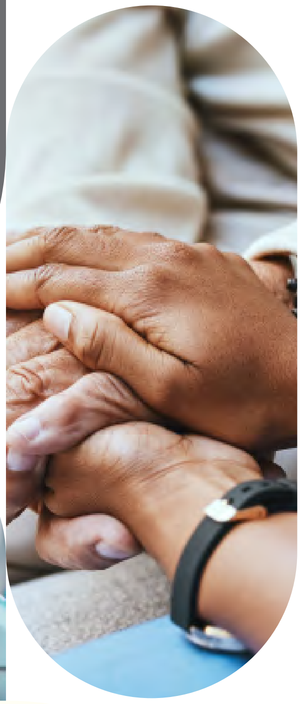
adcock ingram



GROUP ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

CONTENTS

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The Board of Directors (Board) is responsible for overseeing the preparation, integrity and fair presentation of the state of affairs and business as represented in the annual financial statements of Adcock Ingram Holdings Limited (the Company) and its subsidiaries (the Group) for the year ended 30 June 2024.

The fulfilment of this responsibility is discharged through the establishment and maintenance of sound management and accounting systems, the maintenance of an organisational structure which provides for delegation of authority and clear established responsibility, together with constant communication and review of the operational performance, measured against approved plans and budgets.

The annual financial statements are prepared in terms of IFRS Accounting Standards® and include disclosures as required by the Companies Act, 71 of 2008 (Companies Act). The most appropriate accounting policies have been used and applied consistently and supported by reasonable and prudent estimates and judgements. The Board is satisfied that the information contained in the annual financial statements fairly presents the financial position, changes in equity, results of operations and the cash flows of the Company and the Group for the year ended 30 June 2024.

The Board acknowledges that it is ultimately responsible for the system of internal financial control and regards a strong control environment important, including the documentation and regular review thereof. This incorporates risk management and internal control procedures, which are designed to provide reasonable assurance that assets are safeguarded and that the risks facing the business are identified and appropriately managed insofar as they are within the control of the Board.

The Board is also responsible for the controls over, and the security of the Company's website and, where applicable, for establishing and controlling the process for electronically distributing reports and other financial information to shareholders and to the Companies and Intellectual Property Commission, assuring that reports disseminated electronically agree with the signed off reports.

Management and employees operate in terms of a code of conduct and ethics approved by the Board. The code requires compliance with all applicable laws and maintenance of the highest levels of integrity in the conduct of all aspects of the business.

The Board, in its assessment of the going concern status of the Company and Group, considered the following factors: the current financial position of the Group, the sustainability of each of the business units and their operating models, available financial resources at 30 June 2024, the budget and cash flow forecast to June 2025, the current regulatory environment and potential changes thereto, increased costs to operate and the general economic outlook. The Board is satisfied that the Company and Group will each be able to continue as a going concern in the foreseeable future and has therefore continued to adopt the going concern basis in preparing the annual financial statements.

The Group's external auditor, PricewaterhouseCoopers Incorporated audited the annual financial statements and its report is presented from page 10. Each of the directors confirms that, to the best of their knowledge, the Company and Group annual financial statements for the year ended 30 June 2024, which were prepared in accordance with IFRS Accounting Standards, give a true and fair view of the financial position and performance of the Company and Group.

The annual financial statements of the Company and Group were prepared under the supervision of the chief financial officer, Dorette Neethling CA(SA), approved by the Board of Directors on 21 August 2024 and signed on its behalf by:

N Madisa
Chairperson
21 August 2024

Andrew G Hall
Chief executive officer

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER RESPONSIBILITY STATEMENT

Each of the directors, whose names are stated below, hereby confirms that:

a) the annual financial statements set out on pages 16 to 112, fairly present in all material respects the financial position, financial performance and cash flows of Adcock Ingram Holdings Limited in terms of IFRS Accounting Standards;
b) 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;
c) internal financial controls have been put in place to ensure that material information relating to Adcock Ingram Holdings Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Adcock Ingram Holdings Limited;
d) 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;
e) where we are not satisfied, we have disclosed to the Audit 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
f) we are not aware of any fraud involving directors.

Andrew Hall
Chief executive officer

Dorette Neethling
Chief financial officer

21 August 2024

CERTIFICATE BY COMPANY SECRETARY

I, the undersigned, Mahlatse Phalafala, in my capacity as company secretary, certify that the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required to be lodged by a public company in terms of the Companies Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

M Phalafala
Company secretary
21 August 2024

AUDIT COMMITTEE REPORT

This report is presented by the Audit Committee (Committee), which was appointed by the Board of Directors (Board) and endorsed by shareholders in respect of the year ended 30 June 2024. The report is prepared in accordance with the requirements of the Companies Act and the recommendations of King IV, and describes how the Committee discharged its obligations in terms thereof, including the fulfilment of those duties assigned to the Committee by the Board during the reporting period.

Committee composition and meeting attendance

The Committee complies with section 94(4) of the Companies Act and King IV, which provides that all members should be independent non-executive directors, all of whom are suitably skilled and experienced. The Committee's composition, qualifications and meeting attendance during the year under review were as follows, with members of management, representatives from internal audit, the external auditor and the majority shareholder, invited to attend all meetings:

Committee members	Qualifications	Meeting attendance[1]
Chairperson		
D Ransby	CA(SA)	4/4
Members		
C Manning	PhD (Developmental Studies)	4/4
B Mabuza	MBA, BA	4/4
Invitees		
N Madisa *(Chairperson of the Board)*		3/4
AG Hall *(CEO)*		4/4
D Neethling *(CFO)*		4/4
R Essa *(Corporate Finance Director)*		4/4
S Pietropaolo *(Head of Internal Audit)*		4/4
L Berrington *(Chief Audit Executive: The Bidvest Group Limited)*		4/4
M Steyn *(CFO: The Bidvest Group Limited)*		4/4
K Ramnarian *(PwC – External auditor)*		4/4
A Tshesane *(PwC – External auditor)*		4/4
J Naidu *(PwC – External auditor)*		4/4

1 *The attendance reflects the number of scheduled meetings. No additional meetings were held during the financial year. One regular scheduled meeting was held after the year end, before publication of the report.*

Role and function of the Committee

The roles and responsibilities of the Committee are governed by a formal charter which is reviewed annually and approved by the Board. The Board is satisfied that the Committee has fulfilled all its statutory duties, including those duties assigned to the Committee by the Board during the year under review, the relevant information in each case, detailed next.

Execution of functions during the year

Internal audit and the internal control environment

The Committee utilises the skills and expertise of internal audit to review the Group's internal control environment and thus has to monitor and review the effectiveness of internal audit and ensure that the function is free to work independently and objectively.

AUDIT COMMITTEE REPORT (CONTINUED)

The Committee has reviewed and approved the internal audit charter and the annual internal audit plan, including compliance therewith, and concluded that the planning, processes and application of internal audit, including the quality of their reporting on internal audit outcomes and related matters was inclusive and comprehensive. The audit plan included several audits to test financial reporting internal controls as well as business monitoring activities to support the Group's control environment assessment and inform their planning activities.

Having regard to the reports and assessments presented by internal audit, and management's action in remedying control deficiencies, the Committee is satisfied that the internal financial and accounting controls are effective and that there were no material breakdowns in the Group's systems and internal controls.

The Committee is similarly satisfied that the Head of Internal Audit possesses the appropriate expertise and experience to meet the responsibilities of his position and that the internal audit department is effectual and adequately resourced with technically competent personnel.

External audit

At the Annual General Meeting (AGM) in 2023, shareholders approved the appointment of PricewaterhouseCoopers Inc. (PwC), as independent external auditor until the 2024 AGM. The Committee and the Board approved and endorsed their terms of engagement and their fee structure. The designated registered audit partner responsible for and who undertook the Group's audit is Mr Keeran Ramnarian. The Committee reviewed the information provided by PwC and Mr Ramnarian as detailed in paragraph 3.84(g) of the JSE Listings Requirements with regards to the assessment of their suitability for reappointment. The Committee was satisfied with the quality of the external audit process and the team assigned to the audit. No matters of concern were noted by the Committee regarding the performance of the external auditor. Mr Ramnarian is due to rotate as the designated audit partner after the 30 June 2024 year end, in terms of the Companies Act. The Committee considered this and will recommend the new designated audit partner for appointment at the upcoming annual general meeting.

The overall audit process includes a private open dialogue between the external auditor and the members of the Committee. Matters typically discussed include the external auditor's assessment of their audit interactions with management, whether any limitations were placed by management on the scope and execution of the audit, including any special matters that need to be brought to the Committee's attention. The Committee can report that its working relationship with the PwC designated partner is professional and functional. The Committee convened with the PwC partner without management being present and was assured that there were no unresolved areas of disagreement with management, satisfaction was expressed with the skills and expertise in the finance team and confirmed that throughout the audit there was good support from the management teams.

The Committee determined the fees to be paid to the external auditor and agreed to the terms of their engagement and audit plan in consultation with executive management. The audit fee for the year ended 30 June 2024 has been disclosed in note 2.1 of the annual financial statements. The Committee is also responsible for determining the nature and extent of non-audit services that the external auditor may provide and, in such circumstances, the Committee approves or in limited circumstances pre-approves proposals for such non-audit services.

The Committee assessed the quality and effectiveness of the external auditor by reviewing the audit plan, changes thereto, as well as the robustness with which they handled key accounting issues and audit judgements. The Committee received the detailed external audit report for the year ended 30 June 2024 and was satisfied with the conclusions that both the consolidated and separate annual financial statements were fairly presented in all material respects and no material issues were raised.

The Committee further confirmed that no reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act, 26 of 2005.

The Committee remains cognisant of the developments in the audit profession. The external auditor continues to have unrestricted access to the Committee and its Chairperson.

Significant matters considered by the Committee

The Committee has considered the appropriateness of the key audit matter reported in the external audit opinion. This was addressed by the Committee as follows:

Significant matter	How the Committee addressed the matter
Impairment assessment of goodwill and indefinite life intangible assets	The Committee reviewed and discussed the report from the CFO regarding the carrying values, value-in-use, the level and appropriateness of impairments, and related key judgements in determining the carrying value of goodwill and intangible assets.

Financial reporting and accounting practices

The Committee:

- considered and concurred with the adoption of the going concern principle in the preparation of the financial statements;
- reviewed the appropriateness of the financial statements, other reports to shareholders and other financial announcements made public;
- considered whether the annual financial statements fairly present the financial position of the Company and of the Group as at 30 June 2024 and the results of operations and cash flows for the financial year then ended;
- considered the solvency and liquidity of the Company and considered and made recommendations to the Board on the dividend declarations;
- is satisfied that the Company has established appropriate financial reporting procedures, including the preparation and inclusion of all entities in the Group, and that these procedures are operating as designed;
- considered whether any concerns were identified regarding significant legal, tax and other matters that could have a material impact on the financial statements;
- reviewed the external auditor's audit report;
- reviewed the representation letter, signed by management;
- confirmed that it has considered the findings contained in the "Proactive monitoring report of financials in 2023", issued by the JSE in November 2023, when the annual financial statements for 30 June 2024 were drafted; and
- reviewed the quality and integrity of the integrated report and the sustainability information before publication.

The Committee confirms that it did not receive any concerns or complaints relating to the accounting practices and the internal audit of the Company, the content or auditing of the Company's financial statements, the internal financial controls of the Company or any other related matter during the year under review.

Technology and information governance

The Committee and the Board recognise the advances and economic value of technology and that failure to maintain the Group's accounting and administrative Information and Technology (IT) applications, is potentially disruptive and a significant operational risk. Accordingly, technology and information systems form an essential part of the Group's strategic and business processes and are internally managed by an IT executive team.

The Commitee is also mindful of King IV's emphasis on IT matters, and incorporated periodic assesments, independent assurances and cyber security measures.

During the current reporting period, significant efforts were dedicated to further enhancing our cybersecurity measures, including conducting penetration tests by an authorised third-party service provider. Infrastructure updates and upgrades have also been completed to ensure a fully functional, secure, and compliant IT environment, supporting continuous business operations. Throughout the year, internal audit extensively tested the controls around the IT environment, providing recommendations in accordance with best practices.

Additionally, notable progress was made in deploying the Microsoft Office 365 cloud-based solution and implementing the electronic documentation management system, which is proceeding as planned. The Oracle ERP system has been upgraded to the latest version to comply with Oracle's requirements to leverage enhanced functionalities. At the start of the 2025 financial year, the existing ERP system at Plush Professional Leather Care Proprietary Limited was replaced with Oracle.

AUDIT COMMITTEE REPORT (CONTINUED)

Combined assurance

The Committee, in conjunction with the Board Risk and Sustainability Committee, has formulated a risk matrix for appropriate risk assessment and deduction. All risks are ranked and rated by category and importance. Internal Audit substantially coordinates this combined assurance process in parallel with its internal audit function by assessing if the more material risks reported, were relevant and appropriately managed in each case. The aim is to provide management, the Committee and the Board with a clear understanding of all business risks, how each is managed, controlled and/or mitigated and the consequences and cogency of such actions. The Committee can confirm that it has satisfied itself that the combined assurance model is effective and sufficiently robust for the Board to be able to place reliance on it.

Compliance

The Committee is obliged to report any material breach of a relevant legal and/or regulatory requirement in the conduct of the Group enterprise. No evidence of any such breach or material non-compliance has been brought to the attention of the Committee by either the internal or external auditor or any other party.

Regulatory and corporate governance requirements

In accordance with the provisions of the JSE Listings Requirements, the Committee:

- completed the annual assessment of the suitability for re-appointment of the Group's external audit firm, PwC, and designated individual partner, subject to approval of shareholders;
- satisfied itself that the chief financial officer, D Neethling, has the appropriate expertise and experience; and
- concluded that the composition, experience and skills of the finance function are adequate to fulfil all financial, control and reporting requirements of the Group.

Conclusion

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

The Committee is satisfied that the financial and internal controls are adequate and that no material breakdowns took place that resulted in material loss to the Group.

Following our review of the annual financial statements for the year ended 30 June 2024, we are of the opinion that, in all material respects, they comply with the relevant provisions of the Companies Act and IFRS Accounting Standards and present fairly the results of operations, cash flows and the financial position of the Company and the Group. The Committee therefore recommended the consolidated and separate annual financial statements of Adcock Ingram Holdings Limited for approval to the Board. At the forthcoming AGM the annual financial statements will be presented to shareholders.

On behalf of the Committee

D Ransby
Chairperson
21 August 2024

DIRECTORS' REPORT

The directors have pleasure in presenting their report to shareholders for the year ended 30 June 2024.

Principal activities and nature of the business

Adcock Ingram, listed on the Johannesburg Stock Exchange (JSE), under code AIP, is incorporated and domiciled in South Africa. As a leading South African healthcare group, it operates in two geographical areas, namely, Southern Africa and India.

The Southern African business consists of four divisions:

- a Consumer division selling a range of healthcare, personal care and homecare products mainly through FMCG retailers and corporate pharmacies;
- an Over the Counter (OTC) division selling a range of OTC medicinal products that can be purchased without a prescription mainly through corporate and independent pharmacies;
- a Prescription division selling a range of branded and generic prescription products, and specialised instrumentation and surgical products; and
- a Hospital products and services division.

In India, the Group has a 49.9% share in two manufacturing facilities, and full ownership of an entity providing regulatory support services to the Southern African businesses.

Business combinations

Acquisitions

No acquisitions were concluded in the current or prior year under review.

Financial results and review of operations

The financial results of the Group, set out on pages 16 to 98 and those of the Company, on pages 99 to 112, include detailed disclosures. The segmental analysis is included on page 73 to 75.

	Increase	**2024**	2023
Consolidated headline earnings attributable to equity holders of the Company (R'000)	3.5%	**930 047**	898 454
Headline earnings per share (HEPS) (cents)	9.9%	**616.6**	561.3

Share capital

Details of the authorised and issued share capital are set out in note G to the annual financial statements of the Company and in the statement of changes in equity. There was no change to the authorised share capital of the Company during the year. However, during the year 8 418 861(2023: 40 000) issued ordinary shares were cancelled.

Refer to note G.2 for more details.

Details of ordinary treasury shares held by Group entities are as follows and include the purchase of 6 005 995 shares in the current year. In the prior year 278 640 shares were sold and 9 228 640 shares were purchased.

	2024	2023
Adcock Ingram Limited	**14 537 134**	16 950 000

The unissued ordinary shares remain under the control of the directors of the Company until the next AGM.

DIRECTORS' REPORT (CONTINUED)

Shareholders

Dividend policy

The Board intends to declare a distribution on at least an annual basis, which it currently envisages will be covered between two (2) to 2.5 times by headline earnings.

2024

An interim dividend of 125 cents per share was declared and paid in relation to the six-month period ended 31 December 2023.

A final dividend of 150 cents per share was declared following the results for the year ended 30 June 2024.

2023

An interim dividend of 125 cents per share was declared and paid in relation to the six-month period ended 31 December 2022.

A final dividend of 125 cents per share was declared and paid in relation to the results for the year ended 30 June 2023.

Shareholder spread

Please refer to the shareholder analysis section for more details.

Events after 30 June 2024

In addition to the dividend declaration, refer to in note 30 for any events which occurred subsequent to the year-end.

Subsidiaries and joint ventures

Information concerning the names and holdings of subsidiaries and joint ventures of Adcock Ingram Holdings Limited is set out in Annexure G to the annual financial statements.

Details regarding the financial performance of joint ventures are given in Annexure E.

Directors

Details of the members of the Board as at 30 June 2024 are as follows:

Name	Position as director
L Boyce	Non-executive director
S Gumbi	Independent non-executive director
A Hall	Chief executive officer
B Letsoalo	Executive director: Human Capital & Transformation
B Mabuza	Lead independent director, non-executive director
N Madisa	Chairperson, non-executive director
C Manning	Independent non-executive director
D Neethling	Chief financial officer
D Ransby	Independent non-executive director
M Sathekge	Independent non-executive director
M Steyn	Non-executive director

Directors' shareholdings

No director (or his/her associates) holds 1% or more of the ordinary shares of the Company.

There has been no change in the holding since the end of the financial year and up to the date of approval of the annual financial statements.

Details of the directors' shareholdings are reflected below:

Director	**Number of shares 2024**	Number of shares 2023
A Hall (directly held)	**21 433**	21 433

Directors' remuneration

Full details regarding non-executive and executive directors' remuneration are set out in note 2.3.

Special resolutions

The following special resolutions were passed by the Company's shareholders at the AGM held on 21 November 2023, in accordance with the Companies Act:

Special resolution 1 – Financial assistance to related or inter-related companies

Resolved to enable the Company to provide financial assistance to related and inter-related parties as contemplated in section 45 of the Companies Act.

Special resolution 2 – Remuneration of non-executive directors

Resolved to approve the proposed fees and remuneration payable to non-executive directors for their services as directors with effect from 1 December 2023 until the next AGM.

Special resolution 3 – General authority to repurchase shares

Resolved to repurchase shares up to 5% of ordinary shares, after complying with specified regulations.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Adcock Ingram Holdings 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 Adcock Ingram Holdings Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Adcock Ingram Holdings Limited's consolidated and separate financial statements set out on pages 16 to 112 comprise:

- the Group and Company statements of financial position as at 30 June 2024;
- the Group and Company statements of comprehensive income for the year then ended;
- the Group and Company statements of changes in equity for the year then ended;
- the Group and Company statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

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.

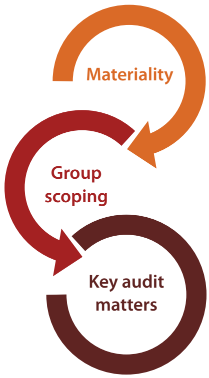
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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: R61 million, which represents 5% of consolidated profit before tax, adjusted for non-recurring items.*

Group audit scope

- *Full scope audits were performed over three financially significant components in South Africa.*
- *Specified audit procedures were performed on certain account balances and transactions for a further four components, two of which are joint ventures that are equity-accounted in the consolidated financial statements.*
- *Analytical review procedures were performed on the remaining components.*

Key audit matters

- *Impairment assessment of goodwill and indefinite life intangible assets.*

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	*R61 million*
How we determined it	*5% of consolidated profit before tax, adjusted for non-recurring items.*
Rationale for the materiality benchmark applied	*We chose consolidated profit 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 and is a generally accepted benchmark. Consolidated profit before tax was adjusted for once-off items relating to impairment of goodwill. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.*

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 assessment included consideration of financially significant components, based on indicators such as the contribution to consolidated assets, consolidated revenue and consolidated profit before taxation. Based on this assessment we identified three financially significant components, on which full scope audits were performed. Specified audit procedures were performed on certain account balances and transactions for a further four components, two of which are equity-accounted joint ventures, as a result of significant account balances and transactions within those components. In order to obtain sufficient audit evidence in respect of non-significant components, the Group engagement team performed analytical review procedures on their financial information. These components have been assessed to be financially inconsequential to the Group.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the Group's engagement team, and other audit firms operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient and appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.

The Group engagement team met with the component auditors of the most significant audit components and engaged with the remaining component auditors by means of discussing pertinent matters and reviewing reporting documents submitted to us as the Group engagement team.

