Remgro Limited

Registration number 1968/006415/06
ISIN ZAE000026480
JSE and A2X Share code REM

AUDITED SUMMARY CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2023

AND CASH DIVIDEND DECLARATION

SALIENT features

1 254 CENTS
(UP BY 8.9%)

Headline earnings
per share

240 CENTS
(UP BY 60.0%)

Ordinary dividend
per share

R248.47
(UP BY 16.6%)

Intrinsic net asset value
per share

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INTRODUCTION

Introduction

The challenging environment in which businesses are currently operating, is widely recognised and covered by the news outlets in South Africa. The features of this challenging operating business environment include, amongst other things, the confluence of load shedding, high inflation, high interest rates, sharp increases in electricity prices, foreign exchange volatility, ongoing geopolitical tensions, the erosion of foreign investment confidence in the country, as well as concerning levels of crime and corruption. All of these features, compounded together, have created what is probably one of the most difficult business environments to operate in since Remgro's inception. The current economic environment is troubling; the disruption in business operations directly impacts consumers and runs the risk of increased social instability, due to the undoing of livelihoods and rise in poverty levels. With low levels of expected economic growth – combined with the breakdown of state infrastructure relating to energy, transport and logistics, and the slow pace of economic reforms to date – the urgency to address these issues cannot be overstated.

Against this backdrop, it is pleasing to note the Group's ability to maintain positive earnings momentum. Remgro also successfully completed the Mediclinic Group Limited (Mediclinic) and Distell Group Holdings Limited (Distell)/Heineken International B.V. (Heineken) transformative corporate actions, both of which were implemented during the year under review.

Amidst all the headwinds South Africa is currently facing, Remgro remains confident about the resilience of its portfolio.

Results in context

During the current and comparative years, Remgro implemented and facilitated various corporate actions which impacted the comparability of Remgro's headline earnings. These corporate actions and their impact on headline earnings include *inter alia*:

- The restructuring of OUTsurance Group Limited (OUTsurance Group) (previously Rand Merchant Investment Holdings Limited (RMI)) – during the comparative year, OUTsurance Group unbundled its investments in Discovery Limited (Discovery) and Momentum Metropolitan Holdings Limited (Momentum Metropolitan) (the OUTsurance Group unbundling), as well as disposed of its investment in Hastings Group Holdings plc (Hastings). OUTsurance Group equity accounted these investments (being classified as discontinued operations) and Remgro's portion thereof, included in headline earnings for the comparative year, amounted to R351 million. As a consequence of the OUTsurance Group unbundling, Remgro received Discovery and Momentum Metropolitan shares and classified both investments as financial instruments at fair value through other comprehensive income. As Remgro now accounts for dividend income from these investments, only R141 million of dividends were received and included in headline earnings from Momentum Metropolitan during the year under review;
- The disposal of Grindrod Shipping Holdings Limited (Grindrod Shipping) (comparative year) – equity accounted income of R267 million was included in the prior year;

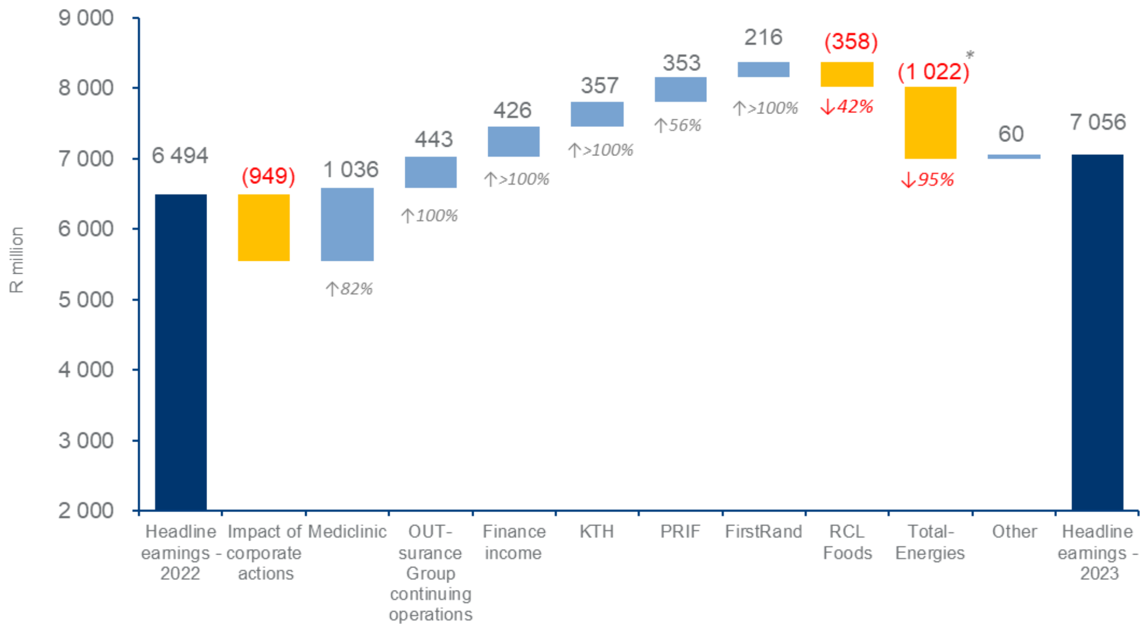
INTRODUCTION (continued)

Results in context (continued)

- The unbundling of Grindrod Limited (Grindrod) (October 2022) – equity accounted income of only R61 million is included for the year under review (2022: R263 million);
- The acquisition of an additional 5.4% indirect interest in Mediclinic (the Mediclinic acquisition) (June 2023) – transaction costs (R612 million) and foreign exchange gain (R522 million) are included for the year under review; and
- The combination of the Heineken Southern African business, including an interest in Namibia Breweries Limited (Namibia Breweries), with the bulk of the Distell business (consisting of its cider, other RTDs (ready-to-drink) and spirits and wine business) in Heineken Beverages Holdings Proprietary Limited (Heineken Beverages), as well as the unbundling by Distell of its subsidiary, Capevin Holdings Proprietary Limited (Capevin), which holds Distell's remaining assets, including its Scotch whisky business (the Distell/Heineken transaction) (April 2023) – transaction costs of R196 million is included for the year under review (2022: R16 million).

More details on these transactions are provided under "*Commentary on reporting platforms' performance*".

Financial year ended 30 June 2023: Results in context



* Included in TotalEnergies' contribution are negative stock revaluations of R252 million (2022: positive stock revaluations of R642 million).

INTRODUCTION (continued)

Group profile

Originally established in the 1940s by the late Dr Anton Rupert, Remgro's investment portfolio has evolved substantially since then and currently includes investee companies across nine platforms. The Company is listed on the Johannesburg Stock Exchange (JSE), operated by the JSE Limited in South Africa under the "Financials – Financial Services – Investment Banking and Brokerage Services – Diversified Financial Services" sector, with the share code "REM". From 3 January 2022, the Company also has a secondary listing on the A2X. Remgro's interests consist mainly of investments in the healthcare, consumer products, financial services, infrastructure, industrial and media industries. Remgro's most significant investments are as follows: Mediclinic (50.0% interest), OUTsurance Group (30.6% interest), Community Investment Ventures Holdings Proprietary Limited (CIVH) (57.0% interest), Heineken Beverages (18.8% interest), RCL Foods Limited (RCL Foods) (80.3% interest), FirstRand Limited (FirstRand) (2.2% interest), Discovery (7.8% interest), Siqalo Foods Proprietary Limited (Siqalo Foods) (100.0% interest), Air Products South Africa Proprietary Limited (Air Products) (50.0% interest), TotalEnergies Marketing South Africa Proprietary Limited (TotalEnergies) (24.9% interest) and Kagiso Tiso Holdings Proprietary Limited (KTH) (43.5% interest). These investments contribute approximately 89% to Remgro's intrinsic net asset value (INAV after tax).

GROUP FINANCIAL REVIEW

Salient features

	30 June 2023	% Change	30 June 2022
Headline earnings (R million)	**7 056**	*8.7*	6 494
– per share (cents)	**1 254**	*8.9*	1 151
Ordinary dividends per share (cents)	**240**	*60.0*	150
Intrinsic net asset value per share (R)	**248.47**	*16.6*	213.10
Remgro share price (R)	**147.05**	*13.2*	129.91
Percentage discount to intrinsic net asset value (%)	**40.8**	*(180bps)*	39.0

GROUP FINANCIAL REVIEW (continued)

Group reporting

Due to Remgro being an investment holding company, traditional measurements of performance, such as sales or gross profit, are not meaningful criteria for evaluating the Group's performance. However, management uses "headline earnings", "intrinsic net asset value" and "cash at the centre" to evaluate the performance of the Group on a continuous basis and hence these concepts are used throughout this report to provide shareholders with a better understanding of Remgro's results.

For purposes of determining the intrinsic net asset value, the unlisted investments are shown at *IFRS 13: Fair value measurement* valuations and the listed investments are shown at closing stock exchange prices. In ensuring the veracity of Remgro's intrinsic net asset valuations, a Valuation Subcommittee assists the Audit and Risk Committee to gain assurance on the valuations of Remgro's unlisted investments and recommends these valuations to the Remgro Board. This function has become increasingly important as Remgro's portfolio has evolved towards more unlisted investments.

At 30 June 2023, Mediclinic, which was previously listed, and Heineken Beverages were valued as unlisted investments for the first time in this regard. Due to the significant contribution of the investment in Mediclinic to Remgro's INAV, Remgro engaged the services of an independent expert to perform the valuation of its investment in Mediclinic. The valuation methodology used for the Mediclinic investment was the sum-of-the-parts methodology, which was underpinned by the discounted cash flows of the underlying businesses. Given the short period since the Distell/Heineken transaction implementation, the Heineken Beverages investment was valued using the price of recent investment (PRI) methodology, since limited integration has taken place as at 30 June 2023 and reliable consolidated forecast information is also limited. Going forward and consistent with Remgro's valuation approach, it is most likely that a different valuation methodology be used, for example the discounted cash flow (DCF) methodology. In such an instance, various discounts (lack of marketability, lack of control and forecast risk) would be applicable, which could affect the valuation in future.

Corporate actions may lead to significant items being recognised in the income statement that may not be excluded from the calculation of headline earnings. In these instances, the Group discloses an alternative earnings measure excluding these items in order to promote comparability between reporting periods.

In accordance with paragraph 3.4(b)(v) of the JSE Listings Requirements, the Company again confirms the use of headline earnings per share for trading statement purposes. This is still considered to be an appropriate measure given that, as an investment holding company, the assessment of headline earnings is a key performance measure.

Headline earnings

Overview

For the year under review, headline earnings increased by 8.7% from R6 494 million to R7 056 million, while headline earnings per share (HEPS) increased by 8.9% from 1 151 cents to 1 254 cents. The uplift of 29bps in the HEPS measure compared to headline earnings, represents the accretive impact of shares repurchased during the year under review.

GROUP FINANCIAL REVIEW (continued)

Headline earnings (continued)

The increase of 8.7% in headline earnings is mainly due to higher contributions from OUTsurance Group's continuing operations, Mediclinic, the Pembani Remgro Infrastructure Fund (PRIF), KTH and FirstRand, as well as higher interest income and a foreign exchange gain realised on foreign exchange contracts entered in respect of the acquisition of the additional 5.4% indirect interest in Mediclinic. The increase is partly offset by lower contributions from TotalEnergies, RCL Foods and Grindrod (due to its unbundling), as well as transaction costs relating to the Mediclinic acquisition and the Distell/Heineken transaction. In addition, the comparative year also included the contributions of Grindrod Shipping (which was disposed of) and the discontinued operations of OUTsurance Group (OUTsurance Group unbundled its investments in Discovery and Momentum Metropolitan, as well as disposed of its investment in Hastings).

The aforementioned various corporate actions impacted the comparability of Remgro's headline earnings over the past two years. Excluding the impact on headline earnings of these corporate actions, the headline earnings increased by approximately 27% reflecting a resilient underlying performance of Remgro's portfolio, thus maintaining positive earnings momentum despite a challenging business environment.

Contribution to headline earnings by reporting platform

R million	Year ended 30 June 2023	% Change	Year ended 30 June 2022
Healthcare	**1 691**	*33.5*	1 267
Consumer products	**1 208**	*(36.6)*	1 906
Financial services	**960**	*10.9*	866
Infrastructure	**317**	*(48.3)*	613
Industrial	**868**	*(51.8)*	1 800
Diversified investment vehicles	**834**	*777.9*	95
Media	**171**	*(3.9)*	178
Portfolio investments	**804**	*81.1*	444
Social impact investments	**(24)**	*(20.0)*	(20)
Central treasury			
– finance income	**650**	*190.2*	224
– finance costs	**(628)**	*(0.2)*	(627)
Other net corporate income/(costs)	**205**	*181.3*	(252)
Headline earnings	**7 056**	*8.7*	6 494

Refer to pages 20 and 21 for the segmental information.

GROUP FINANCIAL REVIEW (continued)

Commentary on reporting platforms' performance

Healthcare

Mediclinic's contribution to Remgro's headline earnings amounted to R1 691 million (2022: R1 267 million), representing an increase of 33.5%. Included in Mediclinic's contribution is an additional provision for transaction costs incurred before 30 June 2023 amounting to R539 million, relating to the acquisition by Manta Bidco Limited (Bidco), a newly formed company which is jointly owned by Remgro and MSC Mediterranean Shipping Company SA, of the entire issued ordinary share capital of Mediclinic, other than the Mediclinic shares Remgro already owned (the Mediclinic acquisition). Bidco and Mediclinic provided for transaction costs of R247 million and R292 million, respectively, which is in addition to the R73 million that has already been accounted for in Medicinic's results for their year ended 31 March 2023. As a result of the Mediclinic acquisition, Remgro's indirect interest in Mediclinic increased from 44.6% to 50.0% (or by 5.4%) on 6 June 2023, the date on which the Mediclinic shareholders received their offer prices. For the 2024 financial year, Remgro will account for Mediclinic's results for the year ending 31 March 2024 at 44.6% for the first two months and at 50.0% for the following ten months.

Mediclinic uses adjusted earnings, which removes volatility associated with certain types of significant income and charges, to assess financial and operational performance and as a method to provide investors and analysts with complementary information to better understand its financial performance. The adjustments for the year under review included the above-mentioned transaction costs, a positive Swiss cantonal tax rate change, a decrease of a redemption liability (re Clinique des Grangettes) and an accelerated depreciation charge (re Klinik St. Anna). The comparative period also included an accelerated depreciation charge (re Klinik St. Anna) and past service costs, relating to Swiss and Middle East retirement plan changes. Remgro's portion of Mediclinic's adjusted earnings amounted to R1 748 million (2022: R1 508 million), representing an increase of 15.9%. In British pound terms, Mediclinic reported an increase in adjusted earnings of 15%.

Mediclinic experienced a testing first-half performance but, notwithstanding the continued macroeconomic pressures, delivered an improved performance in the second half of its 31 March 2023 financial year. Revenue increased by 12% (up 4% in constant currency terms), driven by an 11.2% growth in inpatient admissions and a 16.2% growth in day case admissions, partly offset by lower average revenue per case due to mix changes, exacerbated by the post-Covid-19 environment, and below inflation tariff increases. Adjusted EBITDA increased by 9% and the adjusted EBITDA margin was 15.8% (2022: 16.1%), reflecting softer revenue performance, increased employee costs due to general nurse shortages in Switzerland and pronounced seasonality and additional headcount related to capacity expansion in the Middle East. Adjusted depreciation and amortisation increased by 13%, resulting from increased investment in infrastructure and medical equipment post Covid-19, and adjusted net finance cost increased by 8%. The adjusted equity accounted income amounted to a profit of £5 million (2022: a loss of £13 million), reflecting Spire's contribution.

Consumer products

Distell's contribution to Remgro's headline earnings amounted to R555 million (2022: R735 million). The contribution for the year under review only included Remgro's portion of Distell's results for the ten months ended April 2023, the date on which the Distell/Heineken transaction was implemented. Compared to the ten months ended April 2022, Distell's headline earnings decreased by 5.5% mainly due to abnormal merger integration and deal compensation costs of R619 million (2022: R49 million) relating to the Distell/Heineken transaction. Distell discloses normalised earnings, adjusted for abnormal transactions and currency movements, to indicate its businesses' performance. The abnormal transactions mainly included the above-mentioned costs and the net losses of the civil unrest in South Africa in the comparative year of R20 million. For the ten months to April 2023, Distell reported an increase in normalised headline earnings of 16.3%, mainly due to an increase of 13.8% in gross revenue on 6.4% higher volumes. Domestic revenue and volumes (including the BLNE countries) increased by 13.5% and 7.5%, respectively, with ciders and RTDs growing

GROUP FINANCIAL REVIEW (continued)

Consumer products (continued)

revenues by double digits. Revenue in the African markets, outside South Africa, increased by 14.4% despite a decrease of 2.6% in volumes, also driven by strong growth by key cider and RTD brands (Hunter's and Savanna being the standout performers). In the international markets, outside Africa, revenue and volumes increased by 14.7% and 6.0%, respectively, driven by the branded Scotch whisky portfolio and sales of bulk spirits. The cost of goods sold increased by 22% mainly due to global supply chain disruptions, high input cost increases driven by global inflationary pressures, elevated commodity prices and glass and aluminium can shortages.

In addition to Distell's contribution, Remgro also accounted for amortisation and depreciation charges of R32 million (2022: R11 million) relating to the additional assets identified when Remgro obtained control over Distell on 11 May 2018. The increase is mainly due to a positive deferred tax rate adjustment in the prior year resulting from the reduction in the corporate income tax rate from 28% to 27%.

Heineken Beverages' contribution to Remgro's headline earnings, which consists of Remgro's portion of Heineken Beverages' results for the two months ended 30 June 2023, amounted to a loss of R75 million. Heineken Beverages' contribution includes amortisation and depreciation charges of R56 million relating to the additional assets identified when Heineken Beverages obtained control over Distell and Namibia Breweries on 26 April 2023. Excluding these charges, Heineken Beverages' contribution amounted to a loss of R19 million, mainly as a result of a constrained consumer environment and load shedding affecting consumer behaviour, as well as supply chain challenges, most notably on malt and glass, due to global price volatility, local supplier constraints and volatile demand.

In addition to Heineken Beverages' contribution, Remgro also accounted for amortisation and depreciation charges of R6 million relating to the additional assets identified when Remgro obtained significant influence over Heineken Beverages on 26 April 2023.

Capevin's contribution to Remgro's headline earnings, which consists of Remgro's portion of Capevin's results for the two months ended 30 June 2023, amounted to R14 million. Capevin's year-on-year profit from continuing operations, which excludes Gordon's Gin due to it being classified as a discontinued operation, increased by 13.2%. This increase is mainly due to strong revenue growth of the single malt whiskies and also Scottish Leader.

RCL Foods' contribution to Remgro's headline earnings amounted to R488 million (2022: R846 million), representing a decrease of 42.3%. This decrease is mainly due to the continued unrecovered cost pressure in Rainbow and a special sugar levy raised by the South African Sugar Association (SASA) of R171 million (after-tax), relating to Tongaat Hulett Sugar and Gledhow Sugar Company suspending payment of their industry obligations. RCL Foods discloses underlying headline earnings from continuing operations, which excludes the special sugar levy, *IFRS 9* fair value adjustments on commodity contracts entered as part of the raw material procurement strategy, the direct cost impact of the fire at RCL Foods' sugar warehouse in Komatipoort, impairments of cash generating units due to a lower forecast and Vector Logistics' earnings due to it being classified as a discontinued operation. Underlying headline earnings from continuing operations provides users of RCL Foods' results with relevant information and measures used by itself to assess performance.

RCL Foods reported a decrease in underlying headline earnings from continuing operations of 20.0%. Rainbow's revenue increase of 18.3%, benefitting from strong demand, increased market share and price increases in the Quick Service Restaurant (QSR) sector, proved insufficient to offset the severe impacts of high feed costs, failing municipal infrastructure and load shedding which, in addition to generator costs, also resulted in additional feed and labour requirements. Despite implementing price increases where feasible in the Groceries and Baking business units, these have also been insufficient to offset the cost-push leading to margin compression. Within the Groceries business unit, the Grocery operating unit was most impacted by load shedding, with production being reduced by up to 50% of

GROUP FINANCIAL REVIEW (continued)

Consumer products (continued)

demand in Pet Food from November 2022 to April 2023. The Baking business unit's underlying EBITDA result was largely in line with the prior year despite lower volumes overall and compressed margins in the Bread, Buns & Rolls operating unit. Excluding the above-mentioned special sugar levy, the Sugar business unit had a very strong performance, driven by a combination of improved throughput (due to a larger cane crop), increased local sales (led by strong growth in the industrial channel) and continued favourable export pricing

The headline earnings contribution from **Siqalo Foods** amounted to R344 million (2022: R401 million), representing a decrease of 14.2%. The trading environment remained challenging due to volatile commodity prices and exchange rates, increased load shedding and rising inflation and interest rates. Due to continued cost pressure Siqalo Foods was required to take another price increase in October 2022, the full impact of which the business was unable to pass to the already cash strapped consumer. Siqalo Foods has experienced a decrease of 5.2% in volumes, as consumer spend was negatively impacted by the elevated inflationary environment. The decrease in volumes coupled with a 17.6% increase in material cost, driven by volatile commodity prices and exchange rates, resulted in a 7.8% overall decrease in operational EBITDA, which excludes *IFRS 9* fair value adjustments on commodity and foreign exchange contracts entered as part of the raw material procurement strategy.

In addition to Siqalo Foods' contribution, Remgro also accounted for amortisation and depreciation charges of R80 million (2022: R65 million) relating to the additional assets identified when Remgro obtained control over Siqalo Foods on 2 July 2018. The increase is mainly due to a positive deferred tax rate adjustment in the prior year resulting from the reduction in the corporate income tax rate from 28% to 27%.

Financial services

OUTsurance Group's contribution to Remgro's headline earnings increased by 11.6% to R888 million (2022: R796 million). During the 2022 financial year OUTsurance Group unbundled its investments in Discovery and Momentum Metropolitan (the OUTsurance Group unbundling), as well as disposed of its investment in Hastings. As a result, these investments were only equity accounted until 8 December 2021, the date on which the investment in Hastings was disposed of and the OUTsurance Group unbundling became highly probable. The results for the year under review is therefore not comparable with the prior year.

Remgro's portion of OUTsurance Group's headline earnings from continuing operations increased by 99.6% to R888 million (2022: R445 million), which excludes the contributions of Discovery, Momentum Metropolitan and Hastings. On a normalised basis, which excludes certain anomalies, OUTsurance Group reported an increase of 62.2% in earnings from continuing operations. This increase is mainly due to higher earnings from OUTsurance Holdings Limited (OUTsurance), the most significant remaining asset in OUTsurance Group, and lower funding costs as the Hastings proceeds were utilised to settle OUTsurance Group's debt in the prior year.

OUTsurance's earnings (excluding its share in Hastings in the comparative year) increased by 44.4% mainly due to pleasing financial and operational results from Youi Australia, as strong premium growth continued and favourable weather conditions supported the significant increase in profitability. Youi delivered strong gross written premium growth of 31.4% (aided by a weaker Rand against the Australian Dollar) and the claims ratio decreased significantly from 60.8% in the prior year to 56.4% in 2023. The cost-to-income ratio also decreased from 33.5% to 31.6%, driven by higher revenue growth and improved cost containment despite inflationary pressure. Youi's investment income increased significantly due to the rapid increase in interest rates linked to aggressive monetary policy actions in Australia to offset rising inflation. In South Africa, accelerating premium inflation contributed positively to the growth in gross written premium of the short-term insurance operation.

Business Partners Limited's (Business Partners) contribution to Remgro's headline earnings increased to R72 million (2022: R70 million). This increase is mainly due to the increase in net interest income, primarily due to an increase in the average prime interest rate, partly offset by the release of lower credit impairments.

GROUP FINANCIAL REVIEW (continued)

Infrastructure

CIVH's contribution to Remgro's headline earnings amounted to R206 million (2022: R47 million). The increase in earnings is mainly due to improved performances by CIVH's underlying businesses. The performance of the underlying businesses, being mainly Dark Fibre Africa Proprietary Limited (DFA) and Vumatel Proprietary Limited (Vumatel), improved due to network expansion, partly offset by an increase in finance costs. DFA's revenue increased by 6.8% to R2 653 million, while its annuity income increased to R213 million per month at 31 March 2023 (31 March 2022: R198 million per month). Vumatel's revenue increased by 15.1% to R3 432 million, driven by its fibre infrastructure expansion program and subscriber uptake growth.

Grindrod and **SEACOM** Capital Limited's (SEACOM) contributions to Remgro's headline earnings amounted to R61 million and R47 million (2021: R263 million and R37 million), respectively. Grindrod was equity accounted until 26 September 2022, the date on which Remgro agreed to unbundle the investment.

Other infrastructure investments include the contribution of **Grindrod Shipping** in the comparative year amounting to R267 million. Grindrod Shipping was equity accounted until 25 November 2021, the date on which Remgro agreed to dispose of its investment.

Industrial

Air Products' contribution to Remgro's headline earnings increased by 12.8% to R476 million (2022: R422 million). Overall trading conditions for the year under review were mixed. Erratic and generally lower levels of demand from several large tonnage customers, combined with high levels of plant maintenance activity, weighed on results in this area of the business. Packaged gases volumes continued to improve and the acquisition of Weldamax, a welding consumables and equipment supplier, further enhanced performance in this sector despite significant input cost pressures.

TotalEnergies' contribution to Remgro's headline earnings amounted to R54 million (2022: R1 076 million). Included in the contribution to headline earnings for the year under review were negative stock revaluations amounting to R252 million (2022: positive stock revaluations of R642 million). The revaluations for the year under review resulted from the drop in the Brent Crude price from 1 July 2022 to 30 June 2023. Excluding these revaluations, the contribution decreased by 29.5% from R434 million to R306 million. This decrease is mainly due to higher input costs, heavily impacted by supply challenges experienced on the importation of fuel products.

Wispeco Holdings Proprietary Limited's (Wispeco) contribution to Remgro's headline earnings increased by 11.4% to R313 million (2022: R281 million). Turnover for the year increased by 6.0% to R3 813 million (2022: R3 598 million). This is mainly a result of higher sales prices, with aluminium extrusion volumes being marginally lower than the prior year. Volumes were negatively impacted by lower business confidence, as well as reduced activity levels in the commercial and residential building sectors. In its pressure die casting business, a stable gross margin together with higher export volumes of brass castings yielded a higher contribution to Wispeco's profits.

Other industrial investments consist of PGSI Limited's (PGSI) contribution to Remgro's headline earnings, which amounted to a profit of R25 million (2022: R21 million).

Diversified investment vehicles

KTH's contribution to Remgro's headline earnings amounted to R437 million (2022: R80 million). The increase in KTH's earnings is mainly due to a debt forgiveness gain (the lender waived its right to receive the outstanding amount of a loan to KTH) of R520 million as part of the disposal of KTH's investment in Actom Investment Holdings Proprietary Limited. The year under review also includes a positive fair value adjustment on KTH's investment in Momentum Metropolitan preference shares of R99 million (2022: negative adjustment of R152 million).

GROUP FINANCIAL REVIEW (continued)

Diversified investment vehicles (continued)

The contribution from **other diversified investment vehicles** to Remgro's headline earnings amounted to R397 million (2022: R15 million). The year under review includes dividends from PRIF amounting to R358 million, which relates to PRIF's disposal of its investment in the ETG Group.

Media

eMedia Investments Proprietary Limited's (eMedia Investments) contribution to Remgro's headline earnings decreased by 10.3% to R130 million (2022: R145 million). This decrease should be viewed in light of the continued load shedding and the impact that this has had on the advertising cake, foreign exchange rate and the impact of diesel usage on the business. Revenue was in line with the previous year despite the under-pressure television advertising cake and a reduction in the eNCA license fee received from MultiChoice. eMedia Investments once again outperformed the market in terms of advertising revenue in both the television and radio market. This benefit in advertising revenues can be attributed to eMedia Investments maintaining prime time audience market share at 34.5% (31 March 2022: 34.1%), a slight increase year-on-year. e.tv continues to face the impact of the uncertainty of the imminent analogue switch-off facing the country, but eMedia Investments is confident that the audience share will be carefully managed. The set-top box activations for Openview for the year amounted to 513 840, taking the amount of activated set-top boxes to 3 166 461 activated at 31 March 2023.

Portfolio investments

The contribution from portfolio investments to headline earnings amounted to R804 million (2022: R444 million). Dividends from **FirstRand**, which include a special dividend received during October 2022 (R154 million), amounted to R605 million (2022: R389 million). As a result of the OUTsurance Group unbundling, Remgro received 51 254 365 Discovery shares and 122 908 061 Momentum Metropolitan shares. Both investments were classified as financial instruments at fair value through other comprehensive income. During the year under review, dividends of R141 million were received from **Momentum Metropolitan**. No dividends were declared and paid by **Discovery**.

Other portfolio investments include the dividends received from British American Tobacco plc (BAT) and Reinet Investments SCA (Reinet) amounting to R58 million (2022: R55 million).

Social impact investments

Social impact investments primarily consist of interests in the **Blue Bulls** rugby franchise and Stellenbosch Academy of Sport Proprietary Limited (**SAS**).

Central treasury and other net corporate income/(costs)

Finance income amounted to R650 million (2022: R224 million). This increase is mainly due to the increase in the South African repo rate and a higher average cash balance, due to the disposal of 60 million FirstRand shares and Remgro's investment in Grindrod Shipping. Finance costs amounted to R628 million (2022: R627 million). Other net corporate income of R205 million (2022: net corporate costs of R252 million) includes an after-tax foreign exchange gain of R522 million realised on foreign exchange contracts entered in respect of the acquisition of the additional 5.4% indirect interest in Mediclinic.

GROUP FINANCIAL REVIEW (continued)

Earnings

Total earnings decreased by 26.8% to R9 624 million (2022: R13 139 million) mainly due to Remgro's portion of the profit realised by OUTsurance Group on the unbundling of its investments in Discovery and Momentum Metropolitan (totaling R4 667 million) and the disposal of its investment in Hastings (R1 465 million), accounted for in the comparative year, partly offset by the profit realised on the Distell/Heineken transaction (R3 384 million) during the year under review.

Intrinsic net asset value

Remgro's intrinsic net asset value per share increased by 16.6% from R213.10 at 30 June 2022 to R248.47 at 30 June 2023. The closing share price at 30 June 2023 was R147.05 (2022: R129.91), representing a discount of 40.8% (2022: 39.0%) to the intrinsic net asset value. Refer to page 21 for full details.

Investment activities

The material investment activities during the year under review were as follows:

Mediclinic

On 26 September 2022, the Mediclinic shareholders voted in favour of a cash offer by Manta Bidco Limited (Bidco), a newly formed company which is jointly owned by Remgro and MSC Mediterranean Shipping Company SA (MSC), to acquire the entire issued and to be issued ordinary share capital of Mediclinic, other than the Mediclinic shares Remgro already owned (the Mediclinic acquisition). The last conditions precedent in respect of the Mediclinic acquisition were met during May 2023 and on 6 June 2023 Mediclinic shareholders received 501 pence per Mediclinic share, being the offer price of 504 pence per Mediclinic share less the dividend of 3 pence per Mediclinic share that was paid on 26 August 2022.

To enable the Mediclinic acquisition, Remgro sold its existing 328 497 888 Mediclinic shares (representing an interest of 44.6%) to Bidco in exchange for shares in Bidco and subscribed for further shares in Bidco amounting to £221 million (representing an additional indirect interest in Mediclinic of 5.4% and approximately 50% of Bidco's transaction costs). MSC also subscribed for shares in Bidco amounting to £1 867 million (representing an indirect interest in Mediclinic of 50% and 50% of Bidco's transaction costs).

GROUP FINANCIAL REVIEW (continued)

Investment activities (continued)

Mediclinic (continued)

As both Remgro's investments in Mediclinic (associate) and Bidco (joint venture) are accounted for using the equity method, Remgro effectively ceased the equity accounting of its 44.6% interest in Mediclinic at the end of May 2023 and commenced with the equity accounting of its 50% indirect interest in Mediclinic, through its 50% interest in Bidco. Bidco made fair value adjustments to Mediclinic's statement of financial position when it acquired its 100% stake in Mediclinic. These fair value adjustments mainly relate to the Mediclinic properties and the Mediclinic brand in South Africa and the Middle East. Going forward, Remgro will account for depreciation and amortisation on these additional assets identified, inside headline earnings. The additional depreciation and amortisation will only relate to Remgro's newly acquired 5.4% indirect interest in Mediclinic as Remgro already owned the 44.6% interest.

Distell

On 15 February 2022, the Distell shareholders approved the combination of the Heineken Southern African business, including an interest in Namibia Breweries, with the bulk of the Distell business (consisting of its cider, other RTDs and spirits and wine business) in Heineken Beverages, a new unlisted entity controlled by Heineken. The transaction included the unbundling by Distell of the unlisted shares in Distell's subsidiary, Capevin, which holds Distell's remaining assets, including its Scotch whisky business. The transaction, which was implemented on 26 April 2023, also included an offer by Heineken Beverages to Distell shareholders to acquire their Distell shares for R165 per share and/or unlisted shares in Heineken Beverages, or a combination thereof (subject to a potential scaling back of the issue of Heineken Beverages shares to Distell shareholders, electing to receive Heineken Beverages shares, to ensure a 65% shareholding by Heineken in Heineken Beverages), and an offer by Heineken to Distell shareholders to acquire their Capevin shares for R15 per share.

Remgro elected to receive Heineken Beverages shares for its Distell shares. However, as a result of the scale back, Remgro sold 7 607 803 Distell shares to Heineken Beverages on 26 April 2023 for R1 255 million (being R165 per Distell share) and exchanged the remaining 62 242 453 Distell shares for 62 242 453 Heineken Beverages shares (representing an interest of 15.5%). Following the implementation of the transaction, Remgro acquired a further 13 218 475 shares in Heineken Beverages for R2 181 million (or R165 per share excluding transaction costs), in a series of off-market transactions. These transactions increased Remgro's interest in Heineken Beverages to 18.8%. As Remgro has significant influence over Heineken Beverages through its board representation, the investment is classified as an associate and is accounted for using the equity method. Both Remgro and Heineken Beverages made fair value adjustments to the statements of financial position of Heineken Beverages and Distell and Namibia Breweries, respectively. These fair value adjustments mainly relate to the various brands held by these companies (*inter alia Savanna, Heineken, Amstel, Windhoek Lager* and *Amarula*), as well as Distell's properties and inventory. Going forward, Remgro will account for depreciation and amortisation on these additional assets identified, inside headline earnings.

Remgro did not accept the cash offer made by Heineken for the Capevin shares and, as a result, Remgro's shareholding in Capevin mirrors the shareholding that was previously held in Distell, being an economic interest of 31.4% and a voting interest of 55.9%. Therefore, the Capevin investment remains classified as a subsidiary.

GROUP FINANCIAL REVIEW (continued)

Investment activities (continued)

CIVH

As previously reported, Vodacom Proprietary Limited (Vodacom) will, through a combination of assets of approximately R4.2 billion and cash of at least R6.0 billion, acquire up to 40% of the ordinary shares of a newly created wholly owned subsidiary of CIVH (namely Maziv Proprietary Limited (Maziv)). Maziv holds *inter alia* CIVH's current interests in Vumatel and DFA. As a result of the proposed transaction, Remgro's indirect interest in DFA and Vumatel will dilute with the entrance of Vodacom as a shareholder, however Remgro will also obtain an indirect interest in the assets contributed by Vodacom. During August 2023, The Competition Commission South Africa announced its non-binding recommendation to the Competition Tribunal, to prohibit the proposed transaction. Remgro and CIVH remain committed to the proposed transaction and firmly believe that, should the implementation of the proposed transaction ultimately be permitted by the Competition Tribunal, it will deliver significant benefits to South African consumers and the broader economy.

Grindrod

On 17 October 2022 Remgro unbundled its investment in Grindrod to its shareholders as a dividend *in specie* amounting to R1 640 million, in the ratio of 30.70841 Grindrod shares for every 100 Remgro shares held.

FirstRand

During July 2022 Remgro sold 19.2 million FirstRand shares for R959 million (being R49.945 per FirstRand share). These FirstRand shares were part of the 60 million FirstRand shares that were hedged through a series of options, which became exercisable during June and July 2022. Remgro sold the 60 million FirstRand hedged shares to net settle the option liabilities. The other 40.8 million FirstRand shares were sold during June 2022.

During November 2022, Remgro entered into another hedging transaction on 30 million FirstRand shares. This narrow zero cost collar has a two-year term, with a reference price set at R67.37 per FirstRand share, providing protection at 95% of this reference price (or R64.00), with a call strike at 115.72% (or R77.96). At the same time, Remgro entered into a script lending transaction to optimise the pricing of the narrow zero cost collar. Remgro will be allowed to vote with these shares at the FirstRand Annual General Meeting(s) and is entitled to dividends declared at pre-contracted levels. The FirstRand shares are hedged on a 1:1 basis and the narrow zero cost collar is recognised at fair value with changes in the fair value accounted for in other comprehensive income.

During March 2023, Remgro entered into a further hedging transaction on another 30 million FirstRand shares on similar terms as the narrow zero cost collar mentioned above, but with a reference price set at R67.02 per FirstRand share, providing protection at 95% of this reference price (or R63.67), with a call strike at 114.00% (or R76.40). The levels for the pre-contracted dividends were increased from those set during November 2022.

At 30 June 2023, the narrow zero cost collars were in a liability position amounting to R92 million.

GROUP FINANCIAL REVIEW (continued)

Investment activities (continued)

Asia Partners Funds

During the year under review Remgro invested a further $1 million in Asia Partners I LP (Asia Partners I), thereby increasing its cumulative investment to $20 million. Remgro also made an initial investment of $8 million in Asia Partners II LP (Asia Partners II) to which Remgro committed to invest up to a maximum of $50 million (limited to 10% of the total fund size, which 10% stood at $41 million as of 30 June 2023). As at 30 June 2023 the fair values of Remgro's investments in Asia Partners I and Asia Partners II amounted to $28 million and $7 million, respectively, and the remaining commitments to the funds amounted to $5 million and $33 million, respectively.

Milestone China Funds

As at 30 June 2023, Remgro's total investment in Milestone China Opportunities Fund III (Milestone III) amounted to $102 million. During the year under review Remgro received distributions of $9 million from Milestone III, thereby increasing its cumulative distributions received to $98 million. As at 30 June 2023 the fair value of Remgro's investment in Milestone III amounted to $39 million.

Milestone Capital Investments Holdings Limited (MCIH) is the fund management company of the Milestone China Funds. During December 2022, Remgro entered into an agreement to dispose of its investment in MCIH for $7.3 million. The proceeds and past distributions received from MCIH equal Remgro's initial investment in the company.

PRIF

During the year under review Remgro invested a further R57 million in PRIF and received distributions of R485 million (mainly due to the disposal of PRIF's investment in ETG Group), thereby increasing its cumulative investment to R634 million and cumulative distributions received to R832 million. As at 30 June 2023, the fair value of Remgro's investment in PRIF amounted to R325 million and remaining commitment to PRIF amounted to R30 million.

Other

Other smaller investments amounted to R119 million.

GROUP FINANCIAL REVIEW (continued)

Investment activities (continued)

Events after year-end

RCL Foods: Sale of Vector Logistics

The sale of the RCL Foods' Vector Logistics segment, which has been presented as held for sale at 30 June 2023, was finalised on 28 August 2023, resulting in a net cash receipt of R1 307 million, comprising the purchase price of R1 250 million, plus interest and less the post-tax share option liability of Vector Logistics. The purchase price is subject to certain EBITDA targets being met, which may result in a future upwards or downwards adjustment of up to R100 million in the purchase price. The transition of Vector Logistics out of RCL Foods and its shared services platform is expected to take place over the next 12 months.

Capevin: Termination of Gordon's Gin distribution agreement

The Gordon's Gin and Pimm's No1 Cup distribution agreement, which has been presented as held for sale at 30 June 2023, was included in the remaining assets that were allocated to Capevin as part of the Distell/Heineken transaction. On 19 July 2023 the Competition Commission of South Africa approved the proposed transaction, whereby this distribution agreement will be terminated in favour of the brand owner Diageo, without conditions. The consideration amounts to R1 billion, of which R700 million was received on 4 August 2023. The outstanding amount of R300 million is payable over the next ten months subject to achieving certain thresholds relating to the continued supply and manufacturing of the products by Capevin to Diageo.

Other than the above-mentioned events, there were no other significant events subsequent to 30 June 2023.

GROUP FINANCIAL REVIEW (continued)

Treasury shares

At 30 June 2022, 4 205 497 Remgro ordinary shares (0.8%) were held as treasury shares by a wholly owned subsidiary of Remgro for the purpose of hedging Remgro's share schemes (Remgro scheme shares). During the year under review Remgro bought back a further 4 000 000 Remgro scheme shares at an average price of R138.92 per share for a total amount of R556 million, while 441 560 Remgro scheme shares were utilised to settle Remgro's obligation towards scheme participants.

Pursuant to a general share repurchase programme of R1 billion, Remgro, through a wholly owned subsidiary, acquired 6 583 676 Remgro ordinary shares in the open market between 19 June 2023 and 2 August 2023 (Remgro repurchased shares). These shares represent 1.2% of the Company's issued ordinary shares immediately prior to the repurchase. At 30 June 2023, 1 882 333 Remgro repurchased shares had been acquired at an average price of R145.62 per share for a total amount of R274 million. Subsequent to 30 June 2023, another 4 701 343 Remgro repurchased shares were acquired at an average price of R154.40 per share for a total amount of R726 million. The share repurchase programme was completed on 2 August 2023. These Remgro repurchased shares were acquired as part of an ongoing strategic focus on returning value to shareholders through a disciplined capital allocation plan.

At 30 June 2023, 9 646 270 Remgro ordinary shares (1.8%) were held as treasury shares of which 7 763 937 shares were Remgro scheme shares and 1 882 333 shares were Remgro repurchased shares.

Cash resources at the centre

The Company's cash resources at 30 June 2023 were as follows:

	30 June 2023			30 June
R million	**Local**	**Offshore**	**Total**	**2022**
Per consolidated statement of financial position	**2 703**	**3 344**	**6 047**	11 884
Investment in money market funds	**4 582**	**-**	**4 582**	5 700
Less: Cash of operating subsidiaries	**(1 413)**	**(215)**	**(1 628)**	(5 304)
Cash at the centre	**5 872**	**3 129**	**9 001**	12 280

On 30 June 2023, approximately 50% (R4 532 million) of the available cash at the centre was invested in money market funds which are not classified as cash and cash equivalents on the statement of financial position.

CHANGE TO DIRECTORATE

We are delighted to welcome Dr Thabi Leoka as an independent non-executive director of Remgro, effective 22 March 2023. Dr Leoka has considerable experience in the areas of finance, and a passion for emerging markets and African economies. She obtained her PhD and MSc in Economics from the London School of Economics, holds an MA in Economic Development and International Trade and a BA in Social Science, both from Witwatersrand University.

Dr Leoka has already provided valuable insights and input during her short tenure, and we look forward to her continued contribution to Remgro while serving on the Board.

REPORTS OF THE INDEPENDENT AUDITOR

The Company's directors are responsible for the preparation of a summary of the audited consolidated financial statements.

These summary consolidated financial statements for the year ended 30 June 2023 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived.

The audited annual financial statements and the auditor’s report thereon are available for inspection at the Company’s registered office and on the Company’s website at www.remgro.com.

The auditor's report does not necessarily report on all of the information contained in this announcement/financial results.

DECLARATION OF CASH DIVIDEND

Declaration of Dividend No. 46

Notice is hereby given that a final gross dividend of 160 cents (2022: 100 cents) per share has been declared out of income reserves in respect of both the ordinary shares of no par value and the unlisted B ordinary shares of no par value, for the year ended 30 June 2023.

The Board is satisfied that the Company is solvent and liquid, thus confirming that the Company has sufficient capital and reserves after the payment of the final dividend, to support its operations for the foreseeable future.

A dividend withholding tax of 20% or 32 cents per share will be applicable, resulting in a net dividend of 128 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The total gross dividend per share for the year ended 30 June 2023 therefore amounts to 240 cents, compared to 150 cents for the year ended 30 June 2022.

The issued share capital at the declaration date is 529 217 007 ordinary shares and 39 056 987 B ordinary shares. The income tax number of the Company is 9500-124-71-5.

Dates of importance:

Last day to trade in order to participate in the dividend	Tuesday, 7 November 2023
Shares trade ex dividend	Wednesday, 8 November 2023
Record date	Friday, 10 November 2023
Payment date	Monday, 13 November 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 November 2023, and Friday, 10 November 2023, both days inclusive.

In terms of the Company's Memorandum of Incorporation, dividends will only be transferred electronically to the bank accounts of shareholders. In the instance where shareholders do not provide the Transfer Secretaries with their banking details, the dividend will not be forfeited but will be marked as "unclaimed" in the share register until the shareholder provides the Transfer Secretaries with the relevant banking details for payout.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
Approved by the Board: 20 September 2023
SENS release date: 21 September 2023

COMPOSITION OF HEADLINE EARNINGS

R million	Year ended 30 June 2023	% Change	Year ended 30 June 2022
Healthcare			
Mediclinic	**1 691**	*33.5*	1 267
Consumer products			
Distell – entity contribution	**555**	*(24.5)*	735
– *IFRS 3* charge[1]	**(32)**	*(190.9)*	(11)
Heineken Beverages – entity contribution	**(75)**	*nm*	
– *IFRS 3* charge[1]	**(6)**	*nm*	
Capevin	**14**	*nm*	
RCL Foods	**488**	*(42.3)*	846
Siqalo Foods – entity contribution	**344**	*(14.2)*	401
– *IFRS 3* charge[1]	**(80)**	*(23.1)*	(65)
Financial services			
OUTsurance Group	**888**	*11.6*	796
Business Partners	**72**	*2.9*	70
Infrastructure			
CIVH	**206**	*338.3*	47
Grindrod	**61**	*(76.8)*	263
SEACOM	**47**	*27.0*	37
Other infrastructure investments	**3**	*(98.9)*	266
Industrial			
Air Products	**476**	*12.8*	422
TotalEnergies	**54**	*(95.0)*	1 076
Wispeco	**313**	*11.4*	281
Other industrial investments	**25**	*19.0*	21
Diversified investment vehicles			
KTH	**437**	*446.3*	80
Other diversified investment vehicles	**397**	*2 546.7*	15
Media			
eMedia Investments	**130**	*(10.3)*	145
Other media investments	**41**	*24.2*	33
Portfolio investments			
FirstRand	**605**	*55.5*	389
Momentum Metropolitan	**141**	*nm*	-
Other portfolio investments	**58**	*5.5*	55
Social impact investments	**(24)**	*(20.0)*	(20)
Central treasury			
Finance income	**650**	*190.2*	224
Finance costs	**(628)**	*(0.2)*	(627)
Other net corporate income/(costs)	**205**	*181.3*	(252)
Headline earnings	**7 056**	*8.7*	6 494
Weighted number of shares (million)	**562.7**	*(0.3)*	564.4
Headline earnings per share (cents)	**1 254**	*8.9*	1 151

nm - not meaningful

1. *IFRS 3 charge represents the amortisation and depreciation expenses, net of tax, relating to the additional assets identified when Remgro acquired these investments.*

COMPOSITION OF INTRINSIC NET ASSET VALUE

	30 June 2023		30 June 2022	
R million	**Book value**	**Intrinsic value**[1]	**Book value**	**Intrinsic value**[1]
Healthcare				
Mediclinic	**41 050**	**47 268**	26 681	29 568
Consumer products				
Distell			8 386	11 969
Heineken Beverages[2]	**12 495**	**12 451**		
Capevin[2]	**1 677**	**1 576**		
RCL Foods[2]	**9 152**	**7 141**	8 816	7 355
Siqalo Foods[2]	**6 212**	**6 007**	6 261	6 345
Financial services				
OUTsurance Group	**5 764**	**15 957**	5 307	13 069
Business Partners[2]	**1 289**	**1 260**	1 193	1 193
Infrastructure				
CIVH	**7 025**	**14 300**	6 905	13 756
Grindrod			1 559	1 559
SEACOM	**98**	**796**	40	776
Other infrastructure investments	**57**	**57**	67	67
Industrial				
Air Products	**1 282**	**4 911**	1 162	4 690
TotalEnergies	**3 063**	**3 338**	3 158	3 274
Wispeco[2]	**1 619**	**1 330**	1 448	1 402
Other industrial investments	**204**	**320**	189	379
Diversified investment vehicles				
KTH	**1 878**	**2 370**	1 497	2 145
Prescient China Equity Fund	**1 137**	**1 137**	1 189	1 189
Invenfin	**771**	**1 136**	804	1 050
Other diversified investment vehicles	**1 760**	**1 760**	1 864	1 864
Media				
eMedia Investments[2]	**897**	**659**	856	738
Other media investments	**154**	**182**	111	150
Portfolio investments				
FirstRand[3]	**6 889**	**6 889**	7 141	7 141
Discovery	**6 167**	**6 167**	5 410	5 410
Momentum Metropolitan	**1 816**	**1 816**	1 439	1 439
Other portfolio investments	**769**	**769**	809	809
Social impact investments	**126**	**126**	132	132
Central treasury				
Cash at the centre[4]	**9 001**	**9 001**	12 280	12 280
Debt at the centre	**(7 857)**	**(7 857)**	(7 838)	(7 838)
Other net corporate assets	**1 425**	**2 122**	1 577	2 221
Intrinsic net asset value (INAV)	**115 920**	**142 989**	98 443	124 132
Potential CGT liability[5]		**(4 186)**		(3 930)
INAV after tax	**115 920**	**138 803**	98 443	120 202
Issued shares after deduction of shares repurchased (million)	**558.6**	**558.6**	564.1	564.1
INAV after tax per share (Rand)	**207.51**	**248.47**	174.52	213.10
Remgro share price (Rand)		**147.05**		129.91
Percentage discount to INAV		**40.8**		39.0

1. *For purposes of determining the intrinsic net asset value, the unlisted investments are shown at IFRS 13: Fair value measurement valuations and the listed investments are shown at closing stock exchange prices.*
2. *Remgro determined the recoverable amounts for Heineken Beverages, RCL Foods, Siqalo Foods, Capevin, Business Partners, Wispeco and eMedia Investments which are in excess of the investments' carrying values.*
3. *The intrinsic value for FirstRand includes the investment at market value less deferred capital gains tax (CGT) on the investment, as well as the after tax zero cost collar hedge on 60 000 000 (2022: 19 200 000) FirstRand shares amounting to a liability of R72 million (2022: R187 million).*
4. *Cash at the centre excludes cash held by subsidiaries that are separately valued above (mainly RCL Foods, Siqalo Foods, Capevin and Wispeco).*
5. *The potential CGT liability is calculated on the specific identification method using the most favourable calculation for investments acquired before 1 October 2001 and also taking into account the corporate relief provisions. In addition to FirstRand, the deferred CGT on other investments at fair value through other comprehensive income is included in the investee line item above.*

INDEPENDENT AUDITOR'S REPORT

ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

to the shareholders of Remgro Limited

Opinion

The summary consolidated financial statements of Remgro Limited, set out on pages 20 to 21 and pages 23 to 41, which comprise the summary consolidated statement of financial position as at 30 June 2023, the summary consolidated income statement, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Remgro Limited for the year ended 30 June 2023.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 20 September 2023. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Director's responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers Inc.

