

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

	2007 R million	2006 R million
1. EARNINGS		
HEADLINE EARNINGS RECONCILIATION		
Net profit for the year attributable to equity holders	6 942	8 202
Plus/(minus) – portion attributable to equity holders:		
– Negative goodwill	(44)	–
– Net impairment of investments, assets and goodwill	12	157
– Profit on redemption and sale of investments	(256)	(3 475)
– Restructuring costs	221	279
– Other capital and non-recurring items	(10)	(67)
– Net surplus, after tax on disposal of property, plant and equipment	(12)	(12)
Headline earnings	6 853	5 084
Non-recurring portion of BEE costs added back	–	380
Headline earnings – Excluding non-recurring portion of BEE costs	6 853	5 464
EARNINGS PER SHARE	Cents	Cents
Headline earnings per share		
– Basic	1 445.4	1 052.3
– Diluted	1 401.3	1 027.7
Headline earnings per share – Excluding non-recurring portion of BEE costs		
– Basic	1 445.4	1 130.9
– Diluted	1 401.3	1 106.1
Earnings per share		
– Basic	1 464.2	1 697.6
– Diluted	1 418.5	1 671.3

Earnings per share

In determining earnings per share and headline earnings per share the weighted number of shares in issue, being 474 123 689 (2006: 483 154 691), was taken into account after deduction of treasury shares as well as shares held in The Remgro Share Trust and certain associated companies.

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 shares accepted by participants in the Remgro Share Scheme but not yet delivered.

Because the scheme shares have to be accounted for as treasury shares, the delivery thereof 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 1 672 153 (2006: 1 352 255) and have been added to the weighted number of shares to determine the dilutive effect.

Some subsidiary and associated companies 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, R186 million (2006: R105 million) and R193 million (2006: R105 million) were offset against headline earnings and earnings respectively to account for the potential diluted effect.

2. PROPERTY, PLANT AND EQUIPMENT

	<i>Land and buildings R million</i>	<i>Machinery and equipment R million</i>	<i>Vehicles R million</i>	<i>Office equipment R million</i>	<i>Total R million</i>
Carrying value at 1 April 2005	2 289	1 521	104	81	3 995
Cost	2 673	3 123	244	225	6 265
Accumulated depreciation	(384)	(1 602)	(140)	(144)	(2 270)
Additions	245	361	43	40	689
Disposals	(17)	(5)	(7)	–	(29)
Depreciation	(31)	(214)	(23)	(25)	(293)
Businesses acquired	126	29	102	18	275
Businesses disposed	–	(1)	–	(1)	(2)
Medi-Clinic*	(1 730)	(481)	–	(100)	(2 311)
Other	(8)	2	–	–	(6)
Carrying value at 31 March 2006	874	1 212	219	13	2 318
Cost	1 267	2 312	376	39	3 994
Accumulated depreciation	(393)	(1 100)	(157)	(26)	(1 676)
Additions	102	300	78	22	502
Disposals	(5)	(4)	(6)	–	(15)
Depreciation	(27)	(167)	(26)	(3)	(223)
Other	(153)	13	–	–	(140)
Carrying value at 31 March 2007	791	1 354	265	32	2 442
Cost	1 199	2 582	429	47	4 257
Accumulated depreciation	(408)	(1 228)	(164)	(15)	(1 815)

* Since 1 January 2006, Medi-Clinic has been accounted for as an associated company, while it was consolidated previously.

Depreciation rates are as follows:	2007	2006
	%	%
Buildings	0 – 50	0 – 50
Machinery and equipment	3½ – 100	2 – 100
Vehicles	4 – 33½	5 – 33½
Office equipment	5 – 33½	5 – 33½

Liabilities resulting from mortgage loans, finance leases and instalment sale agreements are secured by vehicles with a book value of R1 million (2006: R2 million).

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

3. BIOLOGICAL AGRICULTURAL ASSETS

Included in non-current assets:

Reconciliation of carrying value at the beginning and end of the year	Sugarcane roots R million	Sugarcane plants R million	Citrus R million	2007 R million	Sugarcane roots R million	Sugarcane plants R million	Citrus R million	2006 R million
Balances at 1 April	47	34	14	95	45	35	14	94
Fair value adjustment	22	(4)	–	18	2	(1)	–	1
Other	(14)	(8)	–	(22)	–	–	–	–
Balances at 31 March	55	22	14	91	47	34	14	95

The quantity at 31 March is as follows:

Sugarcane roots (ha)	5 024	8 343
Sugarcane plants (ha)	5 024	8 343
Citrus (ha)	1 393	1 482

Included in current assets:

Reconciliation of carrying value at the beginning and end of the year	Breeding stock R million	Broiler stock R million	2007 R million	Breeding stock R million	Broiler stock R million	2006 R million
Balances at 1 April	143	99	242	148	91	239
Additions	418	2 115	2 533	376	1 901	2 277
Decrease due to harvest	(403)	(2 114)	(2 517)	(382)	(1 901)	(2 283)
Fair value adjustment	2	9	11	1	8	9
Balances at 31 March	160	109	269	143	99	242

4. INVESTMENT PROPERTIES

	Cost R million	2007 Accumulated depreciation R million	Net value R million	Cost R million	2006 Accumulated depreciation R million	Net value R million
Land	3	–	3	3	–	3
Buildings	29	–	29	28	–	28
	32	–	32	31	–	31

Reconciliation of carrying value at the beginning and end of the year	Land R million	Buildings R million	2007 R million	Land R million	Buildings R million	2006 R million
Balances at 1 April	3	28	31	3	28	31
Other	–	1	1	–	–	–
Balances at 31 March	3	29	32	3	28	31

The South African investment properties were valued during the 2005 financial year by an independent, qualified valuer using market information. The fair value of these investment properties was determined by increasing the 2006 valuation by 10% (2006: 6%). Foreign investment properties were valued by an independent, qualified valuer during the 2006 year. The fair value of the investment properties, VAT exclusive, is R318 million (2006 valuation: R292 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 members or their proxies at the registered offices of the companies to which the relevant properties belong.

