867
Deferred taxation liabilities	**371**	229	302	**102**	(22)	53	**157**	149	142	**112**	102	107
Interest-bearing	**7 048**	5 522	4 285	**3 015**	1 885	738	**2 232**	2 146	1 842	**1 801**	1 491	1 705
Non-interest-bearing	**1 545**	1 528	1 083	**1 294**	1 301	816	**246**	223	212	**5**	4	55
Current liabilities	**13 679**	10 996	9 136	**12 002**	9 507	7 867	**769**	499	505	**908**	990	764
Amounts due to bankers and short-term loans	**3 040**	1 721	2 692	**2 979**	1 614	2 508	**28**	58	151	**33**	49	33
Other current liabilities	**10 639**	9 275	6 444	**9 023**	7 893	5 359	**741**	441	354	**875**	941	731
Liabilities directly associated with assets classified as held for sale – Non-interest-bearing		5	58		5	58						
Total equity and liabilities	**35 810**	30 932	25 690	**28 256**	24 162	19 084	**3 883**	3 399	3 115	**3 671**	3 371	3 491

1. OPERATING AND GEOGRAPHICAL SEGMENTS** (continued)

1.1 Segmentation for purpose of gearing and interest cover targets^ (continued)

	Total group			Trading			Leasing			Car rental		
	2012 Rm	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm	**2012 Rm**	2011 Rm	2010 Rm
Consolidated income statement												
Continuing operations												
Revenue	**58 554**	49 823	40 830	**52 671**	44 668	36 040	**2 328**	1 814	1 586	**3 555**	3 341	3 204
Operating profit before items listed below (EBITDA)	**4 905**	3 993	3 318	**3 175**	2 492	1 735	**1 035**	890	844	**695**	611	739
Depreciation	**(1 806)**	(1 620)	(1 736)	**(714)**	(662)	(756)	**(650)**	(572)	(528)	**(442)**	(386)	(452)
Amortisation of intangible assets	**(111)**	(84)	(64)	**(104)**	(78)	(59)	**(5)**	(5)	(1)	**(2)**	(5)	(4)
Operating profit	**2 988**	2 289	1 518	**2 357**	1 752	920	**380**	317	315	**251**	220	283
Fair value adjustments on financial instruments	**(93)**	(65)	(89)	**(93)**	(64)	(86)			(2)		(1)	(1)
Finance costs	**(827)**	(755)	(809)	**(440)**	(386)	(447)	**(202)**	(170)	(142)	**(185)**	(199)	(220)
Income from investments	**51**	62	84	**49**	8	63	**2**	2	2		52	19
Profit before exceptional items	**2 119**	1 531	704	**1 873**	1 310	450	**180**	149	173	**66**	72	81
Exceptional items	**190**	62	(176)	**311**	57	(176)	**(121)**	(1)			6	
Profit before taxation	**2 309**	1 593	528	**2 184**	1 367	274	**59**	148	173	**66**	78	81
Taxation	**(815)**	(584)	(228)	**(707)**	(499)	(188)	**(89)**	(53)	(41)	**(19)**	(32)	1
Profit after taxation	**1 494**	1 009	300	**1 477**	868	86	**(30)**	95	132	**47**	46	82
Income from associates and joint ventures	**141**	71	16	**140**	62	12	**1**	8	5		1	(1)
Net profit from continuing operations	**1 635**	1 080	316	**1 617**	930	98	**(29)**	103	137	**47**	47	81
Discontinued operations												
Loss from discontinued operations			(272)									(272)
Net profit/(loss)	**1 635**	1 080	44	**1 617**	930	98	**(29)**	103	137	**47**	47	(191)
Attributable to:												
Non-controlling interest	**76**	63	51	**68**	52	45	**11**	11	6	**(3)**		
Barloworld Limited shareholders	**1 559**	1 017	(7)	**1 549**	878	53	**(40)**	92	131	**50**	47	(191)
	1 635	1 080	44	**1 617**	930	98	**(29)**	103	137	**47**	47	(191)
Key financial ratios by segment												
Total borrowings to total shareholders' funds (%)**												
Actual	**77**	57	64	**50**	30	34	**472**	577	482	**217**	196	202
Target #					**30 – 50**			**600 – 800**			**200 – 300**	
Interest cover (times)**												
Actual	**3.6**	3.0	1.9	**5.3**	4.4	2.0	**1.9**	1.9	2.2	**1.4**	1.4	1.4
Target		> 3			**> 4**			**> 1**			**> 1.25**	
Net debt (%)	**57**	35	47	**29**	7	15	**461**	573	477	**215**	195	188

 # The group gearing target is dependant on the relative mix of assets between the three segments.
*** Refer to www.barloworld.com for definitions.*
^ All years have been reclassified for the treatment of car rental Scandinavia as discontinued operations.

Notes to the consolidated annual financial statements continued

for the year ended 30 September

	2012		
	Cost Rm	Accumulated depreciation and impairments Rm	Net book value Rm
2. PROPERTY, PLANT AND EQUIPMENT			
Freehold land and buildings	3 210	369	2 841
Leasehold land and buildings	982	306	676
Investment property	26	11	15
Plant, equipment and furniture	2 046	1 434	612
Vehicles and aircraft	675	330	345
Capitalised leased plant and equipment, vehicles and furniture	615	82	533
Rental assets – vehicles	6 262	1 401	4 861
Rental assets – equipment	1 964	466	1 498
	15 780	4 399	11 381
Less: Vehicle rental fleet reflected under current assets			1 908
Other assets classified as held for sale			
			9 473
Investment properties:			
Two investment properties (2011: six and 2010: six) are held of which one is income generating (2011: six and 2010: six) and one is vacant.			
Income earned from investment properties			
Direct operating expenses incurred on investment properties			
Fair value of investment properties			17
The valuations were done by a chartered surveyor on the existing use value method.			
The registers of land and buildings are open for inspection at the registered offices of the companies.			

2011			2010		
Cost Rm	Accumulated depreciation and impairments Rm	Net book value Rm	Cost Rm	Accumulated depreciation and impairments Rm	Net book value Rm
2 909	348	2 561	2 361	297	2 064
951	271	680	700	203	497
31	11	20	30	10	20
2 089	1 501	588	1 810	1 283	527
657	311	346	493	255	238
570	138	432	576	125	451
5 227	1 121	4 106	4 891	1 041	3 850
2 766	1 060	1 706	2 702	1 092	1 610
15 200	4 761	10 439	13 563	4 306	9 257
		1 695			1 679
		1			3
		8 743			7 575

3	3
1	1
84	65

Notes to the consolidated annual financial statements continued
for the year ended 30 September

Movement of property, plant and equipment	Freehold and leasehold land and buildings Rm	Investment property Rm
2. PROPERTY, PLANT AND EQUIPMENT (continued)		
2012		
Net balance at 1 October 2011	**3 241**	**20**
Subsidiaries acquired	**42**	
Subsidiaries disposed	**(43)**	
Other additions	**306**	
(Impairment)/reversal of impairment of assets	**(1)**	
Translation differences (net)#	**70**	
	3 615	**20**
Other disposals and reallocations	**(10)**	**(3)**
Depreciation	**(88)**	**(2)**
Net balance at 30 September 2012	**3 517**	**15**
Less: Vehicle rental fleet assets reflected under current assets		
Balance reflected as property, plant and equipment	**3 517**	**15**
2011		
Net balance at 1 October 2010	2 561	20
Subsidiaries acquired	113	
Subsidiaries disposed		
Other additions	500	
(Impairment)/reversal of impairment of assets	(7)	
Translation differences (net)#	191	
	3 358	20
Other disposals	(39)	
Depreciation	(78)	
Net balance at 30 September 2011	3 241	20
Less: Vehicle rental fleet assets reflected under current assets		
Other assets classified as held for sale		
Balance reflected as property, plant and equipment	3 241	20
2010		
Net balance at 1 October 2009	2 439	14
Subsidiaries disposed	(24)	
Other additions	320	6
Impairment of assets		
Translation differences (net)#	(64)	
	2 671	20
Other disposals	(18)	
Depreciation	(92)	
Net balance at 30 September 2010	2 561	20
Less: Vehicle rental fleet assets reflected under current assets		
Disposal group assets classified as held for sale		
Balance reflected as property, plant and equipment	2 561	20

Refer page 40.

Plant, equipment and furniture Rm	Vehicles and aircraft Rm	Capitalised leased assets Rm	Rental assets – vehicles* Rm	Rental assets – equipment* Rm	Total Rm
588	**346**	**432**	**4 106**	**1 706**	**10 439**
12	**11**	**13**	**162**		**240**
(28)	**(4)**	**(27)**		**(435)**	**(537)**
279	**185**	**53**	**3 612**	**1 267**	**5 702**
				1	
4	**2**	**(1)**	**(11)**	**4**	**68**
855	**540**	**470**	**7 869**	**2 543**	**15 912**
(38)	**(124)**	**86**	**(1 970)**	**(666)**	**(2 725)**
(205)	**(71)**	**(23)**	**(1 038)**	**(379)**	**(1 806)**
612	**345**	**533**	**4 861**	**1 498**	**11 381**
			1 908		**1 908**
612	**345**	**533**	**2 953**	**1 498**	**9 473**
527	238	451	3 850	1 610	9 257
9	11			37	170
(2)	(1)				(3)
207	164	9	3 350	1 225	5 455
	2				(5)
60	10	4	61	137	463
801	424	464	7 261	3 009	15 337
(24)	(19)	(16)	(2 254)	(926)	(3 278)
(189)	(59)	(16)	(901)	(377)	(1 620)
588	346	432	4 106	1 706	10 439
			1 695		1 695
	1				1
588	345	432	2 411	1 706	8 743
624	259	484	5 424	2 050	11 294
(17)			(1 139)		(1 180)
173	64	2	4 349	728	5 642
	(11)				(11)
(33)	(5)	(3)	(189)	(152)	(446)
747	307	483	8 445	2 626	15 299
(13)	(15)	(3)	(3 494)	(573)	(4 116)
(207)	(54)	(29)	(1 101)	(443)	(1 926)
527	238	451	3 850	1 610	9 257
			1 679		1 679
3					3
524	238	451	2 171	1 610	7 575

* *Refer page 40.*

Notes to the consolidated annual financial statements continued

for the year ended 30 September

		2012 Rm	2011 Rm	2010 Rm
2.	**PROPERTY, PLANT AND EQUIPMENT** (continued)			
	#Translation difference:			
	The translation differences are made up as follows:			
	Cost	**82**	787	(764)
	Accumulated depreciation	**(14)**	(324)	318
		68	463	(446)
	***Rental asset disclosures:**			
	Future minimum undiscounted lease receivables under non-cancellable operating leases (excluding Avis Fleet Services):			
	Within one year	**48**	51	35
	Two to five years	**77**	106	93
	More than five years	**31**	40	35
		156	197	163
	Future minimum undiscounted lease receivables under non-cancellable operating leases for Avis Fleet Services:			
	Within one year	**649**	760	630
	Two to five years	**626**	741	720
	More than five years			1
		1 275	1 501	1 351

Equipment rental assets include materials handling equipment rented to customers in South Africa and Europe and capital equipment in Southern Africa, Europe and Russia.

Vehicle rental assets include the following:

- Short-term motor vehicle fleet in southern Africa for rent to customers for periods varying between 1 to 30 days. In South Africa nil (2011: Nil and 2010: 8.6%) of the fleet value carries a guaranteed buyback from the manufacturer.
- Long-term vehicle fleet in southern Africa leased to customers for periods in excess of 12 months with an average lease term of 42 months (2011: 38 months and 2010: 40 months) and an average residual value of 46.5% (2011: 48% and 2010: 46.7%).

Refer note 1 for a segmental analysis of impairment losses and reversals.

		2012 Rm	2011 Rm	2010 Rm
3.	**GOODWILL**			
	Cost			
	At 1 October	**2 549**	2 377	3 041
	Additions	**6**	3	
	Subsidiaries acquired	**19**	95	
	Subsidiaries disposed	**(148)**	(59)	(575)
	Translation differences	**43**	133	(89)
	At 30 September	**2 469**	2 549	2 377
	Accumulated impairment losses			
	At 1 October	**457**	299	722
	Subsidiaries disposed	**(128)**	(59)	(575)
	Impairment	**363**	211	152
	Translation differences	**18**	6	
	At 30 September	**710**	457	299
	Carrying amount			
	At 30 September	**1 759**	2 092	2 078

		2012 Rm	2011 Rm	2010 Rm
3.	**GOODWILL** (continued)			
	The impairments relate to the following:			
	Logistics Middle East and Asia	**142**	62	152
	Logistics Africa		35	
	Handling		114	
	Motor Retail	**8**		
	Equipment Iberia	**213**		
		363	211	152

Goodwill is allocated to groups of cash-generating units based on group business segments (refer note 1).

During the current year the group has recognised intangible assets of R635.7 million with indefinite useful lives resulting from the Bucyrus acquisition. Refer to note 4.

During the current year, all significant recoverable amounts were based on value in use. A discounted cash flow valuation model is applied using five year strategic plans as approved by management. The financial plans are the quantification of strategies derived from the use of a common strategic planning process followed across the group. The process ensures that all significant risks and sensitivities are appropriately considered and factored into strategic plans. Key assumptions are based on industry specific performance levels as well as economic indicators approved by the executive. These assumptions are generally consistent with external sources of information.

Cash flows for the terminal value beyond the explicit forecast period of five years is estimated by using growth rates that are aligned to the long-term sustainable level of growth in the economic region in which cash-generating units operate.

Discount rates applied to cash flow projections are based on a country or region specific weighted average cost of capital (WACC), dependent upon the location of cash-generating segment operations.

The nominal WACC applied are as follows:

	2012 %	2011 %	2010 %
United States	**7.8**	8.3	6.7
Spain	**8.1**	8.3	8.1
United Kingdom	**7.1**	8.0	5.7
Australia	**5.6**	6.9	7.5
South Africa	**12.3**	12.5	11.9
UAE	**10.0**	8.7	9.4

The 2012 impairment loss pertaining to Equipment Iberia, Logistics Middle East and Asia (MEA) was calculated by comparing the discounted cash flows of the remaining business cash generating units to the carrying value of the net operating assets of the remaining businesses.

The 2011 impairment loss pertaining to Logistics Middle East and Asia (MEA), Logistics Africa and Handling was calculated by comparing the discounted cash flows of the remaining business cash generating units to the carrying value of the net operating assets of the remaining businesses.

During 2010, it was agreed that the MEA freight forwarding business would be split between trader and corporate customer/activity and the trader business would be exited. The rationale was that the trader business did not fit Barloworld Logistics strategic direction of converting their customer base to a supply chain management offering.

The 2010 impairment loss pertaining to the Logistics Middle East and Asia (MEA) unit was calculated by comparing the discounted cash flows of the remaining business cash generating unit to the carrying value of the net operating assets of the remaining businesses and by comparing the carrying value of the MEA trader business to its estimated recoverable amount. The estimated recoverable amount was determined based on the fair value less costs to sell of the business based on expected disposal price. The trader business was classified as held for sale in September 2010 (refer note 12), and was sold during February 2011.

Notes to the consolidated annual financial statements continued

for the year ended 30 September

	2012				
	Capitalised software Rm	Patents, trademarks, development costs Rm	Supplier relationships costs Rm	Customer relationships, order backlog Rm	Total intangible assets Rm
4. INTANGIBLE ASSETS					
Cost					
At 1 October	685	139	95		919
Subsidiaries acquired	1		636	64	701
Other additions	132	1			133
Subsidiaries disposed	(124)				(124)
Other disposals	(9)				(9)
Other reclassification	6				6
Impairment					
Translation differences	4		(8)		(4)
At 30 September	695	140	723	64	1 622
Accumulated amortisation and impairment					
At 1 October	395	84	19		498
Charge for the year (note 20)	63	18	20	10	111
Subsidiaries acquired	1				1
Subsidiaries disposed	(83)				(83)
Other disposals	(9)				(9)
Other reclassification	6				6
Impairment	45	2			47
Translation differences	1		1		2
At 30 September	419	104	40	10	573
Carrying amount					
At 30 September	276	36	683	54	1 049

2011			2010		
Capitalised software Rm	Patents, trademarks, development costs Rm	Total intangible assets Rm	Capitalised software Rm	Patents, trademarks, development costs Rm	Total intangible assets Rm
568	145	713	510	145	655
19	82	101			
92		92	99	4	103
(3)		(3)			
(14)	(1)	(15)	(7)		(7)
(14)	(5)	(19)	(2)		(2)
	(2)	(2)			
37	15	52	(32)	(4)	(36)
685	234	919	568	145	713
346	70	416	321	54	375
50	34	84	50	17	67
4		4			
(13)	(1)	(14)	(2)		(2)
(16)	(3)	(19)			
	(1)	(1)			
24	4	28	(23)	(1)	(24)
395	103	498	346	70	416
290	131	421	222	75	297

Notes to the consolidated annual financial statements continued
for the year ended 30 September

	2012 Rm	2011 Rm	2010 Rm	2012 Rm	2011 Rm	2010 Rm
5. INVESTMENT IN ASSOCIATES AND JOINT VENTURES*	**Income/(loss)**			**Investment**		
Associates	**9**	(4)	(16)	**176**	154	128
Joint ventures	**132**	75	32	**254**	175	424
Total per income statement/ statement of financial position	**141**	71	16	**430**	329	552
	Associates			**Joint ventures**		
Cost of investment^+	**223**	203	203	**72**	38	230
Share of associates and joint ventures' reserves	**(64)**	(69)	(79)	**181**	137	194
Beginning of year	**(69)**	(79)	1	**137**	194	214
Normal and exceptional profit for the year	**9**	(4)	(16)	**132**	75	32
Dividends received			1	**(80)**	(65)	
Disposals and other reserve movements^		14	(32)	**(8)**	(67)	(46)
Impairments during the year	**(4)**		(33)			
Other reallocation and movements						(6)
Carrying value excluding amounts owing	**159**	134	124	**253**	175	424
Loans and advances to associates and joint ventures	**18**	20	4			
Carrying value including amounts owing	**177**	154	128	**253**	175	424
Carrying value by category						
Unlisted associates and joint ventures – shares at carrying value	**159**	134	124	**253**	175	424
	159	134	124	**253**	175	424
Aggregate of group share of associate companies and joint ventures' net assets, revenue and profit						
Property, plant and equipment and other non-current assets	**249**	196	193	**171**	246	267
Current assets	**99**	80	60	**372**	257	813
Long-term liabilities	**111**	102	94	**77**	142	141
Current liabilities	**81**	43	35	**195**	196	232
Revenue	**204**	189	154	**1 038**	327	1 314
Cash flow from operations	**28**	27	(12)	**(90)**	(98)	(274)

* *Refer to notes 38 and 39 for a detailed list of associate and joint venture companies.*

^ *The Vostochnaya Technica (VT) joint venture was consolidated into the group results in 2011 following the acquisition of the 50% shareholding of the joint venture partner.*

\+ *The PhakisaWorld Fleet Solutions joint venture was consolidated into the group results in 2012 following the acquisition of the 50% shareholding of the joint venture partner.*

	2012 Rm	2011 Rm	2010 Rm
6. FINANCE LEASE RECEIVABLES			
Amounts receivable under finance leases:			
Gross investment	**305**	614	630
Less: Unearned finance income	**(35)**	(58)	(63)
Present value of minimum lease payments receivable	**270**	556	567
Receivable as follows:			
Present value			
Within one year (note 10)	**145**	270	331
Non-current portion	**125**	286	236
In the second to fifth year inclusive	**125**	285	233
After five years		1	3
	270	556	567
Minimum lease payments			
Within one year	**165**	313	373
In the second to fifth year inclusive	**140**	300	254
After five years		1	3
	305	614	630
Less: Unearned finance income	**(35)**	(58)	(63)
	270	556	567
Fair value of finance lease receivables	**270**	556	567
Allowance for uncollectible finance lease receivables			
At 1 October		2	12
Allowance reversed to profit or loss		(4)	(9)
Translation		2	(1)
At 30 September			2
Unguaranteed residual values of assets leased under finance leases	**35**	171	206

Long-term vehicle fleet is leased to customers for periods ranging from 24 to 60 months. The average lease term is 45 months and the majority of these leases are at interest rates linked to South African prime rate. The weighted average interest rate on lease receivables for the year 30 September 2012 was 9% per annum (2011: 7%; 2010: 7%).

Notes to the consolidated annual financial statements continued

for the year ended 30 September

		2012 Rm	2011 Rm	2010 Rm
7.	**LONG-TERM FINANCIAL ASSETS**			
	Listed investments at fair value	**7**	8	21
	Unlisted investments at fair value	**25**	25	25
	Bills and leases discounted with recourse and repurchase obligations		13	15
	Other receivables	**35**	86	66
	Other derivatives			1
	Other non-current loans and deposits	**29**	13	1
	Barloworld Share Purchase Scheme**	**1**	2	4
	Total per statement of financial position	**97**	147	133
	Per category:			
	Financial assets at fair value through profit or loss			
	– Designated as such at initial recognition	**7**	8	
	Available-for-sale financial assets	**25**	25	46
	Loans and receivables	**36**	75	86
	Derivative assets designated as effective hedging instruments		21	1
	Other assets	**29**	18	
		97	147	133
	Available-for-sale investments (note 37)			
	Unlisted investments			
	Opening balance	**25**	25	46
	Additions and other movements			(21)
	Fair value of unlisted investments	**25**	25	25
	Total fair value of available-for-sale investments	**25**	25	25
	Other listed investments			
	PPC shares^	**7**	8	21
	Valuation of shares:			
	Market value – listed investments	**7**	8	21
	Directors' valuation of unlisted investments*	**25**	25	25
	Total fair value	**32**	33	46

***** Barloworld Share Purchase Scheme***
Included are loans to executive directors for the purchase of shares amounting to R0.2 million (2011: R0.2 million; 2010: R0.2 million). The loans are secured by pledge of the shares and are repayable within 10 years of granting of the option or within nine months of death or immediately on ceasing to be an employee, except in the case of retirement. Interest rates vary in accordance with the terms and provisions of the trust deed and was 7% to 6.5% (2011: 7%; 2010: 8%).

