Remgro Limited

2016 ANNUAL FINANCIAL STATEMENTS

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STATEMENT OF RESPONSIBILITY
BY THE BOARD OF DIRECTORS

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

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

The directors are satisfied that the information contained in the financial statements fairly represents the results of operations for the year and the financial position of the Group at year-end. The accuracy of the other information included in the Annual Report was considered by the directors and they are satisfied that it accords with the financial statements.

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

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

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

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
20 September 2016

STATEMENT BY THE COMPANY SECRETARY

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

Mariza Lubbe
Company Secretary

Stellenbosch
20 September 2016

AUDIT AND RISK COMMITTEE REPORT

TO THE SHAREHOLDERS OF REMGRO LIMITED

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

COMMITTEE MEMBERS AND ATTENDANCE AT MEETINGS

The committee comprises five independent non-executive directors (as set out in the table below) and is chaired by Mr Herman Wessels who is a Chartered Accountant. All the committee members are suitably skilled and experienced. In terms of the committee's mandate, at least four meetings should be held annually.

COMPOSITION OF THE COMMITTEE

Committee member*	Number of meetings held	Number of meetings attended
H Wessels (chairman)	4	4
S E N De Bruyn Sebotsa**	4	3
N P Mageza	4	4
P J Moleketi	4	4
F Robertson	4	4

* *Abridged curriculum vitae of all the directors of the Company are set out on pages 14 and 15 of the Integrated Annual Report.*

** *Ms S E N De Bruyn Sebotsa was appointed as a member of the Audit and Risk Committee with effect from 23 November 2015 and attended all the meetings since her appointment.*

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

ROLE AND RESPONSIBILITIES

The committee's role and responsibilities include its statutory duties as per the Companies Act, as well as the responsibilities assigned to it by the Board.

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

Remgro's principal wholly owned operating subsidiary is Wispeco. Wispeco's Audit and Risk Committee functions as a subcommittee of the committee and reports to this committee at each meeting by way of inclusion of the minutes of the meetings held by it in the committee's agenda. The committee has also satisfied itself that there are effective audit committees functioning at the Company's significant non-wholly owned subsidiaries, associates and joint ventures, whose minutes of meetings held are also included in the committee's agenda.

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

STATUTORY DUTIES

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

- Nominated PricewaterhouseCoopers Inc. and Mr Hein Döman, who, in the opinion of the committee, is independent of the Company, to the shareholders for appointment as the external auditor for the financial year ended 30 June 2016
- Determined the fees to be paid to the external auditor and their terms of engagement
- Ensured that the appointment of the external auditor complies with the provisions of the Companies Act and any other legislation relating to the appointment of auditors
- Determined the nature and extent of any non-audit services that the external auditor may provide to the Company and its wholly owned subsidiaries administered by Remgro Management Services Limited (RMS), as well as Wispeco
- Pre-approved any proposed agreement with the external auditor for the provision of non-audit services to the Company and its wholly owned subsidiaries administered by RMS, as well as Wispeco.

EXTERNAL AUDIT

The committee is satisfied that the Company's external auditor, PricewaterhouseCoopers Inc., is independent of the Company and is therefore able to conduct their audit functions without any influence from the Company.

A formal policy governs the process whereby the external auditor of the Company is considered for non-audit services. In terms of the policy, the committee is responsible for determining the nature and extent of any non-audit services that the external auditor may provide and also to pre-approve any proposed contract with the external auditor for the provision of non-audit services.

INTERNAL FINANCIAL CONTROL AND ACCOUNTING SYSTEMS

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

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

EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER AND FINANCE FUNCTION

The committee has considered and has satisfied itself of the appropriateness of the expertise and experience of the Chief Financial Officer, Mr Neville Williams, whose curriculum vitae appears on page 15 of the Integrated Annual Report.

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

FINANCIAL STATEMENTS AND GOING CONCERN

The committee has reviewed the stand-alone and consolidated financial statements of the Company and is satisfied that they comply with International Financial Reporting Standards and the Companies Act, and that the accounting policies used are appropriate.

The committee has also reviewed a documented assessment by management of the going concern premise of the Company before recommending to the Board that the Company will be a going concern in the foreseeable future.

RISK MANAGEMENT

The committee has assigned oversight of the risk management function to the Risk and IT Governance Committee, which is a subcommittee of the committee. The mandate of this committee includes the maintenance of the Risk Management Policy and plan, establishment of an operational Risk Register, information technology risk management, legal compliance and occupational health and safety. The Risk and IT Governance Committee is chaired by the CFO and the fifteen other members are all senior managers of the Company. The chairman of the committee attends the Risk and IT Governance Committee meetings as an *ex officio* member to ensure the effective functioning of this committee and that appropriate risk information is shared with the committee.

INTERNAL AUDIT

The Company's internal audit division is an effective independent appraisal function and forms an integral part of the Enterprise-wide Risk Management system that provides assurance on the effectiveness of the Company's system of internal control. The internal audit division of the Company is staffed by qualified and experienced personnel and services all of Remgro's wholly owned subsidiaries administered by RMS, as well as Wispeco. In addition, the internal audit division also performs independent internal audit work for other investee companies such as Dark Fibre Africa, Mediclinic, RMB Holdings, RMI Holdings, SEACOM and Business Partners.

During the year under review the committee considered and recommended the internal audit charter for approval by the Board. The committee further considered the internal audit quality assurance plan and the performance of the internal audit function. Further details on the Group's internal audit functions are provided in the Risk Management Report which is included in the Integrated Annual Report.

COMPLIANCE

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

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

RECOMMENDATION TO THE BOARD

The committee has reviewed and considered the Integrated Annual Report, as well as the comprehensive annual financial statements and Sustainable Development Report, and has recommended it for approval by the Board.

Herman Wessels
Chairman of the Audit and Risk Committee

Stellenbosch
20 September 2016

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 30 JUNE 2016

Dear Shareholder

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

NATURE OF ACTIVITIES

The Company is an investment holding company. Cash income is derived mainly from dividends and interest. The consolidated annual financial statements of the Company and its subsidiaries also incorporate the equity accounted attributable income of associated companies and joint ventures.

The Group's interests consist mainly of investments in food, liquor and home care; banking; healthcare; insurance; industrial; infrastructure as well as media and sport.

RESULTS

Year ended	30 June 2016	30 June 2015
Headline earnings (R million)	**5 887**	7 996
– per share (cents)	**1 143.9**	1 555.0
– diluted (cents)	**1 139.2**	1 541.8
Headline earnings, excluding once-off costs and option remeasurement (R million)	**7 405**	7 996
– per share (cents)	**1 438.9**	1 555.0
– diluted (cents)	**1 434.1**	1 541.8
Earnings – net profit for the year (R million)	**5 386**	8 715
– per share (cents)	**1 046.6**	1 694.9
– diluted (cents)	**1 042.5**	1 680.9
Dividends (R million)	**2 376**	2 211
– ordinary – per share (cents)	**460.00**	428.00

A final dividend of 275 cents (2015: 259 cents) per share was declared after the year-end and was therefore not provided for in the annual financial statements. The final dividend is subject to dividend tax.

INVESTMENT ACTIVITIES

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

MEDICLINIC INTERNATIONAL LIMITED (MEDICLINIC)

FACILITATION OF MEDICLINIC'S ACQUISITION OF SPIRE

During June 2015 Remgro entered into an agreement with funds managed by Cinven to acquire 119 923 335 Spire Healthcare Group plc (Spire) shares (equivalent to a 29.9% shareholding in Spire) at a price of £3.60 per share for a total purchase consideration of £431.7 million (excluding transaction costs). The transaction was concluded early in July 2015 and Remgro financed the transaction through a combination of its own cash and external funding.

In conjunction with the above transaction, Remgro and Mediclinic concluded an agreement whereby Mediclinic would acquire Remgro's interest in Spire, subject to Mediclinic raising the appropriate funds in order to conclude such a transaction. During August 2015 Mediclinic raised R10.0 billion through a rights issue in terms of which 111 111 111 new Mediclinic shares were issued at a price of R90.00 per share. Remgro, by following its rights and by underwriting the balance of the rights issue, subscribed for an additional 51 342 886 Mediclinic shares totalling R4.6 billion. Following the successful conclusion of the rights issue, Mediclinic acquired Remgro's shareholding in Spire during August 2015 for an amount of R8.6 billion, equal to the purchase price, transaction and funding costs. Remgro thus effectively only facilitated the acquisition of Spire by Mediclinic.

In order to participate in the above-mentioned rights issue Remgro obtained bridge financing amounting to R3.5 billion. On 13 January 2016 Remgro (through its wholly owned subsidiary, Remgro Healthcare Holdings Proprietary Limited (Remgro Healthcare)) refinanced the bridge financing by issuing fixed rate cumulative redeemable preference shares. These preference shares have a tenure of four years and the dividend rate is fixed at 7.7%, payable semi-annually.

After the above transactions, Remgro's effective interest in Mediclinic was 42.5% (30 June 2015: 42.0%).

COMBINATION OF MEDICLINIC AND AL NOOR HOSPITALS GROUP PLC (AL NOOR)

On 14 October 2015 Mediclinic and Al Noor agreed on the terms for the combination of their respective businesses (the Combination) pursuant to which Al Noor offered to acquire 100% of the issued share capital of Mediclinic. The transaction was concluded on 15 February 2016 and given the relative size of Mediclinic and Al Noor, the Combination was classified as a reverse takeover of Al Noor. The combined group was renamed Mediclinic International plc (Mediclinic plc) and it retained its premium listing on the Main Market of the London Stock Exchange (LSE). Mediclinic plc also obtained an inward secondary listing on the main board of the Johannesburg Stock Exchange (JSE) and it was admitted to the FTSE 100 index of the LSE. Mediclinic shareholders received 0.625 Al Noor shares for every Mediclinic share held by them, based on the five-day volume weighted average price up to and including 1 October 2015 of the Mediclinic shares on the JSE and of the Al Noor shares on the LSE (which was £5.20 and £8.32, respectively). As a result of the reverse takeover, Remgro realised a profit on the dilution of its interest in Mediclinic amounting to R2 262 million.

In addition to the Al Noor shares received by Remgro and as an indivisible component of the Combination, Remgro also subscribed for an additional 72 115 384 shares in Al Noor at a subscription price of £8.32 per share for an aggregate amount of

£600.0 million during February 2016 (the Remgro Subscription). In order to fund the Remgro Subscription, Remgro obtained bridge financing of which £400.0 million was borrowed offshore, while £200.0 million (or R4.3 billion) was borrowed in South Africa.

On 16 March 2016 Remgro (through its wholly owned subsidiary, Remgro Healthcare) refinanced the local bridge financing with newly issued fixed rate cumulative redeemable preference shares amounting to R4.4 billion. The preference shares have a tenure of five years and a fixed dividend rate of 8.3%, payable semi-annually.

On 22 March 2016 Remgro (through its wholly owned subsidiary, Remgro Jersey GBP Limited) refinanced £350.0 million of the foreign bridge financing by issuing exchangeable bonds with a tenure of five years and a fixed coupon rate of 2.625%, payable semi-annually. The exchangeable bonds are exchangeable into approximately 30.9 million Mediclinic plc ordinary shares and the exchange price for the bonds is £11.3086 per Mediclinic plc share, representing a 30% premium above the weighted average price on the LSE between launch and pricing of the bond offering. Upon exchange or redemption of the bonds, Remgro will have the discretionary right to deliver an amount in cash or shares or a combination of cash and shares. The bonds were included for trading on the open market (Freiverkehr) segment of the Frankfurt Stock Exchange on 23 March 2016.

On 30 June 2016 Remgro's effective interest in Mediclinic was 44.6%.

BRITEHOUSE HOLDINGS PROPRIETARY LIMITED (BRITEHOUSE)

During September 2015 Remgro disposed of its investment in Britehouse for a total consideration of R159.6 million. A profit of R93.7 million was realised on this transaction, which is excluded from headline earnings.

MILESTONE CHINA FUNDS

During the year under review Remgro advanced the remaining committed loan amount of $6.9 million to Milestone Capital Strategic Holdings. Remgro also invested a further $6.7 million in Milestone China Opportunities Fund III (Milestone III), thereby increasing its cumulative investment in Milestone III to $93.2 million. As at 30 June 2016 the remaining commitment to Milestone III amounted to $6.8 million.

PEMBANI REMGRO INFRASTRUCTURE FUND (PRIF)

During the year under review Remgro committed a further R150.0 million to PRIF, bringing the total committed funds to R650.0 million. As a result of the additional commitment and PRIF's successful second and third closes, Remgro invested a further net amount of R28.6 million in PRIF, thereby increasing its cumulative investment in PRIF to R211.9 million. As at 30 June 2016 the remaining commitment to PRIF amounted to R438.1 million.

OTHER

Other smaller investments amounted to R152 million.

EVENTS AFTER YEAR-END

INVENFIN PROPRIETARY LIMITED (INVENFIN)

On 27 July 2016 Remgro (through its wholly owned subsidiary, Invenfin) acquired a 30% stake in Dynamic Commodities Proprietary Limited (Dynamic Commodities) for R80.0 million. Dynamic Commodities is an export-focused company that produces high-quality frozen desserts, snacks and value-added "fresh frozen" fruit. During August 2016, Invenfin also acquired a 30% stake in Joya Brands Proprietary Limited, a sweets manufacturer, for R50.2 million.

Other than the above-mentioned transactions, there were no other significant transactions subsequent to 30 June 2016.

CASH RESOURCES AT THE CENTRE

The Company's cash resources at 30 June 2016 were as follows:

R million	30 June 2016 Local	30 June 2016 Offshore	30 June 2016 Total	30 June 2015
Per consolidated statement of financial position	**2 001**	**1 568**	**3 569**	4 050
Investment in money market funds	**500**	**550**	**1 050**	986
Less: Cash of operating subsidiaries	**(795)**	**(46)**	**(841)**	(1 017)
Cash at the centre	**1 706**	**2 072**	**3 778**	4 019

On 30 June 2016, approximately 28% (R1 050 million) of the available cash at the centre was invested in money market funds which are not classified as cash and cash equivalents on the statement of financial position. Refer to note 14 to the annual financial statements for further details.

GROUP FINANCIAL REVIEW

STATEMENT OF FINANCIAL POSITION

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

	30 June 2016 R million	30 June 2016 R per share	30 June 2015 R million	30 June 2015 R per share
Equity employed				
Attributable to equity holders	**78 866**	**153.17**	73 114	142.12
Employment of equity				
Food, liquor and home care	**14 383**	**27.93**	13 887	26.99
Banking	**17 784**	**34.54**	16 567	32.20
Healthcare	**33 629**	**65.31**	13 227	25.71
Insurance	**7 157**	**13.90**	6 717	13.06
Industrial	**5 575**	**10.83**	5 461	10.62
Infrastructure	**5 052**	**9.81**	6 857	13.33
Media and sport	**1 444**	**2.80**	1 500	2.92
Other investments	**3 737**	**7.26**	3 047	5.92
Central treasury				
– Cash at the centre	**3 778**	**7.34**	4 019	7.81
– Debt at the centre	**(16 452)**	**(31.95)**	–	–
Other net corporate assets	**2 779**	**5.40**	1 832	3.56
	78 866	**153.17**	73 114	142.12

INCOME STATEMENT

	30 June 2016 R million	30 June 2016 %	30 June 2015 R million	30 June 2015 %
Source of headline earnings				
Food, liquor and home care	**1 618**	**27**	1 531	19
Banking	**2 989**	**51**	2 845	36
Healthcare	**1 566**	**26**	1 734	22
Insurance	**888**	**15**	986	12
Industrial	**517**	**9**	381	5
Infrastructure	**6**	**–**	392	5
Media and sport	**(36)**	**–**	(16)	–
Other investments	**67**	**1**	84	1
Central treasury				
– Finance income	**125**	**2**	111	1
– Finance costs	**(1 602)**	**(27)**	–	–
Other net corporate costs	**(251)**	**(4)**	(52)	(1)
	5 887	**100**	7 996	100

R million	**30 June 2016**	30 June 2015
Composition of headline earnings		
Subsidiary companies	**(981)**	996
Profits	**820**	1 107
Losses	**(1 801)**	(111)
Associated companies and joint ventures	**6 868**	7 000
Profits	**7 252**	7 183
Losses	**(384)**	(183)
	5 887	7 996

SHARE INCENTIVE SCHEME

Remgro currently has one long-term incentive plan, i.e. the Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme). In terms of the SAR Scheme, participants are offered Remgro ordinary shares to the value of the appreciation of their rights to a specified number of Remgro ordinary shares that can be exercised at different intervals but before the expiry of seven years from date of grant.

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

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

Refer to note 25 to the annual financial statements for full details on the SAR Scheme.

TREASURY SHARES

At 30 June 2015, 2 169 558 Remgro ordinary shares (0.5%) were held as treasury shares by a wholly owned subsidiary company of Remgro. As previously reported, these shares were acquired for the purpose of hedging Remgro's share incentive scheme.

During the year under review no Remgro ordinary shares were repurchased, while 444 165 Remgro ordinary shares were utilised to settle Remgro's obligation towards share scheme participants who exercised the rights granted to them.

At 30 June 2016, 1 725 393 Remgro ordinary shares (0.4%) were held as treasury shares.

SHARE CAPITAL

The general meeting of shareholders on 16 August 2016 approved the increase of the authorised ordinary shares of no par value by 487 506 350 to 1 000 000 000 ordinary shares of no par value and the authorised B ordinary shares of no par value by 59 493 648 to 100 000 000 B ordinary shares of no par value. It was also resolved to place 100 000 000 ordinary shares of no par value and 10 000 000 B ordinary shares of no par value under the control of the Remgro Board to raise additional equity capital by way of a rights issue, which authority will be in place until the next Annual General Meeting, unless renewed at the said meeting.

PRINCIPAL SHAREHOLDER

Rupert Beleggings Proprietary Limited (Rupert Beleggings) (previously Rembrandt Trust Proprietary Limited) holds all the issued unlisted B ordinary shares of the Company and is entitled to 42.55% (2015: 42.57%) of the total votes.

An analysis of the shareholders appears on pages 85 and 86.

SUBSIDIARY COMPANIES AND INVESTMENTS

Particulars of subsidiary companies, equity accounted investments and other investments are disclosed in Annexures A and B.

DIRECTORS

The names of the directors appear on pages 14 to 15 of the Integrated Annual Report.

Mr N J Williams has been appointed as Chief Financial Officer of Remgro with effect from 1 April 2016, which directors' appointment will in terms of the Company's Memorandum of Incorporation have to be confirmed by the shareholders at the next Annual General Meeting.

The Board wishes to welcome Mr N J Williams as Chief Financial Officer to the Company.

In terms of the provision of the Memorandum of Incorporation, Messrs J J Durand, P K Harris, Dr E de la H Hertzog, J Malherbe and M Morobe retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

DIRECTORS' INTERESTS

At 30 June 2016 the aggregate of the direct and indirect interests of the directors and their associates in the issued ordinary share capital of the Company amounted to 2.55% (2015: 2.57%).

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

An analysis of directors' interests in the issued capital of the Company appears on page 87.

DIRECTORS' EMOLUMENTS

The total directors' fees for services rendered as directors during the past financial year amounted to R4.8 million (2015: R3.7 million).

ACQUISITION OF SHARES OF THE COMPANY

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

A special resolution to grant this general authority to the Board is incorporated in the notice of the Annual General Meeting that appears on page 115 of the Integrated Annual Report.

DECLARATION OF CASH DIVIDEND

DECLARATION OF CASH DIVIDEND NO. 32

Notice is hereby given that a final gross dividend of 275 cents (2015: 259 cents) per share has been declared out of income reserves in respect of both the ordinary shares of no par value and the unlisted B ordinary shares of no par value, for the year ended 30 June 2016.

A dividend withholding tax of 15% or 41.25 cents per share will be applicable, resulting in a net dividend of 233.75 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The total gross dividend per share for the year ended 30 June 2016 therefore amounts to 460 cents, compared to 428 cents for the year ended 30 June 2015.

The issued share capital at the declaration date is 481 106 370 ordinary shares and 35 506 352 B ordinary shares. The income tax number of the Company is 9500-124-71-5.

PAYMENT

The final dividend is payable on Monday, 21 November 2016, to shareholders of the Company registered at the close of business on Friday, 18 November 2016.

Share certificates may not be dematerialised or rematerialised between Wednesday, 16 November 2016, and Friday, 18 November 2016, both days inclusive.

In terms of the Company's Memorandum of Incorporation, dividends will only be transferred electronically to the bank accounts of shareholders, while dividend cheques are no longer issued. In the instance where shareholders do not provide the Transfer Secretaries with their banking details, the dividend will not be forfeited but will be marked as "unclaimed" in the share register until the shareholder provides the Transfer Secretaries with the relevant banking details for pay out.

SECRETARY

The name and address of the Company Secretary appears on page 17 of the Integrated Annual Report.