5. GOODWILL AND TRADE MARKS

	2007			2006		
	Cost or valuation R million	Accumulated impairment/ amortisation R million	Net value R million	Cost or valuation R million	Accumulated impairment/ amortisation R million	Net value R million
Goodwill	342	–	342	316	–	316
Trade marks	146	75	71	99	63	36
	488	75	413	415	63	352

Amortisation rates are as follows:

	2007 %	2006 %
Trade marks	5 – 100	5 – 6%

Reconciliation of carrying value at the beginning and end of the year	Goodwill R million	Trade marks R million	2007 R million	Goodwill R million	Trade marks R million	2006 R million
Balances at the beginning of the year	316	36	352	379	7	386
Additions	19	37	56	–	41	41
Amortisation	–	(14)	(14)	–	(8)	(8)
Businesses acquired	7	2	9	9	–	9
Medi-Clinic*	–	–	–	(44)	(4)	(48)
Other	–	10	10	(28)	–	(28)
Balances at the end of the year	342	71	413	316	36	352

* Since 1 January 2006, Medi-Clinic has been accounted for as an associated company, while it was consolidated previously.

Goodwill is tested annually for any possible impairment and for this reason allocated to the respective cash-generating units as indicated below.

	Rainbow Chicken Limited and its subsidiaries	Tsb Sugar Holdings (Pty) Limited and its subsidiaries	Wispeco Holdings Limited and its subsidiaries	2007 Total
Goodwill allocated (R million)	291	35	16	342
Basis of valuation of cash-generating units	Fair value/ value in use	Directors' valuation	Directors' valuation	

R287 million of the goodwill relating to Rainbow Chicken and its subsidiaries relates to the acquisition of Vector Logistics (Pty) Limited in 2005. In determining the value in use of the cash-generating unit to which this goodwill was allocated, the following assumptions were used:

Discount rate	12.81%
Growth rate	5.0%
Period	5 years

Sensitivity analysis of assumptions used in the goodwill impairment test:

Assumption	Movement	Impairment
Discount rate	+5%	Nil
Growth rate	–5%	Nil

During the year under review no impairment of goodwill occurred.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

6. INVESTMENTS – ASSOCIATED COMPANIES (Annexures B & C)

	2007			2006		
	Listed R million	Unlisted R million	Total R million	Listed R million	Unlisted R million	Total R million
Shares – at cost	6 720	4 289	11 009	6 594	3 444	10 038
Equity adjustment	4 758	17 077	21 835	3 395	12 311	15 706
Carrying value	11 478	21 366	32 844	9 989	15 755	25 744
Long-term loans	–	189	189	–	354	354
	11 478	21 555	33 033	9 989	16 109	26 098
Market values of listed investments	28 871		28 871	23 248		23 248
Directors' valuation of unlisted investments		62 969	62 969		41 564	41 564
Market values and directors' valuation	28 871	62 969	91 840	23 248	41 564	64 812
Excess of market values and directors' valuation over the carrying value of investments:						
– attributable to equity holders			58 807			38 714
– attributable to minority			–			–
			58 807			38 714

Of the directors' valuations of unlisted investments stated above, a substantial proportion amounting to R55 283 million (2006: R36 177 million) was based on the stock exchange prices of underlying listed shares held by the unlisted investments concerned.

	2007 R million	2006 R million
Reconciliation of carrying value at the beginning and end of the year		
Carrying value at the beginning of the year	26 098	27 860
Exchange rate differences on translation of carrying value at the beginning of the year to year-end rate	4 292	(1 244)
<i>Income of associated companies retained</i>	3 366	910
Share of net attributable profit of associated companies	6 003	4 354
Dividends received from associated companies	(2 748)	(3 349)
Exchange rate differences on translation between average rate to year-end rates	111	(95)
Equity-accounted movements on reserves	(824)	(240)
Loans repaid	(165)	(196)
Disposals/capital reductions	(85)	(3 050)
Investments	201	617
Associated investments reclassified as subsidiary companies	–	(19)
Investments reclassified as associated companies	106	–
Medi-Clinic*	–	1 460
Other	44	–
Carrying value at the end of the year	33 033	26 098

* Since 1 January 2006, Medi-Clinic has been accounted for as an associated company, while it was consolidated previously.

7. INVESTMENTS – OTHER
 (Annexure B)

	<i>Listed</i> R million	2007 <i>Unlisted</i> R million	<i>Total</i> R million	<i>Listed</i> R million	2006 <i>Unlisted</i> R million	<i>Total</i> R million
Consolidated						
Investments – other						
Shares – available-for-sale	6 229	16	6 245	4 013	123	4 136
Market values of listed investments	6 229		6 229	4 013		4 013
Directors' valuation of unlisted investments		16	16		123	123
Market values and directors' valuation	6 229	16	6 245	4 013	123	4 136
Reconciliation of carrying value of investments available-for-sale at the beginning and end of the year					2007 R million	2006 R million
Balances at the beginning of the year					4 136	1 948
Fair value adjustments for the year					2 169	2 216
Additions					48	2
Medi-Clinic*					–	(13)
Sales					(2)	(7)
Investment reclassified as associated company					(106)	(10)
Balances at the end of the year					6 245	4 136

* Since 1 January 2006, Medi-Clinic has been accounted for as an associated company, while it was consolidated previously.

8. INVENTORIES

Raw materials		272	249
Finished products		430	319
Work in progress		6	6
Consumable stores		46	46
		754	620

9. DEBTORS AND SHORT-TERM LOANS

	THE COMPANY		CONSOLIDATED	
	2007 R million	2006 R million	2007 R million	2006 R million
Trading debtors	6	5	916	822
Provision for impairments	–	–	(42)	(29)
Loans – Subsidiary companies	2 366	2 790	–	–
Dividends receivable	–	–	168	–
Advance payments and other	–	–	178	85
	2 372	2 795	1 220	878

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

	2007 R million	2006 R million
10. ASSETS CLASSIFIED AS HELD FOR SALE		
On 31 January 2007 Tsb Sugar entered into an agreement to sell certain assets in terms of a land reform transaction. The effective date of the transaction is 1 April 2007. The assets that will be sold in terms of the agreement are therefore classified as held for sale and valued in terms of the requirements of IFRS 5.		
Details of the assets classified as held for sale are as follows:		
Assets		
Property, plant and equipment	140	–
Biological agricultural assets	22	–
Inventories	1	–
Debtors	24	–
Various other net assets	2	–
	189	–
11. CASH AND CASH EQUIVALENTS		
Cash at the centre	4 357	5 795
Other operating subsidiaries	647	562
	5 004	6 357

At year-end cash and cash equivalents earned interest at effective interest rates that vary between 8.50% and 9.06% (2006: 6.75% and 7.10%) per annum at local financial institutions and between 5.33% and 5.35% (2006: 4.42% and 4.43%) per annum in foreign countries.