Director: R M Labuschaigne
Registered Auditor

Stellenbosch, South Africa
20 September 2023

GROUP FINANCIAL STATEMENTS

Summary consolidated statement of financial position

R million	30 June 2023[1]	30 June 2022
Assets		
Non-current assets		
Property, plant and equipment	9 757	17 831
Investment properties	473	137
Intangible assets	10 665	20 275
Investments – Equity accounted	76 445	50 771
Investments – Financial assets at fair value through other comprehensive income (FVOCI)	22 564	20 650
Financial assets at fair value through profit and loss (FVPL)	150	242
Retirement benefits	351	709
Long-term loans and debtors	33	155
Deferred taxation	176	219
	120 614	110 989
Current assets	30 351	45 709
Inventories	7 832	13 568
Biological agricultural assets	1 317	1 232
Debtors and short-term loans	3 818	11 903
Loans to equity accounted investments	35	15
Financial assets at FVPL	29	78
Taxation	47	98
Investment in money market funds	4 582	5 700
Cash and cash equivalents	6 047	11 884
	23 707	44 478
Assets held for sale	6 644	1 231
Total assets	150 965	156 698
Equity and liabilities		
Stated capital	13 416	13 416
Reserves	103 942	85 712
Treasury shares	(1 438)	(685)
Shareholders' equity	115 920	98 443
Non-controlling interest	6 521	17 437
Total equity	122 441	115 880
Non-current liabilities	11 787	21 128
Retirement benefits	70	149
Long-term loans	5 804	11 693
Lease liabilities	523	959
Deferred taxation	5 298	8 276
Hedge derivatives	92	51
Current liabilities	16 737	19 690
Trade and other payables	5 980	16 025
Short-term loans	6 431	2 681
Lease liabilities	196	231
Financial liabilities at FVPL	6	33
Taxation	127	325
	12 740	19 295
Liabilities held for sale	3 997	395
Total equity and liabilities	150 965	156 698
Net asset value per share (Rand)		
– At book value	R207.51	R174.52
– At intrinsic value	R248.47	R213.10

1. *On 26 April 2023, Remgro sold its interest in the bulk of the Distell business (consisting of its cider, other RTDs and spirits and wine business) to Heineken and, therefore, certain line items are not directly comparable with the prior year. In addition, RCL Foods also announced its intention to dispose of Vector Logistics resulting in these assets and liabilities being presented as held for sale. Refer to "Comparison with prior year" on page 31 for further details.*

GROUP FINANCIAL STATEMENTS (continued)

Summary consolidated income statement

R million	Year ended 30 June 2023	2022 Restated
Continuing operations		
Revenue	48 151	41 876
Inventory expenses	(29 373)	(24 943)
Staff costs	(6 625)	(6 216)
Depreciation	(1 032)	(944)
Other net operating expenses	(8 786)	(7 716)
Trading profit	2 335	2 057
Dividend income	1 161	635
Interest received	985	388
Finance costs	(1 002)	(887)
Impairment of investments, assets and goodwill	(590)	(455)
Reversal of impairment of investments and assets	40	614
Loss allowances on loans	(19)	52
Profit on sale and dilution of investments	329	394
Consolidated profit before tax	3 239	2 798
Taxation	(832)	(757)
Consolidated profit after tax	2 407	2 041
Share of after-tax profit of equity accounted investments	3 296	10 786
Net profit for the year from continuing operations	5 703	12 827
Discontinued operations		
Profit for the year from discontinued operations[1]	5 117	2 152
Net profit for the year	10 820	14 979
Attributable to:		
Equity holders	9 624	13 139
Continuing operations	5 836	12 445
Discontinued operations	3 788	694
Non-controlling interest	1 196	1 840
Continuing operations	(133)	382
Discontinued operations	1 329	1 458
	10 820	14 979
Equity accounted investments		
Share of after-tax profit of equity accounted investments		
Profit before taking into account impairments and non-recurring items	5 823	6 826
Net impairment of investments, assets and goodwill	(1 069)	(190)
Profit on the sale of investments	67	6 297
Other headline earnings adjustable items	-	15
Profit before tax and non-controlling interest	4 821	12 948
Taxation	(1 021)	(1 605)
Non-controlling interest	(328)	(363)
	3 472	10 980
Continuing operations	3 296	10 786
Discontinued operations	176	194

1. Refer to "Discontinued operations" on page 39 for further details.

GROUP FINANCIAL STATEMENTS

Headline earnings reconciliation

R million	Year ended 30 June 2023	2022 Restated
Continuing operations		
Net profit for the year attributable to equity holders (earnings)	**5 836**	12 445
Impairment of equity accounted investments[1]	**58**	193
Reversal of impairment of equity accounted investments[1]	**(5)**	(361)
Impairment of property, plant and equipment	**70**	100
Reversal of impairment of property, plant and equipment	**(35)**	(253)
Impairment of intangible and other assets	**462**	162
Profit on sale and dilution of equity accounted investments	**(321)**	(395)
Loss on sale and dilution of equity accounted investments	**2**	1
Profit on disposal of property, plant and equipment	**(78)**	(27)
Loss on disposal of property, plant and equipment	**62**	14
Recycling of foreign currency translation reserves	**(10)**	-
Non-headline earnings items included in equity accounted earnings of equity accounted investments	**984**	(6 181)
– Profit on disposal of property, plant and equipment	**(18)**	(59)
– Profit on sale of investments[2]	**(67)**	(6 298)
– Loss on sale of investments	**-**	1
– Impairment of investments, assets and goodwill	**1 069**	190
– Other headline earnings adjustable items	**-**	(15)
Taxation effect of adjustments	**(13)**	126
Non-controlling interest	**(370)**	(8)
Headline earnings from continuing operations	**6 642**	5 816
Discontinued operations		
Net profit for the year attributable to equity holders (earnings)	**3 788**	694
Impairment of property, plant and equipment	**-**	6
Profit on disposal of property, plant and equipment	**(9)**	(56)
Loss on disposal of property, plant and equipment	**36**	9
Loss on disposal of intangible assets	**-**	(12)
Profit on disposal of subsidiary[3]	**(4 374)**	-
Recycling of foreign currency translation reserves	**23**	-
Non-headline earnings items included in equity accounted earnings of equity accounted investments		
– Profit on disposal of property, plant and equipment	**-**	(8)
Taxation effect of adjustments	**607**	9
Non-controlling interest	**343**	36
Headline earnings from discontinued operations	**414**	678
Total headline earnings from continuing and discontinued operations	**7 056**	6 494

1. *Refer to "Net impairments of equity accounted investments" on page 33 for further details.*
2. *"Profit on sale of investments" from equity accounted investments for the year ended 30 June 2022 includes Remgro's portion of the profit realised by OUTsurance Group on the unbundling of its investments in Discovery and Momentum Metropolitan (totaling R4 667 million) and the disposal of its investment in Hastings (R1 465 million).*
3. *Refer to "Comparison with prior year" on page 31 for further details.*

GROUP FINANCIAL STATEMENTS (continued)

Headline earnings reconciliation (continued)

Headline earnings, adjusted for corporate actions, reconciliation

Corporate actions such as the unbundling, restructuring, acquisition and disposal of investments may result in non-recurring items or items that distort comparability, being recognised in the income statement that may not be excluded from the calculation of headline earnings as per the HEPS circular 1/2023. Headline earnings is then adjusted for these items (net of tax), being transaction and restructuring costs; acquisition and disposal-related gains or losses (*inter alia* foreign exchange gains or losses); income or losses that were not accounted for the full reporting period (*inter alia* consolidated or equity accounted income or losses until the date of unbundling, restructuring or disposal); and income or losses that were not accounted for on a consistent basis between reporting periods (*inter alia* to consolidate or to equity account as opposed to dividend income from investments recognised at fair value through other comprehensive income). In these instances, the Group discloses an alternative earnings measure excluding these items in order to promote comparability between reporting periods.

For the current and comparative years, these corporate actions and their impact on headline earnings include:

- The restructuring of OUTsurance Group – during the comparative year, OUTsurance Group unbundled its investments in Discovery and Momentum Metropolitan (the OUTsurance Group unbundling), as well as disposed of its investment in Hastings. OUTsurance Group equity accounted these investments (being classified as discontinued operations) and Remgro’s portion thereof, included in headline earnings for the comparative year, amounted to R351 million. As a consequence of the OUTsurance Group unbundling, Remgro received Discovery and Momentum Metropolitan shares and classified both investments as financial instruments at fair value through other comprehensive income. As Remgro now accounts for dividend income from these investments, only R141 million of dividends were received and included in headline earnings from Momentum Metropolitan during the year under review;
- The disposal of Grindrod Shipping (comparative year) - equity accounted income of R267 million was included in the prior year;
- The unbundling of Grindrod (October 2022) - equity accounted income of only R61 million is included for the year under review (2022: R263 million);
- The acquisition of an additional 5.4% indirect interest in Mediclinic (the Mediclinic acquisition) (June 2023) - transaction costs (R612 million) and foreign exchange gain (R522 million) are included for the year under review; and
- The combination of the Heineken Southern African business, including an interest in Namibia Breweries with the bulk of the Distell business (consisting of its cider, other RTDs and spirits and wine business) in Heineken Beverages, as well as the unbundling by Distell of its subsidiary, Capevin, which holds Distell's remaining assets, including its Scotch whisky business (the Distell/Heineken transaction) (April 2023) - transaction costs of R196 million is included for the year under review (2022: R16 million).

Headline earnings adjusted for the above-mentioned corporate actions is as follows:

R million	Year ended 30 June 2023	2022
Total headline earnings from continuing and discontinued operations	**7 056**	6 494
Discontinued operations of OUTsurance Group	**-**	(351)
Momentum Metropolitan dividends	**(141)**	-
Grindrod Shipping equity accounted income	**-**	(267)
Grindrod equity accounted income	**(61)**	(263)
Foreign exchange gain and transaction costs relating to the Mediclinic acquisition	**90**	-
Transaction costs relating to the Distell/Heineken transaction	**196**	16
Headline earnings adjusted for the corporate actions	**7 140**	5 629

GROUP FINANCIAL STATEMENTS (continued)

Earnings and dividends

Cents	Year ended 30 June 2023	2022 Restated
Headline earnings per share		
– Basic	**1 254**	1 151
Continuing operations	**1 180**	1 031
Discontinued operations	**74**	120
– Diluted	**1 244**	1 141
Continuing operations	**1 171**	1 022
Discontinued operations	**73**	119
Earnings per share		
– Basic	**1 710**	2 328
Continuing operations	**1 037**	2 205
Discontinued operations	**673**	123
– Diluted	**1 696**	2 313
Continuing operations	**1 027**	2 191
Discontinued operations	**669**	122
Dividends per share		
Ordinary	**240**	150
– Interim	**80**	50
– Final	**160**	100

Number of shares

	30 June 2023	2022
Ordinary shares of no par value	**529 217 007**	529 217 007
Unlisted B ordinary shares of no par value	**39 056 987**	39 056 987
Total number of shares in issue	**568 273 994**	568 273 994
Number of shares held in treasury		
Ordinary shares repurchased and held in treasury	**(9 646 270)**	(4 205 497)
	558 627 724	564 068 497
Weighted number of shares	**562 745 046**	564 417 614

In determining earnings per share and headline earnings per share the weighted number of shares was taken into account.

GROUP FINANCIAL STATEMENTS (continued)

Summary consolidated statement of comprehensive income

R million	Year ended 30 June 2023	2022 Restated
Continuing operations		
Net profit for the year	5 703	12 827
Other comprehensive income, net of tax	10 959	(2 055)
Items that may be reclassified subsequently to the income statement:		
Exchange rate adjustments	8 628	561
Fair value adjustments for the year	(99)	(842)
Deferred taxation on fair value adjustments	(32)	27
Reclassification of other comprehensive income to the income statement	(359)	64
Other comprehensive income of equity accounted investments	1 321	1 556
Items that will not be reclassified to the income statement:		
Fair value adjustments for the year	1 665	(306)
Deferred taxation on fair value adjustments	(91)	(2 236)
Capital Gains Taxation on disposal of FVOCI investments	(188)	(40)
Remeasurement of post-employment benefit obligations	65	(18)
Deferred taxation on remeasurement of post-employment benefit obligations	(18)	7
Change in reserves of equity accounted investments	67	(828)
Comprehensive income for the year - continuing operations	16 662	10 772
Discontinued operations		
Net profit for the year	5 117	2 152
Other comprehensive income, net of tax	(161)	109
Comprehensive income for the year - discontinued operations	4 956	2 261
Total comprehensive income for the year	21 618	13 033
Total comprehensive income attributable to:		
Equity holders	20 091	11 031
Continuing operations	16 353	10 302
Discontinued operations	3 738	729
Non-controlling interest	1 527	2 002
Continuing operations	309	470
Discontinued operations	1 218	1 532
	21 618	13 033

GROUP FINANCIAL STATEMENTS (continued)

Summary consolidated statement of changes in equity

R million	Year ended 30 June 2023	2022
Balance at the beginning of the year	**115 880**	103 576
Total comprehensive income for the year	**21 618**	13 033
Dividends paid	**(1 075)**	(721)
Dividends *in specie* (Grindrod unbundling)	**(1 629)**	-
Transactions with non-controlling shareholders	**1**	(11)
Other movements	**-**	10
Business disposed	**(11 308)**	-
Businesses acquired	**-**	40
Long-term share incentive scheme reserve	**(216)**	90
Purchase of treasury shares by wholly owned subsidiary	**(830)**	(137)
Balance at the end of the year	**122 441**	115 880

GROUP FINANCIAL STATEMENTS (continued)

Summary consolidated statement of cash flows

R million	Year ended 30 June 2023	2022
Cash flows – operating activities		
Cash generated from operations	**2 783**	7 756
Interest received	**1 124**	535
Taxation paid	**(2 051)**	(1 430)
Dividends received	**2 648**	2 223
Finance costs	**(1 309)**	(1 185)
Cash available from operating activities	**3 195**	7 899
Proceeds from retirement fund assets transferred to Distell	**-**	55
Cash settled share-based payments made by Distell	**(715)**	(148)
Dividends paid	**(1 075)**	(721)
Cash inflow from operating activities	**1 405**	7 085
Cash flows – investing activities		
Investment in property, plant and equipment and other assets	**(3 266)**	(3 272)
Proceeds on disposal of property, plant and equipment and intangible assets	**257**	262
Proceeds on disposal of assets held for sale[1]	**973**	13
Businesses acquired[2]	**(215)**	(84)
Business disposed[3]	**2 041**	-
Proceeds on disposal of investments and loans[4]	**697**	3 536
Additions to investments and loans[5]	**(7 056)**	(2 437)
Investment in money market funds	**(190)**	(690)
Withdrawal of money market funds	**1 308**	–
Cash outflow from investing activities	**(5 451)**	(2 672)
Cash flows – financing activities		
Loans repaid	**(1 899)**	(1 618)
Lease payments	**(302)**	(474)
Purchase of treasury shares	**(830)**	(137)
Other movements	**356**	367
Cash outflow from financing activities	**(2 675)**	(1 862)
Net increase/(decrease) in cash and cash equivalents	**(6 721)**	2 551
Exchange rate profit on foreign cash	**405**	353
Cash and cash equivalents at the beginning of the year	**11 505**	8 601
Cash and cash equivalents at the end of the year	**5 189**	11 505
Cash and cash equivalents – per statement of financial position	**6 047**	11 884
Bank overdraft	**(910)**	(379)
Included in assets and liabilities held for sale		
Cash and cash equivalents	**82**	-
Bank overdraft	**(30)**	-

1. *The year under review included the proceeds on the disposal of 19.2 million FirstRand shares amounting to R959 million.*
2. *The year under review relates to the acquisition of Sunshine Bakery Holdings Proprietary Limited by Remgro's subsidiary RCL Foods.*
3. *The year under review relates to the disposal as part of the Distell/Heineken transaction. Refer to "Comparison with prior year" for further details.*
4. *During June 2022 Remgro sold 40.8 million FirstRand shares. Proceeds of R1 798 million were received by 30 June 2022 and the remaining R240 million during July 2022.*
5. *The year under review includes the additional investments in Mediclinic of R4 693 million and Heineken Beverages of R2 317 million. The prior year included an investment in CIVH amounting to R2 124 million.*

GROUP FINANCIAL STATEMENTS (continued)

Additional information

1. Accounting policies

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, and the requirements of the Companies Act of South Africa. The Listings Requirements require summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by *IAS 34: Interim Financial Reporting*.

The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those applied in the previous consolidated Annual Financial Statements. During the year under review various other interpretations and amendments became effective, but their implementation had no impact on the results of either the current or prior years.

The financial statements have been prepared under the supervision of the Chief Financial Officer, Neville Williams CA(SA).

2. Comparison with prior year

Disposal of certain assets and liabilities of Distell

On 26 April 2023 Heineken International B.V. (Heineken) acquired the bulk of Distell's business (consisting of its cider, other RTDs and spirits and wine business). The transaction entailed the following:

- Distell sold its equity interests in Distell Namibia Limited, Distillers Corporation (Namibia) Limited and Namibia Wines and Spirits Limited to Namibia Breweries for a cash consideration of R1 564 million.
- Heineken's Southern African business, including an interest in Namibia Breweries, was combined with the bulk of the Distell business (consisting of its cider, other RTDs and spirits and wine business) in Heineken Beverages, a new unlisted entity, controlled by Heineken. Remgro exchanged 62 242 453 Distell shares for 62 242 453 Heineken Beverages shares (being a 15.5% stake in Heineken Beverages) and sold 7 607 803 of its Distell shares to Heineken Beverages for R1 255 million (being R165 per Distell share) in terms of a scale back of the issue of Heineken Beverages shares to Distell shareholders, electing to receive Heineken Beverages shares, to ensure a 65% shareholding by Heineken in Heineken Beverages.
- Distell unbundled the unlisted shares in its subsidiary, Capevin, which holds Distell's remaining assets, mainly its Scotch whisky business. Remgro is the controlling shareholder in Capevin, which shareholding mirrors the shareholding that was previously held in Distell (being an economic interest of 31.4% and a voting interest of 55.9%). Therefore, the Capevin investment continues to be classified as a subsidiary. It was previously held indirectly through Distell.

The investment in Distell was derecognised on 26 April 2023, while Remgro continued to consolidate the investment in Capevin at its underlying carrying values as previously accounted for. A profit on disposal of R4 374 million was recognised for the assets and liabilities transferred to Heineken Beverages and the related business activities was disclosed as a discontinued operation in the current financial year, with the prior year disclosure restated accordingly. No profit or loss was recognised from the unbundling of Capevin. The investment in Heineken Beverages was classified as an associate since Remgro has board representation.

GROUP FINANCIAL STATEMENTS (continued)

Additional information (continued)

2. Comparison with prior year (continued)

R million	At disposal date
Property, plant and equipment	8 257
Intangible assets	9 023
Inventories	8 461
Debtors and short-term loans	5 979
Cash and cash equivalents	2 318
Other assets	1 438
Deferred taxation	(3 300)
Trade and other payables	(7 938)
Bank overdraft	(1 550)
Other liabilities	(1 744)
Non-controlling interest	(12 239)
Carrying value of net assets disposed	8 705
Consideration received	13 079
Cash consideration received from Namibia Breweries	1 564
Cash on shares disposed to Heineken, net of costs	1 245
Exchanged for investment in Heineken Beverages	10 270
Profit on disposal	4 374
Cash inflow on disposal	2 041
Cash and cash equivalents and bank overdrafts of business disposed	(768)
Cash consideration received	2 809

Transfer to non-current assets/(liabilities) held for sale of Vector Logistics

During the year under review RCL Foods announced its intention to dispose of Vector Logistics. On 29 March 2023, RCL Foods entered into a binding agreement with EMIF II Investment Proprietary Limited, a subsidiary of A.P. Möller Capital, to dispose of the Vector Logistics business.

The related assets and liabilities are presented as held for sale in the statement of financial position at 30 June 2023 and the results for the current and previous financial year are disclosed as a discontinued operation.

R million	At 30 June 2023
Debtors and short-term loans	4 699
Other assets	1 773
Included in assets held for sale	6 472
Trade and other payables	(3 413)
Other liabilities	(583)
Included in liabilities held for sale	(3 996)

GROUP FINANCIAL STATEMENTS (continued)

Additional information (continued)

3. Equity accounted investments

R million	30 June 2023	2022
Associates	**27 973**	43 317
Joint ventures	**48 472**	7 454
Investments – equity accounted	**76 445**	50 771
Loans to equity accounted investments – current	**35**	15
	76 480	50 786
Equity accounted investments reconciliation		
Carrying value at the beginning of the year	**50 786**	50 301
Share of net attributable profit	**3 472**	10 980
Dividends received	**(1 459)**	(1 687)
Grindrod unbundled[1]	**(1 649)**	-
Investments made[2]	**18 034**	2 163
Business disposed	**(806)**	-
Discovery dividend *in specie*[3]	**-**	(8 561)
Momentum Metropolitan dividend *in specie*[3]	**-**	(2 056)
Exchange rate differences	**7 087**	(244)
Grindrod Shipping transferred to non-current assets held for sale/disposed of[4]	**-**	(1 055)
Net impairments	**(50)**	168
Net allowances on loans	**-**	1
Equity accounted movements on reserves	**1 388**	729
Other movements	**(323)**	47
Carrying value at the end of the year	**76 480**	50 786

1. *Refer to "Investment activities" for further details.*
2. *Refer to "Investment activities" for the investments in Heineken Beverages and Mediclinic during the year under review. The prior year included an investment in CIVH amounting to R2 124 million.*
3. *During April 2022 OUTsurance Group unbundled its investments in Discovery and Momentum Metropolitan. Remgro received a 7.7% interest in Discovery and an 8.6% interest in Momentum Metropolitan and both the investments were classified as financial instruments at fair value through other comprehensive income.*
4. *During January 2022 Remgro sold its investment in Grindrod Shipping.*

R million	30 June 2023	2022
Net impairments of equity accounted investments and loss allowances on loans		
Reversal of impairments/(impairments) were recognised for the following investments:		
Business Partners[1]	**-**	(193)
Grindrod[2]	**-**	361
Other impairments and loss allowances	**(50)**	1
	(50)	169

1. *Business Partners' fair value declined mainly due to an Increase In the tradability discount applied to the valuation thereof.*
2. *At 30 June 2022 Grindrod's listed share price recovered significantly (85% increase year-on-year) following much improved trading results mainly due to the recovery in the logistics and port and terminals sectors in which it operates.*

GROUP FINANCIAL STATEMENTS (continued)

Additional information (continued)

3. Equity accounted investments (continued)

At 30 June 2023, the fair value of the investment in Mediclinic was R47 268 million (2022: listed market value R29 568 million), which exceeded the carrying value of R41 050 million (2022: R26 681 million). Included in the carrying value of the investment is an impairment of R3 898 million which arose following regulatory changes in the investments' Switzerland business that affected its profitability since the 2019 financial year. Subsequently, the business was also severely impacted by the Covid-19 pandemic. While the Switzerland business is adapting to the new business environment and is recovering after the pandemic, its profitability has not yet improved sufficiently to warrant a reversal of the impairment.

4. Investments at fair value through other comprehensive income (FVOCI)

	30 June	
R million	**2023**	**2022**
Carrying value at the beginning of the year	**20 650**	14 342
Fair value adjustments for the year[1]	**1 657**	(740)
Investments made	**306**	243
Discovery received as a dividend *in specie*[2]	**-**	8 561
Momentum Metropolitan received as dividend *in specie*[2]	**-**	2 056
Exchange rate differences	**393**	352
Disposals[3]	**(415)**	(2 966)
Business disposed	**(38)**	-
Transfer to assets held for sale[3]	**-**	(1 198)
Other movements	**11**	-
Carrying value at the end of the year	**22 564**	20 650

1. *The current year mainly consists of positive fair value adjustments from Momentum Metropolitan (R467 million), Discovery (R910 million) and FirstRand (R753 million).*
2. *During April 2022 OUTsurance Group unbundled its investments in Discovery and Momentum Metropolitan. Remgro received a 7.7% interest in Discovery and an 8.6% interest in Momentum Metropolitan.*
3. *During June 2022 Remgro sold 40.8 million FirstRand shares for R2 704 million. At 30 June 2022 19.2 million shares valued at R1 198 million were transferred to assets held for sale and sold during July 2022 for R959 million. These disposals were part of Remgro's decision to sell 60 million of its FirstRand ordinary shares which were hedged in the 2020 financial year via a zero cost collar.*

GROUP FINANCIAL STATEMENTS (continued)

Additional information (continued)

R million		30 June 2023	2022
5.	**Long-term loans**		
	20 000 Class A 7.5% cumulative redeemable preference shares[1]	**3 510**	3 509
	10 000 Class B 7.8% cumulative redeemable preference shares[1]	**4 347**	4 329
	Various other loans	**3 201**	5 835
		11 058	13 673
	Short-term portion of long-term loans[2]	**(5 254)**	(1 980)
		5 804	11 693
6.	**Additions to and replacement of property, plant and equipment**	**3 434**	3 077
7.	**Capital and investment commitments** (Including amounts authorised, but not yet contracted for)	**4 487**	6 208
8.	**Guarantees and contingent liabilities**	**15**	25
9.	**Dividends received from equity accounted investments set off against investments**	**1 459**	12 304
10.	**Refer to "investment activities" under "Group financial review" for more detail on related party transactions.**		

1. *Remgro's debt covenant, which relates to the Class A and B cumulative redeemable preference shares, is based on net debt at the centre. As Remgro is in a net cash position, the debt covenant is comfortably met.*
2. *The short-term portion of the long-term loans include the 20 000 Class A 7.5% cumulative preference shares as these are repayable on 15 January 2024.*

GROUP FINANCIAL STATEMENTS (continued)

Additional information (continued)

11. Fair value remeasurements

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

– Financial instruments at fair value and investment in money market funds: fair value is based on quoted market prices or, in the case of unlisted instruments, appropriate valuation methodologies, being discounted cash flow, liquidation valuation or actual net asset value of the investment.
– Derivative instruments: The fair values of derivative instruments, which are included in financial instruments at FVPL, are determined by using appropriate valuation methodologies and mark-to-market valuations.

Financial instruments measured at fair value, are disclosed by level of the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table illustrates the fair values of financial assets and liabilities that are measured at fair value, by hierarchy level:

R million	Level 1	Level 2	Level 3	Total
30 June 2023				
Assets				
Non-current assets				
Financial assets at FVOCI	**20 246**	**3**	**2 315**	**22 564**
Financial assets at FVPL	**-**	**-**	**150**	**150**
Current assets				
Financial assets at FVPL	**-**	**29**	**-**	**29**
Investment in money market funds	**4 582**	**-**	**-**	**4 582**
	24 828	**32**	**2 465**	**27 325**
Liabilities				
Current instruments at FVPL	**-**	**6**	**-**	**6**
Hedge derivatives	**-**	**92**	**-**	**92**
	-	**98**	**-**	**98**
30 June 2022				
Assets				
Non-current assets				
Financial assets at FVOCI	18 248	–	2 402	20 650
Financial assets at FVPL	–	–	242	242
Current assets				
Financial assets at FVPL	–	78	–	78
Investment in money market funds	5 700	–	–	5 700
	23 948	78	2 644	26 670
Liabilities				
Current instruments at FVPL	–	33	–	33
Hedge derivatives	–	51	–	51
	–	84	–	84

GROUP FINANCIAL STATEMENTS (continued)

Additional information (continued)

11. Fair value remeasurements (continued)

The following table illustrates the reconciliation of the carrying value of level 3 assets at the beginning and end of the year:

R million	Financial assets at FVOCI	Financial assets at FVPL	Total
Assets			
Balances at 1 July 2022	**2 402**	**242**	**2 644**
Additions	**306**	**-**	**306**
Disposals	**(415)**	**-**	**(415)**
Business disposed	**(38)**	**-**	**(38)**
Exchange rate adjustment	**203**	**35**	**238**
Fair value adjustments through other comprehensive income	**(143)**	**-**	**(143)**
Fair value adjustments through profit and loss	**-**	**(127)**	**(127)**
Balances at 30 June 2023	**2 315**	**150**	**2 465**

Level 3 financial assets consist mainly of investments in the Milestone China entities (Milestone), Asia Partners Fund I LP and Asia Partners Fund II LP (Asia Partners) and the Pembani Remgro Infrastructure Fund (PRIF) amounting to R738 million (2022: R835 million), R658 million (2022: R398 million) and R325 million (2022: R615 million), respectively. These investments are all valued based on the fair value of each investment's underlying assets, which are valued using a variety of valuation methodologies. Listed entities are valued at the last quoted share price on the reporting date, whereas unlisted entities' valuation methods include discounted cash flow valuations, appropriate earnings and revenue multiples.

Milestone's fair value consists of two listed investments (11%), cash and cash equivalents (2%) and unlisted investments (87%) (2022: 27%, 1% and 72%, respectively). Asia Partners consist of cash balances and seven different investments of which 80% is measured using option pricing models. PRIF's six assets were valued using the discounted cash flow method.

Other investments included as level 3 financial assets includes the investments in LifeQ and Bolt were valued at R202 million and R257 million, respectively, at 30 June 2023 (2022: R240 million and R210 million, respectively).

Remgro's unlisted investments classified as level 3 financial instruments are widely held. Accordingly, changes in the assumptions used to value the above-mentioned unlisted investments will not have a significant impact on Remgro's financial statements.

GROUP FINANCIAL STATEMENTS (continued)

Additional information (continued)

12. Segment revenue

R million	Year ended 30 June 2023	2022 Restated
Consumer products		
RCL Foods[1]	37 616	32 038
Capevin[1]	2 897	2 620
Siqalo Foods	3 748	3 546
Wispeco	3 813	3 598
Other	77	74
Total revenue from continuing operations	48 151	41 876
Disaggregated revenue information		
RCL Foods[1]		
RCL Foods Value-Added Business	24 760	21 156
Groceries	5 034	4 732
Baking	8 625	7 423
Sugar	11 101	9 001
Rainbow	13 464	11 385
Sales between RCL Foods' business units	(639)	(530)
Group	198	190
	37 783	32 201
Capevin[1]		
Spirits	2 632	2 290
Other	265	330
	2 897	2 620
Siqalo Foods		
Spreads	3 748	3 546
Wispeco		
Extrusions and related products	3 208	3 050
Other	605	548
	3 813	3 598
Other	77	74
Elimination of intersegment revenue	(167)	(163)
Total revenue from continuing operations	48 151	41 876

1. *During the year under review, RCL Foods disclosed Vector Logistics business as a discontinued operation and Distell sold the bulk of its business to Heineken Beverages with its continuing operations consisting of Capevin. Refer to "Discontinued operations" for further details.*

GROUP FINANCIAL STATEMENTS (continued)

Additional information (continued)

13. Discontinued operations

13.1 Disposal of certain assets and liabilities of Distell

Refer to "*Comparison with prior year*" on page 31.

13.2 Transfer to non-current assets/(liabilities) held for sale of Vector Logistics

Refer to "*Comparison with prior year*" on page 31.

13.3 Gordon's Gin

During May 2023 Capevin reached an agreement with Diageo Brands B.V. to terminate the longstanding Gordon's Gin and Pimm's No 1 Cup distribution agreement. The financial results of the disposed business have been disclosed as part of discontinued operations and the related assets and liabilities transferred to held for sale.

GROUP FINANCIAL STATEMENTS (continued)

Additional information (continued)

13. Discontinued operations (continued)

	30 June 2023			
R million	**Distell**	**Vector Logistics**	**Gordon's Gin**	**Total**
Profit for the year from discontinued operations:				
Revenue	27 296	3 067	2 329	32 692
Inventory expenses	(17 990)	(597)	(1 864)	(20 451)
Staff costs	(2 892)	(1 124)	(16)	(4 032)
Depreciation	(669)	(150)	–	(819)
Other net operating expenses	(4 181)	(1 041)	(224)	(5 446)
Trading profit	1 564	155	225	1 944
Dividend income	3	6	–	9
Interest received	108	31	–	139
Finance costs	(198)	(111)	–	(309)
Loss allowances on loans	(22)	–	–	(22)
Consolidated profit before tax	1 455	81	225	1 761
Taxation	(478)	(17)	(61)	(556)
Consolidated profit after tax	977	64	164	1 205
Share of after-tax profit of equity accounted investments	164	12	–	176
Net profit for the year from discontinued operations	1 141	76	164	1 381
Profit on sale of investments	4 374	–	–	4 374
Reserves recycled	(23)	–	–	(23)
Taxation	(615)	–	–	(615)
Total profit for the year from discontinued operations	4 877	76	164	5 117
Attributable to:				
Equity holders	3 677	59	52	3 788
Non-controlling interest	1 200	17	112	1 329
Other comprehensive income for the year from discontinued operations:				
Net profit for the year	4 877	76	164	5 117
Exchange rate adjustments	(174)	3	–	(171)
Fair value adjustments	4	–	–	4
Reclassification of other comprehensive income to the income statement	22	–	–	22
Remeasurement of post-employment benefit obligations	(24)	2	–	(22)
Deferred taxation on remeasurement of post-employment benefit obligations	6	–	–	6
Total comprehensive income	4 711	81	164	4 956
Attributable to:				
Equity holders	3 623	63	52	3 738
Non-controlling interest	1 088	18	112	1 218
Cash flows for the year from discontinued operations:				
Operating activities	(457)	(197)	15	(639)
Investment activities	184	(179)	–	5
Financing activities	(1 044)	(126)	–	(1 170)
Net increase/(decrease) in cash generated	(1 317)	(502)	15	(1 804)

GROUP FINANCIAL STATEMENTS (continued)

Additional information (continued)

13. Discontinued operations (continued)

R million	30 June 2022 Distell	Vector Logistics	Gordon's Gin	Total
Profit for the year from discontinued operations:				
Revenue	29 202	2 706	2 312	34 220
Inventory expenses	(18 914)	(451)	(1 765)	(21 130)
Staff costs	(2 756)	(1 084)	–	(3 840)
Depreciation	(769)	(179)	–	(948)
Other net operating expenses	(4 287)	(846)	(166)	(5 299)
Trading profit	2 476	146	381	3 003
Dividend income	6	–	–	6
Interest received	126	23	–	149
Finance costs	(249)	(93)	–	(342)
Impairment of investments, assets and goodwill	–	(6)	–	(6)
Loss allowances on loans	(7)	–	–	(7)
Consolidated profit before tax	2 352	70	381	2 803
Taxation	(719)	(19)	(107)	(845)
Consolidated profit after tax	1 633	51	274	1 958
Share of after-tax profit of equity accounted investments	181	13	–	194
Net profit for the year from discontinued operations	1 814	64	274	2 152
Attributable to:				
Equity holders	557	50	87	694
Non-controlling interest	1 257	14	187	1 458
Other comprehensive income for the year from discontinued operations:				
Net profit for the year	1 814	64	274	2 152
Exchange rate adjustments	16	1	–	17
Fair value adjustments	37	–	–	37
Other comprehensive income of equity accounted investments	2	–	–	2
Remeasurement of post-employment benefit obligations	60	–	–	60
Deferred taxation on remeasurement of post-employment benefit obligations	(7)	–	–	(7)
Total comprehensive income	1 922	65	274	2 261
Attributable to:				
Equity holders	591	51	87	729
Non-controlling interest	1 331	14	187	1 532
Cash flows for the year from discontinued operations:				
Operating activities	2 988	344	–	3 332
Investment activities	(1 324)	(149)	–	(1 473)
Financing activities	(1 164)	(150)	–	(1 314)
Net increase/(decrease) in cash generated	500	45	–	545

DIRECTORATE

Non-executive directors

Johann Rupert (*Chairman*),F Robertson* (*Deputy Chairman*),
S E N De Bruyn*, T Leoka*, N P Mageza*,
J Malherbe, P J Moleketi*, M Morobe*,
P J Neethling, G G Nieuwoudt*,
K S Rantloane*, A E Rupert
(* *Independent*)

Executive directors

J J Durand (*Chief Executive Officer*),
M Lubbe, N J Williams

CORPORATE INFORMATION

Secretary

D I Dreyer

Listings

Primary listing - JSE Limited
Sector: Financials – Financial Services – Investment Banking and Brokerage Services – Diversified Financial Services
Secondary listing – A2X

Business address and registered office

Millennia Park, 16 Stellentia Avenue, Stellenbosch 7600
(PO Box 456, Stellenbosch 7599)

Transfer Secretaries

Computershare Investor Services Proprietary Limited,
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196
(Private Bag X9000, Saxonwold 2132)

Auditors

PricewaterhouseCoopers Inc.
Stellenbosch, South Africa

Sponsor

Rand Merchant Bank
(A division of FirstRand Bank Limited)

Website

www.remgro.com

Remgro Limited

ANNUAL FINANCIAL STATEMENTS

2023

CONTENTS

Annual Financial Statements

STATEMENT OF RESPONSIBILITY
by the Board of Directors

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the Annual Financial Statements included in this Annual Report.

The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the South African Companies Act (No. 71 of 2008), as amended (Companies Act), on the going concern basis and incorporate full and responsible disclosure. The Annual Financial Statements are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates. The financial statements have been prepared under the supervision of the Chief Financial Officer (CFO), Neville Williams CA(SA).

The directors are satisfied that the information contained in the financial statements fairly represents the results of operations for the year and the financial position of the Remgro Group at year-end. The accuracy of the other information included in the Annual Report was considered by the directors and they are satisfied that it accords with the financial statements. The Board also confirms its compliance with the Companies Act and the Company's Memorandum of Incorporation for the reporting period.

The directors are also responsible for the Remgro Group's system of internal financial controls. The system was developed to provide reasonable, but not absolute, assurance regarding the reliability of the financial statements, the safeguarding of assets and to prevent and detect misrepresentation and losses.

The directors are of the opinion that the Remgro Group will continue as a going concern in the future.

The financial statements were audited by the independent auditor, PricewaterhouseCoopers Inc., to whom unrestricted access was given to all financial records and related information. The auditor's report is presented on page 11.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
20 September 2023

RESPONSIBILITY STATEMENT
of the CEO and CFO

Each of the directors, whose names are stated below, hereby confirm that –

- the Annual Financial Statements set out on pages 20 to 130, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

Jannie Durand
Chief Executive Officer

Neville Williams
Chief Financial Officer

Stellenbosch
20 September 2023

STATEMENT BY THE Company Secretary

I, Danielle Ivelene Dreyer, being the Company Secretary of Remgro Limited, hereby certify that all returns and notices of Remgro Limited required in terms of the Companies Act (No. 71 of 2008), as amended, have in respect of the year under review been filed with the Companies and Intellectual Property Commission and that all such returns and notices appear to be true, correct and up to date.

Danielle Dreyer
Company Secretary

Stellenbosch
20 September 2023

AUDIT AND RISK COMMITTEE Report

to the shareholders of Remgro Limited

This report by the Audit and Risk Committee (the committee), as appointed by the shareholders in respect of the year under review, is prepared in accordance with the principles of the King IV Report on Corporate Governance for South Africa (2016) (King IV) and the requirements of the Companies Act (No. 71 of 2008), as amended (Companies Act), and describes how the committee has discharged its statutory duties in terms of the Companies Act and its additional duties assigned to it by the Board in respect of the financial year ended 30 June 2023.

Committee members and attendance at meetings

The committee comprises four independent non-executive directors (as set out in the table below) and is chaired by Ms Sonja De Bruyn. All the committee members are suitably skilled and experienced. In terms of the committee's mandate, at least four meetings should be held annually.

Composition of the committee

Committee member*	Number of meetings held	Number of meetings attended
S E N De Bruyn (Chairman)	**4**	**4**
N P Mageza	**4**	**4**
P J Moleketi	**4**	**4**
F Robertson	**4**	**4**

* *Brief curricula vitae of these directors are set out on pages 91 to 92 of the Integrated Annual Report. As is evident from the curricula vitae of these directors, all of them are financial and/or industry experts.*

The Chief Executive Officer, Chief Financial Officer (CFO), head of internal audit, other members of senior management and representatives of the external auditor of the Company attend the committee meetings by invitation. Committee agendas provide for confidential meetings between committee members and the internal and external auditors, as well as management.

Role and responsibilities

The committee's role and responsibilities include its statutory duties as per the Companies Act, as well as the responsibilities assigned to it by the Board. The responsibilities of the Audit and Risk Committee are codified in a formal Terms of Reference, which is reviewed at least annually and which is available on Remgro's website at www.remgro.com. During the year under review, the Board reviewed the Terms of Reference of the Audit and Risk Committee, in light of the principles and recommended practices of King IV.

The committee is satisfied that it has fulfilled all of its duties during the financial year under review, as further detailed below.

The committee has also satisfied itself that there are effective boards and audit committees (where applicable) functioning at Remgro's significant operating subsidiaries (RCL Foods Limited (RCL Foods), Siqalo Foods Proprietary Limited (Siqalo Foods), Wispeco Holdings Proprietary Limited (Wispeco) and Capevin Holdings Proprietary Limited (Capevin)), associates and joint ventures, whose minutes of meetings held are also included in the committee's agenda.

More information about the functioning of the committee and the matters dealt with in this report can be found in the Corporate Governance Report and in the Risk and Opportunities Management Report, which are included in the Integrated Annual Report.

Statutory duties

In its execution of its mandate, the committee has performed the following statutory duties:

- Nominated PricewaterhouseCoopers Inc. (PwC) (with Ms Rika Labuschaigne as designated partner), who, in the opinion of the committee, is independent of the Company, to the shareholders for appointment as the external auditor for the financial year ended 30 June 2023
- Determined the fees to be paid to the external auditor and their terms of engagement
- Ensured that the appointment of the external auditor complies with the provisions of the Companies Act and any other legislation relating to the appointment of auditors
- Determined the nature and extent of any non-audit services that the external auditor may provide to the Company and its wholly owned subsidiaries administered by Remgro Management Services Limited (RMS)
- Pre-approved any proposed agreement with the external auditor for the provision of non-audit services to the Company and its wholly owned subsidiaries administered by RMS.

External audit

The committee is satisfied that the Company's external auditor, PwC, is independent of the Company and is therefore able to conduct its audit functions without any influence from the Company. The designated external audit partner rotates every five years.

PwC has been the auditor of the Company for 55 years. The business of the Company was previously transacted through Rembrandt Group Limited of which, based on available statutory records, PwC and its predecessor firms have been the external auditor for 75 years. The committee is satisfied with PwC's independence from the Company, notwithstanding its tenure as external auditor.

PwC has confirmed its compliance with the ethical requirements regarding independence and is considered independent with respect to the Group as required by the codes endorsed and administered by the Independent Regulatory Board for Auditors (IRBA), the South African Institute of Chartered Accountants and the International Federation of Accountants. As required by section 3.84(g)(iii) of the JSE Listings Requirements, the committee obtained the information listed in paragraph 22.15(h) of the JSE Listings Requirements and satisfied itself that the external auditor and audit partner for the year under review, Ms Rika Labuschaigne, have the necessary experience, accreditation and are suitable for re-appointment. The committee is also satisfied that Ms Rika Labuschaigne is not on the JSE's list of disqualified individuals.

Following a comprehensive tender process during the 2021 financial year, the Audit and Risk Committee recommended to appoint Ernst & Young Inc. (EY) as the new external auditor of Remgro, with effect from the financial year ending 30 June 2024. An indicative non-binding advisory vote to appoint EY, with effect from the 2024 financial year, was tabled at Remgro's Annual General Meeting (AGM) held on 25 November 2021. At the meeting, 99.72% of the ordinary shareholders, which excludes the votes of the B ordinary shareholders, voted in favour of the appointment of EY, with effect from the 2024 financial year. Therefore the committee nominated, for approval at the AGM on 4 December 2023, EY as external auditor and Mr Malcolm Rapson as audit partner for the 2024 financial year. The committee is satisfied that Mr Malcolm Rapson is not on the JSE's list of disqualified individuals.

A formal policy governs the process whereby the external auditor of the Company is considered for non-audit services. In terms of the policy, the committee is responsible for determining the nature and extent of any non-audit services that the external auditor may provide and to pre-approve any proposed contract with the external auditor for the provision of non-audit services. For the year under review, non-audit services related mainly to normal tax services. The extent of these services was within the committee's pre-approved amount.

Internal financial control and accounting systems

The committee is responsible for assessing the systems of internal financial controls and accounting systems of the Company and its wholly owned subsidiaries administered by RMS. In this regard the committee evaluated reports on the effectiveness of the systems of internal financial controls conducted by the internal audit function, considered information provided by management and held discussions with the external auditor on the results of their audit. The committee is of the opinion that the systems of internal financial controls are effective and form a basis for the preparation of reliable financial statements. In support of the aforementioned, the committee also received reports from the internal audit function regarding the effectiveness of the combined assurance process and anti-corruption, fraud prevention and detection measures in place.

The Remgro executives serving on the boards of investee companies (RCL Foods, Siqalo Foods, Wispeco, Capevin and associates and joint ventures) are responsible for enabling the Company's influence to ensure that effective internal controls are implemented and complied with.

Expertise and experience of the CFO and finance function

The committee has considered and satisfied itself with the appropriateness of the expertise and experience of the CFO, Mr Neville Williams, whose *curriculum vitae* appears on page 93 of the Integrated Annual Report.

The committee has furthermore considered and satisfied itself with the appropriateness of the expertise and adequacy of resources of the Company's finance function, and the experience of the senior members of management responsible for the financial function.

Financial statements and going concern

The committee has reviewed the standalone and consolidated financial statements of the Company, and is satisfied that they comply with International Financial Reporting Standards (IFRS) and the Companies Act, and that the accounting policies used are appropriate. In particular, the committee considered the following significant matters, identified by the management team and the external auditor, and is satisfied that these matters have been appropriately accounted for in the Annual Financial Statements:

- ### Valuation of investments and consideration of possible impairments or reversal of impairments of investments and assets

  The intrinsic net asset value (INAV) is one of the measures used to assess shareholder value created. Investee companies, which represent operating segments, are valued and included in the INAV. The investments in Mediclinic Group Limited (Mediclinic), which was previously listed, and Heineken Beverages Holdings Proprietary Limited (Heineken Beverages) were valued as unlisted investments for the first time in this regard. Due to the significant contribution of the investment in Mediclinic to Remgro's INAV, Remgro engaged the services of an independent expert to perform the valuation of its investment in Mediclinic. The valuation methodology used for the Mediclinic investment was the sum-of-the-parts methodology, which was underpinned by the discounted cash flows of the underlying businesses. Given the short period since the Distell/Heineken transaction implementation, the Heineken Beverages investment was valued using the price of recent investment (PRI) methodology, since limited integration has taken place as at 30 June 2023 and reliable consolidated forecast information is also limited. Going forward and consistent with Remgro's valuation approach, it is most likely that a different valuation methodology be used, for example the discounted cash flow (DCF) methodology. In such an instance, various discounts (lack of marketability, lack of control and forecast risk) would be applicable, which could affect the valuation in future. The committee considered the methodologies, assumptions and judgements applied by management in determining the fair value of investments and is satisfied that the approach taken was appropriate.

  The committee further considered the methodologies, assumptions and judgements applied by management in determining the impairment of investments and assets, of which the carrying values exceed the fair values, and is satisfied that the approach taken was appropriate. The most significant investments and assets tested in this regard being Remgro's investment in Heineken Beverages and the goodwill and indefinite life intangible assets that originated from the acquisition of Siqalo Foods, respectively.

  The committee also considered the methodologies, assumptions and judgements applied by management in determining the reversal of previous impaired or partially impaired investments, of which the fair values exceed the carrying values, and is satisfied that the approach taken was appropriate. The most significant investment tested in this regard being Remgro's investment in Mediclinic.

  Refer to notes 2, 4.4 and 10.3 to the Annual Financial Statements for further details.

- ### Accounting for equity accounted investments

  The Company holds significant investments which are equity accounted for in terms of *IAS 28: Investments in Associates and Joint Ventures*. Some of the equity accounted investments have year-ends which are non-coterminous with that of the Company, the most significant investments in this regard being Mediclinic and Community Investment Ventures Holdings Proprietary Limited (CIVH). These investments are equity accounted from results for a financial period ended within three months from the Group's financial year-end. Significant transactions that occur after the equity accounted investments' period-end, but before the Group's year-end, are accounted for in Remgro's consolidated financial statements. Significant adjustments for the current year related to dividends received from equity accounted investments, the acquisition of an additional 5.4% indirect interest in Mediclinic during June 2023, including the provision for transaction costs incurred, and the conversion of Mediclinic's financial information from its presentation currency (British pound) to the Group's presentation currency as at 30 June 2023. The committee considered these transactions and is satisfied with the accounting treatment thereof. Refer to note 4.1 to the Annual Financial Statements for further details.

- ### Accounting for the investments in Heineken Beverages and Capevin

  On 26 April 2023, the Heineken International B.V. Southern African business, including an interest in Namibia Breweries Limited, combined with the bulk of the Distell business (consisting of its cider, other RTDs (ready-to-drink) and spirits and wine business (In-scope assets)) in Heineken Beverages. Remgro received a 15.5% interest in Heineken Beverages and has subsequently increased its interest to 18.8%. Distell simultaneously unbundled its subsidiary, Capevin, which held Distell's remaining assets, including its Scotch whisky business, and Remgro received an economic interest of 31.4% in Capevin. Remgro has significant influence over Heineken Beverages through its board representation and the investment is classified as an associate and is accounted for using the equity method. Remgro's shareholding in Capevin mirrors the shareholding that was previously held in Distell, being an economic interest of 31.4% and a voting interest of 55.9%. Therefore, the Capevin investment remains classified as a subsidiary. The transaction had a pervasive impact on the Annual Financial Statements, as the carve-out of the In-scope assets resulted in the recognition of a significant profit on disposal, as well as the presentation of discontinued operations, which required a restatement of the prior year's income statement and related notes.

  The committee considered the assumptions and key judgements made by management in accounting for the investments in Heineken Beverages and Capevin and is satisfied with the accounting treatment thereof. Refer to note 1 (l) to the Annual Financial Statements for further details.

- ### Going concern

  The committee has reviewed a documented assessment by management of the going concern premise of the Company. Based on the facts and circumstances known, management and the committee determined that there is not a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern, and therefore the committee recommended to the Board that the Company will be a going concern for the foreseeable future.

Risk and opportunities management

The committee has assigned oversight of the risk and opportunities management function to the Risk, Opportunities, Technology and Information Governance Operational Subcommittee (the ROTIG Committee), which is a subcommittee of the committee. The mandate of the ROTIG Committee includes the maintenance of the Risk Management and Opportunities Policy and plan, establishment of an operational Risk and Opportunities Register, technology and information risk management, legal compliance and occupational health and safety. The ROTIG Committee is chaired by the CFO and the 15 other members are all senior managers of the Company. The chairman of the committee has a standing invitation to attend the ROTIG Committee meetings as an *ex officio* member to ensure the effective functioning of the ROTIG Committee and that appropriate risk information is shared with the committee.

Internal audit

The Company's internal audit division is an effective, independent appraisal function and forms an integral part of the Enterprise-wide Risk and Opportunities Management system that provides assurance on the effectiveness of the Company's system of internal control. The committee has appointed Mr Deon Annandale as Remgro's Chief Audit Executive (CAE). The committee is satisfied with the attributes, objectivity and independence of the CAE, and that the CAE has the necessary experience, gravitas and competence. The internal audit division of the Company is staffed by qualified and experienced personnel and services all of Remgro's wholly owned subsidiaries administered by RMS, as well as Wispeco. In addition, the internal audit division also performs independent internal audit work for other investee companies such as CIVH, OUTsurance Group Limited (OUTsurance Group), SEACOM Capital Limited (SEACOM) and Business Partners Limited (Business Partners).

During the year under review the committee considered and recommended the internal audit charter for approval by the Board. The committee further considered the internal audit quality assurance plan and the performance of the internal audit function, and is satisfied that the internal audit function conforms to a recognised industry code of ethics and standards. Further details on the Group's internal audit functions are provided in the Risk and Opportunities Management Report, which is included in the Integrated Annual Report.

Compliance

The committee is responsible for reviewing any major breach of relevant legal and regulatory requirements. The committee is satisfied that there has been no material non-compliance with laws and regulations during the year under review.

The committee is also satisfied that it has complied with all its legal, regulatory and other responsibilities during the year under review.

Recommendation to the Board

The committee has reviewed and considered the Integrated Annual Report, including the comprehensive Annual Financial Statements published on the Company's website at www.remgro.com, and has recommended it for approval by the Board.

Sonja De Bruyn

Chairman of the Audit and Risk Committee

Stellenbosch
20 September 2023

REPORT OF THE Board of Directors

for the year ended 30 June 2023

Dear Shareholder

The Board has pleasure in reporting on the activities and financial results for the year under review.

Nature of activities

The Company is an investment holding company. Cash income is derived mainly from dividends and interest. The consolidated Annual Financial Statements of the Company and its subsidiaries also incorporate the equity accounted attributable income of associates and joint ventures.

The Group's interests consist mainly of investments in healthcare; consumer products; financial services; infrastructure; industrial and media interests.

