

STATEMENT OF RESPONSIBILITY

BY THE BOARD OF DIRECTORS

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

The annual financial statements are prepared, in accordance with International Financial Reporting Standards (IFRS) and the requirements of the South African Companies Act, on the going concern basis and incorporate full and responsible disclosure. The annual financial statements are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates.

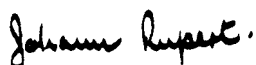
The directors are satisfied that the information contained in the financial statements fairly represents the results of operations for the year and the financial position of the Group at year-end. The accuracy of the other information included in the Annual Report was considered by the directors and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

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

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

The financial statements were audited by the independent auditor, PricewaterhouseCoopers Inc., to whom unrestricted access was given to all financial records and related information. The directors are further of the opinion that all statements that were made to the auditor during the course of the audit were valid and relevant. The auditor's report is presented on page 50.

Signed on behalf of the Board of Directors.



Johann Rupert
Chairman

Stellenbosch
18 June 2008



Thys Visser
Chief Executive Officer

STATEMENT BY THE COMPANY SECRETARY

I, Mariza Lubbe, being the Company Secretary of Remgro Limited, hereby certify that all returns required of a public company have, in respect of the year under review, been lodged with the Registrar of Companies and that all such returns are true, correct and up to date.



Mariza Lubbe
Secretary

Stellenbosch
18 June 2008

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF REMGRO LIMITED

We have audited the annual financial statements and group annual financial statements of Remgro Limited, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 31 March 2008, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 51 to 113.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company and of the Group as of 31 March 2008, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

PriceWaterhouseCoopers Inc.

PRICEWATERHOUSECOOPERS 

Director: N H Döman

Registered Auditor

Cape Town
18 June 2008

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2008

Dear Shareholder

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

NATURE OF ACTIVITIES

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

The Group's interests consist mainly of investments in tobacco products, banking and financial services, printing and packaging, motor components, glass products, medical services, mining, petroleum products, food, wine and spirits and various other trade mark products.

RESULTS

Year ended 31 March:	2008	2007
Headline earnings – Excluding non-recurring portion of BEE costs (R million)	8 028	6 892
– per share (cents)	1 700.7	1 453.6
– diluted (cents)	1 656.8	1 409.2
<hr/>		
Headline earnings (R million)	7 991	6 892
– per share (cents)	1 692.8	1 453.6
– diluted (cents)	1 649.0	1 409.2
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Earnings – net profit for the year (R million)	9 893	6 942
– per share (cents)	2 095.7	1 464.2
– diluted (cents)	2 048.9	1 418.5
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Dividends (R million)*	2 471	2 102
– ordinary – per share (cents)	510.00	434.00

* A final dividend of 330 cents (2007: 281 cents) per share was declared after the year-end and was therefore not provided for in the annual financial statements. No STC is payable on these dividends.

INVESTMENTS

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

RAINBOW CHICKEN LIMITED (RAINBOW)

Offer to minority shareholders of Rainbow

During March 2007 Remgro made an offer to buy out the minority shareholding of Rainbow for a cash consideration of R16.00 per Rainbow share or 9 Remgro ordinary shares for every 100 shares held in Rainbow, or a combination of the aforementioned. On 5 June 2007 the majority of Rainbow's shareholders voted against the scheme of arrangement.

An alternative offer, consisting of a cash consideration of R16.00 per Rainbow share or 8.1 Remgro ordinary shares for every 100 shares held in Rainbow, or a combination thereof, became effective on 6 June 2007.

In terms of the abovementioned offer, Remgro acquired 30 236 876 Rainbow shares. Of this number of shares 27 749 336 were acquired for a cash consideration of R16.00 per Rainbow share for a total amount of R448.6 million, while 2 487 540 Rainbow shares were acquired through the issue of 201 399 Remgro shares, issued at an average price of R186.10 per Remgro share.

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2008

RAINBOW *(continued)*

Offer to minority shareholders of Rainbow *(continued)*

During the year under review Remgro acquired 10 699 024 Rainbow shares in the open market at R16.00 per share for a total amount of R171.9 million. On 31 March 2008, Remgro's effective interest in Rainbow was 74.0% (31 March 2007: 61.4%).

Broad-based black economic empowerment (BEE) initiative

On 18 March 2008 Rainbow shareholders approved a proposal to introduce a strategic BEE shareholding into the company. Rainbow will issue 51 177 217 Rainbow shares (the BEE shares) at R17.89 per share to a BEE consortium (BEECo). BEECo will be owned by the BEE partners and the shares issued to BEECo will represent 15% of the entire issued share capital of Rainbow.

The BEE shares will be issued during June 2008, after the payment of the final dividend to existing Rainbow shareholders. For accounting purposes the effective date of the transaction is 18 March 2008, i.e. the date on which Rainbow shareholders approved the transaction. The purchase price of the BEE shares will be settled by BEECo by issuing redeemable preference shares in BEECo to Rainbow.

For accounting purposes the terms of the issue of the BEE shares and funding thereof are deemed to constitute an option in Rainbow shares granted to BEECo, and accordingly the issue of the BEE shares and the subscription by Rainbow of the BEECo preference shares, are not recognised for accounting purposes. The BEE transaction will accordingly not affect Remgro's effective shareholding in Rainbow until the redemption of the BEE preference shares, referred to above, takes place.

PG GROUP OF COMPANIES (PGSI)

With effect from 31 July 2007 Remgro acquired a 24.5% interest, on a fully diluted basis, in PGSI for R719.5 million, including transaction costs. PGSI is the foreign holding company of the Plate Glass group. For the year ended 31 March 2008 PGSI, which has a December year-end, has been equity accounted for the five months to December 2007. In future PGSI will be equity accounted for the twelve-month period ending December each year.

Tsb Sugar Holdings (Pty) Limited (Tsb Sugar)

Land claims

Effective 1 April 2007 Tsb Sugar concluded the Tenbosch land claim whereby it disposed of 4 800 hectares (ha) of irrigated sugarcane agricultural land in the Nkomazi region to land claimants in terms of a land reform transaction for an amount of R285 million. The transaction constituted the first phase of Tsb Sugar's land reform process.

The second phase of Tsb Sugar's land reform transactions is currently in progress and consists of the remaining claimed land, situated mainly in the Malelane area. This phase will comprise the sale of 3 162 ha under sugarcane and 71 ha under litchis, all of which is irrigated, as well as 2 599 ha that is not under irrigation. This transaction is expected to be completed early in the next financial year.

Resource Energy BV (RE)

During the year under review Tsb Sugar, Compagnie Industriali Riunite of Italy and VenFin Limited, established RE. Tsb Sugar acquired a 25% interest in RE for a total amount of R8.6 million, with additional investments to be made on a project-by-project basis.

RE is involved in renewable energy through the acquisition, development and integration of biofuel production facilities, with its initial focus on the production of ethanol from sugarcane.

Unilever South Africa Holdings (Pty) Limited (Unilever South Africa)

Until October 2007 Remgro held a 41% interest in Unilever Bestfoods Robertsons (Holdings) Limited L.L.C. (UBR), which in turn owned 100% of the Unilever South Africa Foods (SA Foods) and Unilever Israel Foods businesses. The UBR venture had no interest in the Unilever South Africa Home and Personal Care (SA HPC) businesses.

Globally, Unilever simplified its organisational structure which, inter alia, entailed the merging of the SA Foods and SA HPC businesses into a single leadership and operating framework under the "One Unilever" programme.

During October 2007 Remgro and Unilever agreed that Remgro would divest from its 41% interest in UBR in exchange for a 25.75% interest in the total South African Unilever business, consisting of the combined SA Foods and SA HPC businesses. An after-tax capital gain of R1 167 million was realised on this transaction.

MEDI-CLINIC CORPORATION LIMITED (MEDI-CLINIC)

Effective 26 October 2007 Medi-Clinic finalised the acquisition of Hirslanden Finanz AG (Hirslanden) for an amount of CHF2 556 million. Hirslanden is the holding company of the largest private hospital group in Switzerland. Medi-Clinic financed the purchase consideration through interest-bearing debt as well as a rights offer amounting to R4 500 million.