APPROVAL

The comprehensive annual financial statements set out on pages 12 to 87 have been approved by the Board.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
20 September 2016

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF REMGRO LIMITED

Report on the financial statements

We have audited the consolidated and separate financial statements of Remgro Limited, set out on pages 12 to 87, which comprise the statements of financial position as at 30 June 2016, the income statements and statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Remgro Limited as at 30 June 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 30 June 2016, we have read the Report of the Board of Directors, the Audit and Risk Committee Report and the Statement by the Company Secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Remgro Limited for 48 years. The business of Remgro Limited was previously transacted through Rembrandt Group Limited, of which based on available statutory records, PricewaterhouseCoopers Inc. and its predecessor firms have been the auditor for 68 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: N H Döman
Registered Auditor

Stellenbosch
20 September 2016

STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2016

R million	Notes	30 June 2016	30 June 2015
ASSETS			
Non-current assets			
Property, plant and equipment	3	**6 292**	5 716
Biological agricultural assets	4	**625**	550
Investment properties	5	**107**	51
Intangible assets	6	**4 993**	5 710
Investments – Equity accounted	7	**78 565**	57 831
– Other	8	**3 408**	2 493
Retirement benefits	9	**163**	220
Loans		**880**	977
Deferred taxation	10	**42**	18
		95 075	73 566
Current assets		**14 086**	21 126
Inventories	11	**3 274**	3 118
Biological agricultural assets	4	**612**	549
Debtors and short-term loans	12	**5 503**	3 837
Derivative instruments	13	**8**	10
Taxation		**41**	42
Investment in money market funds	14	**1 050**	986
Cash and cash equivalents	15	**3 569**	4 050
		14 057	12 592
Assets held for sale	16	**29**	8 534
Total assets		**109 161**	94 692
EQUITY AND LIABILITIES			
Stated capital	17	**3 605**	3 605
Reserves	18	**75 478**	69 781
Treasury shares		**(217)**	(272)
Shareholders' equity		**78 866**	73 114
Non-controlling interest	19	**2 835**	2 803
Total equity		**81 701**	75 917
Non-current liabilities		**20 838**	5 404
Retirement benefits	9	**202**	227
Long-term loans	20	**17 799**	3 547
Deferred taxation	10	**1 640**	1 630
Derivative instruments	13	**1 197**	–
Current liabilities		**6 622**	13 371
Trade and other payables	21	**4 833**	4 469
Short-term loans	22	**1 660**	366
Derivative instruments	13	**117**	16
Taxation		**12**	53
		6 622	4 904
Liabilities held for sale	16	**–**	8 467
Total equity and liabilities		**109 161**	94 692

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

R million	Notes	30 June 2016	30 June 2015
Sales		**27 697**	25 590
Inventory expenses		**(16 959)**	(15 267)
Staff costs	23	**(4 578)**	(4 276)
Depreciation	26	**(670)**	(607)
Other net operating expenses	26	**(5 647)**	(3 878)
Trading profit/(loss)		**(157)**	1 562
Dividend income	27	**77**	213
Interest received		**287**	276
Finance costs		**(903)**	(371)
Net impairment of investments, loans, assets and goodwill	26	**(2 556)**	(288)
Profit on sale and dilution of investments	26	**2 451**	696
Consolidated profit/(loss) before tax		**(801)**	2 088
Taxation	10	**4**	(395)
Consolidated profit/(loss) after tax		**(797)**	1 693
Share of after-tax profit of equity accounted investments	28	**6 250**	7 228
Net profit for the year		**5 453**	8 921
Attributable to:			
Equity holders		**5 386**	8 715
Non-controlling interest		**67**	206
		5 453	8 921
EARNINGS PER SHARE (cents)			
Basic	2	**1 046.6**	1 694.9
Diluted	2	**1 042.5**	1 680.9

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

R million	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Share-holders' equity	Non-controlling interest	Total equity
30 June 2016							
Net profit for the year				**5 386**	**5 386**	**67**	**5 453**
Other comprehensive income, net of tax	**1 337**	**423**	**408**	**411**	**2 579**	**–**	**2 579**
Items that may be reclassified subsequently to the income statement:							
Exchange rate adjustments	**356**	**1 030**	**(32)**	**398**	**1 752**	**(7)**	**1 745**
Fair value adjustments for the year	**–**	**(14)**	**552**	**–**	**538**	**(4)**	**534**
Deferred taxation on fair value adjustments	**–**	**–**	**(112)**	**–**	**(112)**	**–**	**(112)**
Reclassification of other comprehensive income to the income statement	**(370)**	**(593)**	**–**	**–**	**(963)**	**12**	**(951)**
Other comprehensive income of equity accounted investments	**1 653**	**–**	**–**	**–**	**1 653**	**(1)**	**1 652**
Items that will not be reclassified to the income statement:							
Remeasurement of post-employment benefit obligations	**–**	**–**	**–**	**19**	**19**	**–**	**19**
Deferred taxation on remeasurement of post-employment benefit obligations	**–**	**–**	**–**	**(6)**	**(6)**	**–**	**(6)**
Change in reserves of equity accounted investments	**(302)**	**–**	**–**	**–**	**(302)**	**–**	**(302)**
Total comprehensive income for the year	**1 337**	**423**	**408**	**5 797**	**7 965**	**67**	**8 032**
30 June 2015							
Net profit for the year				8 715	8 715	206	8 921
Other comprehensive income, net of tax	(57)	50	9	349	351	4	355
Items that may be reclassified subsequently to the income statement:							
Exchange rate adjustments	(87)	29	(19)	346	269	(2)	267
Fair value adjustments for the year	–	29	(194)	–	(165)	9	(156)
Deferred taxation on fair value adjustments	–	(8)	(24)	–	(32)	(2)	(34)
Reclassification of other comprehensive income to the income statement	(200)	–	246	(1)	45	–	45
Other comprehensive income of equity accounted investments	929	–	–	–	929	–	929
Items that will not be reclassified to the income statement:							
Remeasurement of post-employment benefit obligations	–	–	–	6	6	(1)	5
Deferred taxation on remeasurement of post-employment benefit obligations	–	–	–	(2)	(2)	–	(2)
Change in reserves of equity accounted investments	(699)	–	–	–	(699)	–	(699)
Total comprehensive income for the year	(57)	50	9	9 064	9 066	210	9 276

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

R million	Stated and issued capital	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Treasury shares	Share-holders' equity	Non-controlling interest	Total equity
30 June 2016									
Balances at 1 July	**3 605**	**22 676**	**1 400**	**320**	**45 385**	**(272)**	**73 114**	**2 803**	**75 917**
Total comprehensive income for the year	**–**	**1 337**	**423**	**408**	**5 797**	**–**	**7 965**	**67**	**8 032**
Dividends paid	**–**	**–**	**–**	**–**	**(2 285)**	**–**	**(2 285)**	**(73)**	**(2 358)**
Capital invested by minorities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**31**	**31**
Transfer between reserves and other movements	**–**	**(31)**	**18**	**–**	**27**	**–**	**14**	**1**	**15**
Transfer of retained income of equity accounted investments	**–**	**4 600**	**–**	**–**	**(4 600)**	**–**	**–**	**–**	**–**
Long-term share incentive scheme reserve	**–**	**–**	**3**	**–**	**–**	**55**	**58**	**6**	**64**
Balances at 30 June	**3 605**	**28 582**	**1 844**	**728**	**44 324**	**(217)**	**78 866**	**2 835**	**81 701**
30 June 2015									
Balances at 1 July	3 605	17 605	1 360	311	43 526	(372)	66 035	2 599	68 634
Total comprehensive income for the year	–	(57)	50	9	9 064	–	9 066	210	9 276
Dividends paid	–	–	–	–	(2 068)	–	(2 068)	(68)	(2 136)
Capital invested by minorities	–	–	–	–	–	–	–	37	37
Transfer between reserves and other movements	–	18	19	–	(27)	–	10	15	25
Transfer of retained income of equity accounted investments	–	5 110	–	–	(5 110)	–	–	–	–
Long-term share incentive scheme reserve	–	–	(29)	–	–	100	71	10	81
Balances at 30 June	3 605	22 676	1 400	320	45 385	(272)	73 114	2 803	75 917

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

R million	Notes	30 June 2016	30 June 2015
Cash flows – operating activities			
Trading profit/(loss)		(157)	1 562
Adjustments	29.1	1 636	851
Trading profit before working capital changes		1 479	2 413
Working capital changes	29.2	(375)	(422)
Cash generated from operations		1 104	1 991
Cash flow generated from returns on investments		3 834	3 491
Interest received		287	276
Dividends received	29.3	3 547	3 215
Finance costs		(795)	(372)
Taxation paid	29.4	(328)	(397)
Cash available from operating activities		3 815	4 713
Dividends paid	29.5	(2 358)	(2 136)
Cash inflow/(outflow) from operating activities		1 457	2 577
Cash flows – investing activities			
Net investments to maintain operations		31	(194)
Replacement of property, plant and equipment		(470)	(477)
Proceeds on disposal of property, plant and equipment and other assets		501	283
Investments to expand operations		(18 770)	(1 728)
Additions to – property, plant and equipment and other assets		(646)	(376)
– investments and loans		(18 102)	(1 352)
Businesses acquired	30	(22)	–
Increase in money market funds		(64)	(261)
Decrease in money market funds		–	446
Proceeds on disposal of investments and loans		58	586
Cash inflow/(outflow) from investing activities		(18 745)	(1 151)
Cash flows – financing activities			
Loans repaid		(19 541)	(4 819)
Loans advanced		35 875	3 433
Capital invested by minorities		31	37
Cash inflow/(outflow) from financing activities		16 365	(1 349)
Net increase/(decrease) in cash and cash equivalents		(923)	77
Exchange rate profit on foreign cash		222	116
Cash and cash equivalents at the beginning of the year		3 829	3 636
Cash and cash equivalents at the end of the year		3 128	3 829
Cash and cash equivalents – per statement of financial position		3 569	4 050
Bank overdraft		(441)	(221)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. ACCOUNTING POLICIES

The annual financial statements are prepared on the historical cost basis, unless otherwise indicated, in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS, the requirements of the Companies Act (No. 71 of 2008), as amended, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and the Listings Requirements of the JSE Limited.

These financial statements incorporate accounting policies that have been consistently applied to both periods presented.

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

The accounting policies that the Group applied in the presentation of the financial statements are set out below.

(I) CONSOLIDATION AND EQUITY ACCOUNTING

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

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

Acquisition-related costs are expensed as incurred.

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

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

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

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

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

1. ACCOUNTING POLICIES (continued)

(I) CONSOLIDATION AND EQUITY ACCOUNTING (continued)

Consolidation – subsidiaries (continued)

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

Joint ventures

The Group has applied IFRS 11 to all joint arrangements, under which investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Remgro has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Associated companies

Associated companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

The equity method of accounting

Under the equity method of accounting, interests in joint ventures and associated companies are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. Dividends received or receivable from equity accounted investments are recognised as a reduction in the carrying amount of the investment. The Group's investment in equity accounted investments includes goodwill identified on acquisition. When the Group's share of losses in an equity accounted investment equals or exceeds its interests in the investment (which includes any long-term interests that, in substance, form part of the Group's net investment), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investment.

Unrealised gains on transactions between the Group and its equity accounted investment are eliminated to the extent of the Group's interest in these investments. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investments have been changed where necessary to ensure consistency with the policies adopted by the Group.

If the ownership interest in an equity accounted investment is reduced but significant influence or joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Other equity movements are assessed based on the substance of the transaction and accounted for accordingly, with a corresponding adjustment to the carrying amount of the investment. Dilution gains and losses arising in investments in associates are recognised in the income statement. The Group determines at each reporting date whether there is any objective evidence that the equity accounted investment is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

Certain equity accounted investments have year-ends that differ from that of the Company. In such circumstances the results of listed and certain unlisted companies are accounted for from the latest published information and management accounts as at year-end, respectively.

Separate financial statements

In Remgro's separate financial statements, investments in subsidiaries, joint ventures and associated companies are carried at cost.

1. ACCOUNTING POLICIES (continued)

(II) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

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

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

Leased assets – Assets leased in terms of finance leases, i.e. where the Group assumes substantially all the risks and rewards of ownership, are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum finance lease payments. Leased assets are depreciated over the shorter of the lease period or the period over which the particular asset category is otherwise depreciated. The corresponding rental obligations, net of finance charges, are included in non-current liabilities. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The finance charges are accounted for in the income statement over the term of the lease using the effective interest rate method.

Leases of assets where the lessor substantially retains all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are accounted for in the income statement on a straight-line basis over the period of the lease.

Pre-production and borrowing costs – Pre-production and borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets until such assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs capitalised.

(III) BIOLOGICAL AGRICULTURAL ASSETS

Growing crops and orchards – Growing crops and orchards comprise two elements:

- Bearer biological assets – sugar cane roots and banana plants
- Consumable biological assets – standing sugar cane and bananas

Bearer biological assets are valued at fair value based on the current replacement cost of planting and establishment, subsequently reduced in value over the period of their productive lives.

Consumable biological assets are measured at their fair value, determined on current estimated market prices less estimated harvesting, transport, packing and point-of-sale costs:

- Standing cane at estimated sucrose content, age and market price
- Growing fruit at estimated yields, quality standards, age and market prices

Breeding stock – Breeding stock includes the breeding and laying operations. Hatching eggs are included in breeding stock. Breeding stock is measured at their fair value less estimated closure point-of-sale costs at reporting dates. Fair value is determined based on market prices or, where market prices are not available, by reference to sector benchmarks.

Gains and losses arising on the initial recognition of these assets at fair value less estimated point-of-sale costs and from a change in fair value less estimated point-of-sale costs are accounted for in the income statement during the period in which they arise.

Current/non-current distinction – bearer biological assets are reported in the statement of financial position as non-current assets, while breeding stock and broiler stock are reported as current assets.

1. ACCOUNTING POLICIES (continued)

(IV) INVESTMENT PROPERTIES

Investment properties are held to generate rental income and appreciate in capital value. Investment properties are treated as long-term investments and are carried at cost less accumulated depreciation. Buildings are depreciated to their estimated residual values on a straight-line basis over their expected useful lives.

The fair values disclosed for investment properties are determined by external independent valuators every third year and adjusted by inflationary increases in each intermediary year.

(V) INTANGIBLE ASSETS

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

Identifiable intangible assets include trade marks, customer contracts and relationships and software – The cost of developing and establishing identifiable intangible assets is expensed as incurred. Consequently, the value thereof is not reflected in the annual financial statements. The cost of purchased identifiable intangible assets is written off on a straight-line basis over their expected useful lives.

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

Identifiable intangible assets and capitalised development costs with indefinite useful lives are not amortised.

(VI) FINANCIAL INSTRUMENTS

Financial instruments disclosed in the financial statements include cash and cash equivalents, investments in money market funds, other investments, derivative instruments, debtors and short-term loans, trade and other payables and borrowings. Financial instruments are initially recognised at fair value, including transaction costs, when the Group becomes party to the contractual terms of the instruments. The transaction costs relating to the acquisition of financial instruments held at fair value through profit and loss are expensed. Subsequent to initial recognition, these instruments are measured as follows:

Loans and receivables – Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. These instruments are carried at amortised cost using the effective interest rate method.

Held-to-maturity financial instruments – Instruments with fixed maturity that the Group has the intent and ability to hold to maturity are classified as held-to-maturity financial instruments and are carried at amortised cost using the effective interest rate method.

Available-for-sale financial instruments – Other long-term financial instruments are classified as available-for-sale and are carried at fair value. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial instruments are recognised through other comprehensive income in the period in which they arise. When these financial instruments are either derecognised or impaired, the accumulated fair value adjustments are realised and included in the income statement.

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

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

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

1. ACCOUNTING POLICIES (continued)

(VI) FINANCIAL INSTRUMENTS (continued)

Compound financial liabilities – Compound financial liabilities issued by the Group compromise exchangeable bonds that may be redeemed in either cash or Mediclinic International plc shares or a combination thereof at the Group's discretion. At initial recognition, the derivative component is separated from the compound financial liability and recognised at fair value. The liability component is also recognised initially at the fair value of a similar liability that does not have an exchangeable option. Subsequent to initial recognition, the liability component is measured at amortised cost, while the derivative instrument is measured at fair value. Any changes in the fair value of the derivative are accounted for in profit and loss.

Financial guarantee contracts – Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with *IAS 37: Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

All purchases and sales of financial instruments are recognised at the trade date.

Financial assets (or portions thereof) are derecognised when the Group realises the rights to the benefits specified in the contract, the rights expire or the Group surrenders or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial asset and proceeds receivable, as well as any prior adjustments to reflect fair value that had been recognised in other comprehensive income, is included in the income statement.

Financial liabilities (or portions thereof) are derecognised when the Group's obligation specified in the contract is discharged or cancelled or has expired. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is included in the income statement.

Fair value estimation – Financial instruments that are measured at fair value in the statement of financial position, are disclosed by level of the following fair value hierarchy:

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

The fair value of financial instruments traded in an organised financial market is measured at the applicable quoted prices. The fair value of the financial instruments that are not traded in an organised financial market is determined using a variety of methods and assumptions that are based on market conditions and risk existing at reporting date, including independent appraisals and discounted cash flow methods. Fair values represent an approximation of possible value, which may differ from the value that will finally be realised.

There are Group companies that are parties to derivative financial instruments that reduce exposure to financial risks. These instruments mainly comprise forward contracts. Certain Group companies apply hedge accounting.

Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are reclassified in the income statement in the periods when the hedged item will affect profit and loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

1. ACCOUNTING POLICIES (continued)

(VI) FINANCIAL INSTRUMENTS (continued)

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, along with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group applies fair value hedge accounting for hedging foreign currency risk on certain foreign currency denominated balances. The gain or loss relating to the effective and ineffective portion is recognised in the income statement under foreign exchange gains or losses. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedge item for which the effective interest rate method is used is amortised to profit of loss over the period to maturity.

Group companies that do not apply hedge accounting, recognise changes in the fair value of these and other derivative instruments in the income statement in the period in which they arise.

Any derivatives embedded in financial instruments are separated from the host contract when their economic characteristics are not closely related to those of the host contract and the host contract is not carried at fair value. Gains and losses are reported in the income statement.

Where a current legally enforceable right of set-off exists for recognised financial assets and financial liabilities, and there is an intention to settle the liability and realise the asset simultaneously, or to settle on a net basis, all related financial effects are offset.

(VII) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

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

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

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

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

(VIII) INVENTORIES

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

(IX) TAXATION

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

Current taxation is provided by using rates that have been enacted or substantially enacted in terms of applicable tax laws.

Deferred taxation is provided for at rates that have been enacted or substantially enacted using the statement of financial position liability method. Full provision is made for all temporary differences between the taxation base of an asset or liability and its carrying amount on the statement of financial position. No deferred tax liability is recognised in those circumstances where the initial recognition of an asset or liability has no impact on accounting profit or taxable income. Deferred tax assets are not raised unless it is probable that future taxable profits will be available against which the deferred taxation asset can be realised in the foreseeable future.

1. ACCOUNTING POLICIES (continued)

(X) FOREIGN CURRENCIES

Functional and presentation currency

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

Transactions and balances

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

Group entities

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

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

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

(XI) IMPAIRMENT OF ASSETS

Goodwill and intangible assets with indefinite lives

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

Other assets

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

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

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

- **Financial instruments carried at amortised cost**
  A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

1. ACCOUNTING POLICIES (continued)

(XI) IMPAIRMENT OF ASSETS (continued)

Other assets (continued)

- **Financial instruments carried at amortised cost (continued)**
  If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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

- **Financial assets carried at fair value**
  If any objective evidence of impairment exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and current fair value, less any impairment loss on the financial asset previously recognised in profit or loss is removed from other comprehensive income and recognised in the income statement.

  Impairment losses on equity instruments that were recognised in the income statement are not subsequently reversed through the income statement – such reversals are accounted for in other comprehensive income.

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

(XII) PROVISIONS

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

Provisions are measured at the present value of the expected expenditure required to settle the obligation using a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(XIII) EMPLOYEE BENEFITS

Post-retirement benefits

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

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

Past-service costs are immediately expensed.

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

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

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

1. ACCOUNTING POLICIES (continued)

(XIII) EMPLOYEE BENEFITS (continued)

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

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

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

Short-term benefits
Employee entitlements to leave are recognised when they accrue to employees involved. A creditor is created for the estimated liability for leave as a result of services rendered by employees up to reporting date.

(XIV) CASH AND CASH EQUIVALENTS

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

(XV) REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is disclosed net of value added tax, returns, rebates and discounts and after eliminating sales within the Group.

Sales of goods comprise the sale of milling, agricultural produce and consumer goods, as well as aluminium products. Sales of services comprise logistics and distribution services where the Group acts as an agent on behalf of a principal and earns commission, as well as consulting services.

Revenue is recognised when a Group entity has delivered products to the customer (in the case of services when the underlying products have been delivered), the customer has accepted the products, the amount of revenue can be reliably measured, and collectability of the related receivable is reasonably assured.

Consulting services are recorded in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

The Group bases its estimates of incentive rebates and settlement discounts on historical results.

Interest is recognised on a time proportion basis (taking into account the principal outstanding, the effective rate and the period), unless collectability is in doubt. Dividends are recognised when the right to receive payment is established.

(XVI) SHARE CAPITAL

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

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

(XVII) DIVIDEND DISTRIBUTION

Distributions of assets to the Company's shareholders are accounted for at fair value.