This together with additional procedures performed at the Group level, including testing of consolidation journal entries and intercompany eliminations, gave us the evidence we needed for our opinion on the consolidated financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill and indefinite life intangible assets *Refer to Annexure F Impairments and note 10 (Intangible Assets) to the consolidated financial statements.* This key audit matter applies to the consolidated financial statements only. Indefinite useful life intangible assets amounting to R916 million and goodwill amounting to R176 million, represents a significant portion of the Group's consolidated total assets. The Group performs annual impairment tests over the recoverability of goodwill and bi-annual impairment tests over the recoverability of indefinite life intangible assets. These tests are subjective in nature due to management's judgements and assumptions relating to the cash generating units (CGUs). Management estimated the recoverable amount of the CGUs using the value-in-use method as required by International Accounting Standard (IAS) 36 – *Impairment of assets*. In assessing the goodwill and indefinite life intangible assets for impairment, management applied the following key assumptions that gave rise to estimate uncertainty in determining the recoverable amount: Ø revenue growth rates; Ø gross margins; Ø discount rates; and Ø terminal growth rate estimates. No impairment was recognised related to indefinite useful life intangible assets. An impairment of R107.2 million was recognised on goodwill for the current financial year and has been recognised in the Group's consolidated statement of comprehensive income. The valuation of these assets, and the quantum of the associated impairment charges recognised by the Group, remains inherently sensitive to changes in the underlying key assumptions. We considered the impairment assessment of goodwill and indefinite life intangible assets at the Group level, to be a matter of most significance to the current year audit due to the following: Ø the judgement and estimates applied by management in performing the impairment assessment; and Ø the magnitude of these balances in relation to the consolidated financial statements.	We obtained the Group's impairment assessments and tested the mathematical accuracy of the calculations and the reasonableness of the key assumptions, including revenue growth rates, gross margins, discount rates and terminal growth rate estimates by performing the following procedures: We evaluated management's allocation of assets to cash-generating units (CGUs) for testing goodwill and indefinite useful life intangible assets by assessing the requirements of IAS 36 against management's assessment of the CGUs and found this to be in line with the requirements of IAS 36. We evaluated the forecasting period used by management against the requirements of IAS 36 and whether the 10-year forecasting period could be justified based on the requirements of IAS 36. Based on the work that we performed, we accepted management's rationale for an extended forecasting period. We used our valuation expertise to assess the valuation methodology applied by management against generally accepted valuation methods and IAS 36. For the value-in-use calculations performed, we obtained management's cash flow forecasts and: Ø Agreed these forecasts to approved budgets and noted no material differences. Ø Tested the mathematical accuracy of management's impairment assessments and noted no material differences. Ø Assessed the reliability of the forecasts by comparing current year actual results with the prior year budgeted results and noted that management had adjusted their budgets for any material variances noted, where required. Ø Compared the revenue growth and gross margin projections applied by management to historically achieved growth rates and noted no material variances in management's calculations. Ø We used our valuation expertise to compare the terminal growth rate estimates used by management to long-term consensus inflation rates obtained from independent sources and found no material variances to the outcome of the impairment tests performed. Utilising our valuation expertise, we recalculated a range of discount rates, considering inputs for similar entities, industry data and entity-specific data. Where differences in discount rates were noted, we included this in our sensitivity analysis to consider the appropriateness of management's impairment charge recognised. No material impact was noted. We performed our own independent sensitivity calculations on management's impairment assessments, with respect to the key assumptions which included the revenue growth rates, gross margins, discount rates and terminal growth rates. We discussed these with management and considered the likelihood of such changes occurring. Based on the work that we performed, we accepted management's key assumptions applied in the assessments.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Adcock Ingram Group Annual Financial Statements for the year ended 30 June 2024", which includes the Directors' Report, the Audit Committee's Report and the Certificate by the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled "Adcock Ingram Integrated Report for the year ended 30 June 2024", which is expected to be made available to us after that date. 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 and will 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 on the other information that we obtained prior to the date of this auditor's report, 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 IFRS Accounting 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 Adcock Ingram Holdings Limited for five years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Keeran Ramnarian
Registered Auditor
Johannesburg, South Africa

21 August 2024

GROUP STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE

	Notes	2024 R'000	2023 R'000
Revenue	1	**9 643 128**	9 131 852
Cost of sales	2.2	**(6 424 596)**	(5 944 832)
Gross profit		**3 218 532**	3 187 020
Selling, distribution and marketing expenses	2.2	**(1 360 895)**	(1 390 638)
Fixed and administrative expenses	2.2	**(628 141)**	(615 907)
Trading profit	2	**1 229 496**	1 180 475
Non-trading expenses	3	**(164 672)**	(44 948)
Operating profit		**1 064 824**	1 135 527
Finance income	4.1	**10 704**	7 628
Finance costs	4.2	**(97 462)**	(59 795)
Dividend income		**3 891**	3 174
Equity-accounted earnings		**142 864**	119 048
Profit before tax		**1 124 821**	1 205 582
Tax	5	**(310 812)**	(307 222)
Profit for the year		**814 009**	898 360
Other comprehensive income, net of tax			
Exchange differences on translation of foreign operations:	20	**(23 284)**	44 740
Subsidiaries		**(1 066)**	1 704
Joint venture		**(22 218)**	43 036
Movement in cash flow hedge accounting reserve	20	**(49 295)**	57 814
Fair value of investment*	20	**573**	1 424
Actuarial profit on post-employment medical liability*	20	**698**	894
Total comprehensive income, net of tax		**742 701**	1 003 232
Profit attributable to:			
Owners of the parent		**814 009**	898 410
Non-controlling interests		**–**	(50)
		814 009	898 360

* *Remeasurement of investment and post-employment medical liability will not be reclassified to profit and loss. All other items in other comprehensive income may be reclassified to profit and loss.*

	Notes	2024 R'000	2023 R'000
Total comprehensive income attributable to:			
Owners of the parent		**742 701**	1 003 282
Non-controlling interests		**–**	(50)
		742 701	1 003 232
Earnings per share:			
Basic earnings per ordinary share (cents)	6	**539.6**	561.3
Diluted basic earnings per ordinary share (cents)	6	**526.4**	548.6
Supplementary information:			
Headline earnings per ordinary share (cents)	6	**616.6**	561.3
Diluted headline earnings per ordinary share (cents)	6	**601.5**	548.7

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE

	Notes	Issued share capital R'000	Share premium R'000	Treasury share reserve R'000	Non-distributable reserves R'000	Retained income R'000	Total attributable to holders of parent R'000	Non-controlling interests R'000	Total R'000
Balance at 1 July 2022		16 176	255 194		270 173	4 703 351	5 244 894	229	5 245 123
Movement in share-based reserve*	20				28 840		28 840		28 840
Movement in treasury shares	18.2/19.1	28	13 389				13 417		13 417
Transfer of reserves	20				6 081	(6 080)	1	(1)	–
Cancellation of shares	18.2/19.1	(4)	(1 972)		–	–	(1 976)		(1 976)
Treasury shares purchased	18.2/19.2	(923)		(471 196)	–	–	(472 119)		(472 119)
Total comprehensive income					51 839	898 410	950 249	(50)	950 199
Profit for the year						898 410	898 410	(50)	898 360
Other comprehensive income					104 872		104 872		104 872
Reclassified to cost of inventory – not included in other comprehensive income	20				(53 033)		(53 033)		(53 033)
Dividends	7.1					(375 368)	(375 368)	(204)	(375 572)
Balance at 30 June 2023		**15 277**	**266 611**	**(471 196)**	**356 933**	**5 220 313**	**5 387 938**	**(26)**	**5 387 912**
Movement in share-based reserve*	20				**(24 033)**		**(24 033)**		**(24 033)**
Movement in treasury shares (equity scheme)	19.1		**6**				**6**		**6**
Treasury shares purchased	18.2/19.2	**(601)**		**(327 310)**			**(327 911)**		**(327 911)**
Total comprehensive income					**(58 185)**	**814 009**	**755 824**		**755 824**
Profit for the year						**814 009**	**814 009**		**814 009**
Other comprehensive income					**(71 308)**		**(71 308)**		**(71 308)**
Reclassified to cost of inventory – not included in other comprehensive income	20				**13 123**		**13 123**		**13 123**
Dividends	7.1					**(379 004)**	**(379 004)**	**(18)**	**(379 022)**
Balance at 30 June 2024		**14 676**	**266 617**	**(798 506)**	**274 715**	**5 655 318**	**5 412 820**	**(44)**	**5 412 776**

* *Relate to equity and BMT schemes.*

GROUP STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE

	Notes	**2024 R'000**	2023 R'000
ASSETS			
Property, plant and equipment	8	**1 448 624**	1 475 795
Right-of-use assets	9	**190 406**	233 468
Intangible assets	10	**1 114 184**	1 233 326
Deferred tax assets	11	**25 877**	14 104
Other financial assets	12	**17 514**	20 476
Investment in joint ventures	13	**672 493**	670 948
Non-current assets		**3 469 098**	3 648 117
Inventories	15	**2 541 001**	2 449 611
Receivables and other current assets	16	**2 223 588**	2 059 917
Cash and cash equivalents	17	**89 417**	91 540
Tax receivable	26.3	**31 779**	12 870
Loans receivable	14	**–**	479
Current assets		**4 885 785**	4 614 417
Total assets		**8 354 883**	8 262 534
EQUITY AND LIABILITIES			
Capital and reserves			
Issued share capital	18.2	**14 676**	15 277
Share premium	19.1	**266 617**	266 611
Treasury share reserve	19.2	**(798 506)**	(471 196)
Non-distributable reserves	20	**274 715**	356 933
Retained income		**5 655 318**	5 220 313
Total shareholders' funds		**5 412 820**	5 387 938
Non-controlling interests		**(44)**	(26)
Total equity		**5 412 776**	5 387 912
Long-term portion of lease liability	21	**238 080**	279 980
Post-retirement medical liability	22	**12 527**	13 081
Deferred tax liabilities	11	**161 152**	147 352
Non-current liabilities		**411 759**	440 413
Trade and other payables	23	**2 310 549**	2 180 922
Bank overdraft	17	**–**	9 641
Short-term portion of lease liability	21	**42 460**	35 421
Cash-settled options	24	**22 682**	23 212
Provisions	25	**142 140**	168 607
Taxation payable	26.3	**12 517**	16 406
Current liabilities		**2 530 348**	2 434 209
Total equity and liabilities		**8 354 883**	8 262 534

GROUP STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE

	Notes	2024 R'000	2023 R'000
Cash flows from operating activities			
Cash generated from operations	26.1	**1 234 236**	1 104 434
Finance income received	26.4	**10 800**	7 600
Finance costs paid	26.5	**(97 816)**	(59 155)
Dividend income received	26.6	**115 239**	28 174
Dividends paid	26.2	**(379 022)**	(375 572)
Tax paid	26.3	**(318 631)**	(323 729)
Cash generated from operating activities		**564 806**	381 752
Cash flows from investing activities			
Purchase of property, plant and equipment – Replacement	8	**(111 702)**	(137 478)
– Expansion	8	**(16 039)**	(10 608)
Proceeds on loan receivable	14	**479**	3 645
Proceeds from sale of interest in BMT*	12.1	**671**	1 549
Proceeds from sale of interest and repayment of shareholder loan in Group Risk Holdings Proprietary Limited	12.2	**257**	717
Proceeds on disposal of property, plant and equipment	26.8	**1 197**	551
Net cash outflow from investing activities		**(125 137)**	(141 624)
Cash flows from financing activities			
Share repurchase	18.2/19.2	**(327 911)**	(472 119)
Equity option scheme settlement	26.7	**(67 600)**	(1 117)
Cancellation of shares	18.2/19.1	**–**	(1 976)
Repayment of lease liabilities	21	**(35 898)**	(29 426)
Net cash outflow from financing activities		**(431 409)**	(504 638)
Net increase/(decrease) in cash and cash equivalents		**8 260**	(264 510)
Net foreign exchange difference on cash and cash equivalents		**(742)**	924
Cash and cash equivalents at beginning of year		**81 899**	345 485
Cash and cash equivalents at end of year	17	**89 417**	81 899

* *BMT = Black Managers Share Trust.*

NOTES TO THE GROUP FINANCIAL STATEMENTS

Corporate information

The consolidated financial statements of Adcock Ingram Holdings Limited (Company) and Adcock Ingram Holdings Limited and its subsidiaries, joint ventures and structured entities (Group[(1)]) for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 21 August 2024.

Adcock Ingram Holdings Limited is incorporated and domiciled in South Africa, where its ordinary shares are publicly traded on the Securities Exchange of the JSE Limited.

(1) *All references to Group hereafter include the separate annual financial statements, where applicable.*

Basis of preparation

The consolidated and separate annual financial statements (annual financial statements) are presented in South African Rands which is the Group's presentational currency and the Company's functional currency. All values are rounded to the nearest thousand (R'000), except where otherwise indicated.

The annual financial statements are prepared in accordance with the Listings Requirements of the JSE Limited, IFRS Accounting Standards, its interpretations adopted by the Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the Companies Act. The annual financial statements have been prepared on the historical cost basis, except for the following items in the statements of financial position:

- financial assets and liabilities at fair value through profit or loss or at fair value through other comprehensive income, and liabilities for cash-settled share-based payments that are measured in terms of IFRS 2 *Share-based Payment*; and
- post-employment benefit obligations are measured in terms of the projected unit credit method.

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to standards which became effective during the year:

- IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

The amendments aim to improve accounting policy disclosures and to assist users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

The amendment does not have a material impact on the Group's financial statements.

The following amendment to a standard was early adopted for the year ended 30 June 2024. The amendment had no impact on the Group and is only required to be adopted by the year ending 30 June 2025.

- IAS 1 – Non-current liabilities with covenants.

This amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. This amendment also aims to improve information an entity provides related to liabilities subject to these conditions.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries, joint ventures and structured entities deemed to be controlled by the Group.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement in the entity and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

The financial results of the subsidiaries, including those with a different reporting period, are prepared for the same reporting period as the Group, using consistent accounting policies.

Investments in subsidiaries in the Company's financial statements are accounted for at cost less any impairment.

The results of subsidiaries acquired are included in the consolidated financial statements from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to the parent. These interests are presented separately in the consolidated statement of comprehensive income, and in the consolidated statement of financial position, separately from own shareholders' equity.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in retained earnings within equity attributable to owners. Losses are attributed to any relevant non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss, or retained earnings, as appropriate.

Underlying concepts

The financial statements are prepared on the going concern basis, which assumes that the Group will continue in operation for the foreseeable future.

The financial statements are prepared using the accrual basis of accounting whereby the effects of transactions and other events are recognised when they occur, rather than when the cash is received or paid.

Assets and liabilities and income and expenses are not offset unless specifically permitted by an accounting standard. Financial assets and financial liabilities are only offset when there is a legally enforceable right to offset, and the intention is either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Accounting policies are the specific principles, bases, conventions, rules and practices applied in preparing and presenting financial statements.

Changes in accounting policies are accounted for in accordance with the transitional provisions in the standard. If no such guidance is given, they are applied retrospectively. If after making every reasonable effort to do so, it is impracticable to apply the change retrospectively, it is applied prospectively from the beginning of the earliest period practicable.

Foreign currencies

Each foreign entity in the Group determines its own functional currency, and are as follows:

- joint venture, Adcock Ingram Limited in India, the Indian Rupee;
- joint venture, Adcock Ingram Pharma Private Limited in India, the Indian Rupee; and
- subsidiary, Relicare Tech Services Private Limited in India, the Indian Rupee.

Foreign currency transactions

Transactions in foreign currencies are recorded at the rates of exchange ruling at the transaction date.

Foreign currency balances

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. Exchange differences are taken to profit or loss.

If non-monetary items measured in a foreign currency are carried at historical cost, the exchange rate used is the rate applicable at the initial transaction date. If they are carried at fair value, the rate used is the rate at the date when the fair value was determined.

The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Foreign operations

At the reporting date, the assets and liabilities of the foreign operations are translated into the presentation currency of the Group (Rands) at the exchange rate ruling at the reporting date. Items of profit or loss are translated at the weighted average exchange rate for the year. Exchange differences are taken directly to a separate component of other comprehensive income: "Exchange differences on translation of foreign operations". On disposal of a foreign operation, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Goodwill and fair value adjustments relating to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of that foreign operation, and are translated at the closing rate.

Taxes

Value-added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT, except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

1. REVENUE

Accounting policy

Revenue represents the total invoice value of goods, net of rebates, trade discounts and fees, and excluding estimated sales returns and value added tax. Revenue is derived from the supply of speciality, branded and generic pharmaceutical products, hospital products, and fast-moving consumer goods.

Revenue is measured based on the consideration specified in a contract with a customer and in compliance with the regulated pricing where applicable.

Variable consideration (rebates, discounts and fees) is estimated at the most likely amount payable in terms of contracts with customers.

As some contracts provide customers with a right of return, estimated sales returns are calculated based on historical actual returns as a percentage of sales, calculated at the end of each reporting period.

The Group recognises revenue at a point in time when it sells inventory to the customer, and control over a product is transferred to a customer, which is generally when delivery has taken place, at which point the variable consideration related to the sale is also recognised.

The Group disaggregates revenue based on the following type of consumer markets:

- Public sector (governmental), when sales are normally based on tender prices;
- Private sector, when sales are subject to SEP, non-SEP or formulary prices; and
- Export (foreign) sales.

1. **REVENUE** (continued)

	Wholesale R'000	Corporate pharmacy R'000	Retail/FMCG R'000	Private hospital (including SANBS) R'000	Independent pharmacy R'000	Total Private R'000	Public R'000	Export and foreign R'000	Total R'000
2024									
Consumer	**262 927**	**331 878**	**1 082 811**	**9**	**7 301**	**1 684 926**	–	**16 930**	**1 701 856**
OTC	**1 361 525**	**820 873**	**49 763**	**1 560**	**39 524**	**2 273 245**	**146 123**	**42 288**	**2 461 656**
Prescription	**1 632 506**	**1 171 951**	**353 935***	**39 121**	**62 379**	**3 259 892**	**148 518**	**21 399**	**3 429 809**
Hospital	**441 220**	**114 121**	**94 999**	**802 333**	**3 694**	**1 456 367**	**570 199**	**22 726**	**2 049 292**
Other – shared services	–	–	–	–	–	–	–	**515**	**515**
	3 698 178	**2 438 823**	**1 581 508**	**843 023**	**112 898**	**8 674 430**	**864 840**	**103 858**	**9 643 128**
% split	**38.4%**	**25.3%**	**16.4%**	**8.7%**	**1.2%**	**90.0%**	**9.0%**	**1.0%**	
2023									
Consumer	228 511	315 052	1 081 493	–	11 353	1 636 409	–	18 494	1 654 903
OTC	1 223 261	741 179	41 721	3 215	59 588	2 068 964	192 336	21 122	2 282 422
Prescription	1 537 341	981 779	341 266*	38 594	77 157	2 976 137	295 848	22 394	3 294 379
Hospital	400 759	46 144	22 866	764 190	82 410	1 316 369	513 297	69 559	1 899 225
Other – shared services	–	–	–	–	–	–	–	923	923
	3 389 872	2 084 154	1 487 346	805 999	230 508	7 997 879	1 001 481	132 492	9 131 852
% split	37.1%	22.8%	16.3%	8.8%	2.5%	87.5%	11.0%	1.5%	

* *Includes specialised medical and surgical equipment, sold to medical practitioners.*

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

		2024 R'000	2023 R'000
2.	**TRADING PROFIT**		
2.1	**Trading profit has been arrived at after charging/(crediting) the following expenses/(income):**		
	External auditor's remuneration		
	– Audit fees current year	**11 600**	10 831
	– Audit fees overprovision prior year	**(148)**	(47)
	– Taxation services	**110**	160
	Depreciation		
	– Freehold land and buildings	**24 748**	23 581
	– Leasehold improvements	**4 333**	5 822
	– Plant, equipment and vehicles	**86 791**	89 365
	– Computer equipment	**27 960**	22 496
	– Furniture and fittings	**3 294**	3 268
	– Right-of-use assets	**44 099**	44 112
	Amortisation of intangible assets	**9 389**	9 390
	Inventories written off	**69 255**	73 690
	Lease payments on low value assets and short-term leases	**3 289**	3 661
	Foreign exchange profit	**(3 993)**	(5 672)
	Payments for services and products to related parties (Refer to note 28)	**178 903**	104 689
	Expected credit loss provision charge	**6 737**	3 754
	Loss/(Profit) on disposal of property, plant and equipment	**642**	(45)