In terms of the rights offer Medi-Clinic issued 198 675 497 shares at an issue price of R22.65 per share. Remgro followed its rights in terms of the rights offer and took up 86 217 868 Medi-Clinic shares amounting to R1 952.8 million. On 31 March 2008 Remgro's effective interest in Medi-Clinic was 45.9% (31 March 2007: 47.6%).

FIRSTRAND LIMITED (FIRSTRAND) AND RMB HOLDINGS LIMITED (RMBH)

On 7 November 2007 FirstRand shareholders approved the proposed unbundling of its shareholding in Discovery Holdings Limited (Discovery). In terms of this transaction, FirstRand distributed its Discovery shareholding to its shareholders on 26 November 2007 in the ratio of 5.61343 Discovery shares for every 100 FirstRand shares.

In terms of a separate agreement with Remgro, RMBH agreed to acquire the 27 008 590 Discovery shares received by Remgro pursuant to the unbundling described above, by issuing 21 302 886 RMBH shares at R33.94 per share for a total amount of R723 million. Remgro realised an after-tax capital gain of R403 million on this transaction.

During the year under review, Remgro also acquired 30 000 RMBH shares in the open market at R33.49 per share for a total amount of R1.0 million. Following these transactions, Remgro's interest in RMBH is 25.0% (31 March 2007: 23.7%).

KAGISO TRUST INVESTMENTS (PTY) LIMITED (KTI) AND THE KAGISO INFRASTRUCTURE EMPOWERMENT FUND (KIEF)

During the 2007 financial year, Remgro entered into agreements with KTI and KIEF, in terms of which it committed funds amounting to R350 million to KIEF. The fund has a target size of R650 million and aims to invest in infrastructure projects, including roads, airports, power and telecommunication installations, railway systems, ports, water and social infrastructure. By 31 March 2007, Remgro invested R4.7 million of the R350.0 million committed. During the year under review Remgro invested a further R45.7 million in KIEF.

BUSINESS PARTNERS LIMITED (BUSINESS PARTNERS)

During the year under review Remgro acquired a further 437 330 Business Partners shares for a total amount of R2.5 million. On 31 March 2008, Remgro's interest in Business Partners was 20.2% (31 March 2007: 20.0%) on a fully diluted basis.

XIOCOM WIRELESS, INC. (XIOCOM)

During the year under review Remgro acquired a 37.5% interest, on a fully diluted basis, in Xicom, a newly established USA company that specialises in the deployment and operation of wireless broadband networks. Remgro has conditionally committed funds amounting to \$50.0 million to Xicom. By 31 March 2008, \$11 million of the \$50.0 million, was invested.

For the year under review, Xicom was equity accounted for the eight months to 31 March 2008.

REPURCHASE OF REMGRO SHARES

At 31 March 2008, 8 554 019 Remgro ordinary shares (1.9%) were held as treasury shares (31 March 2007: 8 554 019 shares). No shares were repurchased by the Company or any wholly owned subsidiary company during the year under review.

The Remgro Share Trust purchased 150 566 Remgro ordinary shares during the year under review at an average price of R189.19 for a total amount of R28.5 million, while 126 383 shares were delivered to participants against payment of the purchase price.

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2008

CASH RESOURCES AND APPLICATION

The Company's cash resources at 31 March 2008 were as follows:

	Local R million	Offshore R million	Total R million
Per consolidated balance sheet	1 280	2 654	3 934
Less: Cash of other operating subsidiaries	(661)	–	(661)
Cash at the centre	619	2 654	3 273
Attributable share of R&R's cash	–	2 433	2 433
Available cash	619	5 087	5 706

On 31 March 2008, £309 million (R4 953 million) of the available offshore cash was invested in United Kingdom Treasury Bills.

The final ordinary dividend per share has been increased by 17.4% to 330 cents. Total ordinary dividends per share in respect of the financial year to 31 March 2008 have therefore increased by 17.5% from 434 cents to 510 cents.

The total distribution to shareholders in respect of the financial year is as follows:

	2008 R million	2007 R million
(Based on total issued shares at time of payment)		
Ordinary		
– Interim	872	741
– Final	1 599	1 361
Total	2 471	2 102

GROUP FINANCIAL REVIEW

CHANGES IN ACCOUNTING POLICY

Restatement of comparative figures in respect of joint ventures

In terms of IAS 31: *Interests in Joint Ventures*, such entities can be accounted for by using proportionate consolidation or alternatively by applying the equity method. Previously the Group proportionately consolidated its interests in jointly controlled ventures and thereby accounted for its share of each of the assets, liabilities, income and expenses of the jointly controlled ventures on a line-by-line basis in its financial statements.

With effect from 1 April 2007 the Group changed its accounting policy for the accounting treatment of jointly controlled ventures from proportionate consolidation to the equity method, as it only has an interest in the outcome generated by the activities of these ventures and not any rights to the individual assets or contractual obligations for expenses or financing of these entities. The change in accounting policy will thus result in more appropriate presentation of investments in joint ventures. This change in accounting policy had no effect on Remgro's net asset value, earnings or headline earnings for the comparative year. Certain line items in the comparative balance sheet and income statement have been restated accordingly. The effect thereof was immaterial.

Restatement of comparative balance sheet as a result of abovementioned prior year adjustment:

	31 March 2007 R million
Decrease in property, plant and equipment	(1)
Increase in investments in joint ventures	8
Decrease in loans granted	(3)
Decrease in current assets	(6)
Decrease in current liabilities	2

OTHER ADJUSTMENTS

Restatement of comparative figures in respect of associated companies

During July 2007 the South African Institute of Chartered Accountants issued a new accounting guideline on headline earnings, i.e. Circular 08/07. The effective date of this circular is for all financial periods ending on or after 31 August 2007. The circular requires comparative headline earnings to be restated in accordance with the new prescribed formula if needed. Previously headline earnings was calculated in terms of Circular 07/02.

On 26 November 2007 Remgro published its interim results for the six months ended 30 September 2007. Attention was drawn to the fact that at that stage certain associated companies were not in a position to provide Remgro with the necessary information in order to restate its headline earnings for the comparative periods. This related to associated companies that implemented Circular 08/07 in later financial periods, for example FirstRand Limited and RMB Holdings Limited in respect of their interim reporting to 31 December 2007.

The JSE granted Remgro exemption from complying with Circular 08/07 in respect of listed associated companies that had not yet published their restated headline earnings prior to Remgro releasing its interim results for the six months ended 30 September 2007. The results of those companies included in Remgro's interim report for the six months ended 30 September 2007 were based on their results prepared in terms of Circular 07/02.

The companies mentioned above have subsequently announced their restated results in terms of Circular 08/07 and Remgro has consequently restated its reported results for the six months ended 30 September 2006 and 30 September 2007 respectively, as well as for the year ended 31 March 2007.

Restatement of headline earnings as a result of the above-mentioned adjustment:

	Year ended 31 March 2007 R million	Six months ended 30 September 2007 R million	2006 R million
Income statement			
Headline earnings as previously reported	6 853	4 016	3 232
Restatement of comparative figures in respect of associated companies	39	15	(13)
Restated headline earnings	6 892	4 031	3 219
Headline earnings per share as previously reported (cents)	1 445.4	851.0	678.1
Restated headline earnings per share (cents)	1 453.6	854.2	675.3

Attention is drawn to the fact that the results for the six months ended 30 September 2007 and 2006 are unaudited.

COMPARISON WITH PRIOR YEAR

With effect from 31 March 2007 Business Partners Limited (Business Partners) was reclassified as an investment in an associated company, while previously it was accounted for under "Investments – Other".

For the year under review Business Partners was thus accounted for according to the equity method, while only dividend income was previously accounted for. Certain income statement items are therefore not directly comparable with those of the prior year.

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2008

BALANCE SHEET

The analysis of "Equity" and of "Source of headline earnings" below reflects the divisions into which the interests have been classified. Each division represents the main business sector of the investments classified under it. No adjustment has been made where companies are active mainly in one sector but also have interests in other sectors.