Results

Year ended	**30 June 2023**	30 June 2022
Headline earnings (R million)	**7 056**	6 494
– per share (cents)	**1 254**	1 151
– diluted (cents)	**1 244**	1 141
Earnings – net profit for the year (R million)	**9 624**	13 139
– per share (cents)	**1 710**	2 328
– diluted (cents)	**1 696**	2 313
Dividends (R million)*	**1 364**	852
– ordinary – per share (cents)	**240**	150

* *A final dividend of 160 cents (2022: 100 cents) per share was declared after the year-end and was therefore not provided for in the Annual Financial Statements. The final dividend is subject to dividend tax.*

Investment activities

The material investment activities during the year under review were as follows:

Mediclinic Group Limited (Mediclinic)

On 26 September 2022, the Mediclinic shareholders voted in favour of a cash offer by Manta Bidco Limited (Bidco), a newly formed company which is jointly owned by Remgro and MSC Mediterranean Shipping Company SA (MSC), to acquire the entire issued and to be issued ordinary share capital of Mediclinic, other than the Mediclinic shares Remgro already owned (the Mediclinic acquisition). The last conditions precedent in respect of the Mediclinic acquisition were met during May 2023 and on 6 June 2023 Mediclinic shareholders received 501 pence per Mediclinic share, being the offer price of 504 pence per Mediclinic share less the dividend of 3 pence per Mediclinic share that was paid on 26 August 2022.

To enable the Mediclinic acquisition, Remgro sold its existing 328 497 888 Mediclinic shares (representing an interest of 44.6%) to Bidco in exchange for shares in Bidco and subscribed for further shares in Bidco amounting to £221 million (representing an additional indirect interest in Mediclinic of 5.4% and approximately 50% of Bidco's transaction costs). MSC also subscribed for shares in Bidco amounting to £1 867 million (representing an indirect interest in Mediclinic of 50% and 50% of Bidco's transaction costs).

As both Remgro's investments in Mediclinic (associate) and Bidco (joint venture) are accounted for using the equity method, Remgro effectively ceased the equity accounting of its 44.6% interest in Mediclinic at the end of May 2023 and commenced with the equity accounting of its 50% indirect interest in Mediclinic, through its 50% interest in Bidco. Bidco made fair value adjustments to Mediclinic's statement of financial position when it acquired its 100% stake in Mediclinic. These fair value adjustments mainly relate to the Mediclinic properties and the Mediclinic brand in South Africa and the Middle East. Going forward, Remgro will account for depreciation and amortisation on these additional assets identified, inside headline earnings. The additional depreciation and amortisation will only relate to Remgro's newly acquired 5.4% indirect interest in Mediclinic as Remgro already owned the 44.6% interest.

Distell Group Holdings Limited (Distell)

On 15 February 2022, the Distell shareholders approved the combination of the Heineken International B.V. (Heineken) Southern African business, including an interest in Namibia Breweries Limited (Namibia Breweries), with the bulk of the Distell business (consisting of its cider, other RTDs (ready-to-drink) and spirits and wine business) in Heineken Beverages Holdings Limited (Heineken Beverages), a new unlisted entity controlled by Heineken. The transaction included the unbundling by Distell of the unlisted shares in Distell's subsidiary, Capevin Holdings Proprietary Limited (Capevin), which holds Distell's remaining assets, including its Scotch whisky business. The transaction, which was implemented on 26 April 2023, also included an offer by Heineken Beverages to Distell shareholders to acquire their Distell shares for R165 per share and/or unlisted shares in Heineken Beverages, or a combination thereof (subject to a potential scaling back of the issue of Heineken Beverages shares to Distell shareholders, electing to receive Heineken Beverages shares, to ensure a 65% shareholding by Heineken in Heineken Beverages), and an offer by Heineken to Distell shareholders to acquire their Capevin shares for R15 per share.

Remgro elected to receive Heineken Beverages shares for its Distell shares. However, as a result of the scale back, Remgro sold 7 607 803 Distell shares to Heineken Beverages on 26 April 2023 for R1 255 million (being R165 per Distell share) and exchanged the remaining 62 242 453 Distell shares for 62 242 453 Heineken Beverages shares (representing an interest of 15.5%). Following the implementation of the transaction, Remgro acquired a further 13 218 475 shares in Heineken Beverages for R2 181 million (or R165 per share excluding transaction costs), in a series of off-market transactions.

These transactions increased Remgro's interest in Heineken Beverages to 18.8%. As Remgro has significant influence over Heineken Beverages through its board representation, the investment is classified as an associate and is accounted for using the equity method. Both Remgro and Heineken Beverages made fair value adjustments to the statements of financial position of Heineken Beverages and Distell and Namibia Breweries, respectively. These fair value adjustments mainly relate to the various brands held by these companies (*inter alia Savanna, Heineken, Amstel, Windhoek Lager* and *Amarula*), as well as Distell's properties and inventory. Going forward, Remgro will account for depreciation and amortisation on these additional assets identified, inside headline earnings.

Remgro did not accept the cash offer made by Heineken for the Capevin shares and, as a result, Remgro's shareholding in Capevin mirrors the shareholding that was previously held in Distell, being an economic interest of 31.4% and a voting interest of 55.9%. Therefore, the Capevin investment remains classified as a subsidiary.

Community Investment Ventures Holdings Proprietary Limited (CIVH)

As previously reported, Vodacom Proprietary Limited (Vodacom) will, through a combination of assets of approximately R4.2 billion and cash of at least R6.0 billion, acquire up to 40% of the ordinary shares of a newly created wholly owned subsidiary of CIVH (namely Maziv Proprietary Limited (Maziv)). Maziv holds *inter alia* CIVH's current interests in Vumatel and DFA. As a result of the proposed transaction, Remgro's indirect interest in DFA and Vumatel will dilute with the entrance of Vodacom as a shareholder, however Remgro will also obtain an indirect interest in the assets contributed by Vodacom. During August 2023, The Competition Commission South Africa announced its non-binding recommendation to the Competition Tribunal, to prohibit the proposed transaction. Remgro and CIVH remain committed to the proposed transaction and firmly believe that, should the implementation of the proposed transaction ultimately be permitted by the Competition Tribunal, it will deliver significant benefits to South African consumers and the broader economy.

Grindrod Limited (Grindrod)

On 17 October 2022 Remgro unbundled its investment in Grindrod to its shareholders as a dividend *in specie* amounting to R1 640 million, in the ratio of 30.70841 Grindrod shares for every 100 Remgro shares held.

FirstRand Limited (FirstRand)

During July 2022 Remgro sold 19.2 million FirstRand shares for R959 million (being R49.945 per FirstRand share). These FirstRand shares were part of the 60 million FirstRand shares that were hedged through a series of options, which became exercisable during June and July 2022. Remgro sold the 60 million FirstRand hedged shares to net settle the option liabilities. The other 40.8 million FirstRand shares were sold during June 2022.

During November 2022, Remgro entered into another hedging transaction on 30 million FirstRand shares. This narrow zero cost collar has a two-year term, with a reference price set at R67.37 per FirstRand share, providing protection at 95% of this reference price (or R64.00), with a call strike at 115.72% (or R77.96). At the same time, Remgro entered into a script lending transaction to optimise the pricing of the narrow zero cost collar. Remgro will be allowed to vote with these shares at the FirstRand Annual General Meeting(s) and is entitled to dividends declared at pre-contracted levels. The FirstRand shares are hedged on a 1:1 basis and the narrow zero cost collar is recognised at fair value with changes in the fair value accounted for in other comprehensive income.

During March 2023, Remgro entered into a further hedging transaction on another 30 million FirstRand shares on similar terms as the narrow zero cost collar mentioned above, but with a reference price set at R67.02 per FirstRand share, providing protection at 95% of this reference price (or R63.67), with a call strike at 114.00% (or R76.40). The levels for the pre-contracted dividends were increased from those set during November 2022.

At 30 June 2023, the narrow zero cost collars were in a liability position amounting to R92 million.

Asia Partners Funds

During the year under review Remgro invested a further $1 million in Asia Partners I LP (Asia Partners I), thereby increasing its cumulative investment to $20 million. Remgro also made an initial investment of $8 million in Asia Partners II LP (Asia Partners II) to which Remgro committed to invest up to a maximum of $50 million (limited to 10% of the total fund size, which 10% stood at $41 million as of 30 June 2023). As at 30 June 2023 the fair values of Remgro's investments in Asia Partners I and Asia Partners II amounted to $28 million and $7 million, respectively, and the remaining commitments to the funds amounted to $5 million and $33 million, respectively.

Milestone China Funds

As at 30 June 2023, Remgro's total investment in Milestone China Opportunities Fund III (Milestone III) amounted to $102 million. During the year under review Remgro received distributions of $9 million from Milestone III, thereby increasing its cumulative distributions received to $98 million. As at 30 June 2023 the fair value of Remgro's investment in Milestone III amounted to $39 million.

Milestone Capital Investments Holding Limited (MCIH) is the fund management company of the Milestone China Funds. During December 2022, Remgro entered into an agreement to dispose of its investment in MCIH for $7.3 million. The proceeds and past distributions received from MCIH equal Remgro's initial investment in the company.

Pembani Remgro Infrastructure Fund (PRIF)

During the year under review Remgro invested a further R57 million in PRIF and received distributions of R485 million (mainly due to the disposal of PRIF's investment in ETG Group), thereby increasing its cumulative investment to R634 million and cumulative distributions received to R832 million. As at 30 June 2023, the fair value of Remgro's investment in PRIF amounted to R325 million and remaining commitment to PRIF amounted to R30 million.

Other

Other smaller investments amounted to R119 million.

Events after year-end

RCL Foods: Sale of Vector Logistics

The sale of the RCL Foods' Vector Logistics segment, which has been presented as held for sale at 30 June 2023, was finalised on 28 August 2023, resulting in a net cash receipt of R1 307 million, comprising the purchase price of R1 250 million, plus interest and less the post-tax share option liability of Vector Logistics. The purchase price is subject to certain EBITDA targets being met, which may result in a future upwards or downwards adjustment of up to R100 million in the purchase price. The transition of Vector Logistics out of RCL Foods and its shared services platform is expected to take place over the next 12 months.

Capevin: Termination of Gordon's Gin distribution agreement

The Gordon's Gin and Pimm's No1 Cup distribution agreement, which has been presented as held for sale at 30 June 2023, was included in the remaining assets that were allocated to Capevin as part of the Distell/Heineken transaction. On 19 July 2023 the Competition Commission of South Africa approved the proposed transaction, whereby this distribution agreement will be terminated in favour of the brand owner Diageo, without conditions. The consideration amounts to R1 billion, of which R700 million was received on 4 August 2023. The outstanding amount of R300 million is payable over the next ten months subject to achieving certain thresholds relating to the continued supply and manufacturing of the products by Capevin to Diageo.

Other than the above-mentioned events, there were no other significant events subsequent to 30 June 2023.

Cash resources at the centre

The Company's cash resources at 30 June 2023 were as follows:

R million	30 June 2023 Local	30 June 2023 Offshore	30 June 2023 Total	30 June 2022
Per consolidated statement of financial position	**2 703**	**3 344**	**6 047**	11 884
Investment in money market funds	**4 582**	**–**	**4 582**	5 700
Less: Cash of operating subsidiaries	**(1 413)**	**(215)**	**(1 628)**	(5 304)
Cash at the centre	**5 872**	**3 129**	**9 001**	12 280

On 30 June 2023, approximately 50% (R4 532 million) of the available cash at the centre was invested in money market funds which are not classified as cash and cash equivalents on the statement of financial position. Refer to note 5 to the Annual Financial Statements for further details.

Group financial review

Statement of financial position

The analysis of "Equity employed" and "Source of headline earnings" below reflects the sectors into which the Group's investments have been classified. No adjustment has been made where investments are active mainly in one sector but also have interests in other sectors.

	30 June 2023 R million	**30 June 2023** R per share	30 June 2022 R million	30 June 2022 R per share
Equity employed				
Attributable to equity holders	**115 920**	**207.51**	98 443	174.52
Employment of equity				
Healthcare	**41 050**	**73.48**	26 681	47.30
Consumer products	**29 536**	**52.87**	23 463	41.60
Financial services	**7 053**	**12.63**	6 500	11.52
Infrastructure	**7 180**	**12.85**	8 571	15.19
Industrial	**6 168**	**11.04**	5 957	10.56
Diversified investment vehicles	**5 546**	**9.93**	5 354	9.49
Media	**1 051**	**1.88**	967	1.71
Portfolio investments	**15 641**	**28.00**	14 799	26.24
Social impact investments	**126**	**0.23**	132	0.23
Central treasury				
– Cash at the centre	**9 001**	**16.11**	12 280	21.77
– Debt at the centre	**(7 857)**	**(14.06)**	(7 838)	(13.90)
Other net corporate assets	**1 425**	**2.55**	1 577	2.81
	115 920	**207.51**	98 443	174.52

Income statement

	30 June 2023		30 June 2022	
	R million	**%**	R million	%
Source of headline earnings				
Healthcare	**1 691**	**24**	1 267	20
Consumer products	**1 208**	**17**	1 906	29
Financial services	**960**	**14**	866	13
Infrastructure	**317**	**4**	613	9
Industrial	**868**	**12**	1 800	28
Diversified investment vehicles	**834**	**12**	95	1
Media	**171**	**2**	178	3
Portfolio investments	**804**	**11**	444	7
Social impact investments	**(24)**	**–**	(20)	–
Central treasury				
– Finance income	**650**	**9**	224	3
– Finance costs	**(628)**	**(9)**	(627)	(10)
Other net corporate income/(costs)	**205**	**4**	(252)	(3)
	7 056	**100**	6 494	100

Share incentive schemes

Remgro currently has three long-term incentive plans, i.e. the old Remgro Equity Settled Share Appreciation Right Scheme (SAR Scheme), the Remgro Share Appreciation Rights Plan (SAR Plan) and the Remgro Equity Settled Conditional Share Plan (CSP).

In terms of the SAR Scheme and SAR Plan, participants are offered Remgro ordinary shares to the value of the appreciation of their rights to a specified number of Remgro ordinary shares that can be exercised at different intervals but before the expiry of seven years from date of grant. The earliest intervals at which the share appreciation rights vest and are exercisable are as follows:

- One-third after the third anniversary of the grant date
- An additional third after the fourth anniversary of the grant date
- The remainder after the fifth anniversary of the grant date

In terms of the CSP, participants are awarded Remgro ordinary shares that will vest as follows:

- One-third after the third anniversary of the grant date
- An additional third after the fourth anniversary of the grant date
- The remainder after the fifth anniversary of the grant date

Vesting on both schemes are conditional on fulfilment of the employment period and achievement of performance conditions (where applicable).

Refer to note 8 to the Annual Financial Statements for further details on both schemes.

Treasury shares

At 30 June 2022, 4 205 497 Remgro ordinary shares (0.8%) were held as treasury shares by a wholly owned subsidiary of Remgro for the purpose of hedging Remgro's share schemes (Remgro scheme shares). During the year under review Remgro bought back a further 4 000 000 Remgro scheme shares at an average price of R138.92 per share for a total amount of R556 million, while 441 560 Remgro scheme shares were utilised to settle Remgro's obligation towards scheme participants.

Pursuant to a general share repurchase programme of R1 billion, Remgro, through a wholly owned subsidiary, acquired 6 583 676 Remgro ordinary shares in the open market between 19 June 2023 and 2 August 2023 (Remgro repurchased shares). These shares represent 1.2% of the Company's issued ordinary shares immediately prior to the repurchase. At 30 June 2023, 1 882 333 Remgro repurchased shares had been acquired at an average price of R145.62 per share for a total amount of R274 million. Subsequent to 30 June 2023 another 4 701 343 Remgro repurchased shares were acquired at an average price of R154.40 per share for a total amount of R726 million. The share repurchase programme was completed on 2 August 2023. These Remgro repurchased shares were acquired as part of an ongoing strategic focus on returning value to shareholders through a disciplined capital allocation plan.

At 30 June 2023, 9 646 270 Remgro ordinary shares (1.8%) were held as treasury shares of which 7 763 937 shares were Remgro scheme shares and 1 882 333 shares were Remgro repurchased shares.

Principal shareholder

Rupert Beleggings Proprietary Limited (Rupert Beleggings) holds all the issued unlisted B ordinary shares of the Company and is entitled to 42.91% (2022: 42.66%) of the total votes.

An analysis of the shareholders appears on pages 131 and 132.

Subsidiaries and investments

Particulars of subsidiaries and equity accounted investments are disclosed in note 14 to the Annual Financial Statements.

Directors

The names of the directors appear on pages 90 to 93 of the Integrated Annual Report.

Dr T Leoka was appointed as independent non-executive director with effect from 22 March 2023, which director's appointment will in terms of the Company's Memorandum of Incorporation have to be confirmed by the shareholders at the next Annual General Meeting. The Board wishes to welcome Dr T Leoka as director to the Company.

In terms of the provision of the Memorandum of Incorporation, Messrs N P Mageza, G G Nieuwoudt, K S Rantloane, J P Rupert and N J Williams retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

Directors' interests

At 30 June 2023 the aggregate of the direct and indirect interests of the directors and their associates in the issued ordinary share capital of the Company amounted to 3.34% (2022: 3.33%).

Mr J P Rupert is a director of Rupert Beleggings which owns all the issued unlisted B ordinary shares.

An analysis of directors' interests in the issued capital of the Company appears on page 133.

Directors' emoluments

The total directors' fees for services rendered as directors during the past financial year amounted to R6.7 million (2022: R6.1 million).

Acquisition of shares of the Company

It is recommended that a general authority be granted to the Board to acquire, should circumstances warrant it, the Company's own shares and to approve the acquisition of shares in the Company by any of its subsidiaries, subject to the provisions of the Companies Act (No. 71 of 2008), as amended, and the Listings Requirements of the JSE Limited (JSE).

A special resolution to grant this general authority to the Board is incorporated in the notice of the Annual General Meeting that appears on page 170 of the Integrated Annual Report.

Authority to place ordinary shares under the control of the directors

It is recommended that a general authority be granted to the Board to allot and issue ordinary shares, subject to the provisions of the Companies Act (No. 71 of 2008), as amended, the Memorandum of Incorporation and the Listings Requirements of the exchange operated by JSE Limited, provided that the aggregate number of ordinary shares to be allotted and issued is limited to 5% of the number of the unissued ordinary shares in the authorised share capital of the Company (being 23 539 150 ordinary shares). This authority cannot be used to issue shares for cash.

An ordinary resolution to grant this general authority to the Board is incorporated in the notice of the Annual General Meeting that appears on page 170 of the Integrated Annual Report.

Declaration of cash dividend

Declaration of cash dividend No. 46

Notice is hereby given that a final gross dividend of 160 cents (2022: 100 cents) per share has been declared out of income reserves in respect of both the ordinary shares of no par value and the unlisted B ordinary shares of no par value, for the year ended 30 June 2023.

A dividend withholding tax of 20% or 32 cents per share will be applicable, resulting in a net dividend of 128 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The total gross dividend per share for the year ended 30 June 2023 therefore amounts to 240 cents, compared to 150 cents for the year ended 30 June 2022.

The issued share capital at the declaration date is 529 217 007 ordinary shares and 39 056 987 B ordinary shares. The income tax number of the Company is 9500-124-71-5.

Payment

The final dividend is payable on Monday, 13 November 2023, to shareholders of the Company registered at the close of business on Friday, 10 November 2023.

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 November 2023, and Friday, 10 November 2023, both days inclusive.

In terms of the Company's Memorandum of Incorporation, dividends will only be transferred electronically to the bank accounts of shareholders. In the instance where shareholders do not provide the Transfer Secretaries with their banking details, the dividend will not be forfeited but will be marked as "unclaimed" in the share register until the shareholder provides the Transfer Secretaries with the relevant banking details for payout.

Secretary

The name and address of the Company Secretary appear on page 164 of the Integrated Annual Report.

Approval

The comprehensive Annual Financial Statements set out on pages 20 to 130 have been approved by the Board.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
20 September 2023

REPORT OF THE Independent Auditor

to the shareholders of Remgro Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Remgro Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa.

What we have audited

Remgro Limited's consolidated and separate financial statements set out on pages 20 to 130 comprise:

- the consolidated and separate statements of financial position as at 30 June 2023;
- the consolidated and separate income statements for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

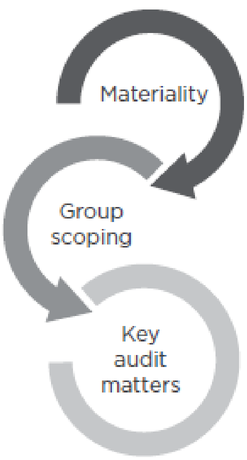
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Our audit approach

Overview



Overall group materiality

- Overall group materiality: R493 million, which represents 5% of total consolidated profit before tax and share of profit of equity accounted investments before tax, adjusted for non-recurring items.

Group audit scope

- Full scope audits were performed for all individually significant components;
- Full scope audits, audits of balances, independent reviews, or specified procedures were performed for components that are financially significant in aggregate with other components; and
- Analytical procedures were performed over the remaining non-significant components.

Key audit matters

Consolidated financial statements

- Accounting for equity accounted investments;
- Accounting for the Distell Group Holdings Limited (Distell)/Heineken Beverages Holdings Limited (Heineken Beverages) transaction;
- Impairment assessment (including consideration of impairment reversals) of equity accounted investments; and
- Goodwill and indefinite life intangible asset impairment assessments.

Separate financial statements

- Impairment assessment (including consideration of impairment reversals) of investments in subsidiaries and investments in associates.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	R493 million
How we determined it	5% of total consolidated profit before tax and share of profit of equity accounted investments before tax, adjusted for non-recurring items.
Rationale for the materiality benchmark applied	We chose total consolidated profit before tax and share of profit of equity accounted investments before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users. Total consolidated profit before tax and share of profit of equity accounted investments before tax was adjusted to exclude the non-recurring items in calculating headline earnings as disclosed in note 3.1 to the consolidated financial statements. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our scoping included eleven components, which were either a financially significant component (based on the contribution to total headline earnings), components of which an identified financial statement line item or items were considered to be significant or an area of higher risk, or components which were financially significant in aggregate with other components. Full scope audits were performed on components which are financially significant or of which an identified financial statement line item or items were considered to be significant or an area of higher risk. In addition, full scope audits, audits of balances, independent reviews or specified procedures were performed for components that are not individually significant, but significant in aggregate with other components. The remainder of the components were considered to be non-significant, individually and in aggregate. We performed analytical procedures on these remaining non-significant components.

Group instructions were communicated to the component auditors. The instructions covered those areas that we required the component auditors to focus on, as well as information that we required them to report to us. We examined the reporting received from the component auditors and assessed the impact thereof on the consolidated financial statements. We examined the working papers of component auditors of significant components relating to areas of significant risks in the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Consolidated financial statements

Key audit matter	How our audit addressed the key audit matter
Accounting for equity accounted investments (Refer to notes 4.1 and 4.2 to the consolidated financial statements) The Group holds significant investments which are equity accounted in terms of International Accounting Standard *IAS 28: Investments in associates and joint ventures*. The Group's share of the after-tax profit of equity accounted investments from continuing operations for the year ended 30 June 2023 was R3 296 million, and the carrying value of the Group's equity accounted investments was R76 445 million at 30 June 2023. The equity accounting of these investments was considered a matter of most significance to our current year audit due to the manual nature of the calculations supporting equity accounting entries and the significance of the equity accounted figures in relation to the reported results of the Group. In addition, some of the equity accounted investments have year ends which are non-coterminous with that of the Group, the most significant investments in this regard being Mediclinic Group Limited (Mediclinic) and Community Investment Ventures Holdings Proprietary Limited (CIVH). These investments are equity accounted based on results for a financial year ended within three months before the Group's financial year-end. Any significant transactions that occur between the equity accounted investment's year-end and the Group's year-end are accounted for in the consolidated financial statements for the Group at year-end. Significant adjustments for the current period related to the following: • The acquisition of an additional 5.4% interest in Mediclinic; • Transaction costs on the acquisition of the additional interest in Mediclinic; • The conversion of Mediclinic's financial information from its presentation currency (British pound) to the Group's presentation currency at the exchange rate on 30 June 2023; and • Dividends received from Air Products South Africa Proprietary Limited (Air Products).	We obtained the equity analysis prepared by management for each of the investments and performed the following procedures: • We agreed the figures used by management in the equity analysis to the financial information of the investee company which is equity accounted. We noted no material differences; • We re-performed management's calculation of the effective interest in each of the equity accounted investments. We agreed the inputs in management's calculation to the number of shares held by the Group and the issued share capital of the investee company. We noted no material differences; and • We tested the mathematical accuracy of the equity analysis by recalculating the Group's share in equity accounted earnings, other comprehensive income and equity movements and tracing it to the consolidation journals and the consolidation sheets. We noted no material differences. We recalculated management's consolidation workings to test for mathematical accuracy and assessed the completeness of journal entries with reference to the prior year journal entries and corporate transactions executed by the Group during the current year. We found no material inconsistencies. The financial information of significant equity accounted investments were audited by component auditors. We performed the following procedures regarding the work of the component auditors: • We held discussions with the component auditors and issued them with Group instructions as described in the section '*How we tailored our Group audit scope*'; • We assessed the competence, knowledge and experience of the component auditors; and • To assess the adequacy of the procedures performed by the component auditors of significant components to support our audit work, we examined their working papers on significant risks as well as the information they reported to us. We found the work performed by the component auditors to be sufficient and appropriate for our purposes. For investments which have year-ends that are non-coterminous with that of the Group, the following procedures were performed: • We read and examined minutes of board meetings and discussed with the Group's nominated directors to identify any significant or abnormal transactions that occurred in the period from 1 April 2023 to 30 June 2023, being the period not equity accounted by the Group, which could have had an effect on the results and

Key audit matter	How our audit addressed the key audit matter
Accounting for equity accounted investments (Refer to notes 4.1 and 4.2 to the consolidated financial statements) *(continued)*	carrying value of the equity accounted investments at 30 June 2023. We assessed the acquisition of the additional interest in Mediclinic, and the associated transaction costs, through the inspection of the relevant agreements and other supporting documents. We concur with management's assessment to adjust the equity accounted carrying value and results for these significant items; • We recalculated the foreign exchange impact on the conversion of Mediclinic's financial information from its presentation currency to the presentation currency of the Group without material deviations; and • We confirmed the dividends received from Air Products to a dividend confirmation from the investee. No material adjustments, other than those recorded by management, were identified by our procedures and we found the accounting of these investments to be in line with *IAS 28: Investments in associates and joint ventures.* We instructed the component auditors of Mediclinic, CIVH and Air Products to perform, and report to us, procedures to identify significant events that occurred between their reporting date of 31 March 2023 and the Group's year-end which could have an effect on the financial results equity accounted by the Group. We examined the reports received from the component auditors in this regard and assessed the impact thereof on the consolidated financial statements. No significant events other than those adjusted by management during the period from 31 March and 30 June 2023 were identified from these procedures.
Accounting for the Distell Group Holdings Limited (Distell)/Heineken Beverages Holdings Limited (Heineken Beverages) transaction (Refer to note 1 (l) and 10.10 to the consolidated financial statements) The Distell/Heineken Beverages transaction was concluded during the current year. In terms of the transaction, the Group sold its interest in Distell's "in-scope" assets, consisting of its cider, other ready-to-drink beverages and spirits and wine business, to Heineken Beverages on 26 April 2023 for cash of R1 255 million (represented by the "scale back" offer of R165 per share) and an interest of 15.5% in Heineken Beverages. The disposal resulted in the recognition of a profit of R4 374 million on the disposal group. Distell unbundled the unlisted shares in its subsidiary Capevin Holdings Proprietary Limited (Capevin), which holds Distell's remaining assets ("out-of-scope" assets), mainly the Scotch whisky business. The Group's interest in Capevin mirrors the shareholding that was previously held in Distell (being an economic interest of 31.4% and a voting interest of 55.9%). Therefore, the Capevin investment continues to be classified as a subsidiary and no profit or loss was recognised on the unbundling of Capevin. The Distell "in-scope" assets disposed of represents a disposal group and discontinued operation in terms of *IFRS 5: Non-current assets held for sale and discontinued operations.*	We obtained an overall detailed understanding of the transaction by inspecting and summarising the underlying contracts and supporting documentation that informed the accounting treatment and disclosure requirements in accordance with IFRS. We instructed our component team to audit the results of Distell for the period to the effective date of the transaction. This included an audit of the carve-out of the "in-scope" assets at that date and the verification of the results of discontinued operations disclosed for both years presented. No material differences were noted from the audit procedures performed by the component team. We further instructed our component team to perform an audit of Capevin, representing the interest retained by the Group, for the year ended 30 June 2023. No material differences were noted from audit procedures performed by the component team. We inspected the working papers of the component audit team in respect of the abovementioned audits, held meetings to discuss the outcome of their procedures and reviewed all deliverables submitted by the component audit team. We found the procedures performed by the component team to be in line with the set objectives. We assessed the disclosures regarding the disposal group disposed of and the presentation of discontinued operations, including the appropriate restatements, in the consolidated financial statements and noted no material differences.

Key audit matter	How our audit addressed the key audit matter
Accounting for the Distell Group Holdings Limited (Distell)/Heineken Beverages Holdings Limited (Heineken Beverages) transaction **(Refer to note 1 (l) and 10.10 to the consolidated financial statements)** ***(continued)*** Accordingly, the income statement, statement of other comprehensive income and related notes are presented to disclose the contributions from continuing and discontinued operations separately from the date of classification as a disposal group held for sale. The comparative period has been restated accordingly. Details are included in note 10.10.7 of the consolidated financial statements. We considered the accounting of the Distell/Heineken Beverages corporate transaction to be a matter of most significance to our current year audit due to the following: • The audit effort required to verify the carve-out of the "in-scope" assets disposed of on the effective date and the related results disclosed as discontinued operations for both years presented; and • The magnitude of the profit realised on disposal of the disposal group.	We independently recalculated the profit from the disposal of the disposal group by agreeing the proceeds to the supporting documentation and deducting the carrying net asset value of the disposal group, consisting of the values reported by the component team and adjusted for the relevant consolidation entries at Group level. We noted no material differences.
Impairment assessment (including consideration of impairment reversals) of equity accounted investments **(Refer to note 4.4 to the consolidated financial statements)** The Group has significant equity accounted investments. In terms of *IAS 36: Impairment of assets,* impairment assessments should be performed if any indicators of impairment are identified. Similarly, reversals of impairment are considered if indicators of reversals of previously recorded impairment losses are identified. The fair value of the investment in Mediclinic based on the sum-of-the-parts external valuation exceeded its equity accounted carrying value at 30 June 2023. Management concluded not to reverse previously recognised impairment losses (R3 898 million) as the underlying performance of the business did not show significant improvement since the impairment was first recognised. During the current year, management identified impairment indicators in relation to certain investments held due to shortfalls noted between the fair value and the carrying values of the respective investments at 30 June 2023. This includes the investments in Heineken Beverages, Business Partners Limited (Business Partners), eMedia Investments Proprietary Limited (eMedia Investments), and immaterial other investments. The total shortfall noted on these investments was immaterial to the financial statements. Management assessed the recoverable amount of the investments in Heineken Beverages, Business Partners and eMedia Investments at 30 June 2023 to determine whether an impairment loss should be recognised and concluded that no impairment losses were required to these investments.	We obtained management's assessment of potential impairments and impairment reversals and independently assessed the equity accounted investments for indicators of both impairments and impairment reversals by comparing the carrying value to the fair value of the investments. We noted no material additional investments that required a detailed assessment of impairment or reversal of previous impairment. *IAS 36: Impairment of assets* requires an assessment to be performed to determine whether there is evidence available that the economic performance of the asset is, or will be, better than expected, as evidenced by a significant improvement in earnings performance. For the investment in Mediclinic, we assessed the underlying performance of the business to determine whether there has been a significant improvement of the business that would warrant a reversal of the previously recognised impairment. We compared the results of the underlying divisions within Mediclinic from the time of the initial impairment to the most recent reporting date. We did not note any improvement in earnings that would warrant reversal of the impairment. For the investments assessed for impairment we obtained management's calculations of the recoverable amount based on fair value less cost of disposal or value-in-use. Using this information, we performed the following procedures: • Making use of our internal valuation expertise, we challenged management's key assumptions by comparing terminal growth rates and discount rates to industry benchmarks and economic forecasts;

Key audit matter	How our audit addressed the key audit matter
Impairment assessment (including consideration of impairment reversals) of equity accounted investments (Refer to note 4.4 to the consolidated financial statements) *(continued)* Based on management's assessment, an impairment loss to the value of R53 million was however recognised on other investments. The impairment loss represents a write-down of the equity accounted carrying value of the respective investments to the recoverable amount based on fair value less cost of disposal calculations. The impairment assessment was considered a matter of most significance to our current year audit because of the potential financial significance of impairment losses and reversals to the consolidated financial results. Additionally, the assessment requires judgement and calculations of recoverable amounts, based on fair value less cost of disposal and value-in-use, contain a number of key assumptions, including discount rates, terminal growth rates and cash flow projections.	• We agreed the underlying cash flow forecasts to approved budgets and the current trading performance of the investee companies and obtained reasons for the growth profiles used. We followed up on variances and obtained evidence for variances noted; and • For the investment in Heineken Beverages, we challenged management's use of the Price of Recent Investment valuation (PRI) method to determine fair value with the assistance of our valuation expertise and agreed the PRI of the investment to evidence supporting recent purchases of the shares. No variances were noted. For the investments impaired by management, we recalculated the impairment loss as the difference between the carrying value and recoverable value of the investments and noted no material differences. For the investments where no impairment loss was recorded by management, we compared the recoverable amounts of the investments to the carrying values and noted that no material impairment loss was required. We assessed the disclosures regarding the impairment losses, reversals and the impairment assessments in the consolidated financial statements against the requirements of *IAS 36: Impairment of assets* and noted no material variances.
Goodwill and indefinite life intangible asset impairment assessments (Refer to note 10.3 to the consolidated financial statements) The Group's net assets include a significant amount of goodwill and indefinite life intangible assets amounting to R7 084 million and R3 172 million respectively. Management performs annual impairment tests, in line with *IAS 36: Impairment of assets*, to assess the recoverability of the carrying value of goodwill and indefinite life intangible assets. The assessment in the current year was performed using value-in-use calculations for the relevant cash-generating units (CGUs). Based on the impairment assessment, management concluded to recognise an impairment loss of R461 million relating to goodwill relating to Capevin in the current year and concluded that no impairment losses were required to the goodwill and indefinite life intangible assets of the other CGUs. Management performed sensitivity analyses on the valuations by varying the key assumptions used (discount rates and perpetuity growth rates) to assess the impact on the valuation and available headroom, as disclosed in note 10.3 to the consolidated financial statements.	We held discussions with management to obtain an understanding of the methodology applied by management in performing its impairment test for each of the relevant CGUs and we found the approach adopted by management in the valuation models to be consistent with market practice and the applicable requirements of *IAS 36: Impairment of assets*. We tested management's calculation for each model by: • Testing the mathematical accuracy of management's impairment calculations. • Using our valuation expertise, we challenged management's key assumptions by comparing terminal growth rates and discount rates to industry benchmarks and economic forecasts. • We agreed cash flows to the business plans approved by the respective boards. • In assessing management's forecasts for reasonableness, we considered the historical accuracy of forecasts by comparing the actual results for the current year to the original forecasts. Where variances were noted, we followed up with management and assessed the reasonability of the variances.

Key audit matter	How our audit addressed the key audit matter
Goodwill and indefinite life intangible asset impairment assessments **(Refer to note 10.3 to the consolidated financial statements)** ***(continued)*** We considered the impairment assessment of goodwill and indefinite life intangible assets to be a matter of most significance to our audit due to the following: • The judgement and assumptions (discount rates and terminal growth rates) applied by management in their impairment assessment; and • The magnitude of the related goodwill and indefinite life intangible asset balances to the consolidated financial statements.	Based on our work performed, we accepted the recoverable amounts based on management's value-in-use calculations. We performed independent sensitivity calculations on the impairment assessments in order to ascertain the impact of changes to the key assumptions on the available headroom. Based on the outcome of our procedures, we noted no items for further consideration. We assessed the disclosure of management's impairment testing, in note 10.3 to the consolidated financial statements, against the requirements of *IAS 36: Impairment of assets* and noted no material variances.

Separate Financial Statements

Key audit matter	How our audit addressed the key audit matter
Impairment assessment (including consideration of impairment reversals) of investments in subsidiaries and investments in associates **(Refer to note 2 and 3 to the separate financial statements)** The Company holds investments in subsidiaries with a historical cost of R40 279 million and investments in associates with a historical cost of R14 224 million. In terms of *IAS 36: Impairment of assets*, impairment assessments should be performed if any indicators of impairment are identified. Similarly, reversals of impairment are considered if indicators of reversals of previously recorded impairment losses are identified. Management previously recognised an impairment loss of R29 409 million against the investment in Remgro Healthcare Holdings (Proprietary) Limited (RHH). An increase in the fair value of RHH's underlying investment in Mediclinic indicated a possible reversal of the previously recorded impairment loss in the current year. Management concluded not to reverse previously recognised impairment losses as the underlying performance of the Mediclinic business did not show significant improvement since the impairment was first recognised, consistent with the view taken for purposes of the Mediclinic investment in the consolidated financial statements. A decline in the listed market price of Rand Merchant Investment Holdings Limited (RMI), subsequently renamed OUTsurance Group Limited (OUTsurance Group), following the unbundling of Discovery Limited and Momentum Metropolitan Holdings Limited resulted in an impairment loss of R1 155 million recognised against the investment in the prior year. The market price recovered significantly in the current year and accordingly, management concluded to fully reverse the previous impairment loss. We considered this to be a matter of most significance to our current year audit because of the financial significance of reversals of previous impairment losses to the Company financial statements. Additionally, the assessment to reverse previous impairment losses requires judgement.	*IAS 36: Impairment of assets* requires an assessment to be performed to determine whether there is evidence available that the economic performance of the asset is, or will be, better than expected, as evidenced by a significant improvement in earnings performance. For the investment in RHH, we assessed the underlying performance of Mediclinic to determine whether there has been a significant improvement in the business that would warrant a reversal of the previously recognised impairment. We compared the results of the underlying divisions within Mediclinic from the time of the initial impairment to the most recent reporting date. We noted that the earnings of the largest underlying division do not show significant improvement since the impairment was recognised. For the investment in OUTsurance Group, we obtained the listed share price at 30 June 2023 and recalculated the market value of the investment at that date. We recalculated the impairment reversal based on the difference between the carrying value and the recoverable amount, limited to the amount of previous impairment losses recognised and noted no material variances. We assessed the disclosures regarding the impairment assessment in the financial statements against the requirements of *IAS 36: Impairment of assets* and noted no material variances.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Remgro Limited Annual Financial Statements 2023", which includes the Report of the Board of Directors , the Audit and Risk Committee Report and the Statement by the Company Secretary, as required by the Companies Act of South Africa and the documents titled "Remgro Limited Integrated Annual Report 2023", "Remgro Limited ESG and Sustainability Report 2023" and "Remgro Limited Task Force on Climate-related Financial Disclosures (TCFD) Report 2023". The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Remgro Limited for 55 years. The business of Remgro Limited was previously transacted through Rembrandt Group Limited of which, based on available statutory records, PricewaterhouseCoopers Inc. and its predecessor firms have been the auditor for 75 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: R M Labuschaigne
Registered Auditor

Stellenbosch, South Africa
20 September 2023

STATEMENT OF Financial Position

at 30 June 2023

R million	Notes	30 June 2023	30 June 2022
Assets			
Non-current assets			
Property, plant and equipment	10.1	**9 757**	17 831
Investment properties	10.2	**473**	137
Intangible assets	10.3	**10 665**	20 275
Investments – Equity accounted	4.1	**76 445**	50 771
– Financial assets at fair value through other comprehensive income (FVOCI)	4.3	**22 564**	20 650
Financial assets at fair value through profit and loss (FVPL)	6.4	**150**	242
Retirement benefits	10.4	**351**	709
Long-term loans and debtors	10.5	**33**	155
Deferred taxation	11.1	**176**	219
		120 614	110 989
Current assets		**30 351**	45 709
Inventories	10.6	**7 832**	13 568
Biological agricultural assets	10.7	**1 317**	1 232
Debtors and short-term loans	10.8	**3 818**	11 903
Loans to equity accounted investments	4.1	**35**	15
Financial assets at FVPL	6.4	**29**	78
Taxation		**47**	98
Investment in money market funds	5.1	**4 582**	5 700
Cash and cash equivalents	5.2	**6 047**	11 884
		23 707	44 478
Assets held for sale	10.10	**6 644**	1 231
Total assets		**150 965**	156 698
Equity and liabilities			
Stated capital	7.1	**13 416**	13 416
Reserves	7.2	**103 942**	85 712
Treasury shares		**(1 438)**	(685)
Shareholders' equity		**115 920**	98 443
Non-controlling interest	7.3	**6 521**	17 437
Total equity		**122 441**	115 880
Non-current liabilities		**11 787**	21 128
Retirement benefits	10.4	**70**	149
Long-term loans	6.1	**5 804**	11 693
Lease liabilities	6.3	**523**	959
Deferred taxation	11.1	**5 298**	8 276
Hedge derivatives	6.5	**92**	51
Current liabilities		**16 737**	19 690
Trade and other payables	10.9	**5 980**	16 025
Short-term loans	6.2	**6 431**	2 681
Lease liabilities	6.3	**196**	231
Financial liabilities at FVPL	6.4	**6**	33
Taxation		**127**	325
		12 740	19 295
Liabilities held for sale	10.10	**3 997**	395
Total equity and liabilities		**150 965**	156 698

INCOME STATEMENT

for the year ended 30 June 2023

R million	Notes	30 June 2023	30 June 2022 Restated
Continuing operations			
Revenue	12.1	**48 151**	41 876
Inventory expenses		**(29 373)**	(24 943)
Staff costs	12.2	**(6 625)**	(6 216)
Depreciation	12.3	**(1 032)**	(944)
Other net operating expenses	12.3	**(8 786)**	(7 716)
Trading profit		**2 335**	2 057
Dividend income	4.5	**1 161**	635
Interest received		**985**	388
Finance costs		**(1 002)**	(887)
Impairment of investments, assets and goodwill	12.3	**(590)**	(455)
Reversal of impairment of investments and assets	12.3	**40**	614
Loss allowances on loans		**(19)**	52
Profit on sale and dilution of investments	12.3	**329**	394
Consolidated profit before tax		**3 239**	2 798
Taxation	11.3	**(832)**	(757)
Consolidated profit after tax		**2 407**	2 041
Share of after-tax profit of equity accounted investments	4.2	**3 296**	10 786
Net profit for the year from continuing operations		**5 703**	12 827
Discontinued operations[1]			
Profit for the year from discontinued operations	10.10	**5 117**	2 152
Net profit for the year		**10 820**	14 979
Attributable to:			
Equity holders		**9 624**	13 139
Continuing operations		**5 836**	12 445
Discontinued operations		**3 788**	694
Non-controlling interest		**1 196**	1 840
Continuing operations		**(133)**	382
Discontinued operations		**1 329**	1 458
		10 820	14 979
Earnings per share (cents)	3.2		
Basic		**1 710**	2 328
Continuing operations		**1 037**	2 205
Discontinued operations		**673**	123
Diluted		**1 696**	2 313
Continuing operations		**1 027**	2 191
Discontinued operations		**669**	122

[1] *Refer to note 10.10 for further details.*

STATEMENT OF Comprehensive Income
for the year ended 30 June 2023

R million	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Share-holders' equity	Non-controlling interest	Total equity
30 June 2023							
Continuing operations							
Net profit for the year				5 836	5 836	(133)	5 703
Other comprehensive income, net of tax	3 310	4 305	1 371	1 531	10 517	442	10 959
Items that may be reclassified subsequently to the income statement:							
Exchange rate adjustments	2 271	4 444	(14)	1 414	8 115	513	8 628
Fair value adjustments for the year	–	(99)	–	–	(99)	–	(99)
Deferred taxation on fair value adjustments	–	(32)	–	–	(32)	–	(32)
Reclassification of other comprehensive income to the income statement	(349)	(8)	(1)	72	(286)	(73)	(359)
Other comprehensive income of equity accounted investments	1 321	–	–	–	1 321	–	1 321
Items that will not be reclassified to the income statement:							
Fair value adjustments for the year	–	–	1 664	–	1 664	1	1 665
Deferred taxation on fair value adjustments	–	–	(90)	–	(90)	(1)	(91)
Capital gains taxation on disposal of FVOCI investments	–	–	(188)	–	(188)	–	(188)
Remeasurement of post-employment benefit obligations	–	–	–	62	62	3	65
Deferred taxation on remeasurement of post-employment benefit obligations	–	–	–	(17)	(17)	(1)	(18)
Change in reserves of equity accounted investments	67	–	–	–	67	–	67
Comprehensive income for the year – continuing operations	3 310	4 305	1 371	7 367	16 353	309	16 662
Discontinued operations							
Net profit for the year				3 788	3 788	1 329	5 117
Other comprehensive income, net of tax	(3)	1	–	(48)	(50)	(111)	(161)
Items that may be reclassified subsequently to the income statement:							
Exchange rate adjustments	(3)	–	–	(52)	(55)	(116)	(171)
Fair value adjustments for the year	–	1	–	–	1	3	4
Reclassification of other comprehensive income to the income statement	–	–	–	7	7	15	22
Items that will not be reclassified to the income statement:							
Remeasurement of post-employment benefit obligations	–	–	–	(5)	(5)	(17)	(22)
Deferred taxation on remeasurement of post-employment benefit obligations	–	–	–	2	2	4	6
Comprehensive income for the year – discontinued operations	(3)	1	–	3 740	3 738	1 218	4 956
Total comprehensive income for the year	3 307	4 306	1 371	11 107	20 091	1 527	21 618

STATEMENT OF Comprehensive Income

for the year ended 30 June 2022

R million	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Share-holders' equity	Non-controlling interest	Total equity
30 June 2022							
Restated							
Continuing operations							
Net profit for the year				12 445	12 445	382	12 827
Other comprehensive income, net of tax	504	(395)	(2 705)	453	(2 143)	88	(2 055)
Items that may be reclassified subsequently to the income statement:							
Exchange rate adjustments	(312)	277	44	464	473	88	561
Fair value adjustments for the year	–	(611)	(216)	–	(827)	(15)	(842)
Deferred taxation on fair value adjustments	–	(21)	48	–	27	–	27
Reclassification of other comprehensive income to the income statement	89	(40)	–	–	49	15	64
Other comprehensive income of equity accounted investments	1 555	–	–	–	1 555	1	1 556
Items that will not be reclassified to the income statement:							
Fair value adjustments for the year	–	–	(306)	–	(306)	–	(306)
Deferred taxation on fair value adjustments	–	–	(2 235)	–	(2 235)	(1)	(2 236)
Capital gains taxation on disposal of FVOCI investments	–	–	(40)	–	(40)	–	(40)
Remeasurement of post-employment benefit obligations	–	–	–	(18)	(18)	–	(18)
Deferred taxation on remeasurement of post-employment benefit obligations	–	–	–	7	7	–	7
Change in reserves of equity accounted investments	(828)	–	–	–	(828)	–	(828)
Comprehensive income for the year – continuing operations	504	(395)	(2 705)	12 898	10 302	470	10 772
Discontinued operations							
Net profit for the year				694	694	1 458	2 152
Other comprehensive income, net of tax	6	12	–	17	35	74	109
Items that may be reclassified subsequently to the income statement:							
Exchange rate adjustments	5	–	–	(1)	4	13	17
Fair value adjustments for the year	–	16	–	–	16	35	51
Deferred taxation on fair value adjustments	–	(4)	–	–	(4)	(10)	(14)
Other comprehensive income of equity accounted investments	1	–	–	–	1	1	2
Items that will not be reclassified to the income statement:							
Remeasurement of post-employment benefit obligations	–	–	–	20	20	40	60
Deferred taxation on remeasurement of post-employment benefit obligations	–	–	–	(2)	(2)	(5)	(7)
Change in reserves of equity accounted investments	–	–	–	–	–	–	–
Comprehensive income for the year – discontinued operations	6	12	–	711	729	1 532	2 261
Total comprehensive income for the year	510	(383)	(2 705)	13 609	11 031	2 002	13 033

STATEMENT OF Changes in Equity

for the year ended 30 June 2023

R million	Stated and issued capital	Treasury shares	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Share-holders' equity	Non-controlling interest	Total equity
30 June 2023									
Balances at 1 July	**13 416**	**(685)**	**8 546**	**2 459**	**(2 352)**	**77 059**	**98 443**	**17 437**	**115 880**
Total comprehensive income for the year	**–**	**–**	**3 307**	**4 306**	**1 371**	**11 107**	**20 091**	**1 527**	**21 618**
Continuing operations	**–**	**–**	**3 310**	**4 305**	**1 371**	**7 367**	**16 353**	**309**	**16 662**
Discontinued operations	**–**	**–**	**(3)**	**1**	**–**	**3 740**	**3 738**	**1 218**	**4 956**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(1 014)**	**(1 014)**	**(61)**	**(1 075)**
Dividends *in specie*	**–**	**–**	**–**	**–**	**–**	**(1 629)**	**(1 629)**	**–**	**(1 629)**
Transactions with non-controlling shareholders	**–**	**–**	**–**	**(35)**	**–**	**(67)**	**(102)**	**103**	**1**
Transfer between reserves and other movements	**–**	**19**	**63**	**133**	**2**	**(217)**	**–**	**–**	**–**
Transfer of retained income of equity accounted investments	**–**	**–**	**1 934**	**–**	**–**	**(1 934)**	**–**	**–**	**–**
Transfer of gain on disposal of FVOCI investments to retained earnings	**–**	**–**	**–**	**246**	**(224)**	**(22)**	**–**	**–**	**–**
Businesses disposed	**–**	**–**	**–**	**1 080**	**–**	**(149)**	**931**	**(12 239)**	**(11 308)**
Long-term share incentive scheme reserve	**–**	**58**	**–**	**(28)**	**–**	**–**	**30**	**(246)**	**(216)**
Purchase of treasury shares by wholly owned subsidiary	**–**	**(830)**	**–**	**–**	**–**	**–**	**(830)**	**–**	**(830)**
Balances at 30 June	**13 416**	**(1 438)**	**13 850**	**8 161**	**(1 203)**	**83 134**	**115 920**	**6 521**	**122 441**
30 June 2022									
Balances at 1 July	13 416	(561)	9 687	2 277	1 360	61 880	88 059	15 517	103 576
Total comprehensive income for the year	–	–	510	(383)	(2 705)	13 609	11 031	2 002	13 033
Continuing operations	–	–	504	(395)	(2 705)	12 898	10 302	470	10 772
Discontinued operations	–	–	6	12	–	711	729	1 532	2 261
Dividends paid	–	–	–	–	–	(621)	(621)	(100)	(721)
Transactions with non-controlling shareholders	–	–	–	(8)	–	(5)	(13)	2	(11)
Transfer between reserves and other movements	–	3	–	(200)	–	205	8	2	10
Transfer of retained income of equity accounted investments	–	–	(1 651)	–	–	1 651	–	–	–
Transfer of gain on disposal of FVOCI investments to retained earnings	–	–	–	667	(1 007)	340	–	–	–
Business acquired	–	–	–	12	–	–	12	28	40
Long-term share incentive scheme reserve	–	10	–	94	–	–	104	(14)	90
Purchase of treasury shares by wholly owned subsidiary	–	(137)	–	–	–	–	(137)	–	(137)
Balances at 30 June	13 416	(685)	8 546	2 459	(2 352)	77 059	98 443	17 437	115 880

STATEMENT OF Cash Flows

for the year ended 30 June 2023

R million	Notes	30 June 2023	30 June 2022
Cash flows – operating activities			
Trading profit (continuing and discontinued operations)		**4 279**	5 060
Adjustments	5.3.1	**2 548**	2 981
Trading profit before working capital changes		**6 827**	8 041
Working capital changes	5.3.2	**(4 044)**	(285)
Cash generated from operations		**2 783**	7 756
Cash flows generated from returns on investments		**3 772**	2 758
Interest received		**1 124**	535
Dividends received	5.3.3	**2 648**	2 223
Finance costs		**(1 309)**	(1 185)
Taxation paid	5.3.4	**(2 051)**	(1 430)
Cash available from operating activities		**3 195**	7 899
Proceeds from retirement fund assets transferred to Distell		**–**	55
Cash settled share-based payments made by Distell		**(715)**	(148)
Dividends paid	5.3.5	**(1 075)**	(721)
Cash inflow from operating activities		**1 405**	7 085
Cash flows – investing activities			
Investment in property, plant and equipment to maintain operations		**(1 977)**	(1 637)
Investment in property, plant and equipment and other assets to expand operations		**(1 289)**	(1 635)
Proceeds on disposal of property, plant and equipment and intangible assets		**257**	262
Proceeds on disposal of assets held for sale		**973**	13
Additions to investments and loans[1]		**(7 056)**	(2 437)
Businesses acquired (refer note 15)		**(215)**	(84)
Business disposed (refer note 10.10)		**2 041**	–
Proceeds on disposal of investments and loans		**697**	3 536
Investment in money market funds		**(190)**	(690)
Withdrawal of money market funds		**1 308**	–
Cash outflow from investing activities		**(5 451)**	(2 672)
Cash flows – financing activities			
Loans repaid		**(1 899)**	(1 618)
Loans advanced		**254**	406
Lease payments		**(302)**	(474)
Investments in subsidiary companies		**–**	(39)
Purchase of treasury shares		**(830)**	(137)
Capital invested by non-controlling shareholders		**102**	–
Cash outflow from financing activities		**(2 675)**	(1 862)
Net increase/(decrease) in cash and cash equivalents		**(6 721)**	2 551
Exchange rate profit/(loss) on foreign cash		**405**	353
Cash and cash equivalents at the beginning of the year		**11 505**	8 601
Cash and cash equivalents at the end of the year		**5 189**	11 505
Cash and cash equivalents – per statement of financial position		**6 047**	11 884
Bank overdraft		**(910)**	(379)
Included in assets and liabilities held for sale			
Cash and cash equivalents		**82**	–
Bank overdraft		**(30)**	–

[1] *The year under review includes the additional investments in Mediclinic of R4 693 million and Heineken Beverages of R2 317 million. The prior year included an investment in CIVH amounting to R2 124 million.*

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Annual Financial Statements
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NOTES TO THE
Annual Financial Statements
for the year ended 30 June 2023

1. Accounting policies

The Annual Financial Statements are prepared on the historical cost basis, unless otherwise indicated, in accordance with International Financial Reporting Standards (IFRS), the IFRS Interpretations Committee interpretations, the requirements of the Companies Act (No. 71 of 2008), as amended, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Listings Requirements of the exchange operated by JSE Limited (JSE).