^ ***PPC shares***
The investment is held by Barloworld for the commitment to deliver PPC shares to the option holders following the unbundling of PPC. Refer to note 33.5 for details.

* ***Unlisted investments***
Unlisted investments are measured using net asset value.

	2012 Rm	2011 Rm	2010 Rm
8. DEFERRED TAXATION			
Movement of deferred taxation			
Balance at beginning of year			
– deferred taxation assets	**649**	755	656
– deferred taxation liabilities	**(229)**	(302)	(249)
Net asset at beginning of the year	**420**	453	407
Recognised in income statement this year	**(227)**	(115)	22
– Continuing operations	**(229)**	(115)	24
– Rate change adjustment	**2**		(2)
Recognised in income statement this year – Discontinued operations			(1)
Arising on acquisition and disposal of subsidiaries	**(98)**	4	
Translation differences	**12**	69	(40)
Accounted for directly in other comprehensive income	**16**	15	70
Accounted for directly in equity	**43**	(8)	
Other movements		2	(5)
Net asset at end of the year	**166**	420	453
– deferred taxation assets	**537**	649	755
– deferred taxation liabilities	**(371)**	(229)	(302)
Analysis of deferred taxation by type of temporary difference			
Deferred taxation assets			
Capital allowances	**(64)**	(68)	(106)
Provisions and payables	**138**	195	188
Prepayments and other receivables	**85**	57	32
Effect of tax losses	**134**	215	450
Retirement benefit obligations	**246**	249	195
Other temporary differences	**(2)**	1	(4)
	537	649	755
Deferred taxation liabilities			
Capital allowances	**(659)**	(495)	(244)
Provisions and payables	**248**	158	42
Prepayments and other receivables	**11**	10	(31)
Effect of tax losses	**10**	148	40
Retirement benefit obligations			(5)
Other temporary differences	**19**	(50)	(104)
	(371)	(229)	(302)
Amount of deferred taxation (expense)/income recognised in the income statement			
Capital allowances	**(39)**	(87)	(3)
Provisions and payables	**22**	99	(25)
Prepayments and other receivables	**26**	12	(6)
Effect of tax losses	**(228)**	(117)	127
Retirement benefit obligations	**(30)**	(47)	(46)
Other temporary differences	**22**	26	(25)
	(227)	(115)	22

The tax grouping which falls under the Spanish Tax jurisdiction has for the past three financial years incurred losses for taxation purposes which have given rise to a deferred taxation asset of R158 million. The grouping does not have sufficient temporary differences which would give rise to deferred tax liabilities but the grouping has recognised a deferred taxation asset based on actions taken within the businesses to reduce the costs bases which will allow the grouping to operate with significantly lower revenues. In addition the grouping has identified tax planning opportunities which can materially reduce the taxation asset.

Notes to the consolidated annual financial statements continued

for the year ended 30 September

		2012 Rm	2011 Rm	2010 Rm
9.	**INVENTORIES**			
	Work in progress	**484**	403	295
	Finished goods	**5 051**	3 480	2 554
	Merchandise	**5 246**	3 377	2 421
	Consumable stores	**29**	22	11
	Other inventories	**45**	41	37
	Total inventories	**10 855**	7 323	5 318
	The value of inventories has been determined on the following bases:			
	First-in first-out and specific identification	**10 044**	6 766	4 957
	Weighted average	**811**	557	361
		10 855	7 323	5 318
	Inventory pledged as security for liabilities	**327**	374	107
	The secured liabilities are included under trade and other payables (note 17)			
	Amount of write down of inventory to net realisable value and losses of inventory	**140**	152	141
	Amount of reversals of inventory previously written down	**4**	11	4
	Amounts removed during the year from cash flow hedge reserve and included in the initial cost of inventory	**(13)**	(37)	8
10.	**TRADE AND OTHER RECEIVABLES**			
	Trade receivables	**5 653**	4 953	4 119
	Less: Allowance for doubtful receivables	**(374)**	(345)	(301)
	Finance lease receivables (note 6)	**145**	270	331
	Fair value of derivatives	**9**	255	31
	Other receivables and prepayments	**1 483**	1 315	850
	Total per statement of financial position	**6 916**	6 448	5 030
	Per category:			
	Financial assets at fair value through profit or loss			
	– Held for trading items	**6**	79	
	Loans and receivables	**5 839**	5 093	4 352
	Derivative assets designated as effective hedging instruments	**3**	176	31
	Finance lease receivables	**145**	270	331
		5 993	5 618	4 714
	Allowance for doubtful receivables			
	At 1 October	**345**	301	350
	Additional allowance charged to profit or loss	**83**	72	68
	Allowance reversed to profit or loss	**(35)**	(23)	(58)
	Allowance utilised	**(36)**	(25)	(30)
	Acquisition of subsidiaries	**19**	2	
	Disposal of subsidiaries	**(2)**	(5)	(2)
	Translation		23	(27)
	At 30 September	**374**	345	301

Receivables are reviewed for impairment on an individual basis and factors considered include the nature and credit quality of counterparties as well as disputes regarding price, delivery, quality and authorisation of work done.

	2012 Rm	2011 Rm	2010 Rm
10. TRADE AND OTHER RECEIVABLES (continued)			
Age analysis of carrying value of items past due but not impaired per class			
Industry			
Less than 30 days	**554**	413	271
Between 31 – 60 days	**226**	195	192
Between 60 – 90 days	**116**	84	94
Greater than 90 days	**259**	149	105
	1 155	841	662
Government			
Less than 30 days	**11**	23	15
Between 31 – 60 days	**15**	9	4
Between 60 – 90 days	**21**	6	3
Greater than 90 days	**51**	4	6
	98	42	28
Consumers			
Less than 30 days	**61**	64	44
Between 31 – 60 days	**22**	13	21
Between 60 – 90 days	**15**	4	5
Greater than 90 days	**8**	11	18
	106	92	88
Carrying value of financial assets pledged as collateral for liabilities or contingent liabilities			55
The financial assets pledged consist of the accounts receivable in the Logistics Middle East division given as security for contingent liabilities.			
11. CASH AND CASH EQUIVALENTS			
Cash on deposit	**2 416**	2 375	1 547
Other cash and cash equivalent balances	**208**	379	381
	2 624	2 754	1 928
Per category:			
Loans and receivables	**2 624**	2 754	1 928
	2 624	2 754	1 928
Per currency:			
South African rand	**1 103**	1 674	735
Foreign currencies	**1 521**	1 080	1 193
	2 624	2 754	1 928
Cash balances not available for use due to reserving restrictions	**182**	503	413

Notes to the consolidated annual financial statements continued

for the year ended 30 September

	2012 Rm	2011 Rm	2010 Rm
12. DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE			
The 30 September 2010 figures relate to the car rental Scandinavia business which was sold in July 2010.			
Results from discontinued operations are as follows:			
Revenue			1 219
Operating profit before items listed below (EBITDA)			104
Depreciation			(190)
Amortisation of intangible assets			(3)
Operating loss			(89)
Finance costs			(24)
Income from investments			4
Loss before taxation			(109)
Taxation			24
Net loss of discontinued operations before loss on disposal			(85)
Loss on disposal of discontinued operations*			(289)
Realisation of translation reserve			102
Net loss on disposal of discontinued operations			(187)
Loss from discontinued operations per income statement			(272)
The cash flows from the discontinued operations are as follows:			
Cash flows from operating activities			(6)
Cash flows from investing activities			183
Cash flows from financing activities			(92)

**Based on disposal prices agreed with external parties.*

12. DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE (continued)

The major classes of assets and liabilities classified as held for sale are as follows:
There are no assets or liabilities held for sale in 2012

	Total held for sale Rm	Other assets[1] Rm
2011		
Property, plant and equipment	1	1
Inventories	11	11
Trade and other receivables	1	1
Assets classified as held for sale	13	13
Trade and other payables – short and long term	(5)	(5)
Total liabilities associated with assets classified as held for sale	(5)	(5)
Net assets classified as held for sale	8	8

	Total held for sale Rm	African Trading business[2] Rm
2010		
Property, plant and equipment	3	3
Trade and other receivables	43	43
Cash balances	6	6
Assets classified as held for sale	52	52
Trade and other payables – short and long term	(28)	(28)
Other current and non-current liabilities	(30)	(30)
Total liabilities associated with assets classified as held for sale	(58)	(58)
Net liability classified as held for sale	(6)	(6)

[1] *Other assets held for sale relate to the net assets of automotive dealerships sold in the 2012 financial year.*
[2] *The Logistics African non-corporate trading businesses were sold during February 2011.*

Notes to the consolidated annual financial statements continued

for the year ended 30 September

		2012 Rm	2011 Rm	2010 Rm
13.	**SHARE CAPITAL AND PREMIUM**			
	Authorised share capital			
	500 000 6% Non-redeemable cumulative preference shares of R2 each	**1**	1	1
	400 000 000 (2011: 400 000 000) (2010: 400 000 000) Ordinary shares of 5 cents each	**20**	20	20
		21	21	21
	Issued share capital			
	375 000 6% Non-redeemable cumulative preference shares of R2 each (2011: 375 000) (2010: 375 000)	**1**	1	1
	231 011 981 Ordinary shares of 5 cents each, (2011: 230 878 344) (2010: 230 452 448)	**12**	12	12
		13	13	13
	Share premium	**296**	291	282
	Balance at beginning of year	**291**	282	240
	Premium on share issues	**5**	9	43
	Adjustment – other			(1)
	Total issued share capital and premium	**309**	304	295
	Issued shares:			
	Total number of shares in issue at beginning of year excluding BEE shares	**212 171 078**	211 745 182	208 733 228
	Issued during the year:			
	Share options exercised	**133 637**	425 896	1 795 004
	Shares issued in terms of the forfeitable share plan (note 33.2)			1 216 950
	Total number of ordinary shares in issue at end of year, excluding BEE shares	**212 304 715**	212 171 078	211 745 182
	Other shares issued in respect of BEE transaction	**18 707 266**	18 707 266	18 707 266
	Total number of ordinary shares in issue at end of year, including BEE shares	**231 011 981**	230 878 344	230 452 448
	Treasury shares	**(5 938 990)**	(5 728 242)	(5 475 274)
	Net number of ordinary shares in issue at end of year	**225 072 991**	225 150 102	224 977 174
	Unissued shares:			
	Ordinary shares reserved to meet the requirements of the Barloworld Share Option Scheme (note 1 below)	**23 101 198**	23 087 834	23 045 245
	Ordinary shares	**145 886 821**	146 033 822	146 502 307
		168 988 019	169 121 656	169 547 552
	6% non-redeemable cumulative preference shares	**125 000**	125 000	125 000

Notes:

[1] *The members in general meeting on 20 January 2005 reserved shares for the purposes of the Barloworld Share Option Scheme.*

[2] *The directors have a general authority to allot and issue up to 5% of the authorised but unissued ordinary shares of 5 cents each of the share capital of the company as approved at the 2012 annual general meeting.*

[3] *Refer note 33 for detail about the Barloworld share incentive schemes and share-based payments disclosure.*

	2012 Rm	2011 Rm	2010 Rm
14. INTEREST-BEARING LIABILITIES			
Total long-term borrowings (note 32.2)	**7 493**	5 739	6 066
Less: Current portion redeemable and repayable within one year (note 18)	**(445)**	(217)	(1 781)
Interest-bearing liabilities	**7 048**	5 522	4 285
Per category:			
Financial liabilities measured at amortised cost	**6 583**	4 888	3 465
	6 583	4 888	3 465

Summary of group borrowings by currency and by year of redemption or repayment

R million	Total owing 2012	Repayable during the year ending 30 September 2013	2014	2015	2016	2017 and onwards	Total owing 2011	Total owing 2010
Total SA rand	**7 228**	408	1 933	1 862	828	2 197	5 459	5 692
US dollar	**26**	8	8	7	3		96	37
UK sterling							50	152
Euro	**83**	23	17	10	9	24	114	156
Other	**156**	6	150				20	29
Total foreign currencies	**265**	37	175	17	12	24	280	374
Total SA rand and foreign currency liabilities	**7 493**	445	2 108	1 879	840	2 221	5 739	6 066

Included above are secured liabilities as follows:	Liabilities secured 2012 Rm	2011 Rm	2010 Rm	Net book value of assets encumbered 2012 Rm	2011 Rm	2010 Rm
Secured liabilities						
Secured loans						
South African rand	**84**	97	79	**78**	126	129
Liabilities under capitalised finance leases (note 29)						
South African rand	**463**	439	476	**472**	433	449
Foreign currencies	**83**	195	344	**2**	1	204
Total secured liabilities	**630**	731	899	**552**	560	782
Assets encumbered are made up as follows:						
Property, plant and equipment				**552**	560	618
Finance lease receivables (note 6)						164
				552	560	782

Notes to the consolidated annual financial statements continued

for the year ended 30 September

	2012 Rm	2011 Rm	2010 Rm
15. PROVISIONS			
Non-current	**254**	265	217
Current	**839**	633	476
	1 093	898	693

Movement of provisions	Total 2012 Rm	Insurance claims Rm	Warranty claims Rm	Credit life and warranty products Rm	Maintenance contracts Rm	Post-retirement benefits Rm	Restructuring Rm	Other Rm
Balance at beginning of year	**898**	56	212	54	209	89	58	220
Amounts added	**906**	4	234	24	508	1	18	117
Amounts used	**(709)**	(25)	(106)	(4)	(474)	(10)	(14)	(76)
Reallocation of amounts	**(17)**	(17)						
Amounts reversed unused	**(106)**		(66)	(12)	(16)			(12)
Acquisition of subsidiaries	**99**				99			
Disposal of subsidiaries	**(1)**							(1)
Unwinding of discount on present valued amounts	**18**				6			12
Translation adjustments	**5**	2	3				(2)	2
Balance at end of year	**1 093**	20	277	62	332	80	60	262
To be incurred								
Within one year	**839**	20	238	30	257	61	32	201
Between two to five years	**240**		39	32	75	7	28	59
More than five years	**14**					12		2
	1 093	20	277	62	332	80	60	262

Insurance claims
The provision arises from outstanding claims to 3rd parties from Barloworld Insurance Limited which manages the group's insurance programme.

Warranty claims
The provisions relate principally to warranty claims on capital equipment, spare parts and service. The estimate is based on claims notified and past experience.

Credit life and warranty products
The provision relates to credit life and warranty products sold by the automotive segment. Refer note 31 on insurance contracts.

Maintenance contracts
This relates to deferred revenue on maintenance and repair contracts on equipment, forklift trucks and motor vehicles. Assumptions include the estimation of maintenance and repair costs over the life cycle of the assets concerned.

Post-retirement benefits
The provisions comprise mainly of post-retirement benefits for existing and former employees. Actuarial valuations were used to determine the value of the provisions where necessary. The actuarial valuations are based on assumptions which include employee turnover, mortality rates, discount rates, the expected long-term rate of return of retirement plan assets, health care inflation cost and rates of increase in compensation costs.

Restructuring
The provision includes obligations related to the closure of operations.

Other
Included in other provisions are the amounts raised in terms of the share appreciation rights scheme amounting to R87 million (refer note 33).

	2012 Rm	2011 Rm	2010 Rm
16. OTHER NON-INTEREST BEARING LIABILITIES			
Bills and leases discounted with recourse and repurchase obligations		13	15
Fair value of derivatives		13	20
Retirement benefit obligation	**938**	907	515
Other payables	**353**	330	316
Total non-interest-bearing liabilities	**1 291**	1 263	866
Per category:			
Financial liabilities at fair value through profit or loss			
– Designated as such at initial recognition		14	
Financial liabilities measured at amortised cost	**346**	336	351
	346	350	351

Retirement benefit information

It is the policy of the group to encourage, facilitate and contribute to the provision of retirement benefits for all permanent employees. To this end the group's permanent employees are usually required to be members of either a pension or provident fund, depending on their preference and local legal requirements.

Altogether 54% of employees belong to one defined benefit and nine defined contribution retirement funds in which group employment is a prerequisite for membership. Of these, the defined benefit and five defined contribution funds are located outside of South Africa and accordingly are not subject to the provisions of the Pension Funds Act of 1956. 24% of employees belong to defined contribution funds associated with industry or employee organisations.

Defined contribution plans

The total cost charged to profit or loss of R542 million (2011: R472 million; 2010: R428 million) represents contributions payable to these schemes by the group at rates specified in the rules of the schemes (note 20).

Defined benefit plans

Amounts recognised in the Income Statement in respect of defined benefit schemes are as follows:

	2012 Rm	2011 Rm	2010 Rm
Current service cost	**18**	20	17
Interest costs	**307**	264	243
Expected return on plan assets	**(316)**	(287)	(259)
Change in RPI/CPI statutory index	**(81)**		
Net (gain)/loss recognised in profit or loss (note 20)	**(72)**	(3)	1
Actual return on plan assets	**684**	6	445

The triennial valuation of the United Kingdom defined benefit pension schemes was completed as at 1 April 2011 and updated at September 2012. The scheme reflected a deficit, calculated in terms of IAS 19 Employee Benefits of £69.5 million at the end of the financial year. A recovery plan has been negotiated with trustees to pay £3.2million per annum for the next ten years. The scheme was closed to new entrants from 1 April 2002, with all new employees in the United Kingdom required to join the defined contribution scheme. The sale of Handling UK assets means the majority of active members became deferred as they transferred their employment to the new employer.

The estimated contributions (inclusive of recovery plan) to be paid to the plan during the next financial year amounts to £4.4 million (R59 million).

Notes to the consolidated annual financial statements continued

for the year ended 30 September

16. OTHER NON-INTEREST BEARING LIABILITIES (continued)

The amount included in the statement of financial position arising from the group's obligations in respect of defined benefit retirement plans is set out below:

	2012 Rm	2011 Rm	2010 Rm
Present value of funded obligation	**6 470**	5 654	4 859
Fair value of plan assets	**5 532**	4 747	4 344
Net liability per statement of financial position	**938**	907	515
Movement in present value of funded obligation:			
At beginning of year	**5 654**	4 859	4 824
Current service cost	**18**	20	17
Interest cost	**307**	264	243
Actuarial losses recognised in the statement of comprehensive income	**515**	57	427
Benefits paid	**(260)**	(232)	(216)
Employee contributions	**13**	13	12
Change in liabilities as a result of change in index from RPI to CPI	**(131)**		
Other movements	**(5)**	(3)	
Exchange differences	**359**	676	(448)
At the end of year	**6 470**	5 654	4 859
Movement in fair value of plan assets:			
At beginning of year	**4 747**	4 344	4 503
Expected return on plan assets	**316**	287	259
Actuarial gains/(losses) recognised in the statement of comprehensive income	**366**	(294)	189
Contributions	**48**	25	20
Benefits paid	**(260)**	(232)	(216)
Employee contributions	**13**	13	12
Exchange differences	**302**	604	(423)
At the end of year	**5 532**	4 747	4 344
Cumulative actuarial losses	**2 027**	1 878	1 527
Plan assets consist of the following:			
– Equity instruments (%)	**48**	45	51
– Bonds (%)	**51**	53	49
– Cash (%)	**1**	2	

Amount included in the fair value of assets for Barloworld Limited shares and property occupied by the group is nil.

16. OTHER NON-INTEREST BEARING LIABILITIES (continued)

Key assumptions used:

Defined benefit funds are valued by independent actuaries as follows:

	Valuation interval	Latest statutory valuation
Barloworld UK Pension Scheme	Triennial	1 April 2011

Key assumptions used:	2012	2011	2010
Discount rate (%)	**4.4**	5.3	5.1
Expected return on plan assets (%)	**5.9**	6.4	6.2
Expected rate of salary increases (%)	**2.6**	3.0	3.0
Future pension increases (%)	**2.6**	3.0	3.0

Historical disclosures:

	2012	2011	2010	2009	2008
Present value of obligation	**6 470**	5 654	4 859	4 824	5 270
Fair value of plan assets	**5 532**	4 747	4 344	4 503	5 264
Net liability	**938**	907	515	321	6
Experience adjustments (%):					
Plan liabilities		0.4	8.8	8.5	(11.3)
Plan assets	**(6.6)**	6.2	4.0	2.0	(13.9)

Historically, qualifying employees were granted certain post-retirement medical benefits. The obligation for the employer to pay medical aid contributions after retirement is not part of the conditions of employment for new employees. A number of pensioners and employees in the group remain entitled to this benefit, the cost of which has been fully provided (note 15).

	2012 Rm	2011 Rm	2010 Rm
17. TRADE AND OTHER PAYABLES			
Trade and other payables	**9 521**	8 393	5 657
Fair value of derivatives	**27**	2	150
Total per statement of financial position	**9 548**	8 395	5 807
Per category:			
Financial liabilities at fair value through profit or loss			
– Designated as such at initial recognition	**11**		27
– Held for trading items	**11**		1
Financial liabilities measured at amortised cost	**6 940**	6 964	4 837
Derivatives designated as effective hedging instruments	**5**	2	131
	6 967	6 966	4 996

Refer note 9 for details of inventory pledged as security for payables.