12. SHARE CAPITAL		
Authorised		
512 493 650 ordinary shares of 1 cent each	5.1	5.1
40 506 352 B ordinary shares of 10 cents each	4.1	4.1
	9.2	9.2
Issued		
448 802 207 (2006: 448 802 207) ordinary shares of 1 cent each	4.5	4.5
35 506 352 (2006: 35 506 352) B ordinary shares of 10 cents each	3.5	3.5
	8.0	8.0
	Number of shares	Number of shares
Movement of the ordinary shares of 1 cent each for the year:		
Total number of shares issued at 1 April	448 802 207	486 493 650
Shares cancelled	–	(37 691 443)
Total number of shares issued at 31 March*	448 802 207	448 802 207

* Treasury shares held by wholly owned subsidiary companies included.

Each ordinary share has one vote.

Each B ordinary share has ten votes.

Number of shares held in treasury by a wholly owned subsidiary and shares held by The Remgro Share Trust (ordinary shares of 1 cent each): 11 948 372 (2006: 4 473 004).

At a general meeting held on 23 August 2006, the unissued shares comprising 63 691 443 ordinary shares of 1 cent each and 5 000 000 B ordinary shares of 10 cents each were placed under the control of the Board of Directors as a general authority in terms of section 221(2) of the Companies Act, 1973 (Act 61 of 1973), as amended (the Act), subject to the provisions of the Act and the Rules and Requirements of the JSE until the next annual general meeting of the Company, for allotment and issue to such persons as they deemed fit, provided that 26 000 000 ordinary shares and 5 000 000 B ordinary shares in the authorised share

12. SHARE CAPITAL *(continued)*

capital of the Company are reserved for the purposes of the Remgro Share Scheme in terms of an ordinary resolution passed by the shareholders on 21 September 2000.

Details in respect of the share scheme and the current year's offers are disclosed in note 26 and the Report of the Board of Directors.

	2007 R million	2006 R million
13. RESERVES		
13.1 Composition of reserves		
The Company:		
Retained earnings	2 353	2 779
Subsidiary companies and joint ventures		
Non-distributable reserves	24 653	21 093
Fair value reserve	5 003	3 160
Other non-distributable reserves	1 931	997
Retained earnings	17 719	16 936
Associated companies:		
Equity reserves	20 155	14 026
	47 161	37 898
Statutory non-distributable reserves included in		
Other non-distributable reserves	464	345
Equity reserves	11	9
	453	336

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

	<i>Non- distributable reserves</i> R million	<i>Equity reserves</i> R million	<i>Retained earnings</i> R million	2007 Total R million	2006 Total R million
Balances at 1 April	(105)	(992)	(57)	(1 154)	245
Exchange rate adjustments during the year	907	3 594	534	5 035	(1 399)
Transfer of equity adjustment		111	(111)	-	-
Balances at 31 March	802	2 713	366	3 881	(1 154)

14. RETIREMENT BENEFITS
Balance sheet assets

Retirement benefits	10	-
---------------------	----	---

Balance sheet obligations

Retirement benefits	(85)	(69)
Post-retirement medical benefits	(129)	(116)
	(214)	(185)

Income statement

Retirement benefits*	(95)	4
Post-retirement medical benefits	11	38
	(84)	42

* Refer note 24 on page 87.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

14. RETIREMENT BENEFITS *(continued)*

14.1 Retirement benefits

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

For statutory purposes the defined benefit pension funds are actuarially valued every three years by independent actuaries using the projected unit credit method. The latest actuarial valuations of these funds were conducted between 31 March 2002 and 31 December 2004.

	Balance sheet					Income statement
	Fair value of plan assets R million	Present value of funded obligations R million	Unrecognised actuarial (gains)/ losses R million	Pension fund surplus limitation R million	Amount recognised in balance sheet R million	Included in staff costs R million
Balances at 1 April 2005	629	(527)	(55)	(124)	(77)	
Current service cost	–	(4)	–	–	(4)	4
Interest cost	–	(30)	–	–	(30)	30
Expected return on assets	46	–	–	–	46	(46)
Amortisation of actuarial gains/losses	–	–	2	–	2	(2)
Contributions	7	–	–	–	7	–
Exchange rate differences	(24)	29	–	–	5	–
Benefit payments	(28)	28	–	–	–	–
Actuarial movements: fund obligation	–	(129)	129	(18)	(18)	18
Actuarial movements: plan assets	92	–	(92)	–	–	–
Balances at 31 March 2006	722	(633)	(16)	(142)	(69)	4
Current service cost	–	(4)	–	–	(4)	4
Interest cost	–	(40)	–	–	(40)	40
Expected return on assets	53	–	–	–	53	(53)
Surplus limitation utilisation	–	–	–	108	108	(108)
Amortisation of actuarial gains/losses	–	–	(22)	–	(22)	22
Contributions	7	–	–	–	7	–
Transfer of assets	(88)	–	–	–	(88)	–
Exchange rate differences	114	(132)	(2)	–	(20)	–
Benefit payments	(31)	31	–	–	–	–
Actuarial movements: fund obligation	–	11	(11)	–	–	–
Actuarial movements: plan assets	(6)	–	6	–	–	–
Balances at 31 March 2007	771	(767)	(45)	(34)	(75)	(95)

	2007 R million	2006 R million
14. RETIREMENT BENEFITS <i>(continued)</i>		
14.1 Retirement benefits <i>(continued)</i>		
Amount of plan assets represented by investment in the entity's own financial instruments	14	17
Actual return on plan assets	47	138
Adjustment for experience on plan assets	5	90
Adjustment for experience on funded obligations	17	74
Expected contributions to retirement funds for the year ended 31 March 2008: R8 million		
	Number	Number
Number of members	7 670	7 115
Composition of plan assets	%	%
Cash	6.69	9.16
Equity	20.62	27.59
Bonds	2.73	3.25
Property	0.70	0.96
International	69.26	59.04
	100.00	100.00
Principal actuarial assumptions on balance sheet date		
Discount rate	5.40 – 9.95	5.50 – 8.50
Expected rates of return on plan assets*	6.48 – 9.95	7.50 – 8.50
Future salary increases	5.75 – 7.04	2.75 – 5.50
Future pension increases	2.90 – 4.75	4.50 – 6.50
Inflation rate	4.75	2.75 – 4.50
* The expected return on plan assets is determined with reference to the expected long-term returns on equity, cash and bonds.		
Fund history for the current and prior years	R million	R million
Balances at 31 March		
Fair value of plan assets	771	722
Present value of funded obligation	(767)	(633)
Surplus/(deficit)	4	89