	2008		2007	
	R million	R per share	R million	R per share
<i>Equity employed</i>				
Attributable to equity holders	57 227	121.11	45 672	96.69
<i>Employment of equity</i>				
Tobacco interests	21 891	46.33	20 124	42.60
Financial services	10 559	22.34	8 593	18.19
Industrial interests	15 182	32.14	9 546	20.21
Mining interests	7 619	16.12	5 677	12.02
Corporate finance and other interests	1 976	4.18	1 732	3.67
	57 227	121.11	45 672	96.69

INCOME STATEMENT

	2008		2007	
	R million	%	R million	%
<i>Source of headline earnings</i>				
Tobacco interests	3 579	45	2 964	43
Financial services	2 120	26	1 568	23
Industrial interests	1 895	24	1 924	28
Mining interests	264	3	155	2
Corporate finance and other interests	133	2	281	4
	7 991	100	6 892	100

	2008	2007
	R million	R million
<i>Composition of headline earnings</i>		
Subsidiary companies	910	888
Profits	933	900
Losses	(23)	(12)
Associated companies and joint ventures	7 081	6 004
Profits	7 148	6 004
Losses	(67)	–
	7 991	6 892

COMPANY NET PROFIT AND APPROPRIATION

	2008	2007
	R million	R million
The Company's own distributable reserves at the beginning of the year amounted to	2 353	2 779
Net profit for the year	2 135	3 356
Dividend No 14 of 281.00c per share paid in August 2007 (August 2006: 228.00c)	(1 361)	(1 104)
Special dividend of 400.00c per share paid in August 2006	–	(1 937)
Dividend No 15 of 180.00c per share paid in January 2008 (January 2007: 153.00c)	(872)	(741)
The Company's own distributable reserves carried forward to the following year amounted to	2 255	2 353

SHARE SCHEME

During the year the trustees of the Remgro Share Scheme offered ordinary shares to participants as follows:

Date	Offer price (Rand)	Number of shares offered	Number of shares accepted as at 31 March 2008
20/06/2007	186.70	133 461	130 631
02/07/2007	187.50	278	278
01/08/2007	179.75	330	330
02/08/2007	176.85	13 856	13 856
14/08/2007	177.00	467	467
		148 392	145 562

The current position of the Remgro Share Scheme is as follows:

	Average offer price (Rand)	Number of shares
Ordinary shares due to participants		
Previous financial year	72.65	3 396 994
Offered and accepted in current financial year	185.69	145 562
Shares paid for and delivered	56.50	(126 383)
Resignations and other	117.70	(4 250)
Total at 31 March 2008	78.01	3 411 923

Refer to note 24 to the annual financial statements for full details on the Remgro Share Scheme.

PRINCIPAL SHAREHOLDER

Rembrandt Trust (Pty) Limited (Rembrandt Trust) holds all the issued unlisted B ordinary shares of the Company and is entitled to 44.83% (2007: 44.84%) of the total votes.

An analysis of the shareholders appears on pages 115 and 116.

SUBSIDIARY COMPANIES AND INVESTMENTS

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

DIRECTORS

The names of the directors appear on pages 10 and 11.

Mr D M Falck retired as financial director on 18 June 2008. Mr L Crouse was appointed as financial director on 18 June 2008.

In terms of the provision of the Articles of Association, Messrs L Crouse, G D de Jager, J W Dreyer, F Robertson, T van Wyk, Dr E de la H Hertzog and Mrs J A Preller retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

DIRECTORS' INTERESTS

At 31 March 2008 the aggregate of the direct and indirect interests of the directors and their associates in the issued ordinary share capital of the Company amounted to 0.86% (2007: 0.86%).

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

An analysis of directors' interests in the issued capital of the Company appears on page 117.

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2008

DIRECTORS' EMOLUMENTS

The Board recommends that directors' fees for services rendered as directors during the past financial year be fixed at R2 525 000 (2007: R1 846 000) in total.

ACQUISITION OF SHARES OF THE COMPANY

It is recommended that a general authority be granted to the Board to acquire, should circumstances warrant it, the Company's own shares and to approve the acquisition of shares in the Company by any of its subsidiaries, subject to the provisions of the Companies Act (No. 61 of 1973), as amended ("Companies Act"), and the Listings Requirements of the JSE Limited ("Listings Requirements"). It is further recommended that a general authority be granted to the Board to enable the Board to, subject to the provisions of the Companies Act and the Listings Requirements, enter into derivative transactions which may or will lead to the Company being required to purchase its own shares.

Special resolutions to grant this general authority are incorporated in the notice of the annual general meeting that appears on page 118.

SPECIAL RESOLUTIONS

No special resolutions have been passed by the Company's major subsidiaries, the nature of which might be significant in respect of the state of affairs of the Group.

GROUP RESTRUCTURING

During November 2007, Remgro announced that it was considering a restructuring of the Group to split its tobacco assets from its other assets.

All cautionary and other announcements relating to the intended restructuring are available on Remgro's website at www.remgro.com.

DECLARATION OF CASH DIVIDEND

DECLARATION OF DIVIDEND NO 16

A final dividend of 330 cents (2007: 281 cents) per share was declared in respect of both the ordinary shares of one cent each and the unlisted B ordinary shares of ten cents each, for the financial year ended 31 March 2008.

PAYMENT

The final dividend is payable on Monday, 18 August 2008, to shareholders of the Company registered at the close of business on Friday, 15 August 2008.

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 11 August 2008, and Friday, 15 August 2008, both days inclusive.

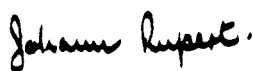
SECRETARY

The name and address of the Company Secretary appears on page 114.

APPROVAL

The annual financial statements set out on pages 51 to 113 have been approved by the Board.

Signed on behalf of the Board of Directors.



Johann Rupert
Chairman



Thys Visser
Chief Executive Officer

Stellenbosch
18 June 2008

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

The annual financial statements are prepared on the historical cost basis, unless otherwise indicated, in accordance with International Financial Reporting Standards (IFRS), the requirements of the Companies Act (No. 61 of 1973), as amended, and the Listings Requirements of the JSE Limited.

These financial statements incorporate accounting policies that have been consistently applied to both years presented, with the exception of the implementation of *IFRS 7: Financial Instruments – Disclosure*, the amendment to *IAS 1: Presentation of Financial Statements* and the change in the accounting treatment of joint ventures. The implementation of IFRS 7 and the amendment to IAS 1 relating to objectives, policies and processes for managing capital had no impact on the results of either the current or prior years, but necessitated additional disclosure. Refer to the Report of the Board of Directors for detail on the change in the accounting treatment of joint ventures.

During the year various other new accounting standards, interpretations and amendments to IFRS became effective. The adoption of these new accounting standards, interpretations and amendments to IFRS had no impact on the results of either the current or prior years.

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

The most critical judgement exercised relates to the classification of investments as *associated companies* rather than investments *available-for-sale*. There are some investments over which Remgro is believed to have significant influence although it has an interest of less than 20% in these companies. However, as Remgro has board representation and is one of the major shareholders of these companies, its influence over their financial and operating policies is significant. Those investments are accordingly accounted for as associated companies using the equity method. The fair value of associated companies is set out in note 6 to the annual financial statements.

A further significant estimate relates to the Group's accounting policy in terms of which deferred taxation is provided for on all temporary differences between the carrying value and the tax base of investments. This tax is measured at the estimated tax consequences based on the manner in which the entity, at the balance sheet date, expects to recover the carrying value of the various investments. The carrying value 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 the rate at which capital gains are taxed, as there is a possibility that these investments will be realised in the medium term.

Other estimates and assumptions relate to the determination of the useful lives of assets, impairment of goodwill, the valuation of unlisted investments, the provision of deferred taxation for the Company's unutilised STC (secondary taxation on companies) credits and the assumptions used in calculating retirement benefit obligations and share-based payments. Details of these estimates and assumptions are set out in the relevant notes to the annual financial statements.

The composition of the Group's net profit is relevant for a proper understanding of its financial results. Due to the nature of the Group's operations a significant portion of its net profit results from associated companies and joint ventures. Consequently, additional information relating to the Group's share of the after-tax profit of associated companies and joint ventures is disclosed separately on the face of the income statement.