1. ACCOUNTING POLICIES (continued)

(XVIII) INCOME STATEMENT

The composition of the Group's net profit is relevant for a proper understanding of its financial results. Due to the nature of the Group's operations a significant portion of its net profit results from associated companies and joint ventures. Consequently, additional information relating to the Group's share of the after-tax profit of associated companies and joint ventures is disclosed separately in note 28. In order to promote comparability, equity accounted income from associated companies and joint ventures, which is presented on an after-tax basis, is disclosed after the tax line on the income statement.

"Consolidated profit" represents the profit of the Company and its subsidiary companies before equity accounted income, while "trading profit" represents the profit of the operating subsidiaries in the Group, before investment income, finance costs and items of a capital nature.

From time to time corporate actions may lead to significant items being recognised in the income statement that may not be excluded from the calculation of headline earnings. In these instances the Group may elect to disclose alternative earnings measures excluding these items in order to promote comparability between reporting periods. During the current year, Mediclinic International plc (Mediclinic) entered into various corporate transactions. Once-off transaction costs incurred, as well as fair value adjustments on embedded derivatives that relate to the exchangeable bonds Remgro issued to finance a portion of the shares it acquired, are added back to determine an alternative earnings measure.

(XIX) CURRENT/NON-CURRENT DISTINCTION

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

(XX) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company, who makes strategic decisions. Each significant investment is classified as an operating segment.

(XXI) CRITICAL ACCOUNTING JUDGEMENTS AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Critical judgements in applying the Group's accounting policies
The most critical judgement exercised relates to the classification of investments as associated companies rather than investments available-for-sale or subsidiaries. There are some investments over which Remgro is believed to have significant influence although it has an interest of less than 20% in these companies. However, as Remgro has board representation and is one of the major shareholders of these companies, its influence over their financial and operating policies is significant. Accordingly, these investments are accounted for as associated companies using the equity method and not as financial instruments at fair value.

There are also investments, with specific reference to the investment in Mediclinic International plc (Mediclinic), in which Remgro holds an interest less than 50% of voting rights. The directors considered whether the Group has *de facto* control over this investment and concluded that Remgro does not control Mediclinic. Mediclinic's relevant activities are controlled by Mediclinic's board of directors. Remgro does not have the right to appoint a majority of Mediclinic board members and accordingly cannot control Mediclinic's relevant activities. Consideration was also given to recent attendance and voting patterns by shareholders at Mediclinic's shareholders meetings. These were inconclusive and supports the directors' view that Remgro does not control Mediclinic. Accordingly, Mediclinic is accounted for as a associated company using the equity method and not as a subsidiary company.

Critical judgement is also exercised with regard to the determination of the functional currency of the offshore entities that holds the Group's exchangeable bonds, cash and short-term financial investments. The functional currencies of these entities are determined with reference to the currency in which the entities receive their operating cash inflows, as these most fairly present the economic effects of the underlying transactions, events and conditions.

1. ACCOUNTING POLICIES (continued)

(XXI) CRITICAL ACCOUNTING JUDGEMENTS AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

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

Critical accounting estimates and assumptions
A significant estimate relates to the Group's accounting policy in terms of which deferred taxation is provided for on all temporary differences between the carrying value and the tax base of investments. This tax is measured at the estimated tax consequences based on the manner in which the entity, at the reporting date, expects to recover the carrying value of the various investments. The carrying value of investments in associated companies is mainly recovered through dividends. As no taxable temporary differences exist, no deferred taxation is provided. Deferred taxation is provided on temporary differences that arise on the revaluation of available-for-sale investments based on the future economic benefits the entity expects to realise from that asset, i.e. a combination of dividends and capital gains or losses.

Significant estimates, assumptions and judgements were also made in determining impairments pertaining to investments, property, plant and equipment and intangible assets and goodwill.

Other estimates and assumptions relate to the determination of the useful lives of assets, the valuation of unlisted investments and the assumptions used in calculating retirement benefit obligations and share-based payments. Details of these estimates and assumptions are set out in the relevant notes to the annual financial statements.

Critical accounting estimates and assumptions were also made during the purchase price allocation process in accounting for acquisitions as business combinations in accordance with IFRS 3: Business Combinations. These estimates and assumptions relate to the determination of useful lives of assets, discount rates, growth rates and valuation of unlisted investments. Another significant estimate relates to the valuation of the derivative instrument embedded in the exchangeable bonds, both at initial recognition and the reporting date. Significant estimates and assumptions were also made to determine the fair value of the Group's share of the fair value of assets and liabilities acquired with the acquisition of additional Mediclinic International plc shares during the year.

(XXII) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 30 June 2016, but not yet effective on that date. The standards that are applicable to the Group, but that were not implemented early, are the following:

- IFRS 9: Financial Instruments
  (effective date – financial periods commencing on/after 1 January 2018)
  The International Accounting Standards Board (IASB) issued IFRS 9: Financial Instruments as the first step in its project to replace IAS 39: Financial Instruments – Recognition and Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets, as well as the requirements for classification and measurement of financial liabilities.

  IFRS 9 was also amended to align hedge accounting more closely with an entity's risk management and also establishes a more principles-based approach to hedge accounting, while addressing inconsistencies and weaknesses in the current model in IAS 39.

  The IASB intends to expand IFRS 9 to add new requirements for the derecognition of financial instruments, impairment and hedge accounting.

- IFRS 14: Regulatory Deferral Accounts
  (effective date – financial periods commencing on/after 1 January 2016)
  IFRS 14 applies to first-time adopters of IFRS that apply IFRS 1 and conduct rate regulated activities. The standard will not have an impact on the Group.

- IFRS 15: Revenue from Contracts with Customers
  (effective date – financial periods commencing on/after 1 January 2018)
  The standard prescribes the accounting treatment and disclosures pertaining to revenue recognition from contracts with customers.

1. ACCOUNTING POLICIES (continued)

(XXII) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

- IFRS 16: Leases
  (effective date – financial periods commencing on/after 1 January 2019)
  All leases, with limited exception, must be capitalised onto the statement of financial position. The exception being small value leases and leases under twelve months. Lessor accounting have not changed.
- Amendments to IFRS 10: Consolidated Financial Statements
  (effective date – financial periods commencing on/after 1 January 2016)
  These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.
- Amendments to IFRS 11: Joint Arrangements
  (effective date – financial periods commencing on/after 1 January 2016)
  This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.
- Amendments to IAS 1: Presentation of Financial Statements
  (effective date – financial periods commencing on/after 1 January 2016)
  IAS 1 is amended to clarify guidance given in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.
- Amendments to IAS 7: Cash Flow Statements
  (effective date – financial periods commencing on/after 1 January 2017)
  IAS 7 is amended to require additional disclosure for financing activities if there are changes in liabilities.
- Amendment to IAS 12: Income Taxes
  (effective date – financial periods commencing on/after 1 January 2017)
  IAS 12 was amended to clarify the requirements for recognising deferred tax assets on unrealised losses.
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
  (effective date – financial periods commencing on/after 1 January 2016)
  The IASB has amended IAS 16: Property, Plant and Equipment and IAS 38: Intangible Assets to clarify when a method of depreciation or amortisation based on revenue may be appropriate.

  The amendment to IAS 16 clarifies that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate.

  The amendment to IAS 38 establishes a rebuttable presumption that amortisation of an intangible asset based on revenue generated by using the asset is inappropriate. The presumption may only be rebutted in certain limited circumstances.
- Amendments to IAS 16: Property, Plant and Equipment and IAS 41: Agriculture: Bearer Plants
  (effective date – financial periods commencing on/after 1 January 2016)
  The amendments define a bearer plant and include bearer plants within the scope of IAS 16. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Previously, bearer plants were not defined and bearer plants related to agricultural activity were included within the scope of IAS 41.
- Amendments to IAS 27: Separate Financial Statements on Equity Accounting
  (effective date – financial periods commencing on/after 1 January 2016)
  IAS 27 is amended to give an option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

It is expected that IFRS 9, IFRS 15, IFRS 16 and the amendments to IAS 16 and IAS 41 pertaining to bearer plants may have an impact on Remgro's results, but that impact has not yet been assessed. It is not expected that the other changes to IFRS will have a significant impact on the Group's financial statements.

2. EARNINGS AND DIVIDENDS

R million	30 June 2016 Gross	30 June 2016 Net	30 June 2015 Gross	30 June 2015 Net
HEADLINE EARNINGS RECONCILIATION				
Net profit for the year attributable to equity holders (earnings)		**5 386**		8 715
Plus/(minus):				
– Net impairment of equity accounted investments	**1 862**	**1 862**	99	99
– Impairment of other investments	**–**	**–**	79	79
– Net impairment of property, plant and equipment	**37**	**33**	94	72
– Impairment of intangible assets	**644**	**439**	–	–
– Impairment of assets held for sale	**7**	**7**	16	9
– Profit on sale and dilution of equity accounted investments	**(2 349)**	**(2 349)**	(984)	(984)
– (Profit)/loss on sale of other investments	**(153)**	**(151)**	288	238
– Recycling of foreign currency translation reserves	**51**	**40**	–	–
– Net surplus on disposal of property, plant and equipment	**(7)**	**(3)**	(5)	(4)
– Loss on disposal of biological agricultural assets	**9**	**5**	–	–
– Non-headline earnings items included in equity accounted earnings of equity accounted investments	**633**	**618**	(231)	(228)
– Net surplus on disposal of property, plant and equipment	**(27)**	**(24)**	(111)	(99)
– Profit on the sale of investments	**(216)**	**(216)**	(271)	(268)
– Net impairment of investments, assets and goodwill	**809**	**792**	213	200
– Other non-recurring and capital items	**67**	**66**	(62)	(61)
Headline earnings		**5 887**		7 996
Once-off costs		**788**		–
Option remeasurement		**730**		–
Headline earnings, excluding once-off costs and option remeasurement		**7 405**		7 996

Included in headline earnings for the year under review are once-off transaction costs incurred with the Mediclinic rights issue and Al Noor Hospitals Group plc (Al Noor) transaction amounting to R788 million, of which R402 million is Remgro's own costs and R386 million is Remgro's share of Mediclinic's transaction costs ("once-off costs"), as well as a fair value adjustment of R730 million, relating to the increase in value of the bondholders' exchange option (accounted for as a derivative liability) of the bonds ("option remeasurement") that were issued during March 2016 to partially refinance the foreign bridge funding that was raised for the Al Noor transaction. The bonds are exchangeable into Mediclinic plc shares and/or cash and fair value adjustments on the option (reflecting *inter alia* the movement in the underlying Mediclinic plc share price) are expected to cause volatility in headline earnings during its five-year term.

Cents	30 June 2016	30 June 2015
EARNINGS PER SHARE		
Headline earnings per share		
– Basic	**1 143.9**	1 555.0
– Diluted	**1 139.2**	1 541.8
Headline earnings per share, excluding once-off costs and option remeasurement		
– Basic	**1 438.9**	1 555.0
– Diluted	**1 434.1**	1 541.8
Earnings per share		
– Basic	**1 046.6**	1 694.9
– Diluted	**1 042.5**	1 680.9

2. EARNINGS AND DIVIDENDS (continued)

Earnings per share

In determining earnings per share and headline earnings per share the weighted number of shares in issue, being 514 634 062 (2015: 514 200 979), was taken into account after deduction of treasury shares.

Diluted earnings per share

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

The delivery of scheme shares to participants will be regarded as an issue of shares. As the market value (fair value) of the shares at date of delivery will differ from the offer value, the number of shares represented by the difference will be regarded as an issue of ordinary shares for no consideration. These imputed shares total 965 504 (2015: 1 289 178) and have been added to the weighted number of shares to determine the dilutive effect.

Some subsidiary and equity accounted investments have similar management incentive schemes as well as other instruments that can dilute these companies' earnings in the future. To calculate Remgro's diluted earnings per share, R13 million (2015: R48 million) and R11 million (2015: R50 million) were offset against headline earnings and earnings respectively to account for the potential dilutive effect.

To calculate Remgro's diluted headline earnings per share, excluding once-off costs and the option remeasurement, for the year ended 30 June 2016, R11 million was offset against headline earnings, excluding once-off costs and the option remeasurement, to account for the potential diluted effect.

CASH DIVIDEND DECLARED AFTER YEAR-END

A final gross dividend of 275 cents (2015: 259 cents) per share has been declared out of income reserves in respect of both the ordinary shares of no par value and the unlisted B ordinary shares of no par value, for the year ended 30 June 2016.

A dividend withholding tax of 15% or 41.25 cents per share will be applicable, resulting in a net dividend of 233.75 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The total gross dividend per share for the year ended 30 June 2016 therefore amounts to 460 cents, compared to 428 cents for the year ended 30 June 2015.

The issued share capital at the declaration date is 481 106 370 ordinary shares and 35 506 352 B ordinary shares.

3. PROPERTY, PLANT AND EQUIPMENT

R million	Land and buildings	Machinery and equipment	Vehicles	Office equipment	Total
Carrying value at 1 July 2014	2 400	2 642	505	69	5 616
Cost	3 203	5 677	926	149	9 955
Accumulated depreciation	(803)	(3 035)	(421)	(80)	(4 339)
Additions	474	292	71	16	853
Disposals	(8)	(10)	(8)	(1)	(27)
Depreciation	(101)	(398)	(91)	(17)	(607)
Impairments	(84)	(10)	–	–	(94)
Transfers and other	(264)	205	19	15	(25)
Carrying value at 30 June 2015	2 417	2 721	496	82	5 716
Cost	3 315	6 042	994	201	10 552
Accumulated depreciation	(898)	(3 321)	(498)	(119)	(4 836)
Additions	**356**	**774**	**107**	**36**	**1 273**
Disposals	**(3)**	**(16)**	**(9)**	**–**	**(28)**
Depreciation	**(113)**	**(435)**	**(100)**	**(22)**	**(670)**
Business acquired	**30**	**17**	**–**	**1**	**48**
Impairments	**(10)**	**(4)**	**(23)**	**–**	**(37)**
Transfers and other	**(75)**	**66**	**1**	**(2)**	**(10)**
Carrying value at 30 June 2016	**2 602**	**3 123**	**472**	**95**	**6 292**
Cost	**3 608**	**6 808**	**1 033**	**221**	**11 670**
Accumulated depreciation	**(1 006)**	**(3 685)**	**(561)**	**(126)**	**(5 378)**

Depreciation rates (%) are as follows:	30 June 2016	30 June 2015
Buildings	**2 – 50**	2 – 50
Machinery and equipment	**2½ – 33⅓**	2½ – 33⅓
Vehicles	**5 – 33⅓**	5 – 33⅓
Office equipment	**5 – 50**	5 – 50

Liabilities resulting from mortgage loans, finance leases and instalment sale agreements are secured by assets with a book value of R189 million (2015: R67 million).

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

Assets with a book value of R366 million (2015: R471 million) are still under construction.

Impairment assessment on RCL Foods' Chicken business unit

For the year under review RCL Foods' Chicken operations achieved results significantly lower than budget due to the drought as well as the oversupplied chicken market, resulting from the excess local supply and record levels of dumped imports. This is an indicator of impairment in accordance with IAS 36 and the recoverable amount of the cash-generating unit (CGU) was calculated accordingly. No impairment was recognised during the year under review.

A return to normal trading conditions within the South African poultry market is expected, but should the supply/demand equilibrium not be restored an impairment charge may be necessary in future financial periods.

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment assessment on RCL Foods' Chicken business unit (continued)

The recoverable amount of the CGU was determined based on value in use calculations. These calculations utilise cash flow projections based on financial budgets approved by RCL Food's management, which include assumptions on profit before tax, depreciation, working capital and capital maintenance expenditure. Cash flows beyond the five-year period are extrapolated using a long-term projected growth rate of 6.0%.

The key assumptions used in the impairment test are as follows:

Assumption	30 June 2016	30 June 2015
Discount rate (%)	**12.9**	–
Growth rate (%)	**6.0**	–
Period (years)	**5**	–

Sensitivity analysis of assumptions used in the impairment test:

Assumption	*Movement*	*Impairment (R million)*
Discount rate (%)	**+2.0**	**–**
Growth rate (%)	**-0.5**	**–**

4. BIOLOGICAL AGRICULTURAL ASSETS

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

Included in non-current assets:

Reconciliation of carrying value at the beginning and end of the year (R million)	*Sugar cane roots*	*Sugar cane plants*	*Litchi and banana trees*	30 June 2016	*Sugar cane roots*	*Sugar cane plants*	*Litchi and banana trees*	30 June 2015
Balances at the beginning of the year	**258**	**277**	**15**	**550**	198	278	23	499
Fair value adjustment	**8**	**347**	**5**	**360**	67	287	7	361
Transfers	**(9)**	**–**	**–**	**(9)**	(7)	(15)	(8)	(30)
Decrease due to harvest	**–**	**(271)**	**(5)**	**(276)**	–	(273)	(7)	(280)
Balances at the end of the year	**257**	**353**	**15**	**625**	258	277	15	550

Included in current assets:

Reconciliation of carrying value at the beginning and end of the year (R million)	*Breeding stock*	*Broiler stock*	30 June 2016	*Breeding stock*	*Broiler stock*	30 June 2015
Balances at the beginning of the year	**308**	**241**	**549**	294	245	539
Additions	**1 025**	**4 025**	**5 050**	877	3 726	4 603
Decrease due to harvest	**(1 033)**	**(4 015)**	**(5 048)**	(869)	(3 751)	(4 620)
Fair value adjustment	**49**	**12**	**61**	6	21	27
Balances at the end of the year	**349**	**263**	**612**	308	241	549

4. BIOLOGICAL AGRICULTURAL ASSETS (continued)

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

Description	*Valuation technique*	*Unobservable inputs*	*Range of unobservable inputs*	*Relationship of unobservable input to fair value*	*Fair value at 30 June 2016 R million*
Chicken stock	Replacement cost of the components of growing the stock	Number of eggs per hen	163 to 174 per hen	The higher the number of eggs per hen, the higher the fair value	
		Cost of a day old breeder bird	R55.22 to R61.29 per chick	The higher the cost per chick, the higher the fair value	
		Mortality rates	4.5% to 5.6%	The higher the mortality, the lower the fair value	
		Average live mass	1.48 kg to 1.81 kg per bird	The higher the average live mass, the higher the fair value	
		Feed cost	R5 632 to R6 300 per ton	The higher the feed cost per ton, the higher the fair value	**612**
Litchi trees	Current establishment and replacement cost	Replanting/establishment cost of litchi trees	R31 700 per hectare	The higher the replanting/establishment cost, the higher the value of litchi trees	**3**
Banana trees	Current establishment and replacement cost	Replanting/establishment cost of banana trees	R65 357 per hectare	The higher the replanting/establishment cost, the higher the value of banana trees	**12**
Cane roots	Current establishment and replacement cost	Replanting/establishment cost of cane roots	R34 547 to R37 147 per hectare	The higher the replanting/establishment cost, the higher the value of cane roots	**257**
Standing cane	Recoverable value	Recoverable value (price per ton of sucrose) less harvesting, transport and other cost to sell	R3 703 to R4 167 per ton	The higher the recoverable value less harvesting, transport and other cost to sell per ton of sucrose, the higher the value of standing cane	**353**

Sensitivity analysis

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

Input	*Sensitivity*
Feed cost – chicken stock	A five percent change in feed cost would result in a R7.8 million change in fair value.
Replacement cost per hectare – cane roots	A one percent change in replacement cost would result in a R2.6 million change in fair value.
Recoverable value price per ton – standing cane	A change of one percent in recoverable value would result in a R4.7 million change in fair value.

5. INVESTMENT PROPERTIES

	30 June 2016			30 June 2015		
R million	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value
Land	**3**	**–**	**3**	3	–	3
Buildings	**104**	**–**	**104**	48	–	48
	107	**–**	**107**	51	–	51

Reconciliation of carrying value at the beginning and end of the year (R million)	Land	Buildings	30 June 2016	Land	Buildings	30 June 2015
Balances at the beginning of the year	**3**	**48**	**51**	3	39	42
Additions	**–**	**56**	**56**	–	9	9
Balances at the end of the year	**3**	**104**	**107**	3	48	51

The Group's diverse investment property portfolio's fair value was determined during the 2014 financial year by an independent, qualified valuer using, depending on the specific property, either a discounted cash flow or a depreciated replacement cost approach using inputs appropriate to each specific property. The Group obtains external valuations of its property every three years, which are subsequently adjusted for inflation until the next valuations are performed. The fair value of the investment properties (Level 3), VAT exclusive, is R546 million (2015: R515 million).

No depreciation was provided for on investment properties, as all the assets have significant residual values. The remaining useful life of the assets is estimated as 50 years.