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

14. RETIREMENT BENEFITS (continued) 14.2 Post-retirement medical benefits

	Balance sheet				Income statement
	Fair value of plan assets R million	Present value of funded obligations R million	Unrecognised actuarial (gains)/ losses R million	Amount recognised in balance sheet R million	Included in staff cost R million
Balances at 1 April 2005	–	(163)	1	(162)	
Current service cost	–	(22)	–	(22)	22
Interest cost	–	(18)	–	(18)	18
Expected return on assets	2	–	–	2	(2)
Contributions	–	5	–	5	–
Actuarial movements	–	5	(5)	–	–
Acquired in business combination	14	(23)	(7)	(16)	–
Medi-Clinic*	–	95	–	95	–
Balances at 31 March 2006	16	(121)	(11)	(116)	38
Current service cost	–	(3)	–	(3)	3
Interest cost	–	(10)	–	(10)	10
Expected return on assets	2	–	–	2	(2)
Liability accepted	5	(6)	(2)	(3)	–
Amortisation of actuarial gains/losses	–	(1)	1	–	–
Benefit payments	–	1	–	1	–
Actuarial movements	12	(6)	(6)	–	–
Balances at 31 March 2007	35	(146)	(18)	(129)	11

* Since 1 January 2006, Medi-Clinic has been accounted for as an associated company, while it was consolidated previously.

	2007 R million	2006 R million
Amount of plan assets represented by investment in the entity's own financial instruments	2	1
Actual return on plan assets	14	2
Adjustment for experience on plan assets	14	–
Adjustment for experience on funded obligations	4	–
Expected contributions to retirement funds for the year ended 31 March 2008: R8 million		

	Number	Number
Number of members	1 050	1 046

Fund history for the current and prior years	R million	R million
Balances at 31 March		
Fair value of plan assets	35	16
Present value of funded obligation	(146)	(121)
Surplus/(deficit)	(111)	(105)
Composition of plan assets	%	%
Cash	3.00	3.00
Equity	92.00	92.00
Bonds	5.00	5.00
	100.00	100.00

	2007	2006				
	%	%				
14. RETIREMENT BENEFITS (continued)						
14.2 Post-retirement medical benefits (continued)						
Principal actuarial assumptions on balance sheet date						
Discount rate	7.50 – 7.75	7.50				
Expected rates of return on plan assets *	8.75	8.50				
Annual increase in healthcare costs	4.75 – 6.75	5.50 – 6.50				
* The expected return on plan assets is determined with reference to the expected long-term returns on equity, cash and bonds.						
	2007	2007				
	Increase	Decrease				
	R million	R million				
The effect of a 1% movement in the above-mentioned expected yearly increase in healthcare costs is as follows:						
Post-retirement medical liability	24	21				
Current service costs and interest on obligation	2	1				
	2007	2006				
	R million	R million				
15. LONG-TERM LOANS						
Interest-bearing loans						
Secured long-term loans with effective interest rates of between 9.5% and 11% (2006: 6.0% and 10.0%) per annum repayable over a period of between five to ten years	197	195				
These liabilities are secured by assets with a book value of R68 million (2006: R46 million).						
Net liabilities resulting from various capitalised finance leases and instalment sale agreements payable in monthly, quarterly and annual instalments at varying interest rates per annum amount to	1	2				
These liabilities are secured by vehicles and equipment with a book value of R1 million (2006: R2 million).						
Various unsecured loans with varying terms and interest rates	–	1				
	198	198				
Instalments payable within one year transferred to short-term interest-bearing loans	(37)	(29)				
	161	169				
Payable – two to five years	161	169				
Payable thereafter	–	–				
	161	169				
16. SHORT-TERM LOANS						
Interest-bearing loans						
Portion of long-term interest-bearing loans payable within one year	37	29				
Bank overdrafts	103	18				
	140	47				
Interest-free loans with no fixed repayment conditions	94	54				
	234	101				
	Legal disputes*	Other**				
	R million	R million				
	2007	2006				
	R million	R million				
17. PROVISIONS						
Balances at 1 April	30	11	41	15	6	21
Businesses acquired	–	–	–	–	4	4
Additional provisions	13	1	14	21	1	22
Unused amounts	–	(4)	(4)	–	–	–
	43	8	51	36	11	47
Provisions utilised during the year	(3)	–	(3)	(6)	–	(6)
Balances at 31 March	40	8	48	30	11	41

* Litigation, of which the timing and outcome is uncertain, is in progress against certain subsidiary companies.

** Various smaller provisions.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

	2007 R million	2006 R million
18. PROFIT		
Profit is stated after taking the following into account:		
Income		
Fair value adjustment – biological assets	21	5
Fair value adjustment – investments	113	59
Rental income – investment properties	8	10
Interest received	334	341
Shareholder's loan to associated company	20	29
Financial institutions and other	314	312
Profit on redemption and sale of investments*	7	3 162
Exchange rate gains	67	–
<i>* Refer to the Report of the Board of Directors for further information.</i>		
Expenses		
Amortisation of trade marks	14	8
Fair value adjustment – investments	6	–
Expenses – investment properties	2	2
Rental	37	70
Land and buildings	20	45
Machinery and equipment	10	16
Vehicles	1	3
Office equipment	6	6
Research and development costs written off	–	1
Auditors' remuneration – audit fees	10	10
– other services	3	3
Professional fees	28	22
Depreciation	223	293
Buildings	27	31
Machinery and equipment	167	214
Vehicles	26	23
Office equipment	3	25
Loss on sale of property, plant and equipment	1	2
Exchange rate losses	–	23
19. ADMINISTRATION AND MANAGEMENT FEES		
Total administration and management fees of Remgro Limited*	75	81
Less: Fees received	(16)	(15)
Intergroup – excluding wholly owned subsidiaries	(4)	(6)
Other	(12)	(9)
Net	59	66

* After recovery of appropriate portion from VenFin Limited.