In order to promote comparability, equity accounted income from associated companies and joint ventures, which is presented on an after-tax basis, is disclosed after the tax line on the income statement.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

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

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

(i) CONSOLIDATION AND EQUITY ACCOUNTING

Consolidation – subsidiary companies

All entities in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has the power to exercise control over the operations, are included in the consolidated financial statements in the accepted manner. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination, irrespective of the extent of minority interests, are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is accounted for directly in the income statement. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The results of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from or to the date on which effective control was acquired or ceased.

Intergroup transactions, balances and unrealised gains are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The accounting policies of subsidiaries conform to the policies adopted by the Group. Accounting policies between various industries have been aligned to the extent that it is material and appropriate for the specific industry.

Special purpose entities are consolidated when the substance of the relationship between the Group and the special purpose entity indicates that the Group effectively controls the entity.

The Group applies a policy of treating transactions with minority shareholders as transactions with equity owners of the Group. For purchases of minority interests, the difference between the consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. When interests in subsidiaries are sold to minority shareholders, any difference between the consideration received and the interest of the minority shareholder in the carrying value of the subsidiary’s net assets are also accounted for in equity.

Consolidation – The Remgro Share Trust

The Remgro Share Trust has been consolidated as it is effectively controlled by the Company.

Equity accounting – joint ventures

All jointly controlled ventures are accounted for according to the equity method as with associated companies.

Equity accounting – associated companies

Entities that are neither subsidiaries nor joint ventures, but in which a long-term interest is held and over whose financial and operating policies a significant influence can be exercised, are accounted for according to the equity method as

associated companies. The results of associated companies, acquired or disposed of, are included in the consolidated income statement from the date on which effective significant influence begins or until it ceases. Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's share of retained income is transferred to non-distributable reserves. The Group's share of other movements in the reserves of associated companies is accounted for as changes in consolidated non-distributable reserves. The carrying value of the Group's associated companies includes goodwill identified at acquisition. When the Group's share of losses in an associated company equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

Dilutionary and anti-dilutionary effects of equity transactions by associated companies that Remgro is not party to, are accounted for directly against reserves.

Certain associated companies have year-ends that differ from that of the Company. In such circumstances the results of listed and certain unlisted companies are accounted for from the latest published information and management accounts as at year-end, respectively. The accounting policies of associated companies have been changed where necessary to align them to those of Remgro and its subsidiaries to the extent that it is material and appropriate for the specific industry in which the associate operates.

Separate financial statements

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

(ii) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Land and buildings, machinery, equipment, office equipment and vehicles – are stated at historical cost less accumulated depreciation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

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

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

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

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

(III) BIOLOGICAL AGRICULTURAL ASSETS

The fair value of the biological agricultural assets is determined on the following basis:

Sugarcane – Roots are valued at the current establishment and replacement cost and the value is proportionally reduced over the estimated useful life of the roots. Standing cane is valued at its best-estimated recoverable value less harvesting, transport, agricultural levies and other over-the-weighbridge costs.

Citrus – Orchards are valued at the current establishment and replacement cost adjusted for maturity levels and the value is proportionally reduced over the estimated useful life of the orchards. Citrus fruit is valued at the best-estimated recoverable values less harvesting, transport and agricultural levies.

Bananas – Bananas are valued at the current establishment costs and the value is proportionally reduced over the expected life of banana trees.

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

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

Sugarcane, citrus and bananas are reported in the balance sheet as non-current assets, while breeding stock is reported as current assets.

(IV) INVESTMENT PROPERTIES

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

Investment properties are valued by external independent professional valuers every third year.

(V) INTANGIBLE ASSETS

Goodwill – On the acquisition of an investment, fair values at the date of acquisition are attributed to the identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is the difference between the cost of the investments and the fair value of attributable net assets of the subsidiaries, joint ventures and associated companies at the acquisition dates. Goodwill is reported in the balance sheet as non-current assets and is carried at cost less accumulated impairment losses.

Goodwill attributable to associated companies and joint ventures is included in the carrying value of these companies.

Trade marks – The cost of developing and establishing trade marks is expensed as incurred. Consequently, the value thereof is not reflected in the annual financial statements. The cost of purchased trade marks is written off on a straight-line basis over their expected useful lives.

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

Trade marks and capitalised development costs with infinite lives are not amortised.

(vi) **FINANCIAL INSTRUMENTS**

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

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

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

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

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

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

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

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

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

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

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

There are Group companies that are parties to derivative financial instruments that reduce exposure to financial risks. These instruments mainly comprise forward contracts. Certain Group companies apply hedge accounting. Gains and losses arising from cash flow hedges are recognised directly in equity, while those arising from fair value hedges are recognised in the income statement in the period in which they arise. Group companies that do not apply hedge accounting, recognise changes in the fair value of these and other derivative instruments in the income statement in the period in which they arise.

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

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

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

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

(VIII) INVENTORIES

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

(ix) TAXATION

Current taxation is provided by using current rates in terms of applicable tax laws.

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

Secondary taxation on companies is provided for in respect of dividend payments, net of dividends received or receivable and is recognised as a taxation charge for the year.

(x) FOREIGN CURRENCIES

Functional and presentation currency

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

Transactions and balances

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

Group entities

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

- ✦ Assets and liabilities are translated at the closing rate on the balance sheet date.
- ✦ Income and expenses for each income statement are translated at average exchange rates for the year, to the extent that such average rates approximate actual rates.
- ✦ All resulting exchange differences are recognised directly in equity.

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

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

(XI) IMPAIRMENT OF ASSETS

Goodwill and intangible assets with indefinite lives

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

Other assets

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

✦ **Impairment – subsidiaries, joint ventures and associates**

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

✦ **Investment property, property, plant and equipment and intangible assets with finite useful lives**

Where these assets are identified as being impaired, that is when the recoverable amount has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. Such written-off amounts are accounted for in the income statement.

✦ **Financial instruments carried at amortised cost**

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

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

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

✦ **Financial assets carried at fair value**

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

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

(XII) PROVISIONS

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

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

(XIII) EMPLOYEE BENEFITS

Post-retirement benefits

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

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

Past-service costs are immediately expensed, unless the changes to the pension plan are conditional on the employees remaining in service for a specified vesting period, in which case the past-service costs are amortised on a straight-line basis over the vesting period.

The net surplus or deficit of the benefit obligation is the difference between the present value of the funded obligations and the fair value of the plan assets. If the cumulated unrecognised actuarial gains and losses at the end of the previous reporting period exceed the greater of ten percent of the defined benefit obligation or defined benefit plan's assets, that excess is recognised in future periods over the expected average remaining working lives of the participating employees.

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

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

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

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

Equity compensation plans

The Remgro Group operates various equity settled share-based compensation plans. All share offers granted after 7 November 2002 that have not vested by 1 January 2005 are accounted for as share-based payment transactions. The fair value of share offers is determined on the grant date and is accounted for as an employee services expense over the vesting period of the offer, with a corresponding increase in equity, based on the Group's estimate of the number of shares that will eventually vest. Fair value is determined using a binomial model. The expected contract life used in the model has been adjusted based on management's best estimate of the effects of non-transferability, exercise restrictions and behavioural considerations.

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

Short-term benefits

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

(xiv) CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, treasury bills, deposits held at call with banks, and investments in money market instruments, net of bank overdrafts. In the balance sheet, bank overdrafts are included in short-term interest-bearing loans.

(xv) REVENUE RECOGNITION

The sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred. Revenue arising from services is recognised when the service is rendered. Sales comprise the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities and are disclosed net of value added tax, returns, rebates and discounts.

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

(xvi) SHARE CAPITAL

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

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

(xvii) CURRENT/NON-CURRENT DISTINCTION

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

(xviii) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 31 March 2008, but not yet effective on that date. The standards that are applicable to the Group, but that were not implemented early, are the following:

• **IFRS 8: Operating Segments**

(effective date – financial periods commencing on/after 1 January 2009)

IFRS 8 replaces IAS 14: Segment Reporting. It redefines “operating segment” and prescribes various disclosures. This standard only affects disclosure and will not impact the Group’s results.