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

6. INTANGIBLE ASSETS

R million	Goodwill	Trade marks	Customer relation-ships	Software	Total
Carrying value at 1 July 2014	3 056	1 789	883	83	5 811
Cost	3 068	1 845	995	152	6 060
Accumulated amortisation/impairment	(12)	(56)	(112)	(69)	(249)
Additions	–	–	–	7	7
Amortisation	–	(1)	(98)	(17)	(116)
Transfers and other	–	3	–	5	8
Carrying value at 30 June 2015	3 056	1 791	785	78	5 710
Cost	3 068	1 813	995	161	6 037
Accumulated amortisation/impairment	(12)	(22)	(210)	(83)	(327)
Additions	**–**	**–**	**–**	**15**	**15**
Amortisation	**–**	**(1)**	**(99)**	**(19)**	**(119)**
Businesses acquired	**21**	**–**	**–**	**–**	**21**
Impairment	**(377)**	**(265)**	**–**	**(2)**	**(644)**
Transfers and other	**–**	**–**		**10**	**10**
Carrying value at 30 June 2016	**2 700**	**1 525**	**686**	**82**	**4 993**
Cost	**3 089**	**1 813**	**995**	**186**	**6 083**
Accumulated amortisation/impairment	**(389)**	**(288)**	**(309)**	**(104)**	**(1 090)**

6. INTANGIBLE ASSETS (continued)

Amortisation periods (years)	30 June 2016	30 June 2015
Trade marks	15 – 20	15 – 20
Customer relationships	4 – 20	4 – 20
Software	3 – 20	3 – 20

During the year under review RCL Foods Limited and its subsidiaries recognised impairments on goodwill and trade marks amounting to R377 million and R265 million respectively. The goodwill and trade marks relate to its Sugar and Milling segment. The recoverable amount of goodwill decreased due to forecasted cash flow restrictions resulting from the competitive trading environment, as well as an increase in the discount rate due to increased interest rates.

Goodwill and indefinite life intangible assets are tested annually for possible impairment and for this purpose are allocated to the respective cash-generating units as indicated below:

	Indefinite life intangible assets	*Goodwill*		
	RCL Foods Limited and its subsidiaries[(1)]	*RCL Foods Limited and its subsidiaries*[(2)]	*Wispeco Holdings Proprietary Limited and its subsidiaries*	**30 June 2016 Total**
Carrying value (R million)	1 521	2 664	36	2 700
Basis of valuation of cash-generating units	Value in use	Value in use	Value in use	
Discount rate (%)	11.8	10.4 – 15.1	13.6	
Growth rate (%)	6.0	5.0 – 6.0	2.7	
Period (years)	5	5	5	

(1) These indefinite life intangible assets relate to the acquisition of New Foodcorp Holdings Proprietary Limited (Foodcorp).
(2) Goodwill amounting to R2 735 million and R287 million was initially recognised with the acquisition of Foodcorp and Vector Logistics Proprietary Limited respectively.

Sensitivity analysis of assumptions used in the impairment tests:

Assumption	*Movement*	*Impairment (R million)*	
		Goodwill	*Indefinite life intangible assets*
Discount rate (%)	+2.0	180	328
Growth rate (%)	-0.5	–	78

No intangible assets were pledged as security.

7. INVESTMENTS – EQUITY ACCOUNTED

R million	30 June 2016	30 June 2015
Associated companies	73 418	52 869
Joint ventures	5 147	4 962
	78 565	57 831

7. INVESTMENTS – EQUITY ACCOUNTED (continued)

The Group houses its investments in joint ventures, associated companies and financial instruments through its investing subsidiary companies. The Group's most significant associated companies and joint ventures are:

Investment	*Classification*	*Business*
Distell	Joint venture	South African wine and spirits producer and exporter
FirstRand	Associate	Incorporated in South Africa and operating as First National Bank and Rand Merchant Bank
Mediclinic	Associate	Incorporated in the United Kingdom, operating private medical facilities in South Africa, the Middle East, Switzerland and the United Kingdom
RMBH	Associate	South African investment holding company holding mainly a 34% interest in FirstRand
RMI Holdings	Associate	South African investment holding company with significant investments in the insurance sector

7.1 Associated companies

	30 June 2016			30 June 2015		
R million	***Listed***	***Unlisted***	**Total**	*Listed*	*Unlisted*	Total
Shares – at cost	**37 012**	**7 112**	**44 124**	22 497	6 922	29 419
Equity adjustment	**24 611**	**4 516**	**29 127**	19 036	4 251	23 287
Carrying value	**61 623**	**11 628**	**73 251**	41 533	11 173	52 706
Long-term loans	**–**	**167**	**167**	–	163	163
	61 623	**11 795**	**73 418**	41 533	11 336	52 869
Market values of listed investments	**124 005**			97 926		

Reconciliation of carrying value at the beginning and end of the year (R million)	**30 June 2016**	30 June 2015
Carrying value at the beginning of the year	**52 869**	47 691
Exchange rate differences	**(1 233)**	96
Share of net attributable profit of associated companies	**5 735**	6 737
Dividends received from associated companies	**(3 678)**	(2 866)
Equity accounted movements on reserves	**1 250**	159
Dilutionary effects[(1)]	**1 892**	771
Investments made[(2)]	**18 441**	364
Loans advanced	**10**	166
Loans repaid	**–**	(7)
Transfers	**–**	(143)
Impairments[(3)]	**(1 920)**	(99)
Reversal of impairments	**52**	–
Carrying value at the end of the year	**73 418**	52 869

[(1)] *The year under review includes a profit of R1.9 billion realised on the dilution of Remgro's interest in Mediclinic due to the Al Noor transaction. Reserves amounting to R369 million were recycled to the income statement.*

[(2)] *The year under review includes investments of R18.2 billion in respect of Mediclinic. The previous year included investments of R215 million in RMBH and R58 million in Grindrod.*

[(3)] *The year under review includes the impairment of the investment in Grindrod amounting to R1.9 billion. This reflects a write-down to the market value based on the listed share price (Level 1) at year-end. The investment's carrying value exceeded its market value for a prolonged period of time due to weak commodity markets and significantly lower dry bulk shipping rates.*

7. INVESTMENTS – EQUITY ACCOUNTED (continued)

7.1 Associated companies (continued)

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

R million	Year ended 30 June 2016 RMI	RMBH	FirstRand	31 March 2016 Mediclinic
Summarised statement of comprehensive income				
Revenue	13 538	n/a	42 041	43 678
Profit before tax	4 200	7 574	30 687	5 079
Taxation	(893)	(15)	(6 612)	(1 140)
Profit after tax	3 307	7 559	24 075	3 939
Attributable to non-controlling shareholders	(330)	–	(1 512)	(269)
Attributable profit for the year	2 977	7 559	22 563	3 670
Headline earnings	2 935	7 503	22 387	3 670
Other comprehensive income attributable to shareholders	287	100	102	974
Total comprehensive income attributable to shareholders	3 264	7 659	22 665	4 644
Summarised statement of financial position				
Net advance, loans and bank-related securities	257	–	125 044	–
Intangible assets	113	–	1 569	37 722
Property, plant and equipment and other	1 044	–	8 012	62 936
Investments and loans	28 341	39 542	6 730	9 044
Current assets	6 915	31	10 580	18 499
Total assets	36 670	39 573	151 935	128 201
	(18 114)	(1 329)	(52 190)	(59 510)
Non-controlling interest	(1 170)	–	(8 320)	(1 194)
Non-current liabilities	(9 835)	(1 237)	(26 315)	(42 910)
Current liabilities	(7 109)	(92)	(17 555)	(15 406)
Net assets	18 556	38 244	99 745	68 691
Reconciliation to carrying value				
Remgro's effective interest	30.27%	28.15%	3.92%	44.58%*
Remgro's effective interest in net assets	5 616	10 768	3 909	30 624
Goodwill/bargain purchase adjustment	1 541	2 364	743	3 385
Dividends received subsequent to associates' reporting date	–	–	–	(380)
Carrying value at 30 June 2016	7 157	13 132	4 652	33 629
Fair value of listed investments	18 526	22 356	9 857	69 691
Dividends received	526	1 176	495	528

* *Remgro's interest in Mediclinic on 31 March 2016. The Group pledged 30 949 879 Mediclinic shares as security for the exchangeable bonds.*

7. INVESTMENTS – EQUITY ACCOUNTED (continued)

7.1 Associated companies (continued)

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

	Year ended			
		30 June 2015		31 March 2015
R million	RMI	RMBH	FirstRand	Mediclinic
Summarised statement of comprehensive income				
Revenue	12 613	n/a	35 621	35 238
Profit before tax	4 137	7 778	29 855	4 741
Taxation	(624)	(9)	(6 731)	(206)
Profit after tax	3 513	7 769	23 124	4 535
Attributable to non-controlling shareholders	(221)	–	(1 501)	(238)
Attributable profit for the year	3 292	7 769	21 623	4 297
Headline earnings	3 258	7 177	21 141	4 081
Other comprehensive income attributable to shareholders	44	(192)	(561)	990
Total comprehensive income attributable to shareholders	3 336	7 577	21 062	5 287
Summarised statement of financial position				
Net advance, loans and bank-related securities	832	–	111 293	–
Intangible assets	68	–	1 068	11 565
Property, plant and equipment and other	908	–	7 558	54 088
Investments and loans	24 672	36 474	7 911	160
Current assets	5 849	52	8 124	13 366
Total assets	32 329	36 526	135 954	79 179
	(15 224)	(1 349)	(45 176)	(47 115)
Non-controlling interest	(978)	–	(7 826)	(1 098)
Non-current liabilities	(12 871)	(1 239)	(19 373)	(38 078)
Current liabilities	(1 375)	(110)	(17 977)	(7 939)
Net assets	17 105	35 177	90 778	32 064
Reconciliation to carrying value				
Remgro's effective interest	30.26%	28.15%	3.92%	42.09%*
Remgro's effective interest in net assets	5 177	9 903	3 557	13 496
Goodwill/bargain purchase adjustment	1 540	2 364	743	2
Dividends received subsequent to associates' reporting date	–	–	–	(271)
Carrying value at 30 June 2015	6 717	12 267	4 300	13 227
Fair value of listed investments	19 096	26 409	11 720	36 727
Dividends received	513	984	418	382

* *Remgro's interest in Mediclinic on 31 March 2015.*

7. INVESTMENTS – EQUITY ACCOUNTED (continued)

7.1 Associated companies (continued)

R million	30 June 2016	30 June 2015
Information pertaining to Remgro's other associated companies is aggregated:		
Carrying value	**14 848**	16 358
The Group's share of:		
– Profit from operations	**256**	884
– Other comprehensive income	**707**	207
– Total comprehensive income	**963**	1 091
– Headline earnings	**890**	968

7.2 Joint ventures

Unlisted shares – at cost	**1 645**	1 859
Equity adjustment	**3 120**	2 758
Carrying value	**4 765**	4 617
Long-term loans	**382**	345
	5 147	4 962
Reconciliation of carrying value at the beginning and end of the year		
Carrying value at the beginning of the year	**4 962**	4 478
Share of net attributable profit of joint ventures	**515**	491
Dividends received from joint ventures	**(222)**	(211)
Equity accounted movements on reserves	**101**	71
Investments disposed	**(199)**	–
Exchange rate differences	**(41)**	(3)
Dilutionary effects	**(6)**	1
Investments made	**–**	102
Loans advanced	**42**	43
Loans repaid	**(5)**	(10)
Carrying value at the end of the year	**5 147**	4 962

7. INVESTMENTS – EQUITY ACCOUNTED (continued)

7.2 Joint ventures (continued)

Set out below is the summarised financial information, as well as a reconciliation of that information to the carrying amount of Distell (which is held through Remgro-Capevin Investments Proprietary Limited), the Group's most significant joint venture that is accounted for using the equity method.

R million	30 June 2016	30 June 2015
Summarised statement of comprehensive income		
Revenue	21 470	19 589
Depreciation and amortisation	(372)	(271)
Interest income	21	23
Interest expense	(282)	(260)
Profit before tax	2 156	1 989
Taxation	(624)	(569)
Profit after tax	1 532	1 420
Attributable to non-controlling shareholders	–	17
Attributable profit for the year	1 532	1 437
Headline earnings	1 611	1 435
Other comprehensive income attributable to shareholders	307	246
Total comprehensive income attributable to shareholders	1 839	1 683
Summarised statement of financial position		
Non-current assets	8 312	7 435
Cash and cash equivalents	1 032	619
Other current assets	10 597	9 753
Total assets	19 941	17 807
	(9 285)	(8 269)
Non-controlling interest	(15)	(19)
Non-current financial liabilities	(1 200)	(3 323)
Other non-current liabilities	(751)	(652)
Current financial liabilities (excluding trade and other payables and provisions)	(3 727)	(870)
Current liabilities	(3 592)	(3 405)
Net assets	10 656	9 538
Reconciliation to carrying value		
Remgro's effective interest	26.77%	26.82%
Remgro's effective interest in net assets	2 852	2 558
Carrying value at 30 June	2 852	2 558
Information pertaining to Remgro's other joint ventures is aggregated:		
Carrying value	2 337	2 447
The Group's share of:		
– Profit from operations	104	105
– Other comprehensive income	6	(3)
– Total comprehensive income	110	102
– Headline earnings	103	82

7. INVESTMENTS – EQUITY ACCOUNTED (continued)

7.3 Accounting periods

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

Investment	*Financial year-end*	*Reporting period used to equity account*
Associated companies		
Air Products	30 September	12 months ended 31 March 2016
Business Partners	31 March	Year ended 31 March 2016
eMedia	31 March	Year ended 31 March 2016
Grindrod	31 December	12 months ended 30 June 2016
Mediclinic	31 March	Year ended 31 March 2016
PGSI	25 December	12 months ended 25 June 2016
SEACOM	31 December	12 months ended 30 June 2016
Total	31 December	12 months ended 30 June 2016
Unilever	31 December	12 months ended 30 June 2016
Joint venture		
CIV group	31 March	Year ended 31 March 2016

The reporting period used to equity account the above investments was used as it is impractical to adjust their reported numbers to conform to the Group's reporting period. Significant transactions in the intermediate period are adjusted.

8. INVESTMENTS – OTHER

R million	**30 June 2016** *Listed*	*Unlisted*	**Total**	30 June 2015 *Listed*	*Unlisted*	Total
Investments – other						
Shares	**1 260**	**2 148**	**3 408**	902	1 591	2 493
Market values of listed investments	**1 260**	**–**	**1 260**	902	–	902
Directors' valuation of unlisted investments	**–**	**2 148**	**2 148**	–	1 591	1 591
Market values and directors' valuation	**1 260**	**2 148**	**3 408**	902	1 591	2 493

Reconciliation of carrying value of investments – other at the beginning and end of the year (R million)	**30 June 2016**	30 June 2015
Balances at the beginning of the year	**2 493**	2 642
Fair value adjustments for the year	**552**	(194)
Investments made	**174**	376
Exchange rate adjustments	**242**	153
Disposals	**(53)**	(484)
Balances at the end of the year	**3 408**	2 493

9. RETIREMENT BENEFITS

R million	30 June 2016	30 June 2015
Statement of financial position obligations		
Retirement benefits	**(12)**	(9)
Post-retirement medical benefits	**(190)**	(218)
	(202)	(227)
Statement of financial position assets	**163**	220
Retirement benefits	**26**	17
Defined-contribution fund employer's surplus	**137**	203
Net defined-benefit post-retirement obligation	**(39)**	(7)
Represented by:		
Retirement benefits (refer note 9.1)	**14**	8
Post-retirement medical benefits (refer note 9.2)	**(190)**	(218)
Defined-contribution fund employer's surplus	**137**	203
	(39)	(7)
Income statement*		
Retirement benefits	**4**	3
Post-retirement medical benefits	**24**	21
Expense	**28**	24
Statement of comprehensive income – other comprehensive income		
Retirement benefits (refer note 9.1)	**(8)**	(10)
Post-retirement medical benefits (refer note 9.2)	**(11)**	5
Income	**(19)**	(5)

* *Refer note 23 on page 55.*

9.1 Retirement benefits

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

For South African statutory purposes defined-benefit pension funds are actuarially valued every three years by independent actuaries using the projected unit credit method. The latest actuarial valuations of the South African funds were conducted as at 30 June 2015.

9. RETIREMENT BENEFITS (continued)

9.1 Retirement benefits (continued)

R million	Statement of financial position				Income statement	Statement of other comprehensive income
	Fair value of plan assets	*Present value of funded obligations*	*Effect of the asset limit**	*Amount recognised in statement of financial position*	*(Income)/ expense included in staff costs*	*(Income)/ expense*
Balances at 1 July 2014	465	(279)	(185)	1		
Current service cost	–	(4)	–	(4)	4	–
Net interest income/(expense)	38	(21)	(16)	1	(1)	–
Change in effect of the asset limit	–	–	9	9	–	(9)
Fund expense	(1)	1	–	–	–	–
Contributions	2	–	–	2	–	–
Exchange rate differences	1	(3)	–	(2)	–	–
Benefit payments	(16)	16	–	–	–	–
Remeasurements:						
– Return on plan assets excluding interest	(6)	–	–	(6)	–	6
– Actuarial gains and losses	–	7	–	7	–	(7)
Balances at 30 June 2015	483	(283)	(192)	8	3	(10)
Current service cost	**–**	**(5)**	**–**	**(5)**	**5**	**–**
Net interest income/(expense)	**38**	**(21)**	**(16)**	**1**	**(1)**	**–**
Change in effect of the asset limit	**–**	**–**	**(8)**	**(8)**	**–**	**8**
Fund expense	**(1)**	**1**	**–**	**–**	**–**	**–**
Contributions	**2**	**–**	**–**	**2**	**–**	**–**
Exchange rate differences	**5**	**(5)**	**–**	**–**	**–**	**–**
Benefit payments	**(16)**	**16**	**–**	**–**	**–**	**–**
Remeasurements:						
– Return on plan assets excluding interest	**18**	**–**	**–**	**18**	**–**	**(18)**
– Actuarial gains and losses	**–**	**(2)**	**–**	**(2)**	**–**	**2**
Balances at 30 June 2016	**529**	**(299)**	**(216)**	**14**	**4**	**(8)**

* *The Financial Services Board approved the surplus allocation scheme on 6 September 2005. The present value of economic benefits recognised in the financial statements is limited to the value of the surplus allocated to the Employer Surplus Account. The Trustees have decided not to allocate any of the current surpluses in the Fund. The Group has no unfunded liabilities.*

9. RETIREMENT BENEFITS (continued)

9.1 Retirement benefits (continued)

R million	30 June 2016	30 June 2015
Actual return on plan assets	56	32
Adjustment for experience on funded obligations	–	(2)
Expected contributions to retirement funds for the year ending 30 June 2017: R2 million		
Number of members	87	90
Composition of plan assets (%)		
Cash	22.9	34.7
Equity	34.1	23.5
Bonds	2.9	4.7
Property	3.6	3.3
International	31.9	30.2
Other	4.6	3.6
	100.0	100.0
Principal actuarial assumptions on reporting date (%)		
Discount rate	0.2 – 9.9	0.8 – 8.4
Future salary increases	9.6	8.4
Future pension increases	7.6	6.3
Inflation rate	0.9 – 7.6	1.0 – 6.3

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

	Impact on defined-benefit obligation		
R million	*Change in assumption*	*Increase in assumption*	*Decrease in assumption*
South African obligation			
Discount rate	1%	(21)	26
Inflation rate	1%	26	(22)
Switzerland			
Discount rate	0.5%	(2)	2
Inflation rate	0.5%	2	(2)

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

9.2 Post-retirement medical benefits

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

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

R million	30 June 2016	30 June 2015
Present value of funded obligations	90	88
Fair value of plan assets	(70)	(62)
Deficit of the funded plans	20	26
Present value of unfunded obligations	170	192
Liability included in the statement of financial position	190	218

9. RETIREMENT BENEFITS (continued)

9.2 Post-retirement medical benefits (continued)

R million	Statement of financial position: *Fair value of plan assets*	Statement of financial position: *Present value of fund obligations*	Statement of financial position: *Amount recognised in statement of financial position*	Income statement: *(Income)/ expense included in staff costs*	Statement of other comprehensive income: *(Income)/ expense*
Balances at 1 July 2014	63	(314)	(251)		
Current service cost	–	(7)	(7)	7	–
Net interest income/(expense)	6	(27)	(21)	21	–
Past service cost	–	7	7	(7)	–
Benefit payments	(3)	15	12	–	–
Liability settled	–	47	47	–	–
Remeasurements:					
– Return on plan assets excluding interest income	(4)	–	(4)	–	4
– Gain/(loss) from change in actuarial assumptions	–	(21)	(21)	–	21
– Gain/(loss) due to experience adjustment	–	20	20	–	(20)
Balances at 30 June 2015	62	(280)	(218)	21	5
Current service cost	**–**	**(7)**	**(7)**	**7**	**–**
Net interest income/(expense)	**6**	**(25)**	**(19)**	**19**	**–**
Past service cost	**–**	**2**	**2**	**(2)**	**–**
Benefit payments	**(3)**	**14**	**11**	**–**	**–**
Liability settled	**–**	**30**	**30**	**–**	**–**
Remeasurements:					
– Return on plan assets excluding interest income	**5**	**–**	**5**	**–**	**(5)**
– Gain/(loss) due to experience adjustment	**–**	**6**	**6**	**–**	**(6)**
Balances at 30 June 2016	**70**	**(260)**	**(190)**	**24**	**(11)**

R million	**30 June 2016**	30 June 2015
Amount of plan assets represented by investment in the entity's own financial instruments	**1**	1
Actual return on plan assets	**11**	2
Expected medical premiums for the year ending 30 June 2017: R8 million		
Number of members	**686**	811
Composition of plan assets (%)		
Cash	**9.3**	9.1
Equity	**81.5**	83.7
Bonds	**9.2**	7.2
	100.0	100.0

9. RETIREMENT BENEFITS (continued)

9.2 Post-retirement medical benefits (continued)

Principal actuarial assumptions on reporting date (%)	30 June 2016	30 June 2015
Discount rate	9.2 – 10.3	8.6 – 9.4
Annual increase in healthcare costs	8.9 – 10.0	8.4 – 9.0

R million	Impact on post-retirement medical liability		
	Change in assumption	*Increase in assumption*	*Decrease in assumption*
Discount rate	1%	(34)	40
Healthcare cost inflation	1%	33	26

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

10. TAXATION

10.1 Deferred taxation

R million	30 June 2016	30 June 2015
Deferred taxation liability	1 640	1 630
Property, plant and equipment	845	823
Inventories and biological assets	340	329
Intangible assets	624	726
Provisions	(129)	(154)
Investments	218	155
Tax losses	(251)	(239)
Other	(7)	(10)
Deferred tax asset	(42)	(18)
Property, plant and equipment	12	–
Inventories	(1)	(1)
Tax losses	(12)	–
Provisions	(38)	(18)
Other	(3)	1
Net deferred taxation	1 598	1 612
The movement between balances of deferred taxation at the beginning and end of the year can be analysed as follows:		
Beginning of the year	1 612	1 491
As per income statement	(136)	(27)
Accounted for in other comprehensive income	82	36
Accounted for in other comprehensive income: tax rate change	36	–
Businesses acquired	4	–
Transfers and other	–	112
	1 598	1 612

No deferred tax is provided on temporary differences relating to investments in subsidiary companies as Remgro controls the dividend policy of these companies and consequently also controls the reversal of the temporary differences.