	THE COMPANY		CONSOLIDATED	
	2007 R million	2006 R million	2007 R million	2006 R million
20. DIVIDEND INCOME				
Included in profit:				
Listed	–	–	151	404
Unlisted – Subsidiary companies	3 358	4 191		
– Other	–	–	5	6
	3 358	4 191	156	410
Dividends from associated companies set off against investments			2 748	3 349
			2007 R million	2006 R million
21. TAXATION				
21.1 Taxation in income statement				
Current			339	841
– current year – South African normal taxation			332	488
– Taxation on capital gain			–	350
– Foreign taxation			8	5
			340	843
– previous year – South African normal taxation			(1)	(2)
Secondary taxation on companies			21	27
– current			21	13
– deferred			–	14
Deferred – current year			60	(8)
– previous year			(17)	6
– rate change			–	(9)
			403	857
21.2 Reconciliation of effective tax rate of the Company and its subsidiaries with standard rate			%	%
Effective tax rate			26.4	16.8
Reduction/(increase) in standard rate as a result of:				
Exempt dividend income			3.0	2.3
Non-taxable capital profit			–	10.6
Other non-taxable income/(expenses)			0.4	0.1
Foreign taxation			(0.5)	(0.3)
Taxation in respect of previous years			1.1	(0.2)
Rate change			–	0.2
Secondary tax on companies			(1.4)	(0.5)
Standard rate			29.0	29.0

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

	2007 R million	2006 R million
21. TAXATION <i>(continued)</i>		
21.3 Deferred taxation		
Deferred taxation liability	1 205	790
Property, plant and equipment	378	322
Intangibles	16	14
Inventories	84	75
Provisions	(44)	(67)
Biological agricultural assets	34	24
Other	(1)	5
Investments (accounted for directly in equity)	738	417
Deferred tax asset	(124)	(90)
Property, plant and equipment	(44)	(12)
Intangibles	–	(3)
Inventories	–	(24)
Provisions	(20)	(24)
Other	(11)	(10)
Tax losses	(49)	(17)
Net deferred taxation	1 081	700
The movement between balances of deferred taxation at the beginning and end of the year can be analysed as follows:		
Beginning of the year	700	319
As per income statement	43	3
Direct in equity	338	310
Businesses acquired	–	(3)
Medi-Clinic*	–	71
	1 081	700

* Since 1 January 2006, Medi-Clinic has been accounted for as an associated company, while it was consolidated previously.

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

The carrying values of investments in associated companies are mainly recovered through dividends. As no taxable temporary differences exist, no deferred tax is provided.

Deferred taxation on the fair value adjustments of investments available-for-sale is provided at 14.5%, as there is a possibility that these investments will be realised in the medium term.

	2007 R million	2006 R million
21. TAXATION (continued)		
21.4 Tax losses		
Estimated tax losses available for set-off against future taxable income	245	60
Utilised to create deferred tax asset	(168)	(60)
	77	–
21.5 Secondary taxation on companies (STC)		
The STC credits on 31 March, which could be set off against future dividend payments, amount to		
– The Company	172	596
– Subsidiary companies	1 356	1 223
Unutilised STC credits	1 528	1 819
A foreign wholly owned subsidiary company of Remgro has reserves available that will give rise to additional STC credits of R1 538 million (2006: R1 471 million) when declared as dividends to its South African holding company.		
Remgro's history of dividends received compared to ordinary dividends paid suggests increasing STC credits over time. It is therefore unlikely that Remgro's STC credits will be utilised against ordinary dividends paid in the foreseeable future, and consequently no deferred tax asset has been created for the Company's unutilised STC credits.		
22. EQUITY ADJUSTMENT		
Share of net attributable profit of associated companies – per income statement	6 003	4 354
Minority interest	–	(6)
Share of net profit retained in distributable reserves	–	(7)
Dividends received from associated companies	(2 748)	(3 349)
Share of net profit retained by associated companies	3 255	992
Exchange rate differences on translation between average rates and year-end rates	111	(95)
Equity adjustment transferred to non-distributable reserves (Refer to statements of changes in equity)	3 366	897
Portion of the share of net profit/(loss) retained by associated companies, that has been accounted for from unaudited interim reports and management accounts	1 102	587
Contingent liabilities of associated companies		
Guarantees to third parties – Performance guarantees, suretyships and letters of credit of various associated companies	393	371
Contingent tax liabilities	103	108

Product liabilities – British American Tobacco Plc (BAT) has contingent liabilities in respect of litigation regarding product liability, overseas taxation and guarantees in various countries. Despite the quality of defences judged by BAT to be available, BAT is of the opinion that there is a possibility that its results of operations or cash flows could be materially affected by the outcomes of such matters, which could give rise to a consequent effect on Remgro's share of BAT's results and attributable net assets.

Claims – There are a number of legal or potential claims against various associated companies, the outcome of which cannot be foreseen, but are not regarded as material individually or on a group basis.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

	CONSOLIDATED		THE COMPANY	
	2007 R million	2006 R million	2007 R million	2006 R million
23. CASH FLOW INFORMATION				
23.1 Adjustments				
Depreciation, amortisation of goodwill and trade marks	237	302	–	–
Movement in provisions	(58)	65	–	–
Interest received	(334)	(341)	–	–
Finance cost	30	29	–	–
Dividends received	(156)	(410)	(3 358)	(4 191)
Capital surplus on the sale of investments	(7)	(3 161)	–	–
Net impairment of assets	–	(3)	–	–
Share scheme cost	18	18	–	–
Negative goodwill	(44)	–	–	–
Exchange rate gain/(loss) on foreign cash	622	(85)	–	–
Other	1	(2)	–	–
	309	(3 588)	(3 358)	(4 191)
23.2 Decrease/(increase) in working capital				
Decrease/(increase) in inventories and biological agricultural assets	(180)	(139)	–	–
Decrease/(increase) in trade and other receivables	(109)	(121)	(1)	(4)
Increase/(decrease) in trade and other payables	86	252	3	2
Net movement in derivative instruments	33	(33)	–	–
	(170)	(41)	2	(2)
23.3 Reconciliation of dividends received				
Receivable at the beginning of the year	–	129	–	–
Per income statement	156	410	3 358	4 191
Dividends from associated companies set off against investments	2 748	3 349	–	–
Receivable at the end of the year	(168)	–	–	–
Cash received	2 736	3 888	3 358	4 191
23.4 Reconciliation of taxation paid with the amount disclosed in the income statement				
Paid in advance at the beginning of the year	67	60	–	–
Unpaid at the beginning of the year	(473)	(69)	–	–
Per income statement	(360)	(854)	–	–
– normal income	(339)	(491)	–	–
– capital gain	–	(350)	–	–
– STC	(21)	(13)	–	–
Medi-Clinic	–	91	–	–
Business acquired	–	(3)	–	–
Unpaid at the end of the year	104	473	–	–
Paid in advance at the end of the year	(14)	(67)	–	–
Cash paid	(676)	(369)	–	–
23.5 Reconciliation of dividends paid				
Per statements of changes in equity	(3 748)	(4 525)	(3 782)	(4 860)
Paid by subsidiary companies to minority	(65)	(151)	–	–
Cash paid	(3 813)	(4 676)	(3 782)	(4 860)