• **IFRIC 12: Service Concession Arrangements**

(effective date – financial periods commencing on/after 1 January 2008)

In some countries, governments have introduced contractual service arrangements to attract private sector participation in the development, financing, operation and maintenance of infrastructure. The interpretation sets out the appropriate accounting treatment for the divergent aspects resulting from these arrangements. The Group is not party to such arrangements, therefore the interpretation is not applicable.

• **IFRIC 13: Customer Loyalty Programmes**

(effective date – financial periods commencing on/after 1 July 2008)

This interpretation prescribes the accounting treatment when entities provide customers with incentives to buy their goods and services, e.g. by means of award credits or so-called “points” where the customer can use such credits for “free” or discounted goods and services.

Entities shall account for award credits as a separately identifiable component of the sales transaction in which they are granted. The fair value of the consideration received or receivable in respect of the initial sale shall be allocated between the award credits and the other components of the sale. The consideration allocated to the award credits shall be measured by reference to their fair value, i.e. the amount for which the award credits could be sold separately.

• **IFRIC 14: The limit on a Defined Benefit Asset, minimum funding requirements and their interaction**

(effective date – financial periods beginning on/after 1 January 2008)

This interpretation addresses when refunds or reductions in future contributions should be regarded as “available” in accordance with IAS 19, how minimum funding requirement ought to affect the availability of reductions in future contributions and when minimum funding requirements might give rise to a liability.

An entity shall determine the availability of a refund or reduction in future contributions with reference to the terms of the fund and statutory regulations. A right to a refund is only available when the entity has an unconditional right to such refund, which may not depend on an uncertain future event not under the entity’s control.

The interpretation further requires that minimum funding requirements are taken into account when determining the amount of the available benefit.

Entities shall recognise a liability to the extent that contributions paid into the plan will not be available as a reduction in future contributions or as a refund, taking minimum funding requirements into account.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

✦ **Revised IFRS 3: Business Combinations**

(effective date – financial periods commencing on/after 1 July 2009)

The revised standard establishes principles for recognising and measuring identifiable assets acquired, liabilities assumed and any non-controlling interest in an acquiree. Any classifications or designations made in recognising these items must be made in accordance with contractual terms, economic conditions, the acquirer's operating and accounting policies and other factors that exist at the acquisition date.

Each identifiable asset and liability is measured at its fair value at acquisition date. Any non-controlling interest in an acquiree is measured at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The standard provides limited exceptions to these recognition and measurement principles.

✦ **Revised IAS 23: Borrowing Costs**

(effective date – financial periods commencing on/after 1 January 2009)

The revised IAS 23 removes the option of immediately recognising borrowing costs that relate to assets, that necessarily take a substantial period of time to get ready for its intended use or sale, as an expense.

✦ **Revised IAS 27: Consolidated and Separate Financial Statements**

(effective date – financial periods commencing on/after 1 July 2009)

The standard specifies the circumstances in which an entity must consolidate the financial statements of another entity (being a subsidiary), the accounting for changes in the level of ownership interest in a subsidiary, the accounting for the loss of control of a subsidiary and the information that an entity must disclose to enable users of the financial statements to evaluate the nature of the relationship between the entity and its subsidiaries.

The standard further requires that non-controlling interests must be presented in the consolidated balance sheet within equity, separately from the equity of the owners of the parent. Total comprehensive income must be attributed to both the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

When an entity loses control of a subsidiary, it de-recognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost.

✦ **Amendment to IFRS 2: Share-based payment (Vesting conditions and cancellations)**

(effective date – financial periods commencing on/after 1 January 2009)

The amendment clarifies that vesting conditions are service conditions and performance conditions only. Other features of share-based payment are not vesting conditions. The amendment further specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

• **Amendment to IAS 1 (revised): Presentation of Financial Statements**

(effective date – financial periods commencing on/after 1 January 2009)

The revised IAS 1 requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The titles of some financial statements have been altered to reflect their function more clearly but are not mandatory for use in financial statements.

• **Amendment to IAS 14: Segment Reporting**

(effective date – financial periods commencing on/after 1 January 2009)

The amendments to IAS 1 have led to some consequential changes to IAS 14. The changes to IAS 14 become effective when it is superseded by IFRS 8.

• **Amendment to IAS 32: Financial Instruments: Presentation and IAS 1: Presentation of Financial Statements (Puttable Financial Instruments and Obligations arising on Liquidation)**

(effective date – financial periods beginning on/after 1 January 2009)

IAS 1 and IAS 32 were amended by requiring that some puttable financial instruments and some financial instruments that impose an obligation on the entity to deliver a pro rata share of the net assets of the entity only on liquidation to another party, to be classified and disclosed as equity.

• **IASB first annual improvements project**

The IASB concluded its first annual improvements project, amending various accounting standards. These changes become effective for periods commencing on or after 1 January 2009, unless specified otherwise in the transitional provision for each amendment.

The application of the standards, interpretations and amendments to IFRS mentioned above in future financial reporting periods is not expected to have a significant effect on the Group's financial results, financial position and cash flow.

BALANCE SHEETS

AT 31 MARCH 2008

<i>R million</i>	Notes	CONSOLIDATED		THE COMPANY	
		2008	2007	2008	2007
ASSETS					
Non-current assets					
Property, plant and equipment	2	2 568	2 441	–	–
Biological agricultural assets	3	67	91	–	–
Investment properties	4	33	32	–	–
Goodwill and trade marks	5	408	413	–	–
Investments – Associated companies	6	43 175	33 033	–	–
– Joint ventures	7	64	8	–	–
– Other	8	8 551	6 245	–	–
Retirement benefits	9	10	10	–	–
Loans		2	2	–	–
Deferred taxation	10	4	124	–	–
		54 882	42 399	–	–
Current assets		6 945	7 460	2 313	2 372
Inventories	11	953	754	–	–
Biological agricultural assets	3	369	269	–	–
Debtors and short-term loans	12	1 385	1 214	2 313	2 372
Derivative instruments	13	19	16	–	–
Taxation		80	14	–	–
Assets held for sale	14	205	189	–	–
Cash and cash equivalents	15	3 934	5 004	–	–
Total assets		61 827	49 859	2 313	2 372
EQUITY AND LIABILITIES					
Share capital	16	8	8	8	8
Share premium	16	37	–	37	–
Reserves	17	58 697	47 161	2 255	2 353
Treasury shares	16	(1 515)	(1 497)	–	–
Shareholders' equity		57 227	45 672	2 300	2 361
Minority interest		648	755	–	–
Total equity		57 875	46 427	2 300	2 361
Non-current liabilities		1 872	1 580	–	–
Retirement benefits	9	229	214	–	–
Long-term loans	18	189	161	–	–
Deferred taxation	10	1 454	1 205	–	–
Current liabilities		2 080	1 852	13	11
Trade and other payables	19	1 826	1 440	13	11
Short-term loans	20	190	233	–	–
Provisions	21	48	48	–	–
Derivative instruments	13	3	27	–	–
Taxation		13	104	–	–
Total equity and liabilities		61 827	49 859	2 313	2 372

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

<i>R million</i>	Notes	CONSOLIDATED		THE COMPANY	
		2008	2007	2008	2007
Sales		9 447	7 872		
Inventory expenses		(5 415)	(4 781)		
Personnel costs	22	(1 621)	(1 302)		
Depreciation	25	(251)	(223)		
Other net operating expenses	25	(1 109)	(550)	(3)	(2)
Trading profit/(loss)		1 051	1 016	(3)	(2)
Dividends received	27	274	156	2 138	3 358
Interest received	25	296	332		
Finance costs		(43)	(28)		
Negative goodwill		–	44		
Net impairment of investments, assets and goodwill		19	–		
Profit on sale and restructuring of investments	25	1 665	7		
Consolidated profit before tax		3 262	1 527	2 135	3 356
Taxation	10	(419)	(403)		
Consolidated profit after tax		2 843	1 124	2 135	3 356
Share of after-tax profit of associated companies and joint ventures	28	7 210	6 003		
Net profit for the year		10 053	7 127	2 135	3 356
<i>Attributable to:</i>					
Equity holders		9 893	6 942	2 135	3 356
Minority interest		160	185		
		10 053	7 127	2 135	3 356