2. TRADING PROFIT (continued)

2.2 Expense by nature

	Cost of sales R'000	Selling, distribution and marketing expenses R'000	Fixed and administrative expenses R'000	Total R'000
2024				
Cost of material and production variances	**5 100 487**	**–**	**–**	**5 100 487**
Staff cost	**723 373**	**468 440**	**328 655**	**1 520 468**
– Salaries and wages	**652 568**	**414 431**	**290 203**	**1 357 202**
– Medical	**15 925**	**9 343**	**6 330**	**31 598**
– Retirement	**54 880**	**44 666**	**32 122**	**131 668**
Other staff cost	**42 627**	**10 259**	**22 364**	**75 250**
Advertising and marketing expenses	**–**	**353 343**	**4 765**	**358 108**
Transport and warehouse cost	**2 251**	**334 576**	**3 650**	**340 477**
Depreciation and amortisation	**108 358**	**39 292**	**52 964**	**200 614**
Repairs and maintenance expenditure	**144 196**	**22 761**	**11 460**	**178 417**
Property cost	**185 038**	**41 587**	**27 625**	**254 250**
Legal and consultant cost	**18 327**	**6 395**	**44 762**	**69 484**
Royalties	**–**	**32 992**	**–**	**32 992**
Regulatory and compliance expenses	**30 391**	**5 086**	**14 648**	**50 125**
Travel cost	**846**	**18 619**	**8 012**	**27 477**
Office expenses	**8 316**	**7 634**	**52 118**	**68 068**
Insurance	**47 109**	**5 659**	**15 942**	**68 710**
Audit fees	**–**	**–**	**11 452**	**11 452**
ECL provision	**–**	**–**	**6 737**	**6 737**
Corporate social investment	**–**	**–**	**9 677**	**9 677**
Non-executive directors	**–**	**–**	**5 951**	**5 951**
Other	**13 277**	**14 252**	**7 359**	**34 888**
	6 424 596	**1 360 895**	**628 141**	**8 413 632**

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

2. TRADING PROFIT (continued)

2.2 Expense by nature (continued)

	Cost of sales R'000	Selling, distribution and marketing expenses R'000	Fixed and administrative expenses R'000	Total R'000
2023				
Cost of material and production variances*	4 752 245	–	–	4 752 245
Staff cost	655 016	477 205	328 550	1 460 771
– Salaries and wages	589 673	429 308	289 831	1 308 812
– Medical	15 326	9 359	6 342	31 027
– Retirement	50 017	38 538	32 377	120 932
Other staff cost	40 595	10 887	29 731	81 213
Advertising and marketing expenses	–	381 180	6 468	387 648
Transport and warehouse cost	3 043	323 239	2 499	328 781
Depreciation and amortisation	108 268	38 834	50 932	198 034
Repairs and maintenance expenditure	131 918	21 344	12 585	165 847
Property cost	161 128	35 647	29 436	226 211
Legal and consultant cost	18 771	5 684	42 050	66 505
Royalties	–	35 874	–	35 874
Regulatory and compliance expenses*	18 463	13 464	18 686	50 613
Travel cost	702	16 080	7 273	24 055
Office expenses	5 507	7 686	44 314	57 507
Insurance	39 517	4 758	13 342	57 617
Audit fees	–	–	10 784	10 784
ECL provision	–	–	3 754	3 754
Corporate social investment	–	–	8 767	8 767
Non-executive directors	–	–	6 403	6 403
Other	9 659	18 756	333	28 748
	5 944 832	1 390 638	615 907	7 951 377

* *Raw materials and production costs of R102 million were classified as "Regulatory and compliance expenses" in the 2023 financial year instead of "Cost of Material and production variances" and has been corrected in the current year. There is no impact on the primary financial statements.*

2. TRADING PROFIT (continued)

2.3 Directors' emoluments

Executive directors	2024 R'000	2023 R'000
AG Hall	**16 953**	16 782
Remuneration	**7 308**	7 158
Retirement benefits	**350**	350
Performance bonus	**9 295**	9 274
D Neethling	**9 142**	9 041
Remuneration	**4 288**	4 197
Retirement benefits	**350**	350
Performance bonus	**4 504**	4 494
B Letsoalo	**7 366**	7 249
Remuneration	**3 545**	3 497
Retirement benefits	**553**	526
Performance bonus	**3 268**	3 226
Total executive directors	**33 461**	33 072
Non-executive directors		
L Boyce	**459**	390
M Haus	**–**	891
S Gumbi	**788**	701
B Mabuza	**565**	392
N Madisa[1]	**1 283**	1 221
C Manning	**886**	843
D Ransby	**919**	874
M Sathekge	**711**	608
M Steyn[1]	**340**	123
K Wakeford[2]	**–**	360
Total non-executive directors	**5 951**	6 403
Total directors' remuneration	**39 412**	39 475

[1] *Paid to Bidvest Corporate Services Proprietary Limited.*
[2] *Paid to Bidvest Branded Products Proprietary Limited.*

2.4 Key management

	2024 R'000	2023 R'000
Salaries	**27 225**	25 411
Retirement benefits	**3 701**	3 833
Medical benefits	**412**	540
Performance bonuses	**9 722**	10 967
	41 060	40 751

Key management comprises the Group Executive Committee, other than the executive directors.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

3. NON-TRADING EXPENSES

Accounting policy

An expense is regarded as non-trading when it is incurred from activities unrelated to the core operations of the Group; when key management have no direct control or influence over it; or it is of a non-recurring nature.

	2024 R'000	2023 R'000
Impairments (Refer to Annexure F)	**115 604**	–
Share-based payment expenses (Refer to Annexure B)	**44 719**	44 104
PBLTIS *	**47 606**	39 582
Equity-settled	**(2 033)**	1 792
Cash-settled	–	730
Black Managers Share Trust equity-settled	**(2 000)**	2 000
Black Managers Share Trust – fair value adjustment of employee benefits	**1 146**	–
Fair value adjustment of long-term receivable	**2 765**	844
Transaction costs	**1 584**	–
	164 672	44 948

* *Performance-based long-term incentive scheme (equity-settled).*

4. FINANCE INCOME AND FINANCE COSTS

Accounting policy

Finance income comprises interest received on bank balances and short-term deposits and is recognised as it accrues, using the effective interest rate method.

Finance costs comprise interest paid on borrowings and other costs like commitment fees, incurred in connection with the borrowing of funds.

All borrowing costs are recognised using the effective interest rate method, as none of the borrowing costs were directly attributable to the acquisition, construction or production of an asset which qualifies for capitalisation.

		2024 R'000	2023 R'000
4.1	**Finance income**		
	Bank	**9 651**	6 846
	Receiver of Revenue	**418**	735
	Other	**635**	47
		10 704	7 628
4.2	**Finance costs**		
	Bank	**70 512**	30 177
	IFRS 16 leases	**26 950**	29 487
	Receiver of Revenue	**–**	130
	Creditors	**–**	1
		97 462	59 795

5. TAX

Accounting policy

The tax expense includes current tax, deferred tax, capital gains tax, and foreign withholding tax on dividends received from the joint venture in India. Tax relating to items recognised outside profit or loss is recognised in other comprehensive income. Tax charges are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Current tax

The current tax charge is the expected tax to be paid based on taxable profit for the year, and includes any adjustments relating to the prior years. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The Group's liability or receivable for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date in the countries where the Group operates.

Deferred tax

The deferred tax charge is the tax expected to be paid in future or tax relief expected to materialise in future and based on the tax rates and laws that have been enacted or substantively enacted by the reporting date.

This tax is charged to profit or loss, except to the extent that it relates to a transaction that is recognised outside profit or loss or a business combination that results from an acquisition. In that case, the deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The charge is calculated applying the liability method on all temporary differences at the reporting date and includes any adjustments relating to the prior years. Temporary differences are those differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base for those assets and liabilities.

	2024 R'000	2023 R'000
South African tax		
Current income tax		
– current year	**284 405**	301 332
– prior year (over)/under provision	**(713)**	3 608
Deferred tax		
– current year	**14 783**	5 365
– prior year under/(over) provision	**202**	(3 703)
	298 677	306 602
Foreign tax		
Current income tax		
Current year	**1 137**	414
– prior year under provision	**964**	–
Deferred tax		
– prior year over provision	**(44)**	(60)
Withholding taxes paid	**10 078**	266
	12 135	620
Total tax charge	**310 812**	307 222

In addition to the above, deferred tax amounting to R13.0 million has been charged to other comprehensive income (2023: R2.5 million released). Refer to note 20.

5. TAX (continued)

Reconciliation of the tax rate:	2024 %	2023 %
Effective rate	**27.6**	25.5
Adjusted for:		
Exempt income (dividend income)	**0.2**	0.1
Non-deductible expenses*	**(3.1)**	(1.3)
Prior year under provision	**–**	(0.3)
Prior year over provision deferred tax	**–**	0.3
Equity accounted earnings	**3.1**	2.7
Withholding taxes	**(0.8)**	–
South African normal tax rate	**27.0**	27.0

	R'000	R'000
The Group has the following tax losses for offsetting against future taxable profits of the company in which the loss arose. All unutilised assessed losses from operations were recognised as a deferred tax asset in the current year and the prior year.		
South Africa (indefinite expiry)	**7 365**	707

* *Includes amortisation/impairment of intangibles, share-based payment expenses, professional fees, amongst others.*

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

6. EARNINGS PER SHARE

Accounting policy

Basic earnings per share is calculated by dividing profit attributable to owners of the Company by the weighted average number of shares in issue during the year.

The weighted average number of shares in issue is calculated as the number of shares in issue at the beginning of the year, increased/decreased by shares issued/cancelled during the year (if applicable), weighted on a time basis for the period during which they have participated in the profit of the Group. This is then reduced by shares held by a subsidiary company as treasury shares, weighted on a time basis if acquired during the year.

Diluted earnings per share is calculated by dividing profit attributable to owners of the Company by the diluted weighted average number of shares in issue.

The diluted weighted average number of shares is calculated by adjusting the weighted average number of shares in issue, and includes potential dilutive ordinary share instruments which are exercisable and will convert into ordinary shares. The Company has two categories of potential dilutive share instruments:

- equity share options; and
- conditional share awards.

A calculation is performed to determine the number of shares that could have been acquired at fair value based on the monetary value of the share options and conditional share awards.

The fair value of the equity share options and conditional share awards is calculated using the average share price for the year.

No dilutive adjustments have been made to earnings.

Headline earnings per share is calculated by dividing earnings attributable to owners of the Company for the year, after appropriate adjustments are made, by the weighted average number of shares in issue. The presentation of headline earnings is not an IFRS requirement, but is required by the JSE Listings Requirements and Circular 1 of 2023.

	2024 R'000	2023 R'000
Headline earnings is determined as follows:		
Profit attributable to owners of Adcock Ingram	**814 009**	898 410
Adjusted for:		
Impairment of intangible assets	**109 753**	–
Impairment of property, plant and equipment	**5 851**	–
Loss/(Profit) on disposal/scrapping of property, plant and equipment	**642**	(45)
Tax effect on loss on disposal of property, plant and equipment	**(174)**	(4)
Adjustments relating to equity accounted joint ventures		
(Profit)/Loss on disposal of property, plant and equipment	**(44)**	129
Tax effect on profit/(loss) on disposal of property, plant and equipment	**10**	(36)
Headline earnings from operations	**930 047**	898 454

6. EARNINGS PER SHARE (continued)

	2024	2023
Reconciliation of diluted weighted average number of shares		
Weighted average number of ordinary shares in issue:		
– Issued shares at the beginning of the year	**169 718 861**	169 758 861
– Effect of ordinary shares cancelled during the year	**(5 543 567)**	(22 466)
– Effect of ordinary treasury shares held within the Group	**(13 333 165)**	(9 671 520)
Weighted average number of ordinary shares outstanding	**150 842 129**	160 064 875
Potential dilutive effect of outstanding share options	**3 790 631**	3 688 900
Diluted weighted average number of shares outstanding	**154 632 760**	163 753 775

	cents	cents
Earnings		
Basic earnings per share	**539.6**	561.3
Diluted basic earnings per share	**526.4**	548.6
Headline earnings		
Headline earnings per share	**616.6**	561.3
Diluted headline earnings per share	**601.5**	548.7
Distribution per share		
Interim	**125.0**	125.0
Final*	**150.0**	125.0

* *Subsequent to year-end*

7. DISTRIBUTIONS ON ORDINARY SHARES PAID AND DECLARED

Accounting policy

Dividends are only accounted for in the annual financial statements in the year that they are paid and are approved by the Board of Directors.

A dividends tax of 20% on dividend distributions is withheld from shareholders and paid to the South African Revenue Service, where applicable.

		2024 R'000	2023 R'000
7.1	**Declared and paid during the year**		
	Final dividend for 2023: 125 cents (2022:109 cents)	**190 961**	176 317
	Interim dividend for 2024: 125 cents (2023: 125 cents)	**188 043**	199 051
	Total paid to equity holders of parent company	**379 004**	375 368
	Dividends paid to non-controlling shareholders	**18**	204
	Total dividend declared and paid to the public	**379 022**	375 572
7.2	**Declared subsequent to 30 June 2024**		
	Final dividend for 2024: 150 cents per share	**220 144**	

8. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses.

Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate assets. Expenditure incurred on major inspection and overhaul, or to replace an item is also accounted for separately if the recognition criteria are met. All other repairs and maintenance expenditures are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis, on the difference between the cost and residual value of an asset, over its useful life. Depreciation starts when the asset is available for use. An asset's residual value, useful life and depreciation method are reviewed at least at each financial year-end.

Any adjustments to residual value, useful life or depreciation method applied, are changes in the accounting estimate and accounted for prospectively.

The following useful lives have been estimated:

Freehold land	Not depreciated
Freehold buildings – general purpose	40 years
– specialised	20 – 50 years
Leasehold improvements	The shorter of the lease term or the useful life
Plant, equipment and vehicles	3 – 15 years
Furniture and fittings	3 – 15 years
Computer equipment	3 years

Assets in the course of construction are carried at cost, including professional fees, less any impairment loss. When an asset is ready for its intended use, it is transferred into the appropriate category at which point depreciation commences on the same basis as on other property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired.

8. PROPERTY, PLANT AND EQUIPMENT (continued)

2024	Freehold land and buildings R'000	Leasehold improvements R'000	Plant, equipment and vehicles R'000	Computer equipment R'000	Furniture and fittings R'000	Work in progress R'000	Total R'000
Carrying value at beginning of year							
Cost	1 091 634	123 648	1 101 584	186 322	36 262	137 393	2 676 843
Accumulated depreciation	(253 398)	(103 619)	(676 852)	(141 125)	(26 054)	–	(1 201 048)
	838 236	20 029	424 732	45 197	10 208	137 393	1 475 795
Current year movements – cost							
Additions	–	17 617	19 249	3 647	634	86 594	127 741
Transfer	4 818	–	86 706	31 866	1 359	(124 749)	–
Exchange rate adjustments	–	(88)	(2)	(112)	(108)	–	(310)
Disposals	–	(226)	(11 709)	(26 800)	(482)	–	(39 217)
Cost movement for current year	4 818	17 303	94 244	8 601	1 403	(38 155)	88 214
Current year movements – accumulated depreciation							
Depreciation	(24 748)	(4 333)	(86 791)	(27 960)	(3 294)	–	(147 126)
Exchange rate adjustments	–	75	1	85	53	–	214
Impairment	–	–	–	(5 851)	–	–	(5 851)
Disposals	–	54	10 164	26 771	389	–	37 378
Accumulated depreciation movement for current year	(24 748)	(4 204)	(76 626)	(6 955)	(2 852)	–	(115 385)
Carrying value at end of year							
Cost	1 096 452	140 951	1 195 828	194 923	37 665	99 238	2 765 057
Accumulated depreciation	(278 146)	(107 823)	(753 478)	(148 080)	(28 906)	–	(1 316 433)
	818 306	33 128	442 350	46 843	8 759	99 238	1 448 624

8. PROPERTY, PLANT AND EQUIPMENT (continued)

2023	Freehold land and buildings R'000	Leasehold improvements R'000	Plant, equipment and vehicles R'000	Computer equipment R'000	Furniture and fittings R'000	Work in progress R'000	Total R'000
Carrying value at beginning of year							
Cost	1 064 086	123 253	1 064 892	168 454	35 361	125 131	2 581 177
Accumulated depreciation	(229 817)	(98 321)	(624 124)	(132 465)	(23 902)	–	(1 108 629)
	834 269	24 932	440 768	35 989	11 459	125 131	1 472 548
Current year movements – cost							
Additions	–	864	9 604	2 040	389	135 189	148 086
Transfer	27 548	–	64 217	29 637	1 525	(122 927)	–
Exchange rate adjustments	–	182	79	192	205	–	658
Disposals	–	(651)	(37 208)	(14 001)	(1 218)	–	(53 078)
Cost movement for current year	27 548	395	36 692	17 868	901	12 262	95 666
Current year movements – accumulated depreciation							
Depreciation	(23 581)	(5 822)	(89 365)	(22 496)	(3 268)	–	(144 532)
Exchange rate adjustments	–	(127)	(76)	(164)	(92)	–	(459)
Disposals	–	651	36 713	14 000	1 208	–	52 572
Accumulated depreciation movement for current year	(23 581)	(5 298)	(52 728)	(8 660)	(2 152)	–	(92 419)
Carrying value at end of year							
Cost	1 091 634	123 648	1 101 584	186 322	36 262	137 393	2 676 843
Accumulated depreciation	(253 398)	(103 619)	(676 852)	(141 125)	(26 054)	–	(1 201 048)
	838 236	20 029	424 732	45 197	10 208	137 393	1 475 795

9. RIGHT-OF-USE ASSETS

Accounting policy

The Group leases various property for warehousing and offices, vehicles and computer equipment and has the right to use these assets over a contracted lease term. These contracts vary from two years to 10 years and include a fixed annual escalation. The Group has no variable rental agreements in place.

At the inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains a lease, if the Group has the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group initially measures and recognises the right-of-use assets at cost, which is the value equal to the lease liability, at the lease commencement date.

The right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. If the lease agreement contains an option to purchase the asset at the end of the lease term and the Group is reasonably certain that it would exercise the purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The estimated remaining useful life information at June 2024 was as follows:

Buildings	Up to 7 years
Vehicles	Up to 1 years 2 months

Judgement and estimates

The recoverability of the assets has been considered under IAS 36 and no impairment was required.

Short-term leases and leases of low-value assets

The Group has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low values. The Group applies the recognition exemptions for these leases by recording those lease payments in profit of loss (refer to note 2.1).

2024	Land and buildings R'000	Equipment and vehicles R'000	Total R'000
Carrying value at beginning of year			
Cost	385 665	8 808	394 473
Accumulated depreciation	(157 792)	(3 213)	(161 005)
	227 873	5 595	233 468
Current year movements – cost			
Modification of lease term*	1 037	–	1 037
Cancellation of lease	–	(982)	(982)
Cost movement for current year	1 037	(982)	55
Current year movements – accumulated depreciation			
Depreciation	(41 855)	(2 244)	(44 099)
Cancellation of lease	–	982	982
Accumulated depreciation movement for current year	(41 855)	(1 262)	(43 117)
Carrying value at end of year			
Cost	386 702	7 826	394 528
Accumulated depreciation	(199 647)	(4 475)	(204 122)
	187 055	3 351	190 406

* *The lease term for the Bloemfontein warehouse was extended and treated as a modification during the year.*

9. RIGHT-OF-USE ASSETS (continued)

2023	Land and buildings R'000	Equipment and vehicles R'000	Total R'000
Carrying value at beginning of year			
Cost	384 498	5 456	389 954
Accumulated depreciation	(116 169)	(3 291)	(119 460)
	268 329	2 165	270 494
Current year movements – cost			
Additions	1 167	5 919	7 086
Cancellation of lease	–	(2 567)	(2 567)
Cost movement of current year	1 167	3 352	4 519
Current year movements – accumulated depreciation			
Depreciation	(41 623)	(2 489)	(44 112)
Cancellation of lease	–	2 567	2 567
Accumulated depreciation movement for current year	(41 623)	78	(41 545)
Carrying value at end of year			
Cost	385 665	8 808	394 473
Accumulated depreciation	(157 792)	(3 213)	(161 005)
	227 873	5 595	233 468

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

10. INTANGIBLE ASSETS

Accounting policy

Goodwill

Goodwill is initially measured at cost, being the excess of the consideration transferred, the amount of any non-controlling interest and in a business combination achieved in stages, the acquisition date fair value of any previously held equity interest in the acquiree, over the fair value of the acquiree's net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. Goodwill relating to subsidiaries is recognised as an asset and is subsequently measured at cost less accumulated impairment losses.

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is the fair value at the date of acquisition. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, are not capitalised and expenditure is charged to profit or loss in the year in which the expense is incurred.

The useful lives of intangible assets are either finite or indefinite.

Intangible assets with finite lives are amortised over their useful life using the straight-line method and assessed for impairment when there is an indication that the asset may be impaired due to a change in circumstances. The amortisation period and the amortisation method are reviewed at each year-end.

The following useful lives have been estimated:

Trademarks and brands	– 15 years or indefinite
Licence-related intangibles	– Indefinite

Amortisation is recognised in profit or loss in fixed and administrative expenses. Intangible assets with indefinite useful lives are not amortised but are tested bi-annually for impairment or more frequently when there is an indicator of impairment and the useful lives are also reviewed bi-annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment to a finite life is accounted for prospectively.

Certain trademarks, brands and licence agreements have been assessed to have indefinite useful lives, as presently there is no foreseeable limit to the period over which the assets can be expected to generate cash flows for the Group.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Research costs

Research costs, being costs from the investigation undertaken with the prospect of gaining new knowledge and understanding, are recognised in profit or loss (fixed and administrative expenses) as they are incurred.

10. INTANGIBLE ASSETS (continued)

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If such an indication exists, or when impairment testing is required, as is the case with goodwill and intangible assets with indefinite useful lives, the Group estimates the recoverable amount. An asset's recoverable amount is the higher of the fair value less costs of disposal and its value-in-use. The recoverable amount is determined for individual assets, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying value exceeds the recoverable amount, the asset is considered impaired and is written down to the recoverable amount.