Notes to the consolidated annual financial statements continued

for the year ended 30 September

		2012 Rm	2011 Rm	2010 Rm
18.	**AMOUNTS DUE TO BANKERS AND SHORT-TERM LOANS**			
	Bank overdrafts	**610**	162	108
	Short-term loans	**1 985**	1 342	803
	Current portion of long-term borrowings (note 14)	**445**	217	1 781
	Total per statement of financial position	**3 040**	1 721	2 692
	Per category:			
	Financial liabilities measured at amortised cost	**3 040**	1 721	2 692
		3 040	1 721	2 692
	Per currency:			
	South African rand	**2 138**	1 141	2 369
	Foreign currencies	**902**	580	323
		3 040	1 721	2 692
19.	**REVENUE**			
	Sale of goods	**44 939**	37 110	28 555
	Rendering of services	**8 443**	8 048	7 915
	Rentals received	**4 281**	3 854	3 636
	Finance lease income	**17**	20	38
	Other	**874**	791	686
	Total group	**58 554**	49 823	40 830
	Value of business handled on behalf of customers but not recognised in revenue	**2 970**	1 867	1 555
20.	**OPERATING PROFIT**			
	Operating profit is arrived at as follows:			
	Revenue	**58 554**	49 823	40 830
	Less: Net expenses	**55 566**	47 534	39 312
	Cost of sales	**46 677**	39 633	31 758
	Distribution costs	**1 330**	1 038	984
	Administrative costs	**5 137**	4 735	4 436
	Other operating costs	**2 778**	2 393	2 495
	Other operating income	**(356)**	(265)	(361)
	Total continuing operations	**2 988**	2 289	1 518
	Discontinued operations			
	– Car rental – Scandinavia			(89)
	Total group	**2 988**	2 289	1 429

		2012 Rm	2011 Rm	2010 Rm
20.	**OPERATING PROFIT** (continued)			
	Expenses include the following:			
	Depreciation	**1 806**	1 620	1 926
	Continuing operations	**1 806**	1 620	1 736
	Discontinued operations			190
	Amortisation of intangibles	**111**	84	67
	Continuing operations	**111**	84	64
	Discontinued operations			3
	Amortisation of intangible assets in terms of IFRS 3 Business Combinations (included above)	**30**	19	3
	Amounts removed from equity in respect of effective cash flow hedges	**3**	10	18
	Operating lease charges	**823**	787	704
	Operating lease charges – continuing operations	**823**	787	649
	Land and buildings	**449**	372	334
	Plant, vehicles and equipment	**374**	415	315
	Operating lease charges – discontinued operations			55
	Land and buildings			54
	Plant, vehicles and equipment			1
	Administration, management and technical fees paid	**186**	131	110
	Auditors' remuneration:	**62**	58	55
	Audit fees	**55**	48	45
	Fees for other services	**7**	10	10
	Tax	**3**	5	6
	Compliance	**1**	1	1
	Treasury	**1**	1	
	Other	**2**	3	3
	Staff costs (excluding directors' emoluments)	**7 661**	6 786	6 581
	Continuing operations	**7 661**	6 786	6 296
	Discontinued operations			285
	Loss/(profit) on disposal of other plant and equipment	**19**	(7)	(2)
	Amounts recognised in respect of retirement benefit plans (note 16):			
	Defined contribution funds	**542**	472	428
	Defined benefit funds	**(72)**	(3)	1

Notes to the consolidated annual financial statements continued
for the year ended 30 September

		2012 Rm	2011 Rm	2010 Rm
21.	**FAIR VALUE ADJUSTMENTS ON FINANCIAL INSTRUMENTS**			
	Realised	**(58)**	(69)	(34)
	Unrealised	**(35)**	4	(55)
	Fair value adjustments on financial instruments	**(93)**	(65)	(89)
	Per category:			
	Financial assets/liabilities at fair value through profit or loss			
	– Designated as such at initial recognition	**3**		
	– Held for trading items	**(7)**	11	(64)
	Available-for-sale (reclassified from other comprehensive income to profit or loss)		1	1
	Loans and receivables	**(24)**	20	(33)
	Held to maturity	**(6)**		1
	Financial liabilities measured at amortised cost	**(59)**	(97)	6
	Total fair value adjustments on financial instruments	**(93)**	(65)	(89)
	Fair value adjustments on financial instruments include:			
	Ineffectiveness recognised in profit or loss arising from cash flow hedges	**10**	4	7
22.	**FINANCE COSTS**			
	Interest on financial liabilities not at fair value through profit or loss:			
	Corporate bond and other long-term borrowings	**(530)**	(440)	(320)
	Bank and other short-term borrowings	**(251)**	(250)	(418)
	Capitalised finance leases	**(49)**	(65)	(78)
		(830)	(755)	(816)
	Interest capitalised	**3**		7
	Total continuing operations	**(827)**	(755)	(809)
	Discontinued operations – inter-group interest paid			(3)
	Discontinued operations – external interest paid			(21)
	Total group	**(827)**	(755)	(833)
	Finance costs include:			
	Amounts removed from other comprehensive income in respect of effective cash flow hedges – loss			(3)
23.	**INCOME FROM INVESTMENTS**			
	Dividends – listed and unlisted investments	**2**	2	6
	Interest on financial assets not at fair value through profit or loss	**49**	60	78
	Total continuing operations	**51**	62	84
	Discontinued operations			4
	Total group	**51**	62	88

		2012 Rm	2011 Rm	2010 Rm
24.	**EXCEPTIONAL ITEMS**			
	Profit on acquisitions and disposal of properties, investments and subsidiaries^	**586**	286	60
	Realisation of translation reserve on disposal of foreign joint venture		(11)	
	Impairment of goodwill*	**(363)**	(211)	(152)
	(Impairment)/reversal of investments*	**(2)**	3	(33)
	Impairment of property, plant and equipment*	**(31)**	(5)	(51)
	Gross exceptional profit/(loss)	**190**	62	(176)
	Taxation charge on exceptional items	**(59)**	(30)	
	Net exceptional profit/(loss) before non-controlling interest	**131**	32	(176)
	Non-controlling interest on exceptional items	**2**		
	Net exceptional profit/(loss)	**133**	32	(176)
	^Includes negative goodwill of R7 million resulting from the Bucyrus acquisition.			
	** Refer notes 2 and 3 for an explanation of the assumptions and circumstances underlying the impairments.*			
25.	**TAXATION**			
	South African normal taxation			
	Current year	**(168)**	(117)	(120)
	Prior year	**(12)**	(20)	(7)
		(180)	(137)	(127)
	Foreign and withholding taxation			
	Current year	**(378)**	(299)	(100)
	Prior year	**(4)**	(15)	2
		(382)	(314)	(98)
	Deferred taxation			
	Current year	**(205)**	(139)	(16)
	Prior year	**(22)**	24	40
	Attributable to a change in the rate of income tax			(2)
		(227)	(115)	22
	Secondary taxation on companies			
	Current year	**(26)**	(18)	(25)
		(26)	(18)	(25)
	Taxation attributable to the company and its subsidiaries	**(815)**	(584)	(228)

Notes to the consolidated annual financial statements continued

for the year ended 30 September

	2012 %	2011 %	2010 %
25. TAXATION (continued)			
South Africa normal taxation rate	**28.0**	28.0	28.0
Reduction in rate of taxation	**(0.9)**	(3.0)	(9.8)
Exempt income	**(0.8)**	(3.0)	(3.4)
Rate change adjustment	**(0.1)**		
Prior year taxation			(6.4)
Increase in rate of taxation	**8.2**	11.7	25.0
Disallowable charges	**1.3**	4.9	5.2
Exceptional tax	**0.3**	0.8	9.3
Foreign tax differential	**0.8**	1.1	3.7
Rate change adjustment			0.3
Current year tax losses not utilised	**3.0**	3.1	1.8
Prior year taxation	**1.7**	0.7	
Secondary taxation on companies	**1.1**	1.1	4.7
Taxation as a percentage of profit before taxation	**35.3**	36.7	43.2
Taxation (excluding prior year taxation, exceptional taxation and secondary taxation on companies) as a percentage of profit before taxation (excluding exceptional items)	**32.7**	34.2	33.8

	2012 Rm	2011 Rm	2010 Rm
Group tax losses and STC credits at the end of the year:			
South African – taxation losses	**(68)**	(395)	(745)
Foreign – taxation losses	**(1 262)**	(842)	(1 005)
	(1 330)	(1 237)	(1 750)
Utilised to reduce deferred taxation liabilities or create deferred taxation assets	**440**	1 177	1 663
Losses on which no deferred taxation assets raised due to uncertainty regarding utilisation	**(890)**	(60)	(87)

		2012	2011	2010
26.	**EARNINGS AND HEADLINE EARNINGS PER SHARE**			
26.1	**Fully converted weighted average number of shares**			
	Weighted average number of ordinary shares (net of share buy-back)	**210 693 266**	210 707 723	209 468 701
	Increase in number of shares as a result of unexercised share options and unvested forfeitable shares	**1 551 066**	1 553 473	717 925
	Fully converted weighted average number of shares	**212 244 332**	212 261 196	210 186 626

Account is taken of the number of ordinary shares in issue for the period in which they are entitled to participate in the net profit of the group.

	2012 Rm	2011 Rm	2010 Rm
Net profit/(loss) for the year attributable to shareholders of parent company	**1 559**	1 017	(7)
Net profit for the year from continuing operations	**1 559**	1 017	265
Net loss for the year from discontinued operations			(272)

		2012	2011	2010	2012 Cents	2011 Cents	2010 Cents
26.2	**Earnings per share**						
	Basic						
	The weighted average number of ordinary shares	**210 693 266**	210 707 723	209 468 701			
	Earnings/(loss) per share (basic)				**739.9**	482.7	(3.3)
	Earnings per share from continuing operations (basic)				**739.9**	482.7	126.5
	Loss per share from discontinued operations (basic)						(129.9)
	Diluted						
	Fully converted weighted average number of shares (note 26.1)	**212 244 332**	212 261 196	210 186 626			
	Earnings/(loss) per share (diluted)				**734.5**	479.1	(3.3)
	Earnings per share from continuing operations (diluted)				**734.5**	479.1	126.1
	Loss per share from discontinued operations (diluted)						(129.9)
	Percentage dilution	**0.7**	0.7	0.3			

Notes to the consolidated annual financial statements continued

for the year ended 30 September

	2012 Rm	2011 Rm	2010 Rm
26. EARNINGS AND HEADLINE EARNINGS PER SHARE (continued)			
26.3 Headline earnings per share			
Basic			
Profit for the year attributable to Barloworld Limited shareholders	**1 559**	1 017	(7)
Adjusted for the following:			
Gross remeasurements excluded from headline earnings	**(184)**	(68)	365
Loss on disposal of discontinued operations (IFRS 5)			289
Profit on disposal of subsidiaries and investments (IAS 27)	**(571)**	(73)	(38)
Realisation of translation reserve on disposal of foreign joint venture and subsidiaries (IAS 21)		11	(102)
Profit on disposal of properties (IAS 16)	**(9)**	(213)	(22)
Impairment of goodwill (IFRS 3)	**363**	211	152
(Reversal)/impairment of investments in associates (IAS 28) and joint ventures (IAS 31)		(3)	33
Impairment of plant and equipment (IAS 16) and intangibles (IAS 38)	**31**	5	51
Loss on sale of intangible assets (IAS 38)		1	4
Profit on sale of plant and equipment excluding rental assets (IAS 16)	**2**	(7)	(2)
Taxation effects of remeasurements	**59**	30	
Taxation charge on disposal of subsidiaries (IAS 27)	**65**	4	
Taxation charge on disposal of properties (IAS 16)		28	
Taxation benefit on impairment of plant and equipment (IAS 16) and intangible assets (IAS 38)	**(6)**	(2)	
Non-controlling interests in remeasurements	**(2)**		
Net remeasurements excluded from headline earnings	**(127)**	(38)	365
Headline earnings	**1 432**	979	358

		2012 Rm	2011 Rm	2010 Rm
26.	**EARNINGS AND HEADLINE EARNINGS PER SHARE** (continued)			
26.3	**Headline earnings per share** (continued)			
	Profit from continuing operations	**1 635**	1 080	316
	Non-controlling shareholders interest in net profit from continuing operations	**(76)**	(63)	(51)
	Profit from continuing operations attributable to Barloworld Limited shareholders	**1 559**	1 017	265
	Adjusted for the following items in continuing operations:			
	Gross remeasurements excluded from headline earnings from continuing operations	**(184)**	(68)	178
	Profit on disposal of subsidiaries and investments (IAS 27)	**(571)**	(73)	(38)
	Realisation of translation reserve on disposal of foreign joint venture (IAS 21)		11	
	Profit on disposal of properties (IAS 16)	**(9)**	(213)	(22)
	Impairment of goodwill (IFRS 3)	**363**	211	152
	(Reversal)/impairment of investments in associates (IAS 28) and joint ventures (IAS 31)		(3)	33
	Impairment of plant and equipment (IAS 16) and intangibles (IAS 38)	**31**	5	51
	Loss on sale of intangible assets (IAS 38)		1	4
	Profit on sale of plant and equipment excluding rental assets (IAS 16)	**2**	(7)	(2)
	Taxation effects of remeasurements	**59**	30	
	Taxation charge on disposal of subsidiaries (IAS 27)	**65**	4	
	Taxation charge on disposal of properties (IAS 16)		28	
	Taxation benefit on Impairment of plant and equipment (IAS 16)	**(6)**	(2)	
	Non-controlling interests in remeasurements	**(2)**		
	Net remeasurements excluded from headline earnings from continuing operations	**(127)**	(38)	178
	Headline earnings from continuing operations	**1 432**	979	443
	Loss from discontinued operations attributable to Barloworld Limited shareholders			(272)
	Adjusted for the following items in discontinued operations:			
	Gross remeasurements excluded from headline earnings from discontinued operations			187
	Loss on disposal of discontinued operations (IFRS 5)			289
	Realisation of translation reserve on disposal of foreign subsidiaries (IAS 21)			(102)
	Net remeasurements excluded from headline earnings from discontinued operations			187
	Headline loss from discontinued operations			(85)

Notes to the consolidated annual financial statements continued

for the year ended 30 September

	2012	2011	2010	2012 Cents	2011 Cents	2010 Cents
26. EARNINGS AND HEADLINE EARNINGS PER SHARE (continued)						
26.3 Headline earnings per share (continued)						
Basic						
The weighted average number of ordinary shares	**210 693 266**	210 707 723	209 468 701			
Headline earnings per share (basic)				**679.7**	464.6	170.9
Headline earnings per share from continuing operations (basic)				**679.7**	464.6	211.5
Headline loss per share from discontinued operations (basic)						(40.6)
Diluted						
Fully converted weighted average number of shares (note 26.1)	**212 244 332**	212 261 196	210 186 626			
Headline earnings per share (diluted)				**674.7**	461.2	170.3
Headline earnings per share from continuing operations (diluted)				**674.7**	461.2	210.7
Headline loss per share from discontinued operations (diluted)						(40.6)
Percentage dilution	**0.7**	0.7	0.4			

	2012 Rm	2011 Rm	2010 Rm
27. DIVIDENDS			
Ordinary shares			
Final dividend No 166 paid on 16 January 2012: 105 cents per share (2011: No 164 – 55 cents per share; 2010: No 162 – 70 cents per share)	**223**	117	147
Interim dividend No 167 paid on 18 June 2012: 80 cents per share (2011: No 165 – 50 cents per share; 2010: No 163 – 20 cents per share)	**170**	106	42
Paid to Barloworld Limited shareholders	**393**	223	189
Paid to non-controlling shareholders	**50**	34	34
	443	257	223

On 19 November 2012 the directors declared dividend No 168 of 150 cents (gross) per share subject to the applicable dividends tax levied in terms of the Income Tax Act (Act No. 58 of 1962)(as amended) (the Income Tax Act).

An estimated dividend liability of R341 million has not been included in these financial statements.

27. DIVIDENDS (continued)

In accordance with paragraphs 11.17 (a) (i) to (x) and 11.17(c) of the JSE Listings Requirements the following additional information is disclosed:

- The dividend has been declared out of income reserves;
- Local dividends tax rate is 15% (fifteen per centum);
- Secondary Tax on Companies (STC) credits utilised are R7 500 000;
- Barloworld has 231 011 981 ordinary shares in issue;
- The STC credit per share is accordingly 3.24658 cents;
- The gross dividend for determining dividends tax is 146.75342 cents and dividends tax payable is 22.01301 cents per share for shareholders who are not exempt.
- The net dividend payable to shareholders who are not exempt will therefore be 127.98699 cents per share.

In compliance with the requirements of Strate and the JSE Limited, the following dates are applicable:

Date declared	Monday, 19 November 2012
Last day to trade cum dividend	Friday, 4 January 2013
Shares trade ex dividend	Monday, 7 January 2013
Record date	Friday, 11 January 2013
Payment date	Monday, 14 January 2013

Share certificates may not be dematerialised or rematerialised between Monday, 7 January 2013 and Friday, 11 January 2013, both days inclusive.

Analysis of dividends declared in respect of current year's earnings:

Ordinary dividends per share	**2012 Cents**	2011 Cents	2010 Cents
Interim dividend	**80**	50	20
Final dividend	**150**	105	55
	230	155	75

6% cumulative non-redeemable preference shares

Preference dividends totalling R22 500 were declared on each of the following dates:

- 17 April 2012 (paid on 30 April 2012)
- 11 November 2011 (paid on 21 November 2011)
- 27 May 2011 (paid on 6 June 2011)
- 5 November 2010 (paid on 15 November 2010)
- 14 April 2010 (paid on 17 June 2010)
- 20 October 2009 (paid on 30 November 2009)

	2012 Rm	2011 Rm	2010 Rm
28. BARLOWORLD SHAREHOLDERS ATTRIBUTABLE INTEREST IN SUBSIDIARIES			
Holding company	**631**	842	574
Less: Dividends received from subsidiaries	**(580)**	(741)	(492)
	51	101	82
Attributable interest in the aggregate amount of profits and losses of subsidiaries, after taxation, including associate companies:			
Profits	**2 691**	1 242	1 297
Losses	**(1 183)**	(326)	(1 386)
Barloworld Limited shareholders interest	**1 559**	1 017	(7)

Notes to the consolidated annual financial statements continued

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	2012 Rm	2011 Rm	2010 Rm
29. COMMITMENTS			
Capital expenditure commitments to be incurred:			
Contracted	**1 355**	1 236	1 016
Approved but not yet contracted	**201**	80	331
	1 556	1 316	1 347
Share of joint ventures' capital expenditure commitments to be incurred:			
Contracted			8
Approved but not yet contracted			29
			37

Commitments will be spent substantially in the next financial year. Capital expenditure will be financed by funds generated by the business, existing cash resources and borrowing facilities available to the group.

Lease commitments:

	Long-term > 5 years Rm	Medium-term 2 – 5 years Rm	Short-term <1 year Rm	2012 Total Rm	2011 Total Rm	2010 Total Rm
Operating lease commitments						
Land and buildings	396	710	331	**1 437**	1 606	1 542
Motor vehicles	13	106	66	**185**	247	213
Other		44	144	**188**	156	195
	409	860	541	**1 810**	2 009	1 950

Land and building commitments include the following items:

- Commitments for the operating and administrative facilities used by the majority of business segments. The average lease term is five years. Many lease contracts contain renewal options at fair market rates.
- Properties used for office accommodation and used car outlets in the major southern African cities. Rentals escalate at rates which are in line with the historical inflation rates applicable to the southern African environment. Lease periods do not exceed five years.
- Properties at airport locations. The leases are in general for periods of five years and the rental payments are based on a set percentage of revenues generated at those locations subject to certain minimums.

Motor vehicle commitments are mainly for vehicles in use in the offshore operations. The average lease term is four years.

	Long-term > 5 years Rm	Medium-term 2 – 5 years Rm	Short-term <1 year Rm	2012 Total Rm	2011 Total Rm	2010 Total Rm
Finance lease commitments						
Present value of minimum lease payments						
Land and buildings	168	238	52	**458**	499	534
Motor vehicles		31	6	**37**	29	34
Rental fleets		15	7	**22**	46	149
Other		14	15	**29**	60	103
	168	298	80	**546**	634	820

	Long-term > 5 years Rm	Medium-term 2 – 5 years Rm	Short-term <1 year Rm	2012 Total Rm	2011 Total Rm	2010 Total Rm
29. COMMITMENTS (continued)						
Minimum lease payments						
Land and buildings	237	355	96	**688**	808	909
Motor vehicles		27	8	**35**	29	34
Rental fleets		15	7	**22**	46	150
Other		14	16	**30**	60	103
Total including future finance charges	237	411	127	**775**	943	1 196
Future finance charges				**(229)**	(309)	(376)
Present value of lease commitments (note 14)				**546**	634	820

Land and building commitments are for certain fixed rate leases in the automotive division for trading premises with an average term of twelve years including a purchase option at the end of the term.

Rental fleet commitments arise in the automotive division in South Africa, which has financed certain Avis Coaches under capital leases with various institutions. The leases have an average term of 60 months.

Other commitments arise mainly in the handling division in Belgium where units are sold to customers and financed by the bank, whereby a guaranteed buy-back is provided to the bank for more than 20% of the units value.

	2012 Rm	2011 Rm	2010 Rm
30. CONTINGENT LIABILITIES			
Bills, lease and hire-purchase agreements discounted with recourse, other guarantees and claims	**1 440**	1 316	1 367
Litigation, current or pending, is not considered likely to have a material adverse effect on the group.			
Buy-back and repurchase commitments not reflected on the statement of financial position	**131**	161	224

The related assets are estimated to have a value at least equal to the repurchase commitment.