EARNINGS PER SHARE

		Cents	Cents
– Basic	1	2 095.7	1 464.2
– Diluted		2 048.9	1 418.5

ASSOCIATED COMPANIES AND JOINT VENTURES

	R million	R million
Share of after-tax profit of associated companies and joint ventures		
Profit before taking into account impairments, non-recurring and capital items	10 023	8 515
Net impairment of investments, assets and goodwill	(28)	(12)
Profit on the sale of investments	372	256
Restructuring costs	(259)	(297)
Other non-recurring and capital items	32	8
Profit before tax and minority interest	10 140	8 470
Taxation	(2 390)	(2 033)
Minority interest	(540)	(434)
	7 210	6 003

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2008

<i>R million</i>	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY								CONSOLIDATED	
	Issued capital	Equity distributable reserves	Other non-reserves	Fair value reserves	Retained earnings	Treasury shares	Share-holders' equity	Minority interest	Total equity	
	2008									
Balances at 1 April	8	20 155	1 931	5 003	20 072	(1 497)	45 672	755	46 427	
Total income accounted for		1 685	370	1 962	10 200		14 217	160	14 377	
Exchange rate adjustments		1 685	370		307		2 362		2 362	
Net fair value adjustments for the year				1 962			1 962		1 962	
Net income directly accounted for in equity		1 685	370	1 962	307		4 324		4 324	
Net profit for the year					9 893		9 893	160	10 053	
Dividends paid					(2 178)		(2 178)	(74)	(2 252)	
Increase of interest in subsidiary company			(391)				(391)	(269)	(660)	
Capital invested by minorities								58	58	
Transfer between reserves and other movements		(446)	(303)	12	775		38	15	53	
Change in reserves of associated companies and joint ventures		(154)	(11)				(165)		(165)	
Transfer of retained income of associated companies and joint ventures		4 100	(25)		(4 075)		–		–	
Net purchase of shares by The Remgro Share Trust						(18)	(18)		(18)	
Long-term share incentive scheme reserve			15				15	3	18	
Shares issued	37						37		37	
Balances at 31 March	45	25 340	1 586	6 977	24 794	(1 515)	57 227	648	57 875	
2007										
Balances at 1 April	8	14 026	997	3 160	19 715	(412)	37 494	596	38 090	
Total income accounted for		3 594	910	1 843	7 476		13 823	185	14 008	
Exchange rate adjustments		3 594	907		534		5 035		5 035	
Net fair value adjustments for the year			3	1 843			1 846		1 846	
Net income directly accounted for in equity		3 594	910	1 843	534		6 881		6 881	
Net profit for the year					6 942		6 942	185	7 127	
Dividends paid					(3 748)		(3 748)	(65)	(3 813)	
Capital invested by minorities								30	30	
Transfer between reserves and other movements		(7)	17		(5)		5	6	11	
Change in reserves of associated companies		(824)					(824)		(824)	
Transfer of retained income of associated companies		3 366			(3 366)		–		–	
Purchase of shares by wholly owned subsidiary (treasury shares)						(1 031)	(1 031)		(1 031)	
Net purchase of shares by The Remgro Share Trust						(54)	(54)		(54)	
Long-term share incentive scheme reserve			7				7	3	10	
Balances at 31 March	8	20 155	1 931	5 003	20 072	(1 497)	45 672	755	46 427	
THE COMPANY										
<i>R million</i>	2008		2007							
Balances at 1 April	2 361		2 787							
Issued capital	8		8							
Retained earnings	2 353		2 779							
Shares issued	37		–							
Net profit for the year	2 135		3 356							
Dividends paid	(2 233)		(3 782)							
Balances at 31 March	2 300		2 361							

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

<i>R million</i>	Notes	CONSOLIDATED		THE COMPANY	
		2008	2007	2008	2007
Cash flows – operating activities					
Trading profit/(loss)		1 051	1 016	(3)	(2)
Adjustments	29.1	482	820	–	–
Consolidated profit/(loss) before working capital changes		1 533	1 836	(3)	(2)
Working capital changes	29.2	(301)	(170)	5	2
Cash generated/(utilised) from operations		1 232	1 666	2	–
Cash flow generated from returns on investments		3 844	3 068	2 138	3 358
Interest received		296	332	–	–
Dividends received	29.3	3 548	2 736	2 138	3 358
Finance costs		(43)	(28)	–	–
Taxation paid	29.4	(497)	(676)	–	–
Cash available from operating activities		4 536	4 030	2 140	3 358
Dividends paid	29.5	(2 252)	(3 813)	(2 233)	(3 782)
Cash inflow/(outflow) from operating activities		2 284	217	(93)	(424)
Cash flows – investing activities					
Net investments to maintain operations		198	(109)	–	–
Replacement of property, plant and equipment		(100)	(124)	–	–
Proceeds on disposal of property, plant and equipment and other assets		298	15	–	–
Investments to expand operations		(3 889)	(673)	–	–
Additions to – property, plant and equipment and other assets		(405)	(410)	–	–
– investments and loans		(2 820)	(249)	–	–
– subsidiaries		(660)	–	–	–
Business acquired		(4)	(14)	–	–
Proceeds from disposal of investments and loans		274	260	–	–
Purchase of treasury shares		(21)	(1 203)	–	–
Net cash generated/(utilised) before financing activities		(1 154)	(1 508)	(93)	(424)
Cash flows – financing activities					
Shares issued		37	–	37	–
(Increase)/decrease in loans		(15)	40	56	424
Issue of new shares by subsidiary companies		30	12	–	–
Capital contributed by minorities of subsidiary company		32	18	–	–
Net decrease in cash and cash equivalents		(1 070)	(1 438)	–	–
Cash and cash equivalents at the beginning of the year		4 901	6 339	–	–
Cash and cash equivalents at the end of the year		3 831	4 901	–	–
Cash and cash equivalents – per balance sheet		3 934	5 004		
Bank overdraft		(103)	(103)		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

1. EARNINGS

	2008		2007	
	Gross R million	Net R million	Gross R million	Net R million
HEADLINE EARNINGS RECONCILIATION				
Net profit for the year attributable to equity holders		9 893		6 942
Plus/(minus):				
– Negative goodwill	–	–	(44)	(44)
– Net impairment of investments, assets and goodwill	(15)	(8)	–	–
– Profit on sale and restructuring of investments	(1 665)	(1 627)	(7)	(7)
– Net (surplus)/loss on disposal of property, plant and equipment	(114)	(138)	–	–
– Non-headline earnings items included in equity accounted earnings of associated companies and joint ventures	(122)	(129)	14	1
Headline earnings		7 991		6 892
Non-recurring portion of BEE costs added back		37		–
Headline earnings – Excluding non-recurring portion of BEE costs		8 028		6 892
EARNINGS PER SHARE				
		Cents		Cents
Headline earnings per share				
– Basic		1 692.8		1 453.6
– Diluted		1 649.0		1 409.2
Headline earnings per share – Excluding non-recurring portion of BEE costs				
– Basic		1 700.7		1 453.6
– Diluted		1 656.8		1 409.2
Earnings per share				
– Basic		2 095.7		1 464.2
– Diluted		2 048.9		1 418.5

Earnings per share

In determining earnings per share and headline earnings per share the weighted number of shares in issue, being 472 052 993 (2007: 474 123 689), 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 1 908 925 (2007: 1 672 153) 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, R175 million (2007: R187 million) and R182 million (2007: R193 million) were offset against headline earnings and earnings respectively to account for the potential diluted effect.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

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 2006	874	1 211	219	13	2 317
Cost	1 267	2 311	376	39	3 993
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)
Transfer to assets held for sale	(123)	(17)	–	–	(140)
Other	(30)	30	–	–	–
Carrying value at 31 March 2007	791	1 353	265	32	2 441
Cost	1 199	2 581	429	47	4 256
Accumulated depreciation	(408)	(1 228)	(164)	(15)	(1 815)
Additions	225	187	49	3	464
Disposals	(5)	(2)	(6)	(1)	(14)
Depreciation	(30)	(188)	(31)	(2)	(251)
Businesses acquired	–	1	–	–	1
Transfer to assets held for sale	(40)	(19)	(12)	–	(71)
Other	(45)	40	2	1	(2)
Carrying value at 31 March 2008	896	1 372	267	33	2 568
Cost	1 320	2 740	421	51	4 532
Accumulated depreciation	(424)	(1 368)	(154)	(18)	(1 964)