The recoverable amount of the indefinite life intangible assets is based on a value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a 10-year period when management believes that products have a value-in-use of 10 years or more and that these projections, based on past experience, are reliable and when the 10-year period will more accurately reflect the value of the assets from the cash flow derived from the CGU.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation for goodwill and indefinite life intangible assets on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGU's to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 10 years. Ten years are used in instances where the Group believes that assets have a value-in-use of ten or more years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the 10th year.

The following assets have specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment:

- annually at the reporting date; and
- when circumstances indicate that the carrying value may be impaired.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment:

- bi-annually as at 31 December and 30 June; and
- when circumstances indicate that the carrying value may be impaired on an individual basis or at the CGU level.

Impairment losses relating to goodwill and intangible assets cannot be reversed in future periods, and are included in non-trading expenses in the statement of comprehensive income.

Goodwill acquired through business combinations and other intangible assets has been allocated to individual reportable segments based on product and market category. Reportable segments are also considered to be operating segments. Intangibles which include goodwill are tested at the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. These represent the lowest level within the entity at which intangible assets are monitored for internal management purposes.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

10. INTANGIBLE ASSETS (continued)

Impairment of non-financial assets (continued)

The average remaining useful life for intangible assets with finite useful lives ranges between 2.3 years and 3.5 years.

The calculation of the recoverable amount requires the use of estimates and assumptions concerning the future cash flows which are inherently uncertain and could change over time. In addition, changes in economic factors such as discount rates could also impact this calculation.

Judgements and estimates

The calculation of value-in-use for all segments is sensitive to the following assumptions:

Revenue (Turnover) growth rate

Turnover growth for the forecast period is based on a growth of up to 10% and includes estimated changes to selling prices and market conditions.

Gross margin

Gross margins for the forecast are based on a range of 27% to 55% and are changed for estimated changes to cost of production, raw materials, and selling prices.

Discount rates

Discount rates reflect management's estimate of the risks. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. The discount rate is derived from the Group's weighted average cost of capital (WACC). The WACC takes into account both the cost of debt and of equity. The cost of equity is derived from the expected return on investment by the Group. The discount rate applied to cash flow projections, is 14.60% (2023: 16.70%).

Terminal growth rate estimate

The terminal growth rate applied to cash flow projections beyond the 10-year period is 4.0% (2023: 0.5% to 4.9%).

2024	Goodwill R'000	Trademarks and brands R'000	Licence agreements R'000	Total R'000
Carrying value at beginning of year				
Cost	289 108	1 031 215	109 904	1 430 227
Accumulated amortisation	–	(142 703)	(7 907)	(150 610)
Accumulated impairment losses	(5 595)	(40 696)	–	(46 291)
	283 513	847 816	101 997	1 233 326
Current year movements – cost				
Exchange rate adjustments	–	(6)	–	(6)
Cost movement for the year	–	(6)	–	(6)
Current year movements – other				
Amortisation charge for the year	–	(9 389)	–	(9 389)
Impairment[1]	(107 175)	(2 578)	–	(109 753)
Exchange rate adjustments	–	6	–	6
Movement for the year	(107 175)	(11 961)	–	(119 136)
Carrying value at end of year				
Cost	289 108	1 031 209	109 904	1 430 221
Accumulated amortisation	–	(152 086)	(7 907)	(159 993)
Accumulated impairment losses	(112 770)	(43 274)	–	(156 044)
	176 338	835 849	101 997	1 114 184

[1] *Refer to Annexure F*

10. INTANGIBLE ASSETS (continued)

2023	Goodwill R'000	Trademarks and brands R'000	Licence agreements R'000	Total R'000
Carrying value at beginning of year				
Cost	289 108	1 031 203	109 904	1 430 215
Accumulated amortisation	–	(133 301)	(7 907)	(141 208)
Accumulated impairment losses	(5 595)	(40 696)	–	(46 291)
	283 513	857 206	101 997	1 242 716
Current year movements – cost				
Exchange rate adjustments	–	12	–	12
Cost movement for the year	–	12	–	12
Current year movements – other				
Amortisation charge for the year	–	(9 390)	–	(9 390)
Exchange rate adjustments	–	(12)	–	(12)
Movement for the year	–	(9 402)	–	(9 402)
Carrying value at end of year				
Cost	289 108	1 031 215	109 904	1 430 227
Accumulated amortisation	–	(142 703)	(7 907)	(150 610)
Accumulated impairment losses	(5 595)	(40 696)	–	(46 291)
	283 513	847 816	101 997	1 233 326

Reportable segments for impairment testing

2024	**Consumer R'000**	**OTC R'000**	**Prescription R'000**	**Hospital R'000**	**Total R'000**
Carrying amount of goodwill	**163 758**	**–**	**–**	**12 580**	**176 338**
Epi-max	**163 758**	**–**	**–**	**–**	**163 758**
Hospital	**–**	**–**	**–**	**12 580**	**12 580**
Carrying amount of other intangibles	**436 934**	**133 745**	**353 305**	**13 862**	**937 846**
Indefinite useful lives	**418 218**	**132 343**	**353 305**	**12 304**	**916 170**
Citro-Soda	**–**	**46 879**	**–**	**–**	**46 879**
Epi-max	**120 000**	**–**	**–**	**–**	**120 000**
Plush	**235 218**	**–**	**–**	**–**	**235 218**
Other[2]	**63 000**	**85 464**	**353 305**	**12 304**	**514 073**
Finite useful lives	**18 716**	**1 402**	**–**	**1 558**	**21 676**
ProbiFlora	**18 716**	**1 402**	**–**	**–**	**20 118**
Other[2]	**–**	**–**	**–**	**1 558**	**1 558**
	600 692	**133 745**	**353 305**	**26 442**	**1 114 184**

[2] *Other not individually material.*

10. INTANGIBLE ASSETS (continued)

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

2023	Consumer R'000	OTC R'000	Prescription R'000	Hospital R'000	Total R'000
Carrying amount of goodwill	270 933	–	–	12 580	283 513
Epi-max	163 758	–	–	–	163 758
Plush	107 175	–	–	–	107 175
Hospital	–	–	–	12 580	12 580
Carrying amount of other intangibles	449 858	132 343	353 305	14 307	949 813
Indefinite useful lives	420 796	132 343	353 305	12 304	918 748
Citro-Soda	–	46 879	–	–	46 879
Epi-max	120 000	–	–	–	120 000
Plush	235 218	–	–	–	235 218
Transfer of brands	–	(16 175)	16 175	–	–
Other[1]	65 578	101 639	337 130	12 304	516 651
Finite useful lives	29 062	–	–	2 003	31 065
ProbiFlora	29 062	–	–	–	29 062
Other[1]	–	–	–	2 003	2 003
	720 791	132 343	353 305	26 887	1 233 326

[1] *Other not individually material.*

Sensitivity analysis

The directors and management have performed a sensitivity analysis to determine the percentage by which the value assigned to each of the key assumptions must change, after incorporating any consequential effects of that change on the other variables used to measure recoverable amount, in order for the recoverable amount to be equal to its carrying amount. The other intangibles were not considered to be sensitive to change.

	% Decrease in revenue growth rate	**% Decrease in gross margin**	**% Increase in discount rate**	**% Decrease in terminal growth rate**
2024				
Epi-max	**10.5%**	**17.5%**	**20.0%**	**33.7%**
Plush	**0.1%**	**0.1%**	**0.1%**	**0.1%**
2023				
Epi-max	2.7%	3.5%	3.2%	27.5%
Plush	0.3%	2.8%	1.8%	9.5%

11. DEFERRED TAX

Accounting policy

Deferred tax is provided using the liability method on all temporary differences at the reporting date. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. Deferred tax liabilities are recognised for taxable temporary differences, except:

- where the liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, where the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, where it is probable that the asset will be utilised in the foreseeable future, except:

- where the asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and joint ventures, only to the extent that it is probable that the differences will reverse in the foreseeable future, and taxable profit will be available against which these differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and they relate to income taxes levied by the same taxation authority.

The tax base for ROU assets and lease liabilities (IFRS 16) are considered separately.

Judgement and estimates

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred tax assets are re-assessed at each reporting date and recognised to the extent it has become probable that future taxable profit will allow the asset to be utilised.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

11. DEFERRED TAX (continued)

	2024 R'000	2023 R'000
Balance at beginning of year	**(133 248)**	(129 252)
Movement through profit or loss	**(14 941)**	(1 602)
Exchange rate adjustments	**(49)**	97
Revaluations of foreign currency contracts (cash flow hedges) to fair value	**13 379**	(1 769)
Revaluation to fair value through other comprehensive income	**(416)**	(722)
Balance at end of year	**(135 275)**	(133 248)
Analysis of deferred tax		
This balance comprises the following temporary differences:		
Trademarks	**(101 549)**	(103 964)
Property, plant and equipment	**(164 597)**	(158 099)
Pre-payments	**(9 112)**	(4 609)
Income received in advance	**25 072**	25 088
Provisions	**79 733**	90 159
Revaluations of foreign currency contracts (cash flow hedges) to fair value	**8 828**	(4 551)
Tax loss available for future use	**1 989**	191
Right-of-use assets	**(51 410)**	(63 036)
Lease liability	**75 786**	85 158
Other	**(15)**	415
	(135 275)	(133 248)
Disclosed as follows:		
Deferred tax asset	**25 877**	14 104
Deferred tax liability	**(161 152)**	(147 352)

12. OTHER FINANCIAL ASSETS

12.1 Long-term receivable

Accounting policy

The long-term receivable is initially classified as a fair value through profit or loss financial asset and measured at its fair value. Subsequent net changes in the fair value are recognised in the statement of profit or loss.

This asset will be derecognised and removed from the Group's consolidated statement of financial position when the right to receive cash flows from the asset has expired and written off when there is no reasonable expectation of recovering the contractual cash flows.

	2024 R'000	2023 R'000
Black Managers Share Trust (BMT)		
Balance at beginning of year	**16 826**	19 219
Proceeds from sale	**(671)**	(1 549)
Fair value adjustment	**(2 765)**	(844)
	13 390	16 826

The maturity of the receivable from the BMT depends on how beneficiaries exercise their options until 30 September 2027 when the scheme is due to end, or when a beneficiary dies. The proceeds on sale during the year is as a result of the capital contribution payments upon units being exercised, after the lock-in period, of R0.7 million (2023: R1.5 million). The fair value adjustment was as a result of the cost of the capital contribution exceeding the terminal amount (original capital contribution, increased by a notional return on the capital contribution and reduced by dividends distributed to the beneficiaries). Refer to Annexure B for further details.

12.2 Investment

Accounting policy

Upon initial recognition, the Group elects to irrevocably classify its equity investments as financial assets designated at fair value through other comprehensive income (OCI) when they meet the definition of equity and are not held for trading. The classification is determined on an instrument-by-instrument basis. This investment is measured at its fair value including transaction costs.

Gains and losses on these financial assets are never recycled to profit or loss.

The equity instruments designated at fair value through OCI are not subject to impairment assessment. This asset will be derecognised and removed from the Group's consolidated statement of financial position when the right to receive cash flows from the asset has expired.

	2024 R'000	2023 R'000
Group Risk Holdings Proprietary Limited		
Balance at beginning of year	**3 650**	2 551
Sale of 0.25% (2023: 0.75%) interest	**(257)**	(717)
Revaluation of investment through OCI	**731**	1 816
	4 124	3 650
Total other financial assets	**17 514**	20 476

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

13. INVESTMENT IN JOINT VENTURES

Accounting policy

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement. The Group has the following joint ventures:

- Adcock Ingram Holdings Limited has a 49.9% interest in Adcock Ingram Limited (India), a company incorporated in India, which is involved in the manufacturing of pharmaceutical products; and
- Adcock Ingram Critical Care Proprietary Limited has a 50% indirect interest in National Renal Care Proprietary Limited, a company incorporated in South Africa, which provides renal healthcare services.

Under the equity method, investments are carried in the statement of financial position at cost, plus post-acquisition changes in the Group's share of the profit or loss of these investments.

Joint ventures are accounted for from the date that joint control is obtained, to the date that the Group ceases to have joint control.

The statement of comprehensive income reflects the Group's share of these investments' profit or loss. However, losses in excess of the Group's interest are not recognised. Additional losses are provided for and a liability is recognised, only to the extent that a legal or constructive obligation exists. Where a joint venture recognises an entry directly in OCI, the Group in turn recognises its share as OCI in the consolidated statement of comprehensive income. Profits and losses resulting from transactions between the Group and equity-accounted investments are eliminated to the extent of the interest in the underlying investment.

After application of the equity method, each investment is assessed for indicators of impairment. If applicable, the impairment is calculated as the difference between the carrying value and the higher of its value-in-use or fair value less costs to dispose. Impairment losses are recognised in profit or loss, as part of non-trading expenses.

In the Company financial statements, joint ventures are initially accounted for at cost when joint control is obtained and subsequently at cost less accumulated impairment losses.

Upon loss of joint control over the joint venture, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Where an equity accounted investment's reporting date differs from the Group's, the joint venture prepares financial results for the same financial period as the Group. Where the equity accounted investment's accounting policies differ from those of the Group, appropriate adjustments are made to conform to the accounting policies of the Group.

The year-end of the joint venture, Adcock Ingram Limited (India) is March; the year-end of National Renal Care Proprietary Limited is September.

	2024 R'000	2023 R'000
The carrying value of the investments:		
Adcock Ingram Limited (India)	**448 665**	471 319
National Renal Care Proprietary Limited	**223 828**	199 629
	672 493	670 948

Refer to Annexure E for more details on these investments

14. LOANS RECEIVABLE

Accounting policy

Other non-current receivables are initially recognised at fair value and subsequently measured at amortised cost, less impairments, using the effective interest rate method.

The receivable will be de-recognised when the loan is impaired or settled. It is highly unlikely it will be impaired as trucks are held as security.

Outstanding proceeds are of a contractual nature and no expected credit loss provision has been raised in accordance with IFRS 9 – *Financial Instruments*.

	2024 R'000	2023 R'000
Balance at beginning of year	**479**	4 124
Payment received	**(479)**	(3 645)
	–	479

15. INVENTORIES

Accounting policy

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials	Purchase cost on a first-in, first-out basis
Finished goods and work in progress	Cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity.

Consumables are written down with regard to their age, condition and utility.

Costs of inventories include the transfer from OCI of gains and losses on qualifying cash flow hedges in respect of the purchases of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated completion and selling costs.

Judgement and estimates

To value inventory at the lower of cost and net realisable value, management is required to make certain judgements regarding the allowance for obsolescence, which include expectations of forecast inventory demand and plans to dispose of inventories that may be near to expiry.

	2024 R'000	2023 R'000
Raw materials	**645 964**	680 413
Work-in-progress	**14 590**	14 496
Finished goods	**1 880 447**	1 754 702
Inventory value, net of provisions	**2 541 001**	2 449 611
Inventories are written off if aged, damaged, stolen or the likelihood of being sold is remote.		
Inventories written off are accounted for in cost of sales	**69 255**	73 690

Refer to note 26.1 for movement in inventory provisions.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

16. RECEIVABLES AND OTHER CURRENT ASSETS

Accounting policy

Trade receivables are initially recognised at transaction price and subsequently measured at amortised cost, using the effective interest rate method and are subject to impairment. No fair value adjustment is made for the effect of time value of money where receivables have a short-term profile. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Trade receivables are disclosed net of an expected credit loss allowance.

Other receivables comprise receivables mainly of a contractual nature, initially recognised at fair value and subsequently measured at amortised cost. Other receivables which are not of a contractual nature are initially recognised at fair value and subsequently measured at fair value through profit and loss.

These assets will be derecognised and removed from the Group's consolidated statement of financial position when the right to receive cash flows from the asset has expired and written off when there is no reasonable expectation of recovering the contractual cash flows.

The derivative asset is measured at fair value and gains and losses taken to OCI are transferred to profit or loss when the hedge transaction affects profit or loss. The net market value of all forward exchange contracts at year-end is calculated by comparing the forward exchange contracted rates to the equivalent of year-end market foreign exchange rates.

	2024 R'000	2023 R'000
Trade receivables[1]	**1 989 215**	1 887 189
Less: Expected allowance for credit losses (note 16.1)	**(45 180)**	(38 443)
Net trade receivables	**1 944 035**	1 848 746
Other receivables	**104 680**	99 656
Bank interest receivable	**243**	339
Sundry receivables[2]	**104 437**	99 317
The maximum exposure to credit risk in relation to trade and other receivables	**2 048 715**	1 948 402
Derivative asset at fair value[3] (note 16.2)	**–**	17 096
Pre-payments[4]	**95 539**	65 068
VAT recoverable[5]	**79 334**	29 351
	2 223 588	2 059 917

1 *86.6% (2023: 88.2%) of trade receivables relates to private, and 13.4% (2023: 11.8%) to public sector customers.*

2 *Sundry receivables which includes fees receivable from multi-national partners, are also subject to impairment requirements of IFRS 9 and the expected credit loss is immaterial.*

3 *The derivative asset was realised within 90 days.*

4 *Includes advance payments for inventory and insurance.*

5 *VAT recoverable will be received within one month.*

16% (2023: 15%) of pre-payments will be reclassified to other assets in the statement of financial position and the remainder to profit or loss over the next 12 months.

16. RECEIVABLES AND OTHER CURRENT ASSETS (continued)

16.1 Expected allowance for credit losses

Accounting policy

The Group applies the IFRS 9 – *Financial instruments* simplified approach to measuring expected credit losses which use an expected credit loss allowance for all trade receivables. Trade and other receivables do not contain a financing component.

The Group uses a simplified provision matrix to calculate the expected losses as a practical expedient for trade receivables and other receivables. The expected loss rates in the matrix are based on the historical default rates over a period of five years before the reporting date, for groupings of various customers segments with similar loss patterns, over the expected life of trade receivables.

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and incorporates forward-looking information of liquidity and similar risks expected to be impacting our customers.

The provision is recognised through the use of an allowance account for credit losses. The carrying amount of the trade receivables is reduced with the amount in the allowance account and the amount of the loss is recognised in the statement of comprehensive income in fixed and administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for credit losses.

A default in trade receivables is when the counterparty fails to meet contractual payment terms. Trade receivables are written off if past due for more than one year or where there is no reasonable expectation of recovery, due to insolvency.

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, the reversal of the previously recognised impairment loss is credited to fixed and administrative expenses in the statement of comprehensive income.

Judgements and estimates

The expected credit loss percentage is 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 and existing market conditions. Specific provisions are raised when there is objective evidence that the amount outstanding will no longer be received in full.

The Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates.

Credit risk

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all major customers who wish to trade on credit terms are subject to credit verification procedures. Individual credit limits are defined in accordance with an independent assessment and where appropriate credit guarantee insurance cover is purchased. The Group's exposure for those entities covered is the higher of R100 000 or 10% of the balance. 72% (2023: 73%) of all trade receivable balances are covered by credit insurance, decreasing the risk of loss due to non-payment. The uncovered portion is considered in the expected credit loss allowance.

Receivable balances are monitored on an ongoing basis with the result that the Group's historical exposure to credit losses is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the corporate office.

Substantially all debtors are non-interest bearing and repayable within 30 to 90 days. For trade and other receivables, management considers that a debtor has significant increase in credit risk when more than 30 days past due and have determined default as 90 days past due.

Apart from the South African Government, which comprises 13.4% (2023: 11.8%) or R267.3 million (2023: R223.1 million) of trade receivables, there are no significant concentrations of credit risk within the Group arising from the financial assets of the Group.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

16. RECEIVABLES AND OTHER CURRENT ASSETS (continued)

16.1 Expected allowance for credit losses (continued)

	2024 R'000	2023 R'000
Balance at beginning of year	**(38 443)**	(34 516)
Charge for the year	**(6 737)**	(3 754)
Exchange rate adjustments	**–**	(173)
	(45 180)	(38 443)

Loss allowance is calculated as follows: **2024**	Gross trade receivables R'000	Expected credit loss ratio %	Expected credit loss[1] R'000	Estimated net carrying amount R'000
<30 days	**1 210 347**	**0.4%**	**4 966**	**1 205 381**
31 – 60 days	**604 260**	**0.6%**	**3 392**	**600 868**
61 – 90 days	**55 012**	**1.6%**	**877**	**54 135**
Over 90 days	**119 596**	**30.1%**	**35 945**	**83 651**
	1 989 215	**2.3%**	**45 180**	**1 944 035**
2023				
<30 days	1 159 986	0.0%	–	1 159 986
31 – 60 days	572 992	0.1%	502	572 490
61 – 90 days	60 981	0.7%	432	60 549
Over 90 days	93 230	40.2%	37 509	55 721
	1 887 189	2.0%	38 443	1 848 746

[1] *54% (2023:78%) of the expected credit loss relates to sales to the public sector.*

	2024 R'000	2023 R'000
16.2 Derivative financial instruments – asset		
Balance at beginning of year	**17 096**	10 306
Fair value (gains)/ losses recognised in equity	**(17 096)**	6 790
	–	17 096

17. CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents are initially recognised at fair value and subsequently measured at amortised cost. On the statement of financial position, cash and cash equivalents consist of bank balances and short-term deposits. On the statement of cash flows, cash and cash equivalents comprise bank balances and short-term deposits, net of outstanding bank overdrafts. Bank overdrafts are shown within current liabilities on the statement of financial position.