The group has given guarantees to the purchaser of the coatings Australian business relating to environmental claims. The guarantees are for a maximum period of eight years up to July 2015 and are limited to the sales price received for the business. Freeworld Coatings Limited is responsible for the first AUD5 million of any claim in terms of the unbundling arrangement.

Warranties and guarantees have been given as a consequence of the various disposals completed during the year and prior years. None are expected to have a material impact on the financial results of the group.

The amount disclosed represents the Group's share of contingent liabilities. The extent to which an outflow of funds will be required is dependent on future operations being more or less favourable than currently expected.

There are no material contingent liabilities in joint venture companies.

Subsequent to year end a customer notified the company of an equipment failure which will become the subject of a warranty claim on the company. The cause of the failure and the cost of rectification has not yet been determined. The company has insurance cover and reciprocal warranty agreements with suppliers and contractors and as a result does not expect a material loss.

Notes to the consolidated annual financial statements continued

for the year ended 30 September

31. INSURANCE CONTRACTS

Certain transactions are entered into by the group as insurer which falls within the definition of insurance contracts per IFRS 4 Insurance Contracts. Significant items included are the following:

- credit life, warranty, personal accident and motor products sold with vehicles in the automotive segment
- specific portions of maintenance contracts on equipment and vehicles sold in the equipment, handling and automotive segments
- guaranteed residual values on equipment and vehicles in the equipment, handling and automotive segments.

	2012 Rm	2011 Rm	2010 Rm
Income	**1 981**	1 851	1 514
Expenses	**1 525**	1 377	1 129
Cash inflow/(outflow)	**188**	(63)	21
Gains recognised on buying reinsurance		(4)	(4)
Liabilities:			
At the beginning of the period	**483**	491	513
Amounts added	**1 331**	1 322	1 077
Amounts used	**(1 111)**	(1 205)	(963)
Amounts reversed unused	**(131)**	(103)	(75)
Fair value adjustment on discount effect	**4**	(41)	(41)
Acquisition of subsidiaries	**116**		
Disposal of subsidiaries	**(35)**		
Translation difference	**1**	19	(20)
At the end of the period	**658**	483	491
Maturity profile:			
Within one year	**390**	273	267
Two to five years	**267**	207	217
More than five years	**1**	3	7
	658	483	491
Assets:			
At the beginning of the period	**297**	219	213
Amounts added	**1 162**	933	743
Amounts used	**(1 155)**	(857)	(737)
Acquisition of subsidiaries	**99**		
Translation difference	**1**	2	
At the end of the period	**404**	297	219
Age analysis of items overdue but not impaired:			
Overdue 30 to 60 days	**1**	2	
Overdue 60 to 90 days	**7**	3	2
Overdue 90+ days		4	
	8	9	2

31. INSURANCE CONTRACTS (continued)

Significant assumptions and risks arising from insurance contracts:

Credit life, warranty, personal accident and motor products

The sale of credit life and extended warranty products in the automotive segment is conducted through cell captive arrangements. The principal risk that the group faces under these insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amounts of claims and benefits will vary from year to year from the estimate determined using statistical techniques.

The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from insurance contracts and includes credit risk, interest rate risk, currency risk and liquidity risk. All risks are managed on behalf of the group by an outside insurance company.

The risks are spread over a large variety of clients in the South African market.

Personal accident – Provides compensation arising out of the accidental death, permanent or temporary total disability of the renter and passengers in the vehicle.

Automotive – Provides indemnity for loss of or damage to the insured motor vehicle. The cover is normally on an all risks basis providing a wide scope of cover following an accident or a theft of the vehicle but the insured can select restricted forms of cover such as cover for fire and theft only.

The critical accounting judgements made in applying the group's accounting policies relate to the estimation of the ultimate liability arising from claims made under insurance contracts. The group's estimate for reported and unreported losses are continually reviewed and updated, and adjustments resulting from this review are reflected in the profit or loss. The process relies upon the basic assumption that past experience adjusted for the effect of current developments, is an appropriate basis for predicting future events.

Maintenance contracts

Maintenance contracts are offered to customers in the equipment, automotive and handling segments. The contracts are managed internally through ongoing contract performance reviews, review of costs and regular fleet inspections. Risks arising from maintenance contracts includes component lives, component failure and cost of labour. The contracts consist of a variety of forms but generally include cover for regular maintenance as well as for repairs due to breakdowns and component failure which is not covered by manufacturer's warranties or other external maintenance plans. The amounts above include the estimated portion of contracts that meet the definition of an insurance contract. Revenue is recognised on the percentage of completion method based on the anticipated cost of repairs over the life cycle of the equipment/vehicles.

Financial risk mainly relates to credit risk but credit quality of customers is generally considered to be good and similar to the rest of the group's operations. Risks are spread over a large diversity of customers, fleets of equipment and vehicles and geographically in southern Africa and Europe.

Guaranteed residual values

Guaranteed residual values on repurchase commitments are periodically given with the sale of equipment/vehicles in the equipment, handling and automotive segments. The principal risk relates to the likelihood of the repurchase commitments being exercised by the customer which is dependant on the used equipment and vehicle market conditions at the time when the repurchase option is exercisable as well as terms of the repurchase agreements regarding age and condition of the equipment/vehicles. Risks are spread over a large diversity of customers and geographically in southern Africa and Europe. The likelihood of the repurchase commitments being exercised is assessed at inception as well as on an ongoing basis and determines the accounting applied. The charge to customers for the repurchase commitment is generally included in the sales price at the time of sale and is not measured separately. Refer to note 30 for the gross value of repurchase commitments.

Notes to the consolidated annual financial statements continued

for the year ended 30 September

32. FINANCIAL INSTRUMENTS

The group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank borrowings, money and capital market borrowings, leases, hire-purchase agreements discounted with recourse and derivatives. Details of the amounts discounted with recourse are included in note 30. Derivative instruments are used by the group for hedging purposes. Such instruments include forward exchange, currency option contracts and interest rate swap agreements. The group does not speculate in the trading of derivative instruments.

		Notes	2012 Rm	2011 Rm	2010* Rm
32.1.1	Summary of the carrying and fair value of financial instruments				
	Carrying value of financial instruments by category:				
	Financial assets:				
	Financial assets at fair value through profit or loss				
	– Designated as such at initial recognition	7,10	**7**	8	
	– Held for trading items	7,10	**6**	79	
	Available-for-sale financial assets	7	**25**	25	46
	Loans and receivables	7,10,11	**8 497**	7 922	6 366
	Derivative assets designated as effective hedging instruments	7,10	**3**	197	32
	Finance lease receivables	6,10	**270**	556	567
	Total carrying value of financial assets		**8 808**	8 787	7 011
	Financial liabilities:				
	Financial liabilities at fair value through profit or loss				
	– Designated as such at initial recognition	16, 17	**11**	14	27
	– Held for trading items	16, 17	**11**		1
	Financial liabilities measured at amortised cost	14,16,17,18	**17 374**	13 909	11 860
	Derivative liabilities designated as effective hedging instruments	16, 17	**5**	2	131
	Total carrying value of financial liabilities		**17 401**	13 925	12 019
	Carrying value of financial instruments by class:				
	Financial assets:				
	Trade receivables				
	– Industry		**4 558**	4 108	3 419
	– Government		**361**	199	183
	– Consumers		**360**	304	214
	Other loans and receivables and cash balances		**3 218**	3 311	2 550
	Finance lease receivables		**270**	556	567
	Derivatives (including items designated as effective hedging instruments)				
	– Forward exchange contracts		**9**	253	1
	– Interest rate swaps				
	– Other derivatives		**1**	23	31
	Other financial assets at fair value		**31**	33	46
	Total carrying value of financial assets		**8 808**	8 787	7 011

	2012 Rm	2011 Rm	2010* Rm
32. FINANCIAL INSTRUMENTS (continued)			
32.1.1 Summary of the carrying and fair value of financial instruments (continued)			
Carrying value of financial instruments by class:			
Financial liabilities:			
Trade payables			
– Principals	**2 413**	2 484	1 410
– Other suppliers	**4 992**	4 480	3 427
Other non interest-bearing payables	**346**	336	866
Derivatives (including items designated as effective hedging instruments)			
– Forward exchange contracts	**16**	1	124
– Other derivatives		1	7
Other financial liabilities at fair value	**11**	14	28
Interest-bearing debt measured at amortised cost	**9 623**	6 609	6 157
Total carrying value of financial liabilities	**17 401**	13 925	12 019
Fair value of financial instruments by class:			
Financial assets:			
Trade receivables			
– Industry	**4 558**	4 108	3 419
– Government	**361**	199	183
– Consumers	**360**	304	214
Other loans and receivables and cash balances	**3 219**	3 311	2 550
Finance lease receivables	**270**	556	567
Derivatives (including items designated as effective hedging instruments)			
– Forward exchange contracts	**9**	253	1
– Interest rate swaps			
– Other derivatives	**1**	23	31
Other financial assets at fair value	**32**	33	46
Total fair value of financial assets	**8 810**	8 787	7 011
Financial liabilities:			
Trade payables			
– Principals	**2 413**	2 484	1 410
– Other suppliers	**4 994**	4 480	3 427
Other non interest-bearing payables	**346**	336	866
Derivatives (including items designated as effective hedging instruments)			
– Forward exchange contracts	**16**	1	124
– Other derivatives		1	7
Other financial liabilities at fair value	**11**	14	28
Interest-bearing debt measured at amortised cost	**10 105**	6 609	6 157
Total fair value of financial liabilities	**17 885**	13 925	12 019

All financial instruments are carried at fair value or amounts that approximate fair value, except for the non-current portion of fixed rate receivables, payables and interest-bearing borrowings, which are carried at amortised cost. The carrying amounts for investments, cash, cash equivalents as well as the current portion of receivables, payables and interest-bearing borrowings approximate fair value due to the short-term nature of these instruments. The fair values have been determined using available market information and appropriate valuation methodologies.

**The 2010 figures were restated to exclude finance lease payables.*

Notes to the consolidated annual financial statements continued

for the year ended 30 September

32. FINANCIAL INSTRUMENTS (continued)

32.1.2 Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	**2012 Total**
Financial assets at fair value through profit or loss				
Derivative financial assets	3			**3**
Financial assets designated at fair value through profit or loss	13			**13**
Available-for-sale financial assets				
Shares	25			**25**
Total	41			**41**
Financial liabilities at fair value through profit or loss				
Other derivative financial liabilities	16		1	**17**
Financial liabilities designated at fair value through profit or loss		11		**11**
Total	16	11	1	**28**

	Level 1	Level 2	Level 3	2011 Total
Financial assets at fair value through profit or loss				
Derivative financial assets	222			222
Financial assets designated at fair value through profit or loss	62			62
Available-for-sale financial assets				
Shares	25			25
Total	309			309
Financial liabilities at fair value through profit or loss				
Other derivative financial liabilities	1		1	2
Financial liabilities designated at fair value through profit or loss		14		14
Total	1	14	1	16

	Level 1	Level 2	Level 3	2010 Total
Financial assets at fair value through profit or loss				
Derivative financial assets	2	29		31
Non-derivative financial assets			1	1
Available-for-sale financial assets				
Shares	46			46
Total	48	29	1	78
Financial liabilities at fair value through profit or loss				
Other derivative financial liabilities		131		131
Financial liabilities designated at fair value through profit or loss	28			28
Total	28	131		159

There were no transfers between Level 1 and 2.

32. FINANCIAL INSTRUMENTS (continued)

32.2 Financial risk management

a. Capital risk management

The group manages its capital to ensure that all entities in the group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity. The overall strategy remains unchanged from the previous year.

The capital structure of the group consists of debt (refer notes 14 and 18), cash and cash equivalents (note 11) and equity attributable to equity holders of Barloworld Limited, comprising issued capital (note 13), reserves and retained earnings (statement of changes in equity).

A finance committee consisting of senior executives of the group meets on a regular basis to review the capital structure based on the cost of capital and the risks associated with each class of capital, analyse currency and interest rate exposure and to re-evaluate treasury management strategies in the context of most recent economic conditions and forecasts. The group has targeted gearing ratios for each major business segment as disclosed in note1.1. The group's various treasury operations provide the group with access to local money markets and provide group subsidiaries with the benefit of bulk financing and depositing.

b. Market risk

i) Currency risk

Trade commitments

The group's currency exposure management policy for the southern African operations is to hedge all material foreign currency trade commitments as soon as they arise. In respect of offshore operations, where there is a traditionally stable relationship between the functional and transacting currencies, the need to take foreign exchange cover is at the discretion of the divisional board. Each division manages its own trade exposure within the overall framework of the group policy. In this regard the group has entered into certain forward exchange contracts which do not relate to specific items appearing in the statement of financial position, but were entered into to cover foreign commitments not yet due or proceeds not yet received. The risk of having to close out these contracts is considered to be low. There has been no change during the year to the group's approach to manage foreign currency risk.

Net currency exposure and sensitivity analysis

The following table represents the extent to which the group has monetary assets and liabilities in currencies other than the group companies' functional currency. The information is shown inclusive of the impact of forward contracts and options in place to hedge the foreign currency exposures. Based on the net exposure below it is estimated that a simultaneous 10% change in all foreign currency exchange rates against divisional functional currency will impact the fair value of the net monetary assets/liabilities of the group to the extent of R337 million (2011: R320 million; 2010: R266 million), of which R95 million (2011: R151 million; 2010: R113 million) will impact other comprehensive income and R242 million (2011: R169 million; 2010: R153 million) will impact profit or loss.

	Currency of assets/(liabilities)							
Net foreign currency monetary assets/(liabilities)	SA rand Rm	Euro Rm	British sterling Rm	US dollar Rm	Australian dollar Rm	Other African currencies Rm	Other currencies Rm	Total Rm
Functional currency of group operation:								
SA rand	**n/a**	**(259)**	**4**	**1 124**	**27**	**(16)**		**880**
Euro		**n/a**		**(29)**			**(17)**	**(46)**
British sterling		**514**	**n/a**	**2 005**				**2 519**
US dollar	**31**	**10**	**21**	**n/a**	**27**	**(50)**	**67**	**106**
Other African currencies	**(74)**	**30**		**(51)**		**n/a**		**(95)**
Other currencies				**5**			**n/a**	**5**
As at 30 September 2012	**(43)**	**295**	**25**	**3 054**	**54**	**(66)**	**50**	**3 369**

Notes to the consolidated annual financial statements continued

for the year ended 30 September

32. FINANCIAL INSTRUMENTS (continued)

32.2 Financial risk management (continued)

b. Market risk

i) Currency risk

Net currency exposure and sensitivity analysis (continued)

	Currency of assets/(liabilities)							
Net foreign currency monetary assets/(liabilities)	SA rand Rm	Euro Rm	British sterling Rm	US dollar Rm	Australian dollar Rm	Other African currencies Rm	Other currencies Rm	Total Rm
SA rand	n/a	151	27	1 737	10	(11)		1 914
Euro		n/a		14				14
British sterling		413	n/a	825	137			1 375
US dollar	6	230	14	n/a	10	36	29	325
Other African currencies	(77)	(45)		(318)		n/a		(440)
Other currencies				9			n/a	9
As at 30 September 2011	(71)	749	41	2 266	157	25	29	3 197
SA rand	n/a	27	6	1 251	8	45		1 337
Euro		n/a		26				26
British sterling		380	n/a	276	135		179	970
US dollar	(16)	109	6	n/a	7	38	239	383
Other African currencies	1	(44)		(29)		n/a	(1)	(73)
Other currencies	(1)			13			n/a	12
As at 30 September 2010	(16)	472	12	1 537	150	83	417	2 655

	Fair value		
	2012 Rm	2011 Rm	2010 Rm
Hedge accounting applied in respect of foreign currency risk			
Cash flow hedges			
– fair value of asset/(liability) – foreign currency forward exchange contracts	**3**	161	(78)

The foreign currency contracts have been acquired to hedge the underlying currency risk arising from a firm commitment to acquire equipment machines as well as the forecast purchases of spare parts. All cash flows are expected to occur and affect profit or loss within the next twelve months.

Hedges of net investments in foreign operations

As at September 2012, the group had 4 cross-currency interest rate swap contracts which were all designated as a hedge of a net investment in a foreign entity. Details are as follows:

					Fair value		
	Currency	Foreign amount – notional (000's)	Interest rate %	Maturity date	**2012 Rm**	2011 Rm	2010 Rm
Fair value of asset/(liability) – cross-currency interest rate swap contracts	EUR	(75 632)	2.8	2011 – 2012			
Fair value of asset/(liability) – cross-currency interest rate swap contracts	GBP	64 659	3.0	2009 – 2011	**1**	21	(9)

32. FINANCIAL INSTRUMENTS (continued)

32.2 Financial risk management (continued)

b. Market risk

ii) Interest rate risk

The group manages the exposure to interest rate risk by maintaining a balance between fixed and floating rate borrowings. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are structured according to expected movements in interest rates. There has been no change in the current year to this approach.

The interest rate profile of total borrowings is as follows:

	Currency	Year of redemption/ repayment	Interest rate (%)	**2012 Rm**	2011 Rm	2010 Rm
Liabilities in foreign currencies						
Unsecured loans	NAM	2014	3 month Jibar +1.75	**150**		
	USD	2011 – 2016	3 month Libor* +1.5 – 4.5	**26**	35	3
	USD	2012	US Federal Funds + 0.75		32	
	MZN	2009 – 2013	BT91** + .25 – 1.25	**6**	18	27
Liabilities under capitalised finance leases	GBP	2014 – 2015	6 to 7		50	152
	EUR	2019	Euribor*** + 5.68	**83**	114	156
	USD	2010 – 2014	4.2		29	34
	BWP	2010 – 2013	15.5		2	2
Total foreign currency liabilities (note14)				**265**	280	374
Liabilities in South African rand						
Secured loans		2010 – 2023	9.0	**84**	97	79
Unsecured loans		2010 – 2015	5.2 – 11.78	**6 681**	4 923	5 137
Liabilities under capitalised finance leases		2010 – 2022	12.0	**463**	439	476
Total South African rand liabilities (note 14)				**7 228**	5 459	5 692
Total South African rand and foreign currency liabilities (note 14)				**7 493**	5 739	6 066
Interest rates						
Loans at fixed rates of interest				**3 815**	3 892	5 033
Loans linked to South African money market rates				**3 621**	1 617	821
Loans linked to Offshore money markets				**57**	230	212
				7 493	5 739	6 066

** Libor – London inter-bank offered rate*
*** Mozambique short-term bank instrument*
**** Euribor – European inter-bank offered rate*

Notes to the consolidated annual financial statements continued
for the year ended 30 September

32. FINANCIAL INSTRUMENTS (continued)

32.2 Financial risk management (continued)

b. Market risk (continued)

ii) Interest rate risk (continued)

Other interest rate derivatives

As at September 2012, the group had no interest rate swap contracts. Details are as follows:

	Currency	Amount – notional (000's)	Interest rate %	Maturity date	Fair value 2012 Rm	2011 Rm	2010 Rm
Fair value of asset/(liability) – interest rate swap contracts	ZAR	750 000	3m Jibar# + 55 bps	2011			29
Fair value of asset/(liability) – interest rate swap contracts	ZAR	750 000	7.83 (fixed)	2011			(12)
Total							17

The interest rate swap contract was acquired to hedge the interest rate risk arsing from the Baw1 corporate bond and matured on 29 July 2011.

 # Jibar – Johannesburg inter-bank acceptance rate

	2012 Rm	2011 Rm	2010 Rm
Interest rate sensitivity analysis			
Impact of a 1% increase in South African interest rates			
– charge to profit or loss,	**38**	16	26
Impact of a 1% increase in offshore interest rates			
– charge to profit or loss,	**5**	4	4

iii) Other price risk

The group is exposed to price risk arising out of the following:

Baw share price

The group has a liability to option holders in terms of the Share Appreciation Right Scheme (refer note 33.3)

	2012 Rm	2011 Rm	2010 Rm
Baw share price sensitivity analysis			
Impact of a 10% increase in the Baw share price as at 30 September			
– charge to profit or loss in respect of the liability	**25**	13	6
– fair value of designated cash flow hedge – Baw share call options		1	

The call options have expired in the current year and no new options have been acquired to hedge against future price risk.

There has been no change during the current year in the group approach to managing other price risk.

32. FINANCIAL INSTRUMENTS (continued)

32.2 Financial risk management (continued)

c. Credit risk

Potential areas of credit risk consist of trade receivables and short-term cash investments. Trade receivables consist mainly of a large and widespread customer base. Group companies monitor the financial position of their customers on an ongoing basis. Where considered appropriate, use is made of credit guarantee insurance. The granting of credit is controlled by application and account limits. Provision is made for bad debts and at the year end management did not consider there to be any material credit risk exposure that was not already covered by credit guarantee insurance or a bad debt provision. It is group policy to deposit short-term cash investments with major banks and financial institutions with strong credit ratings.

The credit quality of assets that are neither past due nor impaired is considered to be good. Historical default rates vary per division from 0.4% to 5.0%.

	2012 Rm	2011 Rm	2010 Rm
Maximum exposure to credit risk (excluding collateral held), exceeding the carrying amount			
Other items, including financial guarantees	**1 440**	1 316	1 212
	1 440	1 316	1 212
Carrying value of financial assets, the terms of which have been renegotiated			
Trade receivables			
– Industry	**4**	1	7
– Government	**37**		1

d. Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows, maintaining a balance between long term and short term debt and ensuring that adequate unutilised borrowing facilities are maintained. Unutilised bank facilities amounted to R6.4 billion (2011: R6.5 billion and 2010: R7.3 billion). There has been no change to this approach during the current year.