	2008	2007
	%	%
Depreciation rates are as follows:		
Buildings	0 – 50	0 – 50
Machinery and equipment	3½ – 100	3½ – 100
Vehicles	4 – 33½	4 – 33½
Office equipment	5 – 33½	5 – 33½

Liabilities resulting from mortgage loans, finance leases and instalment sale agreements are secured by assets with a book value of R3 million (2007: R1 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 2008

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	Other R million	2008 R million	Sugarcane roots R million	Sugarcane plants R million	Other R million	2007 R million
Balances at 1 April	55	22	14	91	47	34	14	95
Fair value adjustment	14	27	1	42	22	(4)	–	18
Transfer to assets held for sale	(28)	(16)	–	(44)	(14)	(8)	–	(22)
Other	(14)	(8)	–	(22)	–	–	–	–
Balances at 31 March	27	25	15	67	55	22	14	91

The quantity at 31 March is as follows:

Sugarcane roots (ha)	3 654	5 024
Sugarcane plants (ha)	3 654	5 024
Other (ha)	1 787	1 393

Included in current assets:

Reconciliation of carrying value at the beginning and end of the year	Breeding stock R million	Broiler stock R million	2008 R million	Breeding stock R million	Broiler stock R million	2007 R million
Balances at 1 April	160	109	269	143	99	242
Additions	576	2 810	3 386	418	2 115	2 533
Decrease due to harvest	(526)	(2 775)	(3 301)	(403)	(2 114)	(2 517)
Fair value adjustment	3	12	15	2	9	11
Balances at 31 March	213	156	369	160	109	269

4. INVESTMENT PROPERTIES

	2008			2007		
	Cost R million	Accumulated depreciation R million	Net value R million	Cost R million	Accumulated depreciation R million	Net value R million
Land	3	–	3	3	–	3
Buildings	30	–	30	29	–	29
	33	–	33	32	–	32

Reconciliation of carrying value at the beginning and end of the year	Land R million	Buildings R million	2008 R million	Land R million	Buildings R million	2007 R million
Balances at 1 April	3	29	32	3	28	31
Additions	–	1	1	–	1	1
Balances at 31 March	3	30	33	3	29	32

The South African investment properties were valued during the 2008 financial year by an independent, qualified valuer using market information. Foreign investment properties were valued by an independent, qualified valuer during the 2006 year. The fair value of the investment properties, VAT exclusive, is R345 million (2007: R318 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

5. GOODWILL AND TRADE MARKS

	2008			2007		
	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	345	–	345	342	–	342
Trade marks and other	154	91	63	146	75	71
	499	91	408	488	75	413

Amortisation rates are as follows:	2008	2007
	%	%
Trade marks and other	5 – 100	5 – 100

Reconciliation of carrying value at the beginning and end of the year	Goodwill R million	Trade marks and other R million	2008 R million	Goodwill R million	Trade marks and other R million	2007 R million
Balances at 1 April	342	71	413	316	36	352
Additions	–	–	–	19	37	56
Amortisation	–	(12)	(12)	–	(14)	(14)
Businesses acquired	2	–	2	7	2	9
Other	1	4	5	–	10	10
Balances at 31 March	345	63	408	342	71	413

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	2008 Total
Goodwill allocated (R million)	291	38	16	345
Basis of valuation of cash-generating units	Value in use	Value in use	Value in use	

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	18.80%
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 2008

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

	2008			2007		
	Listed R million	Unlisted R million	Total R million	Listed R million	Unlisted R million	Total R million
Shares – at cost	9 182	6 930	16 112	6 720	4 289	11 009
Equity adjustment	7 483	19 538	27 021	4 758	17 077	21 835
Carrying value	16 665	26 468	43 133	11 478	21 366	32 844
Long-term loans	–	42	42	–	189	189
	16 665	26 510	43 175	11 478	21 555	33 033
Market values of listed investments	22 147		22 147	28 871		28 871
Directors' valuation of unlisted investments		82 286	82 286		62 969	62 969
Market values and directors' valuation	22 147	82 286	104 433	28 871	62 969	91 840
Excess of market values and directors' valuation over the carrying value of investments:						
– attributable to equity holders			61 258			58 807
– attributable to minority			–			–
			61 258			58 807

Of the directors' valuations of unlisted investments stated above, a substantial proportion amounting to R72 010 million (2007: R55 283 million) was based on the stock exchange prices of underlying listed shares held by the unlisted investments concerned.

	2008 R million	2007 R million
Reconciliation of carrying value at the beginning and end of the year		
Carrying value at 1 April	33 033	26 098
Exchange rate differences on translation of carrying value at the beginning of the year to year-end rate	2 003	4 292
<i>Income of associated companies retained</i>	4 100	3 366
Share of net attributable profit of associated companies	7 230	6 003
Dividends received from associated companies	(3 297)	(2 748)
Exchange rate differences on translation between average rate to year-end rates	167	111
Equity-accounted movements on reserves	(154)	(824)
Loans repaid	(147)	(165)
Disposals/capital reductions	(236)	(85)
Investments made	3 411	201
Restructuring of interest in Unilever	1 167	–
Investments reclassified as associated companies	–	106
Other	(2)	44
Carrying value at 31 March	43 175	33 033

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million
7. INVESTMENTS – JOINT VENTURES (Annexure B)		
Unlisted shares – at cost	97	–
Equity adjustment	(34)	–
Carrying value	63	–
Long-term loans	1	8
	64	8
Directors' valuation of unlisted investments	64	8
Excess of directors' valuation over the carrying value of investments:		
– attributable to equity holders	–	–
– attributable to minority	–	–
	–	–
Reconciliation of carrying value at the beginning and end of the year		
Carrying value at 1 April	8	1
Exchange rate differences on translation of carrying value at the beginning of the year to year-end rate	10	–
<i>Losses of joint ventures recognised</i>	(25)	–
Share of net attributable losses of joint ventures	(20)	–
Exchange rate differences on translation between average rate to year-end rates	(5)	–
Equity accounted movements on reserves	(11)	–
Loans granted/(repaid)	(7)	7
Investments made	89	–
Carrying value at 31 March	64	8
The Group's share in the results, assets and liabilities of joint ventures is as follows:		
Profit/(loss)	(20)	–
Sales	71	8
Assets	124	6
Liabilities	66	5

The Group's share in capital commitments of joint ventures amounted to R11 million (2007: RNil million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

8. INVESTMENTS – OTHER (Annexure B)

	<i>Listed</i> R million	2008 <i>Unlisted</i> R million	<i>Total</i> R million	<i>Listed</i> R million	2007 <i>Unlisted</i> R million	<i>Total</i> R million
Consolidated						
Investments – other						
Shares – available-for-sale	8 483	68	8 551	6 229	16	6 245
Market values of listed investments	8 483		8 483	6 229		6 229
Directors' valuation of unlisted investments		68	68		16	16
Market values and directors' valuation	8 483	68	8 551	6 229	16	6 245
Reconciliation of carrying value of investments available-for-sale at the beginning and end of the year					2008	2007
					R million	R million
Balances at 1 April					6 245	4 136
Fair value adjustments for the year					2 258	2 169
Investments made					48	48
Disposals					–	(2)
Investment reclassified as associated company					–	(106)
Balances at 31 March					8 551	6 245

9. RETIREMENT BENEFITS

Balance sheet assets

Retirement benefits	10	10
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Balance sheet obligations

Retirement benefits	(91)	(85)
Post-retirement medical benefits	(138)	(129)
	(229)	(214)

Income statement

Retirement benefits*	2	(95)
Post-retirement medical benefits	10	11
Expense/(income)	12	(84)

* Refer note 22 on page 93.