Deferred taxation is provided at a rate of 0% on temporary differences relating to the investments in associates and joint ventures as the carrying values of these investments are expected to be recovered through dividends, which are exempt from taxation.

10. TAXATION (continued)

10.2 Tax losses

R million	30 June 2016	30 June 2015
Estimated tax losses available for set-off against future taxable income	**1 885**	1 681
Utilised to create deferred tax asset	**(930)**	(846)
	955	835

10.3 Taxation in income statement

Current – current year – South African normal taxation	**274**	402
– Capital gains tax	**6**	–
– Foreign income	**4**	2
– Foreign taxation	**8**	5
– previous year – South African normal taxation	**(160)**	13
	132	422
Deferred – current year	**(104)**	–
– previous year	**(32)**	(27)
	(4)	395

10.4 Reconciliation of effective tax rate of the Company and its subsidiaries with standard rate (%)

Effective tax rate	**0.5**	18.9
Reduction/(increase) in standard rate as a result of:		
Exempt dividend income	**(2.6)**	2.9
Non-taxable capital profit	**(4.6)**	0.1
Non-deductible expenditure/non-taxable income	**31.7**	7.3
Foreign taxation	**1.4**	(0.4)
Previous year taxation	**(3.7)**	0.7
Tax losses utilised	**5.3**	(1.5)
Standard rate	**28.0**	28.0

11. INVENTORIES

R million	30 June 2016	30 June 2015
Raw materials	**974**	728
Finished products	**2 095**	2 068
Work in progress	**19**	94
Consumable stores	**186**	228
	3 274	3 118
Inventory expensed during the year	**16 959**	15 267
Inventory carried at net realisable value	**249**	186

12. DEBTORS AND SHORT-TERM LOANS

R million	30 June 2016	30 June 2015
Trade debtors (gross)	**3 468**	3 127
Less: Provision for impairments	**(90)**	(80)
Trade debtors (net)	**3 378**	3 047
Dividends receivable	**505**	75
Short-term loans	**331**	–
Advance payments	**303**	37
Other	**986**	678
	5 503	3 837

12. DEBTORS AND SHORT-TERM LOANS (continued)

Debtors with a carrying value of R2 035 million (2015: R1 525 million) provided collateral to the Group. The collateral consists of mortgage and notarial bonds, cessions, bank guarantees and credit insurance.

Movements on the provision for impairments of trade debtors are as follows:

R million	30 June 2016	30 June 2015
Balances at the beginning of the year	80	71
Provision for impairments on debtors	21	17
Debtors written off as uncollectable during the year	(4)	(4)
Unused amounts written back	(7)	(5)
Exchange rate difference	–	1
Balances at the end of the year	90	80

During the year, bad debts amounting to R4 million (2015: R4 million) were written off. The other classes of assets in debtors and short-term loans have no assets where impairments were made. For further information refer to note 31.

13. DERIVATIVE INSTRUMENTS

The following derivative instruments existed at 30 June:

	30 June 2016			30 June 2015		
Current assets	*Currency value million*	*Forward value R million*	*Fair value R million*	*Currency value million*	*Forward value R million*	*Fair value R million*
Foreign exchange contracts			2			2
Buy: Euro	–	–	–	3	37	1
Sell: USA dollar	1	23	2	2	30	1
Other derivative instruments			6			8
Commodity option contracts			1			2
Interest rate collar option			5			6
			8			10
Non-current liabilities						
Exchangeable bonds' option (refer note 13.1)			1 197			–
Current liabilities						
Foreign exchange contracts			26			–
Buy: Euro	1	15	2			–
Buy: USA dollar	10	179	24			–
Other derivative instruments			91			16
Commodity option contracts			30			13
Embedded derivative – rental swap			7			3
Put option on ordinary shares			54			–
			117			16

13.1 Exchangeable bonds' option

The exchangeable bonds' option relates to the exchangeable bonds issued during the year under review (refer note 20). The bonds are exchangeable for approximately 30 949 879 Mediclinic shares at the discretion of the Group. The fair value (Level 2) was determined using the Black-Schöles-Merton model.

The assumptions used in the valuation are as follows:

Assumption	30 June 2016	30 June 2015
Dividend yield (%)	1.0	–
Risk-free rate (%)	0.4	–
Volatility (%)	24.3	–

14. INVESTMENT IN MONEY MARKET FUNDS

R million	30 June 2016	30 June 2015
Money market fund investments are held in the following currencies:		
South African rand	**500**	500
USA dollar (2016: $37 million; 2015: $40 million)	**550**	486
	1 050	986

Investments in offshore money market funds relate to investments in shares of J P Morgan liquidity funds, specifically the US Government Liquidity Fund (with an Aaa Moody's Rating). The portfolio of the funds on 30 June 2016 consisted of government bonds with maturities of up to one year and bank repurchase agreements to ensure liquidity on demand as the shares in the funds are callable on a daily basis. Distributions from these funds are disclosed as dividend income. Local money market funds relate to investment in a South African unit trust offered by Nedgroup Collective Investments mandated to invest only in money market instruments of major South African banks, government securities and government-related entities. These instruments carry very low risk and provide daily liquidity, but cannot be classified as cash and cash equivalents as the individual instruments held by the funds do not meet the maturity criteria of *IAS 7: Statement of Cash Flows*. These investments are considered to be equity instruments categorised as "financial assets at fair value through profit and loss".

15. CASH AND CASH EQUIVALENTS

R million	30 June 2016	30 June 2015
Cash at the centre	**2 728**	3 033
Operating subsidiaries	**841**	1 017
	3 569	4 050
The cash is held in the following currencies:		
South African rand	**2 032**	3 073
British pound	**541**	26
USA dollar	**980**	929
Swiss franc	**4**	4
Other	**12**	18
	3 569	4 050
At year-end cash and cash equivalents earned interest at effective interest rates that varied between 6.95% and 7.96% (2015: 5.55% and 6.48%) per annum at local financial institutions and between 0.20% and 7.85% (2015: 0.01% and 6.33%) per annum abroad.		
Cash and cash equivalents are represented by the following:		
Current accounts and call accounts	**3 568**	4 049
Cash on hand	**1**	1
	3 569	4 050
At year-end the Group's cash was invested at financial institutions with the following Moody's credit rating (unless otherwise indicated):		
Aa2	**814**	2
Aa3	**1**	419
A1	**683**	430
A2	**1**	230
A3	**14**	26
Baa2	**1 438**	1 926
Baa3	**2**	1
BBB+	**100**	–
AA+ (GCR credit rating)	**515**	515
A+ (GCR credit rating)	**–**	500
Cash on hand	**1**	1
	3 569	4 050

16. ASSETS HELD FOR SALE

R million	30 June 2016	30 June 2015
Assets held for sale comprise of:		
Assets held for sale	**29**	8 534
Liabilities held for sale	**–**	(8 467)
	29	67
The details of these assets and liabilities are as follows:		
Wispeco took a decision to sell two of its properties. The carrying value of property, plant and equipment classified as held for sale is	**29**	40
During the current financial year Remgro sold its 29.9% shareholding in Spire to Mediclinic, subsequent to Mediclinic's successful rights issue. The carrying value of assets and liabilities held for sale is	**–**	(175)
Investment	**–**	8 275
Trade and other creditors	**–**	(8 276)
Derivative instruments[1]	**–**	(174)
The last conditions precedent pertaining to the sale of RCL Foods' fishing division were fulfilled during the previous financial year. The sale of the Glenryck brand to a third party was concluded during the current financial year. The carrying value of assets and liabilities held for sale is	**–**	26
Trade marks and other intangibles[2]	**–**	24
Inventory	**–**	5
Trade and other receivables	**–**	2
Trade receivables with Group entities	**–**	12
Trade and other payables	**–**	(10)
Deferred tax liability	**–**	(7)
During the previous financial year RCL Foods exercised an option to exit a lease agreement in respect of a cane and fruit producing farm. The assets of the farm to which the lease agreement pertains were transferred to the local community (the lessor) during the current financial year. The carrying value of assets held for sale is	**–**	33
Property, plant and equipment	**–**	3
Biological agricultural assets	**–**	30
Remgro negotiated the disposal of its investment in Britehouse and concluded the sales transaction. The carrying value of the investment classified as held for sale is	**–**	143
Net non-current assets held for sale	**29**	67

[1] *The fair value (Level 2) was based on observable market data.*
[2] *The fair value (Level 3) was determined using the selling price of the asset based on the impending sale to a third party.*

17. STATED AND ISSUED CAPITAL AND SHARE PREMIUM

R million	30 June 2016	30 June 2015
Stated and issued capital		
Authorised		
512 493 650 ordinary shares of no par value		
40 506 352 B ordinary shares of no par value		
Issued		
481 106 370 ordinary shares of no par value	**3 601**	3 601
35 506 352 B ordinary shares of no par value	**4**	4
	3 605	3 605

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

At 30 June 2015, 2 169 558 Remgro ordinary shares (0.5%) were held as treasury shares by a wholly owned subsidiary company of Remgro. As previously reported, these shares were acquired for the purpose of hedging Remgro's share incentive scheme.

During the year under review no Remgro ordinary shares were repurchased, while 444 165 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants who exercised the rights granted to them.

At 30 June 2016, 1 725 393 Remgro ordinary shares (0.4%) were held as treasury shares.

At a general meeting of shareholders held on 7 October 2008, 21 000 000 ordinary shares were placed under the control of the Remgro Board as a specific authority for purposes of issuing and allotting such ordinary shares to participants in the Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme) in accordance with the provisions of the rules of the SAR Scheme.

Details in respect of the SAR Scheme and the current year's offers are disclosed in note 25.

The general meeting of shareholders on 16 August 2016 approved the increase of the authorised ordinary shares of no par value by 487 506 350 to 1 000 000 000 ordinary shares of no par value and the authorised B ordinary shares of no par value by 59 493 648 to 100 000 000 B ordinary shares of no par value. It was also resolved to place 100 000 000 ordinary shares of no par value and 10 000 000 B ordinary shares of no par value under the control of the Remgro Board to raise additional equity capital by way of a rights issue, which authority will be in place until the next Annual General Meeting, unless renewed at the said meeting.

18. RESERVES

18.1 Composition of reserves

R million	30 June 2016	30 June 2015
The Company		
Retained earnings	35 836	38 173
Separate financial statements	35 081	38 173
Elimination of intergroup transactions	755	–
Subsidiary companies	11 060	8 932
Fair value reserve	728	320
Other reserves*	1 844	1 400
Retained earnings	8 488	7 212
Equity accounted companies		
Equity reserves	28 582	22 676
	75 478	69 781

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

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

R million	*Equity reserves*	*Other reserves*	*Fair value reserves*	*Retained earnings*	30 June 2016 Total	30 June 2015 Total
Balances at the beginning of the year	(265)	903	(94)	415	959	691
Exchange rate adjustments during the year	356	1 030	(32)	398	1 752	269
Reclassification to the income statement	–	(593)	–	–	(593)	(1)
Balances at the end of the year	91	1 340	(126)	813	2 118	959

19. NON-CONTROLLING INTEREST

R million	30 June 2016	30 June 2015
Balances at the beginning of the year	**2 803**	2 599
Total comprehensive income for the year	**67**	210
Net profit for the year	**67**	206
Exchange rate adjustments	**(7)**	(2)
Fair value adjustments for the year	**(4)**	9
Deferred tax on fair value adjustments	**–**	(2)
Reclassification to the income statement	**12**	–
Other comprehensive income of equity accounted investments	**(1)**	–
Remeasurement of post-employment benefit obligations	**–**	(1)
Dividends paid	**(73)**	(68)
Capital invested by minorities	**31**	37
Long-term share incentive scheme reserve	**6**	10
Other movements	**1**	15
Balances at the end of the year	**2 835**	2 803
RCL Foods	**2 800**	2 772
Other non-wholly owned subsidiaries	**35**	31

The Group consists of various investing and operating subsidiaries, details of which are disclosed in Annexure A. The main operating subsidiary is RCL Foods in which the Group has an interest of 77.3% (2015: 77.5%). RCL Foods changed its operating structure during the year under review and now consists of three business divisions, namely Consumer (food producer and manufacturer), Sugar and Milling (a sugar producer and miller) and Logistics (specialist third-party logistics provider). The group's revenue and operating profit are mainly driven by these business divisions and are presented as trading profit in the income statement.

RCL Foods' non-controlling shareholders own 22.7% (2015: 22.5%) of RCL Foods. Below is RCL Foods' summarised financial information:

R million	30 June 2016	30 June 2015
Statement of financial position		
ASSETS		
Non-current assets	**11 988**	12 251
Current assets	**8 303**	7 442
	20 291	19 693
EQUITY AND LIABILITIES		
Shareholders' equity	**9 997**	10 035
Non-controlling interest	**93**	79
Non-current liabilities	**5 141**	5 168
Current liabilities	**5 060**	4 411
	20 291	19 693
Income statement		
Revenue	**25 025**	23 428
Profit for the year	**227**	862
Profit for the year attributable to equity holders	**211**	848
Profit for the year attributable to non-controlling interest	**16**	14

19. NON-CONTROLLING INTEREST (continued)

R million	30 June 2016	30 June 2015
Statement of comprehensive income		
Other comprehensive income	**(4)**	18
Total comprehensive income	**223**	880
Total comprehensive income attributable to equity holders	**207**	866
Total comprehensive income attributable to non-controlling interest	**16**	14
Dividends paid to non-controlling interest	**1**	1
Cash flow information		
Cash inflow from operating activities	**609**	1 262
Cash outflow from investing activities	**(994)**	(98)
Cash outflow from financing activities	**(123)**	(1 322)

20. LONG-TERM LOANS

R million	30 June 2016	30 June 2015
Interest-bearing loans		
20 000 Class A 7.7% cumulative redeemable preference shares[1]		
Redeemable on 12 January 2020 with bi-annual dividend payments	**3 512**	–
10 000 Class B 8.3% cumulative redeemable preference shares[1]		
Redeemable on 15 March 2021 with bi-annual dividend payments	**4 382**	–
Exchangeable bonds with a coupon rate of 2.625% and an effective interest rate of 4.48% per annum. The bonds mature on 22 March 2021[2]	**6 380**	–
Unsecured long-term loans repayable based on the growth of the underlying operations		
These loans bear interest at an effective interest rate of 3-month Jibar with a margin of between 1.5% and 4.5% (2015: 1.5% and 5.25%)	**55**	61
Liabilities resulting from various capitalised finance leases and instalment sale agreements payable in monthly, quarterly and annual instalments at varying interest rates between 7.0% and 10.5% per annum	**178**	95
These liabilities are secured by plant, machinery and equipment and vehicles with a book value of R189 million (2015: R67 million)		
Secured long-term loan with a fixed rate of 4% per annum repayable yearly, over a maximum period of six years. Secured by cessions over the production of the suppliers to whom the loans were made	**47**	144
Term-funded debt package		
The debt package comprises two bullet loans, repayable in 2019 and 2020 respectively, and a revolving credit facility repayable in 2018		
The loans bear interest at Jibar plus a margin of between 1.65% and 2.25% and is guaranteed by RCL Foods	**3 350**	3 350
Unsecured loans with varying terms and interest rates	**42**	37
	17 946	3 687
Instalments payable within one year transferred to short-term interest-bearing loans	**(147)**	(140)
	17 799	3 547
Payable – two to five years	**17 709**	3 538
Payable thereafter	**90**	9
	17 799	3 547

Refer to note 31 for the fair value of loans.

[1] The preference shares were issued by Remgro Healthcare Holdings Proprietary Limited, a wholly owned subsidiary of Remgro Limited.

[2] The exchangeable bonds were issued by Remgro Jersey GBP Limited, a wholly owned subsidiary of Remgro Limited, for £350 million. The exchangeable bonds may be redeemed in either cash, Mediclinic International plc shares or a combination thereof. The bonds are classified as a compound financial instrument and the liability (£322 million) and derivative (£28 million) components were determined at initial recognition. The derivative instrument is included in note 13. The Group pledged 30 949 879 Mediclinic shares as security.

21. TRADE AND OTHER PAYABLES

R million	30 June 2016	30 June 2015
Trade payables	2 647	2 279
Accrued expenses	2 186	2 190
	4 833	4 469

22. SHORT-TERM LOANS

R million	30 June 2016	30 June 2015
Interest-bearing loans		
Portion of long-term interest-bearing loans payable within one year	147	140
Unsecured GBP 50 million short-term loans with an effective interest rate of 3-month Libor with a margin of 1.65%	982	–
Bank overdrafts	441	221
Various secured and unsecured loans with varying terms and interest rates	87	2
	1 657	363
Interest-free loans with no fixed repayment conditions	3	3
	1 660	366

23. STAFF COSTS

R million	30 June 2016	30 June 2015
Salaries and wages	3 914	3 589
Share-based payments	94	84
Pension costs – defined contribution	265	245
Pension costs – return on defined-contribution asset	(13)	(7)
Pension costs – defined benefit	4	3
Post-retirement medical benefits	24	21
Other	290	341
	4 578	4 276

24. DIRECTORS' EMOLUMENTS

R'000	30 June 2016 Executive	30 June 2016 Non-executive	30 June 2016 Total	30 June 2015 Executive	30 June 2015 Non-executive	30 June 2015 Total
Executive directors						
Fees	900	–	900	735	–	735
Salaries	18 805	–	18 805	18 107	–	18 107
Retirement fund contributions	3 829	–	3 829	3 737	–	3 737
Other benefits	935	–	935	879	–	879
Subtotal	24 469	–	24 469	23 458	–	23 458
Non-executive directors						
Independent	–	3 284	3 284	–	2 459	2 459
Non-independent	–	600	600	–	490	490
Total	24 469	3 884	28 353	23 458	2 949	26 407
Share options exercised						
Increase in value – Remgro SAR Scheme*	43 365	1 415	44 780	139 574	–	139 574

* *This refers to the increase in value of the SAR Scheme shares of participants from the offer date to the date of payment and delivery. Refer to note 25 for detail regarding the individual participants.*

R'000	30 June 2016 Fees	30 June 2016 Salaries and other	30 June 2016 Total	30 June 2015 Fees	30 June 2015 Salaries and other	30 June 2015 Total
Paid by:						
The Company	3 884	–	3 884	2 704	–	2 704
Subsidiary company	900	23 569	24 469	980	22 723	23 703
Total	4 784	23 569	28 353	3 684	22 723	26 407

24. DIRECTORS' EMOLUMENTS (continued)

Fixed pay

R'000	30 June 2016 Fees	Salaries	Retirement fund	Other benefits[7]	Total	30 June 2015 Fees	Salaries	Retirement fund	Other benefits[7]	Total
Executive										
W E Bührmann	300	2 800	615	297	4 012	245	2 649	574	280	3 748
L Crouse[1]	225	5 540	1 035	236	7 036	245	6 254	1 289	297	8 085
J J Durand	300	9 815	2 006	322	12 443	245	9 204	1 874	302	11 625
N J Williams[2]	75	650	173	80	978	–	–	–	–	–
Subtotal	900	18 805	3 829	935	24 469	735	18 107	3 737	879	23 458
Non-executive (independent)										
G T Ferreira	350	–	–	–	350	286	–	–	–	286
P K Harris	350	–	–	–	350	286	–	–	–	286
N P Mageza[3]	400	–	–	–	400	328	–	–	–	328
P J Moleketi	400	–	–	–	400	328	–	–	–	328
M Morobe	300	–	–	–	300	245	–	–	–	245
F Robertson	450	–	–	–	450	369	–	–	–	369
S E N De Bruyn Sebotsa[4]	350	–	–	–	350	61	–	–	–	61
H Wessels[5]	684	–	–	–	684	556	–	–	–	556
Subtotal	3 284	–	–	–	3 284	2 459	–	–	–	2 459
Non-executive (non-independent)										
E de la H Hertzog	300	–	–	–	300	245	–	–	–	245
J Malherbe	300	–	–	–	300	245	–	–	–	245
J P Rupert[6]	–	–	–	–	–	–	–	–	–	–
Subtotal	600	–	–	–	600	490	–	–	–	490
Total	4 784	18 805	3 829	935	28 353	3 684	18 107	3 737	879	26 407

(1) *Mr L Crouse retired as Chief Financial Officer with effect from 31 March 2016.*
(2) *Mr N J Williams was appointed as Chief Financial Officer with effect from 1 April 2016.*
(3) *During the year under review Mr N P Mageza also received R502 000 (2015: R455 000) as director's fees from RCL Foods Limited, a subsidiary company of Remgro Limited.*
(4) *Ms S E N De Bruyn Sebotsa was appointed as independent non-executive director with effect from 16 March 2015.*
(5) *In addition to his director's fees and fee as chairman of the Audit and Risk Committee and chairman of the Social and Ethics Committee, an amount of R134 400 was also paid to Mr H Wessels during the year under review (2015: R105 000) for his attendance of meetings of subcommittees of the Audit and Risk Committee.*
(6) *Mr J P Rupert receives no emoluments.*
(7) *Benefits include medical aid contributions and vehicle benefits.*

24. DIRECTORS' EMOLUMENTS (continued)

Prescribed officers

Fixed pay

R'000	30 June 2016 Salaries	Retire-ment fund	Other benefits[1]	Total	30 June 2015 Salaries	Retire-ment fund	Other benefits[1]	Total
P R Louw[2]	**455**	**111**	**80**	**646**	–	–	–	–
P J Uys	**4 694**	**931**	**319**	**5 944**	4 383	869	299	5 551
N J Williams[3]	**1 997**	**385**	**239**	**2 621**	2 345	465	299	3 109
Total	**7 146**	**1 427**	**638**	**9 211**	6 728	1 334	598	8 660

(1) Benefits include medical aid contributions and vehicle benefits.
(2) Mr P R Louw was appointed on 1 April 2016.
(3) Mr N J Williams was appointed as Chief Financial Officer with effect from 1 April 2016.
(4) Both Messrs P R Louw and P J Uys are members of the Management Board, as well as the Social and Ethics Committee.