These financial statements incorporate accounting policies that have been consistently applied to all periods presented and are consistent with those applied in the previous financial year. Various changes in IFRS became effective for the financial year under review, but did not impact the Group.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note VIII of the accounting policies.

The over-arching accounting policies that the Group applied in the preparation of the financial statements are set out below, while those that are applicable to each line item are included in the relevant notes.

(I) Impact of major transactions on the financial statements

During the year the Group executed a number of corporate transactions that had a significant impact on the financial statements. The main corporate transactions were the following:

Disposal of Distell's affected assets and the acquisition of Heineken Beverages

During the year under review Heineken acquired the majority of Distell's business, i.e. Distell's in-scope assets. The transaction was implemented on 26 April 2023 and entailed the following:

- Distell reorganised its assets and liabilities that are held in different subsidiaries under common control transactions to separate the in-scope from the out-of-scope assets and liabilities into two different sub-groups.
- Distell then transferred its out-of-scope assets to its unlisted subsidiary, Capevin under the principles of common control. Subsequently, Capevin was unbundled to Distell's shareholders. Remgro previously controlled these assets indirectly via Distell. After the unbundling, Remgro controls these out-of-scope assets directly. The out-of-scope assets consist mainly of the Scotch whisky business. Remgro's interest in Capevin after the transaction mirrors the interest it had in Distell prior to the transaction. Remgro is Capevin's controlling shareholder having an economic interest of 31.4% and a voting interest of 55.9%. As Remgro controlled the assets before the unbundling and retained control thereof afterwards, no profit or loss was recognised from Distell's unbundling of Capevin.
- Remgro sold its interest in Distell's in-scope assets, consisting of its cider, other ready-to-drink beverages and spirits and wine business, to Heineken for cash of R1 255 million (represented by the "scale back" offer of R165 per share) and an interest of 15.5% in Heineken Beverages. A profit on the disposal was recognised. The business disposed of represents a discontinued operation. Accordingly, the income statement and statement of other comprehensive income are presented to disclose contributions by continuing and discontinued operations. Consequently, the comparative period is restated.
- Heineken's Southern African business, including its controlling interest in Namibia Breweries, was combined with the Distell in-scope assets in Heineken Beverages which is controlled by Heineken. Remgro's 15.5% acquisition of Heineken Beverages was accounted for at fair value of the share exchange amounting to R10 270 million (or R165 per share). Subsequently, Remgro acquired additional Heineken Beverages shares to increase its interest in the combined business to 18.8%. Remgro has board representation and certain protective rights in terms of an agreement with Heineken. Accordingly, management concluded that Remgro has significant influence over Heineken Beverages and classified the investment as an associate. A provisional notional fair value exercise has been performed on the net assets acquired. Refer to note 4.1.1.

Execution of the delisting of Mediclinic International Plc through the Bidco joint venture

The Group previously held listed ordinary shares in Mediclinic representing an interest of approximately 44.6% in this investee. Remgro previously concluded that it had significant influence over Mediclinic, and equity accounted this investment.

1. Accounting policies (continued)

(I) Impact of major transactions on the financial statements (continued)

Execution of the delisting of Mediclinic International Plc through the Bidco joint venture (continued)

The Mediclinic shareholders voted in favour of a cash offer by Bidco, which is jointly owned by Remgro and MSC Mediterranean Shipping Company SA (MSC), to acquire the entire issued ordinary share capital of Mediclinic, other than the Mediclinic shares Remgro already owned for 501 pence per share. The conditions precedent were met on 26 May 2023 and the transaction was implemented on that date. Remgro, MSC and Bidco entered into a subscription and rollover agreement, in terms of which Remgro sold its existing Mediclinic shares (44.6%) to Bidco in exchange for shares in Bidco and subscribed for further shares in Bidco for approximately R5 408 million (5.4% interest), representing a total interest of 50% in Bidco. MSC simultaneously subscribed to a 50% interest in Bidco in cash and Bidco used the proceeds of its share issue to acquire all the remaining issued shares in Mediclinic.

Bidco is a new company that was specifically established to facilitate the transaction. Other than its investment in Mediclinic, it has no substance and as such represents an extension of Mediclinic. Accordingly, Remgro's investment in Bidco resulted in a step-up of its interest in Mediclinic. Remgro has joint control over Bidco (the new holding company of the legacy Mediclinic group) and the investment will continue to be equity accounted. A provisional notional fair value exercise has been performed on the additional interest acquired in Mediclinic. Refer to note 4.1.2.

RCL Foods reclassified Vector Logistics as a discontinued operation

RCL Foods entered into an agreement to dispose of Vector Logistics. Vector Logistics' results were also included in those of discontinued operations for both periods presented, while its assets and liabilities are included under non-current assets/liabilities held for sale and discontinued operations.

(II) Consolidation

Consolidation – subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are measured at cost in the separate financial statements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that are deemed an asset or liability are recognised in accordance with *IFRS 9: Financial Instruments* either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of the consideration transferred, non-controlling interest recognised and previously held interest measured are less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intergroup transactions, balances and unrealised gains and losses are eliminated on consolidation. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

1. Accounting policies (continued)

(II) Consolidation (continued)

Consolidation – subsidiaries (continued)

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Subsidiaries are measured at cost less accumulated impairments in the separate financial statements.

(III) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates, i.e. its functional currency. The functional currency of the Company and the presentation currency of both the Company and the Group is rand. All amounts, unless otherwise indicated, are stated in millions.

Transactions and balances

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing at the date of the transactions. Except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges, foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of foreign currency denominated monetary assets and liabilities are recognised in the income statement. Translation differences on non-monetary items are accounted for based on the classification of the underlying items. Foreign exchange gains and losses on financial instruments classified as at fair value through other comprehensive income are included in other comprehensive income, whereas those on financial instruments held at fair value through profit and loss are reported as part of the fair value gain or loss.

Group entities

The results and financial position of all foreign operations (excluding those operating in hyperinflationary economies) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate on the reporting date;
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised directly in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. On disposal of foreign operations, the related exchange differences are recognised in the income statement as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and translated at closing rates at the reporting date.

Foreign currencies used

	30 June 2023	30 June 2022	*Movement (%)*
Closing exchange rates			
SA rand/British pound	**23.8001**	19.6301	*(21.2)*
SA rand/USA dollar	**18.8263**	16.2958	*(15.5)*
SA rand/Swiss franc	**20.9599**	16.9603	*(23.6)*
SA rand/euro	**20.4780**	16.9063	*(21.1)*
Average exchange rates			
SA rand/British pound	**21.3557**	20.2207	*(5.6)*
SA rand/USA dollar	**17.7451**	15.2046	*(16.7)*
SA rand/Swiss franc	**18.9141**	16.3062	*(16.0)*
SA rand/euro	**18.5765**	17.1234	*(8.5)*

1. Accounting policies (continued)

(IV) Impairment of assets

Goodwill and intangible assets with indefinite lives

These assets are assessed annually for possible impairments. For purposes of impairment testing, goodwill is allocated to cash-generating units, being the lowest component of the business measured in the management accounts that is expected to generate cash flows that are largely independent of another business component. Impairment losses relating to goodwill are not reversed. Any impairment is recognised in the income statement.

Other assets

The Group assesses at each reporting date whether there is objective evidence that other assets may be impaired.

- Impairment – subsidiaries, joint ventures and associates
  An asset is impaired if its carrying amount is greater than its estimated recoverable amount, which is the higher of its fair value less cost to sell or its value in use. The carrying amounts of subsidiaries (referring to the separate financial statements), joint ventures and associates are reviewed, if there is objective evidence of impairment, and written down where necessary.

- Investment properties, property, plant and equipment and intangible assets with finite useful lives
  Where these assets are identified as being impaired, that is when the recoverable amount has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. Such written-off amounts are accounted for in the income statement.

- Financial assets measured at amortised cost
  The Group recognises an allowance for expected credit losses for all debt instruments measured at amortised cost. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

  For trade receivables only, the Group applies the simplified approach permitted by *IFRS 9*, which requires lifetime expected credit losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment, for example growth in gross domestic product and changes in unemployment rates. Trade receivables have been grouped based on shared credit risk characteristics, such as the days past due. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

  If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, such as improved credit rating, the previously recognised impairment loss is reversed and is recognised in the income statement.

- Financial assets carried at fair value
  These financial assets are measured at fair value, either through profit and loss or other comprehensive income, based on the classification of the asset. As the assets are measured at fair value, no impairment review is performed.

- Presentation
  Due to the nature and significance of the item, it is presented in a separate line below trading profit in the income statement.

(V) Current/non-current distinction

Items are classified as current when it is expected to be realised, traded, consumed or settled within 12 months after the reporting date, or the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

1. Accounting policies (continued)

(VI) Income statement

The composition of the Group's net profit is relevant for a proper understanding of its financial results. Due to the nature of the Group's operations, a significant portion of its net profit results from associates and joint ventures. Consequently, additional information relating to the Group's share of the after-tax profit of associates and joint ventures is disclosed separately in note 4.2. In order to promote comparability, equity accounted income from associates and joint ventures, which is presented on an after-tax basis, is disclosed after the tax line in the income statement.

"Consolidated profit" represents the profit of the Company and its subsidiaries before equity accounted income, while "trading profit" represents the profit of the operating subsidiaries in the Group, before investment income, finance costs, results of corporate actions and impairments.

(VII) Earnings measures

Corporate actions may lead to significant items being recognised in the income statement that may not be excluded from the calculation of headline earnings. In these instances, the Group discloses an alternative earnings measure excluding these items in order to promote comparability between reporting periods.

In accordance with paragraph 3.4(b)(v) of the JSE Listings Requirements, the Company again confirms the use of headline earnings per share for trading statement purposes. This is still considered an appropriate measure given that, as an investment holding company, the assessment of headline earnings is a key performance measure.

(VIII) Critical accounting judgements and critical accounting estimates and assumptions

The preparation of the financial statements necessitates the use of estimates, assumptions and judgements that affect the reported amounts in the statement of financial position and income statement. Although estimates are based on management's best knowledge and judgements of current facts as at the reporting date, the actual outcome may differ from those estimates.

Critical judgements in applying the Group's accounting policies

The most critical judgement exercised relates to the classification of investments. Refer to note 4 for further detail.

Judgement is also exercised with regard to the determination of the functional currency of the offshore entities that hold the Group's cash and short-term financial investments. The functional currencies of these entities are determined with reference to the currency in which the entities receive their operating cash inflows, as this most fairly presents the economic effects of the underlying transactions, events and conditions. The structure that held the Group's exchangeable bonds also has a strong British pound residual risk, both through the underlying investment in Mediclinic and the external funding obtained. The funding is largely separate from Remgro as the funding came from bondholders and the underlying investments.

The operations of these entities are clearly separated from those of the parent and are managed separately from each other in terms of a strategic investment plan to invest and/or raise finance in hard currencies based on specific and pre-determined portfolio allocations. As a result, exchange differences arising on the translation of those entities into the reporting currency of the Group are deferred in other comprehensive income until being realised, as opposed to being reported in the income statement on a continuous basis.

Reversal of a prior period impairment of the investment in Mediclinic

Included in the carrying value of the investment in Mediclinic is an impairment of R3 898 million. Management concluded that a reversal of a portion of the impairment is not appropriate. Refer to note 4.4.1 for details.

Critical estimates and assumptions

Deferred tax on investments

The Group provides deferred tax on all temporary differences between the carrying value and tax base on investments, measuring the estimated tax consequences based on the manner in which the entity, at the reporting date, expects to recover the carrying value of its various investments:

- Equity accounted investments' carrying values are mainly recovered through non-taxable dividends and deferred tax on temporary differences is therefore raised at nil percent.
- Financial instruments at fair value's carrying values are recovered through sale and dividends, therefore the Group assesses the most likely manner in which the carrying value will be realised and, based on that, uses a combination of the dividend tax rate or the capital gains tax rate to determine deferred tax on related temporary differences.

Other significant estimates and assumptions

Significant estimates and assumptions were used in determining and/or measuring:

- the useful lives and residual values of investment properties, property, plant and equipment and intangible assets;
- retirement benefit obligations; and
- share-based payments expenses.

Details of these estimates and assumptions are set out in the relevant notes to the Annual Financial Statements.

2. Segment report

R million	Year ended 30 June 2023 Headline earnings[(1)]	30 June 2023 Net assets Book value[(2)]	30 June 2023 Net assets Intrinsic value	Year ended 30 June 2022 Headline earnings[(1)]	30 June 2022 Net assets Book value[(2)]	30 June 2022 Net assets Intrinsic value
Healthcare						
Mediclinic	**1 691**	**41 050**	**47 268**	1 267	26 681	29 568
Consumer products						
Distell[(3)] – entity contribution	**555**			735	8 386	11 969
– *IFRS 3 charge*[(4)]	**(32)**			(11)		
Heineken Beverages[(5)] – entity contribution	**(75)**	**12 495**	**12 451**			
– *IFRS 3 charge*[(4)]	**(6)**					
Capevin[(5)]	**14**	**1 677**	**1 576**			
RCL Foods	**488**	**9 152**	**7 141**	846	8 816	7 355
Siqalo Foods – entity contribution	**344**	**6 212**	**6 007**	401	6 261	6 345
– *IFRS 3 charge*[(4)]	**(80)**			(65)		
Financial services						
OUTsurance Group	**888**	**5 764**	**15 957**	796	5 307	13 069
Business Partners	**72**	**1 289**	**1 260**	70	1 193	1 193
Infrastructure						
CIVH	**206**	**7 025**	**14 300**	47	6 905	13 756
Grindrod	**61**			263	1 559	1 559
SEACOM	**47**	**98**	**796**	37	40	776
Other infrastructure investments	**3**	**57**	**57**	266	67	67
Industrial						
Air Products	**476**	**1 282**	**4 911**	422	1 162	4 690
TotalEnergies	**54**	**3 063**	**3 338**	1 076	3 158	3 274
Wispeco	**313**	**1 619**	**1 330**	281	1 448	1 402
Other industrial investments	**25**	**204**	**320**	21	189	379
Diversified investment vehicles						
KTH	**437**	**1 878**	**2 370**	80	1 497	2 145
Prescient China Equity Fund	**–**	**1 137**	**1 137**	–	1 189	1 189
Invenfin	**34**	**771**	**1 136**	6	804	1 050
Other diversified investment vehicles	**363**	**1 760**	**1 760**	9	1 864	1 864
Media						
eMedia Investments	**130**	**897**	**659**	145	856	738
Other media investments	**41**	**154**	**182**	33	111	150
Portfolio investments						
FirstRand	**605**	**6 889**	**6 889**	389	7 141	7 141
Discovery	**–**	**6 167**	**6 167**	–	5 410	5 410
Momentum Metropolitan	**141**	**1 816**	**1 816**	–	1 439	1 439
Other portfolio investments	**58**	**769**	**769**	55	809	809
Social impact investments	**(24)**	**126**	**126**	(20)	132	132
Central treasury						
Finance income/cash at the centre	**650**	**9 001**	**9 001**	224	12 280	12 280
Finance costs/debt at the centre	**(628)**	**(7 857)**	**(7 857)**	(627)	(7 838)	(7 838)
Other net corporate income/ (costs)/assets	**205**	**1 425**	**2 122**	(252)	1 577	2 221
	7 056	**115 920**	**142 989**	6 494	98 443	124 132
Potential CGT liability			**(4 186)**			(3 930)
Total	**7 056**	**115 920**	**138 803**	6 494	98 443	120 202

Additional segmental information is disclosed in note 12.1.

(1) *Refer to note 3.1 for the calculation of headline earnings.*
(2) *Total book value equals shareholders' equity.*
(3) *Representing the ten months ended 30 April 2023. Refer to note 10.10 for further details.*
(4) *IFRS 3 charge represents the amortisation and depreciation expenses, net of tax, relating to the additional assets identified when Remgro acquired these investments.*
(5) *Representing the two months ended 30 June 2023. Refer to note 10.10 for further details.*

2. Segment report (continued)

Segmental information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company, who makes strategic decisions. Each significant investment is classified as an operating segment. Operating segments are presented in platforms. Platforms consist of investments with similar economic characteristics.

The measures the Chief Operating Decision-Maker uses are headline earnings and the intrinsic net asset value (INAV). The INAV is used to assess shareholder value created as well as the performance of each operating segment. It is therefore presented as part of the Group's segment information. The intrinsic value of assets is determined as follows:

- Listed investments – number of shares held multiplied by the quoted share price at the reporting date (level 1);
- Unlisted investments – valuations using the principles as prescribed in *IFRS 13* (level 3);
- Cash and debt at the centre – IFRS carrying value. Cash at the centre excludes cash held by subsidiaries that are separately valued (mainly Distell, RCL Foods, Siqalo Foods, Capevin and Wispeco); and
- Other corporate assets – IFRS carrying value, with the exception of investment properties (level 3) included at fair value as disclosed in note 10.2.

Refer to note 14.3 that indicates which investments are listed and which are unlisted. The INAV will not necessarily correspond with the values per the statement of financial position, since the latter is measured in accordance with IFRS as described in the Group's accounting policies.

The potential capital gains tax (CGT) liability is calculated on the specific identification method using the most favourable calculation for investments acquired before 1 October 2001 and taking into account the corporate relief provisions. The fair values of investments at FVOCI are disclosed net of deferred CGT.

Valuation of unlisted investments

The main assumptions used in the valuation of unlisted investments were discount rates, which varied between 12.6% and 15.5% (2022: 12.1% and 14.9%), and terminal growth rates, which varied between 1.0% and 5.3% (2022: 1.0% and 5.0%). Where the discounted cash flow method is used as valuation methodology, the forecast free cash flow period is generally limited to a maximum of five years.

Where Remgro holds a non-controlling interest, a tradability discount (or discount for lack of control) is applied. No control premiums are applied.

The investment in Heineken Beverages is unlisted and its fair value on 30 June 2023 has to be determined through directors' valuation. The primary valuation technique used to value Remgro's unlisted investments is the discounted cash flow method when reliable information is available. This valuation technique is only disregarded if reliable cash flow projections are lacking or when price-earnings or EV/EBITDA multiples or other reasonability checks do not support this valuation methodology.

An alternative, however limited in its use, is the Price of Recent Investment valuation technique (PRI) that can be considered under certain circumstances. The PRI cannot be applied uncritically for extended periods without additional analysis. It is accepted that the PRI is not a standalone technique, but for a reasonably short period after a transaction, it is considered a very strong indicator of fair value.

The Distell/Heineken transaction was implemented on 26 April 2023 (approximately two months before the year-end). To date, there has been limited integration of the various workstreams and business functions within the new Heineken Beverages business. Due to the timing of the transaction, consolidated forecast information is also not readily available. After considering the very recent conclusion of the Distell/Heineken transaction, which contributed to a lack of reliable forecast information, as well as other consolidated information necessary to perform a supportable valuation based on either the preferred income or the market approach, management concluded to use the PRI.

2. Segment report (continued)

Valuation of unlisted investments (continued)

Remgro's unlisted investments were valued as follows:

Investment	Valuation methodology
Mediclinic	Sum-of-the-parts (external valuation)
Heineken Beverages	Price of recent investment
Capevin	Sum-of-the-parts
CIVH	Discounted cash flow method
Siqalo Foods	Discounted cash flow method
Air Products	Discounted cash flow method
TotalEnergies	Discounted cash flow method
KTH	Sum-of-the-parts (external valuation)
Wispeco	Discounted cash flow method
Business Partners	Net asset value (NAV)
Prescient China Equity Fund	Sum-of-the-parts
Milestone III	Sum-of-the-parts
SEACOM	Discounted cash flow method
eMedia Investments	Comparable market price
PRIF	Sum-of-the-parts
PGSI	Discounted cash flow method

Non-current assets, amounting to R47 946 million (2022: R34 811 million), are located in foreign countries.

2. Segment report

Segmental income statement

R million	RCL Foods[(1)(2)]	Distell[(2)]	Capevin[(2)]	Siqalo Foods[(1)]	Wispeco	Inter-segment elimi-nations	Other segments	Total as per income statement
30 June 2023								
Continuing operations								
Revenue	37 783	2 476	421	3 748	3 813	(167)	77	48 151
Depreciation	(764)	(62)	(14)	(58)	(90)	–	(44)	(1 032)
Amortisation	(91)	(14)	(3)	(8)	–	–	(117)	(233)
Interest received	39	4	9	34	8	–	891	985
Finance costs	(330)	(19)	(11)	–	(9)	–	(633)	(1 002)
Net impairments of investments, assets and goodwill	(70)	–	(461)	–	–	–	(19)	(550)
Equity accounted investments	–	–	–	–	–	–	(53)	(53)
Property, plant and equipment	(70)	–	–	–	–	–	35	(35)
Intangible and other assets	–	–	(461)	–	–	–	(1)	(462)
Profit on sale and dilution of investments	8	–	–	–	–	–	321	329
Taxation	(242)	(68)	(11)	(65)	(118)	–	(328)	(832)
Share of after-tax profit of equity accounted investments	230	–	–	–	–	–	3 066	3 296
Discontinued operations	76	1 817	(5)	–	–	–	3 229	5 117
Net profit for the year	513	2 118	(418)	182	317	–	8 108	10 820
Equity Holders	616	2 112	(418)	182	315	–	6 817	9 624
Continuing operations	543	301	(413)	182	315	–	4 908	5 836
Discontinued operations	73	1 811	(5)	–	–	–	1 909	3 788
Non-controlling interest	(103)	6	–	–	2	–	1 291	1 196
Continuing operations	(106)	–	–	–	2	–	(29)	(133)
Discontinued operations	3	6	–	–	–	–	1 320	1 329
30 June 2022								
Restated								
Continuing operations								
Revenue	32 201	2 620	–	3 546	3 598	(163)	74	41 876
Depreciation	(696)	(72)	–	(56)	(76)	–	(44)	(944)
Amortisation	(95)	(16)	–	(8)	–	–	(119)	(238)
Interest received	39	4	–	21	–	–	324	388
Finance costs	(241)	(26)	–	–	(15)	–	(605)	(887)
Net impairments of investments, assets and goodwill	(8)	–	–	–	–	–	167	159
Equity accounted investments	–	–	–	–	–	–	168	168
Property, plant and equipment	154	–	–	–	–	–	(1)	153
Intangible and other assets	(162)	–	–	–	–	–	–	(162)
Profit on sale and dilution of investments	3	–	–	–	–	–	391	394
Taxation	(395)	(73)	–	(95)	(111)	–	(83)	(757)
Share of after-tax profit of equity accounted investments	44	3	–	–	–	–	10 739	10 786
Discontinued operations	64	2 127	–	–	–	–	(39)	2 152
Net profit for the year	978	2 437	–	250	285	–	11 029	14 979
Equity Holders	1 014	2 377	–	250	282	–	9 216	13 139
Continuing operations	951	310	–	250	282	–	10 652	12 445
Discontinued operations	63	2 067	–	–	–	–	(1 436)	694
Non-controlling interest	(36)	60	–	–	3	–	1 813	1 840
Continuing operations	(37)	–	–	–	3	–	416	382
Discontinued operations	1	60	–	–	–	–	1 397	1 458

(1) *The company reports on the retail calendar of trading weeks that treats each financial year as an exact 52-week period, incorporating trade from Monday to Sunday each week. This treatment effectively results in the loss of a day (or two in a leap year) per calendar year. These days are brought to account approximately every six years by including a 53rd week.*

(2) *During the year under review, RCL Foods disclosed the Vector Logistics business as a discontinued operation and Distell sold the bulk of its business to Heineken Beverages with its continuing operations consisting of Capevin. Refer to note 10.10 for further details.*

3. Results

3.1 Earnings

R million	30 June 2023 Gross	30 June 2023 Net	30 June 2022 Restated Gross	30 June 2022 Restated Net
Headline earnings reconciliation				
Continuing operations				
Net profit for the year attributable to equity holders (earnings)		**5 836**		12 445
– Impairment of equity accounted investments	**58**	**58**	193	193
– Reversal of impairment of equity accounted investments	**(5)**	**(5)**	(361)	(361)
– Impairment of property, plant and equipment	**70**	**28**	100	103
– Reversal of impairment of property, plant and equipment	**(35)**	**(26)**	(253)	(199)
– Impairment of intangible and other assets	**462**	**146**	162	130
– Profit on sale and dilution of equity accounted investments	**(321)**	**(367)**	(395)	(306)
– Loss on sale and dilution of equity accounted investments	**2**	**2**	1	1
– Profit on disposal of property, plant and equipment	**(78)**	**(44)**	(27)	(9)
– Loss on disposal of property, plant and equipment	**62**	**24**	14	8
– Recycling of foreign currency translation reserves	**(10)**	**(4)**	–	–
– Non-headline earnings items included in equity accounted earnings of equity accounted investments	**984**	**994**	(6 181)	(6 189)
– Profit on disposal of property, plant and equipment	**(18)**	**(9)**	(59)	(67)
– Profit on sale of investments	**(67)**	**(66)**	(6 298)	(6 298)
– Loss on sale of investments	**–**	**–**	1	1
– Impairment of investments, assets and goodwill	**1 069**	**1 069**	190	190
– Other headline earnings adjustable items	**–**	**–**	(15)	(15)
Headline earnings from continuing operations		**6 642**		5 816
Discontinued operations				
Net profit for the year attributable to equity holders (earnings)		**3 788**		694
– Impairment of property, plant and equipment	**–**	**–**	6	3
– Profit on disposal of property, plant and equipment	**(9)**	**(5)**	(56)	(21)
– Loss on disposal of property, plant and equipment	**36**	**8**	9	8
– Loss on disposal of intangible assets	**–**	**–**	(12)	(3)
– Profit on disposal of subsidiary	**(4 374)**	**(3 384)**	–	–
– Recycling of foreign currency translation reserves	**23**	**7**	–	–
– Non-headline earnings items included in equity accounted earnings of equity accounted investments				
– Profit on disposal of property, plant and equipment	**–**	**–**	(8)	(3)
Headline earnings from discontinued operations		**414**		678
Total headline earnings from continuing and discontinued operations		**7 056**		6 494

3. Results (continued)

3.1 Earnings (continued)

Headline earnings reconciliation (continued)

Headline earnings, adjusted for corporate actions, reconciliation

Corporate actions such as the unbundling, restructuring, acquisition and disposal of investments may result in non-recurring items or items that distort comparability, being recognised in the income statement that may not be excluded from the calculation of headline earnings as per the headline earnings per share circular (Circular 1/2023 – Headline Earnings). Headline earnings is then adjusted for these items (net of tax), being transaction and restructuring costs; acquisition and disposal-related gains or losses (*inter alia* foreign exchange gains or losses); income or losses that were not accounted for the full reporting period (*inter alia* consolidated or equity accounted income or losses until the date of unbundling, restructuring or disposal); and income or losses that were not accounted for on a consistent basis between reporting periods (*inter alia* to consolidate or to equity account as opposed to dividend income from investments recognised at fair value through other comprehensive income). In these instances, the Group discloses an alternative earnings measure excluding these items in order to promote comparability between reporting periods.

For the current and comparative years, these corporate actions and their impact on headline earnings include:

- The restructuring of OUTsurance Group – during the comparative year, OUTsurance Group unbundled its investments in Discovery and Momentum Metropolitan (the OUTsurance Group unbundling), as well as disposed of its investment in Hastings. OUTsurance Group equity accounted these investments (being classified as discontinued operations) and Remgro's portion thereof, included in headline earnings for the comparative year, amounted to R351 million. As a consequence of the OUTsurance Group unbundling, Remgro received Discovery and Momentum Metropolitan shares and classified both investments as financial instruments at fair value through other comprehensive income. As Remgro now accounts for dividend income from these investments, only R141 million of dividends were received and included in headline earnings from Momentum Metropolitan during the year under review;
- The disposal of Grindrod Shipping (comparative year) – equity accounted income of R267 million was included in the prior year;
- The unbundling of Grindrod (October 2022) – equity accounted income of only R61 million is included for the year under review (2022: R263 million);
- The acquisition of an additional 5.4% indirect interest in Mediclinic (the Mediclinic acquisition) (June 2023) – transaction costs (R612 million) and foreign exchange gain (R522 million) are included for the year under review; and
- The combination of the Heineken Southern African business, including an interest in Namibia Breweries with the bulk of the Distell business (consisting of its cider, other RTDs and spirits and wine business) in Heineken Beverages, as well as the unbundling by Distell of its subsidiary, Capevin, which holds Distell's remaining assets, including its Scotch whisky business (the Distell/Heineken transaction) (April 2023) – transaction costs of R196 million is included for the year under review (2022: R16 million).

Headline earnings adjusted for the above-mentioned corporate actions is as follows:

R million	Year ended 30 June 2023	30 June 2022
Total headline earnings from continuing and discontinued operations	**7 056**	6 494
Discontinued operations of OUTsurance Group	**–**	(351)
Momentum Metropolitan dividends	**(141)**	–
Grindrod Shipping equity accounted income	**–**	(267)
Grindrod equity accounted income	**(61)**	(263)
Foreign exchange gain and transaction costs relating to the Mediclinic acquisition	**90**	–
Transaction costs relating to the Distell/Heineken transaction	**196**	16
Headline earnings adjusted for the corporate actions	**7 140**	5 629

3. Results (continued)

3.2 Per share measures

Cents	30 June 2023	30 June 2022 Restated
Earnings per share		
Headline earnings per share		
Basic	**1 254**	1 151
Continuing operations	**1 180**	1 031
Discontinued operations	**74**	120
Diluted	**1 244**	1 141
Continuing operations	**1 171**	1 022
Discontinued operations	**73**	119
Earnings per share		
Basic	**1 710**	2 328
Continuing operations	**1 037**	2 205
Discontinued operations	**673**	123
Diluted	**1 696**	2 313
Continuing operations	**1 027**	2 191
Discontinued operations	**669**	122
Dividends per share		
Ordinary	**240**	150
Interim	**80**	50
Final	**160**	100
Asset value per share		
Intrinsic net asset value (Rand)	**248.47**	213.10
Book net asset value (Rand)	**207.51**	174.52
Remgro share price (Rand)	**147.05**	129.91
Percentage discount to intrinsic net asset value (%)	**40.8**	39.0

3. Results (continued)

3.2 Per share measures (continued)

Earnings per share

In determining earnings per share and headline earnings per share, the weighted number of shares in issue after deduction of treasury shares was used as denominator.

Reconciliation of the weighted number of shares	30 June 2023 Number of shares	30 June 2022 Number of shares
Number of shares in issue at the beginning of the year	**568 273 994**	568 273 994
Weighted number of treasury shares	**(5 528 948)**	(3 856 380)
Weighted number of shares	**562 745 046**	564 417 614

Diluted earnings per share

In determining diluted earnings per share and diluted headline earnings per share, the weighted number of shares in issue was adjusted for the deemed dilutive effect of the offers accepted by participants in the Remgro Equity Settled Share Schemes (the Schemes), but not yet delivered.

The delivery of scheme shares to participants will be regarded as an issue of shares. As the market value (fair value) of the shares at date of delivery will differ from the offer value, the number of shares represented by the difference will be regarded as an issue of ordinary shares for no consideration.

Some subsidiary and equity accounted investments have similar management incentive schemes as well as other instruments that can dilute these companies' earnings in the future. To calculate Remgro's diluted earnings per share, R24 million (2022: R23 million) and R19 million (2022: R20 million) were offset against earnings and headline earnings respectively to account for the potential dilutive effect.

Reconciliation of the weighted number of shares in issue for diluted earnings per share	30 June 2023 Number of shares	30 June 2022 Number of shares
Weighted number of shares	**562 745 046**	564 417 614
Adjustment for potential dilutive effect of the Remgro share schemes	**3 176 514**	2 755 961
Diluted weighted number of shares	**565 921 560**	567 173 575

Asset value per share

In determining asset value per share the number of shares in issue, after deduction of treasury shares, was used as denominator (refer to note 7.1.3) and intrinsic NAV and book NAV, as per the segment report, as the respective nominators.

3.3 Cash dividend declared after year-end

A final gross dividend of 160 cents (2022: 100 cents) per share has been declared out of income reserves in respect of both the ordinary shares of no par value and the unlisted B ordinary shares of no par value, for the year ended 30 June 2023.

A dividend withholding tax of 20% or 32 cents per share will be applicable, resulting in a net dividend of 128 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The total gross dividend per share for the year ended 30 June 2023 therefore amounts to 240 cents, compared to 150 cents for the year ended 30 June 2022.

The issued share capital at the declaration date is 529 217 007 ordinary shares and 39 056 987 B ordinary shares.

4. Investments

R million	30 June 2023	30 June 2022
Associates	**27 973**	43 317
Joint ventures	**48 472**	7 454
Investments – equity accounted	**76 445**	50 771
Loans to equity accounted investments – Current	**35**	15
	76 480	50 786
Financial assets at fair value through other comprehensive income	**22 564**	20 650
Total investments	**99 044**	71 436

4.1 Investments – equity accounted

Equity accounted investments

Investments accounted for using the equity method consist of joint ventures (entities or arrangements over which Remgro has joint control stemming from contractual rights) and associates (entities in which the Group has significant influence, but not control; normally accompanying a shareholding of between 20% and 50% of voting rights in the investment).

The equity method of accounting

Under the equity method of accounting investments are initially recognised at cost. The carrying value includes goodwill identified on acquisition. Subsequent to initial recognition, the carrying value of the investment is adjusted to recognise the Group's share of the post-acquisition profits or losses, movements in other comprehensive income and other equity movements, with the corresponding entry accounted for in either the income statement (for the Group's share of profits and losses) or other comprehensive income (for the Group's share of other comprehensive income and other equity movements after considering the substance of each transaction). Dividends received are accounted for against the carrying value of the investment. The Group ceases to account for its share of losses once those equal or exceed its interests in the investment (which includes any long-term loans that in substance form part of the Group's net investment).

Accounting policies of equity accounted investments have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrealised gains and losses on transactions between the Group and its equity accounted investments are eliminated to the extent of the Group's interest in these investments, unless losses provide evidence of impairment of the underlying asset.

The Group determines whether there is any objective evidence that its investments are impaired at each reporting date. An impairment is the difference between the lower recoverable amounts of the equity accounted investment and its carrying value and is recognised in the income statement.

If the ownership interest in an equity accounted investment is reduced but significant influence or joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss. Equity transactions by these entities that cause a dilution in the Group's ownership interest are likewise treated as part disposals.

Critical judgements

The most critical judgement exercised relates to the classification of investments as associates rather than subsidiaries or financial instruments at fair value. Remgro also has investments in which it holds more than 50% of the voting rights, but where an assessment of its influence over the business's relevant activities indicated that it does not have control. With reference to CIVH in which Remgro held 57% on 30 June 2023 (2022: 57%), the limitations placed on shareholders by the entity's Memorandum of Incorporation effectively give Remgro joint control over the entity.

Remgro has joint control over Mediclinic through its 50% interest in Bidco and the joint venture agreement it has in place with its co-shareholder in that company. Bidco was incorporated for the sole purpose of facilitating the delisting of Mediclinic and implementing the new shareholder structure. Accordingly, the investment in Mediclinic was reclassified as a joint venture when the delisting of Mediclinic became effective on 26 May 2023. Prior to the delisting of the investment and the acquisition thereof by Bidco, Remgro held an interest of less than 50% of the voting rights, but it was considered whether it may not have had *de facto* control over Mediclinic. The conclusion was that Remgro did not control Mediclinic. Mediclinic's relevant activities were controlled by Mediclinic's board of directors. Remgro did not have the right to appoint a majority of Mediclinic board members and, accordingly, could not control the investment's relevant activities. Accordingly, Mediclinic was accounted for as an associate using the equity method and not as a subsidiary.

Remgro holds an interest of 50% in Air Products' voting rights, but has neither control, nor joint control over the entity's relevant activities. Accordingly, Remgro has significant influence over Air Products and it is classified as an associate.

Remgro holds 18.8% of Heineken Beverages. As it has the right to board representation in the investment and a minority shareholder protection agreement, it is the Remgro Board's judgement that it rebutted the presumption in IFRS that it does not have significant influence in Heineken Beverages. Accordingly, the investment is classified as an associate and accounted for using the equity method. The purchase consideration of the investment was based on the fair value of the assets given, i.e. the sum of R165 per Distell share exchanged and cash paid.

4. Investments (continued)

4.1 Investments – equity accounted (continued)

The Group's principal associates and joint ventures are:

Investment	Classification	Business
Air Products	Associate	Produces oxygen, nitrogen, argon, hydrogen and carbon dioxide for sale in gaseous form by pipeline under long-term contracts to major industrial users
Heineken Beverages	Associate	Produces and markets a range of ciders, flavoured alcoholic beverages, wines, lager and spirits
OUTsurance Group	Associate	South African investment holding company with significant investment in OUTsurance Holdings Limited
TotalEnergies	Associate	Refines and markets petroleum products in South Africa, as well as distributes to neighbouring countries
CIVH	Joint venture	South African holding company that builds, owns, maintains and monitors its fibre-optic network and related infrastructure
Mediclinic	Joint venture (Associate until 26 May 2023)	Incorporated in the United Kingdom and operates private medical facilities in Southern Africa, the Middle East, Switzerland and the United Kingdom

4.1.1 Associates

	30 June 2023			30 June 2022		
R million	***Listed***	***Unlisted***	**Total**	*Listed*	*Unlisted*	Total
Shares – at cost	**6 604**	**15 742**	**22 346**	25 255	3 477	28 732
Equity adjustment	**(49)**	**5 655**	**5 606**	8 925	5 639	14 564
Carrying value	**6 555**	**21 397**	**27 952**	34 180	9 116	43 296
Non-current loans	**–**	**21**	**21**	–	21	21
Current loans	**–**	**31**	**31**	–	10	10
	6 555	**21 449**	**28 004**	34 180	9 147	43 327
Market values of listed investments	**15 957**			44 196		

Reconciliation of carrying value at the beginning and end of the year (R million)	**30 June 2023**	30 June 2022
Carrying value at the beginning of the year	**43 327**	44 847
Share of net attributable profit of associates	**3 394**	10 757
Dividends received from associates	**(1 444)**	(1 652)
Discovery dividend *in specie* from RMI (refer note 4.3)	**–**	(8 561)
Momentum Metropolitan dividend *in specie* from RMI (refer note 4.3)	**–**	(2 056)
Investments made[(1)]	**12 623**	32
Investments disposed	**(51)**	(4)
Business disposed (refer note 10.10)	**(724)**	–
Grindrod Unbundling[(2)]	**(1 649)**	–
Exchange rate differences[(3)]	**8 032**	(177)
Reversal of impairments/(impairments) (refer note 4.4)	**(50)**	169
Equity accounted movements on reserves	**1 476**	944
Loans advanced	**18**	19
Loan repaid	**–**	(97)
Reclassified to non-current assets held for sale (refer note 10.10)	**(129)**	–
Mediclinic reclassified to joint venture	**(36 819)**	–
Grindrod Shipping disposed[(4)]	**–**	(894)
Carrying value at the end of the year	**28 004**	43 327

(1) *During the year under review, Remgro received Heineken Beverages shares amounting to R10 270 million in exchange for Distell shares. Remgro also purchased Heineken Beverages shares amounting to R2 317 million.*

(2) *On 26 September 2022 Remgro announced the unbundling of its 24.8% interest in Grindrod. The interest in Grindrod was unbundled to shareholders on 17 October 2022 in the ratio of 30.70841 Grindrod ordinary shares for every 100 Remgro shares held.*

(3) *Mainly due to exchange rate differences between GBP and ZAR on Mediclinic.*

(4) *During the prior year the investment in Grindrod Shipping was disposed for $78 million. A profit on disposal of R198 million was recognised.*

4. Investments (continued)

4.1 Investments – equity accounted (continued)

4.1.1 Associates (continued)

Set out below is the summarised financial information, as well as a reconciliation of that information to the carrying amount, of the Group's most significant associates which were accounted for using the equity method.

	Year ended			
	30 June 2023			31 March 2023
R million	**OUTsurance Group**	**TotalEnergies**	**Heineken Beverages[1]**	**Air Products**
Summarised statement of comprehensive income				
Revenue	26 304	100 704	1 299	4 566
Profit/(loss) before tax	4 776	262	(765)	1 302
Taxation	(1 431)	(44)	318	(339)
Profit/(loss) after tax	3 345	218	(447)	963
Attributable to non-controlling shareholders	(430)	–	(16)	(5)
Attributable profit/(loss) for the year	2 915	218	(463)	958
Headline earnings	2 898	218	(462)	951
Other comprehensive income attributable to shareholders	535	–	–	–
Total comprehensive income attributable to shareholders	3 450	218	(463)	958
Summarised statement of financial position				
Net advance, loans and contract liabilities	1 537	–	–	–
Intangible assets	237	284	38 193	13
Property, plant and equipment and other	2 243	6 224	17 273	2 452
Investments and loans	29 804	1 890	3 704	12
Current assets	2 624	21 938	27 107	1 139
Total assets	36 445	30 336	86 277	3 616
	(23 472)	(18 035)	(33 945)	(832)
Non-controlling interest	(1 528)	–	(931)	(20)
Non-current liabilities	(18 563)	(2 150)	(9 416)	(497)
Current liabilities	(3 381)	(15 885)	(23 598)	(315)
Net assets	12 973	12 301	52 332	2 784
Reconciliation to carrying value				
Remgro's effective interest	30.63%	24.90%	18.80%	50.00%
Remgro's effective interest in net assets	3 974	3 063	9 838	1 392
Goodwill	1 790	–	2 657	–
Dividends received subsequent to associates' reporting date	–	–	–	(110)
Carrying value at 30 June 2023	5 764	3 063	12 495	1 282
Fair value of listed investments	15 957	–	–	–
Dividends received	464	151	–	360

[1] *Remgro's interest in Heineken Beverages on 30 June 2023. During the year under review, Remgro received Heineken Beverages shares amounting to R10 270 million in exchange for Distell shares. Remgro also purchased Heineken Beverages shares amounting to R2 222 million.*

4. Investments (continued)

4.1 Investments – equity accounted (continued)

4.1.1 Associates (continued)

Set out below is the summarised financial information, as well as a reconciliation of that information to the carrying amount, of the Group's most significant associates which are accounted for using the equity method.

	Year ended			
	30 June 2022		31 March 2022	
R million	OUTsurance Group	TotalEnergies	Air Products	Mediclinic
Summarised statement of comprehensive income				
Revenue	21 218	87 382	4 025	65 533
Profit before tax	23 918	5 997	1 186	4 277
Taxation	(1 027)	(1 676)	(332)	(831)
Profit after tax	22 891	4 321	854	3 446
Attributable to non-controlling shareholders	(495)	–	(5)	(385)
Attributable profit for the year	22 396	4 321	849	3 061
Headline earnings	2 598	4 321	844	2 834
Other comprehensive income attributable to shareholders	(532)	–	–	2 169
Total comprehensive income attributable to shareholders	21 864	4 321	849	5 230
Summarised statement of financial position				
Net advances, loans and bank-related securities	2 765	–	–	–
Intangible assets	236	276	15	22 103
Property, plant and equipment and other	1 816	5 946	2 396	86 726
Investments and loans	22 124	1 727	82	3 710
Current assets	3 439	26 635	988	28 935
Total assets	30 380	34 584	3 481	141 474
	(18 893)	(21 901)	(856)	(80 484)
Non-controlling interest	(1 465)	–	(18)	(2 729)
Non-current liabilities	(14 188)	(2 175)	(555)	(61 599)
Current liabilities	(3 240)	(19 726)	(283)	(16 156)
Net assets	11 487	12 683	2 625	60 990
Reconciliation to carrying value				
Remgro's effective interest	30.65%	24.90%	50.00%	44.56%
Remgro's effective interest in net assets	3 521	3 158	1 312	27 177
Goodwill	1 786	–	–	3 402
Dividends received subsequent to associates' reporting date	–	–	(150)	–
Accumulated impairment (refer note 4.4.1)	–	–	–	(3 898)
Carrying value at 30 June 2022	5 307	3 158	1 162	26 681
Fair value of listed investments	13 069	–	–	29 568
Dividends received	11 500	162	325	–

4. Investments (continued)

4.1 Investments – equity accounted (continued)

4.1.1 Associates (continued)

R million	30 June 2023	30 June 2022
Information pertaining to Remgro's other associates is aggregated as follows:		
Carrying value	**5 369**	7 009
The Group's share of:		
– Profit from operations	**1 128**	1 026
– Other comprehensive income	**55**	(205)
– Total comprehensive income	**1 183**	822
– Headline earnings	**1 113**	1 046

4.1.2 Joint ventures

R million	30 June 2023	30 June 2022
Unlisted shares – at cost	**31 685**	8 942
Equity adjustment	**16 786**	(1 567)
Carrying value	**48 471**	7 375
Non-current loans	**1**	79
Current loans	**4**	5
	48 476	7 459
Reconciliation of carrying value at the beginning and end of the year		
Carrying value at the beginning of the year	**7 459**	5 454
Share of net attributable profit of joint ventures	**78**	223
Dividends received from joint ventures	**(15)**	(35)
Investments made[1]	**5 411**	2 131
Exchange rate differences	**(945)**	(67)
Equity accounted movements on reserves	**(88)**	(215)
Loans advanced	**–**	11
Business disposed (refer note 10.10)	**(82)**	–
Investments disposed	**–**	(40)
Dilutionary effects	**(16)**	–
Reclassified to non-current assets held for sale (refer note 10.10)	**(139)**	–
Mediclinic reclassified from associates[2]	**36 819**	–
Loans repaid	**(6)**	(3)
Carrying value at the end of the year	**48 476**	7 459

(1) *During the year under review, Remgro acquired an additional 5.4% interest in Mediclinic for R5 408 million through the Bidco transaction. During the prior year, Remgro participated in CIVH's rights issue by investing R2 124 million.*

(2) *During the year under review, Remgro exchanged Mediclinic shares for Bidco shares. The investment in Mediclinic was reclassified from associates.*

4. Investments (continued)

4.1 Investments – equity accounted (continued)

4.1.2 Joint ventures (continued)

Set out below is the summarised financial information, as well as a reconciliation of that information to the carrying amount of CIVH and Mediclinic, the Group's most significant joint ventures that are accounted for using the equity method.

R million	31 March 2023 CIVH	31 March 2023 Mediclinic	31 March 2022 CIVH
Summarised statement of comprehensive income			
Revenue	**6 213**	**73 916**	5 324
Depreciation and amortisation	**(1 806)**	**(5 251)**	(2 080)
Interest income	**182**	**1 062**	84
Interest expense	**(1 818)**	**(1 777)**	(1 437)
Profit before tax	**843**	**2 799**	59
Taxation	**(482)**	**388**	(8)
Profit after tax	**361**	**3 187**	51
Attributable to non-controlling shareholders	**(6)**	**(429)**	(18)
Attributable profit for the year	**355**	**2 758**	33
Headline earnings	**361**	**3 814**	81
Other comprehensive income attributable to shareholders	**–**	**3 473**	–
Total comprehensive income attributable to shareholders	**355**	**6 231**	33
Summarised statement of financial position			
Non-current assets	**33 709**	**141 111**	29 980
Cash and cash equivalents	**422**	**13 661**	603
Other current assets	**1 410**	**24 110**	1 901
Total assets	**35 541**	**178 882**	32 484
	(23 636)	**(98 152)**	(20 790)
Non-controlling interest	**(164)**	**(3 189)**	(69)
Non-current financial liabilities	**(9 330)**	**(38 580)**	(14 805)
Other non-current liabilities	**(2 552)**	**(32 749)**	(1 482)
Current financial liabilities (excluding trade and other payables and provisions)	**(9 866)**	**(2 666)**	(2 642)
Current liabilities	**(1 724)**	**(20 968)**	(1 792)
Net assets	**11 905**	**80 730**	11 694
Reconciliation to carrying value			
Remgro's effective interest	**57.02%**	**50.00%**	57.02%
Remgro's effective interest in net assets	**6 788**	**35 973**	6 668
Additional purchase after 31 March year-end	**–**	**4 706**	–
Accumulated impairment (refer note 4.4.1)	**–**	**(3 898)**	–
Goodwill	**237**	**4 269**	237
Carrying value at 30 June	**7 025**	**41 050**	6 905

R million	30 June 2023	30 June 2022
Information pertaining to Remgro's other joint ventures is aggregated as follows:		
Carrying value	**396**	549
The Group's share of:		
– Profit from operations	**122**	203
– Other comprehensive income	**6**	(6)
– Total comprehensive income	**128**	197
– Headline earnings	**119**	134

4. Investments (continued)

4.1 Investments – equity accounted (continued)

4.1.3 Accounting periods

The following principal equity accounted investments have different year-ends to that of the Group:

Investment	Financial year-end	Reporting period used to equity account
Associates		
Air Products	30 September	12 months ended 31 March 2023
Business Partners	31 March	Year ended 31 March 2023
eMedia Investments	31 March	Year ended 31 March 2023
Heineken Beverages	31 December	2 months ended 30 June 2023
PGSI	25 December	12 months ended 25 June 2023
SEACOM	31 December	12 months ended 30 June 2023
TotalEnergies	31 December	12 months ended 30 June 2023
Joint ventures		
Mediclinic	31 March	Year ended 31 March 2023
CIVH	31 March	Year ended 31 March 2023

The "reporting period used to equity account" the above investments was used as it is impractical to adjust their reported numbers to conform to the Group's reporting period. Significant events and transactions in the intermediate period are adjusted for. Significant adjustments for the current period relate to the conversion of Mediclinic at the 30 June 2023 exchange rate as its presentation currency is British pound, the acquisition of an additional 5.4% indirect interest in Mediclinic for £221 million, transaction costs incurred in the exchange of Mediclinic shares for Bidco shares and dividends received from Air Products. The transaction costs adjusted for in the intermediate period amounted to £49 million and Remgro's share amounted to £23 million. The only significant adjustments made in the prior year intermediate period relate to the conversion of Mediclinic at the 30 June 2022 exchange rate as its presentation currency is British pound and dividends received from Air Products.