Maturity profile of financial liabilities

The maturity profile of the financial instruments is summarised as follows (based on contractual undiscounted cash flows):

		Repayable during the year ending 30 September		
	Total owing	2013	2013 to 2017	2017 and onwards
Interest-bearing liabilities	**10 953**	2 977	6 947	1 029
Trade payables and other non-interest bearing liabilities	**9 433**	8 878	541	14

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for the year ended 30 September

	2012 Rm	2011 Rm	2010 Rm
33. SHARE INCENTIVE SCHEMES AND SHARE-BASED PAYMENTS			
33.1 Financial effect of share-based payment transactions			
Income statement effect			
Expense arising from share-based payment transactions	**4**	7	6
Compensation expense arising from equity and cash-settled forfeitable share plan	**29**	21	9
Compensation expense arising from equity and cash-settled share appreciation rights incentive plan	**47**	40	11
Share-based payment expense included in operating profit	**80**	68	26
Taxation benefit on forfeitable share plan, share appreciation rights and BEE transactions	**(21)**	(17)	(6)
Net share-based payment expense after taxation	**59**	51	20
Financial position effect			
Liability raised for cash-settled shares (to be incurred within 1 – 5 years)	**(87)**	(60)	(25)
Deferred taxation asset raised on share based payment transactions	**30**	19	10
Net (reduction)/increase in shareholders' interest as a result of share-based payment transactions	**(57)**	(41)	(15)

33.2 Forfeitable share plan

On 28 January 2010 the group introduced the Barloworld Forfeitable share plan (FSP).

The scheme allows executive directors and certain senior employees to earn a long-term incentive to assist with the retention and reward of selected employees.

Shares are granted to employees for no consideration. These shares participate in dividends and shareholder rights from grant date.

The vesting of the shares is subject to continued employment for a period of three years or the employee will forfeit the shares.

Shares issued to the executive directors are subject to performance conditions which will be measured over the three year vesting period.

The performance conditions over the vesting period include a market condition based on total shareholder return and non-market conditions based on return on equity or return on net assets and headline earnings per share.

On resignation, the employee will forfeit any unvested shares. On death or retirement only a portion of the shares will vest, calculated based on the number of months worked over the total vesting period, subject to any performance condition being met.

The scheme is settled in shares and therefore the scheme is equity-settled. In jurisdictions where the delivery of shares is impractical, cash will be paid to employees in lieu of shares. These shares are cash-settled share-based payments.

33. SHARE INCENTIVE SCHEMES AND SHARE-BASED PAYMENTS (continued)

33.2 Forfeitable share plan (continued)

Fair value estimates

In terms of IFRS 2, the transaction is measured at fair value of the equity instruments at the grant date. The fair value takes into account that the employees are entitled to the dividends from grant date. The fair value of the equity-settled shares subject to non-market conditions is the average share price at grant date. The estimated fair value of the equity-settled shares subject to market conditions were calculated at grant date using a monte carlo simulation model with the following inputs:

Date of grant:	**30 March 2012**	28 February 2011	17 March 2010
Non-market conditions			
Number of shares granted	**247 615**	241 767	1 014 300
Share price at grant date (R)	**99.98**	72.25	46.35
Estimated fair value per share at grant date (R)	**99.98**	72.25	46.29
Market conditions			
Number of shares granted	**21 075**	47 003	202 650
Share price at grant date (R)	**99.98**	72.25	46.35
Expected volatility (%)	**29.2**	41.1	42.9
Expected dividend yield (%)	**2.5**	3.0	3.5
Risk free rate (%)	**6.5**	7.4	8.1
Estimated fair value per share at grant date (R)	**95.27**	62.20	29.81
In terms of IFRS 2, liabilities relating to cash-settled share-based payments are adjusted to fair value at financial position date. The estimated fair value of the cash-settled shares was calculated by using the closing share price at the reporting date and discounting future expected dividends.			
Number of cash-settled shares granted	**13 500**	6 150	59 300
Share price at grant date (R)	**99.98**	72.25	46.35
Risk-free rate (%)	**5.4**	5.4	4.9
Estimated fair value per cash-settled share at grant date (R)	**98.66**	71.35	45.29
Estimated fair value per cash-settled share at year end (R)	**71.55**	73.85	74.85

33.3 Share appreciation rights scheme

During 2007 the group introduced the Barloworld Cash Settled Share Appreciation Right Scheme.

The scheme allows executive directors and certain senior employees to earn a long-term incentive amount calculated based on the increase in the Barloworld Limited share price between the grant date and the vesting and exercise of such rights. During 2011 the scheme rules were amended to change all future awards to be equity-settled.

No shares are issued for share appreciation rights granted before 2011 and all amounts payable will be settled in cash. All share appreciation rights granted from 2011 will be settled in shares. The objective of the scheme is to recognise the contributions of senior staff to the group's financial position and performance and to retain key employees.

The vesting of the rights are subject to specific performance conditions, based on group headline earnings per share. Rights are granted for a period of six years and vest one-third after three years from grant date, a further one-third after four years and the final third after five years.

The grant price of these appreciation rights equals the volume weighted average market price of the underlying shares on the three trading days immediately preceding grant date.

On resignation, share appreciation rights which have not yet vested and those vested but not exercised, are forfeited. On death or retirement the Barloworld remuneration committee may permit a portion of unvested rights to be exercised within one year (or such extended period as the committee may decide) of the date of cessation of employment.

It is group policy that employees should not deal in Barloworld Limited shares (and this is extended to the forfeitable share plan, share appreciation rights and share options schemes) for the periods from 1 April for half year end and 1 October for year end until 24 hours after publication of the results and at any other time during which they have access to price sensitive information.

The share appreciation rights awarded in July 2007 at a strike price of R113.01 did not meet the performance conditions and were lapsed on 24 November 2011.

Notes to the consolidated annual financial statements continued

for the year ended 30 September

33. SHARE INCENTIVE SCHEMES AND SHARE-BASED PAYMENTS (continued)

33.3 Share appreciation rights scheme (continued)

Cash-settled share appreciation rights: Fair value estimates

In terms of IFRS 2, liabilities relating to cash-settled share-based payments are adjusted to fair value at financial position date.

The estimated fair value of the share appreciation rights was calculated using a binomial pricing model, with inputs as set out below.

Date of grant:	23 Nov 2009	29 Sept 2008	15 Nov 2006*
Number of share appreciation rights granted	3 144 650	2 987 635	624 929
Exercise price (R)	51.04	61.01	64.18
Share price at grant date (R)	49.90	61.01	140.00
Share price at financial position date (R)	71.90	71.90	71.90
Expected volatility (%)	27.5	27.1	27.8
Expected dividend yield (%)	4.6	4.2	1.0
Risk free rate (%)	5.2	5.0	4.9
Exercise multiple (share price at exercise date/option exercise price)	2.0	1.9	1.9
Estimated fair value per share appreciation right at grant date (R)	14.67	15.64	26.91
Estimated fair value per share appreciation right at year end (R)	23.19	15.85	10.10

**The 15 November 2006 and 12 July 2007 grants were modified due to the Cement and Coatings unbundling as set out in note 33.5 and 33.6.*

Equity-settled share appreciation rights: Fair value estimates

In terms of IFRS 2, the transaction is measured at fair value of the equity instruments at the grant date.

The estimated fair value of the share appreciation rights was calculated using a binomial pricing model, with inputs as set out below.

Date of grant	**30 March 2012**	28 February 2011
Number of share appreciation rights granted	**1 954 860**	2 069 990
Exercise price (R)	**96.48**	70.83
Share price at grant date (R)	**99.98**	72.25
Expected volatility (%)	**37.9**	36.6
Expected dividend yield (%)	**2.8**	3.9
Risk free rate (%)	**6.4**	8.0
Exercise multiple (share price at exercise date/option exercise price)	**1.9**	1.9
Estimated fair value per share appreciation right at grant date (R)	**36.85**	25.15

33. SHARE INCENTIVE SCHEMES AND SHARE-BASED PAYMENTS (continued)

33.4 Equity-settled share option scheme

Equity-settled share options were granted to executive directors and senior employees in terms of the Barloworld Share Option Scheme 1985.

The objectives of the scheme are similar to that of the share appreciation rights scheme.

The options have a total contractual life of 10 years, with the exception of the May 2004 grant which has a six year contractual life.

The options vest one-third after three years from grant date, a further one-third after four years and the final third after five years.

Fair value estimates
Options granted after 7 November 2002 are expensed over their vesting period in terms of IFRS 2 . The estimated fair value of these equity-settled options were calculated at grant date using a binomial model with the following inputs:

Date of grant	1 April 2003
Number of options granted	2 168 400
Exercise price (R)	47.50
Share price at grant date (R)	47.50
Expected volatility (%)	35.0
Expected dividend yield (%)	5.8
Risk free rate (%)	10.4
Exercise multiple (Share price at exercise date/option exercise price)	2.0
Estimated fair value per option at grant date (R)	16.59

33.5 Modification for Cement and Coatings unbundling

The equity-settled share options were modified in line with shareholder approval granted as a result of the unbundling of Cement in July 2007 and Coatings in December 2007. Cash-settled share appreciation rights awarded on 15 November 2006 were modified in terms of the rules of the scheme.

The modifications did not result in any incremental fair value being granted to option or right holders, as the objective was to maintain intrinsic value at the same level before and after unbundling.

The modification for the Cement unbundling entailed a downward re-pricing of exercise prices combined with additional entitlements to compensate for the impact of a lower Barloworld share price after unbundling. The Cement unbundling resulted in an estimated 41.7% reduction in the Barloworld share price, based on the pre– and post unbundling share price of R214.50 and R125 respectively. The modification for the Coatings unbundling entailed a downward re-pricing of exercise prices only.

The Coatings unbundling resulted in an estimated 6.2% reduction in the Barloworld share price, based on the pre– and post unbundling share price of R114.60 and R107.50 respectively.

Corresponding fair values were demonstrated before and after unbundling based on a binomial option pricing model, as were intrinsic values.

The modified option entitlement ratio for the Cement unbundling was as follows:

Entitlement before unbundling	Entitlement after unbundling
[1 Barloworld option]	[1 Barloworld option + 0.866 new Barloworld options] or [1 Barloworld option + 1.8555 PPC sub-divided options]

The modified exercise prices are indicated in the table of unexercised options (note 33.6).

Notes to the consolidated annual financial statements continued

for the year ended 30 September

33. SHARE INCENTIVE SCHEMES AND SHARE-BASED PAYMENTS (continued)

33.6 Total forfeitable shares, share options and appreciation rights unexercised

The following forfeitable shares, share options and share appreciation rights granted are unexercised:

Date of grant	Date from which exercisable	Expiry date	Contractual life remaining (years)	Original exercise price (R)	Modified exercise price (R)	Number of options/rights: Barloworld directors	Barloworld employees#	Ceded*	Total unexercised**
1 April 2003	1 April 2006	1 April 2013	0.5	47.50	14.59	6 667	224 184	52 321	283 172
Total equity-settled share options granted and unexercised						6 667	224 184	52 321	283 172
15 Nov 2006	15 Nov 2009	13 Feb 2013	0.4	140.00	64.18	205 201	95 582		300 783
29 Sept 2008	29 Sept 2011	29 Sept 2014	2.0	61.01	n/a	617 398	1 974 962		2 592 360
23 Nov 2009	30 Nov 2012	22 Nov 2015	3.1	51.04	n/a	641 290	2 099 350		2 740 640
Total cash-settled share appreciation rights granted and unexercised						1 463 889	4 169 894		5 633 783
28 Feb 2011	27 Feb 2014	27 Feb 2017	4.4	70.83	n/a	273 500	1 637 400		1 910 900
30 Mar 2012	29 Mar 2015	29 Mar 2018	5.5	96.48	n/a	248 000	1 658 920		1 906 920
Total equity-settled share appreciation rights granted and unexercised						521 500	3 296 320		3 817 820
17 Mar 2010	17 Mar 2013	17 Mar 2013	0.5	0.00	n/a	810 600	372 818		1 183 418
28 Feb 2011	27 Feb 2014	27 Feb 2014	1.4	0.00	n/a	193 500	87 330		280 830
30 Mar 2012	29 Mar 2015	29 Mar 2015	2.5	0.00	n/a	166 750	101 940		268 690
Total equity-settled forfeitable shares granted and unexercised						1 170 850	562 088		1 732 938
17 Mar 2010	17 Mar 2013	17 Mar 2013	0.5	0.00	n/a		59 300		59 300
28 Feb 2011	27 Feb 2014	27 Feb 2014	1.4	0.00	n/a		6 150		6 150
30 Mar 2012	29 Mar 2015	29 Mar 2015	2.5	0.00	n/a		13 500		13 500
Total cash-settled forfeitable shares granted and unexercised							78 950		78 950
Total unexercised						3 162 906	8 331 436	52 321	11 546 663

The weighted average share price of options exercised during the period was R78.62 (2011: R65.39; 2010: R45.19)

* *In terms of the rules of the Barloworld Share Option Scheme options may be ceded to an approved financial institution.*

** *Scheme rules dictate that the number of unexercised options may not exceed 10% of the total number of issued shares of the company at any time.*

The unexercised share options granted to retired directors and employees are included in this column.

Share options and appreciation rights movement for the year	**Number of forfeitable shares**	**Number of appreciation rights**	**Number of share options**	**Weighted average exercise price (R)**
2012				
Unexercised at the beginning of the year	**1 542 280**	**11 121 680**	**416 809**	**64.15**
Rights granted in terms of equity-settled share appreciation rights scheme		**1 954 860**		**96.48**
Forfeitable shares granted	**288 340**			**0.00**
Forfeitable shares forfeited	**(18 732)**			**0.00**
Appreciation rights forfeited		**(3 344 318)**		**108.30**
Appreciation rights exercised		**(280 619)**		**64.18**
Options exercised			**(133 637)**	**49.18**
Forfeitable shares, options and appreciation rights unexercised at year-end	**1 811 888**	**9 451 603**	**283 172**	**55.50**
Appreciation rights and options exercisable at year-end		**300 783**	**283 172**	**40.13**
Held by:				
Directors, employees and ex-employees of Barloworld	**1 811 888**	**9 451 603**	**230 851**	**55.68**
Financial institutions			**52 321**	**14.59**

33. SHARE INCENTIVE SCHEMES AND SHARE-BASED PAYMENTS (continued)

33.6 Total forfeitable shares, share options and appreciation rights unexercised (continued)

Share options and appreciation rights movement for the year	Number of forfeitable shares	Number of appreciation rights	Number of share options	Weighted average exercise price (R)
2011				
Unexercised at the beginning of the year	1 276 250	9 730 153	842 705	62.76
Rights granted in terms of equity-settled share appreciation rights scheme		2 069 990		70.83
Equity-settled forfeitable shares granted	288 770			0.00
Forfeitable shares forfeited	(22 740)			0.00
Appreciation rights forfeited		(634 936)		71.01
Appreciation rights exercised		(43 527)		64.18
Options exercised			(425 896)	46.77
Forfeitable shares, options and appreciation rights unexercised at year-end	1 542 280	11 121 680	416 809	64.15
Appreciation rights and options exercisable at year-end		491 238	416 809	41.55
Held by:				
Directors, employees and ex-employees of Barloworld	1 542 280	11 121 680	393 642	64.24
Financial institutions			23 167	14.59
2010				
Unexercised at the beginning of the year		6 950 825	2 637 709	68.56
Rights granted in terms of cash-settled share appreciation rights scheme		3 144 650		51.04
Equity-settled forfeitable shares granted	1 216 950			0.00
Cash-settled forfeitable shares granted	59 300			0.00
Appreciation rights forfeited		(365 322)		84.54
Options exercised			(1 795 004)	65.33
Forfeitable shares, options and appreciation rights unexercised at year-end	1 276 250	9 730 153	842 705	62.76
Options and appreciation rights exercisable at year-end		444 601	842 705	31.68
Held by:				
Directors, employees and ex-employees of Barloworld	1 276 250	9 730 153	635 306	63.62
Financial institutions			207 399	14.39

Notes to the consolidated annual financial statements continued

for the year ended 30 September

33. SHARE INCENTIVE SCHEMES AND SHARE-BASED PAYMENTS (continued)

33.7 Other share-based payment transactions

During 2008 the group implemented a Broad Based Black Economic Empowerment transaction.

The impact of this transaction, calculated in terms of IFRS 2 Share-based Payment, was a charge to profit or loss in the current year of R4 million (2011: R7 million; 2010: R6 million) which was determined on assumptions and inputs as set out below:

	Number of shares issued	Weighted average fair value per share (R)
Strategic black partners The fair value is based on a Monte Carlo valuation model using an expected average dividend yield of 9.9% and a Barloworld share price volatility of 28.55% over the term of the lock-in period. The strategic black partners are permitted to receive all dividends paid in the lock-in period.	12 331 337	10.02
Community service groups The fair value is based on a Monte Carlo valuation model using an expected average dividend yield of 9.9% and a Barloworld share price volatility of 28.55% over the term of the lock-in period. The community service groups are permitted to receive all dividends paid in the lock-in period.	2 153 676	10.02
Education trust The shares awarded to the trust are treated as treasury shares.	1 054 058	
Black managers trust The fair value is based on a valuation model using an expected average dividend yield of 9.9% and a Barloworld share price volatility of 28.55% over the term of the lock-in period. The trust is not entitled to receive dividends during the lock-in period.	3 060 166	4.67
Black non-executive directors trust The fair value is based on the 30 day volume weighted average share price of Barloworld Limited as at 9 July 2008, the date when the shares were donated to the trust. The three beneficiaries of the trust are DB Ntsebeza, S Baqwa and S Mkhabela, who are black non-executive directors of Barloworld Limited. The beneficiaries' shares are subject to a seven year lock-in period from 29 September 2008, during which period the beneficiaries will not be entitled to sell, cede, transfer or otherwise dispose of or encumber their Barloworld ordinary shares or their rights in the trust.	108 030	83.31
General staff trust The fair value is based on the Barloworld Limited closing share price on 30 September 2008, the date when the shares were allocated to staff members. 36 279 shares were not issued and is treated as treasury shares (note 13).	2 980 829	64.50

34. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

34.1 New standards and interpretations adopted

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The basis is consistent with the prior year except for the adoption of the following new and amended standards and new interpretations:

IAS 24 Related party disclosure (November 2009)

The IASB revised IAS 24 in November 2009 by simplifying the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition and providing a partial exemption from the disclosure requirements for government-related entities.

The fundamental approach to related party disclosure has not changed and the group is mostly in line with the new standard. The replaced standard now requires disclosure of key management personnel compensation in total for each of the following categories (IAS 24.17):

- short-term employee benefits
- post-employment benefits
- other long-term benefits
- termination benefits
- share-based payment benefits

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity (IAS 24.9). The replaced standard is applied retrospectively for the year ending 30 September 2012. The new Companies Act introduced similar requirements for prescribed officers. Disclosure in note 35 and 40 have been updated accordingly.

IFRS 7 Disclosures – Transfers of Financial Assets (October 2010)

Disclosures – Transfers of Financial Assets (Amendments to IFRS 7), issued in October 2010, amended the required disclosures to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position. An entity need not provide the disclosures required by those amendments for an earlier period presented. Disclosure is amended in note 32 and had minimal impact on presentation.

IAS 1 Presentation of Items of Other Comprehensive Income (June 2011)

The amendments to IAS 1 Presentation of Items of Other Comprehensive Income, issued in June 2011, improved the consistency and clarity of the presentation of items of other comprehensive income. The main change is that the other comprehensive income section present line items grouped into those that will not be reclassified subsequently to profit or loss and those that will be reclassified subsequently to profit or loss when specific conditions are met. Disclosure is amended in the consolidated statement of comprehensive income.

The following new and amended standards had no impact on presentation, recognition or measurement:

IFRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (December 2010)

IAS 12 Deferred Tax: Recovery of Underlying Assets (December 2010)

Annual improvements project 2010

IFRIC 20 Stripping costs in the production phase of a surface mine (October 2011)

Circular 3/2012 Headline Earnings

34.2 Changes to comparative information

No changes to comparative information have been made.

Notes to the consolidated annual financial statements continued

for the year ended 30 September

34. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (continued)

34.3 New standards and interpretations not yet adopted

The following standards and interpretations are not yet effective and will be adopted in future years:

IFRS 9 Financial Instruments (November 2009, October 2010 & December 2011)

In November 2009 the IASB issued IFRS 9 Financial Instruments as the first phase in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 phase 1 introduces new requirements for classifying and measuring financial assets. Those chapters require all financial assets to be classified on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Assets are subsequently measured at amortised cost or fair value. In October 2010 the IASB added to IFRS 9 the requirements related to the classification and measurement of financial liabilities. Phase 2 will deal with impairment methodology and phase 3 with hedge accounting. In December 2011 the IASB issued IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures as amendments to IFRS 9 (2009), IFRS 9 (2010) and IFRS 7. These amendments require entities to apply IFRS 9 for annual periods beginning on or after 1 January 2015 instead of on or after 1 January 2013. The IASB made amendments to IFRS 7 Financial Instrument: Disclosures to require additional disclosures on transition from IAS 39 to IFRS 9.

The new standard is effective for the year ending 30 September 2016. The group will assess the detail requirements of the new standard once the complete IFRS 9 has been issued.

IFRS 12 Disclosure of Interest in Other Entities (May 2011)

IFRS 12 Disclosure of Interest in Other Entities, issued in May 2011, applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated entity. The standard requires an entity to disclose information that enables users of financial statement to evaluate the nature of, and risks associated with, its interest in other entities and the effects of those interests in its financial position, financial performance and cash flows. The new standard is effective for the year ending 30 September 2014. An entity can apply some of the disclosures early without early adopting this standard or IFRS 10, IFRS 11, IAS 27 (as amended May 2011) and IAS 28 (as amended May 2011) at the same time. The group is in the process of collecting the required additional disclosure information.