25. SHARE-BASED PAYMENTS

The share-based payments that are accounted for in the financial statements are in respect of the Remgro Equity Settled Share Appreciation Right Scheme, as well as the RCL Foods Share Scheme and the RCL Foods Share Appreciation Right Scheme.

Background to the Remgro Equity Settled Share Appreciation Right Scheme

The valuation of the share scheme was performed using an actuarial model. This model was developed by an independent third party from the standard binomial option pricing model in order to address the unique nature of the scheme, especially with regard to early exercise of offers.

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

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

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

25.1 Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme)

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

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

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

R million	30 June 2016	30 June 2015
Share-based payment cost included in the income statement (in accordance with IFRS 2)	**39**	36
Fair value of offers made during the year	**49**	29

25. SHARE-BASED PAYMENTS (continued)

25.1 Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme) (continued)

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

	30 June 2016 Number of SARs	30 June 2016 Rand	30 June 2015 Number of SARs	30 June 2015 Rand
Carried forward from previous financial years	**3 754 478**	**153.32**	4 518 351	124.27
Offered during current financial year	**605 733**	**269.49**	424 828	252.40
Forfeited during the year	**(8 258)**	**185.73**	(28 937)	151.54
Exercised during the year	**(856 771)**	**123.65**	(1 159 764)	76.50
Outstanding at the end of the year	**3 495 182**	**180.64**	3 754 478	153.32
Exercisable at the end of the year	**1 097 196**	**121.72**	724 013	89.93

Exercise prices of all options:

	30 June 2016 Number of SARs outstanding at year-end	30 June 2016 Weighted average remaining contract lifetime in years	30 June 2015 Number of SARs outstanding at year-end	30 June 2015 Weighted average remaining contract lifetime in years
R60.00 – R69.99	**–**	**–**	123 857	0.41
R70.00 – R79.99	**112 111**	**0.23**	149 782	1.15
R80.00 – R89.99	**–**	**–**	406	2.01
R90.00 – R99.99	**544 882**	**1.42**	766 150	2.42
R100.00 – R109.99	**14 591**	**2.34**	14 923	3.33
R110.00 – R119.00	**5 386**	**2.58**	6 525	3.59
R140.00 – R149.99	**980 806**	**3.37**	1 374 271	4.33
R170.00 – R179.99	**42 856**	**3.73**	43 377	4.73
R180.00 – R189.99	**242 921**	**3.79**	242 921	4.79
R190.00 – R199.99	**505 332**	**4.21**	590 936	5.44
R200.00 – R209.99	**6 775**	**4.51**	6 775	5.52
R210.00 – R219.99	**9 727**	**4.93**	9 727	5.93
R220.00 – R229.99	**29 189**	**5.26**	29 189	6.26
R230.00 – R239.99	**3 404**	**5.09**	3 404	6.09
R240.00 – R249.99	**8 619**	**5.81**	8 619	6.82
R250.00 – R259.99	**436 322**	**5.28**	356 285	6.42
R260.00 – R269.99	**21 923**	**5.75**	21 923	6.76
R270.00 – R279.99	**530 338**	**6.39**	5 408	6.61

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

	30 June 2016	30 June 2015
Weighted average Remgro share price for the year (R)	**249.28**	244.07
Exercise price (R)	**233.23 – 281.06**	225.04 – 281.57
Average expected exercise period (years)	**5 – 6**	4 – 6
Price volatility (%)	**16.71 – 20.41**	16.67 – 19.61
Risk-free rate (%)	**6.89 – 8.59**	6.55 – 7.80
Expected dividend yield (%)	**1.61 – 1.64**	1.65 – 1.81

25. SHARE-BASED PAYMENTS (continued)

25.1 Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme) (continued)

Directors

Participant	Balance of SARs accepted as at 30 June 2015	SARs accepted during the year[1]	Fair value of SARs on offer date (R'000)	SARs transferred during the year[3]	Offer price (Rand)	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value[4] (R'000)	Balance of SARs accepted as at 30 June 2016
Executive										
W E Bührmann	23 548				97.55					23 548
	98 817				147.25					98 817
	25 485				191.70					25 485
	8 958				253.53					8 958
		26 470	2 142		272.00					26 470
L Crouse[2]	51 865				97.55	(51 865)	22/03/2016	259.66	8 408	–
	94 652				147.25	(94 652)	22/03/2016	259.66	10 640	–
	189 300				147.25	(189 300)	04/04/2016	250.94	19 629	–
	79 144				191.70	(79 144)	04/04/2016	250.94	4 688	–
	23 587				253.53					23 587
J J Durand	157 262				97.55					157 262
	271 258				147.25					271 258
	93 128				191.70					93 128
	108 468				253.53					108 468
		192 676	15 591		272.00					192 676
N J Williams[3]				18 076	78.30					18 076
				19 768	97.55					19 768
				81 901	147.25					81 901
				22 221	191.70					22 221
				16 430	253.53					16 430
				27 492	272.00					27 492
Subtotal	1 225 472	219 146	17 733	185 888		(414 961)			43 365	1 215 545
Non-executive										
J Malherbe	50 506				78.30					50 506
	6 949				75.38	(6 949)	03/11/2015	279.00	1 415	–
Subtotal	57 455	–	–	–		(6 949)			1 415	50 506
Total	1 282 927	219 146	17 733	185 888		(421 910)			44 780	1 266 051

(1) *SARs were offered on 24 November 2015.*

(2) *Mr L Crouse retired as Chief Financial Officer with effect from 31 March 2016. In terms of the rules of the SAR Scheme, participants going into retirement are entitled to exercise all their SARs granted to them at any time within twelve months after the date of retirement or before the expiry of the SAR period (being seven years from the grant date), whichever is the earlier.*

(3) *Mr N J Williams was appointed as Chief Financial Officer with effect from 1 April 2016. SARs transferred refer to the balance of SARs granted and accepted by him prior to 1 April 2016.*

(4) *This refers to the increase in value of the SAR Scheme shares of the indicated participants from the offer date to the date of payment and delivery.*

25. SHARE-BASED PAYMENTS (continued)

25.1 Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme) (continued)

Directors

Participant	Balance of SARs accepted as at 30 June 2014	SARs accepted during the year[(1)]	Fair value of SARs on offer date (R'000)	Offer price (Rand)	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value[(3)] (R'000)	Balance of SARs accepted as at 30 June 2015
Executive									
W E Bührmann	124 771			65.50	(124 771)	13/10/2014	225.04	19 906	–
	23 548			97.55					23 548
	98 817			147.25					98 817
	25 485			191.70					25 485
		8 958	615	253.53					8 958
L Crouse	418 108			65.50	(418 108)	07/10/2014	238.60	72 374	–
	51 865			97.55					51 865
	283 952			147.25					283 952
	79 144			191.70					79 144
		23 587	1 618	253.53					23 587
J J Durand	108 236			78.30	(108 236)	03/11/2014	252.98	18 907	–
	7 572			75.38	(7 572)	03/11/2014	252.98	1 345	–
	235 895			97.55	(78 633)	03/11/2014	252.98	12 222	157 262
	271 258			147.25					271 258
	93 128			191.70					93 128
		108 468	7 442	253.53					108 468
J W Dreyer[(2)]	90 090			65.50	(90 090)	01/07/2014	230.00	14 820	–
Subtotal	1 911 869	141 013	9 675		(827 410)			139 574	1 225 472
Non-executive									
J Malherbe	50 506			78.30					50 506
	6 949			75.38					6 949
Subtotal	57 455	–	–		–			–	57 455
Total	1 969 324	141 013	9 675		(827 410)			139 574	1 282 927

(1) *SARs were offered on 26 November 2014.*

(2) *Mr J W Dreyer retired as executive director with effect from 31 December 2013. In terms of the rules of the SAR Scheme, participants going into retirement are entitled to exercise all their SARs granted to them at any time within twelve months after the date of retirement or before the expiry of the SAR period (being seven years from the grant date), whichever is the earlier.*

(3) *This refers to the increase in value of the SAR Scheme shares of the indicated participants from the offer date to the date of payment and delivery.*

25. SHARE-BASED PAYMENTS (continued)

25.1 Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme) (continued)

Prescribed officers

Participant	*Balance of SARs accepted as at 30 June 2015*	*SARs accepted during the year*[(1)]	*Fair value of SARs on offer date (R'000)*	*SARs transferred during the year*[(2)]	*Offer price (Rand)*	*Number of SARs exercised*	*Date exercising SARs*	*Share price on exercise date*	*Increase in value*[(3)] *(R'000)*	*Balance of SARs accepted as at 30 June 2016*
P R Louw[(2)]				**27 432**	**97.55**					**27 432**
				22 646	**147.25**					**22 646**
				12 944	**191.70**					**12 944**
				5 952	**253.53**					**5 952**
				9 497	**272.00**					**9 497**
P J Uys	218 400				**183.15**					**218 400**
	3 325				**191.70**					**3 325**
	14 774				**253.53**					**14 774**
		11 533	**933**		**272.00**					**11 533**
N J Williams[(2)]	18 076			**(18 076)**	**78.30**					**–**
	25 768			**(19 768)**	**97.55**	**(6 000)**	**26/10/2015**	**278.58**	**1 086**	**–**
	81 901			**(81 901)**	**147.25**					**–**
	22 221			**(22 221)**	**191.70**					**–**
	16 430			**(16 430)**	**253.53**					**–**
		27 492	**2 225**	**(27 492)**	**272.00**					**–**
Total	400 895	**39 025**	**3 158**	**(107 417)**		**(6 000)**			**1 086**	**326 503**

[(1)] *SARs were offered on 24 November 2015.*
[(2)] *With effect from 1 April 2016, Mr N J Williams was appointed as Chief Financial Officer and Mr P R Louw was appointed as member of the Management Board. SARs transferred refer to the balance of SARs granted and accepted by them prior to 1 April 2016.*
[(3)] *This refers to the increase in value of the SAR Scheme shares of the indicated participants from the offer date to the date of payment and delivery.*

Participant	*Balance of SARs accepted as at 30 June 2014*	*SARs accepted during the year*[(1)]	*Fair value of SARs on offer date (R'000)*	*Offer price (Rand)*	*Number of SARs exercised*	*Date exercising SARs*	*Share price on exercise date*	*Increase in value*[(2)] *(R'000)*	*Balance of SARs accepted as at 30 June 2015*
P J Uys	218 400			183.15					218 400
	3 325			191.70					3 325
		14 774	1 014	253.53					14 774
N J Williams	18 076			78.30					18 076
	38 652			97.55	(12 884)	06/11/2014	255.75	2 038	25 768
	81 901			147.25					81 901
	22 221			191.70					22 221
		16 430	1 127	253.53					16 430
	382 575	31 204	2 141		(12 884)			2 038	400 895

[(1)] *SARs were offered on 26 November 2014.*
[(2)] *This refers to the increase in value of the SAR Scheme shares of the indicated participants from the offer date to the date of payment and delivery.*

25.2 RCL Foods Share Schemes

RCL Foods has an equity settled share scheme, as well as a share appreciation right scheme, for certain of its employees in terms of which share options offered are exercisable in three equal tranches from two, three and four years (for the share scheme) and three, four and five years (for the share appreciation right scheme) after the grant date. Subject to the discretion of the RCL Foods Share Incentive Trust's trustees, options are forfeited if not exercised before termination of employment. An expense of R55 million (2015: R48 million) relating to these schemes was recognised in the income statement.

26. PROFIT

R million	30 June 2016	30 June 2015
Profit is stated after taking the following into account:		
Income		
Fair value adjustment – biological assets	**421**	388
Rental income – investment properties	**21**	13
Profit on sale of investments	**2 451**	696
Investment in Britehouse	**94**	–
Investment in Lashou	**–**	(223)
Investment in Spire	**153**	–
RCL Foods' fishing division	**–**	(72)
Dilution profit of interest in equity accounted investments	**2 259**	972
Recycled foreign currency translation reserves	**(51)**	–
Other	**(4)**	19
Profit on the sale of property, plant and equipment	**7**	5
Expenses		
Amortisation of intangible assets	**119**	116
Expenses – investment properties	**6**	6
Fair value adjustment – derivative instruments	**(526)**	99
Rental	**517**	480
Land and buildings	**321**	209
Machinery and equipment	**79**	49
Vehicles	**77**	195
Office equipment	**40**	27
Research and development costs written off	**4**	2
Auditors' remuneration – audit fees	**33**	26
– other services	**4**	8
Net impairment of investments, assets and goodwill	**2 550**	287
Investment in PGSI	**(35)**	82
Investment in Experiential Marketing	**–**	49
Investment in Blue Bulls	**27**	13
Investment in Premier Team Holdings	**(17)**	4
Investment in Grindrod	**1 861**	–
Investment in WP Rugby	**26**	–
Investment in Milestone China Opportunities Fund II	**–**	29
RCL Foods' intangible assets	**644**	–
Assets held for sale	**7**	16
Property, plant and equipment	**37**	94
Net impairment of loans	**6**	1
Loss on disposal of biological assets	**9**	–
Professional fees[1]	**423**	120
Depreciation	**670**	607
Buildings	**113**	101
Machinery and equipment	**435**	398
Vehicles	**100**	91
Office equipment	**22**	17
Exchange rate losses[1]	**159**	38

[1] *Professional fees and exchange rate losses include once-off transaction costs relating to the Mediclinic rights issue and Al Noor transaction amounting to R296 million and R106 million respectively.*

27. DIVIDEND INCOME

R million	30 June 2016	30 June 2015
Included in profit:		
Listed	41	34
Unlisted – Other	36	179
	77	213
Dividends from associate classified as asset held for sale	149	–
Dividends from equity accounted investments set off against investments	3 900	3 077
	4 049	3 077

28. EQUITY ADJUSTMENT

R million	30 June 2016	30 June 2015
Share of after-tax profit of equity accounted investments		
Profit before taking into account impairments, non-recurring and capital items[1]	8 875	8 332
Net impairment of investments, assets and goodwill	(809)	(213)
Profit on the sale of investments	216	271
Other non-recurring and capital items	(67)	62
Profit before tax and non-controlling interest	8 215	8 452
Taxation	(1 709)	(1 129)
Non-controlling interest	(256)	(95)
Share of net attributable profit of equity accounted investments – per income statement	6 250	7 228
Dividends received from equity accounted investments	(3 900)	(3 077)
Share of net profit retained by equity accounted investments	2 350	4 151
Non-controlling interest of subsidiaries	(9)	(13)
Dilution gain/(loss) of interest in equity accounted investments	2 259	972
Equity adjustment transferred to non-distributable reserves (Refer to statement of changes in equity)	4 600	5 110
Portion of the share of net attributable profit of equity accounted investments, that has been accounted for from unaudited interim reports and management accounts	201	516
The results of these equity accounted investments will be audited in later financial periods that coincide with their financial year-ends		

[1] The year under review includes once-off transaction costs amounting to R386 million incurred by Mediclinic, which relates to the Al Noor transaction.

29. CASH FLOW INFORMATION

29.1 Adjustments

R million	30 June 2016	30 June 2015
Amortisation of intangible assets and depreciation	**789**	723
Movement in retirement benefits and provisions	**50**	(37)
Net movement in derivative instruments	**732**	44
Share scheme cost	**83**	98
(Profit)/loss on the sale of property, plant and equipment	**(7)**	(5)
Loss on disposal of biological agricultural assets	**9**	–
Other	**(20)**	28
	1 636	851

29.2 Decrease/(increase) in working capital

Decrease/(increase) in inventories and biological agricultural assets	**(297)**	(802)
Decrease/(increase) in trade and other receivables	**(589)**	(267)
Increase/(decrease) in trade and other payables	**511**	647
	(375)	(422)

29.3 Reconciliation of dividends received

Receivable at the beginning of the year	**75**	–
Per income statement	**77**	213
Dividends from equity accounted investments set off against investments	**3 900**	3 077
Receivable at the end of the year	**(505)**	(75)
Cash received	**3 547**	3 215

29.4 Reconciliation of taxation paid with the amount disclosed in the income statement

Paid in advance at the beginning of the year	**42**	14
Unpaid at the beginning of the year	**(53)**	(27)
Per income statement	**(132)**	(422)
Transfers	**(156)**	27
Unpaid at the end of the year	**12**	53
Paid in advance at the end of the year	**(41)**	(42)
Cash paid	**(328)**	(397)

29.5 Reconciliation of dividends paid

Per statement of changes in equity	**(2 285)**	(2 068)
Paid by subsidiary companies to non-controlling interest	**(73)**	(68)
Cash paid	**(2 358)**	(2 136)

30. BUSINESSES ACQUIRED

On 1 July 2015 Wispeco, a wholly owned subsidiary of Remgro, acquired a 65% shareholding in Pressure Die Castings Proprietary Limited, its subsidiary, Aluminium Squeeze Casters Proprietary Limited, and Cedar Point Trading 372 Proprietary Limited. Pressure Die Castings Proprietary Limited and Aluminium Squeeze Casters Proprietary Limited are both manufacturers while Cedar Point Trading 372 Proprietary Limited is a property rental company. The results were consolidated from the acquisition date. Included in the transaction is a put option obligation to purchase all ordinary shares held by minority shareholders at their discretion, for which a derivative liability was created on the acquisition date. As a result, no non-controlling interest was recognised at initial recognition of the transaction. The fair values of assets, liabilities, contingent liabilities and intangible assets were determined by management.

The contribution to revenue and operating profit of these acquired businesses since 1 July 2015 was R220 million and R41 million respectively.

Acquisition-related costs of R252 574 were incurred during the previous financial year. These costs were included in other net operating expenses in the income statement.

The assets and liabilities arising from the acquisition above were as follows:

R million	30 June 2016	30 June 2015
Assets		
Property, plant and equipment (refer note 3)	**48**	–
Inventories	**20**	–
Debtors and short-term loans	**41**	–
Cash and cash equivalents	**15**	–
Liabilities		
Deferred taxation (refer note 10)	**(4)**	–
Long-term loans	**(12)**	–
Trade and other payables	**(19)**	–
Short-term loans	**(22)**	–
Derivative instrument	**(51)**	–
Fair value of net assets acquired	**16**	–
Goodwill (refer note 6)	**21**	–
Total purchase consideration	**37**	–
Cash and cash equivalents in subsidiary acquired	**(15)**	–
Cash outflow on acquisition	**22**	–

31. FINANCIAL INSTRUMENTS

31.1 Classes of financial instruments and fair value

Financial instruments on the statement of financial position include investments, investment in money market funds, loans receivable, debtors, cash, creditors, short-term loans, long-term loans and derivative instruments. Details of the nature, extent and terms of these instruments are explained in the notes to the relevant items.

The accounting policy for financial instruments was applied to the following statement of financial position line items.