Cash and cash equivalents are accounted for at amortised cost and bank overdrafts are accounted for as financial liabilities in accordance with the accounting policy disclosed in note 23.

Credit risk

Cash resources in South Africa, which represents 87% (2023: 79%) of total cash, are placed with various approved major financial institutions that all have a Baa3 credit rating. The Group limits its exposure by not placing more than R500 million at any one institution.

Cash and cash resources are also subject to impairment requirements of IFRS 9 and the expected credit loss is immaterial.

	2024 R'000	2023 R'000
Cash at banks	**89 417**	91 540
Less: Bank overdraft	**–**	9 641
	89 417	81 899

Cash at banks earns interest at floating rates based on daily bank deposit rates.

The fair value of the net cash approximates R89.4 million (2023: R81.9 million).

There are no restrictions over the cash balances and all balances are available for use.

The Group has unutilised facilities of approximately R1.75 billion as at 30 June (2023: R1.74 billion).

The wholly-owned South African companies in the Group provide cross-sureties for the overdraft facilities in South Africa, refer to note 27.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

18. SHARE CAPITAL

Accounting policy

Share capital

Issued share capital is stated in the statement of changes in equity at the amount of the proceeds received less directly attributable issue costs.

Treasury shares

Shares in Adcock Ingram Holdings Limited held by the Group, including shares held by structured entities deemed to be controlled by the Group, are classified within total equity as treasury shares. Treasury shares are treated as a deduction from the issued and weighted average number of shares for earnings per share and headline earnings per share purposes and the cost price of the shares is reflected as a reduction in capital and reserves in the statement of financial position. Dividends received on treasury shares are eliminated on consolidation. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. The consideration paid or received with regard to treasury shares is recognised in equity

		2024 R'000	2023 R'000
18.1	**Authorised**		
	Ordinary share capital		
	250 000 000 ordinary shares of 10 cents each	**25 000**	25 000
18.2	**Issued**		
	Ordinary share capital		
	Opening balance of 152 768 861 (2023: 161 758 861) ordinary shares of 10 cents each	**15 277**	16 176
	Repurchase of 6 005 995 (2023: 9 228 640) ordinary shares by subsidiary	**(601)**	(923)
	Movement in treasury shares (equity scheme) (2023: 278 640)	**–**	28
	Cancellation of shares (2023: 40 000)	**–**	(4)
	Closing balance of 146 762 866 (2023: 152 768 861) ordinary shares of 10 cents each	**14 676**	15 277

		Number of shares	
		2024	2023
18.3	**Treasury shares**		
	Shares held by Group companies		
	Adcock Ingram Limited	**14 537 134**	16 950 000

18. SHARE CAPITAL (continued)

18.3 Treasury shares (continued)

On 01 November 2023 the Company delisted eight million four hundred and eighteen thousand eight hundred and sixty one ordinary shares, previously held as treasury shares, which equated to 4.96% of the Company's issued share capital. This resulted in the JSE amending their records for the ordinary listed/issued shares from 169 718 861 to 161 300 000.

During the previous reporting period, the Company acquired forty thousand ordinary shares, which equated to 0.02% of the Company's issued share capital. The consideration paid was R1.9 million, equating to R49.39 per ordinary share. This resulted in the delisting of the issued shares and the JSE amending their records for the ordinary listed/issued shares from 169 758 861 to 169 718 861.

The Group has a share incentive trust and share options were granted. Refer to Annexure B. As required by IFRS and JSE Limited, the share incentive trust is consolidated into the Group's annual financial statements. There are no risks associated with the Group's interest in the trust, as the trust is merely a vehicle used for the share transactions.

	2024	2023
18.4 Reconciliation of issued shares		
Number of shares in issue	**169 718 861**	169 758 861
Cancellation of issued shares	**(8 418 861)**	(40 000)
Number of ordinary shares held by Group companies*	**(14 537 134)**	(16 950 000)
Net shares in issue	**146 762 866**	152 768 861

* *Entitled to dividends*

18.5 Unissued shares

In terms of the Companies Act, the unissued shares are under the control of the directors. Accordingly, the directors are authorised to allot and issue them on such terms and conditions and at such times as they deem fit, subject to the provisions of the Companies Act.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

19. SHARE PREMIUM AND TREASURY SHARE RESERVE

	2024 R'000	2023 R'000
19.1 SHARE PREMIUM		
Balance at beginning of year	**266 611**	255 194
Movement in treasury shares – equity scheme	**6**	13 389
Cancellation of issued shares	**–**	(1 972)
	266 617	266 611
19.2 TREASURY SHARE RESERVE		
Balance at the beginning of year	**471 196**	–
Repurchase of ordinary shares	**327 310**	471 196
	798 506	471 196

During the current financial year, the Group purchased an additional 6 005 995 (2023: 9 228 640) treasury shares held by Adcock Ingram Limited at an average cost of R54.60 (2023: R51.16) per share.

20. NON-DISTRIBUTABLE RESERVES

Share-based payment reserve

The share-based payment reserve represents the accumulated charge for share options in terms of IFRS 2. The share option plans are equity-settled and include an ordinary equity scheme, a B-BBEE scheme and a performance-based long-term incentive scheme (PBLTIS). Refer to Annexure B.

Cash flow hedge accounting reserve

The cash flow hedge accounting reserve comprises the portion of the cumulative net change in the fair value of derivatives designated as effective cash flow hedging relationships where the hedged item has not yet affected inventory and ultimately cost of sales in the statement of comprehensive income. Refer to Annexure D.

Capital redemption reserve

The capital redemption reserve was created as a result of revaluation of shares in subsidiaries.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Legal reserves and other

This represents:

- an unutilised merger reserve when Premier Pharmaceuticals and Adcock Ingram merged;
- actuarial profits or losses on the Group's post-employment medical liability; and
- a fair value adjustment on the Group's investment in Group Risk Holdings Proprietary Limited (refer to note 12.2).

	Share-based payment reserve R'000	Cash flow hedge accounting reserve R'000	Capital redemption reserve R'000	Foreign currency translation reserve R'000	Legal reserves and other R'000	Total R'000
20. NON-DISTRIBUTABLE RESERVES (continued)						
Balance at July 2022	195 243	7 523	3 919	32 099	31 389	270 173
Movement during the year, net of tax	34 921	4 781		44 740	2 318	86 760
Equity settled	(2 492)					(2 492)
Equity and PBLTIS options exercised	(14 534)					(14 534)
PBLTIS	43 866					43 866
BMT	2 000					2 000
Hedging reserve movement		59 583				59 583
Reclassified to cost of inventory – not included in other comprehensive income		(53 033)				(53 033)
Tax effect on movement		(1 769)				(1 769)
Actuarial gain on post-employment medical liability					1 224	1 224
Tax effect on movement					(330)	(330)
Transfer of Bophelo scheme reserves	6 081					6 081
Other movement for the year				44 740	1 816	46 556
Tax effect on movement					(392)	(392)
Balance at 30 June 2023	**230 164**	**12 304**	**3 919**	**76 839**	**33 707**	**356 933**
Movement during the year, net of tax	**(24 033)**	**(36 172)**		**(23 284)**	**1 271**	**(82 218)**
Equity settled	**(2 033)**					**(2 033)**
Equity and PBLTIS options exercised	**(67 606)**					**(67 606)**
PBLTIS	**47 606**					**47 606**
BMT	**(2 000)**					**(2 000)**
Hedging reserve movement		**(62 674)**				**(62 674)**
Reclassified to cost of inventory – not included in other comprehensive income		**13 123**				**13 123**
Tax effect on movement		**13 379**				**13 379**
Actuarial gain on post-employement medical liability					**956**	**956**
Tax effect on movement					**(258)**	**(258)**
Other movement for the year				**(23 284)**	**731**	**(22 553)**
Tax effect on movement					**(158)**	**(158)**
Balance at 30 June 2024	**206 131**	**(23 868)**	**3 919**	**53 555**	**34 978**	**274 715**

21. LEASE LIABILITIES

Accounting policy

The obligation to make lease payments in terms of a contract over a certain period of time, is recognised as a liability at the date at which the leased asset is available for use by the Group. Should a lease contract contain extension options, which are reasonably certain on the extension based on management's expected future use of the asset, payment for the extension period is also included in the measurement of the liability.

The liability arising from a lease is initially measured at the present value of the remaining lease payments (which are fixed contractual payments with annual escalation), discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain a similar asset in a similar economic environment with similar terms, security and conditions. The Group used the weighted average incremental borrowing rate of 10.8% (2023: 9.8%) for the warehouses that have extended their lease terms in the current financial year and 9.0% (2023: 9.6%) for remaining leases.

No contract renewal options were initially included in the present value calculations as the renewal of any agreement was not considered reasonably certain at that point in time.

After initial recognition, the lease liability is recorded at amortised cost using the effective interest method. Lease payments are split between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

	2024 R'000	2023 R'000
Balance at beginning of year	**(315 401)**	(337 741)
Additions	**–**	(7 086)
Modification of lease term	**(1 037)**	–
Capital repayment	**35 898**	29 426
Lease payments	**62 848**	58 913
Less: Finance cost	**(26 950)**	(29 487)
Balance at end of year	**(280 540)**	(315 401)
Split as follows:		
Long-term portion	**(238 080)**	(279 980)
Short-term portion	**(42 460)**	(35 421)

22. POST-RETIREMENT MEDICAL LIABILITY

Accounting policy

The Group provides post-retirement healthcare benefits to certain of its retirees and one employee still in service. The expected costs of these benefits are accrued over the period of employment, and the liability is valued on an annual basis, using the projected unit credit method prescribed by IAS 19. The latest full actuarial valuation was performed on 30 June 2024.

Valuations are based on assumptions which include employee turnover, mortality rates, a discount rate based on current bond yields of appropriate terms and healthcare inflation costs. Valuations of these obligations are carried out by independent actuaries. Actuarial gains or losses are recognised in other comprehensive income in the period they occur.

	2024 R'000	2023 R'000
Balance at beginning of year	**13 081**	14 079
Charged to operating profit	**45**	49
Benefits paid	**(1 220)**	(1 235)
Actuarial profit released to other comprehensive income	**(956)**	(1 224)
Interest cost on benefit obligation	**1 577**	1 412
Balance at end of year	**12 527**	13 081

Refer to Annexure C for more details.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

23. TRADE AND OTHER PAYABLES

Accounting policy

Trade and other payables are recognised when the Group has a legal or constructive obligation, as a result of a past event, and it is probable that there may be an outflow of economic benefits to settle the obligation and the obligation can be reliably measured. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which remain unpaid at year-end. These amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest rate method.

The Black Managers Share Trust liability represent the participation rights, issued by Adcock Ingram, relating to shares in Tiger Brands Limited and the Oceana Group Limited, to Adcock Ingram employees, and are accounted for under IAS 19. The liability in respect of these shares is recognised over the average expected life of the participation right rather than being expensed over the vesting period only. The liability is subsequently revalued at year-end taking into consideration, market conditions at that date. Refer to Annexure B for more details.

Trade and other payables are recognised as financial instruments 'at amortised cost' in terms of IFRS 9 – *Financial instruments*. Financial liabilities are recognised on the transaction date when the Group becomes a party to the contract and thus has a contractual obligation. Derecognition happens when these contractual obligations are discharged, cancelled or expired.

The derivative liability is measured at fair value and gains and losses taken to other comprehensive income are transferred to profit or loss when the hedge transaction affects profit or loss. The net market value of all forward exchange contracts at year-end is calculated by comparing the forward exchange contracted rates to the equivalent of year-end market foreign exchange rates.

	2024 R'000	2023 R'000
Trade accounts payable	**1 158 278**	1 204 640
Other payables	**1 032 737**	929 854
Accrued expenses[1]	**886 664**	749 418
Black Managers Share Trust liability	**23 918**	22 772
Sundry payables	**122 155**	157 664
Derivative liability at fair value[2]	**45 818**	240
VAT payable[3]	**73 020**	45 138
Interest accrued	**696**	1 050
	2 310 549	2 180 922

1 *Includes marketing accruals, goods in transit and payroll-related costs.*

2 *It is expected that the derivative liability will be settled within the following 90 days.*

3 *VAT payable will be paid within one month.*

23.1 Derivative financial instruments – liability

	2024 R'000	2023 R'000
Balance at beginning of year	**240**	–
Fair value losses recognised in equity	**45 578**	240
Total	**45 818**	240

24. CASH-SETTLED OPTIONS

Accounting policy

The cost of cash-settled transactions is measured initially at fair value at the grant date using a modified version of the Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted. Service vesting conditions are not included in the fair value but used to determine the number of instruments that will ultimately vest. This fair value is expensed over the period until vesting, with recognition of a corresponding liability. The liability is remeasured to its fair value at each reporting date up to and including the settlement date with changes in fair value recognised in profit or loss.

	2024 R'000	2023 R'000
Balance at beginning of year	**23 212**	22 482
Charge to operating profit	**–**	730
Payments made	**(530)**	–
Balance at end of year	**22 682**	23 212

Refer to Annexure B for more details.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

25. PROVISIONS

Accounting policy

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

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the expected reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The charge relating to any provision is presented in profit or loss net of any reimbursement.

All short-term benefits, including leave pay, are fully provided in the period in which the related service is rendered by the employees. A liability is recognised when an employee has rendered services for benefits to be paid in the future.

	2024 R'000	2023 R'000
PROVISIONS		
Leave pay	**62 321**	61 415
Bonus and incentive scheme	**48 026**	53 874
Other	**31 793**	53 318
	142 140	168 607
Made up as follows:		
Leave pay		
Balance at beginning of year	**61 415**	58 815
Arising during the year	**44 677**	59 933
Utilised during the year	**(40 858)**	(52 083)
Unused amounts reversed	**(2 864)**	(5 384)
Exchange rate adjustments	**(49)**	134
Balance at end of year	**62 321**	61 415
Bonus and incentive scheme		
Balance at beginning of year	**53 874**	52 481
Arising during the year	**48 026**	53 874
Utilised during the year	**(50 435)**	(47 628)
Unused amounts reversed	**(3 439)**	(4 853)
Balance at end of year	**48 026**	53 874
Other		
Balance at beginning of year	**53 318**	64 252
Unused amounts reversed	**(21 525)**	(10 934)
Balance at end of year	**31 793**	53 318

Leave pay provision

In excess of 96% of the balance represents the liability for employees in South Africa. In terms of the Group policy, employees in South Africa are entitled to accumulate leave benefits not taken within a leave cycle, up to a maximum of an employee's annual leave allocation plus five days. The obligation is reviewed annually.

Bonus and incentive provision

Certain employees participate in a performance-based incentive scheme and provision is made for the estimated liability in terms of set performance criteria. These incentives are expected to be paid in September 2024.

Other

Other provision includes a liability as a result of a contract which required the Group to sign an obligation agreement.

	2024 R'000	2023 R'000
26. NOTES TO THE STATEMENTS OF CASH FLOWS		
26.1 Cash generated from operations		
Profit before taxation	**1 124 821**	1 205 582
Adjusted for:		
– amortisation of intangibles	**9 389**	9 390
– depreciation	**191 225**	188 644
property, plant and equipment	**147 126**	144 532
right-of-use assets	**44 099**	44 112
– loss/(profit) on disposal/scrapping of property, plant and equipment	**642**	(45)
– dividend income	**(3 891)**	(3 174)
– finance income	**(10 704)**	(7 628)
– finance costs	**97 462**	59 795
– equity accounted earnings	**(142 864)**	(119 048)
– share-based payment expenses	**44 719**	44 104
– increase in expected credit loss provision	**6 737**	3 754
– decrease in provisions and post-retirement medical liability	**(26 016)**	(6 849)
– impairment of intangible assets	**109 753**	–
– impairment of property, plant and equipment	**5 851**	–
– fair value adjustment of long-term receivable	**2 765**	844
– inventories written off	**69 255**	73 690
– decrease in inventory provisions	**(57 068)**	(57 650)
– foreign exchange profit	**(3 993)**	(5 672)
Cash operating profit	**1 418 083**	1 385 737
Working capital movements	**(183 847)**	(281 303)
Increase in inventories	**(82 701)**	(302 265)
Increase in trade receivables	**(187 907)**	(225 564)
Increase in trade and other payables	**86 761**	246 526
	1 234 236	1 104 434

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

		2024 R'000	2023 R'000
26.	**NOTES TO THE STATEMENTS OF CASH FLOWS** (continued)		
26.2	**Dividends paid**		
	Dividends paid to equity holders of the parent	**(379 004)**	(375 368)
	Dividends paid to non-controlling shareholders	**(18)**	(204)
		(379 022)	(375 572)
26.3	**Taxation paid**		
	Amounts underpaid at beginning of year	**(3 536)**	(21 657)
	Amounts charged to profit or loss	**(310 812)**	(307 222)
	Movement in deferred tax	**14 941**	1 602
	Exchange rate adjustments	**38**	12
	Amounts (overpaid)/underpaid at end of year	**(19 262)**	3 536
		(318 631)	(323 729)
26.4	**Finance income received**		
	Finance income	**10 704**	7 628
	Movement in receivable	**96**	(28)
		10 800	7 600
26.5	**Finance costs paid**		
	Finance costs	**(97 462)**	(59 795)
	Movement in accrual	**(354)**	640
		(97 816)	(59 155)
26.6	**Dividend income received**		
	Dividend income	**3 891**	3 174
	Dividends received from joint ventures (Annexure E)	**111 348**	25 000
		115 239	28 174
26.7	**Treasury shares (for equity option scheme)**		
	Purchase of treasury shares	**(65 904)**	(740)
	Disposal of treasury shares	**65 910**	14 157
	Net movement in treasury shares	**6**	13 417
	Equity options settlement	**(67 606)**	(14 534)
		(67 600)	(1 117)
	Refer to Annexure B for more details.		

	2024 R'000	2023 R'000
26.8 Proceeds on disposal of property, plant and equipment		
Disposal of property, plant and equipment – net book value (refer to note 8)	**1 839**	506
(Loss)/Profit on disposal	**(642)**	45
Proceeds on disposal	**1 197**	551

27. CONTINGENT LIABILITIES AND COMMITMENTS

Accounting policy

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Alternatively, it may be a present obligation that arises from past events but is not recognised because an outflow of economic benefits to settle the obligation is not probable, or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities unless they are acquired as part of a business combination.

Recognised amounts in the financial statements are adjusted to reflect significant events arising after the date of the statement of financial position, but before the financial statements are authorised for issue, provided there is evidence of the conditions existing at the reporting date.

The wholly-owned South African companies in the Group provide cross-sureties for the overdraft facilities (refer to note 17) in South Africa.

No cross securities were required at year-end.

	2024 R'000	2023 R'000
27.1 Capital commitments		
Commitments contracted for		
Within one year	**67 761**	62 158
Approved but not contracted for		
Within one year	**75 921**	76 229
	143 682	138 387

These commitments relate to property, plant and equipment.

27.2 Guarantees

The Group has provided guarantees to the amount of R2.2 million at 30 June 2024 (June 2023: R2.2 million).

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

28. RELATED PARTIES

The following services and products have been obtained from subsidiaries of The Bidvest Group Limited, the controlling shareholder of the Company. All of the services are in the ordinary course of business and on an aggregated basis these arrangements/agreements are less than 10% of the Company's market capitalisation, which is within the ordinary course of business exclusion pursuant to Section 9 of the JSE Listings Requirements.

28.1 The following services are obtained with no contract in place for these services, as they are obtained on an *ad-hoc* basis, with price and quality dictating the purchase:

Company	Description	2024 R'000	2023 R'000
First Garment Rental (Pty) Ltd	Factory laundry	**10 503**	4 358
HRG Rennies Travel (Pty) Ltd	Travel	**7 501**	10 376
Bidvest Afcom (Pty) Ltd	Consumables (tape)	**2 259**	1 693
Bidvest Paperplus (Pty) Ltd t/a Lithotech Blesston	Consumables	**2 200**	561
Steiner Hygiene (Pty) Ltd	Cleaning consumables	**1 476**	1 597
Bidvest Office (Pty) Ltd t/a Bidvest Waltons	Office stationery	**1 456**	2 606
Bidvest G Fox (Pty) Ltd	Protective wear	**1 128**	462
Bidvest Commercial Products (Pty) Ltd t/a Academy Brushware	Consumables	**110**	114
Bidtrack (Pty) Ltd	Vehicle tracking	**73**	3
Bidvest Office (Pty) Ltd t/a Cecil Nurse	Furniture	**44**	244
Bidvest Material Handling (Pty) Ltd	Maintenance	**8**	174
Bidvest Paperplus (Pty) Ltd t/a S/N Labels	Labels	**8**	54
Bidvest Office (Pty) Ltd t/a Hortors SA Diaries	Diaries	**–**	1 418
Bidvest Services Holdings (Pty) Ltd t/a BidAir Cargo	Freight forwarding	**–**	60
Bidvest Execuflora (Pty) Ltd	Flowers & Plants	**–**	11
		26 766	23 731

28.2 The following services are obtained where no contract is in place, but a 12-month price agreement has been agreed:

Company	Description	2024 R'000	2023 R'000
Pureau Fresh Water Company (Pty) Ltd	Refreshments	**2 583**	1 256
Bidvest Bank Limited	Forex	**556**	–
		3 139	1 256

28.3 12-month contracts are in place for the following services:

Company	Description	2024 R'000	2023 R'000
Safcor Freight (Pty) Ltd t/a Bidvest International Logistics	Freight forwarding	**99 144**	37 815
Bidvest Protea Coin (Pty) Ltd	Guarding	**21 159**	16 658
Bidvest Facilities Management (Pty) Ltd	Facilities Management	**5 548**	7 155
Bidvest Prestige Cleaning t/a Bidvest Managed Solutions (Pty) Ltd	Cleaning	**16 618**	10 599
Bidvest Managed Solutions (Pty) Ltd	Cleaning/Gardening	**4 906**	5 771
		147 375	77 998

28. RELATED PARTIES (continued)

28.4 The following directors' fees have been paid following the authority granted at the AGM in November 2023 (November 2022):

Company	Description	2024 R'000	2023 R'000
Bidvest Corporate Services	Directors' fees	**1 623**	1 344
Bidvest Branded Products	Directors' fees	**–**	360
		1 623	1 704
Total payments to the Bidvest Group Limited		**178 903**	104 689
Balance owing at reporting date		**46 766**	17 337

The payables balance is unsecured and will be paid under normal terms applicable to trade creditors.