	2007 R million	2006 R million
24. STAFF COSTS		
Salaries and wages	1 254	2 399
Share-based payments	20	18
Retirement benefits	1	9
Pension costs – defined contribution	79	111
Pension costs – defined benefit	(95)	4
Other post-retirement benefits	11	38
Other	36	24
	1 306	2 603

25. DIRECTORS' EMOLUMENTS

	<i>Executive</i> R'000	2007 <i>Non- executive</i> R'000	Total R'000	<i>Executive</i> R'000	2006 <i>Non- executive</i> R'000	Total R'000
Executive directors						
Fees	615		615	560		560
Salaries	11 472		11 472	9 843		9 843
Retirement fund contributions	2 411		2 411	2 183		2 183
Other benefits	1 238		1 238	1 236		1 236
Subtotal	15 736		15 736	13 822		13 822
Non-executive directors						
Independent		801	801		862	862
Non-independent		4 217	4 217		3 390	3 390
Total	15 736	5 018	20 754	13 822	4 252	18 074
Increase in value – Remgro Share Scheme*	5 607	–	5 607	58 153	4 151	62 304

* Refer note 26.1 on page 89.

	<i>Fees</i> R'000	2007 <i>Salaries and other</i> R'000	Total R'000	<i>Fees</i> R'000	2006 <i>Salaries and other</i> R'000	Total R'000
Paid by:						
The Company	801		801	862		862
Management company	492	8 735	9 227	1 008	16 204	17 212
Subsidiary company	553	10 173	10 726	–	–	–
	1 846	18 908	20 754	1 870	16 204	18 074

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

25. DIRECTORS' EMOLUMENTS (continued)

	Fees R'000	Salaries R'000	2007 Retire- ment fund R'000	Other benefits ⁽⁹⁾ R'000	Total R'000	Fees R'000	Salaries R'000	2006 Retire- ment fund R'000	Other benefits ⁽⁹⁾ R'000	Total R'000
Executive										
W E Bührmann	123	1 272	276	219	1 890	112	1 183	256	218	1 769
D M Falck	123	1 884	403	316	2 726	112	1 657	361	316	2 446
J A Preller	123	864	196	219	1 402	112	803	181	218	1 314
M H Visser ⁽¹⁾	123	6 224	1 268	265	7 880	112	5 084	1 142	266	6 604
T van Wyk	123	1 228	268	219	1 838	112	1 116	243	218	1 689
Subtotal	615	11 472	2 411	1 238	15 736	560	9 843	2 183	1 236	13 822
Non-executive (independent)										
G D de Jager ⁽²⁾	160				160	112				112
P K Harris	147				147	134				134
E Molobi ⁽³⁾	–				–	112				112
J F Mouton ⁽⁴⁾	99				99	168				168
D Prins	198				198	168				168
M Ramos (Miss) ⁽⁵⁾	–				–	–				–
F Robertson	197				197	168				168
Subtotal	801				801	862				862
Non-executive (non-independent)										
P E Beyers ^(6a)	123	645	155	100	1 023	112	369	93	37	611
J W Dreyer ^(6a)	123	1 328	287	100	1 838	112	567	135	50	864
E de la H Hertzog ^(6b)	123	916	183	73	1 295	112	859	170	72	1 213
J Malherbe ⁽⁷⁾	61	–	–	–	61	–	–	–	–	–
J P Rupert ⁽⁸⁾	–	–	–	–	–	112	420	115	55	702
Subtotal	430	2 889	625	273	4 217	448	2 215	513	214	3 390
Total	1 846	14 361	3 036	1 511	20 754	1 870	12 058	2 696	1 450	18 074

1. Mr M H Visser earns in addition to the above a director's fee of GBP75 000 (2006: GBP60 000) per annum from British American Tobacco Plc, an associated company.
2. Mr G D de Jager was a member of the Audit and Risk Committee as well as the Remuneration and Nomination Committee for six months.
3. Mr E Molobi passed away on 4 June 2006.
4. Mr J F Mouton retired as an independent non-executive director on 11 October 2006. He was a member of the Audit and Risk Committee as well as the Remuneration and Nomination Committee for six months.
5. Miss M Ramos was appointed as an independent non-executive director on 26 March 2007.
6. (a) For the 2006 financial year the amounts presented only amount to 50% of total remuneration as these personnel also served as directors of VenFin Limited.
(b) These amounts represent 33.3% of the total emoluments paid. The other 66.7% is recovered from Medi-Clinic for services as director of Medi-Clinic.
7. Mr J Malherbe was appointed as a non-executive director on 11 October 2006.
8. Mr J P Rupert receives no emoluments since 30 September 2005.
9. Benefits include medical aid contributions and vehicle benefits.

26. SHARE-BASED PAYMENTS

26.1 Remgro Share Scheme

The share-based payments that are accounted for in the financial statements are in respect of the Remgro Share Scheme (the "Scheme") and consist of ordinary shares in Remgro Limited that were offered to participants in terms of the Scheme. The offers are valid for one year from the offer date. The Scheme is a deferred purchase scheme and payment takes place in three equal instalments, the first of which is payable three years after the offer date. Participants have no rights to delivery, voting or ordinary dividends on shares before payment has been made. Participants may choose to pay on a later date, with the resultant deferment of rights. Payment relating to offers before 26 November 2004 must be settled within ten years, while offers thereafter must be settled before seven years have passed.