Financial assets (R million)	Non-financial assets	Loans and receivables	Assets at fair value through profit and loss	Available-for-sale	Carrying value	Fair value
30 June 2016						
Investments – other	**–**	**–**	**–**	**3 408**	**3 408**	**3 408**
Loans	**–**	**880**	**–**	**–**	**880**	**880**
Loans to equity accounted investments	**–**	**549**	**–**	**–**	**549**	**549**
Debtors and short-term loans	**1 289**	**4 214**	**–**	**–**	**5 503**	**5 503**
Derivative instruments	**–**	**–**	**8**	**–**	**8**	**8**
Investment in money market funds	**–**	**–**	**1 050**	**–**	**1 050**	**1 050**
Cash and cash equivalents	**–**	**3 569**	**–**	**–**	**3 569**	**3 569**
Assets held for sale	**29**	**–**	**–**	**–**	**29**	**29**
	1 318	**9 212**	**1 058**	**3 408**	**14 996**	**14 996**
30 June 2015						
Investments – other	–	–	–	2 493	2 493	2 493
Loans	–	977	–	–	977	977
Loans to equity accounted investments	–	508	–	–	508	508
Debtors and short-term loans	715	3 122	–	–	3 837	3 837
Derivative instruments	–	–	10	–	10	10
Investment in money market funds	–	–	986	–	986	986
Cash and cash equivalents	–	4 050	–	–	4 050	4 050
Assets held for sale	8 442	92	–	–	8 534	8 534
	9 157	8 749	996	2 493	21 395	21 395

31. FINANCIAL INSTRUMENTS (continued)

31.1 Classes of financial instruments and fair value (continued)

Financial liabilities (R million)	Non-financial liabilities	Liabilities at amortised cost	Liabilities at fair value through profit and loss	Carrying value	Fair value
30 June 2016					
Long-term loans	**–**	**17 799**	**–**	**17 799**	**17 919**
Non-current derivative instruments	**–**	**–**	**1 197**	**1 197**	**1 197**
Trade and other payables	**77**	**4 756**	**–**	**4 833**	**4 833**
Short-term loans	**–**	**1 660**	**–**	**1 660**	**1 660**
Current derivative instruments	**–**	**–**	**117**	**117**	**117**
	77	**24 215**	**1 314**	**25 606**	**25 726**
30 June 2015					
Long-term loans	–	3 547	–	3 547	3 547
Trade and other payables	60	4 409	–	4 469	4 469
Short-term loans	–	366	–	366	366
Current derivative instruments	–	–	16	16	16
Liabilities held for sale	7	8 286	174	8 467	8 467
	67	16 608	190	16 865	16 865

Fair value

Except for the term-funded debt package (refer note 20) with a fair value of R3 470 million (2015: R3 350 million), the fair value of financial instruments approximates their carrying value on 30 June 2016 and 30 June 2015.

Fair value estimation

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

- Financial instruments available-for-sale and investment in money market funds: Fair value is based on quoted market prices or, in the case of unlisted instruments, appropriate valuation methodologies, being discounted cash flow, liquidation valuation or actual net asset value of the investment.
- Cash and cash equivalents, debtors, creditors and short-term loans: Due to the expected short-term maturity of these financial instruments their carrying values approximate their fair value.
- Borrowings: The fair value of long-term borrowings is based on discounted cash flows using the effective interest rate method. As the interest rates of long-term borrowings are all market related, their carrying values approximate their fair value.
- Derivative instruments: The fair value of derivative instruments is determined by using appropriate valuation methodologies and mark-to-market valuations.

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

R million	Level 1	Level 2	Level 3	Total
30 June 2016				
Available-for-sale	**1 260**	**–**	**2 148**	**3 408**
Derivative instruments	**–**	**8**	**–**	**8**
Investment in money market funds	**1 050**	**–**	**–**	**1 050**
	2 310	**8**	**2 148**	**4 466**
30 June 2015				
Available-for-sale	902	–	1 591	2 493
Derivative instruments	–	10	–	10
Investment in money market funds	986	–	–	986
	1 888	10	1 591	3 489

31. FINANCIAL INSTRUMENTS (continued)

31.1 Classes of financial instruments and fair value (continued)

Reconciliation of carrying value of level 3 assets at the beginning and end of the year (R million)	30 June 2016	30 June 2015
Available-for-sale		
Balances at the beginning of the year	**1 591**	1 762
Additions	**174**	375
Disposals	**(53)**	(484)
Exchange rate adjustments	**236**	148
Fair value adjustments through comprehensive income	**200**	(210)
Balances at the end of the year	**2 148**	1 591

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

R million	*Level 1*	*Level 2*	*Level 3*	Total
30 June 2016				
Non-current derivative instruments	**–**	**1 197**	**–**	**1 197**
Current derivative instruments	**–**	**63**	**54**	**117**
	–	**1 260**	**54**	**1 314**
30 June 2015				
Current derivative instruments	–	190	–	190

Reconciliation of carrying value of level 3 liabilities at the beginning and end of the year (R million)	30 June 2016	30 June 2015
Derivative instruments		
Balances at the beginning of the year	**–**	–
Additions	**54**	–
Balances at the end of the year	**54**	–

There were no transfers between the different levels.

Level 3 financial assets consist mainly of investments in the Milestone China entities (Milestone), the Kagiso Infrastructure Empowerment Fund (KIEF) and the Pembani Remgro Infrastructure Fund (PRIF) amounting to R1 534 million, R306 million and R228 million respectively. These investments are all valued based on the fair value of each investment's underlying assets, which are valued using a variety of valuation methodologies. Listed entities are valued at the last quoted share price on the reporting date, whereas unlisted entities' methods include discounted cash flow valuations, appropriate earnings and revenue multiples.

Milestone's fair value consists of listed investments (32%), cash and cash equivalents (7%) and unlisted investments (61%). 86% of the unlisted investments were valued at cost as Milestone's management considers the transaction price to be the fair value of the investments, while the remaining 14% was valued at approximately R121 million. KIEF's investments were valued using the discounted cash flow method. PRIF's main asset is the investment in ETG Group and it was valued using appropriate revenue and earnings multiples based on peer group companies to determine a price-to-book valuation.

Changes in the valuation assumptions of the above unlisted investments will not have a significant impact on Remgro's financial statements.

31. FINANCIAL INSTRUMENTS (continued)

31.2 Financial instruments and risk management

Various financial risks have an impact on the Group's results: market risk (including price risk, interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Company and its subsidiary companies' risk management programmes, of which key aspects are explained below, acknowledge the unpredictability of financial markets and are aimed to minimise any negative effect thereof. Derivative instruments are used to hedge against certain financial risk exposures.

Remgro's risk management is performed by its central treasury department in terms of policy that was approved by the Board of Directors. A treasury committee identifies, evaluates and hedges financial risks in terms of the Group's risk appetite, sets risk limits and monitors compliance to policy and procedures. The committee is assisted by the internal audit department that regularly, and on an *ad hoc* basis, reviews risk management controls and procedures. It is the responsibility of the Remgro Audit and Risk Committee to supervise these functions and assess the appropriateness of risk management strategies.

Risk management at subsidiary level is performed by the respective subsidiaries themselves and Remgro's Board of Directors monitors this on a continuous basis through representation on the subsidiaries' boards.

Relevant financial risks and risk management programmes are summarised as follows:

Market risk

Price risk

Exposure to price risk is due to investments in listed and unlisted shares which are classified as "Investments available-for-sale", investments in money market funds and investments in commodity future contracts, as well as the embedded derivative included in the exchangeable bonds.

"Investments available-for-sale" consist mainly of the investments in British American Tobacco plc, Kagiso Infrastructure Empowerment Fund, Pembani Remgro Infrastructure Fund and the Milestone China Funds. The Management Board monitors all the investments continuously and makes recommendations to the Investment Committee and the Board of Directors in this regard.

The Group is exposed to changes in the fair value of the embedded derivative included in the exchangeable bonds that were used to finance a portion of the acquisition of additional shares in Mediclinic. The risk is managed by holding sufficient Mediclinic shares to settle the liability.

Investments in money market funds consist mainly of interest-bearing liquid investments with a low risk. Refer to note 14 for further details.

Some operating subsidiaries have commodity options and future contracts that are influenced by the prices of the underlying commodities. The Board of Directors monitors this through representation on the subsidiaries' boards.

Foreign exchange risk

Certain subsidiary companies operate internationally and are therefore exposed to foreign currency risk due to commercial transactions and offshore borrowings denominated in foreign currencies. These risks are limited by using foreign exchange contracts when deemed necessary.

The Group is also exposed to foreign exchange translation risk through its investment in money market funds (note 14), foreign cash (note 15) and offshore debt (notes 20 and 22).

The Board of Directors monitors the exposure on money market funds, foreign cash and offshore debt on a regular basis and the risk is limited through the diversification in foreign currencies.

Interest rate risk

Due to significant cash investments, movements in market interest rates influence income. The profile of the cash and cash equivalents is explained in note 15. Interest rate risk is managed by Remgro's treasury department, as well as the respective subsidiary companies, by using approved counterparties that offer the best rates.

The Company and its subsidiary companies are also exposed to interest rate risk due to long-term and short-term debt. The interest rate profile of the liabilities is disclosed in note 20.

31. FINANCIAL INSTRUMENTS (continued)

31.2 Financial instruments and risk management (continued)

Market risk (continued)

The Group's sensitivity to market risk

The following table illustrates the sensitivity of the Group's profit and other comprehensive income to market risk if markets change with the following percentages:

	30 June 2016			30 June 2015		
	Change	Income statement R million	Equity R million	Change	Income statement R million	Equity R million
Interest rates	2.0%	12	–	2.0%	17	–
Foreign exchange	5.0%	(1)	(215)	5.0%	(7)	(287)
Equity prices	10.0%	(6)	265	10.0%	(1)	203
Dividend yield	1.0%	(122)	–	–	–	–
Volatility	10.0%	540	–	–	–	–
		423	50		9	(84)

The above was calculated with reference to the carrying value of financial instruments at year-end and a possible change in the market risk factor.

Credit risk

The Group's exposure to credit risk is the fair value of loans, loans to equity accounted investments and other investee companies, debtors, short-term loans, derivative instruments, investments in money market funds and cash and cash equivalents as indicated above, as well as financial guarantee contracts.

Loans receivable

Management continuously assesses the credit risk of loans to equity accounted investments through its representation on the respective boards. The credit risk of loans to other investee companies is assessed through regular reporting from the respective investee companies. Loans to equity accounted investments and other investee companies are within their mandated terms.

Trade debtors

No significant concentration of credit risk existed regarding debtors as customers are spread over a wide geographical area. Policies and procedures are in place ensuring that sales occur only to customers with an acceptable credit history. Other debtors consist mainly of dividends receivable.

Terms granted to trade debtors are determined by the respective credit policies of each operating subsidiary, i.e. RCL Foods and Wispeco.

31. FINANCIAL INSTRUMENTS (continued)

31.2 Financial instruments and risk management (continued)

Credit risk (continued)

The following table indicates the age analysis of trade debtors in arrears and the corresponding outstanding amount of debtors at year-end:

Debtors (R million)	*Age analysis of trade debtors in arrears* 30 days	60 days	90 days	120 days +	*Total trade debtors in arrears*
30 June 2016	**312**	**75**	**12**	**19**	**418**
30 June 2015	164	27	6	23	220

A provision for doubtful debts of R90 million (2015: R80 million) was made. Refer note 12.

The credit quality of trade debtors against whom no impairment was provided, is as follows:

R million	**30 June 2016**	30 June 2015
Existing customers (history of more than six months) – no past defaults	**2 527**	2 594
Existing customers (history of more than six months) – with past defaults	**332**	116
New customers (history of less than six months)	**101**	117
	2 960	2 827

Derivative instrument transactions and cash investments

Derivative instruments consist mainly of foreign exchange contracts with financial institutions. Other derivative instruments are limited to transactions with financial institutions with an acceptable credit rating. Remgro's Treasury Committee and/or the respective subsidiaries approve these institutions and determine the limit of credit exposure of each separate entity.

Investments in money market funds and cash and cash equivalents are only held by approved institutions with an acceptable credit-worthiness. The treasury committee sets the limit for each financial institution. Refer to the investment in money market funds note (note 14) and cash and cash equivalents note (note 15) for additional information.

31. FINANCIAL INSTRUMENTS (continued)

31.2 Financial instruments and risk management (continued)

Liquidity risk

Debt levels within the Group are monitored on a continuous basis. The Company and its subsidiary companies have substantial cash balances at their disposal and adequate credit facilities that limit their liquidity risk. Liquidity risk is further limited due to the fact that the Company also has substantial investments which can be realised on short notice.

The following schedule indicates the repayment terms of outstanding debt:

Financial liabilities (R million)	*Carrying value*	*Contractual cash flow*	*Non-discounted cash flow* 0 to 12 months	1 to 5 years	5 years and longer
30 June 2016					
Long-term loans	**17 799**	**22 102**	**282**	**21 604**	**215**
Trade and other payables	**4 757**	**4 757**	**4 757**	**–**	**–**
Short-term loans	**1 660**	**2 395**	**2 395**	**–**	**–**
Non-current derivative instruments	**1 197**	**1 197**	**–**	**1 197**	**–**
Current derivative instruments	**117**	**117**	**117**	**–**	**–**
Guarantee	**–**	**–**	**150**	**–**	**–**
	25 530	**30 568**	**7 701**	**22 801**	**215**
30 June 2015					
Long-term loans	3 547	4 699	279	4 371	49
Trade and other payables	4 409	4 409	4 409	–	–
Short-term loans	366	387	387	–	–
Current derivative instruments	16	16	16	–	–
Held for sale	8 460	8 460	8 460	–	–
Guarantee	–	–	75	–	–
	16 798	17 971	13 629	4 371	49

32. CAPITAL MANAGEMENT

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

In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue shares or repurchase shares from shareholders. For the year under review cash dividends amounting to R2 376 million (2015: R2 211 million) were declared.

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

33. COMMITMENTS

R million	30 June 2016	30 June 2015
Capital commitments		
Uncompleted contracts for capital expenditure	**493**	477
Capital expenditure authorised but not yet contracted	**366**	540
Investments (2015: includes R4.1 billion in respect of the Mediclinic rights issue)	**1 140**	4 830
	1 999	5 847
Operating lease commitments		
Land and buildings	**560**	561
Due within one year	**88**	101
Due – two to five years	**195**	171
Due thereafter	**277**	289
Machinery and equipment	**50**	67
Due within one year	**28**	39
Due – two to five years	**17**	28
Due thereafter	**5**	–
	610	628
Finance leases		
Gross finance lease liabilities – minimum lease payments	**315**	110
Due within one year	**25**	40
Due – two to five years	**87**	67
Due thereafter	**203**	3
Future finance charges on finance lease liabilities	**(137)**	(15)
Present value of finance lease liabilities	**178**	95
Due within one year	**22**	33
Due – two to five years	**69**	60
Due thereafter	**87**	2
	178	95

Above-mentioned commitments will be financed by internal sources and borrowed funds.

34. BORROWING POWERS

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

35. EVENTS AFTER YEAR-END

Invenfin Proprietary Limited (Invenfin)

On 27 July 2016 Remgro (through its wholly owned subsidiary, Invenfin) acquired a 30% stake in Dynamic Commodities Proprietary Limited (Dynamic Commodities) for R80 million. Dynamic Commodities is an export-focused company that produces high-quality frozen desserts, snacks and value-added "fresh frozen" fruit. During August 2016, Invenfin also acquired a 30% stake in Joya Brands Proprietary Limited, a sweets manufacturer, for R50 million.

36. GUARANTEES AND CONTINGENT LIABILITIES

R million	30 June 2016	30 June 2015
Guarantees by subsidiary companies[1]	241	316

[1] *Consist mainly of a guarantee given to the acquirer following the disposal of an associate.*

37. RELATED PARTY INFORMATION

Subsidiaries

Details of income from and investments in subsidiary companies are disclosed in the Company's annual financial statements and in Annexure A respectively.

Equity accounted investments

Details of investments in and income from equity accounted investments are disclosed in notes 7 and 28 respectively, as well as in Annexure B.

Key management personnel

Only Remgro's directors and members of the Management Board are key management personnel. Information on directors' emoluments and their shareholding in the Company appears in notes 24 and 25 as well as on page 87.

Shareholders

A detailed analysis of shareholders appears on pages 85 and 86.

Related party transactions (R million)	30 June 2016	30 June 2015
Transactions of Remgro Limited and its subsidiary companies with:		
Principal shareholder		
Dividends	(158)	(143)
Equity accounted investments		
Interest received	116	108
Interest paid	(424)	(52)
Dividends received	3 900	3 077
Administration fees received	28	26
Facilitation and underwriting fees received	–	138
Sales	54	55
Purchases	(996)	(978)
Corporate finance transaction cost paid	(165)	(19)
Key management personnel		
Salaries and other benefits	(28)	(27)
Retirement benefits	(5)	(5)
Share-based payments	(11)	(8)
Balances due from/(to) related parties:		
Equity accounted investments	(2 021)	(1 236)
Equity accounted investments	1 174	1 344

No security is given for any outstanding balances. No provisions for bad debts against outstanding balances with related parties have been made. No bad debt of related parties has been written off during the year.

ANNEXURE A

PRINCIPAL SUBSIDIARY COMPANIES AT 30 JUNE 2016

NAME OF COMPANY

Incorporated in South Africa unless otherwise stated		Share capital R (unless otherwise stated)	Effective interest 30 June 2016 %	Effective interest 30 June 2015 %
Eikenlust Proprietary Limited		100	**100.0**	100.0
Entek Investments Proprietary Limited		16 029 279	**100.0**	100.0
Financial Securities Proprietary Limited		250 000	**100.0**	100.0
Historical Homes of South Africa Limited		555 000	**60.6**	58.7
Industrial Electronic Investments Proprietary Limited		1 000	**100.0**	100.0
Industrial Partnership Investments Proprietary Limited		125 000	**100.0**	100.0
Invenfin Proprietary Limited		100	**100.0**	100.0
IPI (Overseas) Limited – Jersey		918 530 004	**100.0**	100.0
IPROP Holdings Limited – British Virgin Islands	(USD)	4 882 892	**100.0**	100.0
Metkor Group Proprietary Limited		82 978 237	**100.0**	100.0
Millennia Jersey Limited – Jersey	(GBP)	238 000 000	**100.0**	–
Partnership in Mining Proprietary Limited		100	**100.0**	100.0
RCL Foods Limited	*	10 023 803 736	**77.3**	77.5
Remgro Finance Corporation Proprietary Limited		958 430	**100.0**	100.0
Remgro Health Limited – Jersey	(GBP)	100 000 000	**100.0**	–
Remgro Healthcare Holdings Proprietary Limited (previously Friedshelf 1670 Proprietary Limited)		36 543 642 592	**100.0**	100.0
Remgro International Holdings Proprietary Limited		2	**100.0**	100.0
Remgro International Limited – Jersey		2 412 355 000	**100.0**	100.0
Remgro Investment Corporation Proprietary Limited		100	**100.0**	100.0
Remgro Jersey GBP Limited – Jersey	(GBP)	100 000 000	**100.0**	–
Remgro Loan Corporation Proprietary Limited		700	**100.0**	100.0
Remgro Management Services Limited		100	**100.0**	100.0
Remgro South Africa Proprietary Limited		48 614	**100.0**	100.0
Remgro Sport Investments Proprietary Limited		100	**100.0**	100.0
Remgro USA Limited – Jersey	(USD)	2	**100.0**	100.0
Remont Proprietary Limited		100	**100.0**	100.0
Robertsons Holdings Proprietary Limited		1 000	**100.0**	100.0
RPII Holdings Proprietary Limited		8 600 000	**100.0**	100.0
SEACOM SA SPV Proprietary Limited		100	**100.0**	100.0
Stellenbosch Academy of Sport Properties Proprietary Limited		2	**100.0**	100.0
TSB Sugar Holdings Proprietary Limited		7 532 040 746	**100.0**	100.0
TTR Holdings Proprietary Limited		7	**100.0**	100.0
VenFin Holdings Limited – Jersey	(USD)	88 578 773	**100.0**	100.0
VenFin Proprietary Limited		2 849 304 076	**100.0**	100.0
VenFin Media Investments Proprietary Limited		2	**100.0**	100.0
Wispeco Holdings Proprietary Limited		11 641 000	**100.0**	100.0

(GBP) pound
(USD) USA dollar
** Listed company*

A complete register of subsidiary companies is available for inspection at the registered office of the Company.

ANNEXURE B

PRINCIPAL INVESTMENTS AT 30 JUNE 2016

NAME OF COMPANY

	Listed				Unlisted			
	30 June 2016		30 June 2015		30 June 2016		30 June 2015	
Incorporated in South Africa unless otherwise stated	Shares held	Effective interest %	Shares held	Effective interest %	Shares held	Effective interest %	Shares held	Effective interest %
Food, liquor and home care								
Unilever South Africa Holdings Proprietary Limited					5 348 135	25.8	5 348 135	25.8
Capevin Holdings Limited[1]	136 978 200	15.6	136 978 200	15.6				
– indirectly held by Capevin Holdings Limited through Remgro-Capevin Investments Proprietary Limited:								
– Distell Group Limited (15%)		4.2		4.2				
Remgro-Capevin Investments Proprietary Limited					50	50.0	50	50.0
– held by Remgro-Capevin Investments Proprietary Limited:								
– Distell Group Limited (54%)		26.8		26.8				
Banking								
RMB Holdings Limited	397 447 747	28.2	397 421 450	28.2				
– held by RMB Holdings Limited:								
– FirstRand Limited (34%)		9.6		9.6				
FirstRand Limited[1]	219 828 140	3.9	219 805 470	3.9				
Healthcare								
Mediclinic International plc – UK	328 497 888	44.6	358 869 121	42.0				
Insurance								
RMI Holdings Limited	449 665 168	30.3	449 638 871	30.3				
Industrial								
Air Products South Africa Proprietary Limited					4 500 000	50.0	4 500 000	50.0
Kagiso Tiso Holdings Proprietary Limited (RF)					325 892	34.9	325 892	34.9
Total South Africa Proprietary Limited					12 872 450	24.9	12 872 450	24.9
PGSI Limited – BVI					26 297 697	37.7	26 297 697	37.7
Infrastructure								
Grindrod Limited	173 183 235	23.1	173 183 235	23.0				
Community Investment Ventures Holdings Proprietary Limited					150 148	50.9	150 148	50.9
SEACOM Capital Limited – Mauritius[2]					1 000	30.0	1 000	25.0
Media and sport								
eMedia Investments Proprietary Limited					17 730 595	32.3	17 730 595	32.4
Other investments								
Business Partners Limited					74 011 714	42.8	73 794 623	42.7

All these investments were equity accounted.