Payments to directors are disclosed in note 2.3.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

29. EXECUTIVE DIRECTORS SHARE SCHEME INTERESTS

Share options with no performance conditions

Details of share options granted in Adcock Ingram (or otherwise as indicated) are as follows, with no new options granted in terms of these schemes since the 2020 financial year.

		Offer date	Offer price R	Balance at the beginning of the year	Excercised during the year	Balance at the end of the year	Vested as at 30 June 2024	Value[1] as at 30 June 2024 R
AG Hall								
Equity		17/06/2014	52.20	58 334	(58 334)	–	–	–
		26/08/2015	41.94	58 334		58 334	58 334	1 059 345
		26/08/2016	42.30	133 334	(133 334)	–	–	–
		24/08/2017	57.73	200 000		200 000	200 000	474 000
				450 002	**(191 668)**	**258 334**	**258 334**	**1 533 345**
Phantom		28/08/2018	65.46	**200 000**	–	**200 000**	**200 000**	**–**
Total				**650 002**	**(191 668)**	**458 334**	**458 334**	**1 533 345**
D Neethling								
Equity		17/06/2014	52.20	20 000	(20 000)	–	–	–
		26/08/2015	41.94	30 000	(30 000)	–	–	–
		26/08/2016	42.30	100 000		100 000	100 000	1 780 000
		24/08/2017	57.73	150 000		150 000	150 000	355 500
				300 000	**(50 000)**	**250 000**	**250 000**	**2 135 500**
Phantom		28/08/2018	65.46	**150 000**	–	**150 000**	**150 000**	**–**
Total				**450 000**	**(50 000)**	**400 000**	**400 000**	**2 135 500**
B Letsoalo								
Equity		17/06/2014	52.20	15 000	(15 000)	–	–	–
		24/08/2017	57.73	120 000	(120 000)	–	–	–
				135 000	**(135 000)**	–	–	**–**
Phantom		28/08/2018	65.46	**120 000**	–	**120 000**	**120 000**	**–**
BMT	OCE	31/01/2008	12.45	905		905	905	53 757
	AIP	31/01/2008	12.37	13 742		13 742	13 742	655 905
	TBL	01/07/2012	42.56	1 734		1 734	1 734	271 215
	OCE	01/07/2012	12.45	2 001		2 001	2 001	118 859
	AIP	01/07/2012	11.19	4 534		4 534	4 534	221 758
				22 916	–	**22 916**	**22 916**	**1 321 494**
Total				**277 916**	**(135 000)**	**142 916**	**142 916**	**1 321 494**

[1] *Based on closing share price as at 30 June 2024.*

AIP – Adcock Ingram Holdings Limited
OCE – Oceana Group Limited
TBL – Tiger Brands Limited

29. EXECUTIVE DIRECTORS SHARE SCHEME INTERESTS (continued)

Performance-based long-term incentive scheme (PBLTIS)

The share option scheme incentive schemes with no performance conditions attached were replaced by a performance-based long-term incentive scheme and conditional share awards were granted to the executive directors as detailed below:

	Offer date	Balance at the beginning of the year	Exercised during the year	Issued during the year	Balance at the end of the year[1]
AG Hall					
	26/09/2019	27 900	(27 900)		–
	25/11/2020	189 800	(142 350)		47 450
	25/08/2021	200 000			200 000
	30/09/2022	200 000			200 000
	30/09/2023			200 000	200 000
		617 700	**(170 250)**	**200 000**	**647 450**
D Neethling					
	26/09/2019	11 520	(11 520)		–
	25/11/2020	92 000	(69 000)		23 000
	25/08/2021	100 000			100 000
	30/09/2022	91 000			91 000
	30/09/2023			90 000	90 000
		294 520	**(80 520)**	**90 000**	**304 000**
B Letsoalo					
	26/09/2019	10 620	(10 620)		–
	25/11/2020	83 300	(62 475)		20 825
	25/08/2021	89 000			89 000
	30/09/2022	80 000			80 000
	30/09/2023			79 000	79 000
		262 920	**(73 095)**	**79 000**	**268 825**

[1] *No awards had vested as at 30 June 2024.*

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

29. EXECUTIVE DIRECTORS SHARE SCHEME INTERESTS (continued)

Details of PBLTIS awards exercised during the year, were as follows:

2024	**Offer date**	**Exercise price R**	**Number of awards**	**Gains realised on exercising awards[2] R'000**
AG Hall	26/09/2019	54.51	27 900	1 521
	26/11/2020	54.51	142 350	7 759
			170 250	**9 280**
D Neethling	26/09/2019	54.51	11 520	628
	26/11/2020	54.51	69 000	3 761
			80 520	**4 389**
B Letsoalo	26/09/2019	54.51	10 620	578
	26/11/2020	54.51	62 475	3 406
			73 095	**3 984**

2023	Offer date	Exercise price R	Number of awards	Gains realised on exercising awards[2] R'000
AG Hall	26/09/2019	49.50	83 700	4 143
D Neethling	26/09/2019	49.50	34 560	1 711
B Letsoalo	26/09/2019	49.50	31 860	1 577

[2] *Amounts are shown before tax.*

Share-based payment expenses relating to executive directors

	2024 R'000	2023 R'000
AG Hall	**8 274**	7 079
D Neethling	**3 899**	3 515
B Letsoalo	**3 448**	3 141
	15 621	13 735

30. SUBSEQUENT EVENTS

On 4 July 2024, Adcock Ingram acquired the Dermopal brand from The Dermopal Group Proprietary Limited, for R110 million, with historic annual revenue of approximately R50 million. The Dermopal range consists of moisturising sunscreens formulated for everyday facial care to prevent pigmentation and signs of ageing, primarily in darker skin tone.

On 21 August 2024, a dividend of 150 cents per share was declared to shareholders for the year ended 30 June 2024.

ANNEXURE A – SEGMENT REPORT

Geographical segments are not disclosed as the Indian operations of the Group are immaterial, and the Company mainly operates in Southern Africa.

The Group's reportable segments in Southern Africa are as follows:

- Consumer – competes in the Fast Moving Consumer Goods (FMCG) space;
- Over the Counter (OTC) – focuses on brands sold predominantly in pharmacy, where the pharmacist plays a role in the product choice;
- Prescription – markets products prescribed by medical practitioners, and specialised instruments and surgical products;
- Hospital – supplier of hospital and critical care products, including intravenous solutions, blood collection products and renal dialysis systems; and
- Other – shared services – other support services, including the regulatory services in India, as well as the investment in the Indian joint venture and cash and bank overdraft balances which are managed on a central basis in Southern Africa.

The financial information of the Group's reportable segments is reported to key management (including the executive directors) for purposes of making decisions about allocating resources to the segment and assessing its performance. The segment figures for management purposes equal the disclosures made in the segment report and agree with the IFRS amounts in the annual financial statements. The basis of accounting for transactions between reportable segments are internally agreed rates, to recover cost.

Key management uses the segments' revenue, trading profit, assets and the return on assets to assess the performance of the operating segments. Non-current liabilities are not considered key in assessing the segments performance.

Statement of comprehensive income

	2024 R'000	2023 R'000
Revenue		
Consumer	**1 701 856**	1 654 903
OTC	**2 461 656**	2 282 422
Prescription	**3 429 809**	3 294 379
Hospital	**2 049 292**	1 899 225
Other – shared services	**515**	923
	9 643 128	9 131 852

ANNEXURE A – SEGMENT REPORT (CONTINUED)

Statement of comprehensive income (continued)

	2024 R'000	2023 R'000
The South African Government represents more than 8% (2023: 10%) of the Group's revenue, arising in the following segments:		
OTC	**146 123**	192 336
Prescription	**148 518**	295 848
Hospital	**570 199**	513 297
	864 840	1 001 481
Trading profit		
Consumer	**362 398**	356 831
OTC	**383 585**	348 590
Prescription	**351 913**	320 118
Hospital	**128 446**	152 094
Other – shared services	**3 154**	2 842
	1 229 496	1 180 475

Other

	2024 R'000	2023 R'000
Fair value adjustment of long-term receivable		
Hospital	**2 092**	346
Other – shared services	**673**	498
	2 765	844
Impairments[1]		
Consumer	**109 753**	–
OTC	**5 851**	–
	115 604	
Depreciation and amortisation		
Consumer	**9 299**	9 291
OTC	**66 383**	58 741
Prescription	**27 494**	23 835
Hospital	**20 244**	29 069
Other – shared services	**77 194**	77 098
	200 614	198 034

[1] *Refer to Annexure F.*

Statement of financial position

	2024 R'000	2023 R'000
Total assets		
Consumer	**1 162 388**	1 438 283
OTC	**2 061 999**	2 002 635
Prescription	**2 312 640**	2 581 733
Hospital	**1 910 589**	1 661 035
Other – shared services	**907 267**	578 848
	8 354 883	8 262 534
Current liabilities		
Consumer	**267 849**	341 423
OTC	**614 083**	463 850
Prescription	**970 393**	843 742
Hospital	**446 201**	470 705
Other – shared services	**231 822**	314 489
	2 530 348	2 434 209
Capital expenditure[1]		
Consumer	**984**	748
OTC	**18 644**	28 524
Prescription	**21 147**	32 195
Hospital	**33 395**	29 467
Other – shared services	**53 571**	57 152
	127 741	148 086

1 *Capital expenditure consists of additions to property, plant and equipment, but excludes additions to intangible assets and ROU assets.*

ANNEXURE B – SHARE-BASED PAYMENTS PLANS

Certain senior employees of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions") or share appreciation rights ("cash-settled transactions"). Based on merit, options are issued annually by the Adcock Ingram Board of Directors (Board). The offer price is determined in accordance with the rules of the scheme.

The Board is responsible for the governance of the various schemes and has the final authority on who participates in any scheme on an annual basis.

The objective of the schemes is to reward and retain selected critical senior employees who contribute to and influence the performance of the Group and its strategy, on a basis which aligns with the interests of shareholders.

1. Equity-settled transactions

Estimating the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them.

1.1 Performance-based long-term incentive scheme (PBLTIS)

Accounting policy

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted, adjusted for dividend yield, as employees are not entitled to dividends over the vesting period.

The performance conditions of the share awards are classified as non-market conditions and the fair value of the awards is determined by the share price at the grant date.

Subject to achievement of the set annual performance conditions, 75% of the portion which the employees are entitled to, will vest after three years and 25% after four years from the grant date. If none of the performance conditions are met, no conditional share award will vest.

The cost of equity-settled transactions is initially recognised as a non-trading expense, together with a corresponding increase in equity, over the period in which the non-market performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

Equity settled transactions are not subsequently remeasured. The cumulative expense recognised reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge in profit or loss for a period represents the movement in the cumulative expense between the beginning and end of that period.

The dilutive effect of outstanding equity-settled options is reflected as additional share dilution in the computation of diluted earnings and diluted headline earnings per share.

Judgements and estimates

The expected dividend yield was estimated using a two-year moving average of the dividend yield at the grant date.

The Company's performance will be determined annually for each of the three years in the performance period. The charge for the year was based on the assumption that in the first year all performance conditions over the three-year period will be met, as it is too early to determine the probability of these being achieved. In the second year, the probability is determined by the actual performance over two years and the expected outcome for the following year. In the final year, the actual outcome is calculated.

Key assumptions used include:	**2024**	2023
Share price at grant date	**R57.00**	R45.55
Dividend yield	**4.68%**	4.18%

Details

The following table illustrates the number and movements in the conditional share awards during the year:

Number of options	**2024**	2023
Outstanding at the beginning of the year	**3 688 900**	3 126 400
Granted during the year	**1 258 000**	1 275 500
Exercised during the year	**(999 579)**	(278 640)
Forfeited during the year	**(119 396)**	(434 360)
Outstanding and unvested at the end of the year	**3 827 925**	3 688 900

Other disclosures	**2024**	2023
Weighted average remaining contractual life for the conditional share awards outstanding at the end of the year:	**1.59 years**	1.77 years
Expense recognised for employee services received during the year (million):	**R47.61**	R39.58

1.2 Service-based incentive scheme

Accounting policy

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). Options vest as follows:

- a third after three years;
- a third after four years; and
- a third after five years.

The cumulative expense recognised reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge in profit or loss for a period represents the movement in the cumulative expense between the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest.

Shares are bought in anticipation of employees taking possession of the vested shares, after settling the offer price or selling all their vested shares. When employees exercise their rights to the options, the employee may choose to have their shares sold on their behalf.

ANNEXURE B – SHARE-BASED PAYMENTS PLANS (CONTINUED)

1. Equity-settled transactions (continued)

The dilutive effect of outstanding equity-settled options is reflected as additional share dilution in the computation of diluted earnings and diluted headline earnings per share.

Judgements and estimates

Share options are fair valued using a Black-Scholes method. The expected dividend yield was estimated using a two-year moving average of the dividend yield at the grant date. An annualised standard deviation of the continuously compounded rates of return of the share was used to determine volatility. The risk-free rate was based on a zero-coupon government bond in South Africa with the same expected lifetime of the options.

Details

The following table illustrates the number and weighted average offer prices (WAOP) of and movements in Adcock Ingram share options during the year:

Number of options	2024 Number	2024 WAOP (Rand)	2023 Number	2023 WAOP (Rand)
Outstanding at the beginning of the year	**2 351 669**	**51.54**	2 525 669	51 50
Exercised during the year	**(1 344 335)**	**48.79**	(72 000)	42.12
Forfeited during the year	**(50 000)**	**57.73**	(102 000)	54.09
Outstanding at the end of the year	**957 334**	**55.09**	2 351 669	51.54
Vested and exercisable at the end of the year	**957 334**	**55.09**	2 351 669	51.54

Other disclosures	2024	2023
Weighted average share price of exercised options:	**R58.56**	R52.42
Weighted average remaining contractual life for the share options outstanding at reporting date:	**3.03 years**	3.34 years
Range of offer prices for options outstanding at the end of the year:	**R41.94 – R57.73**	R41.94 – R57.73
(Income)/Expense recognised for employee services received during the year (million):	**(R2.03)**	R1.79

2. Cash-settled transactions

2.1 Service-based incentive scheme

Accounting policy

The cost of cash-settled transactions is measured initially at fair value at the grant date using a modified version of the Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted. Options vest as follows:

- a third after three years;
- a third after four years; and
- a third after five years.

Service vesting conditions are not included in the fair value but used to determine the number of instruments that will ultimately vest. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured to its fair value at each reporting date up to and including the settlement date with changes in fair value recognised as a non-trading expense in profit or loss.

Judgements and estimates

Share price volatility is based on the historical volatility of the Adcock Ingram share price, matching the remaining life of each option. The valuation is measured at fair value (excluding any non-market vesting conditions) and is the sum of the intrinsic value plus optionality. The fair value of each option is estimated using an actuarial binomial option pricing model. All options are valued with a single exercise date at maturity.

Key assumptions used include:	2024	2023
Share price at 30 June	R60.10	R56.30
Volatility	30.0%	28.1%
Dividend yield	4.3%	3.9%

Details

The following table illustrates the number and WAOP of and movements in Adcock Ingram share options during the year:

Number of options	2024 Number	2024 WAOP (Rand)	2023 Number	2023 WAOP (Rand)
Outstanding at the beginning of the year	2 165 000	62.84	2 325 000	62.93
Exercised during the year	(156 662)	58.39	–	–
Forfeited during the year	(50 000)	61.93	(160 000)	64.13
Outstanding at the end of the year	1 958 338	63.21	2 165 000	62.84
Vested and exercisable at the end of the year	1 708 324	63.92	1 184 978	65.14

Other disclosures	2024	2023
Weighted average remaining contractual life for the share options outstanding at reporting date:	0.65 years	1.69 years
Range of offer prices for options outstanding at the end of the year:	R58.39 – R65.46	R58.39 – R65.46
Carrying amount of the liability relating to the cash-settled options at reporting date (million):	R22.68	R23.21
Expense recognised for employee services received during the year (million):	–	R0.73

3. Black Managers Share Trust

In terms of the Tiger Brands Limited (TBL) BEE transaction implemented in July 2005, TBL shares were acquired by the Tiger Brands Black Manager Share Trust (Trust). The purchase of these shares was mainly funded through capital contributions made by TBL and Adcock Ingram (AIP) subsidiaries. After the unbundling of Adcock Ingram from the TBL Group, the Trust, as a shareholder of TBL, received one AIP share for each TBL share held. Similarly, following the unbundling of the Oceana Group (OCE) out of Tiger Brands Limited, a further split was made to the TBL share. This resulted in the Trust now holding shares in TBL, AIP and OCE. The allocation of participation rights to the shares held by the Trust were made to qualifying black managers, which entitles the beneficiary to receive TBL, AIP and OCE shares, after making a capital contribution to the Trust at any time after the defined lock in period, i.e., from 1 January 2015. These vested rights are non-transferable.

ANNEXURE B – SHARE-BASED PAYMENTS PLANS (CONTINUED)

3. Black Managers Share Trust (continued)

Accounting policy

The fair value of the participation rights on TBL shares, pre-unbundling of Adcock Ingram and AIP shares post-unbundling, issued by the Trust to Adcock Ingram employees are classified as equity-settled in terms of IFRS 2 and are therefore valued on the grant date and expensed over the relevant vesting period. No subsequent revaluation takes place, although the expense is adjusted for actual forfeitures.

The participation rights, issued by Adcock Ingram, on TBL and OCE shares to Adcock Ingram employees are accounted for under IAS 19.

The liability in respect of these shares is recognised over the average expected life of the participation right rather than being expensed over the vesting period only. The liability is subsequently revalued at year-end taking into consideration market conditions at that date.

The liability is included in trade and other payables.

The Group does not consolidate the Trust, as it exercises no control over the Trust.

Judgements and estimates

Participation rights were valued using the Monte-Carlo simulation approach to estimate the average, optimal pay-off of the participation rights using 5 000 permutations. The pay-off of each random path was based on:

- the projected Tiger Brands/Adcock Ingram/Oceana share price;
- outstanding debt projections; and
- optimal early exercise conditions.

	2024		2023	
Key assumptions used include:	**TBL**	**OCE**	TBL	OCE
Share price	**R198.97**	**R71.85**	R167.23	R70.50
Volatility	**22.5%**	**19.1%**	29.5%	27.4%
Dividend yield	**6.0%**	**6.3%**	4.7%	5.9%

Details

The following table illustrates the number of equity (AIP) and IAS 19 (TBL and OCE) share awards and its respective movements during the year:

	2024			2023		
Number of share awards	**AIP**	**TBL**	**OCE**	AIP	TBL	OCE
Outstanding at the beginning of the year	**296 213**	**278 946**	**66 152**	307 119	281 446	73 124
Exercised during the year	**(26 765)**	**(9 730)**	**(1 488)**	(10 906)	(2 500)	(6 972)
Outstanding at the end of the year[1]	**269 448**	**269 216**	**64 664**	296 213	278 946	66 152
Weighted average exercise price	**R53.94**	**R186.05**	**R69.98**	R51.58	R201.45	R66.42

Other disclosures	**2024**	2023
Weighted average remaining contractual life for the share options outstanding at reporting date:	**3.25 years**	4.25 years
Carrying amount of the IAS 19 liability relating at reporting date (million):	**R23.92**	R22.77
Expense recognised for employee services received during the year (million):	**R1.15**	–

[1] *All options have vested and are exercisable at the end of both years.*

ANNEXURE C – POST-RETIREMENT MEDICAL LIABILITY

The following table summarises the components of the net benefit expense recognised in the statement of comprehensive income, the funded status and amounts recognised in the statement of financial position.