4.2 Equity adjustment

	30 June 2023	30 June 2022
Share of after-tax profit/(loss) of equity accounted investments		
Profit before taking into account impairments and non-recurring items	**5 823**	6 826
Net impairment of investments, assets and goodwill	**(1 069)**	(190)
Profit on the sale of investments	**67**	6 297
Other headline earnings adjustable items	**–**	15
Profit before tax and non-controlling interest	**4 821**	12 948
Taxation	**(1 021)**	(1 605)
Non-controlling interest	**(328)**	(363)
Share of net attributable profit of equity accounted investments – per income statement	**3 472**	10 980
Continuing operations	**3 296**	10 786
Discontinued operations	**176**	194
Dividends received from equity accounted investments (refer note 4.5)	**(1 459)**	(12 304)
Share of net profit/(loss) retained by equity accounted investments	**2 013**	(1 324)
Non-controlling interest of subsidiaries	**(41)**	6
Dilution loss of interest in equity accounted investments	**(38)**	(333)
Equity adjustment transferred to non-distributable reserves (Refer to statement of changes in equity)	**1 934**	(1 651)

4.3 Investments – FVOCI

Other long-term financial instruments are classified at initial recognition by applying the irrevocable choice to designate the instruments as at fair value through other comprehensive income. This classification is appropriate as the Group does not intend to actively trade these assets and are thus carried at fair value through other comprehensive income. Unrealised gains and losses arising from changes in the fair value of these financial instruments are recognised through other comprehensive income in the period in which they arise. Accumulated fair value adjustments relating to financial instruments at fair value through other comprehensive income are never reclassified to the income statement, but are, along with the related current and deferred CGT, transferred to retained earnings.

4. Investments (continued)

4.3 Investments – FVOCI (continued)

R million	30 June 2023 Listed	30 June 2023 Unlisted	30 June 2023 Total	30 June 2022 Listed	30 June 2022 Unlisted	30 June 2022 Total
Investments – FVOCI	**20 246**	**2 318**	**22 564**	18 248	2 402	20 650
Fair values of listed investments	**20 246**	**–**	**20 246**	18 248	–	18 248
Valuation of unlisted investments	**–**	**2 318**	**2 318**	–	2 402	2 402
Fair values and unlisted valuations	**20 246**	**2 318**	**22 564**	18 248	2 402	20 650

Reconciliation of carrying value at the beginning and end of the year (R million)	30 June 2023	30 June 2022
Carrying value at the beginning of the year	**20 650**	14 342
Fair value adjustments for the year[(1)]	**1 657**	(740)
Investments made	**306**	243
Discovery received as a dividend *in specie*[(2)]	**–**	8 561
Momentum Metropolitan received as a dividend *in specie*[(2)]	**–**	2 056
Grindrod received as a dividend *in specie*[(3)]	**11**	–
Exchange rate adjustments	**393**	352
Business disposed	**(38)**	–
Disposals[(4)]	**(415)**	(2 966)
Transfer to assets held for sale[(5)]	**–**	(1 198)
Carrying value at the end of the year	**22 564**	20 650

(1) *The year under review mainly consists of positive fair value adjustments from Momentum Metropolitan (R467 million), Discovery (R910 million) and FirstRand (R753 million).*

(2) *The prior year includes dividends in specie received from RMI as part of the RMI Unbundling in the form of its two life insurance-focused assets, Discovery and Momentum Metropolitan. Remgro received 51 254 365 Discovery ordinary shares (7.7% interest) and 122 908 061 Momentum Metropolitan shares (8.6% interest).*

(3) *Due to the Grindrod Unbundling, 1 290 922 Grindrod Limited shares were received and subsequently classified as an investment through other comprehensive income.*

(4) *The prior year includes a partial disposal in FirstRand of R2 704 million with 40 800 000 shares being sold. This disposal was part of Remgro's decision to sell 60 000 000 of its FirstRand ordinary shares which were hedged in the 2020 financial year via a zero cost collar. The net fair value gain realised on disposal of R923 million was transferred from fair value reserves to retained earnings. Capital gains tax of R11 million was incurred on this transaction and accounted for in other comprehensive income.*

(5) *During July 2022, the remaining 19 200 000 FirstRand shares hedged by the zero cost collar were sold which were previously classified as an asset held for sale amounting to R1 198 million on 30 June 2022. Capital gains tax of R112 million was incurred on this transaction and accounted for in other comprehensive income.*

Significant FVOCI investments	30 June 2023	30 June 2022
Number of shares held in listed investments (million)		
British American Tobacco Plc, United Kingdom	**1 252 712**	1 252 712
Discovery Limited, South Africa	**51 254 365**	51 254 365
FirstRand Limited, South Africa	**122 853 406**	122 853 406
Momentum Metropolitan Holdings Limited, South Africa	**122 908 061**	122 908 061
Percentage interest held in unlisted investments[(1)]		
Prescient China Equity Fund	**42.4**	45.1
Milestone China Opportunities Fund III, L.P.	**28.1**	28.1

(1) *The Prescient China Equity Fund and the Milestone China Opportunities Fund III are managed by the respective fund managers. Remgro has a 5% interest in the Prescient Fund Manager as well as a 7.5% interest in the Milestone Fund Manager. Therefore, Remgro does not have control or significant influence in these funds.*

4. Investments (continued)

4.4 Investments – net impairments and loss allowances on loans

R million	30 June 2023	30 June 2022
Reversal of impairments/(impairments) and loss allowances on loans were recognised for the following equity accounted investments:		
Associates	**(50)**	169
ArcAqua (loan)	**3**	1
Business Partners[(1)]	**–**	(193)
Grindrod[(2)]	**–**	361
Other investments[(3)]	**(53)**	–

(1) *During the prior year, the investment's fair value declined further mainly due to an increase in the tradability discount applied to the valuation thereof.*

(2) *During the prior year, Grindrod's listed share price recovered significantly (85% increase year-on-year) following much improved trading results mainly due to the recovery in the logistics and port and terminals sectors in which it operates*

(3) *Various insignificant investments impaired due to their underlying financial performance.*

4.4.1 Mediclinic

At 30 June 2023, the fair value of the investment in Mediclinic was R47 268 million (2022: listed market value R29 568 million), which exceeded the carrying value of R41 050 million (2022: R26 681 million). Included in the carrying value of the investment is an impairment of R3 898 million which arose following regulatory changes in the investments' Switzerland business that affected its profitability since the 2019 financial year. Subsequently, the business was also severely impacted by the Covid-19 pandemic. While the Switzerland business is adapting to the new business environment and is recovering after the pandemic, its profitability has not yet improved sufficiently to warrant a reversal of the impairment.

4.4.2 eMedia Investments

The fair value of the investment in eMedia Investments was valued at R659 million on 30 June 2023 (2022: R738 million), which is lower than the carrying value of R897 million (2022: R856 million). Accordingly, management performed a value in use calculation using a discounted cash flow model to determine the investment's recoverable amount. The calculation requires the use of estimates in respect of cash flows, growth and discount rates.

Cash flow projections for a five-year period were estimated and reflect management's best view of future earnings. The discount and terminal growth rates used were 13.1% and 3.0%, respectively. The value in use of the investment of R942 million, representing the investment's recoverable amount, exceeded the carrying value. Accordingly, no impairment was recognised for the year under review.

A 0.5% increase in the discount rate will result in a R3 million impairment and a 0.5% decrease in the growth rate will not result in an additional impairment.

4.4.3 Other considerations

The carrying amounts of the investments in Heineken Beverages and Business Partners exceeded their recoverable amounts by R44 million and R29 million, respectively. The shortfall pertaining to the investment in Heineken Beverages arose since its initial acquisition at the end of April 2023. Management has assessed the need to impair the investment to the fair value at 30 June 2023 and concluded that the shortfall in value is immaterial and temporary in nature given the short lapse of time since the acquisition. Business Partners is a profitable enterprise and management concluded that there is no impairment indicator regarding the Business Partners investment.

4.5 Dividend income

R million	30 June 2023	30 June 2022 Restated
Included in profit from continuing operations:		
Listed	**806**	622
Unlisted	**355**	13
	1 161	635
Dividends from equity accounted investments set off against investments	**1 459**	12 304

5. Cash position

5.1 Investment in money market funds

Investments in money market funds relate to investments in shares of liquidity funds of which the underlying investments have maturities of up to one year. The shares in these funds are callable daily.

R million	30 June 2023	30 June 2022
Money market fund investments are held in SA rand		
At the centre	**4 532**	5 650
Operating subsidiaries	**50**	50
	4 582	5 700

Local money market funds relate to investments in South African unit trusts offered by Nedgroup Collective Investments, STANLIB Collective Investments, Ninety One Corporate Money Market Fund and Ashburton Money Market Fund mandated to invest only in money market instruments of major South African banks and government securities. These instruments carry very low credit risk (with AA+ GCR credit ratings) and provide daily liquidity but cannot be classified as cash and cash equivalents as the individual instruments held by the funds do not meet the maturity criteria of *IAS 7: Statement of Cash Flows*. These investments are categorised as "financial assets at fair value through profit and loss".

5.2 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held at call with banks, net of bank overdrafts. In the statement of financial position, bank overdrafts are included in short-term interest-bearing loans.

R million	30 June 2023	30 June 2022
Cash at the centre	**4 469**	6 630
Operating subsidiaries	**1 578**	5 254
	6 047	11 884
The cash is held in the following currencies:		
SA rand	**2 795**	8 127
USA dollar	**2 968**	2 471
British pound	**228**	751
Euro	**11**	137
Kenyan shilling	**–**	149
Botswana pula	**–**	77
Eswatini lilangeni	**–**	39
Nigeria Naira	**–**	28
Angola kwanza	**–**	26
New Taiwan dollar	**30**	23
Swiss franc	**15**	11
Namibian dollar	**–**	10
Other	**–**	35
	6 047	11 884
At year-end cash and cash equivalents earned interest at effective interest rates that varied between 0.00% and 11.75% (2022: 0.001% and 8.25%) per annum at local financial institutions and between -0.75% and 8.5943% (2022: -0.75% and 5.18%) per annum abroad.		
Cash and cash equivalents are represented by the following:		
Current accounts and call accounts	**6 046**	11 882
Cash on hand	**1**	2
	6 047	11 884
At year-end the Group's cash was invested at financial institutions with the following Moody's credit rating (unless otherwise indicated):		
Aa2	**505**	1
Aa3	**30**	854
A1	**2 396**	3 031
Ba2	**2 513**	7 291
A- (GCR credit rating)	**–**	100
AA (S&P rating)	**600**	600
$AA_{(NA)}$ (GCR credit rating)	**2**	5
Cash on hand	**1**	2
	6 047	11 884

Remgro considered the expected credit losses on its investments in cash and cash equivalents and concluded that those losses would be negligible.

5. Cash position (continued)

5.3 Cash flow information

R million	30 June 2023	30 June 2022
5.3.1 Adjustments		
Amortisation of intangible assets and depreciation	**2 313**	2 401
Movement in retirement benefits and provisions	**255**	367
Net movement in derivative instruments	**(597)**	58
Share scheme cost	**577**	263
Loss/(profit) on the sale of property, plant and equipment	**11**	(60)
Other	**(11)**	(48)
	2 548	2 981
5.3.2 Decrease/(increase) in working capital		
Increase in inventories and biological agricultural assets	**(2 497)**	(1 229)
Increase in trade and other receivables	**(2 795)**	(1 910)
Increase in trade and other payables	**1 248**	2 854
	(4 044)	(285)
5.3.3 Reconciliation of dividends received		
Receivable at the beginning of the year	**174**	75
Per income statement (continuing and discontinued operations)	**1 170**	641
Dividends from equity accounted investments set off against investments	**1 459**	12 304
Dividends *in specie* from equity accounted investments	**(11)**	(10 623)
Receivable at the end of the year	**(144)**	(174)
Cash received	**2 648**	2 223
5.3.4 Reconciliation of taxation paid with the amount disclosed in the income statement		
Paid in advance at the beginning of the year	**98**	258
Unpaid at the beginning of the year	**(325)**	(96)
Per income statement (continuing and discontinued operations)	**(2 075)**	(1 770)
Capital gains taxation per other comprehensive income	**(188)**	(40)
Provision for taxation on retirement fund assets transferred to Distell	**–**	(15)
Provision for taxation on Distell share based payments	**150**	–
Foreign exchange translation	**(41)**	6
Business disposed	**247**	–
Business acquired	**2**	–
Transferred to held for sale	**1**	–
Unpaid at the end of the year	**127**	325
Paid in advance at the end of the year	**(47)**	(98)
Cash paid	**(2 051)**	(1 430)
5.3.5 Reconciliation of dividends paid		
Per statement of changes in equity	**(1 014)**	(621)
Paid by subsidiaries to non-controlling shareholders	**(61)**	(100)
Cash paid	**(1 075)**	(721)

5. Cash position (continued)

5.3 Cash flow information (continued)

5.3.6 Reconciliation of liabilities arising from financing activities

R million	30 June 2022 Carrying value	***Loans advanced***	***Loans and leases repaid***	***Non-cash flow move-ments***[1]	**30 June 2023 Carrying value**
Included in debt at the centre	7 838	**–**	**–**	**19**	**7 857**
Distell/Capevin	3 711	**178**	**(1 665)**	**(1 093)**	**1 131**
RCL Foods	3 544	**76**	**(536)**	**(137)**	**2 947**
Other loans and leases	92	**–**	**–**	**17**	**109**
Total loan and lease liabilities (excluding bank overdrafts)	15 185	**254**	**(2 201)**	**(1 194)**	**12 044**
Per statement of financial position:					
Long-term and short-term loans	14 374				**12 235**
Current and non-current lease liabilities	1 190				**719**
Less: Bank overdrafts	(379)				**(910)**

R million	30 June 2021 Carrying value	*Loans advanced*	*Loans and leases repaid*	*Non-cash flow move-ments*[1]	30 June 2022 Carrying value
Included in debt at the centre	7 821	–	–	17	7 838
Distell	4 689	253	(1 334)	103	3 711
RCL Foods	4 383	153	(758)	(234)	3 544
Other loans and leases	39	–	–	53	92
Total loan and lease liabilities (excluding bank overdrafts)	16 932	406	(2 092)	(61)	15 185
Per statement of financial position:					
Long-term and short-term loans	15 379				14 374
Current and non-current lease liabilities	1 715				1 190
Less: Bank overdrafts	(162)				(379)

[1] *Non-cash flow movements relate mainly to business disposed, business acquired, transfers to held for sale, foreign exchange translation reserves, accrued interest, lease liabilities recognised in terms of IFRS 16 as well as the corresponding interest incurred and remeasurements.*

6. Financing and commitments

Borrowings

Borrowings are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Preference shares issued by the Group that carry non-discretionary dividend obligations are classified as borrowings.

Financial instruments at fair value through profit and loss

These instruments, consisting of financial instruments held for trading and those designated at fair value through profit and loss at inception, are carried at fair value. Derivatives are also classified as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these financial instruments are recognised in the income statement in the period in which they arise.

6. Financing and commitments (continued)

6.1 Long-term loans

R million	30 June 2023	30 June 2022
Included in debt at the centre	**7 857**	7 838
20 000 Class A 7.5% cumulative redeemable preference shares Redeemable on 15 January 2024 with bi-annual dividend payments	**3 510**	3 509
10 000 Class B 7.8% cumulative redeemable preference shares (8.3% until 15 March 2021) Redeemable on 17 March 2025 with bi-annual dividend payments	**4 347**	4 329
Distell	**–**	3 427
Secured term and revolving facility rand loans, bearing interest at variable rates of between 5.783% – 5.883% per annum. Interest was payable quarterly and the loans were repayable in the 2023 and 2024 financial years, respectively[(1)(2)]	**–**	1 900
Secured inventory UK pound facility, bearing interest at the Bank of England base rate plus 1.3%, for a minimum period of five years from February 2022[(2)(3)]	**–**	1 333
Secured term Kenya shillings loan, bearing interest at a variable rate of 11.0% per annum. Interest was payable monthly and the loan was repayable in 42 monthly instalments from May 2023	**–**	186
Unsecured loans with varying terms and interest rates	**–**	8
RCL Foods	**2 115**	2 384
Term-funded debt package consisting of two bullet loans, repayable in 2023. The loans bear interest at an effective rate of Jibar with a margin of between 1.50% and 1.55% and is guaranteed by RCL Foods[(4)]	**1 675**	2 013
Secured long-term loan with a fixed rate of three-month Jibar with a margin of between 3.95% - 4.08% repayable quarterly, over a 10-year term[(5)]	**142**	154
Secured long-term loan with a fixed rate of prime less 1.0% repayable bi-annually, over a maximum period of six years	**117**	150
Unsecured loan bearing interest at prime rate plus 5.0%, repayable in the 2025 financial year	**110**	–
Unsecured long-term loans repayable based on the growth of the underlying operations. These loans bear interest at an effective interest rate of three-month Jibar with a margin of between 1.50% and 4.25%	**27**	30
Unsecured loans with varying terms and interest rates	**44**	37
Capevin	**1 083**	–
Secured inventory UK pound facility, bearing interest at the Bank of England base rate plus 1.3%, for a minimum period of five years from February 2022[(3)]	**1 083**	–
Other unsecured loans with varying terms and interest rates	**3**	24
	11 058	13 673
Instalments payable within one year transferred to short-term interest-bearing loans	**(5 254)**	(1 980)
	5 804	11 693
Payable – two to five years	**4 617**	11 565
Payable thereafter	**1 187**	128
	5 804	11 693

Refer to note 13.1 for the fair value of loans.

(1) *The covenants related to Distell's secured term borrowings were measured by net debt to EBITDA (less than 2.75:1), interest cover (more than 3.5:1) and various guarantor ratios. The covenants measurements for 30 June 2022 were as follows: net debt to EBITDA -0.1:1 and the interest cover 34.4:1.*

(2) *Distell's borrowings included secured liabilities of R3 419 million. These borrowings were secured by mortgages over Distell's immovable property, general notarial bonds over movable assets and a cession over trade and other receivables of specific subsidiaries to a maximum of R5.5 billion.*

(3) *The secured inventory UK pound facility, which was due to expire in February 2022, was renegotiated and extended for a further minimum five-year term expiring in February 2027.*

(4) *The covenants related to RCL Foods' term-funded debt package require compliance with a senior leverage ratio of <3:1 and senior interest cover of >3.5:1. The senior leverage ratio was 1.6 (2022: 0.6) and the senior interest cover was 5.4 (2022: 10.5). Thus RCL Foods was within the limits of its financial covenants.*

(5) *Secured by notarial bond, bank accounts and shares held by non-controlling shareholders in Matzonox Proprietary Limited.*

6. Financing and commitments (continued)

6.2 Short-term loans

R million	30 June 2023	30 June 2022
Interest-bearing loans		
Portion of long-term interest-bearing loans payable within one year	**5 254**	1 980
Bank overdrafts	**910**	379
Various secured and unsecured loans with varying terms and interest rates	**235**	274
	6 399	2 633
Interest-free loans with no fixed repayment conditions	**32**	48
	6 431	2 681

6.3 Leases

The Group leases various items of property, plant and equipment under non-cancellable operating lease agreements. The leases have varying terms, renewal rights and escalation clauses. The majority of escalation clauses are linked to the consumer price index or equivalent inflation rate and there are no contingent or restrictive lease arrangements.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of property for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if applicable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the incremental borrowing rate of the Group entity incurring the lease is used. That is the rate that the individual entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, for example term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. A lease agreement of which the underlying asset's value is R85 000 or less will be considered a low-value lease.

Some property and equipment leases contain extension and termination options. These options provide operational flexibility for managing the assets required for the Group's operations. The majority of extension and termination options held are exercisable only by the Group lessee entity and not by the respective lessor.

The Group sometimes provides residual value guarantees for vehicle leases to optimise costs.

6. Financing and commitments (continued)

6.3 Leases (continued)

R million	30 June 2023	30 June 2022
Lease liabilities		
Non-current	**523**	959
Current	**196**	231
	719	1 190
Gross lease liabilities – minimum lease payments	**897**	1 514
Due within one year	**236**	324
Due – two to five years	**504**	878
Due thereafter	**157**	312
Future finance charges on lease liabilities	**(178)**	(324)
Present value of lease liabilities	**719**	1 190
Due within one year	**196**	231
Due – two to five years	**414**	700
Due thereafter	**109**	259
	719	1 190
Right-of-use assets are included in:		
Buildings	**338**	677
Machinery and equipment	**12**	32
Vehicles	**177**	124
Office equipment	**2**	2
	529	835
Additions to right-of-use assets during the year	**426**	262
The following relating to leases are recognised in the income statement:		
Depreciation charge of right-of-use assets	**301**	375
Buildings	**211**	270
Machinery and equipment	**10**	14
Vehicles	**80**	91
Interest expense	**126**	121
Expense relating to short-term leases	**521**	511
Expense relating to leases of low-value assets (not included as short-term leases)	**56**	45
Expense relating to variable lease payments not included in lease liabilities	**105**	60
Lease repayments made during the year included in the statement of cash flows	**(302)**	(474)

6. Financing and commitments (continued)

6.4 Financial instruments at FVPL

The Group was party to the following instruments:

R million	30 June 2023	30 June 2022
Non-current assets		
Investment in LIVEKINDLY co (refer note 6.4.1)	**150**	242
	150	242
Current assets		
Foreign exchange contracts	**1**	24
Commodity option contracts	**28**	31
Equity index option on the S&P 500	**–**	23
	29	78
Non-current liabilities		
Zero cost collar (refer note 6.5.1)	**92**	–
Interest rate swaps (refer note 6.4.2)	**–**	51
	92	51
Current liabilities		
Interest rate swaps (refer note 6.4.2)	**–**	16
Foreign exchange contracts	**2**	2
Commodity option contracts	**4**	15
Interest rate collar options	**–**	–
	6	33

6.4.1 LIVEKINDLY co (LIVEKINDLY)

During January 2020 RCL Foods secured a minority shareholding in LIVEKINDLY for R114 million. LIVEKINDLY is a start-up Swiss entity with a vision to create a vertically integrated plant-based food and beverage value chain of scale and with global reach. The change in value at year-end is due to a foreign exchange translation gain on the investment of R35 million (2022: R28 million). A fair value loss of R127 million was accounted for in 2023, while its fair value remained unchanged in 2022. On 30 June 2023, the investment was valued at R150 million (2022: R242 million).

6.4.2 Interest rate swaps

In order to hedge specific exposures in the interest rate repricing profile of existing borrowings, the Group may use interest rate derivatives to generate the desired interest profile.

Following higher inflation during 2022, the South African Reserve Bank increased interest rates which flowed through to the market interest rates against which the swaps were taken out. All interest rate swaps were settled during the current financial year.

	Final reset date	*Borrowings hedged* R million	*Interest payable* %	*Interest receivable* %	*Fair value of liability* R million
30 June 2022					
Interest rate swaps (0 – 1 year)	17-Apr-23	700	7.29	3M Jibar	11
Interest rate swaps (0 – 4 years)	25-Mar-25	1 000	3M Jibar	5.35	56
					67

3M Jibar: Three-month Johannesburg Interbank Agreed Rate.

6. Financing and commitments (continued)

6.5 Hedge derivatives

6.5.1 Zero cost collar

Fair value hedge accounting

Remgro applies IFRS 9 hedge accounting for qualifying designated instruments that hedge the fair value of recognised assets. The hedged item is an equity instrument for which Remgro has elected to present changes in fair value in other comprehensive income. Accordingly, the hedged exposure affects other comprehensive income and recognised hedge ineffectiveness, as well as the hedge effectiveness, is presented in other comprehensive income. Remgro separated the intrinsic value and time value of an option contract and designated as the hedging instrument only the change in intrinsic value of the option.

The change in the time value of such option is recognised in other comprehensive income to the extent it relates to the hedged item (aligned time value) and is accumulated in the fair value reserve (a separate component of equity). Changes in the intrinsic value of the hedge are accumulated in the fair value hedge reserve.

Hedge accounting is discontinued prospectively only when the hedging relationship ceases to meet the qualifying criteria. If hedge accounting is discontinued in terms of IFRS 9 for the hedging relationship that includes the change in intrinsic value of the option as the hedging instrument, the amount of the time value that has been accumulated in the separate component of equity shall be immediately reclassified into profit or loss as a reclassification adjustment.

Effective 17 June 2020, Remgro hedged the fair value risk (i.e. the equity price risk) within a price range of the specifically designated portion of 60 million shares of its investment in FirstRand using a zero cost collar, which consists of put and call European options, which are referenced to the FirstRand share price for a period of approximately two years. The intrinsic value portion of the options was designated as a hedging instrument and is expected, over the lifetime of the instruments, to be an effective hedge. However, on measurement dates, hedge ineffectiveness is expected due to the nature of the measurement of the intrinsic value of an option using forward prices of a financial instrument versus the actual spot price thereof. A put and call option was entered into for each share hedged, resulting in a 1:1 hedge ratio. The hedge ratio remained 1:1 on the reporting date. Remgro also entered into a script lending agreement with the hedge provider in terms of which any dividends received on the hedged FirstRand shares during the contract term will be paid to the hedge provider as a cost of hedging. This hedge was settled during July 2022.

During the 2023 financial year, Remgro hedged a further 60 million of its FirstRand shares for a period of approximately two years by entering into zero cost collar instruments. The intrinsic value of these instruments was designated as hedging instruments, while the time value of the option is measured in other comprehensive income. A put and call option was entered into for each share hedged, resulting in a 1:1 hedge ratio. The hedge ratio remained 1:1 on the reporting date. Hedge ineffectiveness is measured on each reporting date, as well as upon a significant change in circumstances. At inception of the hedge, all critical terms are closely aligned. Accordingly, the hedge is expected to be effective prospectively. All changes in fair value of the derivative instrument attributable to changes to the time value will be excluded from assessment of hedge effectiveness, because the hedged risk has been designated as changes in intrinsic value. Such amounts will be deferred as a component of other comprehensive income, as permitted under *IFRS 9*.

6. Financing commitments (continued)

6.5 Hedge derivatives (continued)

6.5.1 Zero cost collar (continued)

The details of the options are as follows:

Expiration date	*Number of options* (million)	*Put strike price* (Rand)	*Call strike price* (Rand)	*Average forward price* (Rand)	*Fair value of liability* R million
30 June 2023					
7 October – 29 November 2024	**30**	**64.00**	**77.96**	**71.39**	**(23)**
31 January – 11 April 2025	**30**	**63.67**	**76.40**	**72.53**	**(69)**
					(92)
30 June 2022					
1 July – 19 July 2022	10	36.46	40.51	62.37	(126)
1 July – 19 July 2022	9	47.93	51.97	63.37	(113)
					(239)

R million	30 June 2023	30 June 2022
The hedging instrument		
Included in the statement of financial position under the following line items:		
Non-current liabilities		
Hedge derivatives	**(92)**	–
Current liabilities		
Liabilities held for sale (refer note 10.10)	**–**	(239)
Carrying value of the collar instrument	**(92)**	(239)
Fair value of the collar instrument	**(92)**	(239)
Less: Intrinsic value of the collar instrument	**–**	239
Time value of the collar instrument	**(92)**	–
The change in fair value of the hedging instrument used as the basis for calculating hedge ineffectiveness for the period	**–**	(627)
The hedged item: FirstRand shares		
Carrying value of hedged FirstRand shares	**4 110**	1 198
FirstRand shares included in the statement of financial position	**8 415**	8 860
The accumulated amount of fair value hedge adjustments on the hedged item	**327**	359
Change in value of the hedged shares that are used as the basis for recognising hedge ineffectiveness for the period	**327**	686
Hedge ineffectiveness (included in fair value adjustment of investments at FVOCI in the statement of other comprehensive income in the fair value hedge reserve)	**–**	(59)

The intrinsic value of the options was calculated using the estimated forward price of FirstRand at the relevant date and the strike prices of the put and call options that established the collar. The intrinsic value of the options was Rnil on the reporting date (2022: R239 million). The time value portion of the collar amounted to R92 million on the reporting date (2022: less than R1 million).

The hedge liability and hedged shares measured at R239 million and R1 198 million, respectively, as at 30 June 2022, was settled and disposed of during July 2022. Accordingly, the items (along with the corresponding deferred tax balances) were classified as assets and liabilities held for sale in accordance with *IFRS 5* at the reporting date.

6.6 Commitments

R million	30 June 2023	30 June 2022
Capital commitments		
Uncompleted contracts for capital expenditure	**652**	1 360
Capital expenditure authorised but not yet contracted	**673**	2 519
Investments	**3 162**	2 329
	4 487	6 208

6. Financing and commitments (continued)

6.7 Borrowing powers

There are no limitations on the borrowing powers of the Company and its subsidiaries in respect of loans and guaranteed debts.

6.8 Guarantees and contingent liabilities

R million	30 June 2023	30 June 2022
Guarantees to third parties	**15**	25

7. Equity position

7.1 Stated and issued capital

7.1.1 Stated capital

Ordinary shares and B ordinary shares of the Company are classified as equity. Costs directly attributable to the issue of new shares are accounted for in equity as a deduction from the proceeds.

R million	30 June 2023	30 June 2022
Stated and issued capital		
Authorised		
1 000 000 000 ordinary shares of no par value		
100 000 000 B ordinary shares of no par value		
Issued		
529 217 007 ordinary shares of no par value	**12 729**	12 729
39 056 987 B ordinary shares of no par value	**687**	687
	13 416	13 416

Each ordinary share has one vote.
Each B ordinary share has ten votes.

7.1.2 Treasury shares

Shares in the Company held by Group companies are classified as treasury shares and are held at cost. These shares are treated as a deduction from the issued number of shares and taken into account in the calculation of the weighted average number of shares. The cost price of the shares is deducted from the Group's equity.

	30 June 2023 Number of shares	30 June 2022 Number of shares
Balances at the beginning of the year	**4 205 497**	3 280 163
Shares purchased during the year	**5 882 333**	1 000 000
Shares utilised to settle share incentive schemes' obligations	**(441 560)**	(74 666)
Balances at the end of the year	**9 646 270**	4 205 497

Remgro ordinary shares are held as treasury shares by a wholly owned subsidiary of Remgro. At 30 June 2023, 7 763 937 (2022: 4 205 497) of these shares were held for the purpose of hedging Remgro's obligation in terms of its share incentive scheme. The remainder, being 1 882 333, were acquired between 19 June 2023 and 30 June 2023 pursuant to a general share repurchase programme of R1 billion, which shares were not acquired for the Remgro share scheme. Subsequent to 30 June 2023 4 701 343 Remgro shares were repurchased at an average price of R154.40 per share for a total amount of R726 million. The share repurchase programme was completed by 2 August 2023.

Details in respect of the Share Schemes and the current year's offers are disclosed in note 8.

7. Equity position (continued)

7.1 Stated and issued capital (continued)

7.1.3 Shares in issue

	30 June 2023 Number of shares	30 June 2022 Number of shares
Stated capital	**568 273 994**	568 273 994
Treasury shares	**(9 646 270)**	(4 205 497)
	558 627 724	564 068 497

7.2 Reserves

7.2.1 Composition of shares

R million	**30 June 2023**	30 June 2022
Subsidiaries	**90 092**	77 166
Fair value reserve	**(1 203)**	(2 352)
Other reserves*	**8 161**	2 459
Retained earnings	**83 134**	77 059
Equity accounted investments		
Equity reserves	**13 850**	8 546
	103 942	85 712

* *Other reserves consist mainly of share scheme reserves and foreign currency translation reserves.*

7.2.2 Included in the respective reserves above are reserves arising on exchange rate translation

R million	***Equity reserves***	***Other reserves***	***Fair value reserves***	***Retained earnings***	**Total**
At 1 July 2021	(900)	1 579	(114)	1 205	1 770
Exchange rate adjustments during the year	(307)	277	44	463	477
Reclassification to the income statement	–	(34)	–	–	(34)
Transfers	(20)	(205)	–	–	(225)
At 30 June 2022	**(1 227)**	**1 617**	**(70)**	**1 668**	**1 988**
Exchange rate adjustments during the year	**2 268**	**4 444**	**(14)**	**1 362**	**8 060**
Reclassification to the income statement	**–**	**(8)**	**–**	**79**	**71**
Transactions with non-controlling interest	**–**	**–**	**–**	**(4)**	**(4)**
Business disposed	**–**	**–**	**–**	**(15)**	**(15)**
Transfers	**11**	**–**	**–**	**–**	**11**
At 30 June 2023	**1 052**	**6 053**	**(84)**	**3 090**	**10 111**

7. Equity position (continued)

7.3 Non-controlling interest

R million	30 June 2023	30 June 2022
Balances at the beginning of the year	**17 437**	15 517
Total comprehensive income for the year	**1 527**	2 002
Net profit for the year	**1 196**	1 840
Exchange rate adjustments	**397**	101
Fair value adjustments for the year	**3**	9
Reclassification to the income statement	**(58)**	15
Other comprehensive income of equity accounted investments	**–**	2
Remeasurement of post-employment benefit obligations	**(11)**	35
Dividends paid	**(61)**	(100)
Transactions with non-controlling shareholders	**103**	2
Long-term share incentive scheme reserve	**(246)**	(14)
Business acquired	**–**	28
Business disposed	**(12 239)**	–
Other movements	**–**	2
Balances at the end of the year	**6 521**	17 437
Distell	**–**	14 812
Capevin	**3 898**	–
RCL Foods	**2 573**	2 577
Other non-wholly owned subsidiaries	**50**	48

The Group consists of various investing and operating subsidiaries, details of which are disclosed in note 14.2. The main operating subsidiaries are Capevin (2022: Distell) and RCL Foods in which the Group has interests of 31.4% (2022: 31.7%) and 80.2% (2022: 80.3%), respectively. Remgro owns all of the unlisted B-shares issued by Capevin. These shares carry voting rights only and, in conjunction with the ordinary shares held, Remgro has voting rights of 55.9% in Capevin.

Refer to note 10.10 for details regarding the transaction impacting Remgro's interests in Distell and Capevin. The Group previously had an interest of 31.7% in Distell. Remgro previously owned all of the unlisted B-shares issued by Distell. These shares carried voting rights only and, in conjunction with the ordinary shares held, Remgro had voting rights of 56.4% in Distell.

Distell and Capevin derives its revenue primarily from the production, marketing and distribution of alcoholic beverages. Distell's non-controlling shareholders owned 68.3% at 30 June 2022. Capevin's non-controlling shareholders own 68.6% at 30 June 2023.

RCL Foods consists of four business divisions, namely Groceries (Culinary, Pies and Beverages operations), Baking (Milling, Speciality, Sunbake bakeries and Buns and Rolls operations), Rainbow (including the Chicken and grain-based feed operations) and Sugar (Sugar and molasses-based feed operations). During the year under review, its business division Vector Logistics, a specialist third-party logistics provider, met the recognition criteria for classification as a discontinued operation and its assets and liabilities are included in held for sale at 30 June 2023. The group's revenue and operating profit are mainly driven by these business divisions and are presented as trading profit in the income statement. RCL Foods' non-controlling shareholders own 19.8% (2022: 19.7%) of RCL Foods.

7. Equity position (continued)

7.3 Non-controlling interest (continued)

Below is Capevin, Distell and RCL Foods' summarised financial information:

R million	30 June 2023 Capevin	30 June 2023 Distell	30 June 2023 RCL Foods	30 June 2022 Restated Distell	30 June 2022 Restated RCL Foods
Statement of financial position					
Assets					
Non-current assets	**3 029**	**–**	**11 280**	12 168	11 850
Current assets	**4 535**	**–**	**7 523**	17 222	12 092
Assets of disposal group classified as held for sale	**7**	**–**	**6 499**	–	33
	7 571	**–**	**25 302**	29 390	23 975
Equity and liabilities					
Shareholders' equity	**5 040**	**–**	**11 878**	15 671	11 449
Non-controlling interest	**227**	**–**	**(156)**	486	(60)
Non-current liabilities	**1 437**	**–**	**1 894**	3 806	3 430
Current liabilities	**867**	**–**	**7 689**	9 427	9 155
Liabilities of disposal group classified as held for sale	**–**	**–**	**3 997**	–	1
	7 571	**–**	**25 302**	29 390	23 975
Income statement					
Continuing Operations					
Income					
Revenue	**421**	**2 476**	**37 783**	2 620	32 201
Finance income	**9**	**4**	**39**	4	39
Fair value adjustment – agricultural biological assets	**–**	**–**	**333**	–	360
Share of profit of equity accounted investments	**–**	**–**	**230**	3	44
Expenses					
Finance costs	**11**	**19**	**376**	26	241
Fair value adjustment – derivative instruments	**–**	**–**	**227**	–	362
Repairs and maintenance	**9**	**28**	**1 241**	21	1 031
Depreciation, amortisation and impairments	**478**	**76**	**925**	88	799
Operating lease and rental charges	**17**	**66**	**188**	79	169
Taxation	**11**	**68**	**242**	73	395
Profit/(loss) for the year from discontinued operations	**(5)**	**1 817**	**76**	2 127	64
Profit/(loss) for the year	**(418)**	**2 118**	**513**	2 437	978
Profit/(loss) for the year attributable to equity holders	**(418)**	**2 112**	**616**	2 377	1 014
Continuing operations	**(413)**	**301**	**543**	310	951
Discontinued operations	**(5)**	**1 811**	**73**	2 067	63
Profit/(loss) for the year attributable to non-controlling interest	**–**	**6**	**(103)**	60	(36)
Continuing operations	**–**	**–**	**(106)**	–	(37)
Discontinued operations	**–**	**6**	**3**	60	1

7. Equity position (continued)

7.3 Non-controlling interest (continued)

Below is Capevin, Distell and RCL Foods' summarised financial information:

R million	30 June 2023 Capevin	30 June 2023 Distell	30 June 2023 RCL Foods	30 June 2022 Restated Distell	30 June 2022 Restated RCL Foods
Statement of comprehensive income					
Profit/(loss) for the year	**(418)**	**2 118**	**513**	2 437	978
Other comprehensive income	**139**	**516**	**11**	235	2
Total comprehensive income	**(279)**	**2 634**	**524**	2 672	980
Total comprehensive income attributable to equity holders	**(279)**	**2 651**	**627**	2 613	1 017
Continuing operations	**(274)**	**778**	**549**	442	953
Discontinued operations	**(5)**	**1 873**	**78**	2 171	64
Total comprehensive income attributable to non-controlling interest	**–**	**(17)**	**(103)**	59	(37)
Continuing operations	**–**	**(17)**	**(106)**	–	(37)
Discontinued operations	**–**	**–**	**3**	59	–
Dividends paid to non-controlling interest	**–**	**3**	**2**	7	3
Cash flow information					
Cash inflow from operating activities	**(61)**	**(321)**	**45**	2 988	2 531
Cash inflow/(outflow) from investing activities	**–**	**(1 061)**	**(1 605)**	(1 324)	(1 256)
Cash outflow from financing activities	**–**	**(1 044)**	**268**	(1 164)	(606)

7.4 Capital management

The Company manages its shareholders' equity, i.e. its stated capital, reserves and treasury shares, as capital. The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to shareholders in the form of dividends and capital appreciation.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue shares or repurchase shares from shareholders. For the year under review cash dividends amounting to R1 364 million (2022: R852 million) were declared. As part of a general share repurchase programme, Remgro acquired 1 882 333 shares during the year under review (refer to note 7.1.2).

Refer to the statement of changes in equity for further details regarding the Group's capital.

8. Share-based payments

Equity compensation plans

The Remgro Group operates various equity settled share-based compensation plans. The fair value of offers is determined on the grant date and is accounted for as an employee services expense over the vesting period of the offer, with a corresponding increase in equity, based on the Group's estimate of the number of shares that will eventually vest. Fair value is determined using a binomial model. The expected contract life used in the model has been adjusted based on management's best estimate of the effects of non-transferability, exercise restrictions and behavioural considerations.

Any profits or losses that realise from shares being delivered to participants of the schemes are recognised directly in equity. The proceeds received net of any directly attributable transaction costs are accounted for against treasury shares when the options are exercised.

The share-based payments that are accounted for in the financial statements are in respect of the Remgro Equity Settled Share Appreciation Right Scheme, the Remgro Share Appreciation Rights Plan and the Remgro Conditional Share Plan (or the "Remgro Share Schemes"), as well as Distell's and RCL Foods' share schemes.

8. Share-based payments (continued)

Background to the Remgro Share Schemes

The valuations of the Remgro Share Schemes were performed using an actuarial model that was developed by an independent third party from the standard binomial option pricing model in order to address the unique nature of the schemes, especially with regard to early exercise of offers.

The expected contract lifetimes are estimated by considering each of the tranches within that grant separately. The risk-free rate was estimated by using the implied yield on an SA zero-coupon government bond and the yield curve over the expected contract lifetimes of five, six and seven years from the offer date.

Share price volatility of ordinary shares in Remgro Limited was determined with reference to movements in the share price since 1 October 2000, that being the date from which Remgro commenced trading on the JSE.

Dividend yield was calculated using the two-year moving average dividend yield at each offer date.

8.1 Remgro Equity Settled Share Appreciation Right Scheme (SAR Scheme)

Participants of the SAR Scheme are remunerated with shares to the value of the appreciation of their rights to a specified number of Remgro ordinary shares that must be exercised within a period of seven years after the grant date.

The earliest intervals at which the share appreciation rights (SARs) are exercisable are as follows:

- One-third after the third anniversary of the grant date
- An additional third after the fourth anniversary of the grant date
- The remainder after the fifth anniversary of the grant date

Following the unbundling of RMH during the 2020 financial year, the exercise prices of all options were reduced by between R47.82 and R95.43 in order to place participants in the same position they would have been had the unbundling not taken place. During the 2021 financial year, option lives of certain awards were extended to compensate for closed periods during which participants were not allowed to exercise options. Following the unbundling of Grindrod during the 2023 financial year, the exercise prices of all options were reduced by between R3.25 and R4.30 in order to place participants in the same position they would have been had the unbundling not taken place.These changes were treated as modifications to the scheme and resulted in additional expenses that will be amortised over the remaining option lives.

R million	**30 June 2023**	30 June 2022
Share-based payment cost included in the income statement	**16**	10

8. Share-based payments (continued)

8.1 Remgro Equity Settled Share Appreciation Right Scheme (SAR Scheme) (continued)

Number and weighted average option prices of all SARs offered to participants of the SAR Scheme:

	30 June 2023 Number of SARs	**30 June 2023** Weighted average option price (Rand)	30 June 2022 Number of SARs	30 June 2022 Weighted average option price (Rand)
Carried forward from previous financial years	**3 410 942**	**131.25**	3 574 948	130.97
Forfeited during the year	**(1 639)**	**114.92**	(10 183)	131.04
Expired during the year	**(77 549)**	**166.27**	–	–
Exercised during the year	**(982 191)**	**121.78**	(153 823)	124.65
Outstanding at the end of the year	**2 349 563**	**128.60**	3 410 942	131.25
Exercisable at the end of the year	**2 349 271**	**128.61**	3 195 093	132.08

Exercise prices of all options:

	30 June 2023 Number of SARs outstanding at year-end	**30 June 2023** Weighted average remaining contract lifetime in years	30 June 2022 Number of SARs outstanding at year-end	30 June 2022 Weighted average remaining contract lifetime in years
R90.00 – R99.99	**449 252**	**0.42**	471 898	1.42
R110.00 – R119.99	**736 946**	**1.15**	627 221	2.40
R120.00 – R129.99	**289 310**	**0.42**	1 319 233	1.41
R130.00 – R139.99	**40 631**	**0.48**	49 919	1.46
R140.00 – R149.99	**30 080**	**0.25**	61 681	0.98
R150.00 – R159.99	**98 488**	**0.11**	92 684	1.12
R160.00 – R169.99	**704 632**	**0.40**	301 924	1.35
R170.00 – R179.99	**224**	**0.40**	477 884	1.34
R180.00 – R189.99	**–**	**–**	8 498	0.71

Due to the Grindrod Unbundling an additional R13 million was expensed during the current financial year.

8. Share-based payments (continued)

8.2 Remgro Share Appreciation Rights Plan and the Remgro Conditional Share Plan

During the 2019 financial year, Remgro implemented two share-based payment plans to replace the Remgro Share Appreciation Right Scheme.

Remgro Conditional Share Plan (CSP)

The CSP provides employees with the opportunity to receive shares in the Company through the award of conditional rights to a fixed number of shares in Remgro (either in the form of performance shares or retention shares).

Awards under the CSP will vest as follows:

- One-third after the third anniversary of the grant date
- An additional third after the fourth anniversary of the grant date
- The remainder after the fifth anniversary of the grant date

There were also special retention awards that vested as follows:

- Half of the awards granted vested after one year
- The remainder of the awards granted vested after two years

All awards under the CSP lapse after a period of 90 days following the last vesting date.

Remgro Share Appreciation Rights Plan (SAR Plan)

The SAR Plan provides employees with the opportunity to receive shares in the Company. Participants in the SAR Plan are remunerated with Remgro shares to the value of the appreciation of their rights to a specific number of Remgro ordinary shares.

The earliest intervals at which the SARs vest and are exercisable are as follows:

- One-third after the third anniversary of the grant date
- An additional third after the fourth anniversary of the grant date
- The remainder after the fifth anniversary of the grant date

All SARs must be exercised within seven years after the grant date, upon which date unexercised SARs lapse.

Some of the awards granted under the CSP and SAR plans will vest based on certain performance conditions. These non-market-related performance conditions will therefore not affect the value of the awards, but will affect the number of awards that vest.

8. Share-based payments (continued)

8.2 Remgro Share Appreciation Rights Plan and the Remgro Conditional Share Plan (continued)

R million	30 June 2023	30 June 2022
Share-based payment cost included in the income statement	**86**	45
Fair value of offers made during the year	**137**	104

Number of all CSPs offered to participants of the CSP:

	30 June 2023 Number of CSPs	30 June 2022 Number of CSPs
Outstanding at the beginning of the year	**2 757 424**	2 412 538
Awarded during the year	**817 774**	726 536
Awarded following Remgro dividend	**8 953**	2 949
Exercised during the year	**(304 613)**	(54 586)
Forfeited due to unmet performance conditions	**(172 281)**	(308 161)
Forfeited during the year	**(54 128)**	(21 852)
Outstanding at the end of the year	**3 053 129**	2 757 424
Exercisable at the end of the year	**–**	–

All awards offered during the current year were offered on 5 December 2022, while awards from the previous year were offered on 5 December 2021.

Number and weighted average option prices of all SARs offered to participants of the SAR Plan:

	30 June 2023		30 June 2022	
	Number of SARs	Weighted average option price (Rand)	Number of SARs	Weighted average option price (Rand)
Outstanding at the beginning of the year	**1 728 668**	**103.53**	1 435 950	96.71
Offered during the year	**507 775**	**141.64**	492 280	126.99
Exercised during the year	**(5 033)**	**97.50**	–	–
Forfeited due to unmet performance conditions	**(151 425)**	**89.21**	(199 562)	112.38
Outstanding at the end of the year	**2 079 985**	**110.02**	1 728 668	103.53
Exercisable at the end of the year	**154 314**	**90.85**	8 003	112.38

Exercise prices of all options:

	30 June 2023		30 June 2022	
	Number of SARs outstanding at year-end	Weighted average remaining contract lifetime in years	Number of SARs outstanding at year-end	Weighted average remaining contract lifetime in years
R89.21 (2022: R93.82)	**427 253**	**3.44**	581 452	4.44
R89.69 (2022: R93.82)	**630 939**	**4.44**	630 939	5.44
R107.67 (2022: R112.38)	**21 738**	**2.44**	23 997	3.44
R121.63 (2022: R126.99)	**492 280**	**5.44**	492 280	6.44
R141.64	**507 775**	**6.44**	–	–

During the 2023 financial year, exercise prices were adjusted to account for the Grindrod Unbundling to shareholders.

8. Share-based payments (continued)

8.2 Remgro Share Appreciation Rights Plan and the Remgro Conditional Share Plan (continued)

The following assumptions were used to value offers made during the year:

Assumptions	30 June 2023	30 June 2022
Weighted average Remgro share price for the year (Rand)	**136.72**	133.23
Price volatility (%)	**24.89 – 30.03**	24.50 – 36.84
Risk-free rate (%)	**6.17 – 8.82**	4.60 – 8.81
Expected dividend yield (%)	**0.00 – 5.12**	2.74

In terms of the rules of the SAR Plan and the CSP, no award will be made if at the time of or as a result of the making of such award, the aggregate number of Remgro ordinary shares in respect of which any unexercised SAR Plan may be exercised or CSP awards, shall exceed 26 450 000 Remgro ordinary shares, being approximately 5% of issued ordinary shares.

If it is assumed that all awards made under the CSP vest in full and all of the participants to the SAR Plan exercise all options awarded to them based on Remgro's closing share price on 30 June 2023 of R147.05 (2022: R129.91), the number of Remgro ordinary shares available for new awards will be limited to:

	30 June 2023 Number of shares	30 June 2022 Number of shares
Overall limit, adjusted for unexercised SARs and CSPs, at the beginning of the year	**23 341 484**	23 813 301
CSP	**(295 705)**	(344 886)
Awarded during the year	**(817 774)**	(726 536)
Awarded following Remgro dividend	**(8 953)**	(2 949)
Exercised during the year	**304 613**	54 586
Forfeited during the year	**226 409**	330 013
SAR Plan	**(172 689)**	(126 931)
Calculated Remgro ordinary shares at the beginning of the year	**351 092**	224 161
Calculated Remgro ordinary shares at the end of the year	**(523 781)**	(351 092)
Overall limit, adjusted for unexercised SARs and CSPs, at the end of the year	**22 873 090**	23 341 484

8. Share-based payments (continued)

8.3 Distell share schemes

Distell had equity settled share appreciation rights (SAR) schemes to remunerate selected employees and executive directors with shares to the value of the appreciation of a specified number of Distell ordinary shares that had to be exercised within a period of seven years after the grant date. Specific performance criteria, which were linked to revenue and EBITDA growth, were stipulated for SARs offered after 1 July 2015.

The earliest intervals at which the SARs were exercisable were as follows:

- One-third after the third anniversary of the grant date
- Two-thirds after the fourth anniversary of the grant date
- The remainder after the fifth anniversary of the grant date

Distell also had a conditional share plan (CSP) scheme to remunerate employees and executive directors with the opportunity to receive shares as remuneration, subject to certain employment-related and performance conditions being met. No new allocations under the schemes have been made during the current and prior financial years.

Pursuant to the Heineken transaction, all awards made to participants in either of these two long-term incentive plans which have not yet vested at the time of implementation of the Scheme of Arrangement, was settled in cash payments amounting to R715 million upon implementation of the Scheme of Arrangement. An expense of R405 million (2022: R105 million) relating to share-based payments was recognised in Distell's income statement. These amounts are included in results from discontinued operations.

8.4 RCL Foods share schemes

RCL Foods has an equity settled share scheme, as well as a share appreciation right scheme, for certain of its employees in terms of which share options offered are exercisable in three equal tranches from two, three and four years (for the share scheme) and three, four and five years (for the share appreciation right scheme) after the grant date. Subject to the discretion of the RCL Foods Share Incentive Trust's trustees, options are forfeited if not exercised before termination of employment. An expense of R70 million (2022: R84 million) relating to these schemes was recognised in the income statement in results from continuing operations.