The valuation of the 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 a 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.

	2007 R' 000	2006 R'000
Fair value of offers made during the year	53 353	2 681
Share-based payment cost included in the income statement (in accordance with IFRS 2)	10 275	8 067
– Portion attributable to directors	6 651	5 657

Although the Group elected, in accordance with the transitional provisions of IFRS, to only apply IFRS 2 on transactions entered into after 7 November 2002 that had not vested at 1 January 2005, the following information relates to all offers to the participants of the Scheme.

Number of weighted average exercise prices of all share offers to participants of the Scheme:

	2007		2006	
	Number of shares	Rand	Number of shares	Rand
Previous financial years	3 093 691	59.24	4 375 782	54.26
Offered and accepted in current financial year	569 699	135.02	29 079	114.75
Shares paid for and delivered	(262 016)	49.52	(1 308 790)	43.80
Resignations and other	(4 380)	98.67	(2 380)	68.02
Total at 31 March	3 396 994	72.65	3 093 691	59.24
Exercisable at the end of the period	1 797 087	48.46	1 804 454	46.38

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

26. SHARE-BASED PAYMENTS (continued)

26.1 Remgro Share Scheme (continued)

Exercise price range of all offers:

	Number of shares outstanding at year-end	2007 Weighted average contract lifetime in years	Weighted average exercise price per share (Rand)	Number of shares outstanding at year-end	2006 Weighted average contract lifetime in years	Weighted average exercise price per share (Rand)
R40 – R60	1 464 972	3.57	44.98	1 677 301	4.58	45.07
R60 – R80	678 927	6.16	64.67	729 469	7.16	64.75
R80 – R100	656 615	5.13	86.82	658 205	6.14	86.81
R100 – R120	28 430	5.67	114.93	28 716	6.67	115.02
> R120	568 050	6.24	135.01	–	–	–

The following assumptions were used in the binomial model to value offers:

	2007	2006
Weighted average Remgro share price for the year (R)	150.20	116.98
Exercise price (R)	132.60 – 137.80	93.80 – 124.00
Average expected exercise period (years)	5 – 7	5 – 7
Price volatility (%)	20.05 – 20.18	19.9 – 21.3
Risk-free rate (%)	7.1 – 8.6	7.1 – 8.3
Expected dividend yield (%)	2.9 – 3.1	3.2 – 3.7

Current status – offers to directors

– ordinary shares

Participant	Balance of shares accepted as at 31 March 2006	Shares accepted during the year	Date of acceptance of shares	Offer price (Rand)	Number of shares paid and delivered	Date of payment and delivery of shares	Share price on date of payment and delivery (Rand)	Increase in value* (R'000)	Balance of shares accepted as at 31 March 2007
Executive									
W E Bührmann	97 872	7 303	26/06/06	87.86					97 872
				135.00					7 303
D M Falck	458 716			43.60					458 716
	104 917			63.00					104 917
	30 050	92 988	26/06/06	87.86					30 050
				135.00					92 988
J A Preller	24 466			43.60					24 466
	34 572			87.86					34 572
		30 167	26/06/06	135.00					30 167
M H Visser	278 979			63.00					278 979
	342 488			87.86					342 488
		172 681	26/06/06	135.00					172 681
T van Wyk	24 464			43.60	24 464	02/08/06	143.50	2 444.0	
	33 195			48.20	33 195	02/08/06	143.50	3 163.4	
	42 161			87.86					42 161
		41 598	26/06/06	135.00					41 598
Subtotal	1 471 880	344 737			57 659			5 607.4	1 758 958
Non-executive									
P E Beyers	191 130			43.60					191 130
J W Dreyer	191 130			43.60					191 130
J P Rupert	414 938			48.20					414 938
Subtotal	797 198								797 198
Total	2 269 078	344 737			57 659			5 607.4	2 556 156

* It refers to the increase in value of the scheme shares of the indicated participants from the offer date to the date of payment and delivery.

26. SHARE-BASED PAYMENTS (continued)

26.1 Remgro Share Scheme (continued)

Current status – offers to directors

– ordinary shares

Participant	Balance of shares accepted as at 31 March 2005	Shares accepted during the year	Date of acceptance of shares	Offer price (Rand)	Number of shares paid and delivered	Date of payment and delivery of shares	Share price on date of payment and delivery (Rand)	Increase in value* (R'000)	Balance of shares accepted as at 31 March 2006
Executive									
W E Bührmann	185 229			43.60	185 229	05/01/06	123.30	14 762.8	–
	97 872			87.86					97 872
D M Falck	458 716			43.60					458 716
	104 917			63.00					104 917
	30 050			87.86					30 050
J A Preller	73 394			43.60	48 928	27/03/06	133.39	4 393.2	24 466
	34 572			87.86					34 572
M H Visser	489 296			43.60	489 296	05/01/06	123.30	38 996.9	–
	278 979			63.00					278 979
	342 488			87.86					342 488
T van Wyk	33 195			48.20					33 195
	24 464			43.60					24 464
	42 161			87.86					42 161
Subtotal	2 195 333				723 453			58 152.9	1 471 880
Non-executive									
P E Beyers	191 130			43.60					191 130
J W Dreyer	191 130			43.60					191 130
E de la H Hertzog	57 339			43.60	57 339	13/12/05	116.00	4 151.3	–
J P Rupert	414 938			48.20					414 938
Subtotal	854 537				57 339			4 151.3	797 198
Total	3 049 870				780 792			62 304.2	2 269 078

* It refers to the increase in value of the scheme shares of the indicated participants from the offer date to the date of payment and delivery.

No shares were offered to the directors for the financial year to 31 March 2006.

26.2 Rainbow Share Scheme

Rainbow has an equity settled share 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 after the grant date. Subject to the discretion of the Rainbow Share Incentive Trust's trustees, options are forfeited if not exercised before termination of employment. An expense of R8.0 million (2006: R5.9 million) relating to this scheme was recognised in the income statement.

	2007 R million	2006 R million
27. COMMITMENTS		
Capital commitments	704	275
Uncompleted contracts for capital expenditure	106	173
Capital expenditure authorised but not yet contracted	253	102
Investment liabilities	345	–
Operating lease commitments	122	105
Due within one year	37	31
Due – two to five years	79	64
Due thereafter	6	10
	826	380

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

28. BORROWING POWERS

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

29. FINANCIAL INSTRUMENTS

29.1 Financial instruments and risk management

Various financial risks have an impact on the financial statements: Market risk (including price and foreign exchange risk), credit risk, liquidity risk and interest rate 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.