IFRS 13 Fair Value Measurement (May 2011)

IFRS 13 Fair Value Measurements, issued in May 2011, defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. The definition of fair value emphasises that fair value is a market-based measurement, not an entity-specific measurement. The new standard is effective for the year ending 30 September 2014. The standard shall be applied prospectively without the need to apply the disclosure requirements to comparative information. The group is amending it systems to collect the required additional disclosure information.

IAS 19 Employee Benefits (June 2011)

IAS 19 Employee Benefits, issued in June 2011, prescribes the accounting and disclosure by employers for employee benefits. The standard deals with four categories of employee benefits such as short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits. The new standard is effective for the year ending 30 September 2014. The standard shall be applied retrospectively. The new standard would impact the measurement and presentation of the Barloworld Pension Scheme (UK) (defined benefit scheme). Further detail assessment continues.

IAS 32 Offsetting Financial Assets and Financial Liabilities (December 2011)

The amendments to IAS 32 Financial Instruments: Presentation, issued in December 2011, added application guidance to IAS 32 to address inconsistencies identified in applying some of the offsetting criteria. This included clarifying the meaning of 'currently has a legally enforceable right of set-off' and that some gross settlement systems may be considered equivalent to net settlement. The amendments are effective for the year ending 30 September 2015 and must be applied retrospectively. Disclosures required by IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities (December 2011) shall be applied at the same time. The practice to offset is not material in the group and requires further investigation in certain instances. The detailed assessment of the amendments continues.

IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities (December 2011)

The amendments to IFRS 7 Financial Instruments: Disclosures, issued in December 2011, amended the required disclosures to include information that will enable users to evaluate the effect or potential effect of netting arrangements on the financial position. The amendments are effective for the year ending 30 September 2014 and must be applied retrospectively. The group is amending it systems to collect the required additional disclosure information.

The following new and amended standards are expected to have no or minimal impact on presentation, recognition and measurement:

IFRS 10 Consolidated Financial Statements (May 2011)

IFRS 11 Joint Arrangements (May 2011)

IAS 27 Separate Financial Statements (May 2011)

IAS 28 Investments in Associates and Joint Ventures (May 2011)

Consolidated Financial Statements, Joint Arrangements and disclosure of Interest in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) (June 2012)

IFRS 1 Government Loans (March 2012)

Annual improvements to IFRSs (2009-2011 cycle) (May 2012)

35. DIRECTORS' REMUNERATION AND INTERESTS

Directors' remuneration

The group remuneration philosophy and basis for determining performance bonuses is set out in the Remuneration report on pages 56 to 65 of the AGM document. Other benefits determined below include Share Purchase Trust loans, expatriate benefits, retention payments, redundancy and termination payments and any other non pensionable allowances or fringe benefits.

The directors' and prescribed officers' remuneration for the year ended 30 September 2012 was as follows:

2012	Salary R000	Retirement and medical contri-butions R000	Car benefit R000	Other benefits R000	Guaranteed Package R000	Bonus R000	Total 2012 R000
Executive directors							
PJ Blackbeard	3 323	426	183	852	**4 784**	2 671	**7 455**
PJ Bulterman	3 671	605	231	21	**4 528**	3 848	**8 376**
M Laubscher	4 640	935	248	6	**5 829**	5 335	**11 164**
OI Shongwe	2 656	493	228	4	**3 381**	2 707	**6 088**
CB Thomson	6 323	1 073	266	24	**7 686**	7 871	**15 557**
DG Wilson	3 164	717	246	10	**4 137**	3 277	**7 414**
Total executive directors	23 777	4 249	1 402	917	**30 345**	25 709	**56 054**
Prescribed officers							
V Salzmann	2 722	170	115	606	**3 613**	1 867	**5 480**
DM Sewela	2 600	442	240	36	**3 318**	2 736	**6 054**
IG Stevens	1 945	332	286	4	**2 567**	2 027	**4 594**
Total prescribed officers	7 267	944	641	646	**9 498**	6 630	**16 128**
Grand total	31 044	5 193	2 043	1 563	**39 843**	32 339	**72 182**

	Fees R000	Fees for services to sub-sidiaries/ other services R000	Total 2012 R000
Non-executive directors			
SAM Baqwa (resigned 10 May 2012)	347		**347**
NP Dongwana (appointed 1 May 2012)	82		**82**
AGK Hamilton	1 236		**1 236**
SS Mkhabela	389		**389**
B Ngonyama (appointed 1 May 2012)	112		**112**
MJN Njeke (resigned 29 February 2012)	217		**217**
SS Ntsaluba	481		**481**
DB Ntsebeza	1 779		**1 779**
TH Nyasulu	300		**300**
SB Pfeiffer	1 013		**1 013**
G Rodriguez de Castro Garcia de los Rios	753	763	**1 516**
Total non-executive directors	6 709	763	**7 472**

Notes to the consolidated annual financial statements continued

for the year ended 30 September

Total directors' and prescribed officers remuneration	79 654

35. DIRECTORS' REMUNERATION AND INTERESTS (continued)

Directors' remuneration (continued)

2011	Salary R000	Retirement and medical contri-butions R000	Car benefit R000	Other benefits R000	Guaranteed Package R000	Bonus R000	Total 2011 R000
Executive directors							
PJ Blackbeard	2 706	483	185	816	**4 190**	2 609	**6 799**
PJ Bulterman	3 064	514	240	37	**3 855**	3 723	**7 578**
M Laubscher	4 003	804	245	16	**5 068**	4 205	**9 273**
OI Shongwe	2 425	454	228		**3 107**	1 575	**4 682**
CB Thomson	5 723	975	266	25	**6 989**	7 977	**14 966**
DG Wilson	2 858	631	246	12	**3 747**	3 399	**7 146**
Total executive directors	20 779	3 861	1 410	906	**26 956**	23 488	**50 444**
Prescribed officers							
V Salzmann	2 515	166	106	460	**3 247**	1 630	**4 877**
DM Sewela	2 347	362	272	20	**3 001**	2 852	**5 853**
IG Stevens	1 768	308	260		**2 336**	1 672	**4 008**
Total prescribed officers	6 630	836	638	480	**8 584**	6 154	**14 738**
Grand total	27 409	4 697	2 048	1 386	**35 540**	29 642	**65 182**

	Fees R000	Fees for services to sub-sidiaries/ other services R000	Total 2011 R000
Non-executive directors			
SAM Baqwa	369		**369**
AGK Hamilton	1 052		**1 052**
SS Mkhabela	369		**369**
MJN Njeke	372		**372**
SS Ntsaluba	399		**399**
DB Ntsebeza	1 684	72	**1 756**
TH Nyasulu	239		**239**
SB Pfeiffer	863		**863**
G Rodriguez de Castro Garcia de los Rios	618	706	**1 324**
Total non-executive directors	5 965	778	**6 743**

Total directors' remuneration	**71 925**

35. DIRECTORS' REMUNERATION AND INTERESTS (continued)

Directors' remuneration (continued)

2010	Salary R000	Retirement and medical contri-butions R000	Car benefit R000	Other benefits R000	Guaranteed Package R000	Bonus R000	Total 2010 R000
Executive directors							
PJ Blackbeard	2 773	911	189	1 493	**5 366**	330	**5 696**
PJ Bulterman (appointed 1 October 2009)	2 578	439	240	43	**3 300**	2 285	**5 585**
M Laubscher	3 392	659	237	11	**4 299**	3 104	**7 403**
OI Shongwe	2 175	360	228		**2 763**	431	**3 194**
CB Thomson	5 113	875	266	300	**6 554**	4 596	**11 150**
DG Wilson	2 635	577	246	11	**3 469**	1 987	**5 456**
Total executive directors	18 666	3 821	1 406	1 858	**25 751**	12 733	**38 484**

	Fees R000	Car allowances R000	Fees for services to sub-sidiaries R000	Total 2010 R000
Non-executive directors				
SAM Baqwa	324			**324**
AGK Hamilton	1 069			**1 069**
SS Mkhabela	350			**350**
MJN Njeke	288			**288**
SS Ntsaluba	368			**368**
DB Ntsebeza	1 438	266	507+	**2 211**
TH Nyasulu	217			**217**
SB Pfeiffer	886			**886**
G Rodriguez de Castro Garcia de los Rios	603		740	**1 343**
Total non-executive directors	5 543	266	1 247	**7 056**
Total directors' remuneration				**45 540**

+ Includes reimbursement for relocation costs of R500 000.

Notes to the consolidated annual financial statements continued

for the year ended 30 September

35. DIRECTORS' REMUNERATION AND INTERESTS (continued)

Interest of directors and prescribed officers of the company in share capital

The aggregate beneficial holdings as at 30 September 2012 of the directors and prescribed officers of the company and their immediate families (none of which has a holding in excess of 1%) in the issued ordinary shares of the company are detailed below. There have been no material changes in these shareholdings since that date.

Number of shares at 30 September

	2012 Forfeitable	**2012 Direct**	**2012 Indirect**	2011 Forfeitable	2011 Direct	2011 Indirect	2010 Forfeitable	2010 Direct	2010 Indirect
Executive directors									
PJ Blackbeard	**148 900**	**38 334**		125 650	38 334		99 650	38 334	
PJ Bulterman	**148 900**			125 650			99 650		
M Laubscher	**196 900**	**47 441**		166 400	47 441		132 900	47 441	
OI Shongwe	**122 550**	**2 100**	**570**	104 550	2 100		83 050	2 100	
CB Thomson	**404 700**	**108 804**	**103**	356 200	108 804	103	295 700	108 270	103
DG Wilson	**148 900**	**5 000**		125 650	5 000		99 650	5 000	
Total executive directors	**1 170 850**	**201 679**	**673**	1 004 100	201 679	103	810 600	201 145	103
Non-executive directors									
S Baqwa (resigned 10 May 2012)					36 010			36 010	
AGK Hamilton		**1 850**			1 850			1 850	
S Mkhabela		**37 430**			37 430			37 430	
HT Nyasulu		**650**			650			650	
DB Ntsebeza		**41 960**			41 960			41 960	
SB Pfeiffer		**10 000**			10 000			10 000	
Total non-executive directors		**91 890**			127 900			127 900	
Prescribed officers									
V Salzmann	**14 280**	**100**		4 280	100				
IG Stevens	**25 010**	**77 661**		15 010	77 661				
Total prescribed officers	**39 290**	**77 761**		19 290	77 761				
Grand total	**1 210 140**	**371 330**	**673**	1 023 390	407 340	103	810 600	329 045	103

35. DIRECTORS' REMUNERATION AND INTERESTS (continued)

Interest of directors and prescribed officers of the company in share options, share appreciation rights and forfeitable shares

The interests of the executive directors and prescribed officers in shares of the company provided in the form of options, share appreciation rights and forfeitable shares are shown in the table below:

	Number of options/ rights/ forfeitable shares as at 30 September 2011	Equity settled share appreciation rights granted during the year	Number of forfeitable shares granted during the year	Number of options exercised/ ceded/lapsed during the year	Number of options/ rights/ forfeitable shares as at 30 September 2012	Option*/ rights price	Date from which exercisable
Executive directors							
PJ Blackbeard	6 667				6 667	14.59	01/04/06
	65 291				65 291	64.18	14/11/09
	46 627			46 627+		113.01	12/07/10
	88 978				88 978	61.01	29/09/11
	84 090				84 090	51.04	30/11/12
	37 000				37 000	70.83	27/02/14
		35 000			35 000	96.48	29/03/15
	99 650				99 650		17/03/13
	26 000				26 000		27/02/14
			23 250		23 250		29/03/15
PJ Bulterman	37 320			37 320		14.59	01/04/06
	55 129			55 129+		113.01	12/07/10
	77 576				77 576	61.01	29/09/11
	84 090				84 090	51.04	30/11/12
	37 000				37 000	70.83	27/02/14
		35 000			35 000	96.48	29/03/15
	99 650				99 650		17/03/13
	26 000				26 000		27/02/14
			23 250		23 250		29/03/15
M Laubscher	74 619				74 619	64.18	14/11/09
	42 091			42 091+		113.01	12/07/10
	98 431				98 431	61.01	29/09/11
	112 620				112 620	51.04	30/11/12
	47 500				47 500	70.83	27/02/14
		45 000			45 000	96.48	29/03/15
	132 900				132 900		17/03/13
	33 500				33 500		27/02/14
			30 500		30 500		29/03/15
OI Shongwe	37 229			37 229+		113.01	12/07/10
	62 176				62 176	61.01	29/09/11
	69 920				69 920	51.04	30/11/12
	30 000				30 000	70.83	27/02/14
		26 000			26 000	96.48	29/03/15
	83 050				83 050		17/03/13
	21 500				21 500		27/02/14
			18 000		18 000		29/03/15

Notes to the consolidated annual financial statements continued

for the year ended 30 September

35. DIRECTORS' REMUNERATION AND INTERESTS (continued)

Interest of directors and prescribed officers of the company in share options, share appreciation rights and forfeitable shares (continued)

	Number of options/ rights/ forfeitable shares as at 30 September 2011	Equity settled share appreciation rights granted during the year	Number of forfeitable shares granted during the year	Number of options exercised/ ceded/lapsed during the year	Number of options/ rights/ forfeitable shares as at 30 September 2012	Option*/ rights price	Date from which exercisable
Executive directors (continued)							
CB Thomson	65 291				65 291	64.18	14/11/09
	137 870			137 870+		113.01	12/07/10
	201 259				201 259	61.01	29/09/11
	199 560				199 560	51.04	30/11/12
	85 000				85 000	70.83	27/02/14
		72 000			72 000	96.48	29/03/15
	295 700				295 700		17/03/13
	60 500				60 500		27/02/14
			48 500		48 500		29/03/15
DG Wilson	65 291			65 291		64.18	14/11/09
	64 797			64 797+		113.01	12/07/10
	88 978				88 978	61.01	29/09/11
	91 010				91 010	51.04	30/11/12
	37 000				37 000	70.83	27/02/14
		35 000			35 000	96.48	29/03/15
	99 650				99 650		17/03/13
	26 000				26 000		27/02/14
			23 250		23 250		29/03/15

35. DIRECTORS' REMUNERATION AND INTERESTS (continued)

Interest of directors and prescribed officers of the company in share options, share appreciation rights and forfeitable shares (continued)

	Number of options/ rights/ forfeitable shares as at 30 September 2011	Equity settled share appreciation rights granted during the year	Number of forfeitable shares granted during the year	Number of options exercised/ ceded/lapsed during the year	Number of options/ rights/ forfeitable shares as at 30 September 2012	Option*/ rights price	Date from which exercisable
Prescribed officers							
V Salzmann	41 931			41 931+		113.01	12/07/10
	59 050				59 050	61.01	29/09/11
	43 630				43 630	51.04	30/11/12
	4 280				4 280		27/02/14
			10 000		10 000		29/03/15
DM Sewela^	37 060				37 060	61.01	29/09/11
	43 630				43 630	51.04	30/11/12
	47 270				47 270	70.83	27/02/14
		19 590			19 590	96.48	29/03/15
	29 050				29 050		17/03/13
	4 280				4 280		27/02/14
			13 500		13 500		29/03/15
IG Stevens	46 143			46 143+		113.01	12/07/10
	53 533				53 533	61.01	29/09/11
	45 020				45 020	51.04	30/11/12
	11 650				11 650		17/03/13
	3 360				3 360		27/02/14
			10 000		10 000		29/03/15
Baw share options	**43 987**			**37 320**	**6 667**		
Baw share appreciation rights	**2 603 690**	**267 590**		**537 108**	**2 334 172**		
FSP shares	**1 056 720**		**200 250**		**1 256 970**		

** The original option price has been modified for the changes in share price as a result of the PPC and Coatings unbundling's.*
^ DM Sewela's forfeitable shares are cash – settled.
+The share appreciation rights awarded in July 2007 at a strike price of R113.01 did not meet the performance conditions and were lapsed on 24 November 2011.

The value at commencement date of the SAR rights awarded on 30 March 2012 was R36.85 per share.

The value at commencement date of the forfeitable shares awarded on 30 March 2012 was R99.61 per share.

Notes to the consolidated annual financial statements continued

for the year ended 30 September

36. PRINCIPAL SUBSIDIARY COMPANIES

		Issued capital	
	Type	Currency	Local currency amount
Avis Southern Africa Limited	H	ZAR	17 903 911
Barloworld Australia (Pty) Limited[5]	O	AUD	82 275 501
Barloworld Botswana (Pty) Limited[3]	H	BWP	35 329 536
Barloworld Capital (Pty) Limited	F	ZAR	30 000 000
Barloworld Equipment (Pty) Limited	O	ZAR	2
Barloworld Equipment UK Limited[1]	O	GBP	4 500 000
Vostochnaya Technica UK[1]	O	GBP	34 500 000
Barloworld Holdings PLC[1]	H	GBP	228 301 000
Barloworld Handling Limited[1]	O	GBP	22 180 000
Barloworld Insurance Limited[1]	O	GBP	4 100 000
Barloworld Investments (Pty) Limited	H	ZAR	900
Barloworld Logistics (Pty) Limited**	O	ZAR	100
Barloworld South Africa (Pty) Limited	O	ZAR	765 424
Barloworld Investments Namibia (Pty) Limited[4]	H	NAD	1 450 000
Finanzauto SA[2]	O	EUR	41 382 127
RIH Investments (Pty) Limited – Ord	H	ZAR	3 264 730
– ‘A’ Ord		ZAR	5 876 514
Sociedade Technica De Equipamentos e Tractores SA[6]	O	EUR	4 000 000
Zeda Car Leasing (Pty) Limited t/a Avis Fleet Services	O	ZAR	100
Barloworld Siyakhula (Pty) Limited	O	ZAR	25 000 100
Other foreign subsidiaries*			
Other subsidiaries*			

All companies are incorporated in (or operate principally in) the Republic of South Africa except where otherwise indicated as follows:

1. United Kingdom
2. Spain
3. Botswana
4. Namibia
5. Australia
6. Portugal

Keys to type of subsidiary

H – Holding companies

O – Operating companies

F – Finance companies

Any material changes which have taken place during the year are dealt with in the appropriate operational reviews.

**A full list of subsidiaries and a list of the special resolutions of those companies are available to the shareholders, on request, from the registered office of the company.*

***Amounts have been reclassified from other subsidiaries*

Effective percentage holdings			Shares			Interest of holding company indebtedness			Amounts owing to subsidiaries		
2012 %	2011 %	2010 %	2012 Rm	2011 Rm	2010 Rm	2012 Rm	2011 Rm	2010 Rm	2012 Rm	2011 Rm	2010 Rm
100	100	100	106	106	106	91	96	102			
100	100	100									
100	100	100									
100	100	100	30	30	30			639			
100	100	100									
100	100	100									
100	100										
100	100	100									
100	100	100									
100	100	100	63	63	63						
100	100	100	108	108	108	2 591	2 591	2 590			
100	100	100				38	38	38			
100	100	100	2 152	2 152	1 152	11 087	10 309	9 512	564	1 868	1 470
100	100	100	4	4	4						
99.7	99.7	99.7									
100	100	100	131	131	131						
100	100	100									
98.8	98.8	98.8									
100	100	100									
100	100	100									
			31	31	31						
			55	55	55	182	182	182	45	45	45
			2 680	2 680	1 680	13 989	13 216	13 063	609	1 913	1 515

Notes to the consolidated annual financial statements continued

for the year ended 30 September

37. LISTED AND UNLISTED INVESTMENTS

	Securities Exchange	Number of shares 2012	2011	2010
Number of shares held by the holding company and by subsidiaries, where significant, are as follows:				
Listed investments				
Astra Industries Limited*	Zimbabwe	**15 311 155**	15 311 155	15 311 155
Cairns Holdings Limited*	Zimbabwe	**15 311 155**	15 311 155	15 311 155
Tractive Power Holdings Limited*	Zimbabwe	**15 311 155**	15 311 155	15 311 155
Pretoria Portland Cement Company Limited	South Africa	**224 969**	363 833	646 459
Unlisted investments				
Business Partners Limited		**2 209 594**	2 209 594	2 209 594
First Rand Bank – preference shares		**20 000 000**	20 000 000	20 000 000

** The group's investment in these companies was fully impaired during 2007 due to the uncertain economic conditions in Zimbabwe.*

38. INVESTMENT IN ASSOCIATE COMPANIES

Investor company/associate	Principal products or activities	Issued share capital R000	Percentage held by investors 2012	2011	2010
Barloworld Holdings PLC					
Barzem Enterprises (Pty) Limited[1] ^	Caterpillar dealer	48	**35**	35	35
Energyst B.V.[2] ^	Caterpillar engines rental	5 041	**23**	23	23
African United Equipment Limited	Consulting services on equipment sales	7 601	**13**		
Barloworld South Africa (Pty) Limited					
Investment Facility Company 383 (Pty) Limited t/a Sizwe Car Rental	Short-term car rental		**49**	49	49

All companies are incorporated in (or operate principally in) the Republic of South Africa except where otherwise indicated as follows:

1. Zimbabwe
2. Netherlands

^ The following associate companies have different reporting year ends:
Barzem Enterprises (Pty) Limited 31 August 2012.
Energyst B.V. 31 December 2012.