9. Directors' and key management personnel's emoluments

R'000	**30 June 2023** Executive	Non-executive	Total	30 June 2022 Executive	Non-executive	Total
Executive directors						
Fees	**1 239**	**–**	**1 239**	1 170	–	1 170
Salaries	**20 404**	**–**	**20 404**	19 263	–	19 263
Retirement fund contributions	**4 294**	**–**	**4 294**	4 046	–	4 046
Other benefits	**1 343**	**–**	**1 343**	1 273	–	1 273
Subtotal	**27 280**	**–**	**27 280**	25 752	–	25 752
Non-executive directors						
Independent	**–**	**4 991**	**4 991**	–	4 492	4 492
Non-independent	**–**	**477**	**477**	–	480	480
Total	**27 280**	**5 468**	**32 748**	25 752	4 972	30 724
Share options exercised						
Increase in value – Remgro Share Schemes*	**22 185**	**–**	**22 185**	–	–	–

* *This refers to the increase in value of the SARs and CSPs from the offer date to the date of exercise.*

R'000	**30 June 2023** Fees	Salaries and other	Total	30 June 2022 Fees	Salaries and other	Total
Paid by:						
The Company	**5 468**	**–**	**5 468**	4 972	–	4 972
Subsidiaries	**1 239**	**26 041**	**27 280**	1 170	24 582	25 752
Total	**6 707**	**26 041**	**32 748**	6 142	24 582	30 724

9. Directors' and key management personnel's emoluments (continued)

Directors: Fixed pay

R'000	**30 June 2023** Fees	Salaries	Retirement fund	Other benefits[5]	Total	30 June 2022 Fees	Salaries	Retirement fund	Other benefits[5]	Total
Executive										
J J Durand	**413**	**12 819**	**2 625**	**442**	**16 299**	390	12 107	2 479	419	15 395
M Lubbe	**413**	**2 807**	**639**	**456**	**4 315**	390	2 647	602	431	4 070
N J Williams	**413**	**4 778**	**1 030**	**445**	**6 666**	390	4 509	965	423	6 287
Subtotal	**1 239**	**20 404**	**4 294**	**1 343**	**27 280**	1 170	19 263	4 046	1 273	25 752
Non-executive (independent)										
S E N De Bruyn	**1 094**	**–**	**–**	**–**	**1 094**	972	–	–	–	972
T Leoka[1]	**103**	**–**	**–**	**–**	**103**	–	–	–	–	–
N P Mageza[2]	**657**	**–**	**–**	**–**	**657**	620	–	–	–	620
P J Moleketi	**657**	**–**	**–**	**–**	**657**	620	–	–	–	620
M Morobe[3]	**678**	**–**	**–**	**–**	**678**	580	–	–	–	580
G G Nieuwoudt	**477**	**–**	**–**	**–**	**477**	480	–	–	–	480
K S Rantloane	**604**	**–**	**–**	**–**	**604**	540	–	–	–	540
F Robertson	**721**	**–**	**–**	**–**	**721**	680	–	–	–	680
Subtotal	**4 991**	**–**	**–**	**–**	**4 991**	4 492	–	–	–	4 492
Non-executive (non-independent)										
J Malherbe	**477**	**–**	**–**	**–**	**477**	480	–	–	–	480
P J Neethling[4]	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
A E Rupert[4]	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
J P Rupert[4]	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Subtotal	**477**	**–**	**–**	**–**	**477**	480	–	–	–	480
Total	**6 707**	**20 404**	**4 294**	**1 343**	**32 748**	6 142	19 263	4 046	1 273	30 724

(1) *Dr T Leoka was appointed as an independent non-executive director with effect from 22 March 2023.*
(2) *During the year under review Mr N P Mageza also received R812 000 (2022: R772 000) as director's fees from RCL Foods Limited, a subsidiary of Remgro Limited.*
(3) *During the year under review Mr M Morobe also received R300 000 (2022: R150 000) as director's fees from Wispeco Holdings Proprietary Limited, a subsidiary of Remgro Limited.*
(4) *Messrs A E Rupert, J P Rupert and P J Neethling receive no emoluments.*
(5) *Other benefits include medical scheme contributions, longservice awards, vehicle benefits and UIF contributions.*

Prescribed officers: Fixed pay

R'000	**30 June 2023** Salaries	Retirement fund	Other benefits[1]	Total	30 June 2022 Salaries	Retirement fund	Other benefits[1]	Total
P R Louw	**3 220**	**639**	**456**	**4 315**	3 037	598	432	4 067
P J Uys	**6 456**	**1 276**	**403**	**8 135**	6 074	1 196	387	7 657
Total	**9 676**	**1 915**	**859**	**12 450**	9 111	1 794	819	11 724

(1) *Other benefits include medical scheme contributions, longservice awards, vehicle benefits and UIF contributions.*

9. Directors' and key management personnel's emoluments (continued)

Share-based payments to directors and key management personnel

Share appreciation rights (SARs)

Directors

Participant	Offer date[1]	Offer price[2] (Rand)	Number of SARs offered and accepted	Fair value of SARs on offer date (R'000)	Balance of SARs accepted as at 30 June 2022	Adjusted offer price[3] (Rand)	SARs accepted/ (exercised)/ (forfeited) during the year	Share price on exercise date (Rand)	Cash value of SARs exercised during the year[4] (R'000)	Balance of SARs accepted as at 30 June 2023[5]
Executive										
J J Durand	**29-Nov-12[6]**	**147.25**	**271 258**	**10 763**	271 258	**90.97**				**271 258**
	04-Dec-13[6]	**191.70**	**93 128**	**5 064**	93 128	**123.80**	**(93 128)**	**144.47**	**1 925**	**–**
	26-Nov-14[6]	**253.53**	**108 468**	**7 442**	108 468	**160.29**				**108 468**
	24-Nov-15[6]	**272.00**	**192 676**	**15 591**	192 676	**166.08**				**192 676**
	01-Dec-16	**209.11**	**150 872**	**10 554**	150 872	**122.38**	**(150 872)**	**144.47**	**3 333**	**–**
	14-Dec-17	**206.35**	**132 309**	**9 705**	132 309	**114.92**				**132 309**
	05-Dec-20[7]	**93.82**	**235 427**	**6 111**	235 427	**89.21**	**(68 272)**			**167 155**
	05-Dec-20	**93.82**	**235 454**	**6 631**	235 454	**89.69**				**235 454**
	05-Dec-21	**126.99**	**181 379**	**7 853**	181 379	**121.63**				**181 379**
	05-Dec-22	**141.64**	**172 168**	**8 509**	–	**141.64**	**172 168**			**172 168**
M Lubbe	**29-Nov-12[6]**	**147.25**	**13 961**	**554**	13 961	**90.97**				**13 961**
	04-Dec-13[6]	**191.70**	**7 444**	**405**	7 444	**123.80**	**(7 444)**	**147.57**	**177**	**–**
	26-Nov-14[6]	**253.53**	**4 011**	**275**	4 011	**160.29**				**4 011**
	24-Nov-15[6]	**272.00**	**8 036**	**650**	8 036	**166.08**				**8 036**
	01-Dec-16	**209.11**	**65 632**	**4 591**	65 632	**122.38**	**(65 632)**	**147.57**	**1 653**	**–**
	14-Dec-17	**206.35**	**15 481**	**1 136**	15 481	**114.92**				**15 481**
	05-Dec-20[7]	**93.82**	**39 078**	**1 014**	39 078	**89.21**	**(11 331)**			**27 747**
	05-Dec-20	**93.82**	**46 448**	**1 308**	46 448	**89.69**				**46 448**
	05-Dec-21	**126.99**	**35 796**	**1 550**	35 796	**121.63**				**35 796**
	05-Dec-22	**141.64**	**37 780**	**1 867**	–	**141.64**	**37 780**			**37 780**
N J Williams	**29-Nov-12[6]**	**147.25**	**81 901**	**3 250**	81 901	**90.97**				**81 901**
	04-Dec-13[6]	**191.70**	**22 221**	**1 208**	22 221	**123.80**	**(22 221)**	**147.57**	**528**	**–**
	26-Nov-14[6]	**253.53**	**16 430**	**1 127**	16 430	**160.29**				**16 430**
	24-Nov-15[6]	**272.00**	**27 492**	**2 225**	27 492	**166.08**				**27 492**
	01-Dec-16	**209.11**	**98 716**	**6 905**	98 716	**122.38**	**(98 716)**	**147.57**	**2 487**	**–**
	14-Dec-17	**206.35**	**55 677**	**4 084**	55 677	**114.92**				**55 677**
	05-Dec-20[7]	**93.82**	**72 103**	**1 871**	72 103	**89.21**	**(20 908)**			**51 195**
	05-Dec-20	**93.82**	**72 124**	**2 031**	72 124	**89.69**				**72 124**
	05-Dec-21	**126.99**	**55 568**	**2 406**	55 568	**121.63**				**55 568**
	05-Dec-22	**141.64**	**58 623**	**2 897**	–	**141.64**	**58 623**			**58 623**
Total					2 339 090		**(269 953)**		**10 103**	**2 069 137**

(1) *Unless otherwise indicated, one-third of the SARs are exercisable after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date. All SARs must be exercised within seven years after the grant date, upon which date unexercised SARs lapse.*

(2) *Offer price of SARs granted before December 2018 is equal to the face value on grant date. Offer price of SARs granted from 5 December 2018 onwards is the five-day VWAP on offer date.*

(3) *In terms of the rules of the share schemes, the offer price of SARs that were awarded prior to unbundlings, rights issues, special dividends, etc., was reduced to ensure that the participants were placed in substantially the same position as they were prior to such corporate actions. During the 2023 financial year offer prices were reduced by between R3.25 and R5.36 (depending on the offer date), as a result of the Grindrod Unbundling.*

(4) *This refers to the increase in value of the SARs from the offer date to the date of exercise.*

(5) *SARs offered from 5 December 2018 onwards, have performance conditions and reflect the number of SARs as if performance conditions were fully met, unless SARs were forfeited.*

(6) *The expiry dates of these awards were extended to November 2023. As an alternative option to the 2012 SAR awards, a special award of CSPs was also made to employees. Should the employee choose to exercise the 2012 SAR award, the special CSP award will lapse.*

(7) *These awards relate to the 2019 award not made and will vest in one-thirds on the second, third and fourth anniversaries of the grant date, respectively. The performance conditions of the 2019 awards were met by 71% and consequently 29% of the SARs were forfeited.*

9. Directors' and key management personnel's emoluments (continued)

Share-based payments to directors and key management personnel (continued)

Share appreciation rights (SARs) (continued)

Directors (continued)

Participant	Offer date[1]	Offer price[2] (Rand)	Number of SARs offered and accepted	Fair value of SARs on offer date (R'000)	Balance of SARs accepted as at 30 June 2021	Adjusted offer price[3] (Rand)	SARs accepted/ (forfeited) during the year	Share price on exercise date (Rand)	Cash value of SARs exercised during the year[4] (R'000)	Balance of SARs accepted as at 30 June 2022[5]
Executive										
J J Durand	29-Nov-12[6]	147.25	271 258	10 763	271 258	94.22				271 258
	04-Dec-13[6]	191.70	93 128	5 064	93 128	127.40				93 128
	26-Nov-14[6]	253.53	108 468	7 442	108 468	164.57				108 468
	24-Nov-15[6]	272.00	192 676	15 591	192 676	170.38				192 676
	01-Dec-16[6]	209.11	150 872	10 554	150 872	125.95				150 872
	14-Dec-17	206.35	132 309	9 705	132 309	118.86				132 309
	05-Dec-18[7]	205.07	87 135	5 436	87 135	112.38	(87 135)			–
	05-Dec-20[8]	93.82	235 427	6 111	235 427	93.82				235 427
	05-Dec-20	93.82	235 454	6 631	235 454	93.82				235 454
	05-Dec-21	126.99	181 379	7 853	–	126.99	181 379			181 379
M Lubbe	29-Nov-12[6]	147.25	13 961	554	13 961	94.22				13 961
	04-Dec-13[6]	191.70	7 444	405	7 444	127.40				7 444
	26-Nov-14[6]	253.53	4 011	275	4 011	164.57				4 011
	24-Nov-15[6]	272.00	8 036	650	8 036	170.38				8 036
	01-Dec-16	209.11	65 632	4 591	65 632	125.95				65 632
	14-Dec-17	206.35	15 481	1 136	15 481	118.86				15 481
	05-Dec-18[7]	205.07	14 648	914	14 648	112.38	(14 648)			–
	05-Dec-20[8]	93.82	39 078	1 014	39 078	93.82				39 078
	05-Dec-20	93.82	46 448	1 308	46 448	93.82				46 448
	05-Dec-21	126.99	35 796	1 550	–	126.99	35 796			35 796
N J Williams	29-Nov-12[6]	147.25	81 901	3 250	81 901	94.22				81 901
	04-Dec-13[6]	191.70	22 221	1 208	22 221	127.40				22 221
	26-Nov-14[6]	253.53	16 430	1 127	16 430	164.57				16 430
	24-Nov-15[6]	272.00	27 492	2 225	27 492	170.38				27 492
	01-Dec-16	209.11	98 716	6 905	98 716	125.95				98 716
	14-Dec-17	206.35	55 677	4 084	55 677	118.86				55 677
	05-Dec-18[7]	205.07	28 465	1 776	28 465	112.38	(28 465)			–
	05-Dec-20[8]	93.82	72 103	1 871	72 103	93.82				72 103
	05-Dec-20	93.82	72 124	2 031	72 124	93.82				72 124
	05-Dec-21	126.99	55 568	2 406	–	126.99	55 568			55 568
Total					2 196 595		142 495		–	2 339 090

(1) *Unless otherwise indicated, one-third of the SARs are exercisable after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date. All SARs must be exercised within seven years after the grant date, upon which date unexercised SARs lapse.*

(2) *Offer price of SARs granted before December 2018 is equal to the face value on grant date. Offer price of SARs granted from December 2018 onwards is the five-day VWAP on offer date.*

(3) *In terms of the rules of the share schemes, the offer price of SARs that were awarded prior to unbundlings, rights issues, special dividends, etc., was reduced to ensure that the participants were placed in substantially the same position as they were prior to such corporate actions.*

(4) *This refers to the increase in value of the SARs from the offer date to the date of exercise.*

(5) *SARs offered from December 2018 onwards, have performance conditions and reflect the number of SARs as if performance conditions were fully met.*

(6) *The expiry dates of these awards were extended to November 2023. As an alternative option to the 2012 SAR awards, a special award of CSPs was also made to employees. Should the employee choose to exercise the 2012 SAR award, the special CSP award will lapse.*

(7) *The performance conditions of the 2018 awards were not met and the SARs were forfeited.*

(8) *These awards relate to the 2019 award not made and will vest in one-thirds on the second, third and fourth anniversaries of the grant date, respectively.*

9. Directors' and key management personnel's emoluments (continued)

Share-based payments to directors and key management personnel (continued)

Share appreciation rights (SARs) (continued)

Prescribed officers

Participant	Offer date[1]	Offer price[2] (Rand)	Number of SARs offered and accepted	Fair value of SARs on offer date (R'000)	Balance of SARs accepted as at 30 June 2022	Adjusted offer price[3] (Rand)	SARs accepted/ (exercised)/ (forfeited) during the year	Share price on exercise date (Rand)	Cash value of SARs exercised during the year[4] (R'000)	Balance of SARs accepted as at 30 June 2023[5]
P R Louw	29-Nov-12[6]	147.25	22 646	899	22 646	90.97	(22 646)	146.18	1 250	–
	04-Dec-13[6]	191.70	12 944	704	12 944	123.80	(12 944)	146.18	290	–
	26-Nov-14[6]	253.53	5 952	408	5 952	160.29				5 952
	24-Nov-15[6]	272.00	9 497	768	9 497	166.08				9 497
	01-Dec-16	209.11	91 120	6 374	91 120	122.38	(91 120)	146.18	2 169	–
	14-Dec-17	206.35	20 301	1 489	20 301	114.92				20 301
	05-Dec-20[7]	93.82	46 428	1 205	46 428	89.21	(13 464)			32 964
	05-Dec-20	93.82	46 448	1 308	46 448	89.69				46 448
	05-Dec-21	126.99	35 796	1 550	35 796	121.63				35 796
	05-Dec-22	141.64	37 780	1 867	–	141.64	37 780			37 780
P J Uys	02-Apr-13[6]	183.15	218 400	10 519	218 400	118.16				218 400
	04-Dec-13[6]	191.70	3 325	181	3 325	123.80				3 325
	26-Nov-14[6]	253.53	14 774	1 014	14 774	160.29				14 774
	24-Nov-15[6]	272.00	11 533	933	11 533	166.08				11 533
	01-Dec-16	209.11	91 463	6 398	91 463	122.38				91 463
	14-Dec-17	206.35	85 936	6 303	85 936	114.92				85 936
	05-Dec-20[7]	93.82	88 088	2 286	88 088	89.21	(25 543)			62 545
	05-Dec-20	93.82	88 108	2 481	88 108	89.69				88 108
	05-Dec-21	126.99	67 853	2 938	67 853	121.63				67 853
	05-Dec-22	141.64	71 565	3 537	–	141.64	71 565			71 565
Total					960 612		(56 372)		3 709	904 240

(1) *Unless otherwise indicated, one-third of the SARs are exercisable after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date. All SARs must be exercised within seven years after the grant date, upon which date unexercised SARs lapse.*

(2) *Offer price of SARs granted before December 2018 is equal to the face value on grant date. Offer price of SARs granted from 5 December 2018 onwards is the five-day VWAP on offer date.*

(3) *In terms of the rules of the share schemes, the offer price of SARs that were awarded prior to unbundlings, rights issues, special dividends, etc., was reduced to ensure that the participants were placed in substantially the same position as they were prior to such corporate actions. During the 2023 financial year offer prices were reduced by between R3.25 and R5.36 (depending on the offer date), as a result of the Grindrod Unbundling.*

(4) *This refers to the increase in value of the SARs from the offer date to the date of exercise.*

(5) *SARs offered from 5 December 2018 onwards, have performance conditions and reflect the number of SARs as if performance conditions were fully met, unless SARs were forfeited.*

(6) *The expiry dates of these awards were extended to November 2023. As an alternative option to the 2012 SAR awards, a special award of CSPs was also made to employees. Should the employee choose to exercise the 2012 SAR award, the special CSP award will lapse.*

(7) *These awards relate to the 2019 award not made and will vest in one-thirds on the second, third and fourth anniversaries of the grant date, respectively. The performance conditions of the 2019 awards were met by 71% and consequently 29% of the SARs were forfeited.*

9. Directors' and key management personnel's emoluments (continued)

Share-based payments to directors and key management personnel (continued)

Share appreciation rights (SARs) (continued)

Prescribed officers (continued)

Participant	Offer date[1]	Offer price[2] (Rand)	Number of SARs offered and accepted	Fair value of SARs on offer date (R'000)	Balance of SARs accepted as at 30 June 2021	Adjusted offer price[3] (Rand)	SARs accepted/ (forfeited) during the year	Share price on exercise date (Rand)	Cash value of SARs exercised during the year[4] (R'000)	Balance of SARs accepted as at 30 June 2022[5]
P R Louw	29-Nov-12[6]	147.25	22 646	899	22 646	94.22				22 646
	04-Dec-13[6]	191.70	12 944	704	12 944	127.40				12 944
	26-Nov-14[6]	253.53	5 952	408	5 952	164.57				5 952
	24-Nov-15[6]	272.00	9 497	768	9 497	170.38				9 497
	01-Dec-16	209.11	91 120	6 374	91 120	125.95				91 120
	14-Dec-17	206.35	20 301	1 489	20 301	118.86				20 301
	05-Dec-18[7]	205.07	17 881	1 116	17 881	112.38	(17 881)			–
	05-Dec-20[8]	93.82	46 428	1 205	46 428	93.82				46 428
	05-Dec-20	93.82	46 448	1 308	46 448	93.82				46 448
	05-Dec-21	126.99	35 796	1 550	–	126.99	35 796			35 796
P J Uys	02-Apr-13[6]	183.15	218 400	10 519	218 400	121.67				218 400
	04-Dec-13[6]	191.70	3 325	181	3 325	127.40				3 325
	26-Nov-14[6]	253.53	14 774	1 014	14 774	164.57				14 774
	24-Nov-15[6]	272.00	11 533	933	11 533	170.38				11 533
	01-Dec-16	209.11	91 463	6 398	91 463	125.95				91 463
	14-Dec-17	206.35	85 936	6 303	85 936	118.86				85 936
	05-Dec-18[7]	205.07	35 822	2 235	35 822	112.38	(35 822)			–
	05-Dec-20[8]	93.82	88 088	2 286	88 088	93.82				88 088
	05-Dec-20	93.82	88 108	2 481	88 108	93.82				88 108
	05-Dec-21	126.99	67 853	2 938	–	126.99	67 853			67 853
Total					910 666		49 946		–	960 612

[1] *Unless otherwise indicated, one-third of the SARs are exercisable after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date. All SARs must be exercised within seven years after the grant date, upon which date unexercised SARs lapse.*

[2] *Offer price of SARs granted before December 2018 is equal to the face value on grant date. Offer price of SARs granted from December 2018 onwards is the five-day VWAP on offer date.*

[3] *In terms of the rules of the share schemes, the offer price of SARs that were awarded prior to unbundlings, rights issues, special dividends, etc., was reduced to ensure that the participants were placed in substantially the same position as they were prior to such corporate actions.*

[4] *This refers to the increase in value of the SARs from the offer date to the date of exercise.*

[5] *SARs offered from December 2018 onwards, have performance conditions and reflect the number of SARs as if performance conditions were fully met.*

[6] *The expiry dates of these awards were extended to November 2023. As an alternative option to the 2012 SAR awards, a special award of CSPs was also made to employees. Should the employee choose to exercise the 2012 SAR award, the special CSP award will lapse.*

[7] *The performance conditions of the 2018 awards were not met and the SARs were forfeited.*

[8] *These awards relate to the 2019 award not made and will vest in one-thirds on the second, third and fourth anniversaries of the grant date, respectively.*

9. Directors' and key management personnel's emoluments (continued)

Share-based payments to directors and key management personnel (continued)

Conditional share plan shares (CSPs)

Directors

Participant	Offer date[1]	Offer price[2] (Rand)	Number of CSPs offered and accepted	Fair value of CSPs on offer date (R'000)	Balance of CSPs accepted as at 30 June 2022	CSPs accepted/ (forfeited) during the year	Additional CSPs from Grindrod Unbundling[3]	Additional CSPs from dividends[4]	CSPs exercised during the year	Cash value of CSPs vesting in year[5] (R'000)	Balance of CSPs accepted as at 30 June 2023[6]
Executive											
J J Durand	05-Dec-20[7]	93.82	235 427	20 366	235 427	(69 766)	5 156	996	(57 937)	8 206	113 876
	05-Dec-20	93.82	235 454	19 655	235 454		5 157				240 611
	05-Dec-20[8]	93.82	95 672	8 728	95 672		2 096	855			98 623
	05-Dec-21	126.99	181 379	20 747	181 379		3 973				185 352
	05-Dec-22	141.64	172 168	23 623	–	172 168					172 168
M Lubbe	05-Dec-20[7]	93.82	39 078	3 380	39 078	(11 577)	856	166	(9 619)	1 362	18 904
	05-Dec-20	93.82	46 448	3 877	46 448		1 018				47 466
	05-Dec-20[8]	93.82	4 924	449	4 924		108	45			5 077
	05-Dec-21	126.99	35 796	4 094	35 796		784				36 580
	05-Dec-22	141.64	37 780	5 184	–	37 780					37 780
N J Williams	05-Dec-20[7]	93.82	72 103	6 237	72 103	(21 365)	1 580	306	(17 746)	2 514	34 878
	05-Dec-20	93.82	72 124	6 021	72 124		1 580				73 704
	05-Dec-20[8]	93.82	28 887	2 635	28 887		633	259			29 779
	05-Dec-21	126.99	55 568	6 356	55 568		1 217				56 785
	05-Dec-22	141.64	58 623	8 044	–	58 623					58 623
Total					1 102 860	165 863	24 158	2 627	(85 302)	12 082	1 210 206

(1) *Unless otherwise indicated, one-third of the CSPs vest, after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date.*
(2) *Offer price of CSPs granted is the five-day VWAP on offer date.*
(3) *As a result of the Grindrod Unbundling, additional CSPs, being a factor of 0.0219 of the CSPs held, were allocated during the 2023 financial year.*
(4) *Dividend equivalents accumulated and converted to shares upon vesting.*
(5) *This refers to the total value of the CSPs on vesting at the five-day VWAP of Remgro of R141.64.*
(6) *CSPs have performance conditions and reflect the number of CSPs as if performance conditions were fully met, unless CSPs were forfeited.*
(7) *These awards relate to the 2019 award not made and will vest in one-thirds on the second, third and fourth anniversaries of the grant date, respectively.*
(8) *As an alternative to the 2012 SAR awards, this special award of CSPs was also made to employees. Should the employee choose to exercise the 2012 SAR award, this special CSP award will lapse.*

9. Directors' and key management personnel's emoluments (continued)

Share-based payments to directors and key management personnel (continued)

Conditional share plan shares (CSPs) (continued)

Directors (continued)

Participant	Offer date[1]	Offer price[2] (Rand)	Number of CSPs offered and accepted	Fair value of CSPs on offer date (R'000)	Balance of CSPs accepted as at 30 June 2021	CSPs accepted/ (forfeited) during the year	Share price on vesting date[3] (Rand)	Cash value of CSPs vesting in year[4] (R'000)	Balance of CSPs accepted as at 30 June 2022[5, 6]
Executive									
J J Durand	05-Dec-18[7]	205.07	120 107	15 933	120 107	(120 107)			–
	05-Dec-20[8]	93.82	235 427	20 366	235 427				235 427
	05-Dec-20	93.82	235 454	19 655	235 454				235 454
	05-Dec-20[9]	93.82	95 672	8 728	95 672				95 672
	05-Dec-21	126.99	181 379	20 747	–	181 379			181 379
M Lubbe	05-Dec-18[7]	205.07	20 191	2 678	20 191	(20 191)			–
	05-Dec-20[8]	93.82	39 078	3 380	39 078				39 078
	05-Dec-20	93.82	46 448	3 877	46 448				46 448
	05-Dec-20[9]	93.82	4 924	449	4 924				4 924
	05-Dec-21	126.99	35 796	4 094	–	35 796			35 796
N J Williams	05-Dec-18[7]	205.07	39 237	5 205	39 237	(39 237)			–
	05-Dec-20[8]	93.82	72 103	6 237	72 103				72 103
	05-Dec-20	93.82	72 124	6 021	72 124				72 124
	05-Dec-20[9]	93.82	28 887	2 635	28 887				28 887
	05-Dec-21	126.99	55 568	6 356	–	55 568			55 568
Total					1 009 652	93 208		–	1 102 860

(1) *Unless otherwise indicated, one-third of the CSPs vest, after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date.*
(2) *Offer price of CSPs granted is the five-day VWAP on offer date.*
(3) *Five-day VWAP of Remgro on vesting date.*
(4) *This refers to the total value of the CSPs on vesting.*
(5) *CSPs have performance conditions and reflect the number of CSPs as if performance conditions were fully met.*
(6) *Dividend equivalents will be accumulated and delivered in shares upon vesting.*
(7) *The performance conditions of the 2018 awards were not met and the CSPs were forfeited.*
(8) *These awards relate to the 2019 award not made and will vest in one-thirds on the second, third and fourth anniversaries of the grant date, respectively.*
(9) *As an alternative to the 2012 SAR awards, this special award of CSPs was also made to employees. Should the employee choose to exercise the 2012 SAR award, this special CSP award will lapse.*

9. Directors' and key management personnel's emoluments (continued)

Share-based payments to directors and key management personnel (continued)

Conditional share plan shares (CSPs) (continued)

Prescribed officers

Participant	Offer date[1]	Offer price[2] (Rand)	Number of CSPs offered and accepted	Fair value of CSPs on offer date (R'000)	Balance of CSPs accepted as at 30 June 2022	CSPs accepted/ (forfeited) during the year	Additional CSPs from Grindrod Unbundling[3]	Additional CSPs from dividends[4]	CSPs exercised during the year	Cash value of CSPs vesting in year[5] (R'000)	Balance of CSPs accepted as at 30 June 2023[6]
P R Louw	05-Dec-20[7]	93.82	46 428	4 016	46 428	(13 758)	1 017	197	(11 426)	1 618	22 458
	05-Dec-20	93.82	46 448	3 877	46 448		1 018				47 466
	05-Dec-20[8]	93.82	7 988	729	7 988		175	72	(8 235)		–
	05-Dec-21	126.99	35 796	4 094	35 796		784				36 580
	05-Dec-22	141.64	37 780	5 184	–	37 780					37 780
P J Uys	05-Dec-20[7]	93.82	88 088	7 620	88 088	(26 101)	1 930	374	(21 681)	3 071	42 610
	05-Dec-20	93.82	88 108	7 355	88 108		1 930				90 038
	05-Dec-21	126.99	67 853	7 761	67 853		1 486				69 339
	05-Dec-22	141.64	71 565	9 819	–	71 565					71 565
Total					380 709	69 486	8 340	643	(41 342)	4 689	417 836

(1) *Unless otherwise indicated, one-third of the CSPs vest, after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date.*

(2) *Offer price of CSPs granted is the five-day VWAP on offer date.*

(3) *As a result of the Grindrod Unbundling, additional CSPs, being a factor of 0.0219 of the CSPs held, were allocated during the 2023 financial year.*

(4) *Dividend equivalents accumulated and converted to shares upon vesting.*

(5) *This refers to the total value of the CSPs on vesting at the five-day VWAP of Remgro of R141.64.*

(6) *CSPs have performance conditions and reflect the number of CSPs as if performance conditions were fully met, unless CSPs were forfeited.*

(7) *These awards relate to the 2019 award not made and will vest in one-thirds on the second, third and fourth anniversaries of the grant date, respectively.*

(8) *As an alternative to the 2012 SAR awards, this special award of CSPs was also made to employees. Should the employee choose to exercise the 2012 SAR award, this special CSP award will lapse.*

9. Directors' and key management personnel's emoluments (continued)

Share-based payments to directors and key management personnel (continued)

Conditional share plan shares (CSPs) (continued)

Prescribed officers (continued)

Participant	Offer date[1]	Offer price[2] (Rand)	Number of CSPs offered and accepted	Fair value of CSPs on offer date (R'000)	Balance of CSPs accepted as at 30 June 2021	CSPs accepted/ (forfeited) during the year	Share price on vesting date[3] (Rand)	Cash value of CSPs vesting in year[4] (R'000)	Balance of CSPs accepted as at 30 June 2022[5, 6]
P R Louw	05-Dec-18[7]	205.07	24 648	3 270	24 648	(24 648)			–
	05-Dec-20[8]	93.82	46 428	4 016	46 428				46 428
	05-Dec-20	93.82	46 448	3 877	46 448				46 448
	05-Dec-20[9]	93.82	7 988	729	7 988				7 988
	05-Dec-21	126.99	35 796	4 094	–	35 796			35 796
P J Uys	05-Dec-18[7]	205.07	49 378	6 550	49 378	(49 378)			–
	05-Dec-20[8]	93.82	88 088	7 620	88 088				88 088
	05-Dec-20	93.82	88 108	7 355	88 108				88 108
	05-Dec-21	126.99	67 853	7 761	–	67 853			67 853
Total					351 086	29 623		–	380 709

(1) *Unless otherwise indicated, one-third of the CSPs vest, after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date.*
(2) *Offer price of CSPs granted is the five-day VWAP on offer date.*
(3) *Five-day VWAP of Remgro on vesting date.*
(4) *This refers to the total value of the CSPs on vesting date.*
(5) *CSPs have performance conditions and reflect the number of CSPs as if performance conditions were fully met.*
(6) *Dividend equivalents will be accumulated and delivered in shares upon vesting.*
(7) *The performance conditions of the 2018 awards were not met and the CSPs were forfeited.*
(8) *These awards relate to the 2019 award not made and will vest in one-thirds on the second, third and fourth anniversaries of the grant date, respectively.*
(9) *As an alternative to the 2012 SAR awards, this special award of CSPs was also made to employees. Should the employee choose to exercise the 2012 SAR award, this special CSP award will lapse.*

10. Other assets and liabilities

10.1 Property, plant and equipment

Property, plant and equipment

Property, plant and equipment consist mainly of land and buildings, machinery, equipment, office equipment, bearer plants and vehicles. All property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Refer to note 6.3 for the accounting treatment of right-of-use assets.

Depreciation on buildings, machinery, equipment, office equipment, bearer plants and vehicles is provided on a straight-line basis at rates that reduce the cost thereof to an estimated residual value over the expected useful life of the asset. The residual values and expected useful lives of assets are reviewed annually on the reporting date and adjusted where necessary. No depreciation is provided for land.

Depreciation rates (%) are as follows:	30 June 2023	30 June 2022
Bearer plants	**5.0 – 10.0**	5.0 – 10.0
Buildings	**1.7 – 50.0**	1.7 – 50.0
Machinery and equipment	**1.7 – 50.0**	2.2 – 50.0
Vehicles	**3.0 – 50.0**	3.0 – 50.0
Office equipment	**4.0 – 50.0**	5.0 – 50.0

R million	Land and buildings	Machinery and equipment	Vehicles	Office equipment	Bearer plants	Total
Carrying value at 1 July 2021	7 574	7 541	1 030	438	182	16 765
Cost	10 056	17 724	2 047	967	407	31 201
Accumulated depreciation and impairments	(2 482)	(10 183)	(1 017)	(529)	(225)	(14 436)
Additions	1 068	1 663	188	121	37	3 077
Disposals	(54)	(86)	(27)	(4)	(14)	(185)
Depreciation	(394)	(1 159)	(207)	(94)	(33)	(1 887)
Reversal of impairments/(impairments)	(89)	236	–	–	–	147
Foreign exchange translation	63	21	3	–	–	87
Reassessment of leases	(157)	(2)	–	–	–	(159)
Transfers and other	(287)	268	3	3	(1)	(14)
Carrying value at 30 June 2022	7 724	8 482	990	464	171	17 831
Cost	10 346	19 174	2 169	1 058	414	33 161
Accumulated depreciation and impairments	(2 622)	(10 692)	(1 179)	(594)	(243)	(15 330)
Additions	**1 054**	**1 896**	**346**	**102**	**36**	**3 434**
Business acquired	**31**	**64**	**26**	**–**	**–**	**121**
Businesses disposed	**(3 691)**	**(4 117)**	**(83)**	**(350)**	**(16)**	**(8 257)**
Disposals	**(16)**	**(100)**	**(52)**	**(1)**	**(5)**	**(174)**
Depreciation	**(345)**	**(1 202)**	**(193)**	**(73)**	**(33)**	**(1 846)**
Reversal of impairments/(impairments)	**(7)**	**(32)**	**34**	**–**	**(30)**	**(35)**
Foreign exchange translation	**117**	**84**	**2**	**4**	**–**	**207**
Reassessment of leases	**2**	**–**	**7**	**–**	**–**	**9**
Transfer to assets held for sale[(1)]	**(593)**	**(306)**	**(260)**	**(44)**	**–**	**(1 203)**
Transfers to investment properties	**(385)**	**48**	**–**	**7**	**–**	**(330)**
Carrying value at 30 June 2023	**3 891**	**4 817**	**817**	**109**	**123**	**9 757**
Cost	**6 103**	**11 876**	**1 586**	**241**	**411**	**20 217**
Accumulated depreciation and impairments	**(2 212)**	**(7 059)**	**(769)**	**(132)**	**(288)**	**(10 460)**

(1) *Vector Logistics' property, plant and equipment transferred to assets held for sale during March 2023 amounted to R1 203 million. Movements since classification date of R94 million are included in note 10.10.*

The registers containing details of land and buildings are available for inspection by shareholders or their proxies at the registered offices of the companies to which the relevant properties belong.

10. Other assets and liabilities (continued)

10.1 Property, plant and equipment (continued)

RCL Foods impairment assessments

During the current year, a total net impairment of R70 million was recognised by RCL Foods. These impairments relate to the following cash-generating units (CGU): Sugar (R69 million impairment loss) and Rainbow (Chicken) (R1 million impairment loss). The prior year included total net impairment reversals of R147 million which related to the following CGUs: Sugar (R253 million impairment reversal), Vector Logistics (R40 million impairment loss) and unallocated segments (R66 million impairment loss).

The impairment recognised in the Sugar business in the current year relates to the Sivunosetfu Proprietary Limited CGU. The impairment was raised due to an ongoing decline in agricultural performance, compounded by the impact of load shedding in the current year.

The key assumptions used in the value in use calculations are presented below. These calculations use cash flow projections based on financial budgets approved by RCL Foods management, which include assumptions on profit before tax, working capital and capital maintenance expenditure.

The forecast cash flows used in the value in use calculations are the output of RCL Foods' five-year business planning process.

The assumptions used in the value in use calculations include:

- volume growth: RCL Foods is a food producer with products sold mainly in the South African market. Volume assumptions are therefore closely linked to population and gross domestic product (GDP) growth forecasts for South Africa. Compounded volume growth over the five-year period does not exceed long-term GDP forecasts, apart from additional volume resulting from recent capital investments which have yet to reach full production and innovation/new product launches serviced from existing capacity;
- selling price and cost growth are linked to consumer price index (CPI) and food inflation;
- capital expenditure: capex spend is limited to replacement capex, in line with the group's maintenance programmes;
- working capital: working capital is held at a constant percentage of revenue based on the historic averages achieved in each CGU; and
- the cash flow beyond year five (terminal cash flow) has assumed a steady state of growth with capital expenditure equal to depreciation, volumes and profit margins maintained at year five levels with the growth beyond year five resulting solely from price inflation.

Key assumptions	30 June 2023	30 June 2022
Discount rate (pre-tax) (%)	**16.5 – 20.1**	14.5 – 45.0
Growth rate (%)	**4.0**	4.0
Period (years)	**5**	5

Sensitivity analysis of assumptions used in the impairment test:

Assumptions (R million)	*Movement*	30 June 2023 Additional impairment
Discount rate (%)	**+1.0**	**296**
Growth rate (%)	**-0.5**	**37**

Note that the impairment above relates to the entire carrying value of the CGU and not only to the value of the property, plant and equipment.

10. Other assets and liabilities (continued)

10.2 Investment properties

Investment properties are held to generate rental income and appreciate in capital value. Investment properties are treated as long-term investments and are carried at cost less accumulated depreciation. Buildings are depreciated to their estimated residual values on a straight-line basis over their expected useful lives. Depreciation rates between 4% and 20% per annum are applied on significant components.

The fair values disclosed for investment properties are determined by external independent valuators every third year and adjusted by management by taking into account property-specific information in each intermediary year.

R million	**30 June 2023** *Cost*	*Accumulated depreciation*	*Carrying value*	30 June 2022 *Cost*	*Accumulated depreciation*	*Carrying value*
Land	**17**	**(1)**	**16**	7	–	7
Buildings	**497**	**(40)**	**457**	165	(35)	130
	514	**(41)**	**473**	172	(35)	137

Reconciliation of carrying value at the beginning and end of the year (R million)	*Land*	*Buildings*	**30 June 2023**	*Land*	*Buildings*	30 June 2022
Balances at the beginning of the year	**7**	**130**	**137**	7	117	124
Additions	**10**	**2**	**12**	–	20	20
Depreciation	**–**	**(5)**	**(5)**	–	(5)	(5)
Impairments	**(1)**	**–**	**(1)**	–	–	–
Transfers from/(to) property, plant and equipment	**–**	**330**	**330**	–	(2)	(2)
Balances at the end of the year	**16**	**457**	**473**	7	130	137

The Group's diverse investment property portfolio was valued at 30 June 2022 by independent, qualified valuers using, depending on the specific property, either a discounted cash flow or a depreciated replacement cost approach utilising inputs appropriate to each specific property. The Group obtains external valuations of its properties every three years, which are subsequently adjusted for inflation until the next valuations are performed. Management's current fair value estimate of investment properties (level 3), VAT exclusive, is R1 213 million (2022: R731 million), by taking into account property-specific information such as market rental growth, vacancy rate and vacancy periods to estimate a 6% increase on the prior year value plus the cost price of additions for the year.

The registers containing details of investment properties are available for inspection by shareholders or their proxies at the registered offices of the companies to which the relevant properties belong.

10. Other assets and liabilities (continued)

10.3 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over Remgro's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill is carried at cost less accumulated impairment losses.

Identifiable intangible assets

Identifiable intangible assets include trade marks, customer contracts and customer and supplier relationships and software. The cost of developing and establishing identifiable intangible assets is expensed as incurred. Consequently, the value thereof is not reflected in the Annual Financial Statements. The cost of purchased identifiable intangible assets is written off on a straight-line basis over their expected useful lives. Identifiable intangible assets with indefinite useful lives are not amortised, but are annually tested for impairment.

An intangible asset is regarded as having an indefinite useful life if, based on all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. Indefinite life is not the same as infinite, i.e. limitless. The useful life of an intangible asset reflects only the level of future maintenance (and management's ability and intention to carry out such maintenance) that is necessary to preserve the asset's operating capability as assessed when initially estimating the asset's useful life. The following factors were taken into account to determine the useful life of intangible assets:

- Track record of stability;
- High barriers to market entry; and
- Management's commitment to continue to invest for the long term to extend the period over which the intangible asset is expected to continue to provide economic benefits.

Industrial property rights

Industrial property rights are intangible assets held by the Group for use in the manufacturing and distribution of its alcoholic products and are expected to be used during more than one period. All industrial property rights are carried at historical cost less amortisation and impairment. The historical cost includes all expenditure that is directly attributable to the acquisition of the industrial property rights and is depreciated on a straight-line basis to an estimated residual value over the expected useful life of the assets.

Research and development costs

Research cost is expensed as incurred. Where the asset recognition criteria have been met, development cost is capitalised and written off over the expected useful life of the product. Development cost previously expensed is not recognised as an asset in a subsequent period.

10. Other assets and liabilities (continued)

10.3 Intangible assets (continued)

R million	Goodwill	Trade marks	Customer and supplier relationships	Software	Industrial property rights	Total
Carrying value at 1 July 2021	8 064	11 375	811	423	7	20 680
Cost	11 783	12 239	2 334	1 017	12	27 385
Accumulated amortisation and impairments	(3 719)	(864)	(1 523)	(594)	(5)	(6 705)
Additions	–	–	–	172	–	172
Disposals	–	–	–	–	(11)	(11)
Businesses acquired	69	22	–	–	–	91
Impairments	(162)	–	–	–	–	(162)
Amortisation	–	(84)	(297)	(128)	–	(509)
Foreign exchange translation	–	1	–	–	4	5
Transfers and other	(1)	(20)	21	9	–	9
Carrying value at 30 June 2022	7 970	11 294	535	476	–	20 275
Cost	11 838	12 272	2 324	1 194	–	27 628
Accumulated amortisation and impairments	(3 868)	(978)	(1 789)	(718)	–	(7 353)
Additions	**–**	**–**	**–**	**58**	**–**	**58**
Business acquired	**119**	**99**	**6**	**–**	**–**	**224**
Businesses disposed	**(527)**	**(8 291)**	**(18)**	**(187)**	**–**	**(9 023)**
Impairments	**(461)**	**–**	**–**	**–**	**–**	**(461)**
Amortisation	**–**	**(71)**	**(266)**	**(125)**	**–**	**(462)**
Foreign exchange translation	**37**	**75**	**17**	**–**	**–**	**129**
Transfer to assets held for sale	**(54)**	**(9)**	**(3)**	**(13)**	**–**	**(79)**
Transfers and other	**–**	**1**	**–**	**3**	**–**	**4**
Carrying value at 30 June 2023	**7 084**	**3 098**	**271**	**212**	**–**	**10 665**
Cost	**9 260**	**3 863**	**1 612**	**492**	**–**	**15 227**
Accumulated amortisation and impairments	**(2 176)**	**(765)**	**(1 341)**	**(280)**	**–**	**(4 562)**

Amortisation periods (years)	30 June 2023	30 June 2022
Trade marks	**5 – 20**	5 – 20
Customer and supplier relationships	**3 – 20**	3 – 20
Software	**3 – 20**	3 – 20
Industrial property rights	**n/a**	60

Distell's out-of-scope assets were transferred to Capevin. Before the Distell/Heineken Beverages transaction, Remgro controlled these assets indirectly through Distell, while it now controls Capevin directly. Accordingly, Capevin is viewed as a continuation of an existing CGU for impairment testing purposes. Based on its value in use, Capevin impaired goodwill amounting to R461 million at 30 June 2023. Based on Distell's fair value at 30 June 2022, no impairment was required on the Distell CGU for the prior financial year.

During the 2023 financial year, RCL Foods acquired a 100% interest in Sunshine Bakery Proprietary Limited (Sunshine) and recognised goodwill amounting to R119 million. RCL Foods considers the purchase price allocation at 30 June 2023 to be provisional. In the 2022 financial year RCL Foods acquired a 100% shareholding in Siyathuthuka Sugar Estate Proprietary Limited (Siyathuthuka Sugar). The acquisition resulted in goodwill being recognised. The subsidiary was acquired exclusively with a view to resale and the goodwill (R162 million) was subsequently impaired in accordance with the measurement principles of *IFRS 5*.

Based on current forecasts and projections, no additional impairment on RCL Foods' goodwill was required for the 2023 and 2022 financial years. During financial years preceding the 2020 financial year, RCL Foods recognised impairments on goodwill amounting to R598 million. These impairments related to its Vector Logistics (R287 million), Beverages (R123 million), Pies (R114 million) and Speciality (R74 million) business units, including indefinite life intangible assets of R315 million in the Milling business unit. The recoverable amounts of the RCL Foods CGUs were based on their value in use.

No impairment on the goodwill allocated to Siqalo Foods was required for both the 2023 and 2022 financial years.

10. Other assets and liabilities (continued)

10.3 Intangible assets (continued)

Distell and Capevin recognised no impairments on trade marks and industrial property rights.

Software with a book value of R6 million is still in the development phase (2022: R21 million).

No intangible assets were pledged as security.

Goodwill and indefinite life intangible assets are tested annually for possible impairment and for this purpose are allocated to the respective CGUs. The Capevin CGU remained under Remgro's control following the disposal of Distell's in-scope assets to Heineken Beverages. Accordingly, it is appropriate to disclose impairment testing considerations of the affected assets as Capevin/Distell.

Goodwill and indefinite life intangible assets are allocated to CGUs as indicated below:

Goodwill	*Siqalo Foods*[(1)]	*Capevin and its subsidiaries*[(2)]	*RCL Foods and its subsidiaries*[(3)]	*Wispeco and its subsidiaries*	Total
30 June 2023					
Carrying value (R million)	**4 320**	**777**	**1 954**	**19**	**7 070**
Basis of valuation of cash-generating units	**Value in use**	**Value in use**	**Value in use**	**Value in use**	
Discount rate (%)	**14.4**	**8.7**	**16.5 – 20.1**	**15.3**	
Growth rate (%)	**5.25**	**3.5**	**4.0**	**3.0**	
Period (years)	**5**	**5**	**5**	**5**	

Goodwill	*Siqalo Foods*[(1)]	*Distell and its subsidiaries (incl Capevin)*[(2)]	*RCL Foods and its subsidiaries*[(3)]	*Wispeco and its subsidiaries*	Total
30 June 2022					
Carrying value (R million)	4 320	1 726	1 889	19	7 954
Basis of valuation of cash-generating units	Fair value	Fair value	Value in use	Value in use	
Discount rate (%)	14.2	n/a	14.5 – 17.5	14.4	
Growth rate (%)	5.5	n/a	4.0	3.0	
Period (years)	5	n/a	5	5	

(1) *Goodwill of R5 208 million was recognised with the acquisition of Siqalo Foods. R888 million was impaired during the 2019 financial year.*

(2) *Goodwill of R3 535 million was recognised with the acquisition of Distell during May 2018, of which R953 million was allocated to the Scotch whisky business. This business was transferred to Capevin during the 2023 financial year. The goodwill that was allocated to Capevin relates to a foreign operation and the carrying value thereof amounted to R1 238 million at 30 June 2023. The change in value is due to foreign exchange adjustments. At 30 June 2023, Capevin impaired goodwill amounting to R461 million.*
The remaining goodwill was allocated to Distell in-scope assets that were disposed of during the 2023 financial year. Of this, R1 809 million was impaired during the 2020 financial year. The carrying value of goodwill disposed of as part of the discontinued operation amounted to R527 million.

(3) *Goodwill relates to the acquisition of Vector Logistics in 2005, New Foodcorp Holdings Proprietary Limited (Foodcorp) in 2013, the sweetener operation in 2018, Driehoek Voere in 2019, L&A Logistics Limited in 2021 financial year and Siyathuthuka Sugar in 2022. During the 2023 financial year, RCL Foods acquired Sunshine. The carrying value includes accumulated impairments amounting to R1 150 million. Goodwill relating to the acquisition of Vector Logistics in 2005 was transferred to discontinued operations and non-current assets held for sale during the 2023 financial year.*

10. Other assets and liabilities (continued)

10.3 Intangible assets (continued)

Indefinite life intangible assets	***Siqalo Foods***[1]	***Capevin and its subsidiaries***[2]	***RCL Foods and its subsidiaries***[3]	**Total**
30 June 2023				
Carrying value included in trade marks (R million)	**1 153**	**715**	**1 304**	**3 172**
Basis of valuation	**Value in use**	**Fair value**	**Value in use**	
Royalty rate (%)	**n/a**	**3.0 – 6.0**	**n/a**	
Discount rate (%)	**14.4**	**8.7**	**16.5 – 20.1**	
Growth rate (%)	**5.25**	**2.1**	**4.0**	
Period (years)	**5**	**15**	**5**	

Indefinite life intangible assets	*Siqalo Foods*[1]	*Distell and its subsidiaries (incl. Capevin)*[2]	*RCL Foods and its subsidiaries*[3]	Total
30 June 2022				
Carrying value included in trade marks (R million)	1 153	8 357	1 212	10 722
Basis of valuation	Fair value	Fair value	Value in use	
Discount rate (%)	14.2	n/a	14.5 – 17.5	
Growth rate (%)	5.5	n/a	4.0	
Period (years)	5	n/a	5	

(1) *Relates to the acquisition of Siqalo Foods.*
(2) *Relates to the acquisition of Distell. The portion relating to the retained business was transferred to Capevin during the disposal and restructuring of Distell in the 2023 financial year.*
(3) *Relates to the acquisition of Foodcorp.*

Sensitivity analysis of assumptions used in the impairment tests:

Siqalo Foods

	30 June 2023		30 June 2022	
Assumptions (R million)	***Movement***	***Additional impairment***	*Movement*	*Additional impairment*
Discount rate (%)	**+1.0**	**494**	+1.0	521
Growth rate (%)	**-1.0**	**354**	-1.0	375

The recoverable amount of Siqalo Foods exceeded its carrying amount at 30 June 2022 and 2023.

10. Other assets and liabilities (continued)

10.3 Intangible assets (continued)

Sensitivity analysis of assumptions used in the impairment tests (continued):

Capevin – goodwill

	30 June 2023	
Assumptions (R million)	***Movement***	***Additional impairment***
Discount rate (%)	**+0.5**	**612**
Growth rate (%)	**-0.5**	**291**

Capevin – tradenames

	30 June 2023	
Assumptions (R million)	***Movement***	***Additional impairment***
Royalty rate (%)	**-0.5**	**–**
Discount rate (%)	**+1.0**	**–**

At 30 June 2023, Capevin tested the goodwill allocated to its Scotch whisky business for impairment against the CGU's value in use. Goodwill amounting to R461 million was impaired. The fair values of its indefinite life intangible assets exceed their carrying values. Accordingly, no impairment was recognised relating to those assets.

RCL Foods

	30 June 2023		30 June 2022	
Assumptions (R million)	***Movement***	***Additional impairment***	*Movement*	*Additional impairment*
Discount rate (%)	**+1.0**	**296**	+1.0	171
Growth rate (%)	**-0.5**	**37**	-0.5	123

Wispeco

	30 June 2023		30 June 2022	
Assumptions (R million)	***Movement***	***Additional impairment***	*Movement*	*Additional impairment*
Discount rate (%)	**+1.0**	**–**	+1.0	–
Growth rate (%)	**-1.0**	**–**	-1.0	–

10. Other assets and liabilities (continued)

10.4 Retirement benefits

Pension obligations

The Group provides defined-benefit and defined-contribution post-employment plans for their employees. The plan assets are held in separate trustee-administered funds. These plans are funded by payments from the employees and the Group, taking into account recommendations of independent qualified actuaries.

For the defined-benefit plans, the pension accounting costs are assessed using the projected unit credit method. The cost of providing pensions is charged to the income statement to spread the regular costs over the service lives of the employees in accordance with advice of qualified actuaries. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities that have maturity terms approximating the terms of the related liability.

Past service costs are immediately expensed.

The net surplus or deficit of the benefit obligation is the difference between the present value of the funded obligations and the fair value of the plan assets. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The Group's contribution to the defined-contribution pension plans is charged to the income statement in the period to which they relate.

Post-employment medical obligations

The Group provides post-employment medical benefits to its retirees. The entitlement to post-employment medical benefits is based on the employees remaining in service up to retirement age and the completion of a minimum service period. The projected unit credit method of valuation is used to calculate the liability for post-employment medical benefits.

The expected costs of these benefits are expensed, and the liabilities accumulated over the period of employment, using accounting methodology similar to that for defined-benefit pension plans. Independent qualified actuaries value these obligations.

