

STATEMENT OF Financial Position

at 30 June 2023

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

⁽¹⁾ On 26 April 2023, Remgro sold its interest in the bulk of the Distell business (consisting of its cider, other RTDs and spirits and wine business) to Heineken and, therefore, certain line items are not directly comparable with the prior year. In addition, RCL Foods also announced its intention to dispose of Vector Logistics resulting in these assets and liabilities being presented as held for sale. Refer to "Comparison with prior year" on page 148 for further details.



INCOME STATEMENT

for the year ended 30 June 2023

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

⁽¹⁾ Refer to "Discontinued operations" on page 156 for further details.



STATEMENT OF Comprehensive Income

for the year ended 30 June 2023

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

STATEMENT OF Changes in Equity

for the year ended 30 June 2023

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

STATEMENT OF Cash Flows

for the year ended 30 June 2023

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

⁽¹⁾ The year under review included the proceeds on the disposal of 19.2 million FirstRand shares amounting to R959 million.

⁽²⁾ The year under review relates to the acquisition of Sunshine Bakery Holdings Proprietary Limited by Remgro's subsidiary RCL Foods.

⁽³⁾ The year under review relates to the disposal as part of the Distell/Heineken transaction. Refer to "Comparison with prior year" on page 148 for further detail.

⁽⁴⁾ During June 2022 Remgro sold 40.8 million FirstRand shares. Proceeds of R1 798 million were received by 30 June 2022 and the remaining R240 million during July 2022.

⁽⁵⁾ The year under review includes the additional investments in Mediclinic of R4 693 million and Heineken Beverages of R2 317 million. The prior year included an investment in CIVH amounting to R2 124 million.



NOTES TO THE SUMMARY financial statements

for the year ended 30 June 2023

1. Basis of preparation

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

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

The summary consolidated financial statements do not contain all the information and disclosures required in the consolidated financial statements. The summary consolidated financial statements have been extracted from the audited consolidated financial statements upon which PricewaterhouseCoopers Inc. has issued an unqualified report. The audited consolidated financial statements and the unqualified audit report are available for inspection at the registered office of the Company.

2. Comparison with prior year

Disposal of certain assets and liabilities of Distell

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

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

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

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

2. Comparison with prior year (continued)

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

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

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

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

3. Headline earnings reconciliation

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

⁽¹⁾ Refer to “Net impairments of equity accounted investments” on page 151 for further details.

⁽²⁾ “Profit on sale of investments” from equity accounted investments for the year ended 30 June 2022 includes Remgro’s portion of the profit realised by OUTsurace Group on the unbundling of its investments in Discovery and Momentum Metropolitan (totalling R4 667 million) and the disposal of its investment in Hastings (R1 465 million).

⁽³⁾ Refer to “Comparison with prior year” on page 148 for further details.



3. Headline earnings reconciliation (continued)

Headline earnings, adjusted for corporate actions, reconciliation

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

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

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

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

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

4. Earnings and dividends

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

5. Investments – Equity accounted

R million	30 June 2023	30 June 2022
Associates	27 973	43 317
Joint ventures	48 472	7 454
Investments – Equity accounted	76 445	50 771
Loans to equity accounted investments – current	35	15
	76 480	50 786

Equity accounted investments reconciliation

Carrying value at the beginning of the year	50 786	50 301
Share of net attributable profit	3 472	10 980
Dividends received	(1 459)	(1 687)
Grindrod unbundled ⁽¹⁾	(1 649)	–
Investments made ⁽²⁾	18 034	2 163
Business disposed	(806)	–
Discovery dividend <i>in specie</i> ⁽³⁾	–	(8 561)
Momentum Metropolitan dividend <i>in specie</i> ⁽³⁾	–	(2 056)
Exchange rate differences	7 087	(244)
Grindrod Shipping transferred to non-current assets held for sale/disposed of ⁽⁴⁾	–	(1 055)
Net impairments	(50)	168
Net allowances on loans	–	1
Equity accounted movements on reserves	1 388	729
Other movements	(323)	47
Carrying value at the end of the year	76 480	50 786

⁽¹⁾ Refer to “Investment activities” on page 138 for further details.

⁽²⁾ Refer to “Investment activities” for the investments in Heineken Beverages and Mediclinic during the year under review. The prior year included an investment in CIVH amounting to R2 124 million.

⁽³⁾ During April 2022 OUTsurance Group unbundled its investments in Discovery and Momentum Metropolitan. Remgro received a 7.7% interest in Discovery and an 8.6% interest in Momentum Metropolitan and both the investments were classified as financial instruments at fair value through other comprehensive income.

⁽⁴⁾ During January 2022 Remgro sold its investment in Grindrod Shipping.