39. SIGNIFICANT JOINT VENTURES

Investor company/joint venture	Principal products or activities	Percentage held by investors 2012	2011	2010
Barloworld Equipment Company				
Bartrac Equipment Limited	Caterpillar dealer	**50**	50	50
Zeda Car Leasing (Pty) Limited (Held 100% by Barloworld South Africa (Pty) Ltd)				
PhakisaWorld Fleet Solutions	Fleet leasing		50	50
Barloworld South Africa (Pty) Limited				
Barloworld Maponya (Pty) Ltd	Motor retailer	**50**		
Electro Motive Diesel Africa (Pty) Limited+	Distribute, maintain and service locomotives	**51**		
Barloworld Holdings PLC				
Finaltair SA#	Energy generation	**50**	50	50
Vostochnaya Technica UK*	Caterpillar dealer			50
Barloworld Heftruck Verhuur BV	Hire of fork-lift-trucks	**50**	50	50

 # Under liquidation.
** Effective 1 October 2010 Vostochnaya Technica UK became a subsidiary and is thus consolidated in the group results.*
+ The board is not controlled by Barloworld Limited.

40. RELATED PARTY TRANSACTIONS

Various transactions are entered into by the company and its subsidiaries during the year with related parties. Unless specifically disclosed these transactions occurred under terms that are no less favourable than those entered into with third parties. Intra-group transactions are eliminated on consolidation.

The following is a summary of other transactions with related parties during the year and balances due at year end:

R million	Associates of the group	Joint ventures in which the group is a venture
2012		
Goods and services sold to		
Barzem Enterprise (Pty) Ltd	**21**	
Bartrac Equipment		**164**
	21	**164**
Other transactions		
Other transactions		**6**
		6
Amounts due from related parties as at end of year		
Bartrac Equipment		**11**
Barzem Enterprise (Pty) Ltd	**9**	
	9	**11**

Notes to the consolidated annual financial statements continued

for the year ended 30 September

40. RELATED PARTY TRANSACTIONS (continued)

R million	Associates of the group	Joint ventures in which the group is a venture
2011		
Goods and services sold to		
Energyst B.V.	1	
Barzem Enterprise (Pty) Ltd	78	
Bartrac Equipment		24
Barloworld Heftruck Verhuur B.V.		26
	79	50
Goods and services purchased from		
Daysun Express (Beijing) Limited	1	
Bartrac Equipment		5
Barloworld Heftruck Verhuur B.V.		7
	1	12
Other transactions		
Other transactions		4
		4
Amounts due (to)/from related parties as at end of year		
Bartrac Equipment	(1)	8
Barzem Enterprise (Pty) Ltd	(9)	
Barloworld Heftruck Verhuur B.V.		3
	(10)	11
2010		
Goods and services sold to		
Barloworld Heftruck Verhuur B.V.		77
		77
Goods and services purchased from		
Barloworld Heftruck Verhuur B.V.		4
Bartrac Equipment		163
		167
Other transactions		
Management fees received from joint ventures		4
Other transactions		1
		5
No amounts are due from related parties as at end of year		

40. RELATED PARTY TRANSACTIONS (continued)

Terms on other outstanding balances

Unless otherwise noted, all outstanding balances are payable within 30 days, unsecured and not guaranteed.

There are no doubtful debt provisions raised in respect of amounts due to/from related parties and no bad debts incurred during the year on these balances.

Associates and joint ventures

The loans to associates and joint ventures are repayable on demand and bear interest at market related rates.

Details of investments in associates and joint ventures are disclosed in notes 5, 38 and 39.

Subsidiaries

Details of investments in subsidiaries are disclosed in note 36.

Directors

Details regarding directors' remuneration and interests are disclosed in note 35, and share options, share appreciation rights and forfeitable shares are disclosed in note 33.

Transactions with key management and other related parties (including directors and prescribed officers)

During the year, the Automotive trading segment sold motor vehicles to the value of R2.5 million (2011: R2.4 million) to key management, prescribed officers or close family members of related parties.

Shareholders

The principal shareholders of the company are disclosed on pages 54 and 55 of the AGM document.

Barloworld Medical Scheme

Contributions of R117 million were made to the Barloworld Medical Scheme on behalf of employees (2011: R104 million; 2010: R92 million).

Barloworld Pension Fund

Amounts recognised in the Income Statement in respect of defined benefit plans was a net gain of R121 million (2011: R3 million net gain; 2010: R1 million net loss).

Small related party transaction

On 25 September 2012 Barloworld Logistics (Pty) Limited (a wholly owned subsidiary of Barloworld Limited) acquired the remaining 25% stake in Barloworld Logistics Africa (Pty) Limited from Old Priory Investments (Pty) Limited. Mr Isaac Shongwe, a director of Barloworld is a shareholder of Old Priory Investments (Pty) Limited and therefore the transaction is a small related party transaction as defined in terms of the JSE Listings Requirements. The cash consideration of R125 million for the shares and R50m loan funding was outstanding at 30 September 2012.

41. EVENTS AFTER THE REPORTING PERIOD

On 9 November 2012 certain Barloworld subsidiaries concluded an agreement with Caterpillar Global Mining LLC to acquire assets and assume liabilities in respect of the Bucyrus distribution and support business in our Caterpillar dealership territories in Russia. The transaction is expected to close in December 2012. The purchase consideration is US$50 million (R436 million) subject to adjustments for working capital at closing date.

Consolidated seven-year summary
for the year ended 30 September

	Compound annual growth %	2012 Rm	2011 Rm
STATEMENT OF FINANCIAL POSITION			
Assets			
Property, plant and equipment		**9 473**	8 743
Goodwill and intangible assets		**2 808**	2 513
Investments in associates and joint ventures and other non-current assets		**652**	762
Deferred taxation assets		**537**	649
Non-current assets		**13 470**	12 667
Current assets		**22 340**	18 252
Assets classified as held for sale			13
Total assets		**35 810**	30 932
Equity and liabilities			
Capital and reserves			
Share capital and premium		**309**	304
Reserves and retained income		**12 560**	12 085
Interest of shareholders of Barloworld Limited		**12 869**	12 389
Non-controlling interest		**298**	263
Interest of all shareholders		**13 167**	12 652
Non-current liabilities		**8 964**	7 279
Deferred taxation liabilities		**371**	229
Non-current liabilities		**8 593**	7 050
Current liabilities		**13 679**	10 996
Liabilities directly associated with assets classified as held for sale			5
Total equity and liabilities		**35 810**	30 932
INCOME STATEMENT #+			
CONTINUING OPERATIONS			
Revenue	10.3%	**58 554**	49 823
Operating profit before items listed below (EBITDA)	16.2%	**4 905**	3 993
Depreciation		**(1 806)**	(1 620)
Amortisation of intangible assets		**(111)**	(84)
Operating profit	7.0%	**2 988**	2 289
Fair value adjustments on financial instruments		**(93)**	(65)
Finance costs	4.9%	**(827)**	(755)
Income from investments		**51**	62
Profit before exceptional items	3.4%	**2 119**	1 531
Exceptional items		**190**	62
Profit before taxation		**2 309**	1 593
Taxation		**(815)**	(584)
Profit after taxation		**1 494**	1 009
Income from associates and joint ventures		**141**	71
Net profit from continuing operations		**1 635**	1 080
DISCONTINUED OPERATIONS			
(Loss)/profit from discontinued operations			
Net profit		**1 635**	1 080
Attributable to:			
Owners of Barloworld Limited		**1 559**	1 017
Non-controlling interests in subsidiaries		**76**	63
		1 635	1 080
Headline earnings from continuing operations	2.5%	**1 432**	979
STATEMENT OF CASH FLOWS			
Cash (outflow)/inflow from operations		**(1 354)**	1 915
Dividends paid (including non-controlling interest)		**(443)**	(257)
Net cash (applied to)/retained from operating activities		**(1 797)**	1 658
Net cash flow used in investing activities		**(1 120)**	(712)
Net cash from/(used in) financing activities		**2 715**	(178)
Net (decrease)/increase in cash and cash equivalents		**(202)**	768

+ Reclassification of interest paid in the leasing business from cost of sales to finance costs
^ Restated for the treatment of IAS 7 and IAS 16
** Not restated for accounting policy changes due to practical constraints*
 # All years have been reclassified for the treatment of the car rental Scandinavia, Cement, Scientific, Coatings and Steel Tube segments as discontinued operations

2010+ Rm	2009^+ Rm	2008^+ Rm	2007*+ Rm	2006*+ Rm
7 575	7 854	8 056	6 847	8 299
2 375	2 599	2 626	2 320	3 328
921	1 473	2 099	2 233	1 912
755	656	488	619	750
11 626	12 582	13 269	12 019	14 289
14 012	15 155	17 812	18 636	21 365
52	2 358	2 876		
25 690	30 095	33 957	30 655	35 654
295	252	242	223	327
10 298	11 601	12 606	10 918	13 342
10 593	11 853	12 848	11 141	13 669
233	217	185	80	691
10 826	12 070	13 033	11 221	14 360
5 670	6 486	6 252	6 638	7 920
302	249	266	610	870
5 368	6 237	5 986	6 028	7 050
9 136	10 030	12 676	12 796	13 374
58	1 509	1 996		
25 690	30 095	33 957	30 655	35 654
40 830	45 269	50 107	39 757	32 452
3 318	4 061	4 689	2 411	1 991
(1 736)	(1 854)	(1 833)		
(64)	(61)	(52)		
1 518	2 146	2 804	2 411	1 991
(89)	(201)	(80)	295	224
(809)	(1 090)	(1 042)	(765)	(619)
84	149	195	164	139
704	1 004	1 877	2 105	1 735
(176)	22	(17)	(74)	116
528	1 026	1 860	2 031	1 851
(228)	(248)	(675)	(697)	(556)
300	778	1 185	1 334	1 295
16	43	72	53	54
316	821	1 257	1 387	1 349
(272)	(82)	(11)	1 172	1 397
44	739	1 246	2 559	2 746
(7)	671	1 232	2 270	2 357
51	68	14	289	389
44	739	1 246	2 559	2 746
443	731	1 259	1 362	1 233
2 565	2 284	90	3 888	4 931
(223)	(434)	(622)	(2 629)	(1 295)
2 342	1 850	(532)	1 259	3 636
(56)	(643)	(715)	(880)	(2 938)
(1 791)	(647)	1 347	(988)	(224)
495	560	100	(609)	474

Consolidated seven-year summary continued

for the year ended 30 September

PERFORMANCE PER ORDINARY SHARE^	
Weighted average number of ordinary shares in issue during the year net of buy-back	
Earnings per share	Net profit attributable to ordinary shareholders of Barloworld Limited / Weighted average number of ordinary shares in issue, net of buy-back
Earnings per share – continuing operations	As above, but using results from continuing results only
Headline earnings per share	Net profit attributable to ordinary shareholders of Barloworld Limited + goodwill amortisation -/(+) non-trading profits/(losses) net of tax and non-controlling interest thereof / Weighted average number of ordinary shares in issue, net of buy-back
Headline earnings per share – continuing operations	As above, but using results from continuing results only
Dividends per share**	Interim and final dividends declared out of current year's earnings
Dividend cover#	Headline earnings (continuing operations) + BEE transaction charge (net of taxation) / Dividends paid out of current year's earnings
Net asset value per share	Interest of shareholders of Barloworld Limited, incl investments at market value / Number of ordinary shares in issue, net of buy-back
PROFITABILITY AND ASSET MANAGEMENT^	
Operating margin – Group	Operating profit before BEE charge and goodwill amortisation / Revenue – group operations
Operating margin – Continuing operations	Operating profit before BEE charge and goodwill amortisation / Revenue – continuing operations
Net asset turn	Revenue – group operations / Average net assets
Return on net assets (group)	Operating profit + BEE transaction charge + investment income + income from associates and joint ventures / Average net assets
Return on net assets (trading businesses)	As per above group calculation but excluding leasing and car rental businesses
Return on net operating assets (group)	Operating profit + BEE transaction charge + investment income + income from associates and joint ventures / Average net operating assets
Return on ordinary shareholders' funds (excluding exceptional items)	Net profit attributable to ordinary shareholders of Barloworld Limited – net exceptional items + BEE transaction charge (net of tax) / Average Interest of shareholders of Barloworld Limited
Replacement capex to depreciation	Replacement capital expenditure / Depreciation charge
Effective rate of taxation – continuing operations	Tax charge – prior year tax – exceptional tax – secondary tax on companies / Profit before tax -/(+) exceptional items + goodwill amortisation

* *Not restated for accounting policy changes due to practical constraints*

^ *All years have been reclassified for the treatment of the car rental Scandinavia, Cement, Scientific, Coatings and Steel Tube segments as discontinued operations*

** *Excludes special dividend of 500 cents paid in April 2007*

For 2007 and prior years this ratio was calculated as Headline earnings per share divided by dividends per share

	Targets	2012	2011	2010	2009^	2008^	2007*	2006*
(000)		**210 693**	210 708	209 469	208 518	204 559	202 673	206 959
SA cents		**739.9**	482.7	(3.3)	321.8	602.2	1 120.0	1 138.9
US cents		**92.2**	69.8	(0.4)	36.2	81.1	155.9	173.4
SA cents		**739.9**	482.7	126.5	361.1	608.1	679.4	643.1
US cents		**92.2**	69.8	16.9	40.6	81.8	94.6	97.9
SA cents		**679.7**	464.6	170.9	282.5	614.0	1 181.2	1 170.8
US cents		**84.7**	67.2	22.8	31.8	82.6	164.4	178.2
SA cents		**679.7**	464.6	211.5	350.6	615.5	672.0	595.8
US cents		**84.7**	67.2	28.3	39.4	82.9	93.7	90.7
SA cents		**230**	155	75	110	250	375	600
US cents		**28.7**	22.4	10.0	12.4	33.7	52.2	91.3
times		**2.8**	2.8	2.6	3.0	2.9	3.1	2.0
SA cents		**6 062**	5 839	5 032	5 731	6 451	5 713	6 973
US cents		**735**	726	721	756	779	828	898
%		**5.1**	4.6	3.7	4.3	6.6	8.9	9.4
%	>5	**5.1**	4.6	3.7	4.7	5.6	5.9	5.3
times	>2.5	**2.7**	2.7	2.2	2.1	2.4	2.2	1.9
%	>18	**14.8**	13.0	8.2	9.8	15.1	20.2	19.5
%	>20	**15.8**	13.6	7.1	10.3	20.5	28.8	27.9
%	>20	**18.8**	17.1	9.3	11.6	16.1	16.5	22.4
%	>15	**11.3**	8.6	3.2	4.8	13.6	18.9	18.0
%		**18.5**	18.8	18.0	24.3	14.4	23.0	26.3
%		**32.7**	34.2	33.8	22.2	32.7	28.5	28.9

Consolidated seven-year summary continued

for the year ended 30 September

LIQUIDITY AND LEVERAGE^	
Total liabilities to total shareholders' funds	Non-current liabilities – deferred tax liabilities + current liabilities / Interest of all shareholders
Net debt to total shareholders' funds	Non-current interest-bearing liabilities + amounts due to bankers and short-term loans – cash and cash equivalents / Interest of all shareholders
Total borrowings to total shareholders' funds – Total group – Trading businesses – Leasing businesses – Car rental businesses	Non-current interest-bearing liabilities + amounts due to bankers and short-term loans + convertible bond / Interest of all shareholders
Net borrowings/EBITDA	Non-current interest-bearing liabilities + amounts due to bankers and short-term loans + convertible bond – cash and cash equivalents / Operating profit + amortisation of goodwill and intangible assets + depreciation charge
Current ratio	Current assets / Current liabilities
Quick ratio	Current assets – inventories / Current liabilities
Interest cover – continuing operations – Total group – Trading businesses – Leasing businesses – Car rental businesses	Profit before exceptional items + goodwill amortisation + BEE transaction charge + interest paid (incl interest capitalised and interest included in cost of sales) / Interest paid (incl interest capitalised and interest included in cost of sales)
VALUE ADDED Number of employees	
Revenue per employee	Revenue / Average number of employees
Value created per employee	Total value created per value added statement / Average number of employees
Employment cost per employee	Salaries, wages and other benefits paid to employees / Average number of employees

* *Not restated for accounting policy changes due to practical constraints*

^ *All years have been reclassified for the treatment of the car rental Scandinavia, Cement, Scientific, Coatings and Steel Tube segments as discontinued operations*

	Targets	2012	2011	2010	2009^	2008^	2007*	2006*
%	<150	**169.2**	142.6	134.0	134.8	143.2	167.8	142.2
%		**56.7**	35.5	46.6	66.6	71.9	70.1	58.3
%		**76.6**	57.2	64.4	81.3	81.7	80.8	68.8
%	30 – 50	**50.4**	30.5	34.0	48.8	50.7	38.2	31.3
%	600 – 800	**471.8**	577.0	482.4	566.8	552.3	646.3	563.5
%	200 – 300	**217.0**	196.4	202.1	204.8	165.3	216.3	233.5
times	<2.5	**1.4**	1.0	1.3	1.9	1.8	1.3	1.4
	>1	**1.6**	1.7	1.5	1.5	1.4	1.5	1.6
	>0.5	**0.8**	1.0	1.0	0.8	0.8	1.0	1.2
times	>3	**3.6**	3.0	1.9	1.9	3.1	3.8	3.6
times	>4	**5.3**	4.4	2.0	2.1	4.4	5.3	6.9
times	>1	**1.9**	1.9	2.2	2.2	1.6	1.6	1.3
times	>1.25	**1.4**	1.4	1.4	1.2	1.0	1.8	1.7
		19 238	18 671	18 167	18 918	20 471	21 960	25 716
R000's		**3 089.2**	2 705.0	2 267.7	2 372.2	2 479.6	2 108.4	1 720.9
R000's		**669.9**	590.2	539.5	617.2	575.5	681.0	531.4
R000's		**404.2**	368.4	342.5	358.2	320.2	350.8	268.6

Consolidated seven-year summary continued

for the year ended 30 September

ORDINARY SHARES PERFORMANCE – JSE	
Closing market prices per share	
– year-end (30 September)	
– highest	
– lowest	
Number of shares in issue at 30 September##	
Volume of shares traded	
Value of shares traded	
Earnings yield	Headline earnings per share / Closing market price per share
Dividend yield	Dividends per share / Closing market price per share
Total shareholder return – Barloworld Limited	
– annual share price gain+	
– total shareholder return	Annual share price gain + dividend yield
Total shareholder return – JSE all share (Alsi) index	
– Alsi index (30 September)	
– gain/(loss) in Alsi index – year to 30 September	
– dividend yield	
– total shareholder return	
Price : Earnings ratio	Closing market price per share / Headline earnings per share
Price : Earnings ratio – JSE Alsi index	
Market capitalisation at 30 September+	Closing market price per share X number of shares in issue at 30 September
Premium over/(under) interest of shareholders of Barloworld Limited	Market capitalisation – Interest of shareholders of Barloworld Limited

* *Not restated for accounting policy changes due to practical constraints*

^ *All years have been reclassified for the treatment of the car rental Scandinavia, Cement, Scientific, Coatings and Steel Tube segments as discontinued operations*

The number of shares in issue excludes shares issued in the respect of the BEE transaction other than to the General staff trust

\+ *The groups shareholding in PPC Limited with a market value of R19,3 billion was distributed to shareholders in 2007*

\# *Calculated taking into account the growth in the Barloworld share price, the value of PPC shares distributed to shareholders per the entitlement ratio, the Barloworld interim, final and special dividends and the PPC final and special dividends*

	2012	2011	2010	2009^	2008^	2007*	2006*
SA cents	**7 190**	6 037	4 680	4 900	6 450	12 960	12 950
US cents	**871**	751	671	647	779	1 879	1 667
SA cents	**10 492**	7 770	5 615	6 642	13 399	21 750	14 050
SA cents	**6 700**	4 706	4 001	2 451	5 900	10 651	10 010
million	**212**	212	212	209	208	204	201
million	**213**	289	264	331	293	204	234
Rm	**17 456**	15 696	12 286	13 827	26 423	32 111	27 465
%	**9.5**	7.7	3.7	5.8	9.5	9.1	9.0
%	**3.2**	2.6	1.6	2.2	3.9	2.9	4.6
%	**19.1**	29.0	(4.5)	(24.0)	(50.2)	0.1	11.4
%	**22.3**	31.6	(2.9)	(21.8)	(46.4)	78.6#	16.0
	35 758	29 674	29 456	24 911	23 836	29 959	22 375
%	**20.5**	0.7	18.2	4.5	(20.4)	43.5	43.5
%	**2.6**	3.0	2.3	3.9	3.7	2.4	2.5
%	**23.1**	3.7	20.6	8.4	(16.8)	36.3	35.0
times	**10.6**	13.0	27.4	17.3	10.5	11.0	11.1
	7.8	9.5	6.0	12.6	10.6	16.4	16.1
Rm	**15 265**	12 809	9 910	10 228	13 427	26 418	25 993
Rm	**2 396**	420	(683)	(1 625)	579	15 277	12 324

Consolidated summary in other currencies#

as at 30 September

	US dollar		
	2012 $m	2011 $m	2010* $m
STATEMENT OF FINANCIAL POSITION			
Assets			
Property, plant and equipment	**1 148**	1 088	1 086
Goodwill and intangible assets	**340**	313	341
Investment in associates, joint ventures and other non-current assets	**79**	95	132
Deferred taxation assets	**65**	81	108
Non-current assets	**1 632**	1 577	1 667
Current assets	**2 707**	2 270	2 009
Assets classified as held for sale		2	7
Total assets	**4 339**	3 849	3 683
Equity and liabilities			
Capital and reserves			
Share capital and premium	**37**	38	42
Reserves and retained income	**1 522**	1 216	1 298
Non-distributable reserves – foreign currency translation		288	179
Interest of shareholders of Barloworld Limited	**1 559**	1 542	1 519
Non-controlling interest	**36**	33	33
Interest of all shareholders	**1 595**	1 575	1 552
Non-current liabilities	**1 086**	905	813
Deferred taxation liabilities	**45**	28	43
Non-current liabilities	**1 041**	877	770
Current liabilities	**1 658**	1 368	1 310
Liabilities directly associated with assets classified as held for sale		1	8
Total equity and liabilities	**4 339**	3 849	3 683