R million	**30 June 2023**	30 June 2022
Statement of financial position obligations		
Post-employment medical benefits	**(70)**	(149)
	(70)	(149)
Statement of financial position assets	**351**	709
Retirement benefits	**321**	321
Defined-contribution fund employer's surplus	**22**	41
Post-employment medical benefits	**8**	347
Net defined-benefit post-retirement asset	**281**	560
Represented by:		
Retirement benefits (refer note 10.4.1)	**321**	321
Post-employment medical benefits (refer note 10.4.2)	**(62)**	198
Defined-contribution fund employer's surplus	**22**	41
	281	560
Income statement		
Retirement benefits	**(32)**	(25)
Post-employment medical benefits	**–**	(2)
Income	**(32)**	(27)
Statement of comprehensive income – other comprehensive income		
Retirement benefits (refer note 10.4.1)	**(38)**	(14)
Post-employment medical benefits (refer note 10.4.2)	**(5)**	(28)
Income	**(43)**	(42)

10. Other assets and liabilities (continued)

10.4 Retirement benefits (continued)

10.4.1 Retirement benefits

Some of the Company's subsidiaries have various defined-benefit and defined-contribution funds which are privately administered independent of the finances of the Group. The Group operates defined-benefit funds in South Africa, governed by the Pension Funds Act, 1956 (as amended). All salaried employees are obliged to accept membership of one of these funds.

	Statement of financial position				Income statement	Statement of other comprehensive income
R million	***Fair value of plan assets***	***Present value of funded obligations***	***Effect of the asset limit***	***Amount recognised in the statement of financial position***	***(Income)/ expense included in staff costs***	***(Income)/ expense***
Balances at 1 July 2021	918	(436)	(201)	281		
Current service cost	–	(3)	–	(3)	3	–
Net interest income/(expense)	90	(42)	(20)	28	(28)	–
Change in effect of asset limit	–	–	25	25	–	(25)
Fund expenses	(2)	2	–	–	–	–
Contributions	3	(2)	–	1	–	–
Benefit payments	(41)	41	–	–	–	–
Remeasurements:						
– Return on plan assets excluding interest	(44)	–	23	(21)	–	21
– Experience adjustments	–	(1)	–	(1)	–	1
– Change in financial assumptions	–	11	–	11	–	(11)
Balances at 30 June 2022	924	(430)	(173)	321	(25)	(14)
Current service cost	**–**	**(2)**	**–**	**(2)**	**2**	**–**
Net interest income/(expense)	**89**	**(37)**	**(18)**	**34**	**(34)**	**–**
Fund expenses	**(2)**	**2**	**–**	**–**	**–**	**–**
Benefit payments	**(34)**	**34**	**–**	**–**	**–**	**–**
Businesses disposed[(1)]	**(348)**	**220**	**58**	**(70)**	**–**	**–**
Remeasurements:						
– Return on plan assets excluding interest	**(8)**	**–**	**23**	**15**	**–**	**(15)**
– Experience adjustments	**–**	**7**	**–**	**7**	**–**	**(7)**
– Change in financial assumptions	**–**	**16**	**–**	**16**	**–**	**(16)**
Balances at 30 June 2023	**621**	**(190)**	**(110)**	**321**	**(32)**	**(38)**

(1) *Refer to note 10.10 for the disposal of Distell's in-scope assets and liabilities.*

10. Other assets and liabilities (continued)

10.4 Retirement benefits (continued)

10.4.1 Retirement benefits (continued)

R million	30 June 2023	30 June 2022
Actual return on plan assets	**81**	46
Number of members	**54**	321

Composition of plan assets (%)		
Cash	**1.3**	11.1
Equity	**30.2**	21.5
Bonds	**35.8**	44.5
Property	**0.3**	0.3
International	**32.2**	22.6
Other	**0.2**	–
	100.0	100.0

Principal actuarial assumptions on reporting date (%)		
Discount rate	**11.7**	10.9 – 11.1
Future salary increases	**7.0**	7.4 – 7.6
Future pension increases	**6.0**	6.4 – 6.6
Inflation rate	**6.0**	6.4 – 6.6

The sensitivity of the defined-benefit obligation to changes in the principal assumptions is:

	30 June 2023 Impact on defined-benefit obligation			30 June 2022 Impact on defined-benefit obligation		
R million	***Change in assumption***	***Increase in assumption***	***Decrease in assumption***	*Change in assumption*	*Increase in assumption*	*Decrease in assumption*
South Africa						
Discount rate	**1.0%**	**(11)**	**12**	1.0%	(22)	27
Inflation rate	**1.0%**	**12**	**(11)**	1.0%	27	(23)

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some assumptions may be correlated.

10.4.2 Post-employment medical benefits

The Group operates a number of post-employment medical benefit schemes in South Africa. The majority of these plans are unfunded.

Plan assets used to fund Distell's Southern African post-employment medical liability were restructured during the prior year. Accordingly, R55 million of excess cash was transferred to Distell in line with the rules of the fund. Distell's post-employment medical liability was still funded. Distell's post-employment medical benefits formed part of its in-scope assets and liabilities that were sold to Heineken Beverages.

The amounts recognised in the statement of financial position are determined as follows:

R million	30 June 2023	30 June 2022
Present value of funded obligations	**(73)**	(873)
Fair value of plan assets	**81**	1 191
Excess of the funded plans	**8**	318
Present value of unfunded obligations	**(70)**	(120)
(Liability)/asset included in the statement of financial position	**(62)**	198

10. Other assets and liabilities (continued)

10.4 Retirement benefits (continued)

10.4.2 Post-employment medical benefits (continued)

R million	Statement of financial position – Fair value of plan assets	Statement of financial position – Present value of funded obligations	Statement of financial position – Amount recognised in the statement of financial position	Income statement – (Income)/expense included in staff costs	Statement of other comprehensive income – (Income)/expense
Balances at 1 July 2021	1 151	(936)	215		
Current service cost	–	(27)	(27)	27	–
Past service cost	–	1	1	(1)	–
Net interest income/(expense)	139	(111)	28	(28)	–
Contributions	–	1	1	–	–
Benefit payments	(36)	43	7	–	–
Cash withdrawal by employer	(55)	–	(55)	–	–
Remeasurements:					
– Change in financial assumptions	–	15	15	–	(15)
– Return on plan assets excluding interest income	(9)	–	(9)	–	9
– Gain/(loss) due to experience adjustment	–	22	22	–	(22)
Balances at 30 June 2022	1 190	(992)	198	(2)	(28)
Current service cost	**–**	**(24)**	**(24)**	**24**	**–**
Net interest income/(expense)	**130**	**(106)**	**24**	**(24)**	**–**
Benefit payments	**(32)**	**41**	**9**	**–**	**–**
Transfer to assets held for sale[1]	**–**	**42**	**42**		
Businesses disposed[1]	**(1 091)**	**775**	**(316)**	**–**	**–**
Remeasurements:					
– Change in financial assumptions	**–**	**117**	**117**	**–**	**(117)**
– Return on plan assets excluding interest income	**(115)**	**–**	**(115)**	**–**	**115**
– Gain/(loss) due to experience adjustment	**–**	**3**	**3**	**–**	**(3)**
Balances at 30 June 2023	**82**	**(144)**	**(62)**	**–**	**(5)**

[1] *Refer to note 10.10*

R million	30 June 2023	30 June 2022
Actual return on plan assets	**15**	130
Expected medical premiums for the year ending 30 June 2024: R5 million		
Number of members	**471**	3 252
Composition of plan assets (%)		
Cash	**4.7**	0.2
Equity	**68.9**	4.5
Bonds	**18.4**	95.1
Property	**2.6**	0.2
Other	**5.4**	–
	100.0	100.0

10. Other assets and liabilities (continued)

10.4 Retirement benefits (continued)

10.4.2 Post-employment medical benefits (continued)

Principal actuarial assumptions on reporting date (%)	**30 June 2023**	30 June 2022
Discount rate	**10.7 – 14.2**	9.3 – 13.2
Annual increase in healthcare costs	**7.2 – 9.6**	7.9 – 9.7

The sensitivity of the post-employment medical liability to changes in the principal assumptions is:

	30 June 2023 Impact on post-employment medical liability			30 June 2022 Impact on post-employment medical liability		
R million	***Change in assumption***	***Increase in assumption***	***Decrease in assumption***	*Change in assumption*	*Increase in assumption*	*Decrease in assumption*
Discount rate	**1.0%**	**(14)**	**17**	1.0%	(118)	147
Healthcare cost inflation	**1.0%**	**18**	**(15)**	1.0%	151	(122)

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some assumptions may be correlated.

10.5 Long-term loans and debtors

R million	**30 June 2023**	30 June 2022
Loans advanced to Distell's and RCL Foods' producers and other unrelated parties with varying interest rates and repayment terms	**–**	48
Gross loans	**–**	52
Expected credit loss allowance	**–**	(4)
Loans advanced by Distell to related parties, denominated in SA rand and USA dollar, with market-related interest rates and no specific repayment terms	**–**	54
Other smaller loans advanced with varying interest rates	**33**	53
USA dollar savings bonds of the Reserve Bank of Zimbabwe. Two-year tenure with an effective interest rate of 6.80% per annum (refer note 10.5.1)	**–**	–
Gross loans	**–**	406
Expected credit loss allowance	**–**	(406)
	33	155

Other than the below mentioned loss allowances provided for, the lifetime expected loss assessment for the other loans indicated that no significant credit loss exposure exists.

10.5.1 Reserve Bank of Zimbabwe savings bonds

During previous financial years Distell invested $23.4 million in these bonds following foreign currency restrictions which severely limited the ability of a major customer in Zimbabwe to repatriate funds to South Africa. The bonds had a tenure of two years, which expired during the prior financial year, and carried interest at 6.8%. The credit risk increased significantly since initial recognition and the bonds were not redeemed by the Reserve Bank of Zimbabwe on the agreed dates. An expected credit loss allowance was provided for in prior financial years on the full value of the bonds.

10. Other assets and liabilities (continued)

10.6 Inventories

Inventories are stated at the lower of cost or net realisable value. The basis of determining cost, which excludes finance costs, is the first-in-first-out cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Work in progress and finished goods include direct costs and an appropriate allocation of manufacturing overheads.

R million	30 June 2023	30 June 2022
Raw materials	**1 282**	1 362
Finished products	**3 251**	5 498
Work in progress	**2 673**	5 729
Consumables	**626**	979
	7 832	13 568
Inventory expensed during the year (continuing and discontinued operations)	**49 824**	46 073
Inventory carried at net realisable value	**657**	164

Inventories at year-end consist primarily of Capevin's and RCL Foods' inventories.

Capevin's inventory provisions amounted to R26 million (2022: Distell R106 million) at year-end.

The secured term facility of Distell in the prior year was secured by mortgages over immovable property, general notarial bonds over movable assets and a cession over trade and other receivables of specific subsidiaries to a maximum of R5 500 million. Bank borrowings are secured by inventories of Capevin for a maximum value of R2 248 million (2022: Distell R1 874 million).

RCL Foods' net realisable value write-down of R89 million (2022: R18 million) relates to the Rainbow segment. Due to the fast-moving nature of the products, RCL Foods based its write-down calculation on actual selling price information available, post year-end, related to these products which supports the net realisable value of stock on hand. In addition, the current year's amount includes a write down on feed stocks driven by lower selling prices for feed post year-end.

10.7 Biological agricultural assets

Biological assets are measured at fair value less estimated harvesting, transport, packing and point-of-sale costs. Gains and losses arising from the remeasurement of biological assets are accounted for in the income statement during the period in which they arise.

Growing crops

Growing crops consist of consumable biological assets, i.e. sugar cane plants and banana fruit. The fair value of growing crops is determined with reference to current market prices, considering the following:

- Sugar cane plants – sucrose content and age; and
- Banana fruit – estimated yields, quality standards and age.

Chicken stock

Chicken stock includes breeding and broiler stock. Breeding stock includes the breeding and laying operations, including hatching eggs. The fair value of chicken stock is determined with reference to current market prices or, where market prices are not available, by reference to sector benchmarks.

Biological assets are measured at fair value using inputs that are not based on observable market data. Accordingly, these assets are classified as level 3 in terms of *IFRS 13*. There were no transfers to either level 1 or level 2 fair value assets during the periods under review.

R million	*Breeding stock*	*Broiler stock*	*Sugar cane plants*	*Banana fruit*	Total
Carrying value at 1 July 2021	409	292	247	7	955
Additions	1 476	4 808	–	–	6 284
Decrease due to harvest	(1 382)	(4 730)	(248)	(7)	(6 367)
Fair value adjustment	(9)	19	347	3	360
Carrying value at 30 June 2022	494	389	346	3	1 232
Additions	**1 787**	**6 495**	**–**	**–**	**8 282**
Decrease due to harvest	**(1 711)**	**(6 465)**	**(351)**	**(3)**	**(8 530)**
Fair value adjustment	**7**	**12**	**314**	**–**	**333**
Carrying value at 30 June 2023	**577**	**431**	**309**	**–**	**1 317**

10. Other assets and liabilities (continued)

10.7 Biological agricultural assets (continued)

The following valuation techniques and significant inputs were used to measure the biological assets:

Description	**Valuation technique**	**Unobservable inputs**	**Range of unobservable inputs**	**Relationship of unobservable input to fair value**	**Fair value at 30 June 2023 R million**
Chicken stock	**Replacement cost of the components of growing the stock**	**Eggs per hen**	**129 to 191 per hen**	**The higher the eggs per hen, the higher the fair value**	
		Cost of a day-old breeder bird	**R71.18 to R111.60 per chick**	**The higher the cost per chick, the higher the fair value**	
		Mortality rates	**3.1% to 7.9%**	**The higher the mortality, the lower the fair value**	
		Average live mass	**1.61kg to 1.88kg per bird**	**The higher the average live mass, the higher the fair value**	
		Feed cost	**R8 270 to R9 021 per ton**	**The higher the feed cost per ton, the higher the fair value**	**1 008**
Sugar cane plants	**Recoverable value**	**Recoverable value (price per ton of sucrose) less harvesting, transport and other costs to sell**	**R4 764 to R5 037 per ton**	**The higher the recoverable value of sucrose less harvesting, transport and other costs to sell per ton, the higher the value of sugar cane plants**	**309**

Description	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable input to fair value	Fair value at 30 June 2022 R million
Chicken stock	Replacement cost of the components of growing the stock	Eggs per hen	152 to 166 per hen	The higher the eggs per hen, the higher the fair value	
		Cost of a day-old breeder bird	R62.04 to R84.62 per chick	The higher the cost per chick, the higher the fair value	
		Mortality rates	4.3% to 10.5%	The higher the mortality, the lower the fair value	
		Average live mass	1.60kg to 1.86kg per bird	The higher the average live mass, the higher the fair value	
		Feed cost	R6 663 to R7 723 per ton	The higher the feed cost per ton, the higher the fair value	883
Sugar cane plants	Recoverable value	Recoverable value (price per ton of sucrose) less harvesting, transport and other costs to sell	R3 816 to R4 174 per ton	The higher the recoverable value of sucrose less harvesting, transport and other costs to sell per ton, the higher the value of sugar cane plants	346
Banana fruit	Recoverable value	Market-related selling price per ton of bananas less harvesting, transport and other costs to sell	R3 954 per ton	The higher the market-related selling price value less harvesting, transport and other costs to sell per ton of bananas, the higher the value of banana fruit	3

10. Other assets and liabilities (continued)

10.7 Biological agricultural assets (continued)

Sensitivity analysis

A sensitivity analysis is shown for the significant unobservable inputs below:

Input	Sensitivity
Feed cost – chicken stock	A 5.0% change in feed cost would result in a R12 million (2022: R10 million) change in fair value.
Recoverable value price per ton – sugar cane plants	A change of 5.0% in recoverable value would result in a R21 million change in fair value (2022: R24 million).

10.8 Debtors and short-term loans

R million	**30 June 2023**	30 June 2022
Trade debtors (gross)	**2 701**	9 879
Less: Loss allowance	**(57)**	(251)
Trade debtors (net)	**2 644**	9 628
Dividends receivable	**144**	174
Short-term loans	**137**	90
Advance payments	**232**	337
VAT receivable	**114**	177
Accrued finance income	**63**	41
Other[1]	**484**	1 456
	3 818	11 903

[1] *The prior year includes RCL Foods' Vector Logistics distribution contract of R554 million.*

Debtors with a carrying value of R1 815 million (2022: R4 881 million) provided collateral to the Group. The collateral consists of mortgage and notarial bonds, cessions, bank guarantees and credit insurance.

The secured term facility of Distell in the prior year was secured by mortgages over immovable property, general notarial bonds over movable assets and a cession over trade and other receivables of specific subsidiaries to a maximum of R5 500 million.

Movements on the Group loss allowance for trade debtors are as follows:

R million	**30 June 2023**	30 June 2022
Balances at the beginning of the year	**251**	295
Loss allowance	**41**	39
Trade debtors written off as uncollectable during the year	**(42)**	(43)
Business disposed	**(208)**	–
Unused amounts written back	**(12)**	(39)
Exchange difference	**27**	(1)
Balances at the end of the year	**57**	251

During the year, bad debts amounting to R42 million (2022: R43 million) were written off. The other classes of assets in trade debtors and short-term loans have no assets where impairments were made. Refer to note 13 for further details.

10. Other assets and liabilities (continued)

10.9 Trade and other payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

R million	30 June 2023	30 June 2022
Trade payables	**2 086**	8 615
Accrued expenses	**3 737**	4 451
Excise duty	**7**	2 673
VAT payable	**150**	286
	5 980	16 025

10.10 Assets and liabilities held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. These assets (or disposal groups) are measured at the lower of its carrying amount or fair value less costs to sell.

The Group classifies a component as a discontinued operation when that component has been disposed of, or is classified as held for sale; and

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resell.

A component of the Group comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group.

10.10.1 Disposal of certain assets and liabilities of Distell

On 26 April 2023 Heineken International B.V. (Heineken) acquired the bulk of Distell's business (consisting of its cider, other RTDs and spirits and wine business). The transaction entailed the following:

- Distell sold its equity interests in Distell Namibia Limited, Distillers Corporation (Namibia) Limited and Namibia Wines and Spirits Limited to Namibia Breweries for a cash consideration of R1 564 million.
- Heineken's Southern African business, including an interest in Namibia Breweries, was combined with the bulk of the Distell business (consisting of its cider, other RTDs and spirits and wine business) in Heineken Beverages, a new unlisted entity, controlled by Heineken. Remgro exchanged 62 242 453 Distell shares for 62 242 453 Heineken Beverages shares (being a 15.5% stake in Heineken Beverages) and sold 7 607 803 of its Distell shares to Heineken Beverages for R1 255 million (being R165 per Distell share) in terms of a scale back of the issue of Heineken Beverages shares to Distell shareholders, electing to receive Heineken Beverages shares, to ensure a 65% shareholding by Heineken in Heineken Beverages.
- Distell unbundled the unlisted shares in its subsidiary, Capevin, which holds Distell's remaining assets, mainly its Scotch whisky business. Remgro is the controlling shareholder in Capevin, which shareholding mirrors the shareholding that was previously held in Distell (being an economic interest of 31.4% and a voting interest of 55.9%). Therefore, the Capevin investment continues to be classified as a subsidiary. It was previously held indirectly through Distell.

The investment in Distell was derecognised on 26 April 2023, while Remgro continued to consolidate the investment in Capevin at its underlying carrying values as previously accounted for. A profit on disposal of R4 374 million was recognised for the assets and liabilities transferred to Heineken Beverages and the related business activities was disclosed as a discontinued operation in the current financial year, with the prior year disclosure restated accordingly. No profit or loss was recognised from the unbundling of Capevin. The investment in Heineken Beverages was classified as an associate since Remgro has board representation.

Refer to note 10.10.7 for the financial performance and cash flow information related to the discontinued Distell operation, as well as note 10.10.8 for the disposal details.

10. Other assets and liabilities (continued)

10.10 Assets and liabilities held for sale and discontinued operations (continued)

10.10.2 Transfer to non-current asset held for sale of Vector Logistics Proprietary Limited (Vector Logistics)

During the year under review RCL Foods announced its intention to dispose of Vector Logistics. On 29 March 2023, RCL Foods entered into a binding agreement with EMIF II Investment Proprietary Limited, a subsidiary of A.P. Möller Capital, to dispose of the Vector Logistics business.

The related assets and liabilities are presented as held for sale in the statement of financial position at 30 June 2023 and the results for the current and previous financial year are disclosed as a discontinued operation.

Refer to note 10.10.7 for the financial performance and cash flow information related to the discontinued Vector Logistics operation, as well as note 10.10.8 for the disposal details.

10.10.3 Gordon's Gin

During May 2023, Capevin reached an agreement with Diageo Brands B.V. to terminate the longstanding Gordon's Gin and Pimm's No 1 Cup (Gordon's Gin) distribution agreement. The financial results of the disposed business have been disclosed as part of discontinued operations and the related assets and liabilities transferred to held for sale.

10.10.4 DC Foods Proprietary Limited (DC Foods)

An agreement, subject to conditions precedent, was reached for the disposal of the equity accounted investment in DC Foods and the carrying value of the investment was transferred to held for sale.

10.10.5 Zero cost collar liability and FirstRand Limited shares

During June and July 2020 Remgro hedged the fair value risk (i.e. the equity price risk) within a price range of the specifically designated portion of 60 million shares of its investment in FirstRand using a zero cost collar, which consists of put and call European options, which are referenced to the FirstRand share price. The hedge liability and hedged shares, along with the corresponding deferred tax balances, were classified as held for sale in accordance with *IFRS 5* at 30 June 2022 and was settled and disposed of during July 2022. Refer to note 6.5 for further details.

10.10.6 Assets and liabilities held for sale

R million	30 June 2023	30 June 2022
Assets held for sale comprise:		
Assets held for sale	**6 644**	1 231
Liabilities held for sale	**(3 997)**	(395)
	2 647	836
Consisting of:		
Vector Logistics (refer note 10.10.2) – discontinued operation	**2 476**	–
Gordon's Gin (refer note 10.10.3) – discontinued operation	**16**	–
DC Foods (refer note 10.10.4)	**129**	–
Zero cost collar liability and FirstRand Limited shares (refer note 10.10.5)		
The carrying value of the assets and liabilities held for sale were	**–**	804
Investment – FVOCI	**–**	1 198
Deferred tax liability	**–**	(155)
Hedge derivative liability	**–**	(239)
Other	**26**	32
Non-current assets held for sale	**2 647**	836

10. Other assets and liabilities (continued)

10.10 Assets and liabilities held for sale and discontinued operations (continued)

10.10.7 Discontinued operations

	30 June 2023			
R million	**Distell**	**Vector Logistics**	**Gordon's Gin**	**Total**
Profit for the year from discontinued operations:				
Revenue	**27 296**	**3 067**	**2 329**	**32 692**
Inventory expenses	**(17 990)**	**(597)**	**(1 864)**	**(20 451)**
Staff costs	**(2 892)**	**(1 124)**	**(16)**	**(4 032)**
Depreciation	**(669)**	**(150)**	**–**	**(819)**
Other net operating expenses	**(4 181)**	**(1 041)**	**(224)**	**(5 446)**
Trading profit	**1 564**	**155**	**225**	**1 944**
Dividend income	**3**	**6**	**–**	**9**
Interest received	**108**	**31**	**–**	**139**
Finance costs	**(198)**	**(111)**	**–**	**(309)**
Loss allowances on loans	**(22)**	**–**	**–**	**(22)**
Consolidated profit before tax	**1 455**	**81**	**225**	**1 761**
Taxation	**(478)**	**(17)**	**(61)**	**(556)**
Consolidated profit after tax	**977**	**64**	**164**	**1 205**
Share of after-tax profit of equity accounted investments	**164**	**12**	**–**	**176**
Net profit for the year from discontinued operations	**1 141**	**76**	**164**	**1 381**
Profit on sale of investments	**4 374**	**–**	**–**	**4 374**
Reserves recycled	**(23)**	**–**	**–**	**(23)**
Taxation	**(615)**	**–**	**–**	**(615)**
Total profit for the year from discontinued operations	**4 877**	**76**	**164**	**5 117**
Attributable to:				
Equity holders	**3 677**	**59**	**52**	**3 788**
Non-controlling interest	**1 200**	**17**	**112**	**1 329**
Other comprehensive income for the year from discontinued operations:				
Net profit for the year	**4 877**	**76**	**164**	**5 117**
Exchange rate adjustments	**(174)**	**3**	**–**	**(171)**
Fair value adjustments	**4**	**–**	**–**	**4**
Reclassification of other comprehensive income to the income statement	**22**	**–**	**–**	**22**
Remeasurement of post-employment benefit obligations	**(24)**	**2**	**–**	**(22)**
Deferred taxation on remeasurement of post-employment benefit obligations	**6**	**–**	**–**	**6**
Total comprehensive income	**4 711**	**81**	**164**	**4 956**
Attributable to:				
Equity holders	**3 623**	**63**	**52**	**3 738**
Non-controlling interest	**1 088**	**18**	**112**	**1 218**
Cash flows for the year from discontinued operations:				
Operating activities	**(457)**	**(197)**	**15**	**(639)**
Investment activities	**184**	**(179)**	**–**	**5**
Financing activities	**(1 044)**	**(126)**	**–**	**(1 170)**
Net increase/(decrease) in cash generated	**(1 317)**	**(502)**	**15**	**(1 804)**

10. Other assets and liabilities (continued)

10.10 Assets and liabilities held for sale and discontinued operations (continued)

10.10.7 Discontinued operations (continued)

	30 June 2022			
R million	Distell	Vector Logistics	Gordon's Gin	Total
Profit for the year from discontinued operations:				
Revenue	29 202	2 706	2 312	34 220
Inventory expenses	(18 914)	(451)	(1 765)	(21 130)
Staff costs	(2 756)	(1 084)	–	(3 840)
Depreciation	(769)	(179)	–	(948)
Other net operating expenses	(4 287)	(846)	(166)	(5 299)
Trading profit	2 476	146	381	3 003
Dividend income	6	–	–	6
Interest received	126	23	–	149
Finance costs	(249)	(93)	–	(342)
Impairment of investments, assets and goodwill	–	(6)	–	(6)
Loss allowances on loans	(7)	–	–	(7)
Consolidated profit before tax	2 352	70	381	2 803
Taxation	(719)	(19)	(107)	(845)
Consolidated profit after tax	1 633	51	274	1 958
Share of after-tax profit of equity accounted investments	181	13	–	194
Net profit for the year from discontinued operations	1 814	64	274	2 152
Attributable to:				
Equity holders	557	50	87	694
Non-controlling interest	1 257	14	187	1 458
Other comprehensive income for the year from discontinued operations:				
Net profit for the year	1 814	64	274	2 152
Exchange rate adjustments	16	1	–	17
Fair value adjustments for the year	37	–	–	37
Other comprehensive income of equity accounted investments	2	–	–	2
Remeasurement of post-employment benefit obligations	60	–	–	60
Deferred taxation on remeasurement of post-employment benefit obligations	(7)	–	–	(7)
Total comprehensive income	1 922	65	274	2 261
Attributable to:				
Equity holders	591	51	87	729
Non-controlling interest	1 331	14	187	1 532
Cash flows for the year from discontinued operations:				
Operating activities	2 988	344	–	3 332
Investment activities	(1 324)	(149)	–	(1 473)
Financing activities	(1 164)	(150)	–	(1 314)
Net increase/(decrease) in cash generated	500	45	–	545

10. Other assets and liabilities (continued)

10.10 Assets and liabilities held for sale and discontinued operations (continued)

10.10.8 Assets and liabilities held for sale and business disposed

R million	At disposal date Distell	Held for sale – 30 June 2023 Vector Logistics	Gordon's Gin, DC Foods and other	Total
Assets	**35 476**	**6 472**	**172**	**6 644**
Property, plant and equipment (refer note 10.1)	8 257	1 297	15	1 312
Intangible assets (refer note 10.3)	9 023	71	8	79
Investments – Equity accounted (refer note 4.1)	806	139	129	268
– FVOCI (refer note 4.3)	38	–	–	–
Retirement benefits (refer note 10.4)	415	–	–	–
Long-term loans and debtors	85	45	–	45
Deferred taxation (refer note 11.1)	32	22	–	22
Inventories	8 461	117	8	125
Biological agricultural assets	–	–	7	7
Debtors and short-term loans	5 979	4 699	4	4 703
Taxation	62	1	–	1
Cash and cash equivalents	2 318	81	1	82
Liabilities	**(14 532)**	**(3 996)**	**(1)**	**(3 997)**
Retirement benefits (refer note 10.4)	(29)	(42)	–	(42)
Long-term loans	(1 092)	–	–	–
Lease liabilities – non-current	(94)	(410)	–	(410)
Deferred taxation (refer note 11.1)	(3 300)	–	–	–
Trade and other payables	(7 938)	(3 413)	(1)	(3 414)
Lease liabilities – current	(83)	(101)	–	(101)
Short-term loans	(118)	–	–	–
Financial liabilities at FVPL	(19)	–	–	–
Bank overdraft	(1 550)	(30)	–	(30)
Taxation	(309)	–	–	–
Net assets disposed/transferred to held for sale	**20 944**	**2 476**	**171**	**2 647**
Non-controlling interest	**(12 239)**			
Carrying value disposed	**8 705**			
Consideration received	**13 079**			
Cash consideration received from Namibia Breweries	1 564			
Cash on shares disposed to Heineken, net of costs	1 245			
Exchanged for investment in Heineken Beverages	10 270			
Profit on disposal	**4 374**			
Cash inflow on disposal	**2 041**			
Cash and cash equivalents and bank overdrafts of business disposed	(768)			
Cash consideration received	2 809			

11. Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Interest and penalties are disclosed as part of other payables.

Current taxation is provided by using rates that have been enacted or substantially enacted in terms of applicable tax laws.

Deferred taxation is provided for at rates that have been enacted or substantially enacted using the statement of financial position liability method. Full provision is made for all temporary differences between the taxation base of an asset or liability and its carrying amount on the statement of financial position. No deferred tax liability is recognised in those circumstances where the initial recognition of an asset or liability has no impact on accounting profit or taxable income. Deferred tax assets are not raised unless it is probable that future taxable profits will be available against which the deferred tax asset can be realised in the foreseeable future.

No deferred tax is provided on temporary differences relating to investments in subsidiaries as Remgro controls the dividend policy of these companies and consequently also controls the reversal of the temporary differences.

Deferred taxation is provided at a rate of 0% on temporary differences relating to the investments in associates and joint ventures, as the carrying values of these investments are expected to be recovered through dividends, which are exempt from taxation.

11. Taxation (continued)

11.1 Deferred taxation

Deferred tax assets

R million	*Property, plant and equipment*	*Invento-ries and biological assets*	*Intangi-ble-assets*	*Provi-sions*	*Invest-ments*	*Tax losses*	*Other*	Total
At 1 July 2021	(99)	12	6	138	(1)	182	(30)	208
As per the income statement	(23)	(4)	–	14	1	59	(36)	11
Accounted for in other comprehensive income	–	–	–	5	–	–	–	5
Foreign exchange translation	–	–	–	–	–	1	1	2
Tax rate change	3	–	–	(3)	–	(4)	(3)	(7)
At 30 June 2022	(119)	8	6	154	–	238	(68)	219
As per the income statement	**(22)**	**7**	**–**	**61**	**–**	**27**	**(57)**	**16**
Accounted for in other comprehensive income	**–**	**–**	**–**	**(14)**	**–**	**–**	**–**	**(14)**
Business disposed	**–**	**(6)**	**–**	**(14)**	**–**	**(6)**	**(6)**	**(32)**
Transfer to asset held for sale*	**41**	**–**	**–**	**(47)**	**–**	**(58)**	**36**	**(28)**
Foreign exchange translation	**–**	**–**	**–**	**6**	**–**	**1**	**8**	**15**
At 30 June 2023	**(100)**	**9**	**6**	**146**	**–**	**202**	**(87)**	**176**

* *Movements from date of reclassification to 30 June 2023 amounts to R6 million.*

Deferred tax liabilities

R million	*Property, plant and equipment*	*Invento-ries and biological assets*	*Intangi-ble assets*	*Provi-sions*	*Invest-ments*	*Tax losses*	*Other*	Total
At 1 July 2021	(1 987)	(210)	(3 357)	333	(1 867)	908	(209)	(6 389)
As per the income statement	(403)	(50)	249	47	56	106	12	17
Accounted for in other comprehensive income	(1)	–	–	–	(1 502)	(814)	(21)	(2 338)
Transfer to asset held for sale	–	–	–	–	155	–	–	155
Foreign exchange translation	(1)	–	(2)	–	–	–	(2)	(5)
Tax rate change	54	–	97	(5)	145	(1)	(6)	284
At 30 June 2022	(2 338)	(260)	(3 013)	375	(3 013)	199	(226)	(8 276)
As per the income statement	**(300)**	**(26)**	**57**	**(49)**	**(16)**	**242**	**148**	**56**
Accounted for in other comprehensive income	**–**	**–**	**–**	**(2)**	**(338)**	**–**	**64**	**(276)**
Business disposed	**1 297**	**–**	**2 249**	**(112)**	**–**	**(20)**	**(114)**	**3 300**
Business acquired	**–**	**–**	**–**	**–**	**–**	**–**	**(37)**	**(37)**
Foreign exchange translation	**(15)**	**–**	**(26)**	**(5)**	**–**	**–**	**(19)**	**(65)**
At 30 June 2023	**(1 356)**	**(286)**	**(733)**	**207**	**(3 367)**	**421**	**(184)**	**(5 298)**

11. Taxation (continued)

11.2 Tax losses

R million	30 June 2023	30 June 2022
Estimated tax losses available for set off against future taxable income	**503**	686
Utilised to create deferred tax asset	**(103)**	(236)
	400	450

The Group has the following capital losses and assessed tax losses in respect of which no deferred tax asset has been recognised due to the uncertainty that future capital gains and taxable income will arise and against which these losses can be utilised:

- Assessed tax losses amounting to R400 million (2022: R450 million);
- Capital losses amounting to R1 275 million (2022: R1 198 million); and
- Capital losses amounting to R6 614 million (2022: R5 554 million), which can be utilised against future capital gains in limited circumstances.

11.3 Taxation in income statement

R million			30 June 2023	30 June 2022
Current	– current year	– South African normal taxation	**1 392**	1 484
		– Capital gains tax	**615**	90
		– Foreign income	**27**	–
		– Foreign taxation	**131**	152
	– previous year	– South African normal taxation	**(23)**	18
		– Capital Gains Tax	**(50)**	–
		– Foreign taxation	**(17)**	26
			2 075	1 770
Deferred	– current year		**(72)**	(2)
	– previous year		**–**	(7)
	– tax rate change		**–**	(159)
Taxation in income statement			**2 003**	1 602
Continuing operations			**832**	757
Discontinued operations			**1 171**	845

11. Taxation (continued)

11.4 Tax rate reconciliation

%	30 June 2023	30 June 2022
Effective tax rate	**21.4**	28.6
Reduction/(increase) in standard rate as a result of:		
Exempt dividend income	**3.4**	3.2
Non-taxable capital profit	**(0.7)**	(1.4)
Non-deductible expenditure[1]	**(46.1)**	(25.2)
Non-taxable income[2]	**51.6**	21.1
Foreign taxation	**(1.3)**	(2.6)
Timing differences	**(0.3)**	–
Previous year taxation	**1.8**	3.5
Tax rate change[3]	**–**	1.0
Tax losses utilised	**(2.8)**	(0.2)
Standard rate	**27.0**	28.0

(1) *Non-deductible expenditure includes finance costs pertaining to debt at the centre amounting to R628 million (2022: R627 million). The finance costs have a tax effect of R170 million (2022: R176 million), resulting in an increase in the effective tax rate of 1.8% (2022: increase of 3.1%).*

(2) *Non-taxable income mainly includes the profit on sale and dilution of investments, reversal of impairments of investments, assets and loans amounting to R4 735 million (2022: non-taxable income mainly includes the profit on sale and dilution of investments, reversal of impairments of investments, assets and loans amounting to R1 053 million).*

(3) *A change in tax rate from 28% to 27% was substantively enacted on 23 February 2022 for the reporting periods ending on or after 31 March 2023. The change had no impact on current tax liabilities arising before its effective date. The measurement of deferred tax assets and liabilities was, however, affected for the prior financial year-end.*

11.5 Taxation in statement of comprehensive income

R million	30 June 2023	30 June 2022
Current – current year – Capital gains tax	**188**	40

12. Other income and expenses

12.1 Revenue

Revenue

Revenue comprises the fair value of the consideration received/receivable arising in the course of the Group's ordinary activities through the sale of goods and services. Revenue is disclosed net of value added tax, general sales taxes, returns, rebates, discounts and other allowances and after eliminating sales within the Group.

Sales of goods comprise the sale of alcoholic beverages, milling, agricultural produce and consumer goods, as well as aluminium products. Sales of services comprise logistics, warehousing and distribution services where the Group acts as an agent on behalf of a principal and earns commission, as well as consulting and management services.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of a product or when services are rendered to a customer. In certain instances, the sale of goods includes delivery and these sales are identified as being a single performance obligation. In all other cases, where the Group is requested to arrange transport for the customer, two separate performance obligations arise – the sale of goods and the provision of transport. To the extent that the Group is responsible for the provision of the transport services to the customer, the Group acts as a principal and revenue from transport services is recorded at the gross amount.

Revenue from the sale of goods is recognised only when the performance obligations arising from the contract with a customer are satisfied and the amount of revenue that it expects to be entitled to can be determined. For sales that include delivery (as indicated above), revenue from the sale of goods is recognised when the goods are transferred to the transport provider for delivery.

The products sold often include various discounts, including volume discounts based on aggregate sales and early settlement discounts. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

In instances where the delivery is a separate performance obligation (as indicated above), revenue from the sale of goods is recognised when the goods are transferred to the transport provider for delivery.

A refund liability (included in trade and other payables) is recognised for expected discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with credit terms which are consistent with market practice. The Group's obligation to replace or accept return of faulty products is recognised as a refund liability (included in trade and other payables) and a right to the returned goods (included in other current assets) is recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a category level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue from the sale of services relates mainly to transport services and is recognised when the underlying goods have been delivered. The Group is not entitled to payment until the delivery service has been completed. Revenue from other services provided by the Group is recognised when the service has been rendered with reference to completion of the specific transaction assessed on the basis of actual service provided as a proportion of total services to be provided.

The Group currently accepts returns from customers for damaged goods, with the corresponding refund liability recorded within trade and other receivables, unless a separate obligation to settle with the customer exists, in which case the liability is recorded in trade and other payables.

The Group bases its estimates of incentive rebates and settlement discounts on historical results. Variable consideration is calculated by applying percentages agreed with the customer to actual sales for the period.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Recognition of other income

Interest is recognised on a time proportion basis (taking into account the principal outstanding, the effective rate and the period), unless collectability is in doubt. Dividends are recognised when the right to receive payment is established.

12. Other income and expenses (continued)

12.1 Revenue (continued)

Segment revenue

R million	30 June 2023	30 June 2022 Restated
Consumer products		
RCL Foods[1]	**37 616**	32 038
Capevin[1]	**2 897**	2 620
Siqalo Foods	**3 748**	3 546
Industrial		
Wispeco	**3 813**	3 598
Other	**77**	74
Total revenue from continuing operations	**48 151**	41 876

Disaggregated revenue information

R million	30 June 2023	30 June 2022 Restated
RCL Foods[1]		
RCL Foods Value-Added Business	**24 760**	21 156
Groceries	**5 034**	4 732
Baking	**8 625**	7 423
Sugar	**11 101**	9 001
Rainbow	**13 464**	11 385
Sales between RCL Foods' business units	**(639)**	(530)
Group	**198**	190
	37 783	32 201
Capevin[1]		
Spirits	**2 632**	2 290
Other	**265**	330
	2 897	2 620
Siqalo Foods		
Spreads	**3 748**	3 546
Wispeco		
Extrusions and related products	**3 208**	3 050
Other	**605**	548
	3 813	3 598
Other	**77**	74
Elimination of intersegment revenue	**(167)**	(163)
Total revenue from continuing operations	**48 151**	41 876

(1) *During the year under review, RCL Foods disclosed Vector Logistics business as a discontinued operation and Distell sold the bulk of its business to Heineken Beverages with its continuing operations consisting of Capevin. Refer to note 10.10 for further details.*

Geographical segmental information: Revenue from continuing operations relating to Capevin and Wispeco amounting to R2 969 million (2022: R2 688 million), is derived from outside of South Africa.

12. Other income and expenses (continued)

12.2 Staff costs

Short-term employee benefits

Employee entitlements to leave are recognised when they accrue to employees involved. A creditor is created for the estimated liability for leave as a result of services rendered by employees up to the reporting date.

R million	30 June 2023	30 June 2022 Restated
Salaries and wages	**5 707**	5 394
Share-based payments	**172**	139
Pension costs – defined-contribution	**250**	231
Pension costs – defined-benefit	**(28)**	(23)
Post-employment medical benefits	**15**	13
Other	**509**	462
Staff costs included in results from continuing operations	**6 625**	6 216

12.3 Profit

R million	30 June 2023	30 June 2022 Restated
Continuing Operations		
Profit includes the following separately disclosable as well as significant income and expense items:		
Income		
Fair value adjustment – biological assets	**333**	360
Fair value adjustment – derivative instruments	**110**	292
Rental income – investment properties	**4**	4
Profit on sale and dilution of investments	**329**	394
Grindrod Shipping	**–**	198
Ad Dynamo	**(2)**	194
Grindrod Unbundling (includes reserves recycled)	**339**	–
Other	**(8)**	2
Net profit on the sale of property, plant and equipment	**16**	13
Loss allowances on loans	**–**	52
Exchange rate differences	**802**	29
Expenses		
Amortisation of intangible assets	**233**	238
Expenses – investment properties	**9**	7
Lease payments	**278**	253
Short-term leases	**167**	190
Low-value assets	**6**	3
Variable lease payments	**105**	60
Repairs and maintenance	**1 420**	1 175
Research and development costs written off	**18**	15
Auditors' remuneration – audit fees	**58**	47
– other services	**5**	5
Net impairment of investments, assets and goodwill	**(550)**	159
Investments (refer note 4.4)	**(53)**	168
Property, plant and equipment (refer note 10.1)	**(35)**	153
Intangible and other assets	**(462)**	(162)
Loss allowances on loans	**19**	–
Professional fees	**185**	158
Depreciation	**1 032**	944
Property, plant and equipment (refer note 10.1)	**1 027**	939
Investment properties (refer note 10.2)	**5**	5
Water, electricity and municipal services	**1 587**	1 396
Fuel and gas	**692**	475
Transportation and vehicle expenses	**950**	862
Advertising expenses	**861**	823
Sugar industry levy	**844**	406

13. Financial instruments

Financial instruments disclosed in the financial statements include cash and cash equivalents, investment in money market funds, financial assets at fair value, derivative instruments, debtors and short-term loans, trade and other payables and borrowings.

Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured at fair value through other comprehensive income;
- Those to be measured at fair value through profit and loss; and
- Those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies financial assets when, and only when, its business model for managing those assets changes.

The Group classifies its financial liabilities apart from derivatives as other financial liabilities. Derivative financial liabilities are classified as financial liabilities at fair value through profit and loss.

Measurement

Financial instruments are initially recognised at fair value, including directly attributable transaction costs, when the Group becomes party to the contractual terms of the instruments. Transaction costs relating to the acquisition of financial instruments held at fair value through profit and loss are expensed. Subsequent to initial recognition, financial instruments that are not measured at fair value are measured as follows:

Loans and receivables

These assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit and loss and presented in other gains/(losses), together with foreign exchange gains and losses.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is recognised at fair value and subsequently measured at the higher of the expected credit loss relating to the guarantee given and the amount initially recognised less accumulated amortisation, where appropriate.

Derecognition of financial instruments

Financial assets (or portions thereof) are derecognised when the Group realises the rights to the benefits specified in the contract, the rights expire or the Group surrenders or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial asset and proceeds receivable, as well as any prior adjustments to reflect fair value that had been recognised in other comprehensive income, are included in the income statement.

Financial liabilities (or portions thereof) are derecognised when the Group's obligation specified in the contract is discharged or cancelled, or has expired. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs and the amount paid for it is included in the income statement.

Fair value estimation

Financial instruments that are measured at fair value in the statement of financial position are disclosed by level of the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments traded in an organised financial market is measured at the applicable quoted prices. The fair value of the financial instruments that are not traded in an organised financial market is determined using a variety of methods and assumptions that are based on market conditions and risk existing at the reporting date, including independent appraisals and discounted cash flow methods. Fair values represent an approximation of possible value, which may differ from the value that will finally be realised.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

13. Financial instruments (continued)

13.1 Classes of financial instruments and fair value

Financial instruments on the statement of financial position include investments, investment in money market funds, loans receivable, debtors, cash, creditors, short-term loans, long-term loans and derivative instruments. Details of the nature, extent and terms of these instruments are explained in the notes to the relevant items.

The accounting policy for financial instruments was applied to the following statement of financial position line items:

Financial assets (R million)	*Non-financial assets*	*Loans and receivables*	*Financial assets at FVPL*	*Financial assets at FVOCI*	*Carrying value*	*Fair value*
30 June 2023						
Financial assets at FVOCI	**–**	**–**	**–**	**22 564**	**22 564**	**22 564**
Financial assets at FVPL	**–**	**–**	**179**	**–**	**179**	**179**
Long-term loans and debtors	**–**	**33**	**–**	**–**	**33**	**33**
Loans to equity accounted investments	**–**	**57**	**–**	**–**	**57**	**57**
Debtors and short-term loans	**460**	**3 358**	**–**	**–**	**3 818**	**3 818**
Investment in money market funds	**–**	**–**	**4 582**	**–**	**4 582**	**4 582**
Cash and cash equivalents	**–**	**6 047**	**–**	**–**	**6 047**	**6 047**
Assets held for sale	**6 644**	**–**	**–**	**–**	**6 644**	**6 644**
	7 104	**9 495**	**4 761**	**22 564**	**43 924**	**43 924**
30 June 2022						
Financial assets at FVOCI	–	–	–	20 650	20 650	20 650
Financial assets at FVPL	–	–	320	–	320	320
Long-term loans and debtors	–	155	–	–	155	155
Loans to equity accounted investments	–	115	–	–	115	115
Debtors and short-term loans	1 261	10 642	–	–	11 903	11 903
Investment in money market funds	–	–	5 700	–	5 700	5 700
Cash and cash equivalents	–	11 884	–	–	11 884	11 884
Assets held for sale	10	–	–	1 221	1 231	1 231
	1 271	22 796	6 020	21 871	51 958	51 958

13. Financial instruments (continued)

13.1 Classes of financial instruments and fair value (continued)

Financial liabilities (R million)	Non-financial liabilities	Liabilities at amortised cost	Financial liabilities at FVPL	Financial liabilities at FVOCI	Carrying value	Fair value
30 June 2023						
Long-term loans	**–**	**5 804**	**–**	**–**	**5 804**	**5 804**
Trade and other payables	**150**	**5 830**	**–**	**–**	**5 980**	**5 980**
Short-term loans	**–**	**6 431**	**–**	**–**	**6 431**	**6 436**
Current instruments at FVPL	**–**	**–**	**6**	**–**	**6**	**6**
Hedge derivatives	**–**	**–**	**92**	**–**	**92**	**92**
Liabilities held for sale	**3 997**	**–**	**–**	**–**	**3 997**	**3 997**
	4 147	**18 065**	**98**	**–**	**22 310**	**22 315**
30 June 2022						
Long-term loans	–	11 693	–	–	11 693	12 508
Trade and other payables	286	15 739	–	–	16 025	16 025
Short-term loans	–	2 681	–	–	2 681	2 681
Current instruments at FVPL	–	–	33	–	33	33
Hedge derivatives	–	–	51	–	51	51
Liabilities held for sale	156	–	–	239	395	395
	442	30 113	84	239	30 878	31 693

Fair value

Except for the current term-funded debt package (refer to note 6.1) with a fair value of R1 680 million (2022: R2 040 million), the fair value of the financial instruments approximates their carrying value on 30 June 2023 and 30 June 2022.

Fair value estimation

The following methods and assumptions are used to determine the fair value of each class of financial instrument:

- Financial instruments at fair value and investment in money market funds: Fair value is based on quoted market prices or, in the case of unlisted instruments, appropriate valuation methodologies, being discounted cash flows, liquidation valuation or actual net asset value of the investment.
- Cash and cash equivalents, debtors, creditors and short-term loans: Due to the expected short-term maturity of these financial instruments, their carrying values approximate their fair values.
- Borrowings: The fair value of long-term borrowings is based on discounted cash flows using the effective interest rate method. As the interest rates of long-term borrowings are all market-related, their carrying values approximate their fair values.
- Derivative instruments: The fair values of derivative instruments, which are included in financial instruments at FVPL, are determined by using appropriate valuation methodologies and mark-to-market valuations.

13. Financial instruments (continued)

13.1 Classes of financial instruments and fair value (continued)

Fair value estimation (continued)

The following table illustrates the fair values of financial assets that are measured at fair value, by hierarchy level:

R million	*Level 1*	*Level 2*	*Level 3*	Total
30 June 2023				
Assets				
Non-current assets				
Financial assets at FVOCI	**20 246**	**3**	**2 315**	**22 564**
Financial assets at FVPL	**–**	**–**	**150**	**150**
Current assets				
Financial assets at FVPL	**–**	**29**	**–**	**29**
Investment in money market funds	**4 582**	**–**	**–**	**4 582**
	24 828	**32**	**2 465**	**27 325**
30 June 2022				
Assets				
Non-current assets				
Financial assets at FVOCI	18 248	–	2 402	20 650
Financial assets at FVPL	–	–	242	242
Current assets				
Financial assets at FVPL	–	78	–	78
Investment in money market funds	5 700	–	–	5 700
	23 948	78	2 644	26 670

Reconciliation of carrying value of level 3 assets at the beginning and end of the year (R million)	*Financial assets at FVOCI*	*Financial assets at FVPL*	Total
Balances at 1 July 2021	2 406	214	2 620
Additions	243	–	243
Disposals	(258)	–	(258)
Exchange rate adjustment	176	28	204
Fair value adjustments through other comprehensive income	(165)	–	(165)
Balances at 30 June 2022	2 402	242	2 644
Additions	**306**	**–**	**306**
Disposals	**(415)**	**–**	**(415)**
Business disposed	**(38)**	**–**	**(38)**
Exchange rate adjustment	**203**	**35**	**238**
Fair value adjustments through other comprehensive income	**(143)**	**–**	**(143)**
Fair value adjustments through profit and loss	**–**	**(127)**	**(127)**
Balances at 30 June 2023	**2 315**	**150**	**2 465**

Level 3 financial assets consist mainly of investments in the Milestone China entities (Milestone), Asia Partners Fund I LP and Asia Partners Fund II LP (Asia Partners) and the Pembani Remgro Infrastructure Fund (PRIF) amounting to R738 million (2022: R835 million), R658 million (2022: R398 million) and R325 million (2022: R615 million), respectively. These investments are all valued based on the fair value of each investment's underlying assets, which are valued using a variety of valuation methodologies. Listed entities are valued at the last quoted share price on the reporting date, whereas unlisted entities' valuation methods include discounted cash flow valuations, appropriate earnings and revenue multiples.

Milestone's fair value consists of two listed investments (11%), cash and cash equivalents (2%) and unlisted investments (87%) (2022: 27%, 1% and 72%, respectively). Asia Partners consist of cash balances and seven different investments of which 80% is measured using option pricing models. PRIF's six assets were valued using the discounted cash flow method.

The investments in LifeQ and Bolt were valued at R202 million and R257 million, respectively, at 30 June 2023 (2022: R240 million and R210 million, respectively).

Remgro's unlisted investments classified as level 3 financial instruments are widely held. Accordingly, changes in the assumptions used to value the above-mentioned unlisted investments will not have a significant impact on Remgro's financial statements.

13. Financial instruments (continued)

13.1 Classes of financial instruments and fair value (continued)

The following table illustrates the fair values of financial liabilities that are measured at fair value, by hierarchy level:

R million	*Level 1*	*Level 2*	*Level 3*	Total
30 June 2023				
Current instruments at FVPL	**–**	**6**	**–**	**6**
Hedge derivatives	**–**	**92**	**–**	**92**
	–	**98**	**–**	**98**
30 June 2022				
Current instruments at FVPL	–	33	–	33
Hedge derivatives	–	51	–	51
	–	84	–	84

13.2 Financial instruments and risk management

Various financial risks have an impact on the Group's results: market risk (including price risk, interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Company and its subsidiaries' risk management programmes, of which key aspects are explained below, acknowledge the unpredictability of financial markets and are aimed to minimise any negative effect thereof. Derivative instruments are used to hedge against certain financial risk exposures.