Net impairments of equity accounted investments and loss allowances on loans

Reversal of impairments/(impairments) were recognised for the following investments:

R million	30 June 2023	30 June 2022
Business Partners ⁽¹⁾	–	(193)
Grindrod ⁽²⁾	–	361
Other impairments and loss allowances	(50)	1
	(50)	169

⁽¹⁾ Business Partners’ fair value declined mainly due to an increase in the tradability discount applied to the valuation thereof.

⁽²⁾ At 30 June 2022 Grindrod’s listed share price recovered significantly (85% increase year-on-year) following much improved trading results mainly due to the recovery in the logistics and port and terminals sectors in which it operates.

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

Share of after-tax profit of equity accounted investments

R million	30 June 2023	30 June 2022
Profit before taking into account impairments and non-recurring items	5 823	6 826
Net impairment of investments, assets and goodwill	(1 069)	(190)
Profit on the sale of investments	67	6 297
Other headline earnings adjustable items	–	15
Profit before tax and non-controlling interest	4 821	12 948
Taxation	(1 021)	(1 605)
Non-controlling interest	(328)	(363)
	3 472	10 980
Continuing operations	3 296	10 786
Discontinued operations	176	194

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

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

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

⁽²⁾ During April 2022 OUTsurance Group unbundled its investments in Discovery and Momentum Metropolitan. Remgro received a 7.7% interest in Discovery and an 8.6% interest in Momentum Metropolitan.

⁽³⁾ During June 2022 Remgro sold 40.8 million FirstRand shares for R2 704 million. At 30 June 2022 19.2 million shares valued at R1 198 million were transferred to assets held for sale and sold during July 2022 for R959 million. These disposals were part of Remgro's decision to sell 60 million of its FirstRand ordinary shares which were hedged in the 2020 financial year via a zero cost collar.

7. Long-term loans

R million	30 June 2023	30 June 2022
20 000 Class A 7.5% cumulative redeemable preference shares ⁽¹⁾	3 510	3 509
10 000 Class B 7.8% cumulative redeemable preference shares ⁽¹⁾	4 347	4 329
Various other loans	3 201	5 835
	11 058	13 673
Short-term portion of long-term loans ⁽²⁾	(5 254)	(1 980)
	5 804	11 693

⁽¹⁾ Remgro's debt covenant, which relates to the Class A and B cumulative redeemable preference shares, is based on net debt at the centre. As Remgro is in a net cash position, the debt covenant is comfortably met.

⁽²⁾ The short-term portion of the long-term loans includes the 20 000 Class A 7.5% cumulative preference shares as these are repayable on 15 January 2024.

8. Additions to and replacement of property, plant and equipment

3 434 3 077

9. Capital and investment commitments

(Including amounts authorised but not yet contracted for)

4 487 6 208

10. Guarantees and contingent liabilities

15 25

11. Dividends received from equity accounted investments set off against investments

1 459 12 304

12. Fair value remeasurements

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

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

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

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

12. Fair value remeasurements (continued)

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

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

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

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

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

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

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

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

13. Segment revenue

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

⁽¹⁾ During the year under review, RCL Foods disclosed Vector Logistics business as a discontinued operation and Distell sold the bulk of its business to Heineken Beverages with its continuing operations consisting of Capevin. Refer to "Discontinued operations" on page 156 for further details.

14. Related party transactions

Mediclinic Group Limited (Mediclinic)

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

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

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

14. Related party transactions (continued)

Distell Group Holdings Limited (Distell)

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

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

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

Community Investment Ventures Holdings Proprietary Limited (CIVH)

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

Grindrod Limited (Grindrod)

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

15. Events after year-end

RCL Foods: Sale of Vector Logistics

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

Capevin: Termination of Gordon's Gin distribution agreement

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

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

16. Discontinued operations

16.1 Disposal of certain assets and liabilities of Distell

Refer to "Comparison with prior year" on page 148.

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

Refer to "Comparison with prior year" on page 148.

16.3 Gordon's Gin

During May 2023 Capevin reached an agreement with Diageo Brands B.V. to terminate the longstanding Gordon's Gin and Pimm's No1 Cup distribution agreement. The financial results of the disposed business have been disclosed as part of discontinued operations and the related assets and liabilities transferred to held for sale.

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

16. Discontinued operations (continued)

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

ANNEXURE A

Segment report

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

Additional segmental information is disclosed in note 2 and 12.1 in the Annual Financial Statements that is published on the Company's website at www.remgro.com.

⁽¹⁾ Refer to note 3 for the calculation of headline earnings.

⁽²⁾ Total book value equals shareholders' equity.

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