	2024 R'000	2023 R'000
Net benefit expense		
Current service cost	**45**	49
Interest cost on benefit obligation	**1 577**	1 412
	1 622	1 461
Expected contributions within the next 12 months	**50**	54
Defined benefit obligation at beginning of year	**13 081**	14 079
Interest cost	**1 577**	1 412
Current service cost	**45**	49
Benefits paid	**(1 220)**	(1 235)
Actuarial gain on obligation	**(956)**	(1 224)
Defined benefit obligation at end of year	**12 527**	13 081
Assumptions		
The assumptions used in the valuations are as follows:		
Discount rate (%)	**11.9**	12.6
Healthcare cost inflation (%)	**8.2**	9.3
Expected retirement age	**65**	65
Post-retirement mortality table	**PA(90) ultimate table**	PA(90) ultimate table

Sensitivity analysis	**Value R'000**	**+1%/year R'000**	**-1%/year R'000**
The liability was recalculated to show the effect of:			
2024			
A one percentage point variance in the assumed rate of healthcare costs inflation	**12 527**	**13 525**	**11 648**
A one percentage point variance in the discount rate	**12 527**	**11 686**	**13 495**
A one year variance in the expected retirement age	**12 527**	**12 378**	**12 526**
2023			
A one percentage point variance in the assumed rate of healthcare costs inflation	13 081	14 148	12 143
A one percentage point variance in the discount rate	13 081	12 181	14 120
A one year variance in the expected retirement age	13 081	12 955	13 220

ANNEXURE D – FINANCIAL INSTRUMENTS

Financial assets

Accounting policy

The Group's financial assets are classified and measured at initial recognition, based on the financial asset's contractual cash flow characteristics and the Group's business model for managing the financial assets, as follows:

Classification	Description of asset
Amortised cost	Trade and sundry receivables Cash and cash equivalents
Fair value through OCI	Investment
Derivative financial instruments	Foreign exchange contracts (derivative asset)
Fair value through profit and loss	Black Managers Share Trust

All financial assets should be measured at fair value, plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss (debt instruments).

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- These financial assets are subsequently measured using the effective interest (EI) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to irrevocably classify its non-listed equity investments under this category.

Financial assets at fair value through profit or loss (debt instruments)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near-term.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised or removed from the Group's consolidated statement of financial position when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  a. the Group has transferred substantially all the risks and rewards of the asset; or
  b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group considers a financial asset in default when contractual payments are past due for more than a year and not subject to any enforcement activity. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full, before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments due.

For trade receivables, the Group applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking economic factors. The expected loss rates are based on the payment profiles of sales over a period of five years before the reporting date and the corresponding historical credit losses experienced within this period and incorporating forward-looking information of liquidity and similar risks expected to be impacting our customers.

Long-term receivables, sundry receivables and intercompany receivables (Stand-alone entities) are assessed for impairment when indications of non-payment or other specific risks have been identified.

ANNEXURE D – FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities

Accounting policy

The Group's financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or fair value through profit or loss, as follows:

Classification	Description of liability
Amortised cost	Trade and other payables Loans and borrowings Bank overdraft
Derivative financial instruments	Foreign exchange contracts (derivative liability)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss that are held for trading and those designated at initial recognition as at fair value through profit or loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest (EI) rate method. The EI amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings and trade and other payables.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Accounting policy

Derivatives are financial instruments whose value changes in response to an underlying factor, require no initial or little net investment and are settled at a future date. Derivatives, other than those arising on designated hedges, are measured at fair value with changes in fair value being recognised in profit or loss.

Hedge accounting

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge in terms of IFRS 9. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges

Cash flow hedges cover the exposure to variability in cash flows that are attributable to a particular risk associated with:

- a recognised asset or liability; or
- a highly probable forecast transaction; or
- the foreign currency risk in an unrecognised firm commitment.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income, while any ineffective portion is recognised in profit or loss. Amounts taken to other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged income or financial asset or liability is recognised or when the forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amount deferred in other comprehensive income is transferred to the initial carrying amount of the non-financial asset or liability. When a hedging instrument expires, or is sold or terminated, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, or when a hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Hedging strategy

The Group imports inventory and equipment from foreign suppliers, resulting in the exposure to the risk in exchange rate movement.

The Group's current policy for the management of foreign exchange is to cover 100% of foreign currency commitments with forward exchange contracts when a firm commitment for any order is in place. As a result, all material highly probable foreign forecast purchases were covered by forward exchange contracts (FEC) at year-end. The forward currency contracts must be in the same currency as the hedged item. It is the Group's policy to fix the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness. The Group designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. The fair value of the forward exchange contract is calculated as the difference in the forward exchange rate as per the contract and the forward exchange rate of a similar contract with similar terms and maturities concluded as at the valuation date multiplied by the foreign currency monetary units as per the FEC contract.

If a hedged forecast transaction subsequently results in the recognition of a non-financial item or becomes a firm commitment for which fair value hedge accounting is applied, the amount that has been accumulated in the cash flow hedge reserve is removed and included directly in the initial cost or other carrying amount of the asset or the liability. In other cases the amount that has been accumulated in the cash flow hedge reserve is reclassified to profit or loss in the same period(s) as the hedged cash flows affect profit or loss.

At 30 June 2024, the Group held no foreign exchange contracts designated as hedges of expected future sales to customers outside South Africa for which the Group has firm commitments.

The Group had foreign exchange contracts outstanding at 30 June 2024 designated as hedges of expected future purchases from suppliers outside South Africa for which the Group has firm commitments. All foreign exchange contracts will mature within 12 months. The cash flow hedges of expected future purchases were assessed to be effective.

The gains and losses on the hedging instruments that is included in the initial cost of inventory and subsequently part of cost of sales was a loss of R13.1 million (2023: profit of R53.0 million).

1. Fair value of financial instruments

To measure fair value, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments measured at fair value by valuation technique:

- Level 1 – quoted (unadjusted) prices in active markets;
- Level 2 – the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates; and
- Level 3 – valuation techniques which use inputs which have a significant effect on the recorded fair value that are based on unobservable market data.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics, risks and the fair value hierarchy, as follows:

			Year-end balance		Net (gains) and losses	
Financial instruments	Classification per IFRS 9	Statement of financial position line item	**2024 R'000**	2023 R'000	**2024 R'000**	2023 R'000
At fair-value level 2[1]						
Foreign exchange contracts – derivative asset	Derivative financial instruments	Trade and other receivables	–	17 096	–	–
Foreign exchange contracts – derivative liability	Derivative financial instruments	Trade and other payables	**45 818**	240	**45 828**	(16 112)
At fair-value level 3[2]						
Black Managers Share Trust	Fair value through profit and loss	Other financial assets	**13 390**	16 826	Refer to note 12.1	Refer to note 12.1
Investment	Fair value through OCI	Other financial assets	**4 124**	3 650	Refer to note 12.2	Refer to note 12.2
At amortised cost						
Trade and sundry receivables[3]	At amortised cost	Trade and other receivables	**2 048 715**	1 948 402		–
Trade and other payables[3]	At amortised cost	Trade and other payables	**2 191 015**	2 134 494		–
Cash and cash equivalents[3]	At amortised cost	Cash and cash equivalents	**89 417**	91 540		–
Bank overdraft[3]	At amortised cost	Bank overdraft	–	9 641		–

Valuation techniques

[1] *Fair value based on the ruling market rate at year-end. The fair value of the forward exchange contract is calculated as the difference in the forward exchange rate as per the contract and the forward exchange rate of a similar contract with similar terms and maturities concluded as at the valuation date multiplied by the foreign currency monetary units as per the FEC contract.*

[2] *The value of the investment in Group Risk Holdings Proprietary Limited is based on Adcock Ingram's proportionate share of the net asset value of the Company. The value of the investment in the Black Managers Share Trust is based on the expected capital contribution to be received from the scheme beneficiaries.*

[3] *The carrying value approximates the fair value due to the short-term nature.*

2. Financial risk management objectives and policies

The Group's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations.

The Group has various financial assets such as trade and other receivables and cash which arise directly from its operations.

The Group also enters into derivative transactions via forward currency contracts. The purpose is to manage the currency risks arising from the Group's operations.

It is, and has been throughout 2024, the Group's policy that no trading in derivatives shall be undertaken.

The main risks arising from the Group's financial instruments are credit, market risk (including interest rate and foreign currency), and liquidity. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

2.1 Credit risk

Financial assets of the Group which are subject to credit risk consist mainly of cash resources, loans receivables, long-term receivables at fair value through profit or loss and trade receivables. The maximum exposure to credit risk is set out in the respective cash (note 17), loans receivable (note 14) and receivables (note 16). The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Long-term receivables, sundry receivables and intercompany receivables (stand-alone entities) are assessed for impairment when indications of non-payment or other specific risk have been identified. These amounts are considered low risk, as they have a strong capacity to meet their contractual cash flows in the near term.

2.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

2.2.1 Interest rate risk

The Group is exposed to interest rate risk as the following assets and liabilities carry interest at rates that vary in response to the lending rates in the operations in the specific country:

- Cash balances which are subject to movements in the bank deposit rates; and
- Short-term debt obligations with floating interest rates linked to the South African prime rate.

The Group's policy is to manage its interest rate risk through both fixed and variable, long-term and short-term instruments at various approved financial institutions.

No financial instruments are entered into to mitigate the risk of interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on balances subject to floating rates) in its operations:

		Increase/(Decrease), in profit before tax	
	Change in rate %	**2024 R'000**	2023 R'000
Cash balances			
Cash and cash equivalents	+1	**894**	915
Bank overdraft	+1	**–**	(96)

2. Financial risk management objectives and policies (continued)

2.2.2 Foreign currency risk

As the Group operates in various countries and undertakes transactions denominated in foreign currencies, exposures to foreign currency fluctuations arise. Exchange rate exposures on transactions are managed within approved policy parameters utilising forward exchange contracts in conjunction with external consultants who provide financial services to Group companies as well as contributing to the management of the financial risks relating to the Group's operations.

a) Foreign operations

In translating the foreign operations, the following exchange rates were used:

	2024 Income/ Expenses Average Rand	**2024 Assets/ Liabilities Spot Rand**	2023 Income/ Expenses Average Rand	2023 Assets/ Liabilities Spot Rand
Indian Rupee	**0.2253**	**0.2182**	**0.2180**	**0.2294**

b) Foreign assets/liabilities

In converting the foreign denominated assets and liabilities, the following exchange rates were used:

			Exchange rate applied	
	Assets foreign currency '000	**Liabilities foreign currency '000**	**Assets Rand**	**Liabilities Rand**
2024				
Euro	**17**	**(6 342)**	**19.48**	**19.50**
US Dollar	**1**	**(10 269)**	**18.19**	**18.20**
2023				
Euro	–	(3 856)	20.54	20.56
US Dollar	322	(4 707)	18.83	18.84

c) Outstanding foreign exchange contracts

A summary of the material contracts, comprising at least 99% of the total contracts outstanding at 30 June:

	Foreign currency '000	Average forward rate	R'000
2024			
Euro	**30 533**	**20.67**	**631 118**
US Dollar	**30 262**	**18.81**	**569 110**
2023			
Euro	25 805	20.30	523 788
US Dollar	16 185	18.64	301 640

The maturity analysis for the material outstanding contracts at:

	Euro '000	Rands '000	US Dollar '000	Rands '000
2024				
Within 30 days	**6 574**	**133 563**	**18 445**	**347 538**
31 to 60 days	**4 281**	**87 354**	**5 230**	**97 659**
61 to 90 days	**4 624**	**96 477**	**3 006**	**56 240**
> 90 days	**15 054**	**313 724**	**3 581**	**67 673**
	30 533	**631 118**	**30 262**	**569 110**
2023				
Within 30 days	8 952	179 010	2 880	53 686
31 to 60 days	3 247	67 192	4 544	84 403
61 to 90 days	4 724	95 127	4 222	78 606
> 90 days	8 882	182 459	4 539	84 945
	25 805	523 788	16 185	301 640

2. Financial risk management objectives and policies (continued)

d) Settlements during the year

A summary of the material contracts settled during the year:

	Foreign currency '000	Average forward rate	R'000
2024			
Euro	**58 249**	**20.39**	**1 187 896**
US Dollar	**54 032**	**18.82**	**1 017 138**
2023			
Euro	45 973	18.19	836 057
US Dollar	72 029	17.19	1 238 317

e) Sensitivity analysis

The following table demonstrates the sensitivity to change in foreign currencies, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to changes in the fair value of open forward exchange contracts and net investment hedges):

	Change foreign currency exchange rate %	(Decrease)/ Increase in profit before tax R'000	Increase/ (Decrease) in other comprehensive income R'000
2024			
Euro	**+10**	**(12 338)**	**43 419**
	-10	**12 338**	**(43 419)**
US dollar	**+10**	**(18 687)**	**39 747**
	-10	**18 687**	**(39 747)**
2023			
Euro	+10	(7 922)	38 542
	-10	7 922	(38 542)
US dollar	+10	(8 264)	22 064
	-10	8 264	(22 064)

2.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations as they become due.

The Group manages its risk to a shortage of funds using planning mechanisms. This considers the maturity of both its financial liabilities and financial assets and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The facilities in place in South Africa are approximately R1.75 billion for working capital purposes as at 30 June 2024.

Maturity analysis:

	2024 R'000	2023 R'000
Trade receivables		
< 30 days	**1 205 381**	1 159 986
31 – 60 days	**600 868**	572 490
61 – 90 days	**54 135**	60 549
over 90 days	**83 651**	55 721
	1 944 035	1 848 746
Sundry receivables		
< 30 days	**53 892**	53 285
31 – 60 days	**22 060**	10 655
61 – 90 days	**11 036**	6 469
over 90 days	**17 449**	28 908
	104 437	99 317

The directors consider that the carrying amount of the trade and other receivables approximates their fair value due to the short period maturity. Sundry receivables are subject to the impairment requirements of IFRS 9 and the expected credit loss is immaterial as settlement of most of the receivables are expected as per agreed terms.

Financial liabilities	Notes	1 to 3 months R'000	4 to 12 months R'000	1 to 2 years R'000	3 to 4 years R'000	> 5 years R'000	Total R'000
2024							
Lease liabilities*		**16 692**	**50 081**	**124 901**	**84 805**	**97 052**	**373 531**
Trade payables	23	**1 107 736**	**50 542**				**1 158 278**
Other payables	23	**571 270**	**461 467**				**1 032 737**
Guarantees	27.2		**2 185**				**2 185**
		1 695 698	**564 275**	**124 901**	**84 805**	**97 052**	**2 566 731**
2023							
Lease liabilities*		15 712	47 134	126 014	105 661	140 685	435 206
Trade payables	23	1 171 262	33 378				1 204 640
Other payables	23	508 955	420 899				929 854
Guarantees	27.2		2 185				2 185
		1 695 929	503 596	126 014	105 661	140 685	2 571 885

* *Undiscounted*

ANNEXURE D – FINANCIAL INSTRUMENTS (CONTINUED)

3. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios, in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Group's capital structure consists of equity attributable to shareholders, comprising of issued capital, treasury shares, non-distributable reserves and retained earnings. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue or cancel shares.

The Group monitors its capital by using the gearing ratio (net debt/total equity).

	2024 R'000	2023 R'000
Cash and cash equivalents	**89 417**	91 540
Bank overdraft	**–**	(9 641)
Lease liability	**(280 540)**	(315 401)
Net (debt)/cash	**(191 123)**	(233 502)
Total equity	**5 412 776**	5 387 912
Net debt ratio	**(3.5%)**	(4.3%)

ANNEXURE E – INTEREST IN JOINT VENTURES

Summarised financial information of the Group's joint ventures are based on IFRS and the reconciliation with the carrying amount of the investments in the Group are set out below:

		2024 R'000	2023 R'000
1.	**Adcock Ingram Limited (India)**		
	Statement of financial position		
	Property, plant and equipment	**576 280**	560 767
	Non-current assets	**576 280**	560 767
	Inventories	**109 337**	87 094
	Receivables and other current assets	**459 590**	287 472
	Cash and cash equivalents	**68 684**	317 132
	Current assets	**637 611**	691 698
	Total assets	**1 213 891**	1 252 465
	Long-term borrowings	**99 234**	111 806
	Post-retirement medical liability	**13 341**	13 484
	Deferred tax	**16 562**	16 014
	Non-current liabilities	**129 137**	141 304
	Trade and other payables	**125 787**	117 118
	Provisions	**1 134**	1 628
	Tax payable	**58 705**	47 888
	Current liabilities	**185 626**	166 634
	Total liabilities	**314 763**	307 938
	Equity	**899 128**	944 527
	Proportion of Group's ownership	**49.9%**	49.9%
	Carrying amount of the investment	**448 665**	471 319

Adcock Ingram Pharma Private Limited (India) (AIPPL) is a wholly-owned subsidiary of Adcock Ingram Limited (India) (AIL) and is therefore consolidated in the financial statements of AIL.

ANNEXURE E - INTEREST IN JOINT VENTURES (CONTINUED)

		2024 R'000	2023 R'000
1.	**Adcock Ingram Limited (India)** (continued)		
	Statement of comprehensive income		
	Revenue	**1 026 938**	923 564
	Cost of sales	**(754 447)**	(711 223)
	Gross profit	**272 491**	212 341
	Selling, distribution and marketing expenses	**(7 785)**	(1 615)
	Fixed and administrative (expenses)/income	**(5 254)**	5 524
	Operating profit	**259 452**	216 250
	Finance income	**20 482**	14 456
	Finance costs	**(6 651)**	(371)
	Dividend income	**–**	328
	Profit before tax	**273 283**	230 663
	Tax	**(81 076)**	(59 247)
	Profit for the year	**192 207**	171 416
	Group's share of profit for the year	**95 911**	85 536
	Unearned income on inventory	**7 753**	(5 691)
	Group's share of profit for the year	**103 664**	79 845
	Dividends paid to Group	**96 348**	–

	2024 R'000	2023 R'000
2. National Renal Care Proprietary Limited		
Statement of financial position		
Property, plant and equipment	**190 758**	197 780
Intangible assets	**112 733**	106 040
Right-of-use asset	**145 201**	190 230
Loans receivable	**35 986**	39 913
Deferred tax	**28 782**	23 674
Non-current assets	**513 460**	557 637
Inventories	**29 033**	28 274
Receivables and other current assets	**125 004**	73 841
Cash and cash equivalents	**309 631**	219 705
Current assets	**463 668**	321 820
Total assets	**977 128**	879 457
Long-term portion of lease liability	**113 573**	141 206
Non-current liabilities	**113 573**	141 206
Trade and other payables	**236 325**	178 512
Short-term portion of lease liability	**59 501**	61 284
Provisions	**24 871**	22 083
Tax payable	**23 813**	16 034
Current liabilities	**344 510**	277 913
Total liabilities	**458 083**	419 119
Non-controlling interests	**71 390**	61 080
Equity	**447 655**	399 258
Proportion of Group's ownership	**50.0%**	50.0%
Carrying amount of the investment	**223 828**	199 629

ANNEXURE E - INTEREST IN JOINT VENTURES (CONTINUED)

	2024 R'000	2023 R'000
2. National Renal Care Proprietary Limited (continued)		
Statement of comprehensive income		
Revenue	**1 432 993**	1 239 435
Cost of sales	**(1 044 041)**	(929 357)
Gross profit	**388 952**	310 078
Selling, distribution and marketing expenses	**(201 256)**	(170 148)
Fixed and administrative expenses	**(40 528)**	(17 726)
Operating profit	**147 168**	122 204
Finance income	**19 163**	13 298
Finance costs	**(330)**	(7)
Profit before tax	**166 001**	135 495
Tax	**(62 905)**	(43 815)
Profit for the year	**103 096**	91 680
Less:		
Non-controlling interests	**(24 697)**	(13 275)
Profit attributable to owners of the parent	**78 399**	78 405
Group's share of profit for the year	**39 200**	39 203
Dividends paid to Group	**15 000**	25 000

ANNEXURE F – IMPAIRMENTS

Reportable segment	Asset category	Reason	2024 R'000	2023 R'000
Consumer	**Goodwill** Plush	The Plush cashflows have been negatively impacted by the challenging economic environment, where discretionary spend remains under pressure.	**107 175**	–
	Other intangibles asset Lulu and Marula	The Lulu and Marula brand has been discontinued and it is not expected that any future economic benefit will arise directly or indirectly from the brand.	**2 578**	–
OTC	**Property, plant and equipment**	Equipment in the Clayville factory became idle and the recoverable amount of this asset was adjusted accordingly.	**5 851**	–
Total impairments			**115 604**	–

ANNEXURE G – INTEREST IN SUBSIDIARY COMPANIES AND JOINT VENTURES

	Shareholding	
	2024	2023
	%	%
Subsidiaries		
Adcock Ingram Critical Care Proprietary Limited	**100**	100
Adcock Ingram Healthcare Proprietary Limited	**100**	100
Adcock Ingram Intellectual Property Proprietary Limited	**100**	100
Adcock Ingram International Proprietary Limited	**100**	100
Adcock Ingram Limited	**100**	100
Joint ventures		
Adcock Ingram Limited (India)	**49.9**	49.9
Indirect holdings		
Adcock Ingram East Africa Limited (Kenya)[1]	**100**	100
Adcock Ingram Intellectual Property No 1 Proprietary Limited[1]	**100**	100
Adcock Ingram Pharma Private Limited (India)	**49.9**	49.9
Adcock Ingram Pharmaceuticals Proprietary Limited[1]	**100**	100
Dilwed Investments Proprietary Limited	**100**	100
Genop Healthcare Proprietary Limited	**100**	100
Genop Holdings Proprietary Limited[1]	**100**	100
Lulu and Marula Proprietary Limited[1]	**100**	100
Metamorphosa Proprietary Limited[1]	**50**	50
National Renal Care Proprietary Limited	**50**	50
Novartis Ophthalmics Proprietary Limited[1]	**100**	100
Plush Professional Leather Care Proprietary Limited	**100**	100
Premier Pharmaceutical Company Proprietary Limited[1]	**100**	100
Relicare Tech Services Private Limited (India)	**100**	100
Virtual Logistics Proprietary Limited	**100**	100
Trusts and structured entity		
Adcock Ingram Holdings Limited Employee Share Trust (2008)		

