		Audited	
		2018 Rm	2017 Rm
4.	**ACQUISITION OF SUBSIDIARIES, INVESTMENTS AND INTANGIBLES**		
	Investment and intangible assets acquired	**(86)**	(393)
	Cash amounts paid to acquire subsidiaries, investments and intangibles	**(86)**	(393)
5.	**PROCEEDS ON DISPOSAL OF SUBSIDIARIES, INVESTMENTS AND INTANGIBLES**		
	Inventories disposed	**969**	551
	Receivables disposed	**1 196**	26
	Payables, taxation and deferred taxation balances disposed and settled	**(785)**	(60)
	Borrowings net of cash	**162**	
	Property, plant and equipment, non-current assets, goodwill and intangibles	**1 048**	151
	Net assets disposed	**2 590**	668
	Outstanding receivable from buyer	**(170)**	
	Less: Non-cash translation reserves realised on disposal of foreign subsidiaries	**(1 502)**	
	Profit/(loss) on disposal	**1 586**	(9)
	Investment in joint venture		(301)
	Net cash proceeds on disposal of subsidiaries	**2 504**	358
	Bank balances and cash in subsidiaries disposed	**(162)**	
	Proceeds on disposal of investments and intangibles		21
	Cash proceeds on disposal of subsidiaries, investments and intangibles	**2 342**	379

The net cash proceeds on disposal of subsidiaries arises from the sale of the Equipment Iberia business for R2.5 billion (€163 million) during June 2018.

6.	**DISCONTINUED OPERATION AND ASSETS CLASSIFIED AS HELD FOR SALE**	**Rm**	Rm
	Due to its significance, Equipment Iberia business segment was classified as a discontinued operation at 30 September 2017. The sale of this business segment was concluded during June 2018.		
	Revenue	**3 337**	4 076
	Operating profit before items listed below (EBITDA)	**215**	58
	Depreciation	**(72)**	(121)
	Amortisation of intangible assets	**(7)**	(14)
	Operating profit/(loss)^	**136**	(77)
	Finance costs	**(2)**	(9)
	Income from investments		1
	Profit/(loss) before non-operating and capital items	**134**	(85)
	Non-operating and capital items	**9**	
	Profit/(loss) before taxation	**143**	(85)
	Taxation	**(29)**	(51)
	Profit/(loss) after taxation	**114**	(136)
	Loss from associates#	**(67)**	(133)
	Profit/(loss) from discontinued operations	**47**	(269)
	Net profit on disposal of discontinued operations*	**1 600**	
	Profit/(loss) discontinued operations per income statement	**1 647**	(269)

^ *Operating loss at 30 September 2017 included restructuring costs at R137 million (€9.1 million).*
# *Loss from associates includes an impairment of investment of R47 million (2017: R78 million).*
* *Net profit on disposal of Equipment Iberia includes R1.5 billion that relates to recycle of the foreign currency translation reserves since acquisition.*

Summarised notes to the consolidated financial statements

for the year ended 30 September

	Audited	
	2018 Rm	2017 Rm
6. DISCONTINUED OPERATION AND ASSETS CLASSIFIED AS HELD FOR SALE continued		
The cash flows from the discontinued operation are as follows:		
Cash flows from operating activities	**129**	381
Cash flows from investing activities	**(31)**	(65)
Cash flows from financing activities	**(6)**	(326)
The major classes of assets and liabilities classified as held for sale are as follows:		
Property, plant and equipment	**253**	1 131
Investments		97
Long-term financial assets		9
Deferred tax assets	**18**	166
Intangible assets	**2**	42
Inventories	**37**	823
Trade and other receivables***	**168**	973
Cash balances	**19**	102
Assets classified as held for sale	**497**	3 343
Interest-bearing long-term loans		(33)
Trade and other payables – short and long term**	**(125)**	(637)
Deferred tax liability		(2)
Provisions		(125)
Bank overdraft	**(1)**	
Total liabilities associated with assets classified as held for sale	**(126)**	(797)
Net assets classified as held for sale	**371**	2 546
Per business segment:		
Equipment Iberia		2 424
Logistics	**278**	122
Corporate division	**93**	
Total group	**371**	2 546

**** Include financial assets of R63 million (2017: R798 million).*
*** Include financial liabilities measured at amortised cost of R83 million (2017: R369 million)*

Following a detailed strategic review of the various operations within the Logistics business, management has taken the firm decision to sell the KLL and SmartMatta businesses. In the prior year, the Logistics Middle East operations were classified as held for sale and positive steps have been made to dispose of this business in the year. Based on progress in the year and developments subsequent to year end, management is confident that this sale will take place in 2019, failing which a reassessment of this classification will be made. These assets do not constitute a major line of business and have therefore not been classified as discontinued operations.

The net assets held for sale within the Corporate division relate to the Barlow Park property owned by Barloworld Limited which is in the process of being sold into a consortium of investors with the aim of redeveloping the site into a multi-use precinct.