Remgro's risk management is performed by its central treasury department in terms of policy that was approved by the Board of Directors. A Treasury Committee identifies, evaluates and hedges financial risks in terms of the Group's risk appetite, sets risk limits and monitors compliance with policy and procedures. The committee is assisted by the internal audit department that regularly, and on an *ad hoc* basis, reviews risk management controls and procedures. It is the responsibility of the Remgro Audit and Risk Committee to supervise these functions and assess the appropriateness of risk management strategies.

Risk management at subsidiary level is performed by the respective subsidiaries themselves and Remgro's Board of Directors monitors this on a continuous basis through representation on the subsidiaries' boards.

Relevant financial risks and risk management programmes are summarised as follows:

Market risk

Price risk

Exposure to price risk is due to investments in listed and unlisted shares which are classified as either FVOCI or FVPL, investment in money market funds and investments in commodity future contracts.

Equity investments at FVOCI consist primarily of FirstRand, Momentum Metropolitan and Discovery. The FirstRand investment is partially hedged, the details of which are disclosed in note 6.5. Other investments at FVOCI consist mainly of the investments in BAT, PRIF, Prescient China Equity Fund and the Milestone China Funds, the details of which are disclosed in note 4.3. Investments at FVPL consist mainly of put option derivatives, the investment in LIVEKINDLY and interest rates swaps, the details of which are disclosed in note 6.4. The Management Board monitors all these investments continuously and makes recommendations to the Investment Committee and the Board of Directors in this regard.

Investment in money market funds consists mainly of interest-bearing liquid investments with a low risk. Refer to note 5.1 for further details.

Some operating subsidiaries have commodity options and future contracts that are influenced by the prices of the underlying commodities. The Board of Directors monitors this through representation on the subsidiaries' boards.

13. Financial instruments (continued)

13.2 Financial instruments and risk management (continued)

Market risk (continued)

Foreign exchange risk

Certain subsidiaries operate internationally and are therefore exposed to foreign currency risk due to commercial transactions and offshore borrowings denominated in foreign currencies. These risks are limited by using foreign exchange contracts when deemed necessary.

The Group is also exposed to foreign exchange translation risk through its investment in money market funds (note 5.1) and foreign cash (note 5.2).

The Board of Directors monitors the exposure on money market funds, foreign cash and offshore debt on a regular basis and the risk is limited through the diversification in foreign currencies.

Interest rate risk

Due to significant cash investments, movements in market interest rates influence income. The profile of the cash and cash equivalents is explained in note 5.2. Interest rate risk is managed by Remgro's treasury department, as well as the respective subsidiaries, by using approved counter parties that offer the best rates.

The Company and its subsidiaries are also exposed to interest rate risk due to long-term and short-term debt. The interest rate profile of the liabilities is disclosed in note 6.1.

The Group's sensitivity to market risk

The following table illustrates the sensitivity of the Group's profit and other comprehensive income to market risk if markets change with the following percentages:

	30 June 2023			30 June 2022		
	Change	***Income statement*** **R million**	***Equity*** **R million**	*Change*	*Income statement* R million	*Equity* R million
Interest rates	**+2.0%**	**133**	**–**	+2.0%	200	–
Foreign exchange	**+5.0%**	**(28)**	**314**	+5.0%	(37)	311
Equity prices	**+10.0%**	**11**	**1 432**	+10.0%	17	1 508

The above sensitivity analysis was calculated with reference to the carrying value of financial instruments at year-end and a possible change in the market risk factor.

Credit risk

The Group's exposure to credit risk is the fair value of loans, loans to equity accounted investments and other investee companies, debtors, short-term loans, derivative instruments, investments in money market funds and cash and cash equivalents as indicated above, as well as financial guarantee contracts.

Loans receivable

Management continuously assesses the credit risk of loans to equity accounted investments through its representation on the respective boards. The credit risk of loans to other investee companies is assessed through regular reporting from the respective investee companies. Loans to equity accounted investments and other investee companies are within their mandated terms. The loss allowances for loans to external parties are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions, as well as forward looking estimates at the end of each reporting period.

Trade receivables

No significant concentration of credit risk existed regarding debtors, as customers are spread over a wide geographical area. Policies and procedures are in place ensuring that sales occur only to customers with an acceptable credit history. Other debtors consist mainly of dividends receivable.

13. Financial instruments (continued)

13.2 Financial instruments and risk management (continued)

Credit risk (continued)

Trade receivables (continued)

The Group applies the simplified approach for providing the expected credit losses prescribed by *IFRS 9*, which permits the use of lifetime expected loss provision for all trade receivables.

Capevin and RCL Foods are Remgro subsidiaries with significant trade receivables.

Capevin has no insured trade receivables, holds no collateral as security and there is a cession, as per note 10.8, on trade receivables. Credit granting is controlled by a robust application process and credit limits are assigned and are updated continuously taking into account financial position, past experience and other factors.

Capevin's provision matrix of the lifetime expected loss allowance for trade debtors as at 30 June 2023 is as follows:

	Current	*Up to 60 days past due*	*Up to 90 days past due*	*Above 90 days past due*	**Total**
International	**0.0%**	**0.0%**	**0.0%**	**53.7%**	**2.1%**
South African	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
	0.0%	**0.0%**	**0.0%**	**53.7%**	**2.0%**

Capevin's gross carrying amount of trade debtors per risk segment for the current financial year is as follows:

R million	*Current*	*Up to 60 days past due*	*Up to 90 days past due*	*Above 90 days past due*	**Total**
International	**458**	**22**	**3**	**20**	**503**
South African	**36**	**–**	**–**	**–**	**36**
	494	**22**	**3**	**20**	**539**

13. Financial instruments (continued)

13.2 Financial instruments and risk management (continued)

Credit risk (continued)

Trade receivables (continued)

RCL Foods' exposure to credit risk with regards to trade and other receivables is influenced mainly by the individual characteristics of each customer and there is no significant concentration of risk related to industry segments. The granting of credit is controlled by well-established criteria that are reviewed on a regular basis. The terms granted to trade debtors are determined by the respective credit policies of each operating subsidiary. The maximum exposure to credit risk at the reporting date is the carrying amount of each trade receivable and amounts guaranteed as disclosed in note 10.8.

In the current year, 85.2% (2022: 94.6%) of the RCL Foods' trade debtors from continuing operations, which have not been specifically impaired, have been covered by credit insurance. The RCL Foods Value-Added Business segment business units (Groceries, Baking and Sugar) trade debtors are covered by Lombard Insurance on all debtors balances in excess of R50 000 which covered 97.6% of their debtors in the current financial year (2022: 100%). Animal Feed debtors within the Rainbow segment are covered by Lombard Insurance on all debtors balances in excess of R50 000 which covered 100% of their debtors in the current financial year (2022: 99.6%). The Rainbow and a portion of the RCL Foods Value-Added Business segment trade debtors represent large retail customers assessed as being a low risk of default. Rainbow and Groceries segment trade debtors are managed by the Vector Logistics segment and subject to the covers that Vector Logistics has in place. Credit insurance premiums are paid on a monthly basis based on net invoiced sales. The credit policy requires each new customer to be analysed individually for creditworthiness before delivery and payment terms are offered. RCL Foods review includes external ratings where available and in some cases bank references. Limits are established for each customer which represents the maximum trading amount without requiring further approval. These limits are reviewed on an ongoing basis. Customers that fail to meet the RCL Foods' benchmark creditworthiness may transact with RCL Foods on a cash basis. Customers that default on payments are closely monitored and put on "stop supply" if required.

Remgro's loss allowance is as follows:

Loss allowance matrix (R million)	*Low risk of defaults*	*Insured trade receivables*	*Trade receivables specifically provided*	*Current*	*Up to 60 days past due*	*More than 60 days past due*	30 June 2023 Total
Gross carrying amount							
Capevin	–	–	–	**494**	**22**	**23**	**539**
RCL Foods	**(271)**	**910**	**25**	**787**	**133**	**5**	**1 589**
Wispeco	–	–	–	**315**	**36**	**12**	**363**
Siqalo Foods	**36**	–	–	–	–	–	**36**
Other	**205**	–	–	–	–	–	**205**
	(30)	**910**	**25**	**1 596**	**191**	**40**	**2 732**
Loss allowance							
Capevin				–	–	**11**	**11**
RCL Foods				**2**	**2**	**1**	**5**
Wispeco				–	**9**	**11**	**20**
Siqalo Foods				**n/a**	**n/a**	**n/a**	**n/a**
				2	**11**	**23**	**36**
Specific allowance							
RCL Foods							**21**
Total loss allowance							**57**
Expected loss rate							
Capevin				**0.00%**	**0.00%**	**45.68%**	
RCL Foods				**0.25%**	**1.27%**	**13.99%**	
Wispeco				**0.25%**	**25.71%**	**90.89%**	
Siqalo Foods				**n/a**	**n/a**	**n/a**	
				0.17%	**5.70%**	**55.41%**	

13. Financial instruments (continued)

13.2 Financial instruments and risk management (continued)

Credit risk (continued)

Trade receivables (continued)

Loss allowance matrix (R million)	*Low risk of defaults*	*Insured trade receivables*	*Trade receivables specifically provided*	*Current*	*Up to 60 days past due*	*More than 60 days past due*	30 June 2022 Total
Gross carrying amount							
Distell	–	–	–	3 590	285	335	4 210
RCL Foods	142	2 624	38	2 206	72	32	5 114
Wispeco	–	–	–	291	98	11	400
Siqalo Foods	854	–	–	–	–	–	854
	996	2 624	38	6 087	455	378	10 578
Loss allowance							
Distell				37	12	148	197
RCL Foods		1		2	1	2	6
Wispeco				2	15	8	25
Siqalo Foods				n/a	n/a	n/a	n/a
		1		41	28	158	228
Specific allowance							
RCL Foods							23
Total loss allowance							251
Expected loss rate							
Distell				1.02%	4.12%	44.30%	
RCL Foods				0.10%	0.76%	6.41%	
Wispeco				0.69%	15.04%	75.61%	
Siqalo Foods				n/a	n/a	n/a	
				0.67%	5.94%	42.01%	

Derivative instrument transactions and cash investments

Derivative instruments consist mainly of the zero cost collar described in note 6.5, as well as collars, commodity option contracts and foreign exchange contracts as described in note 6.4. Derivative instruments are limited to transactions with financial institutions with an acceptable credit rating. Remgro's Treasury Committee and/or the respective subsidiaries approve these institutions and determine the limit of credit exposure of each separate entity.

Investment in money market funds and cash and cash equivalents are only held by approved institutions with acceptable creditworthiness. The Treasury Committee sets the limit for each financial institution. Refer to the investment in money market funds note (note 5.1) and cash and cash equivalents note (note 5.2) for additional information.

13. Financial instruments (continued)

13.2 Financial instruments and risk management (continued)

Liquidity risk

Debt levels within the Group are monitored on a continuous basis. The Company and its subsidiaries have substantial cash balances at their disposal and adequate credit facilities that limit their liquidity risk. Liquidity risk is further limited due to the fact that the Company also has substantial investments which can be realised on short notice.

The following schedule indicates the repayment terms of outstanding debt:

			Non-discounted cash flow		
Financial liabilities (R million)	*Carrying value*	*Contractual cash flow*	*0 to 12 months*	*1 to 5 years*	*5 years and longer*
30 June 2023					
Long-term loans	**5 804**	**6 424**	**–**	**6 335**	**89**
Trade and other payables	**5 980**	**5 980**	**5 980**	**–**	**–**
Short-term loans	**6 431**	**6 496**	**6 496**	**–**	**–**
Current instruments at FVPL	**6**	**6**	**6**	**–**	**–**
Financial guarantee	**–**	**15**	**15**	**–**	**–**
	18 221	**18 921**	**12 497**	**6 335**	**89**
30 June 2022					
Long-term loans	11 693	11 912	–	11 773	139
Trade and other payables	16 025	16 025	16 025	–	–
Short-term loans	2 681	3 028	3 028	–	–
Current instruments at FVPL	33	456	456	–	–
Financial guarantee	–	25	25	–	–
	30 432	31 446	19 534	11 773	139

14. Related parties

Related parties that have been identified consist of subsidiaries, equity accounted investments, key management personnel and certain shareholders. Details of these parties and transactions with them are disclosed below.

14.1 Related party transactions

R million	**30 June 2023**	30 June 2022
Transactions of Remgro Limited and its subsidiaries with:		
Principal shareholder		
Dividends	**(70)**	(43)
Equity accounted investments		
Interest received	**15**	12
Interest paid	**(30)**	(20)
Dividends received	**(1 459)**	12 304
Administration fees received	**19**	17
Administration fees paid	**–**	–
Sales	**327**	154
Purchases	**(1 375)**	(1 306)
Corporate finance transactions and underwriting fees paid	**(13)**	(12)
Key management personnel (refer note 9)		
Salaries and other benefits	**(39)**	(37)
Retirement benefits	**(6)**	(6)
Share-based payments	**53**	18
Balances due from/(to) related parties:		
Equity accounted investments	**(154)**	(179)
Equity accounted investments	**375**	416

No security is given for any outstanding balances. No provisions for expected credit losses against outstanding balances with related parties have been made. This has been assessed and considered to be immaterial. No bad debt of related parties has been written off during the year.

14. Related parties (continued)

14.2 Principal subsidiaries

Name of company Incorporated in South Africa unless otherwise stated		Share capital R (unless otherwise stated)	Effective interest 30 June 2023 %	30 June 2022 %
Capevin Holdings Proprietary Limited[(1)]		11 563 565 000	**31.6**	–
Distell Group Holdings Limited[(2)]	*	–	**–**	31.7
Eikenlust Proprietary Limited		100	**100.0**	100.0
Energy Exchange of Southern Africa Proprietary Limited		76 491 730	**75.0**	79.7
Enerweb Proprietary Limited		1 000	**38.3**	51.0
Entek Investments Proprietary Limited		16 029 279	**100.0**	100.0
Historical Homes of South Africa Limited		555 000	**65.8**	65.8
Industrial Electronic Investments Proprietary Limited		1 000	**100.0**	100.0
Industrial Partnership Investments Proprietary Limited		125 000	**100.0**	100.0
Invenfin Proprietary Limited		100	**100.0**	100.0
IPI (Overseas) Limited – Jersey		918 530 004	**100.0**	100.0
IPROP Holdings Limited – British Virgin Islands	(USD)	4 882 892	**100.0**	100.0
Metkor Group Proprietary Limited		82 978 237	**100.0**	100.0
Millennia Jersey Limited – Jersey	(GBP)	458 000 000	**100.0**	100.0
Partnership in Mining Proprietary Limited		100	**100.0**	100.0
RCL Foods Limited	*	10 340 766 000	**80.2**	80.3
Remgro Beverages Proprietary Limited		8 940 134 267	**100.0**	100.0
Remgro Finance Corporation Proprietary Limited		958 430	**100.0**	100.0
Remgro Health Limited – Jersey	(GBP)	100 000 000	**100.0**	100.0
Remgro Healthcare Holdings Proprietary Limited		36 543 642 592	**100.0**	100.0
Remgro International Holdings Proprietary Limited		2	**100.0**	100.0
Remgro International Limited – Jersey		5 014 710 000	**100.0**	100.0
Remgro Investment Corporation Proprietary Limited		100	**100.0**	100.0
Remgro Jersey GBP Limited – Jersey	(GBP)	100 000 000	**100.0**	100.0
Remgro Loan Corporation Proprietary Limited		700	**100.0**	100.0
Remgro Management Services Limited		100	**100.0**	100.0
Remgro South Africa Proprietary Limited		48 614	**100.0**	100.0
Remgro Sport Investments Proprietary Limited		100	**100.0**	100.0
Remgro USA Limited – Jersey	(USD)	2	**100.0**	100.0
Remont Proprietary Limited		100	**100.0**	100.0
Robertsons Holdings Proprietary Limited		1 000	**100.0**	100.0
RPII Holdings Proprietary Limited		8 600 000	**100.0**	100.0
SEACOM SA SPV Proprietary Limited		100	**100.0**	100.0
Siqalo Foods Proprietary Limited		1	**100.0**	100.0
Stellenbosch Academy of Sport Proprietary Limited		2	**100.0**	100.0
TSB Sugar Holdings Proprietary Limited		7 532 040 746	**100.0**	100.0
V&R Management Services AG – Switzerland	(CHF)	100 000	**100.0**	100.0
VenFin Holdings Limited – Jersey	(USD)	88 578 773	**100.0**	100.0
VenFin Proprietary Limited		2 849 304 076	**100.0**	100.0
VenFin Media Investments Proprietary Limited		2	**100.0**	100.0
Wispeco Holdings Proprietary Limited		11 641 000	**100.0**	100.0

Details of income and investments in subsidiaries are disclosed in the Company's separate Annual Financial Statements.

(GBP) British pound
(USD) USA dollar
(CHF) Swiss franc
** Listed company*

(1) *Remgro owns all of the unlisted B-shares issued by Capevin. These shares carry voting rights only and, in conjunction with the ordinary shares held, Remgro has voting rights of 55.9% in Capevin. This was previously held indirectly through Distell.*

(2) *Remgro previously owned all of the unlisted B-shares issued by Distell. These shares carried voting rights only and, in conjunction with the ordinary shares held, Remgro had voting rights of 56.4% until 26 April 2023 in Distell.*

A complete register of subsidiaries is available for inspection at the registered office of the Company.

14. Related parties (continued)

14.3 Principal equity accounted investments

Name of company **Incorporated in South Africa unless otherwise stated**	**Listed (L)/ Unlisted (U)**	**30 June 2023** **Shares held**	**30 June 2023** **Effective interest %**	30 June 2022 Shares held	30 June 2022 Effective interest %
Healthcare					
Mediclinic International plc – UK	L	**–**	**–**	328 497 888	44.6
Manta Bidco Limited – UK	U	**372 574 637**	**50.0**		
Consumer products					
Heineken Beverages Holdings Limited	U	**75 460 929**	**18.8**	–	–
Financial services					
OUTsurance Group Limited	L	**469 448 728**	**30.6**	469 448 728	30.6
Business Partners Limited	U	**76 276 317**	**44.1**	76 276 317	44.1
Infrastructure					
Community Investment Ventures Holdings Proprietary Limited	U	**392 141**	**57.0**	392 141	57.0
Grindrod Limited	L	**–**	**–**	173 183 235	25.9
SEACOM Capital Limited – Mauritius	U	**1 000**	**30.0**	1 000	30.0
Industrial					
Air Products South Africa Proprietary Limited	U	**4 500 000**	**50.0**	4 500 000	50.0
TotalEnergies Marketing Proprietary Limited	U	**12 872 450**	**24.9**	12 872 450	24.9
PGSI Limited – BVI	U	**26 297 697**	**37.7**	26 297 697	37.7
Media					
eMedia Investments Proprietary Limited	U	**17 730 595**	**32.3**	17 730 595	32.3
Diversified investment vehicles					
Kagiso Tiso Holdings Proprietary Limited (RF) (KTH)	U	**325 892**	**43.5**	325 892	43.5

Details of investments in and income from equity accounted investments are disclosed in note 4.1.

All these investments were equity accounted.

BVI – British Virgin Islands
UK – United Kingdom

Details of investments which are not material to the evaluation of the business of the Group, are not shown.

14.4 Key management personnel

Only Remgro's directors and members of the Management Board are key management personnel. Information on directors' emoluments and their shareholding in the Company appears in notes 8 and 9 as well as on page 133.

14.5 Shareholders

A detailed analysis of shareholders appears on pages 131 and 132.

15. Business acquired

15.1 Sunshine Bakery Proprietary Limited (Sunshine)

During the 2023 financial year RCL Foods, via its subsidiary Foodcorp Proprietary Limited (Foodcorp), acquired a 100% holding in Sunshine, a baking business with a presence in KwaZulu-Natal. This acquisition was effective from 1 March 2023. The investment in Sunshine is expected to strengthen the ability of the RCL Foods' group to enter and expand into the KwaZulu-Natal bread market.

The acquisition of Sunshine was considered a business combination in terms of *IFRS 3: Business Combinations*. The acquisition consisted of the assets and employees (and related liabilities). The purchase consideration was R245 million and the purchase agreement includes contingent consideration of R135 million. During the 2023 financial year, goodwill amounting to R119 million was recognised which relates to the expected synergies from the combined business of scale and expansion into the KwaZulu-Natal bread market.

The provisional fair value of the major classes of assets and liabilities acquired, is as follows:

R million	At acquisition date
Assets	
Property, plant and equipment (refer note 10.1)	**121**
Intangible assets (refer note 10.3)	**105**
Inventories	**9**
Trade and other receivables	**15**
Cash and cash equivalents	**30**
Taxation	**2**
Liabilities	
Lease liabilities	**(78)**
Deferred taxation (refer note 11.1)	**(37)**
Trade and other payables	**(41)**
Fair value of net assets acquired	**126**
Goodwill (refer note 10.3)	**119**
Total purchase consideration	**245**
Cash outflow on acquisition	**(215)**
Cash and cash equivalents of business acquired	**30**
Cash consideration paid	**(245)**

R million	30 June 2023
Revenue	**199**
Operating loss	**(6)**
Loss before tax	**(9)**

Acquisition related costs amounting to R8 million have been incurred in the current financial year.

16. Events after year-end

Treasury shares

Pursuant to a general share repurchase programme of R1 billion, Remgro, through a wholly owned subsidiary, acquired 6 583 676 Remgro ordinary shares in the open market between 19 June 2023 and 2 August 2023 (Remgro repurchased shares). These shares represent 1.2% of the Company's issued ordinary shares immediately prior to the repurchase. At 30 June 2023, 1 882 333 Remgro repurchased shares had been acquired at an average price of R145.62 per share for a total amount of R274 million. Subsequent to 30 June 2023 another 4 701 343 Remgro repurchased shares were acquired at an average price of R154.40 per share for a total amount of R726 million. The share repurchase programme was completed on 2 August 2023. These Remgro repurchased shares were acquired as part of an ongoing strategic focus on returning value to shareholders through a disciplined capital allocation plan.

RCL Foods: Sale of Vector Logistics

The sale of the RCL Foods' Vector Logistics segment, which has been presented as held for sale at 30 June 2023, was finalised on 28 August 2023, resulting in a net cash receipt of R1 307 million, comprising the purchase price of R1 250 million, plus interest and less the post-tax share option liability of Vector Logistics. The purchase price is subject to certain EBITDA targets being met, which may result in a future upwards or downwards adjustment of up to R100 million in the purchase price. The transition of Vector Logistics out of RCL Foods and its shared services platform is expected to take place over the next 12 months.

Capevin: Termination of Gordon's Gin distribution agreement

The Gordon's Gin and Pimm's No1 Cup distribution agreement, which has been presented as held for sale at 30 June 2023, was included in the remaining assets that were allocated to Capevin as part of the Distell/Heineken transaction. On 19 July 2023 the Competition Commission of South Africa approved the proposed transaction, whereby this distribution agreement will be terminated in favour of the brand owner Diageo, without conditions. The consideration amounts to R1 billion, of which R700 million was received on 4 August 2023. The outstanding amount of R300 million is payable over the next 10 months subject to achieving certain thresholds relating to the continued supply and manufacturing of the products by Capevin to Diageo.

Other than the above-mentioned events, there were no other significant events subsequent to 30 June 2023.

17. New accounting standards and interpretations

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 30 June 2023, but not yet effective on that date.

Published standards, amendments and interpretations not yet effective and not early adopted:

The following new accounting standards, interpretations and amendments will not have a material impact on the financial statements:

- IFRS 17: Insurance Contracts

  (effective date – financial periods commencing on/after 1 January 2023)
  The IASB issued *IFRS 17: Insurance contracts,* and thereby started a new era of accounting for insurers. Whereas the current standard, *IFRS 4*, allows insurers to use their local GAAP, *IFRS 17* defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to *IFRS 17* will have an impact on financial statements and on key performance indicators.

  Under *IFRS 17*, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.

  Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contracts, including those with a coverage period of one year or less.

  For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.

- IFRS 17: Insurance Contracts

  (effective date – financial periods commencing on/after 1 January 2023)
  In response to some of the concerns and challenges raised, the IASB developed targeted amendments and several proposed clarifications intended to ease implementation of *IFRS 17*, simplify some requirements of the standard and ease transition. The amendments are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway.

17. New accounting standards and interpretations (continued)

Published standards, amendments and interpretations not yet effective and not early adopted (continued):

- Amendment to *IAS 1: Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)*

  (effective date – financial periods commencing on/after 1 January 2024)

  The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).

  The amendment also clarifies what *IAS 1* means when it refers to the 'settlement' of a liability.

- Amendments to *IAS 1: Presentation of Financial Statements, Practice Statement 2* and *IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors*

  (effective date – financial periods commencing on/after 1 January 2023)

  The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

- Amendments to *IAS 1: Presentation of Financial Statements (Non-current Liabilities with Covenants)*

  (effective date – financial periods commencing on/after 1 January 2024)

  Amendments to *IAS 1* which requires entities to consider the compliance with financial covenants on its debt. The classification of debt a current or non-current based on the future ability of the entities to comply with financial covenants is not affected, however entities are required to disclose details of these covenants.

- Amendment to *IAS 12: Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)*

  (effective date – financial periods commencing on/after 1 January 2023)

  The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

- Amendment to *IAS 12: Income Taxes (International Tax Reform - pillar two model rules)*

  (effective date – financial periods commencing on/after 1 January 2023)

  These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

- Amendments to *IAS 7: Statement of Cash Flows* and *IFRS 7: Financial Instruments: Disclosures*

  (effective date – financial periods commencing on/after 1 January 2024)

  These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' suppliers finance arrangements are not sufficiently visible, hindering investors' analysis.

- Amendments to *IFRS 16: Leases*

  (effective date – financial periods commencing on/after 1 January 2024)

  These amendments include requirements for sale and leaseback transactions in *IFRS 16* to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

STATEMENT OF Financial Position

at 30 June 2023

R million	Notes	30 June 2023	30 June 2022
Assets			
Non-current assets			
Investments – Subsidiaries	2	**10 870**	10 870
– Equity accounted investment	3	**14 224**	13 069
– At fair value through other comprehensive income (FVOCI)	4	**18 111**	15 981
Intergroup debt	5	**13 492**	–
		56 697	39 920
Current assets		**4 372**	16 912
Intergroup debt	5	**4 371**	16 671
Trade and other receivables	6	**1**	241
Assets held for sale	6	**–**	1 198
Total assets		**61 069**	58 030
Equity and liabilities			
Stated capital	7	**13 416**	13 416
Fair value reserve		**(1 027)**	(2 632)
Fair value hedge reserve		**(72)**	(187)
Retained earnings		**45 256**	43 801
Shareholders' equity		**57 573**	54 398
Non-current liability			
Deferred taxation	11	**3 146**	2 793
Hedge derivatives		**92**	–
Current liabilities		**258**	444
Financial guarantees	9	**235**	407
Trade and other payables	5, 8	**23**	23
Taxation		**–**	14
Liabilities held for sale	6	**–**	395
Total equity and liabilities		**61 069**	58 030

INCOME STATEMENT

for the year ended 30 June 2023

R million	Note	30 June 2023	30 June 2022
Dividend revenue		**2 988**	12 067
Guarantee fee income		**173**	154
Loss on distribution of investment		**(152)**	–
Hedge instrument expense		**–**	(177)
Other net operating expenses		**(48)**	(29)
Reversal of impairment/(impairment) of equity accounted investment		**1 155**	(1 155)
Net profit before taxation		**4 116**	10 860
Taxation	11	**(7)**	–
Net profit for the year		**4 109**	10 860

STATEMENT OF Comprehensive Income
for the year ended 30 June 2023

R million	**30 June 2023**	30 June 2022
Net profit for the year	**4 109**	10 860
Other comprehensive income, net of tax	**1 729**	(3 068)
Items that may be reclassified subsequently to the income statement:		
Fair value adjustment for the year	**(98)**	(411)
Deferred taxation on fair value adjustment	**(32)**	(59)
Items that will not be reclassified to the income statement:		
Fair value adjustments for the year	**2 137**	(534)
Deferred taxation on fair value adjustments	**(166)**	(1 244)
Deferred taxation on taxable capital loss	**–**	(809)
Capital gains taxation on disposal of FVOCI investment	**(112)**	(11)
Total comprehensive income for the year	**5 838**	7 792

STATEMENT OF Changes in Equity
for the year ended 30 June 2023

R million	***Stated capital***	***Derivative fair value reserve***	***Fair value reserve***	***Fair value hedge reserve***	***Retained earnings***	**Total**
Balances at 1 July 2021	13 416	(168)	879	(216)	33 320	47 231
Total comprehensive income for the year	–	168	(2 598)	(638)	10 860	7 792
Transfer of realised reserves of FVOCI investment to retained earnings	–	–	(913)	667	246	–
Dividends paid	–	–	–	–	(625)	(625)
Balances at 30 June 2022	13 416	–	(2 632)	(187)	43 801	54 398
Total comprehensive income for the year	**–**	**–**	**1 859**	**(130)**	**4 109**	**5 838**
Transfer of realised reserves of FVOCI investments to retained earnings	**–**	**–**	**(254)**	**245**	**9**	**–**
Dividends paid	**–**	**–**	**–**	**–**	**(1 023)**	**(1 023)**
Dividend *in specie* (Unbundling of Grindrod)	**–**	**–**	**–**	**–**	**(1 640)**	**(1 640)**
Balances at 30 June 2023	**13 416**	**–**	**(1 027)**	**(72)**	**45 256**	**57 573**

STATEMENT OF Cash Flows

for the year ended 30 June 2023

R million	Notes	30 June 2023	30 June 2022
Cash flows – operating activities			
Net profit before taxation		**4 116**	10 860
Adjustments	12	**(4 164)**	(11 066)
Operating loss before working capital changes		**(48)**	(206)
Working capital changes	12	**240**	(2)
Cash generated/(utilised) by operations		**192**	(208)
Dividends received		**1 210**	1 450
Dividends paid		**(1 023)**	(625)
Taxation paid	12	**(133)**	(16)
Cash inflow/(outflow) from operating activities		**246**	601
Cash flows – investing activities			
Addition to investments		**(14)**	–
Proceeds on disposal of investment		**959**	1 798
Increase in intergroup debt		**(6 996)**	(3 640)
Decrease in intergroup debt		**5 805**	1 241
Cash inflow/(outflow) from investing activities		**(246)**	(601)
Net increase/(decrease) in cash and cash equivalents		**–**	–
Cash and cash equivalents at the beginning of the year		**–**	–
Cash and cash equivalents at the end of the year[(1)]		**–**	–

(1) *Cash and cash equivalents at year end is less than R1 million.*

NOTES TO THE Annual Financial Statements

for the year ended 30 June 2023

1. Accounting policies

The Annual Financial Statements are prepared on the historical cost basis, unless otherwise indicated, in accordance with International Financial Reporting Standards, the requirements of the Companies Act (No. 71 of 2008), as amended and the Listings requirements of the JSE. The accounting policies are consistent with those of the previous year. Refer to note 1 of the consolidated Annual Financial Statements for detailed accounting policies.

(I) Dividend revenue

Remgro is an investment holding company. Dividends are received in the ordinary course of business and thus constitute revenue.

2. Investments – subsidiaries

R million	**30 June 2023**	30 June 2022
Unlisted shares – at cost	**40 279**	40 279
Less: Provision for impairment	**(29 409)**	(29 409)
	10 870	10 870

The provision for impairment recognised during the prior financial years relates to the investment in Remgro Healthcare Holdings Proprietary Limited (RHH). RHH and its subsidiaries are shareholders in Mediclinic, thus the recoverable amount of the investment in RHH is derived from that of Mediclinic. The investment was impaired following regulatory changes in the Mediclinic's Switzerland business that affected its profitability since the 2019 financial year. Subsequently, the business was also severely impacted by the Covid-19 pandemic. While the Switzerland business is adapting to the new business environment and is recovering after the pandemic, its profitability has not yet improved sufficiently to warrant a reversal of the impairment. Consequently, the impairment relating to the investment in RHH was also not reversed.

Percentage interest held in unlisted shares (%)	**30 June 2023**	30 June 2022
Industrial Partnership Investments Proprietary Limited	**100.0**	100.0
Partnership in Mining Proprietary Limited	**100.0**	100.0
Remgro Healthcare Holdings Proprietary Limited	**100.0**	100.0
Remgro International Holdings Proprietary Limited	**100.0**	100.0
Remgro Investment Corporation Proprietary Limited	**100.0**	100.0
Remgro South Africa Proprietary Limited	**100.0**	100.0
Remont Proprietary Limited	**100.0**	100.0
VenFin Proprietary Limited	**100.0**	100.0

3. Investments – equity accounted

Associates

R million	**30 June 2023**	30 June 2022
Listed shares – at cost (refer note 2)	**14 224**	14 224
Less: Provision for impairment	**–**	(1 155)
	14 224	13 069
Market value of listed investment	**15 957**	13 069
Number of shares held in listed company (million)		
OUTsurance Group Limited	**469**	469

The recoverable amount for OUTsurance Group Limited (previously Rand Merchant Investment Holdings Limited (RMI)) is its listed share price as at 30 June 2023. In the prior year, there was a decrease in the fair value of the investment in RMI (due to the RMI Unbundling), resulting in a R1 155 million impairment being raised. The share price has subsequently increased significantly, hence the impairment was reversed at 30 June 2023.

4. Investments – FVOCI

R million	30 June 2023	30 June 2022
Listed shares	**18 111**	15 981
The movement between the balance of the FVOCI investment at the beginning and end of the year can be analysed as follows:		
Beginning of the year	**15 981**	9 799
Discovery received as a dividend *in specie*	**–**	8 561
Momentum Metropolitan received as a dividend *in specie*	**–**	2 056
Disposals	**–**	(2 703)
Fair value adjustment for the year	**2 130**	(534)
Transfer to assets held for sale (refer note 6)	**–**	(1 198)
End of the year	**18 111**	15 981
Market value of listed shares	**18 111**	15 981
Number of shares held in listed companies (million)		
Discovery Limited	**51**	51
FirstRand Limited	**123**	123
Momentum Metropolitan Holdings Limited	**123**	123

Refer to note 6.5 and 10.10 of the consolidated Annual Financial Statements for information pertaining to the hedging and scrip lending of shares held in FirstRand.

5. Intergroup debt

R million	30 June 2023	30 June 2022
Owing by subsidiaries		
Interest-free loans payable on demand	**17 863**	16 671
Owing to subsidiaries		
Included in trade and other payables	**(3)**	(4)
	17 860	16 667

Intercompany loans receivable are repayable on demand and are interest free. Expected credit losses on these loans are realised based on the counterparty's ability to settle its debt on the reporting date. In the event that the counterparty has insufficient liquid assets to settle its debt, the Company strategy is to recover the outstanding balance over time, in which case the expected cash flows are discounted at the effective rate of the intercompany loan, i.e. 0%. Consequently, expected credit losses are realised to the extent that the counterparty has insufficient assets to repay its debt. During the year, there were no material expected credit losses.

6. Assets and liabilities held for sale

The detail of the assets and liabilities held for sale is presented in note 10.10 of the consolidated Annual Financial Statements. Included in trade and other receivables at 30 June 2022 was an amount of R240 million pertaining to proceeds receivable on the disposal of the FirstRand shares.

7. Stated capital

The detail of the stated capital is presented in note 7.1 of the consolidated Annual Financial Statements.

8. Trade and other payables

R million	30 June 2023	30 June 2022
Subsidiary	**3**	4
Other	**20**	19
	23	23

9. Financial guarantees

The Company entered into various guarantee agreements as guarantor for debt raised by its subsidiaries. As a result of the Company acting as guarantor, the subsidiaries negotiated favourable interest rates on the debt instruments.

Guarantee to a subsidiary

Since the Company does not receive a guarantee fee from the subsidiary, the beneficial interest increment is regarded as a deemed income received by the Company for accounting purposes. A guarantee fee liability was raised on entering this agreement and annual guarantee fee income will be recognised in the income statement until settlement of the underlying debt. The financial guarantee is not recognised on consolidation as separate contracts, since it is included in the Group's liability to the third party.

10. Other net operating expenses

Other net operating expenses are stated after taking into account directors' emoluments of R5.5 million (2022: R5.0 million). The detail of the remuneration and benefits received by each director of the Company is presented in notes 8 and 9 of the consolidated Annual Financial Statements.

11. Taxation

11.1 Deferred taxation

Deferred tax liabilities

R million	*Fair value adjustments*	*Tax losses*	Total
At 1 July 2021	(1 645)	809	(836)
Accounted for in other comprehensive income	(1 413)	(809)	(2 222)
Tax rate change	109	–	109
Transfer to asset held for sale	208	–	208
Transfer to liability held for sale	(52)	–	(52)
At 30 June 2022	(2 793)	–	(2 793)
Accounted for in other comprehensive income	**(353)**	**–**	**(353)**
At 30 June 2023	**(3 146)**	**–**	**(3 146)**

Deferred taxation on fair value adjustments on FVOCI investments, is provided for at the capital gains tax rate of 21.6% (2022: 21.6%), as it is probable that these investments will be realised over the medium term.

The Company has a calculated capital loss of R2 121 million (2022: R2 117 million). The calculated capital loss of R2 121 million (2022: R2 117 million) can be set off against future capital gains, in limited circumstances.

The corporate income tax rate was reduced from 28% to 27%, effective from the Company's 2023 financial year.

11.2 Taxation in income statement

R million	**30 June 2023**	30 June 2022
Current – previous year – South African normal taxation	**7**	–

11.3 Tax rate reconciliation

%	**30 June 2023**	30 June 2022
Effective tax rate	**–**	–
Reduction/(increase) in standard rate as a result of:		
Non-taxable income	**28.3**	31.0
Non-deductible expenses	**(1.2)**	(3.0)
Previous year – normal taxation	**(0.1)**	–
Standard rate	**27.0**	28.0

11. Taxation (continued)

11.4 Taxation in statement of comprehensive income

R million	30 June 2023	30 June 2022
Current – current year – Capital gains tax	**112**	11

12. Cash flow information

R million	30 June 2023	30 June 2022
Adjustments		
Dividends received	**(1 211)**	(1 450)
Dividends received – *in specie*	**(1 777)**	(10 617)
Guarantee fee income	**(173)**	(154)
Grindrod unbundling – *in specie*	**152**	–
(Reversal of impairment)/impairment of investment	**(1 155)**	1 155
	(4 164)	(11 066)
Decrease/(increase) in working capital		
Increase/(decrease) in financial guarantee receivable and liability	**240**	–
Increase/(decrease) in trade and other payables	**–**	(2)
	240	(2)
Reconciliation of taxation received/(paid) with the amount disclosed in the income statement		
Unpaid at the beginning of the year	**(14)**	(19)
Paid per income statement	**(7)**	–
Paid per other comprehensive income	**(112)**	(11)
Unpaid at the end of the year	**–**	14
Cash paid	**(133)**	(16)

13. Related party information

Subsidiaries

Details of income from and investments in subsidiaries are disclosed in the income statement and note 2 respectively.

Key management personnel

Only Remgro's directors and members of the Management Board are key management personnel. Information on directors' emoluments and their shareholding in the Company appear in notes 8 and 9 to the consolidated Annual Financial Statements as well as on page 133.

Shareholders

A detailed analysis of shareholders (unaudited) appears on pages 131 and 132.

Related party transactions (R million)	30 June 2023	30 June 2022
Transactions of Remgro Limited with:		
Principal shareholder		
Dividends paid	**(70)**	(43)
Equity accounted investments		
Dividends received	**464**	11 500
Balances due by/(owed to) related parties:		
Subsidiaries	**17 860**	16 668

No security is given for any outstanding balances. No provisions for bad debts against outstanding balances with related parties have been made.

14. Financial instruments

The Company has the following exposure to financial risks resulting from the use of financial instruments:

14.1 Credit risk

Credit risk is the risk of financial loss should a counterparty fail to meet its contractual obligations and arises from credit exposure from outstanding loans and debtors.

The Company is exposed to credit risk as it acts as guarantor for debt raised by its subsidiaries. The exposure from these guarantees amounts to R7 832 million (30 June 2022: 7 813 million). The directors assessed the credit risk as low since the underlying subsidiary holds Mediclinic shares in excess of the debt balance.

14.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Cash resources are managed centrally by the Group's treasury division and flexibility in funding is ensured through the availability of guaranteed credit lines.

The Company's liabilities consist of financial guarantees as well as trade and other payables. The risk in terms of the financial guarantees is limited as the Company guarantees repayment of debt incurred by its subsidiaries. The exposure from these guarantees amounts to R7 832 million (30 June 2022: R7 813 million). The risks in terms of the outstanding trade and other payables are also low due to the size of the amount involved.

The Company provided letters of support to certain subsidiaries, which enable them to perform all their obligations of whatsoever nature in the conduct of business for as long as they remain subsidiaries of the Company.

The following schedule indicates the repayment terms of outstanding debt:

			Non-discounted cash flow		
Financial liabilities (R million)	*Carrying value*	*Contractual cash flow*	*0 to 12 months*	*1 to 5 years*	*5 years and longer*
30 June 2023					
Hedge derivatives	**92**	**92**	**–**	**92**	**–**
Financial guarantee liability	**235**	**–**	**235**	**–**	**–**
Trade and other payables	**23**	**23**	**23**	**–**	**–**
	350	**115**	**258**	**92**	**–**
30 June 2022					
Financial guarantee liability	407	–	407	–	–
Trade and other payables	23	23	23	–	–
	430	23	430	–	–

14.3 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and market prices of equity instruments will affect the Company's income.

Foreign exchange risk

The Company has no transactions in foreign currency and as such is not exposed to any foreign currency risk.

Interest rate risk

The Company has no exposure to interest rate risk at 30 June 2023.

Price risk

The Company is exposed to price risk due to its investments held and classified as FVOCI investments. The market price of these investments are monitored on a continuous basis by management.

The impact on equity of a 5% change in the market price of the FVOCI investments on the reporting date, amounts to R710 million (30 June 2022: R673 million).

Refer to note 6.5 of the consolidated Annual Financial Statements for the price risk relating to the derivative instrument recognised on the hedging and scrip lending of shares held in FirstRand.

14. Financial instruments (continued)

14.4 Fair value

At 30 June 2023 and 30 June 2022, the fair value of financial assets and liabilities disclosed in the statement of financial position approximates their carrying value.

Financial instruments measured at fair value are disclosed by level of the following fair value hierarchy:

- Level 1 – Unadjusted listed prices in an active market for identical assets or liabilities; or
- Level 2 – Inputs, other than listed prices, that are directly or indirectly observable; or
- Level 3 – Inputs that are not based on observable market data.

The fair value of listed shares that are classified as at fair value through other comprehensive income are determined from listed share prices in an active market and included in level 1.

The fair value of derivative instruments are determined using the appropriate valuation methodologies and mark-to-market valuations and included in Level 2. Refer to note 13 in the consolidated Annual Financial Statements.

14.5 Capital management

There are no limitations on the borrowing powers of the Company in respect of loans and guaranteed debts. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue shares or repurchase shares from shareholders.

SHAREHOLDERS' Information

Statistics at 30 June 2023

	30 June 2023 %	30 June 2023 Number of shares	30 June 2022 %	30 June 2022 Number of shares
Major beneficial shareholders				
Ordinary shares				
Public Investment Corporation	**16.62**	**87 952 515**	17.19	90 996 741
Other	**83.38**	**441 264 492**	82.81	438 220 266
	100.00	**529 217 007**	100.00	529 217 007
B ordinary shares				
Rupert Beleggings Proprietary Limited	**100.00**	**39 056 987**	100.00	39 056 987
Total		**568 273 994**		568 273 994

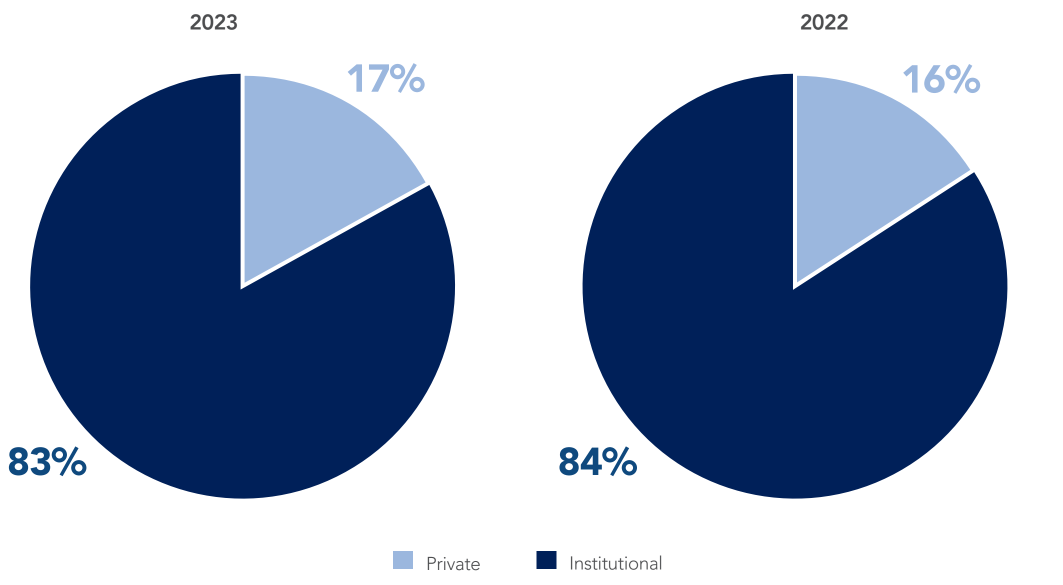
No other shareholder held a beneficial interest of more than 5% in the ordinary shares of the Company on 30 June 2023.

	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Distribution of shareholders				
Ordinary shares				
Public shareholders	**48 499**	43 862	42 694	51 228
Percentage of shareholders	**99.93**	99.92	99.90	99.92
Number of shares	**501 648 454**	507 156 402	508 022 210	507 822 981
Percentage of shares issued	**94.79**	95.83	96.00	95.96
Non-public shareholders				
Directors (including major subsidiaries' directors) and their associates/Share Trust/Treasury shares/Prescribed officers/associates of Remgro and/or its major subsidiaries	**36**	37	44	43
Percentage of shareholders	**0.07**	0.08	0.10	0.08
Number of shares	**27 568 553**	22 060 605	21 194 797	21 394 026
Percentage of shares issued	**5.21**	4.17	4.00	4.04
Number of shareholders	**48 535**	43 899	42 738	51 271

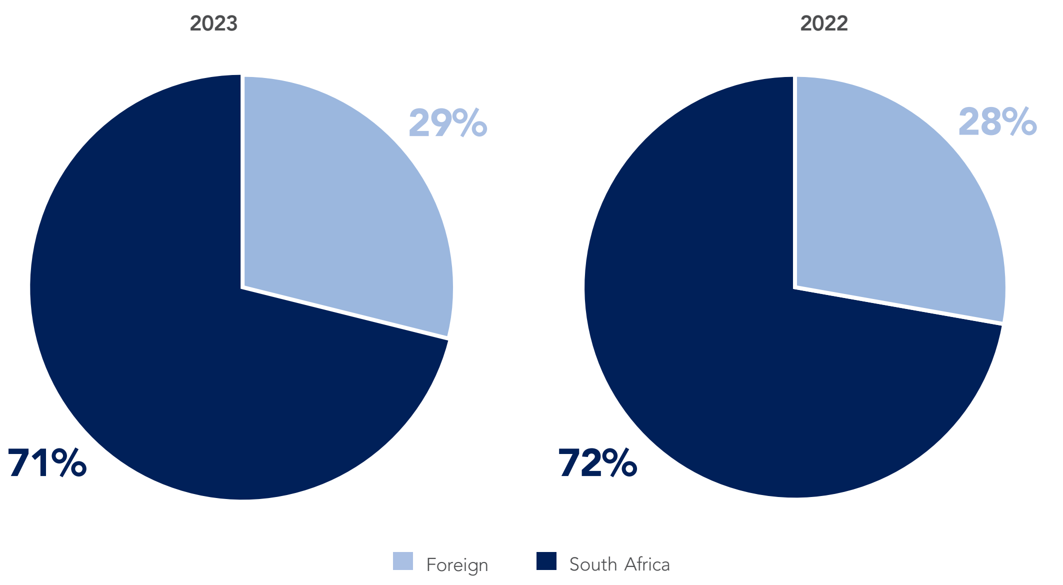
	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Number of shares in issue				
– Ordinary shares of no par value	**529 217 007**	529 217 007	529 217 007	529 217 007
– Unlisted B ordinary shares of no par value	**39 056 987**	39 056 987	39 056 987	39 056 987
Total number of shares in issue	**568 273 994**	568 273 994	568 273 994	568 273 994
Number of shares held in treasury				
Ordinary shares repurchased and held in treasury	**(9 646 270)**	(4 205 497)	(3 280 163)	(3 297 213)
	558 627 724	564 068 497	564 993 831	564 976 781
Weighted number of shares	**562 745 046**	564 417 614	564 984 762	564 961 299

Additional information

Institutional and private shareholding in Remgro Limited ordinary shares



Foreign and local shareholding in Remgro Limited ordinary shares



Interests of the directors in the issued capital of the Company

Ordinary shares

Directors	Direct beneficial	Indirect beneficial	Associates	Total
30 June 2023				
S E N De Bruyn	**497**	**–**	**–**	**497**
J J Durand[(1)]	**31 024**	**849 376**	**1 650**	**882 050**
M Lubbe	**32 184**	**–**	**–**	**32 184**
N P Mageza	**–**	**296**	**–**	**296**
J Malherbe	**–**	**1 176 061**	**2 934**	**1 178 995**
P J Moleketi	**1 243**	**–**	**19 718**	**20 961**
M Morobe	**–**	**–**	**–**	**–**
P J Neethling	**–**	**–**	**7 898 806**	**7 898 806**
K S Rantloane	**57**	**–**	**–**	**57**
F Robertson	**–**	**5 500**	**–**	**5 500**
J P Rupert[(2)]	**–**	**–**	**7 553 865**	**7 553 865**
N J Williams[(3)]	**34 499**	**–**	**66 000**	**100 499**
	99 504	**2 031 233**	**15 542 973**	**17 673 710**

[(1)] *Of Mr J J Durand's shareholding, 203 500 shares have been pledged as collateral for an overdraft facility at a financial institution.*
[(2)] *Messrs J P Rupert and A E Rupert are both directors of an Associate that holds 7 551 005 ordinary shares in Remgro Limited.*
[(3)] *Of Mr N J Williams's shareholding, 34 499 shares have been pledged as collateral for an overdraft facility at a financial institution.*

Dr T Leoka has been appointed as a non-executive independent director on 22 March 2023 and holds no shares in Remgro Limited.

Directors	Direct beneficial	Indirect beneficial	Associates	Total
30 June 2022				
S E N De Bruyn	497	–	–	497
J J Durand[(1)]	–	849 376	1 650	851 026
M Lubbe	32 184	–	–	32 184
N P Mageza	–	296	–	296
J Malherbe	–	1 176 061	2 934	1 178 995
P J Moleketi	1 243	–	19 718	20 961
M Morobe	–	633	–	633
P J Neethling	–	–	7 898 806	7 898 806
K S Rantloane	57	–	–	57
F Robertson	–	5 500	–	5 500
J P Rupert[(2)]	–	–	7 553 865	7 553 865
N J Williams[(3)]	25 000	–	66 000	91 000
	58 981	2 031 866	15 542 973	17 633 820

[(1)] *Of Mr J J Durand's shareholding, 203 500 shares have been pledged as collateral for an overdraft facility at a financial institution.*
[(2)] *Messrs J P Rupert and A E Rupert are both directors of an Associate that holds 7 551 005 ordinary shares in Remgro Limited.*
[(3)] *Of Mr N J Williams's shareholding, 25 000 shares have been pledged as collateral for an overdraft facility at a financial institution.*

B ordinary shares

Mr J P Rupert is a director of Rupert Beleggings Proprietary Limited which owns all the issued unlisted B ordinary shares.

Since the end of the financial year to the date of this report the interests of the directors remained unchanged.