[1] *Remgro rebutted the presumption that it does not have significant influence in these investments.*

[2] *During previous financial years Remgro equity accounted SEACOM Capital Limited's (SEACOM) results at 25%, in line with its voting rights. However, dividends from SEACOM will represent 30% of total dividends until a 15% compounded annual return is received on Remgro's initial investment. It is unlikely that this return will be achieved. As a result, SEACOM's results are equity accounted at 30% from 1 July 2015.*

BVI – British Virgin Islands
UK – United Kingdom

Details of investments which are not material to the evaluation of the business of the Group, are not shown.

ANNEXURE C

INFORMATION ON SEGMENTS FOR THE YEAR ENDED 30 JUNE 2016

R million		Year ended 30 June 2016 Revenue	Year ended 30 June 2016 Headline earnings	30 June 2016 Assets	30 June 2016 Liabilities
Food, liquor and home care					
Unilever	(1)	–	461	3 589	–
Distell*	(1)	–	499	3 500	–
RCL Foods	(1)	25 025	658	20 294	10 201
Banking					
RMBH	(1)	–	2 112	13 132	–
FirstRand	(1)	–	877	4 652	–
Healthcare					
Mediclinic	(2)	–	1 566	33 629	–
Insurance					
RMI Holdings	(1)	–	888	7 157	–
Industrial					
Air Products	(2)	–	275	933	–
KTH	(1)	–	(229)	1 631	–
Total	(1)	–	291	1 575	–
PGSI	(1)	–	36	734	–
Wispeco	(1)	2 105	144	995	289
Infrastructure					
Grindrod	(1)	–	(45)	1 986	–
CIV group	(2)	–	64	1 871	–
SEACOM	(1)	–	(33)	655	–
Other infrastructure interests		–	20	540	–
Media and sport					
eMedia	(2)	–	28	1 116	–
Other media and sport interests		567	(64)	503	168
Other investments		–	67	3 742	5
Central treasury	(1)				
Finance income		–	125	3 778	–
Finance costs**		–	(1 602)	–	16 452
Other net corporate assets	(1)	–	(251)	3 223	419
		27 697	5 887	109 235	27 534
Elimination of loans to/from subsidiary companies				(74)	(74)
Consolidated				109 161	27 460

* *Includes the investment in Capevin Holdings Limited.*
** *Finance costs include the once-off costs (R402 million) and the option remeasurement (R730 million).*

Geographical segmental information: Revenue, amounting to R130 million, is derived from outside of South Africa while non-current assets, amounting to R38 600 million, are located in foreign countries.

Financial period accounted for the year ended 30 June 2016:
(1) *Twelve months to 30 June 2016*
(2) *Twelve months to 31 March 2016*

R million		Year ended 30 June 2015 Revenue	Year ended 30 June 2015 Headline earnings	30 June 2015 Assets	30 June 2015 Liabilities
Food, liquor and home care					
Unilever	(1)	–	331	3 384	–
Distell*	(1)	–	445	3 157	–
RCL Foods	(1)	23 726	755	19 697	9 579
Banking					
RMBH	(1)	–	2 005	12 267	–
FirstRand	(1)	–	840	4 300	–
Healthcare					
Mediclinic	(2)	–	1 734	13 227	–
Insurance					
RMI Holdings	(1)	–	986	6 717	–
Industrial					
Air Products	(2)	–	222	882	–
KTH	(1)	–	(108)	1 876	–
Total	(1)	–	133	1 428	–
PGSI	(1)	–	30	672	–
Wispeco	(1)	1 649	104	955	350
Infrastructure					
Grindrod	(1)	–	135	4 016	–
CIV group	(2)	–	51	1 795	–
SEACOM	(1)	–	24	566	–
Other infrastructure interests		–	182	480	–
Media and sport					
eMedia	(2)	–	69	1 126	–
Other media and sport interests		215	(85)	545	164
Other investments		–	84	3 050	4
Central treasury	(1)				
Finance income		–	111	4 019	–
Other net corporate assets	(1)	–	(52)	10 601	8 746
		25 590	7 996	94 760	18 843
Elimination of loans to/from subsidiary companies				(68)	(68)
Consolidated				94 692	18 775

* *Includes the investment in Capevin Holdings Limited.*

Geographical segmental information: Revenue, amounting to R117 million, is derived from outside of South Africa while non-current assets, amounting to R3 795 million, are located in foreign countries.

Financial period accounted for the year ended 30 June 2015:

(1) *Twelve months to 30 June 2015*

(2) *Twelve months to 31 March 2015*

STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2016

R million	Notes	30 June 2016	30 June 2015
ASSETS			
Non-current assets			
Investments – Subsidiary companies	2	**40 280**	40 280
Current assets		**1 442**	2 142
Trade and other receivables	3	**–**	4
Intergroup debt	3	**1 438**	2 138
Taxation		**4**	–
Total assets		**41 722**	42 422
EQUITY AND LIABILITIES			
Stated capital	4	**3 605**	3 605
Retained earnings		**35 081**	38 173
Shareholders' equity		**38 686**	41 778
Current liabilities		**3 036**	644
Financial guarantees	6	**755**	–
Trade and other payables	3, 5	**28**	16
Intergroup debt	3	**2 253**	628
Total equity and liabilities		**41 722**	42 422

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

R million	Notes	30 June 2016	30 June 2015
Dividend income*		**–**	40 004
Other net operating expenses		**(43)**	(41)
Guarantee fee income		**169**	–
Recognition of financial guarantees		**(924)**	–
Loss on sale of investment*		**–**	(1 281)
Net profit/(loss) before taxation		**(798)**	38 682
Less: Taxation	8	**–**	–
Net profit/(loss) for the year		**(798)**	38 682

* *During the previous year a wholly owned subsidiary company unbundled its investment in Mediclinic to the Company resulting in a dividend in specie amounting to R37.8 billion. The Company subsequently sold the investment in Mediclinic to another wholly owned subsidiary company and realised a loss on disposal of R1.3 billion.*

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

R million	30 June 2016	30 June 2015
Net profit/(loss) for the year	**(798)**	38 682
Other comprehensive income	**–**	–
Total comprehensive income for the year	**(798)**	38 682

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

R million	30 June 2016	30 June 2015
Balances at the beginning of the year	**41 778**	5 173
Issued capital	**3 605**	3 605
Retained earnings	**38 173**	1 568
Total comprehensive income for the year	**(798)**	38 682
Dividends paid	**(2 294)**	(2 077)
Balances at the end of the year	**38 686**	41 778

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

R million	Notes	30 June 2016	30 June 2015
Cash flows – operating activities			
Other net operating expenses		**(43)**	(41)
Working capital changes	9	**16**	(8)
Cash utilised by operations		**(27)**	(49)
Dividends received		**–**	2 179
Dividends paid		**(2 294)**	(2 077)
Taxation paid		**(4)**	–
Cash inflow/(outflow) from operating activities		**(2 325)**	53
Cash flows – financing activities			
(Increase)/decrease in intergroup debt		**2 325**	(53)
Cash inflow/(outflow) from financing activities		**2 325**	(53)
Net increase/(decrease) in cash and cash equivalents		**–**	–
Cash and cash equivalents at the beginning of the year		**–**	–
Cash and cash equivalents at the end of the year		**–**	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

1. ACCOUNTING POLICIES

The annual financial statements are prepared on the historical cost basis, unless otherwise indicated, in accordance with International Financial Reporting Standards and the requirements of the Companies Act (No. 71 of 2008), as amended. The accounting policies are consistent with those of the previous year. Refer to note 1 of the consolidated annual financial statements for detail accounting policies.

2. INVESTMENTS – SUBSIDIARY COMPANIES

R million	30 June 2016	30 June 2015
Unlisted shares – at cost	**40 280**	40 280
Percentage interest held in unlisted shares (%)		
Financial Securities Proprietary Limited	**100.0**	100.0
Industrial Partnership Investments Proprietary Limited	**100.0**	100.0
Partnership in Mining Proprietary Limited	**100.0**	100.0
Remgro Healthcare Holdings Proprietary Limited (previously Friedshelf 1670 Proprietary Limited)	**100.0**	100.0
Remgro International Holdings Proprietary Limited	**100.0**	100.0
Remgro Investment Corporation Proprietary Limited	**100.0**	100.0
Remgro South Africa Proprietary Limited	**100.0**	100.0
Remont Proprietary Limited	**100.0**	100.0
TTR Holdings Proprietary Limited	**100.0**	100.0
VenFin Proprietary Limited	**100.0**	100.0

3. INTERGROUP DEBT

Owing by subsidiary company		
Interest-free loan with no fixed term of repayment	**1 438**	2 138
Included in trade and other receivables	**–**	4
Owing to subsidiary companies		
Interest-free loan with no fixed term of repayment	**(2 253)**	(628)
Included in trade and other payables	**(10)**	–
	(825)	1 514

4. STATED CAPITAL

The detail of the stated capital is presented in note 17 of the consolidated annual financial statements.

5. TRADE AND OTHER PAYABLES

R million	30 June 2016	30 June 2015
Fellow subsidiary company	**10**	–
Other	**18**	16
	28	16

6. FINANCIAL GUARANTEES

During the year under review the Company entered into various guarantee agreements as guarantor for debt raised by its subsidiary companies. As a result of the Company acting as guarantor, the subsidiary companies negotiated favourable interest rates on the debt instruments. Since the Company does not receive a guarantee fee from the subsidiary companies, the beneficial interest increment is regarded as a deemed income received by the Company for accounting purposes. A guarantee fee liability was raised on entering these agreements and an annual guarantee fee income will be recognised in the income statement until settlement of the underlying debt. At Group level the financial guarantees are not recognised as separate contracts since it is included in the Group's liability to the third party.

7. OTHER NET OPERATING EXPENSES

Other net operating expenses are stated after taking into account directors' emoluments of R4 million (2015: R3 million). The detail of the remuneration and benefits received by each director of the Company is presented in notes 24 and 25 of the consolidated annual financial statements.

8. TAXATION

No provision has been made for income tax as the Company does not have taxable income.

The Company has a calculated capital loss of R3 906 million (2015: R3 906 million), which can be set off against future capital gains. No deferred tax asset has been recognised in respect of this capital loss as it is improbable that future taxable capital gains will arise against which the loss can be utilised.

9. CASH FLOW INFORMATION

R million	30 June 2016	30 June 2015
Decrease/(increase) in working capital		
(Increase)/decrease in trade and other receivables	**4**	(4)
Increase/(decrease) in trade and other payables	**12**	(4)
	16	(8)

10. RELATED PARTY INFORMATION

Subsidiaries

Details of income from and investments in subsidiary companies are disclosed in the income statement and note 2 respectively.

Key management personnel

Only Remgro's directors and members of the Management Board are key management personnel. Information on directors' emoluments and their shareholding in the Company appear in notes 24 and 25 of the consolidated annual financial statements as well as on page 87.

Shareholders

A detailed analysis of shareholders appears on pages 85 and 86.

Related party transactions (R million)	30 June 2016	30 June 2015
Transactions of Remgro Limited with:		
Principal shareholder		
Dividends paid	**(158)**	(143)
Subsidiary companies		
Dividends received	**–**	40 004
Balances due by/(owed to) related parties:		
Subsidiary companies	**(824)**	1 514

No security is given for any outstanding balances. No provisions for bad debts against outstanding balances with related parties have been made.

11. FINANCIAL INSTRUMENTS

The Company has the following exposure to financial risks resulting from the use of financial instruments:

11.1 Credit risk

Credit risk is the risk of financial loss should a counterparty fail to meet its contractual obligations and arises from credit exposure from outstanding loans and debtors. The risk in terms of outstanding loans and debtors is limited as it consists primarily of intergroup debt and the maximum exposure to credit risk at the reporting date is the carrying value of this class of asset.

11.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Cash resources are managed centrally by the Group's treasury division and flexibility in funding is ensured through the availability of guaranteed credit lines and shareholder facilities.

The Company's liabilities consist of financial guarantees, a loan due to its subsidiary company as well as trade and other payables. The risk in terms of the financial guarantees is limited as the Company guarantees repayment of debt incurred by its subsidiary companies. The exposure from these guarantees amounts to R16 449 million. The risks in terms of the outstanding loan is limited as it is repayable to a subsidiary company and the loan has no fixed date of repayment, while the risk in terms of outstanding trade and other payables is also low due to the size of the amount involved.

The Company provided letters of support to certain subsidiary companies, which enable them to perform all their obligations of whatsoever nature in the conduct of business for as long as they remain subsidiaries of the Company.

11.3 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and market prices of equity instruments will affect the Company's income.

Foreign exchange risk

The Company has no transactions in foreign currency and as such is not exposed to any foreign currency risk.

Interest rate risk

The Company has no exposure to interest rate risk as its loan payable to and loan receivable from its subsidiary companies are interest-free.

Price risk

The Company is not exposed to price risk as it does not have any investments in equity instruments that are accounted for at fair value.

11.4 Fair value

At 30 June 2016 and 30 June 2015 the fair value of financial assets and liabilities disclosed in the statement of financial position approximate their carrying value.

11.5 Capital risk management

There are no limitations on the borrowing powers of the Company in respect of loans and guaranteed debts. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue shares or repurchase shares from shareholders.

SHAREHOLDERS' INFORMATION

AT 30 JUNE 2016

	30 June 2016 %	30 June 2016 Number of shares	30 June 2015 %	30 June 2015 Number of shares
MAJOR BENEFICIAL SHAREHOLDERS				
Ordinary shares				
Public Investment Corporation	**16.22**	**78 014 765**	16.76	80 621 000
Other	**83.78**	**403 091 605**	83.24	400 485 370
	100.00	**481 106 370**	100.00	481 106 370
B ordinary shares				
Rupert Beleggings Proprietary Limited	**100.00**	**35 506 352**	100.00	35 506 352
Total		**516 612 722**		516 612 722

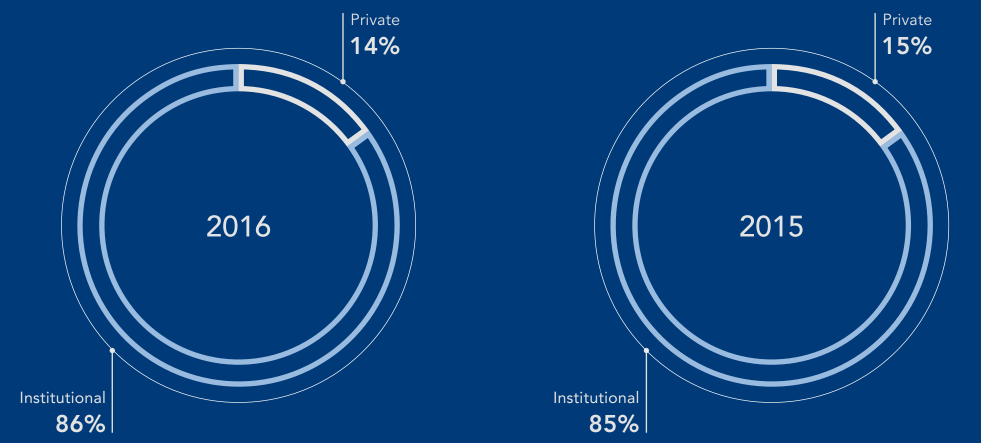
No other shareholder held a beneficial interest of more than 5% in the ordinary shares in your Company on 30 June 2016.

	30 June 2016	30 June 2015	30 June 2014	30 June 2013
DISTRIBUTION OF SHAREHOLDERS				
Ordinary shares				
Public shareholders	**60 890**	59 141	53 874	49 487
Percentage of shareholders	**99.85**	99.86	99.83	99.85
Number of shares	**465 687 383**	465 119 986	464 263 605	464 305 068
Percentage of shares issued	**96.80**	96.68	96.50	96.51
Non-public shareholders				
Directors and their associates/Share Trust/Treasury shares	**90**	84	91	73
Percentage of shareholders	**0.15**	0.14	0.17	0.15
Number of shares	**15 418 987**	15 986 384	16 842 765	16 801 302
Percentage of shares issued	**3.20**	3.32	3.50	3.49
Number of shareholders	**60 980**	59 225	53 965	49 560

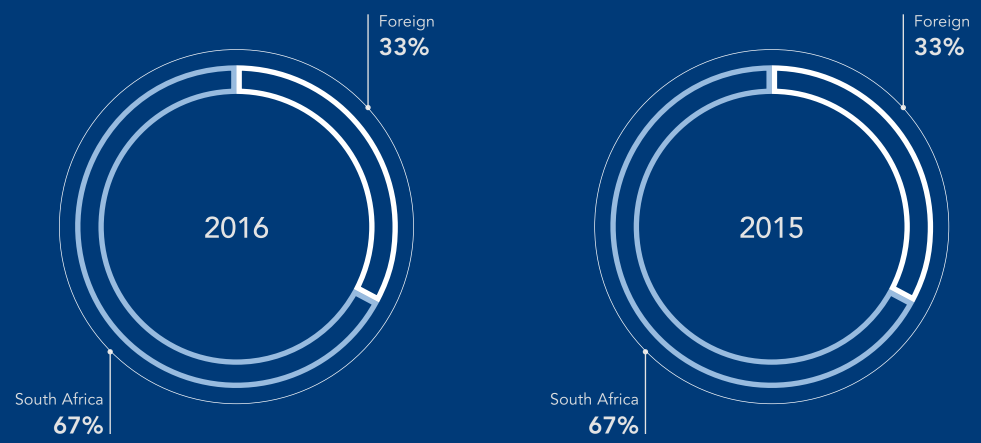
	30 June 2016	30 June 2015	30 June 2014	30 June 2013
NUMBER OF SHARES IN ISSUE				
– Ordinary shares of no par value				
Issued at the beginning of the year	**481 106 370**	481 106 370	481 106 370	481 106 370
– Unlisted B ordinary shares of no par value	**35 506 352**	35 506 352	35 506 352	35 506 352
Total number of shares in issue	**516 612 722**	516 612 722	516 612 722	516 612 722
Number of shares held in treasury				
Ordinary shares repurchased and held in treasury	**(1 725 393)**	(2 169 558)	(2 960 766)	(3 433 101)
	514 887 329	514 443 164	513 651 956	513 179 621
Weighted number of shares	**514 634 062**	514 200 979	513 404 676	513 526 699

ADDITIONAL INFORMATION

Institutional and private shareholding in Remgro Limited ordinary shares



Foreign and local shareholding in Remgro Limited ordinary shares



INTERESTS OF THE DIRECTORS IN THE ISSUED CAPITAL OF THE COMPANY

ORDINARY SHARES

Directors	Direct beneficial	Indirect beneficial	Associates	Total
30 June 2016				
W E Bührmann	–	264 000	–	264 000
J J Durand	–	742 524	7 500	750 024
G T Ferreira	158 625	–	560 000	718 625
P K Harris	–	169 118	–	169 118
E de la H Hertzog	261 892	1 931 814	129 984	2 323 690
J Malherbe	26 826	–	1 053 301	1 080 127
P J Moleketi	1 130	–	9 925	11 055
M Morobe	–	575	–	575
F Robertson	–	5 000	–	5 000
J P Rupert	–	–	6 867 150	6 867 150
S E N De Bruyn Sebotsa	450	–	–	450
H Wessels	–	–	4 500	4 500
N J Williams	10 000	–	60 000	70 000
	458 923	3 113 031	8 692 360	12 264 314

On 31 March 2016, when Mr L Crouse retired, his direct beneficial holding was 178 039 ordinary shares in Remgro Limited.

Directors	Direct beneficial	Indirect beneficial	Associates	Total
30 June 2015				
W E Bührmann	264 000	–	–	264 000
L Crouse	178 039	–	–	178 039
J J Durand	–	742 524	7 500	750 024
G T Ferreira	158 625	–	560 000	718 625
P K Harris	–	169 118	–	169 118
E de la H Hertzog	261 892	1 931 814	129 984	2 323 690
J Malherbe	26 826	–	1 053 301	1 080 127
P J Moleketi	1 130	1 445	1 180	3 755
M Morobe	–	575	–	575
F Robertson	–	5 000	–	5 000
J P Rupert	–	–	6 867 150	6 867 150
S E N De Bruyn Sebotsa	450	–	–	450
H Wessels	–	–	4 500	4 500
	890 962	2 850 476	8 623 615	12 365 053

B ORDINARY SHARES

Mr J P Rupert is a director of Rupert Beleggings Proprietary Limited (previously Rembrandt Trust Proprietary Limited) which owns all the issued unlisted B ordinary shares.

Since the end of the financial year to the date of this report the interests of directors remained unchanged.

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