* *Reclassification of interest paid in the leasing business from cost of sales to finance costs*

\# *These schedules are provided for convenience purposes only. The presentation currency used for the financial statements and notes is South African rand*

	Pound sterling			Euro	
2012	2011	2010*	**2012**	2011	2010*
£m	£m	£m	**€m**	€m	€m
711	698	689	**892**	811	796
211	201	216	**265**	233	249
49	61	84	**61**	71	97
40	52	69	**51**	60	79
1 011	1 012	1 058	**1 269**	1 175	1 221
1 677	1 458	1 275	**2 105**	1 692	1 473
	1	5		1	5
2 688	2 471	2 338	**3 374**	2 868	2 699
23	24	27	**29**	28	31
943	781	824	**1 183**	907	951
	185	113		214	131
966	990	964	**1 212**	1 149	1 113
22	21	21	**28**	24	24
988	1 011	985	**1 240**	1 173	1 137
673	581	515	**845**	675	596
28	18	27	**35**	21	32
645	563	488	**810**	654	564
1 027	878	833	**1 289**	1 020	960
	1	5			6
2 688	2 471	2 338	**3 374**	2 868	2 699

Consolidated summary in other currencies# continued

for the year ended 30 September

	US dollar		
	2012 $m	2011 $m	2010* $m
INCOME STATEMENT			
CONTINUING OPERATIONS			
Revenue	**7 300**	7 210	5 454
Operating profit before items listed below (EBITDA)	**612**	578	443
Depreciation	**(225)**	(234)	(232)
Amortisation of intangible assets	**(14)**	(12)	(9)
Operating profit	**373**	332	202
Fair value adjustments on financial instruments	**(12)**	(9)	(12)
Finance costs	**(103)**	(109)	(108)
Income from investments	**6**	9	11
Profit before exceptional items	**264**	223	93
Exceptional items	**24**	9	(24)
Profit before taxation	**288**	232	69
Taxation	**(98)**	(82)	(27)
Secondary taxation on companies	**(3)**	(3)	(3)
Profit after taxation	**187**	147	39
Income from associates and joint ventures	**18**	10	2
Net profit from continuing operations	**205**	157	41
DISCONTINUED OPERATIONS			
Loss from discontinued operations			(36)
Net profit	**205**	157	5
Attributable to:			
Owners of Barloworld Limited	**194**	148	(2)
Non-controlling interests in subsidiaries	**11**	9	7
	205	157	5
Headline earnings from continuing operations	**178**	142	59
Earnings per share from continuing operations (cents)	**92.2**	69.8	16.9
Headline earnings per share from continuing operations (cents)	**84.7**	67.2	28.3
Ordinary dividends per share (cents)	**28.7**	22.4	10.0
STATEMENT OF CASH FLOWS			
Cash (outflow)/inflow from operations	**(169)**	277	343
Dividends paid (including non-controlling interest)	**(55)**	(37)	(30)
Net cash (applied to)/retained from operating activities	**(224)**	240	313
Net cash flow used in investing activities	**(140)**	(103)	(8)
Net cash from/(used in) financing activities	**338**	(26)	(239)
Net (decrease)/increase in cash and cash equivalents	**(26)**	111	66
Exchange rates used:			
Balance sheet – closing rate (rand)	**8.25**	8.04	6.97
Income statement and cash flow statement – average rate (rand)	**8.02**	6.91	7.49

* *Reclassification of interest paid in the leasing business from cost of sales to finance costs*

\# *These schedules are provided for convenience purposes only. The presentation currency used for the financial statements and notes is South African rand*

Pound sterling			Euro		
2012 £m	2011 £m	2010* £m	**2012 €m**	2011 €m	2010* €m
4 614	4 480	3 497	**5 601**	5 152	4 018
387	359	284	**469**	413	327
(142)	(146)	(149)	**(173)**	(168)	(171)
(9)	(8)	(5)	**(11)**	(9)	(6)
236	205	130	**285**	236	150
(7)	(6)	(8)	**(9)**	(7)	(9)
(65)	(68)	(69)	**(79)**	(78)	(80)
4	6	7	**5**	6	8
168	137	60	**202**	157	69
15	6	(15)	**18**	6	(17)
183	143	45	**220**	163	52
(62)	(51)	(17)	**(75)**	(59)	(20)
(2)	(2)	(2)	**(2)**	(2)	(2)
119	90	26	**143**	102	30
11	6	1	**13**	7	2
130	96	27	**156**	109	32
		(23)			(27)
130	96	4	**156**	109	5
123	90		**149**	102	
7	6	4	**7**	7	5
130	96	4	**156**	109	5
113	88	38	**137**	101	44
58.3	43.4	10.8	**70.8**	49.9	12.4
53.6	41.8	18.1	**65.0**	48.0	20.8
18.1	13.9	6.4	**22.0**	16.0	7.4
(107)	172	220	**(130)**	198	252
(35)	(23)	(19)	**(42)**	(27)	(22)
(142)	149	201	**(172)**	171	230
(88)	(64)	(5)	**(107)**	(74)	(6)
214	(16)	(153)	**260**	(18)	(176)
(16)	69	43	**(19)**	79	48
13.32	12.52	10.99	**10.62**	10.79	9.52
12.69	11.12	11.68	**10.45**	9.67	10.16

Definitions

Below is a list of key definitions of financial terms used in the reports of Barloworld Limited (the company) and the group:

ACCOUNTING POLICIES
The specific principles, bases, conventions, rules and practices applied in preparing and presenting financial statements.

Changes in accounting policies are accounted for in accordance with the transitional provisions in International Financial Reporting Standards (IFRS). If no such guidance is given, they are applied retrospectively, unless it is impracticable to do so, in which case they are applied prospectively.

Changes in accounting estimates are recognised in profit or loss.

Prior period errors are retrospectively restated unless it is impracticable to do so, in which case they are corrected prospectively.

ACCRUAL ACCOUNTING
The effects of transactions and other events are recognised when they occur rather than when the cash is received or paid.

ACTUARIAL GAINS OR LOSSES
The effect of differences between the previous actuarial assumptions and what has actually occurred, as well as changes in actuarial assumptions.

AMORTISED COST
The amount at which a financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or non-collectability.

ASSET
A resource controlled by the entity as a result of a past event from which future economic benefits are expected to flow.

ASSOCIATE
An entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the associate, but is not control or joint control over those policies.

AVAILABLE-FOR-SALE FINANCIAL ASSETS
Those non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

BORROWING COSTS
Interest and other costs incurred in connection with the borrowing of funds.

BUSINESS COMBINATION
A business is an integrated set of activities and assets conducted and managed for the purpose of providing a return to investors or lower costs or other economic benefits directly and proportionately to participants.

A business combination is the bringing together of separate entities or businesses into one reporting entity.

CARRYING AMOUNT OF AN ASSET
The amount at which an asset is recognised after deducting any accumulated depreciation or amortisation and accumulated impairment losses.

CASH AND CASH EQUIVALENTS
Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

CASH FLOW HEDGE
A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with an asset, or a liability that could affect profit or loss or a highly probable forecast transaction that could affect profit or loss.

CASH-GENERATING UNIT
The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

CASH-SETTLED SHARE-BASED PAYMENT TRANSACTION
A share-based payment transaction in which the entity acquires goods or services by incurring a liability to transfer cash or other assets to the supplier of those goods or services for amounts that are based on the price (or value) of the entity's shares or other equity instruments of the entity.

CHANGE IN ACCOUNTING ESTIMATE
An adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors.

CHIEF OPERATING DECISION MAKER (KEY MANAGEMENT)
Those persons having authority and responsibility for planning, directing and controlling the activities of the entity.

In terms of this definition, the executive committee of Barloworld Limited have been identified as the chief operating decision maker.

CONSOLIDATED FINANCIAL STATEMENTS
The financial statements of a group presented as those of a single economic entity.

CONSTRUCTIVE OBLIGATION
An obligation that derives from an established pattern of past practice, published policies or a sufficiently specific current

statement, in which the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

CONTINGENT ASSET
A possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

CONTINGENT LIABILITY
A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

COST OF SALES
When inventories are sold, the carrying amount is recognised as part of cost of sales. Any write-down of inventories to net realisable value and all losses of inventories or reversals of previous write-downs or losses are recognised in cost of sales in the period the write-down, loss or reversal occurs.

COSTS TO SELL
The incremental costs directly attributable to the disposal of an asset (or disposal group), excluding finance costs and income tax expense.

DATE OF TRANSACTION
The date on which the transaction first qualifies for recognition in accordance with International Financial Reporting Standards.

DEPRECIATION (OR AMORTISATION)
The systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount of an asset is the cost of an asset, or other amount substituted for cost, less its residual value.

DERECOGNITION
The removal of a previously recognised asset or liability from the statement of financial position.

DERIVATIVE
A financial instrument whose value changes in response to an underlying item, requires no initial or little net investment in relation to other types of contracts that would be expected to have a similar response to changes in market factors and is settled at a future date.

DEVELOPMENT
The application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before starting commercial production or use.

DILUTED EARNINGS PER SHARE
Profit or loss attributable to ordinary equity holders of the parent entity divided by the weighted average number of ordinary shares outstanding during the period, both adjusted for the potential effects of all dilutions.

DILUTION
A reduction in earnings per share or an increase in loss per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions.

DISCONTINUED OPERATION
A component that has either been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operation, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation, or a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the income statement and the assets and liabilities associated with these operations are shown as held for sale in the statement of financial position.

EMPLOYEE BENEFITS
All forms of consideration (excluding share options granted to employees) given in exchange for services rendered by employees.

EQUITY
Debt and equity instruments are classified as either financial liabilities or as equity based on the substance of the contractual arrangement.

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs.

EQUITY INSTRUMENT
A contract or certificate that evidences a residual interest in the total assets after deducting the total liabilities.

EQUITY METHOD
A method in which the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the share of net assets of the investee. Profit or loss includes the share of the profit or loss of the investee.

EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTION
A share-based payment transaction in which the entity receives goods or services as consideration for equity instruments of the entity (including shares or share options).

EVENTS AFTER THE REPORTING PERIOD (POST-BALANCE SHEET)
Recognised amounts in the financial statements are adjusted to reflect events arising after the financial position date that provide evidence of conditions that existed at the financial position date. Events after the financial position date that are indicative of conditions that arose after the financial position date are dealt with by way of a note.

Definitions continued

EXCEPTIONAL ITEMS

Exceptional items cover those amounts, which are not considered to be of an operating/trading nature, and generally include re-measurements due to:

- impairments of goodwill and non-current assets;
- gains or losses on the measurement to fair value less costs to sell (or on the disposal) of assets or disposal groups constituting discontinued operations;
- gains or losses on the measurement to fair value less costs to sell of non-current assets or disposal groups classified as held for sale;
- gains or losses on the disposal of fixed property;
- recycling through profit or loss of foreign currency translation reserves upon disposal of entities whose functional currencies are different to the group's presentation currency;
- recycling through profit or loss of fair value gains or losses previously recognised in other comprehensive income upon the disposal of available-for-sale financial assets and realisation of hedges of a net investment in a foreign operation; and
- the group's proportionate share of exceptional items (determined on the same basis) of associates and joint arrangements.

Re-measurements to fair value of other financial instruments (including amounts recycled through profit or loss under cash flow hedges that were previously recognised in other comprehensive income) are not included in exceptional items.

EXPENSES

The decreases in economic benefits in the form of outflows or depletions of assets or incurrences of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

FAIR VALUE

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FAIR VALUE HEDGE

A hedge of exposure to changes in fair value of a recognised asset, liability or firm commitment.

FINANCE LEASE

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

FINANCIAL ASSET OR LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS

A financial asset or financial liability that is classified as held for trading or is designated as such on initial recognition other than investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

FINANCIAL ASSETS

A financial asset is an asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

FINANCIAL INSTRUMENT

A contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

FINANCIAL LIABILITIES

A financial liability is a liability that is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

FINANCIAL RISK

The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

FIRM COMMITMENT

A binding agreement for the exchange of a specified quantity of resources at a specified price on a specified future date or dates.

FORECAST TRANSACTION

An uncommitted but anticipated future transaction.

GOING CONCERN BASIS

The assumption that the entity will continue in operation for the foreseeable future.

GROSS INVESTMENT IN LEASE

The aggregate of the minimum lease payments receivable by the lessor under a finance lease and any unguaranteed residual value accruing to the lessor.

HEDGED ITEM

An asset, liability, firm commitment, highly probable forecast transaction or net investment in a foreign operation that exposes the entity to risk of changes in fair value or future cash flows and is designated as being hedged.

HEDGE EFFECTIVENESS

The degree to which changes in the fair value or cash flows of the hedged item that is attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument.

HEDGING INSTRUMENT

A designated derivative or non-derivative financial asset or non-derivative financial liability whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item.

HELD FOR TRADING FINANCIAL ASSET OR FINANCIAL LIABILITY
One that is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or as part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking or a derivative (except for a derivative that is a designated and effective hedging instrument).

HELD-TO-MATURITY INVESTMENT
A non-derivative financial asset with fixed or determinable payments and fixed maturity where there is a positive intention and ability to hold it to maturity.

IMMATERIAL
If individually or collectively it would not influence the economic decisions of the users of the financial statements.

IMPAIRMENT LOSS
The amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount.

IMPRACTICABLE
Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so.

INCOME
Increase in economic benefits in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from equity participants.

INSURANCE ASSET
An insurer's net contractual rights under an insurance contract.

INSURANCE LIABILITY
An insurer's net contractual obligations under an insurance contract.

INSURANCE RISK
Risk, other than financial risk, transferred from the holder of a contract to the issuer.

INSURED EVENT
An uncertain future event that is covered by an insurance contract and creates insurance risk.

INSURER
The party that has an obligation under an insurance contract to compensate a policyholder if an insured event occurs.

JOINT ARRANGEMENT
An arrangement in which two or more parties have joint control.

JOINT CONTROL
The contractually agreed sharing of control which exists only when decisions about relevant activities require unanimous consent of the parties sharing control.

JOINT OPERATION
A joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

JOINT VENTURE
A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

LEGAL OBLIGATION
An obligation that derives from a contract, legislation or other operation of law.

LIABILITY
A present obligation of the entity arising from a past event, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

LOANS AND RECEIVABLES
Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

MARKET CONDITION
A condition upon which the exercise price, vesting or exercisability of an equity instrument depends on and is related to the market price of the entity's equity instruments, such as attaining a specified share price or a specified amount of intrinsic value of a share option, or achieving a specified target that is based on the market price of the entity's equity instruments relative to an index of market prices of equity instruments of other entities.

MINIMUM LEASE PAYMENTS
Payments over the lease term that the lessee is or can be required to make, excluding contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor including in the case of a lessee, any amounts guaranteed by the lessee or by a party related to the lessee or in the case of a lessor, any residual value guaranteed to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee.

NET ASSETS
Net operating assets plus goodwill, cash and cash equivalents.

NET INVESTMENT IN THE LEASE
The gross investment in the lease discounted at the interest rate implicit in the lease.

NET OPERATING ASSETS
Segment assets less segment liabilities.

NON-CONTROLLING INTEREST
The equity in a subsidiary not attributable, directly or indirectly, to a parent.

Definitions continued

OPERATING LEASE
A lease other than a finance lease.

OPERATING SEGMENTS
Operating segments are identified on the basis of management reports of the group that are regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Management has determined the operating segments based on the management reports and report on the operating segments as follows:

The equipment segment provides customers with integrated solutions that include Caterpillar earthmoving equipment, engines and other complementary brands.

The automotive and logistics segment provides customers with integrated motor vehicle usage solutions through the operation of car rental, motor retail, fleet service, traditional logistics services and supply chain management solutions.

The handling segment provides customers with innovative solutions for material handling needs including lift trucks, warehouse handling equipment and distribution of agricultural equipment.

The corporate segment comprises all the other group activities including the operations of the corporate office in Johannesburg and treasury in the United Kingdom.

Segment accounting policies are consistent with those adopted for the preparation of the Group financial statements.

The executive committee evaluates the segment performance based on the operating results plus any other items that are directly attributable to segments including fair value adjustments on financial instruments. Interest costs are excluded due to the centralised nature of the group's treasury operations. All intra-segment transactions are eliminated on consolidation.

OWNER-OCCUPIED PROPERTY
Property held by the owner or by the lessee under a finance lease for use in the production or supply of goods or services or for administrative purposes.

PAST SERVICE COST
The increase or decrease in the present value of the defined benefit obligation for employee service in prior periods resulting from the introduction of, or changes to, post-employment benefits or other long-term employee benefits.

POLICYHOLDER
A party that has a right to compensation under an insurance contract if an insured event occurs.

POST-EMPLOYMENT BENEFIT PLANS
Formal or informal arrangements under which an entity provides post-employment benefits to employees. Defined contribution benefit plans are where there are no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

POST-EMPLOYMENT BENEFITS
Employee benefits (other than termination benefits) that are payable after the completion of employment.

PRESENTATION CURRENCY
The currency in which the financial statements are presented.

PRESENT VALUE
A current estimate of the present discounted value of the future net cash flows in the normal course of business.

PRIOR PERIOD ERROR
An omission from or misstatement in the financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that was available when financial statements for those periods were authorised for issue and could reasonably be expected to have been obtained and taken into account in the preparation of those financial statements.

PROJECTED UNIT CREDIT METHOD
An actuarial valuation method that sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

PROSPECTIVE APPLICATION
Applying a new accounting policy to transactions, other events and conditions occurring after the date the policy changed or recognising the effect of the change in an accounting estimate in the current and future periods.

RECOGNITION OF ASSETS AND LIABILITIES
Assets are only recognised if they meet the definition of an asset, it is probable that future economic benefits associated with the asset will flow to the group and the amount at which the settlement would take place or fair value can be measured reliably.

Liabilities are only recognised if they meet the definition of a liability, it is probable that future economic benefits associated with the liability will flow from the group and the cost or fair value can be measured reliably.

Financial instruments are recognised when the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities as a result of firm commitments are only recognised when one of the parties has performed under the contract.

Regular way purchases and sales are recognised using trade date accounting.

RECOVERABLE AMOUNT
The higher of an asset's or cash-generating unit's fair value less cost to sell and its value in use.

REGULAR WAY PURCHASE OR SALE
A purchase or sale of a financial asset under a contract, the terms of which require delivery of the asset within the timeframe established by regulation or convention in the marketplace concerned.

RESEARCH
The original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding.

RESIDUAL VALUE
The estimated amount which an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

RESTRUCTURING
A programme that is planned and controlled by management, and materially changes either the scope of a business undertaken by an entity or the manner in which that business is conducted.

RETROSPECTIVE APPLICATION
Applying a new accounting policy to transactions, other events and conditions, as if that policy had always been applied.

RETROSPECTIVE RESTATEMENT
Correcting the recognition, measurement and disclosure of amounts as if a prior period error had never occurred.

REVENUE
Revenue represents the gross inflow of economic benefits during the period arising in the course of the ordinary activities when those inflows result in increases in equity, other than increases relating to contributions from equity participants.

SEGMENT ASSETS
Total assets less goodwill, cash on hand, deferred and current taxation assets.

SEGMENT LIABILITIES
Non-interest-bearing current and non-current liabilities, excluding deferred and current taxation liabilities.

SEGMENT RESULT
Segment result represents operating profit plus any other items that are directly attributable to segments including fair value adjustments on financial instruments. Interest costs are excluded due to the centralised nature of the group's treasury operations.

SHARE-BASED PAYMENT TRANSACTIONS
A cash-settled share-based payment transaction is the acquisition of goods or services by incurring a liability to transfer cash or other assets to the supplier of those goods or services for amounts that are based on the price (or value) of the entity's shares or other equity instruments.

An equity-settled share-based payment transaction is a transaction where goods or services are received and settled in equity instruments of the entity (including shares or share options).

TAX BASE
The tax base of an asset is the amount that is deductible for tax purposes if the economic benefits from the asset are taxable or is the carrying amount of the asset if the economic benefits are not taxable.

The tax base of a liability is the carrying amount of the liability less the amount deductible in respect of that liability in future periods.

The tax base of revenue received in advance is the carrying amount less any amount of the revenue that will not be taxed in future periods.

TEMPORARY DIFFERENCES
The differences between the carrying amount of an asset or liability and its tax base.

TRANSACTION COSTS
Incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, i.e. those that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

TREASURY SHARES
An entity's own equity instruments, held by the entity or other members of the consolidated group.

UNEARNED FINANCE INCOME
The difference between the gross investment in the lease and the net investment in the lease.

USEFUL LIFE
The period over which an asset is expected to be available for use or the number of production or similar units expected to be obtained from the asset.

VALUE IN USE
The present value of the future cash flows expected to be derived from an asset or cash-generating unit.

VEST
To become an entitlement. Under a share-based payment arrangement, a counterparty's rights to receive cash, other assets or equity instruments of the entity vests when the counterparty's entitlement is no longer conditional on the satisfaction of any vesting conditions.

VESTING CONDITIONS
The conditions that determine whether the entity receives the services that entitle the counterparty to receive cash, other assets or equity instruments of the entity, under a share-based payment arrangement. Vesting conditions are either service conditions or performance conditions. Service conditions require the counterparty to complete a specified period of service. Performance conditions require the counterparty to complete a specified period of service and specified performance targets to be met (such as a specified increase in the entity's profit over a specified period of time). A performance condition might include a market condition.

VESTING PERIOD
The period during which all the specified vesting conditions of a share-based payment arrangement are to be satisfied.

Corporate information

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BASTION GRAPHICS

 

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