Financial instruments on the balance sheet include investments, loans receivable, debtors, cash, creditors, 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. Relevant financial risks and programmes that limit these risks are summarised as follows:

Market risk

Price risk

Exposure to share price risk is due to investments in listed and unlisted shares. "Investments available-for-sale" consists mainly of the investment in Impala Platinum Holdings Limited that is included at market value under "Investments – Other" in the balance sheet. The executive committee monitors all investments continuously and makes recommendations to the Board of Directors in this regard.

Price risk due to movements in commodity prices of certain key raw materials affects operating subsidiary companies in the sugar, aluminium and chicken industries. These risks are limited by using preferred supplier agreements and commodity option and futures contracts.

Foreign exchange risk

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

Net assets of investments in foreign operations are exposed to foreign exchange translation risk. The most prominent of these is the investment in Remgro Investments Limited, Jersey, that owns the stake in R&R. At year-end the carrying value of the investment in R&R was £1 188 million (2006: £1 159 million) and it also had cash amounting to £219 million (2006: £162 million) abroad.

Credit risk

At year-end no significant "Loans receivable" were outstanding. 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.

Derivative instrument and cash transactions are limited to financial institutions with good credit ratings. The treasury committee approves these institutions and determines limits for credit exposure in each entity.

Liquidity risk

The Company and its subsidiary companies have substantial cash balances at their disposal and minimum long-term debt that limit their liquidity risk. Nevertheless it is ensured that adequate credit facilities are available to maintain flexibility in the funding of transactions.

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 11.

The Company and its subsidiary companies are also exposed to interest rate risk due to long-term debt. The interest profile of the liabilities is disclosed in note 15.

29. FINANCIAL INSTRUMENTS (continued)

29.2 The following material derivative instruments existed at 31 March:

Assets	2007			2006		
	Currency value million	Forward value R million	Fair value R million	Currency value million	Forward value R million	Fair value R million
<i>Foreign exchange contracts</i>						
Buy: USA dollar (USD)	1.3	8.7	2.6	12.0	74.2	1.6
Sell: USA dollar (USD)	20.5	154.4	3.1	7.3	46.9	1.2
			5.7			2.8
<i>Other derivative instruments</i>						
Sugar selling contracts			9.7			24.7
Maize option contracts			0.3			1.6
Maize purchase contracts			–			16.6
			10.0			42.9
			15.7			45.7
Liabilities						
<i>Foreign exchange contracts</i>						
Buy: British pound (GBP)	–	–	–	0.8	8.7	0.3
USA dollar (USD)	–	–	–	1.7	10.6	0.3
Other	0.1	0.8	–	9.2	3.8	0.2
Sell: USA dollar (USD)	3.7	27.7	0.4	12.3	75.5	1.1
			0.4			1.9
<i>Other derivative instruments</i>						
Sugar selling contracts			9.3			26.6
Maize option contracts			16.9			–
			26.2			26.6
			26.6			28.5

29.3 Fair value

On 31 March 2007 and 2006 the fair value of financial instruments approximates their carrying value.

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

Financial instruments available-for-sale: Fair value is based on available market information or, in the case of unlisted instruments, appropriate valuation methodologies.

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 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 fair value.

Derivative instruments: The fair value of derivative instruments is determined by using mark-to-market valuations.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

	2007 R million	2006 R million
30. GUARANTEES AND CONTINGENT LIABILITIES		
30.1 Guarantees		
Guarantees by subsidiary companies	4	6
30.2 Contingent liabilities		
Legal actions pending	4	2
Contract grower guarantees*	53	35
Other	19	26
	76	63

* Certain subsidiary companies have contingencies relating to certain contract grower arrangements. It is not anticipated that any material liabilities will arise from these contingencies.

31. RELATED PARTY INFORMATION

Subsidiaries

Details of income from and investments in subsidiary companies are disclosed in note 20 and in Annexure A respectively.

Associated companies

Details of investments in and income from associated companies are disclosed in notes 6 and 22 respectively, as well as in Annexures B and C.

Key management personnel

Only Remgro's directors are key management personnel. Information on directors' emoluments and their shareholding in the Company appears in notes 25 and 26 as well as in the Report of the Board of Directors.

Shareholders

Details of the principal shareholder appear in the Report of the Board of Directors. A detailed analysis of shareholders appears on pages 103 and 104 of the Annual Report.

Other

Certain contractually agreed upon, supporting and other services are rendered to VenFin Limited. Refer to note 19.

Related party transactions

	2007 R million	2006 R million
CONSOLIDATED		
Transactions of Remgro Limited and its subsidiary companies with:		
<i>Controlling shareholder</i>		
Dividends paid	277	331
<i>Associates</i>		
Interest received	35	67
Dividends received	2 748	3 348
Sales	12	–
Administration fees	12	–
Purchases	200	107
Interest paid	–	1
Other expenses	1	2
<i>Key management personnel</i>		
Salaries and other benefits	18	15
Retirement benefits	3	3
Share-based payments	7	6

	2007 R million	2006 R million
31. RELATED PARTY INFORMATION (continued)		
CONSOLIDATED (continued)		
Transactions of Remgro Limited and its subsidiary companies with (continued):		
<i>Other</i>		
Fees received from VenFin Limited	21	–
Balances due from/(to) related parties		
Associated companies	(13)	(49)
THE COMPANY		
Transactions of Remgro Limited with:		
<i>Subsidiary companies</i>		
Dividends received	3 358	4 191
Administration fees received	4	4
Share capital reacquired	–	(4 535)
Balances due from/(to) related parties		
Subsidiary companies	2 366	2 790

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

2007
R million

32. BUSINESSES ACQUIRED

During the year under review, a subsidiary company in the Group acquired a business. The assets and liabilities arising from this acquisition were as follows:

Net assets acquired	4
Goodwill (note 5)	7
Cash paid	11
Cash acquired from business	3
Net cash flow on acquisition of business	14

The business was acquired on 1 April 2006 and the revenue and net profit included in the results of the Group, amount to R38 million and R2 million respectively.