[1] *Dormant*

COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Notes	2024 R'000	2023 R'000
Revenue	A	**814 664**	743 152
Operating expenses		**(1 907)**	(776)
Finance costs	B	**(26 789)**	(29 368)
Profit before tax		**785 968**	713 008
Tax	C	**(21 030)**	209
Profit for the year		**764 938**	713 217
Other comprehensive income which will not be subsequently recycled to profit or loss		**573**	1 424
Fair value of investment	I	**731**	1 816
Tax effect of revaluation	I	**(158)**	(392)
Total comprehensive income for the year, net of tax		**765 511**	714 641

COMPANY STATEMENT OF CHANGES IN EQUITY

	Notes	Issued share capital R'000	Share premium R'000	Non-distributable reserves R'000	Retained income R'000	Total R'000
Balance at 1 July 2022		16 976	579 290	80 356	2 970 839	3 647 461
Total comprehensive income		(4)	(1 972)	1 424	713 217	712 665
Profit for the year					713 217	713 217
Other comprehensive income				1 424		1 424
Share repurchase and cancellation	G.2/H	(4)	(1 972)			(1 976)
Dividends	M.1				(397 186)	(397 186)
Balance at 30 June 2023		**16 972**	**577 318**	**81 780**	**3 286 870**	**3 962 940**
Total comprehensive income		**(842)**	**(445 359)**	**573**	**764 938**	**319 310**
Profit for the year					**764 938**	**764 938**
Other comprehensive income				**573**		**573**
Share repurchase and cancellation	G.2/H	**(842)**	**(445 359)**			**(446 201)**
Dividends	M.1				**(413 774)**	**(413 774)**
Balance at 30 June 2024		**16 130**	**131 959**	**82 353**	**3 638 034**	**3 868 476**

COMPANY STATEMENTS OF FINANCIAL POSITION

	Notes	2024 R'000	2023 R'000
Investments	D	**3 371 010**	3 370 536
Amount owing by Group company	F	**167 154**	167 154
Non-current assets		**3 538 164**	3 537 690
Cash and cash equivalents	E	**329 066**	427 074
Other receivables	K.2	**4 352**	–
Tax receivable	L.3	**–**	500
Current assets		**333 418**	427 574
Total assets		**3 871 582**	3 965 264
EQUITY AND LIABILITIES			
Capital and reserves			
Issued share capital	G.2	**16 130**	16 972
Share premium	H	**131 959**	577 318
Non-distributable reserves	I	**82 353**	81 780
Retained Income		**3 638 034**	3 286 870
Total equity		**3 868 476**	3 962 940
Deferred tax	J	**857**	490
Other payables	K.1	**1 883**	1 834
Taxation payable	L.3	**366**	–
Current liabilities		**3 106**	2 324
Total equity and liabilities		**3 871 582**	3 965 264

COMPANY STATEMENTS OF CASH FLOWS

	Notes	2024 R'000	2023 R'000
Cash flows from operating activities			
Cash utilised in operations	L.1	**(1 907)**	(776)
Movement in working capital	L.2	**(258)**	45
Finance income received		**64 222**	28 716
Finance costs paid		**(26 961)**	(29 196)
Dividends received	A	**746 348**	715 000
Dividends paid		**(413 553)**	(396 989)
Tax paid	L.3	**(19 955)**	(598)
Cash generated from operating activities		**347 936**	316 202
Cash flows from investing activities			
Sale of investments	L.4	**257**	717
Net cash inflow from investing activities		**257**	717
Cash flows from financing activities			
Repurchase and cancellation of shares	G.2/H	**(446 201)**	(1 976)
Net cash outflow from financing activities		**(446 201)**	(1 976)
Net (decrease)/increase in cash and cash equivalents		**(98 008)**	314 943
Net cash and cash equivalents at beginning of year		**427 074**	112 131
Net cash and cash equivalents at end of year	E	**329 066**	427 074

NOTES TO THE COMPANY FINANCIAL STATEMENTS

A REVENUE

Accounting policy

Dividend income is recognised when the Company's right to receive payment is established.

Finance income is accrued on a time basis recognising the effective rate applicable on the underlying assets.

	2024 R'000	2023 R'000
Dividend income	**746 348**	715 000
Finance income	**68 316**	28 152
	814 664	743 152

B FINANCE COSTS

Accounting policy

All borrowing costs are expensed in the period they occur, as none of the borrowing costs were directly attributable to the acquisition, construction or production of an asset which qualify for capitalisation. Borrowing costs consist of interest and other costs like commitment fees, that an entity incurs in connection with the borrowing of funds.

	2024 R'000	2023 R'000
Borrowings	**26 789**	29 368

C TAXATION

Accounting policy

The tax expense includes current tax, deferred tax, capital gains tax and foreign withholding tax on dividends received from the joint venture in India. Tax relating to items recognised outside profit or loss is recognised in other comprehensive income. Tax charges are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Current tax

The current tax charge is the expected tax to be paid based on taxable profit for the year, and includes any adjustments relating to the prior years. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible.

Deferred tax

The deferred tax charge is the tax expected to be paid in future or tax relief expected to materialise in future and based on the tax rates and laws that have been enacted or substantively enacted by the reporting date.

This tax is charged to profit or loss, except to the extent that it relates to a transaction that is recognised outside profit or loss or a business combination that results from an acquisition. In that case, the deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The charge is calculated applying the liability method on all temporary differences at the reporting date and includes any adjustments relating to the prior years. Temporary differences are those differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base for those assets and liabilities.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

		2024 R'000	2023 R'000
C	**TAXATION (continued)**		
	South African tax		
	Current income tax		
	– current year	**11 186**	–
	Deferred tax		
	– current year	**8**	(209)
	– prior year underprovision	**201**	–
		11 395	(209)
	Foreign tax		
	Withholding tax	**9 635**	–
	Total tax charge	**21 030**	(209)
	Reconciliation of the tax rate:	**%**	%
	Effective rate	**2.7**	–
	Adjusted for:		
	Exempt income (dividend income)	**25.5**	27.0
	Withholding tax	**(1.2)**	–
	South African normal tax rate	**27.0**	27.0

D INVESTMENTS

Accounting policy

Investments in Group companies are carried at cost less accumulated impairment losses.

The Company elected to measure its investment in Group Risk Holdings Proprietary Limited at fair value through other comprehensive income (OCI). Gains and losses on this investment are never recycled to profit or loss and it is not subject to an impairment assessment.

	Effective holding			
	2024 %	2023 %	**2024 R'000**	2023 R'000
Subsidiaries				
Adcock Ingram Limited	**100**	100	**2 130 587**	2 130 587
Adcock Ingram Healthcare Proprietary Limited	**100**	100	**815 390**	815 390
Adcock Ingram Intellectual Property Proprietary Limited	**100**	100	**104 000**	104 000
Adcock Ingram Critical Care Proprietary Limited	**100**	100	**284 979**	284 979
Adcock Ingram International Proprietary Limited	**100**	100	*****	*
Joint venture				
Adcock Ingram Limited India	**49.9**	49.9	**31 930**	31 930
Investment				
Group Risk Holdings Proprietary Limited (D.1)	**4.0**	4.3	**4 124**	3 650
			3 371 010	3 370 536

* *Less than R1 000.*

	2024 R'000	2023 R'000
D.1 Group Risk Holdings Proprietary Limited		
Balance at beginning of year	**3 650**	2 551
Sale of 0.25% (2023: 0.75%) interest	**(257)**	(717)
Revaluation of investment to fair value	**731**	1 816
	4 124	3 650

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

E CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents are initially measured at fair value and subsequently at amortised cost. On the statement of financial position and statement of cash flows, cash and cash equivalents consist of bank balances and short-term deposits.

Financial instruments

Cash resources are placed with various approved major financial institutions that all have a Baa3 credit rating. The Group limits its exposure to any one institution by not placing more than R500 million at any one institution.

Cash and cash resources are also subject to the impairment requirements of IFRS 9 and the expected credit loss is immaterial.

The Company is exposed to interest rate risk on cash balances that carry interest at rates that vary. No financial instruments are entered into to mitigate the risk of interest rates.

	2024 R'000	2023 R'000
Cash at banks	**329 066**	427 074

Favourable balances attract interest at 7.8%.

F AMOUNT OWING BY GROUP COMPANY

Accounting policy

Amounts owing by Group company are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method.

The expected credit losses on amounts owing by Group companies are considered under the general model and when indications of non-payment or other specific risk have been identified. These amounts are considered to have low credit risk as the probability of default is very low and therefore the expected credit losses is considered immaterial.

In assessing the credit risk of intercompany transactions, the Company considers the liquidity and the available cash resources. These factors are considered to give rise to a minimal credit risk and therefore, no further disclosure is required.

	2024 R'000	2023 R'000
Amount owing by Group company		
Included in non-current assets		
Adcock Ingram International Proprietary Limited	**167 154**	167 154
The identified expected credit loss is immaterial, due to the low credit risk.		
The amount is payable on demand.		
The amount is not expected to be settled in the next 12 months.		
The loan is unsecured, interest-free, and has no fixed terms of repayment.		

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

G SHARE CAPITAL

Accounting policy

Issued share capital is stated in the statement of changes in equity at the amount of the proceeds received less directly attributable issue costs.

		2024 R'000	2023 R'000
G.1	**Authorised**		
	250 000 000 ordinary shares of 10 cents each	**25 000**	25 000
G.2	**Issued**		
	Ordinary share capital		
	Opening balance of 169 718 861 (2023: 169 758 861) of 10 cents each	**16 972**	16 976
	Cancellation of 8 418 861 (2023: 40 000) ordinary shares of 10 cents each	**(842)**	(4)
	Closing balance of 161 300 000 (2023: 169 718 861) ordinary shares of 10 cents each	**16 130**	16 972

On 26 October 2023, the Company acquired eight million four hundred and eighteen thousand eight hundred and sixty one ordinary shares, which equates to 4.96% of the Company's issued share capital. The consideration paid was R446.2 million, equating to R53.00 per ordinary share. This resulted in the delisting of the issued shares and the JSE amending their records for the ordinary listed/issued shares from 169 718 861 to 161 300 000.

During the previous reporting period, the Company acquired forty thousand ordinary shares, which equated to 0.02% of the Company's then issued share capital. The consideration paid was R1.9 million, equating to R49.39 per ordinary share. This resulted in the delisting of the issued shares and the JSE amending their records for the ordinary listed/issued shares from 169 758 861 to 169 718 861.

G.3 Unissued shares

In terms of the Companies Act, the unissued shares are under the control of the directors. Accordingly, the directors are authorised to allot and issue them on such terms and conditions and at such times as they deem fit subject to the provisions of the Companies Act.

		2024 R'000	2023 R'000
H	**SHARE PREMIUM**		
	Balance at beginning of year	**577 318**	579 290
	Cancellation of ordinary shares	**(445 359)**	(1 972)
	Balance at end of year	**131 959**	577 318

		Share-based payment reserve R'000	Other reserves R'000	Total R'000
I	**NON-DISTRIBUTABLE RESERVES**			
	Balance at 1 July 2022	20 821	59 535	80 356
	Fair value of investment through other comprehensive income	–	1 816	1 816
	Tax effect of revaluation	–	(392)	(392)
	Balance at 30 June 2023	**20 821**	**60 959**	**81 780**
	Fair value of investment through other comprehensive income	–	**731**	**731**
	Tax effect of revaluation	–	**(158)**	**(158)**
	Balance at 30 June 2024	**20 821**	**61 532**	**82 353**

Other reserves represent a fair value adjustment on the Company's investment in Group Risk Holdings Proprietary Limited and a reserve created on the repurchase and cancellation of the A and B shares in 2016.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

		2024 R'000	2023 R'000
J	**DEFERRED TAX**		
	Balance at beginning of year	**490**	307
	Movement through profit or loss	**209**	(209)
	Fair value of investment through other comprehensive income	**158**	392
	Balance at end of year	**857**	490
	This balance comprises the temporary difference relating to the fair value adjustment of the Investment in Group Risk Holdings Proprietary Limited, a financial asset designated at fair value through other comprehensive income (OCI).		
K	**OTHER PAYABLES AND RECEIVABLES**		
K.1	**Other payables**		
	Sundry payables	**45**	45
	Interest accrued	–	172
	Shareholders for dividends	**1 838**	1 617
		1 883	1 834
K.2	**Other receivables**		
	Interest accrued	**4 094**	–
	Sundry receivables	**258**	–
		4 352	–
L	**NOTES TO THE STATEMENTS OF CASH FLOWS**		
L.1	**Cash utilised in operations**		
	Profit before tax	**785 968**	713 008
	Adjusted for:		
	– dividend income	**(746 348)**	(715 000)
	– finance income	**(68 316)**	(28 152)
	– finance costs	**26 789**	29 368
		(1 907)	(776)
L.2	**Working capital changes**		
	Increase in other receivables	**(258)**	–
	Increase in sundry payables	–	45
		(258)	45

		2024 R'000	2023 R'000
L	**NOTES TO THE STATEMENTS OF CASH FLOWS (continued)**		
L.3	**Tax paid**		
	Amounts overpaid/(underpaid) at beginning of year	**500**	(98)
	Amounts charged to profit or loss	**(21 030)**	–
	Movement in deferred tax	**209**	–
	Amount under/(over) paid at end of year	**366**	(500)
		(19 955)	(598)
L.4	**Sale of investments**		
	Sale of 0.25% (2023: 0.75%) interest and repayment of loans – Group Risk Holdings Proprietary Limited	**257**	717
M	**DISTRIBUTIONS**		
M.1	**Declared and paid during the year**		
	Final dividend for 2023: 125 cents per share (2022: 109 cents per share)	**212 149**	185 037
	Interim dividend for 2024: 125 cents per share (2023: 125 cents per share)	**201 625**	212 149
	Total declared and paid	**413 774**	397 186
M.2	**Declared subsequent to the reporting date**		
	Final dividend for 2024: 150 cents per share (2023: 125 cents per share)	**241 950**	212 149
N	**RELATED PARTIES**		
	Related party transactions exist between the Company and other subsidiaries within the Adcock Ingram Group.		
	The following related party transactions occurred:		
	Dividends received		
	Adcock Ingram Limited India	**96 348**	–
	Adcock Ingram Healthcare Proprietary Limited	**500 000**	500 000
	Adcock Ingram Critical Care Proprietary Limited	**50 000**	100 000
	Adcock Ingram Intellectual Property Proprietary Limited	**100 000**	115 000
		746 348	715 000
	Dividends paid		
	Adcock Ingram Limited	**34 770**	21 817

The related party balances (where applicable) are shown in note F. Refer to Annexure G for the nature of the relationships of related parties.

O FINANCIAL INSTRUMENTS

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

To measure fair value, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments measured at fair value by valuation technique:

- Level 1 – quoted (unadjusted) prices in active markets;
- Level 2 – other valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3 – valuation techniques which use inputs which have a significant effect on the recorded fair value that are based on unobservable market data.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics, risks and the fair value hierarchy.

The classification of financial instruments and the fair value hierarchy are as follows:

Financial instruments	Classification per IFRS 9	Statement of financial position line item	2024 R'000	2023 R'000
Investment in Group Risk Holdings Proprietary Limited[1]	Fair value through OCI	Investments*	**4 124**	3 650
Amount owing by Group company[2]	At amortised cost	Amount owing by Group company	**167 154**	167 154
Bank[2]	At amortised cost	Cash and cash equivalents	**329 066**	427 074

* *Refer to note D.1 for net (gains) and losses*

1 *Level 3: The value of the investment is based on Adcock Ingram's proportionate share of the net asset value of this company.*

2 *The carrying value approximates the fair value due to the short term nature. The identified expected credit loss is immaterial.*

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due.

The Board of directors maintains facilities to ensure that the Company and Group can meet their financial obligations. The facilities in place in South Africa are approximately R1.75 billion for working capital purposes.

The contractual maturity profile of the payables is as follows:

	2024 R'000	2023 R'000
Other payables (within 3 months)	**1 883**	1 834

Capital management

Net cash

	2024 R'000	2023 R'000
Cash and cash equivalents	**329 066**	427 074

The principal accounting policies applied in the preparation and presentation of the annual financial statements of the Company are the same as the Group, unless otherwise mentioned.

SHAREHOLDER ANALYSIS

Registered shareholder spread

In accordance with the JSE Listings Requirements, the following table confirms the spread of registered shareholders as detailed in the Integrated Report and annual financial statements dated 30 June 2024:

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	12 382	89.7	1 029 814	0.6
1 001 – 10 000 shares	1 128	8.2	3 555 626	2.2
10 001 – 100 000 shares	210	1.5	6 446 784	4.0
100 001 – 1 000 000 shares	67	0.5	19 922 805	12.4
1 000 001 shares and above	8	0.1	130 344 971	80.8
	13 795	100.0	161 300 000	100.0

Public and non-public shareholdings

Within the shareholder base, we are able to confirm the split between public shareholdings and directors/Company related schemes as being:

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders*	3	0.03	109 685 309	68.0
BB Investment Company Proprietary Limited	1	0.01	95 126 742	59.0
Adcock Ingram Limited	1	0.01	14 537 134	9.0
Director	1	0.01	21 433	0.0
Public shareholders	13 792	99.97	51 614 691	32.0
	13 795	100	161 300 000	100.0

* *Associates of directors do not hold any shares.*

Beneficial shareholder holding equal to or in excess of 5%

Through regular analysis of STRATE registered holdings, and pursuant to the provisions of section 56(b) of the Companies Act, the following shareholders held, directly and indirectly, equal to or in excess of 5% of the issued share capital as at 30 June 2024:

Shareholder	Total shareholding	%
Bidvest Group Limited	95 126 742	59.0
Government Employees Pension Fund	14 220 266	8.8
	109 347 008	67.8

SHAREHOLDER ANALYSIS (CONTINUED)

Geographical split of beneficial shareholders

Country	Total shareholding	% of issued share capital
South Africa	153 277 015	95.00
United States of America and Canada	5 379 780	3.3
Other[1]	1 280 015	0.8
Rest of Europe	785 464	0.5
United Kingdom	577 726	0.4
	161 300 000	100.0

[1] *Represents all shareholdings except those in the above regions.*

Monthly trading history

The high, low and closing price of ordinary shares on the JSE and the aggregated monthly value during the year are set out below:

Month	Total volume	Total value (R'm)	High (R)	Low (R)	Closing price (R)
2023 – July	2 486 490	141	58.00	53.00	55.25
2023 – August	3 341 812	181	57.49	52.20	55.25
2023 – September	4 094 312	218	57.99	50.51	57.00
2023 – October	1 044 040	56	57.99	51.53	54.14
2023– November	2 319 913	126	56.62	51 .90	54.21
2023 – December	1 615 104	92	61.48	53.40	60.10
2024 – January	512 385	29	60.60	53.53	56.00
2024 – February	1 114 558	60	57.26	51.15	56.09
2024 – March	1 192 393	65	56.99	52.49	55.00
2024 – April	2 474 811	136	56.00	52.16	55.69
2024 – May	2 599 308	144	60.00	52.67	56.78
2024 – June	699 860	41	67.50	53.52	60.10

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CORPORATE INFORMATION

Adcock Ingram Holdings Limited

Incorporated in the Republic of South Africa
(Registration number 2007/016236/06)
Share code: AIP ISIN: ZAE000123436
("**Adcock Ingram**" or "**the Company**" or "**the Group**")

Directors

Ms L Boyce (Non-executive director)
Dr S Gumbi (Independent non-executive director)
Mr A Hall (Chief executive officer)
Ms B Letsoalo (Executive director: Human Capital and Transformation)
Ms B Mabuza (Lead independent director)
Ms N Madisa (Non-executive director and Chairperson)
Dr C Manning (Independent non-executive director)
Ms D Neethling (Chief financial officer)
Ms D Ransby (Independent non-executive director)
Prof M Sathekge (Independent non-executive director)
Mr M Steyn (Non-executive director)

Company secretary

Mr Mahlatse "Lucky" Phalafala

Registered office

1 New Road, Midrand, 1682

Postal address

Private Bag X69, Bryanston, 2021

Transfer secretaries

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

Auditors

PricewaterhouseCoopers Inc.
4 Lisbon Lane, Waterfall City,
Jukskei View, 2090

Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)
1 Merchant Place, corner Fredman Drive and Rivonia Road
Sandton, 2196

Bankers

Nedbank Limited
135 Rivonia Road, Sandown
Sandton, 2146

Rand Merchant Bank
1 Merchant Place, corner Fredman Drive and Rivonia Road
Sandton, 2196

Investec Bank Limited
100 Grayston Drive
Sandton, 2196

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