9. RETIREMENT BENEFITS *(continued)*

9.1 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 2005 and 31 March 2008.

	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 2006	722	(633)	(16)	(142)	(69)	
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)
Current service cost	–	(3)	–	–	(3)	3
Interest cost	–	(44)	–	–	(44)	44
Expected return on assets	52	–	–	–	52	(52)
Surplus limitation utilisation	–	–	71	(79)	(8)	8
Amortisation of actuarial (gains)/losses	–	–	1	–	1	(1)
Contributions	8	–	–	–	8	–
Exchange rate differences	64	(80)	4	–	(12)	–
Benefit payments	(83)	83	–	–	–	–
Actuarial movements: fund obligation	–	(34)	34	–	–	–
Actuarial movements: plan assets	63	–	(63)	–	–	–
Balances at 31 March 2008	875	(845)	2	(113)	(81)	2

The pension fund surplus is not recognised as an asset in the balance sheet as the process of allocating these surpluses in terms of the Pension Funds Act has not been finalised yet.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million	
9. RETIREMENT BENEFITS <i>(continued)</i>			
9.1 Retirement benefits <i>(continued)</i>			
Amount of plan assets represented by investment in the entity's own financial instruments	20	14	
Actual return on plan assets	115	47	
Adjustment for experience on plan assets	–	5	
Adjustment for experience on funded obligations	(21)	17	
Expected contributions to retirement funds for the year ended 31 March 2009: R8 million			
	Number	Number	
Number of members	444	445	
Composition of plan assets	%	%	
Cash	6.81	6.69	
Equity	22.48	20.62	
Bonds	1.67	2.73	
Property	1.39	0.70	
International	67.65	69.26	
	100.00	100.00	
Principal actuarial assumptions on balance sheet date			
Discount rate	6.50 – 9.62	5.40 – 9.95	
Expected rates of return on plan assets*	6.43 – 10.25	6.48 – 9.95	
Future salary increases	6.25 – 7.25	5.75 – 7.04	
Future pension increases	3.50 – 6.25	2.90 – 4.75	
Inflation rate	6.25	4.75	
* The expected return on plan assets is determined with reference to the expected long-term returns on equity, cash and bonds.			
	2008	2007	2006
Fund history for the current and previous 2 years	R million	R million	R million
Fair value of plan assets	875	771	722
Present value of funded obligations	(845)	(767)	(633)
Surplus/(deficit)	30	4	89

9. RETIREMENT BENEFITS (continued)

9.2 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 costs R million
Balances at 1 April 2006	16	(121)	(11)	(116)	
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
Current service cost	–	(3)	–	(3)	3
Interest cost	–	(11)	–	(11)	11
Expected return on assets	3	–	–	3	(3)
Amortisation of actuarial (gains)/losses	–	–	1	1	(1)
Benefit payments	–	1	–	1	–
Actuarial movements	(1)	6	(5)	–	–
Balances at 31 March 2008	37	(153)	(22)	(138)	10
				2008 R million	2007 R million
Amount of plan assets represented by investment in the entity's own financial instruments				2	2
Actual return on plan assets				2	14
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 2009: R8 million					
				Number 987	Number 1 050
Fund history for the current and previous 2 years				2008 R million	2007 R million
Fair value of plan assets				37	35
Present value of funded obligations				(153)	(146)
Surplus/(deficit)				(116)	(111)
				2008 %	2007 %
Composition of plan assets					
Cash				3.00	3.00
Equity				92.00	92.00
Bonds				5.00	5.00
				100.00	100.00

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

	2008 %	2007 %
9. RETIREMENT BENEFITS <i>(continued)</i>		
9.2 Post-retirement medical benefits <i>(continued)</i>		
Principal actuarial assumptions on balance sheet date		
Discount rate	8.75 – 9.00	7.50 – 7.75
Expected rates of return on plan assets *	9.75	8.75
Annual increase in healthcare costs	5.50 – 7.50	4.75 – 6.75

* The expected return on plan assets is determined with reference to the expected long-term returns on equity, cash and bonds.

	2008 Increase R million	2008 Decrease 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	2	2
Current service costs and interest on obligation	17	16

	2008 R million	2007 R million
--	-------------------	-------------------

10. TAXATION

10.1 Deferred taxation

Deferred taxation liability	1 454	1 205
Property, plant and equipment	334	378
Intangibles	13	16
Inventories	109	84
Provisions	(68)	(44)
Biological agricultural assets	26	34
Investments (accounted for directly in equity)	1 027	738
Tax losses	(38)	–
Future capital gain taxable	35	–
Other	16	(1)
Deferred tax asset	(4)	(124)
Property, plant and equipment	(2)	(44)
Provisions	(2)	(20)
Tax losses	–	(49)
Other	–	(11)
Net deferred taxation	1 450	1 081

The movement between balances of deferred taxation at the beginning and end of the year can be analysed as follows:

Beginning of the year	1 081	700
Rate change	(25)	–
As per income statement	79	43
Direct in equity	315	338
	1 450	1 081

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.

Deferred taxation on capital distributions received from 1 October 2001 to 30 September 2007 is provided at 14.0%, as a result of the promulgation of retrospective legislation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million
10. TAXATION (continued)		
10.2 Tax losses		
Estimated tax losses available for set-off against future taxable income	189	245
Utilised to create deferred tax asset	(135)	(168)
	54	77
10.3 Secondary taxation on companies (STC)		
The STC credits on 31 March, which could be set off against future dividend payments, amount to		
– The Company	76	172
– Subsidiary companies	2 970	1 356
Unutilised STC credits	3 046	1 528
<p>A foreign wholly owned subsidiary company of Remgro has reserves available that will give rise to additional STC credits of R1 621 million (2007: R1 538 million) when declared as dividends to its South African holding company.</p> <p>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.</p>		
10.4 Taxation in income statement		
Current	313	339
– current year – South African normal taxation	290	332
– Taxation on capital gain	17	–
– Foreign taxation	8	8
	315	340
– previous year – South African normal taxation	(2)	(1)
Secondary taxation on companies – current	27	21
Deferred – current year	56	60
– previous year	1	(17)
– rate change	(13)	–
– tax on capital gain	35	–
	419	403
10.5 Reconciliation of effective tax rate of the Company and its subsidiaries with standard rate		
Effective tax rate	12.9	26.4
Reduction/(increase) in standard rate as a result of:		
Exempt dividend income	2.3	3.0
Non-taxable capital profit	13.5	–
Other non-taxable income	3.6	0.4
Foreign taxation	(1.7)	(0.5)
Taxation in respect of previous years	–	1.1
Rate change	0.4	–
Future capital gain payable	(1.2)	–
Secondary taxation on companies	(0.8)	(1.4)
Standard rate	29.0	29.0

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million
11. INVENTORIES		
Raw materials	333	272
Finished products	549	430
Work in progress	12	6
Consumable stores	59	46
	953	754

12. DEBTORS AND SHORT-TERM LOANS

	THE COMPANY		CONSOLIDATED	
	2008 R million	2007 R million	2008 R million	2007 R million
Trade debtors (gross)	3	6	1 184	919
Less: Provision for impairments	–	–	(44)	(49)
Trade debtors (net)	3	6	1 140	870
Dividends receivable	–	–	–	168
Advance payments and other	–	–	245	176
Loans – Subsidiary companies	2 310	2 366	–	–
	2 313	2 372	1 385	1 214

Debtors with a carrying value of R32 million (2007: R42 million) provided collateral to the Group. Loans to subsidiary companies are unsecured, carry no interest and are repayable on request.

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

	2008 R million	2007 R million
Balances at 1 April	49	38
Provision for impairments on debtors	8	19
Debtors written off as uncollectable during the year	(3)	(3)
Unused amounts written back	(11)	(7)
Other	1	2
Balances at 31 March	44	49

During the year, bad debts amounting to R11 million (2007: R9 million) were written off. The other classes of assets in debtors and short-term loans have no assets where impairments were made. For further information refer to note 31.

13. DERIVATIVE INSTRUMENTS

The following material derivative instruments existed at 31 March:

Assets	Currency value million	2008 Forward value R million	Fair value R million	Currency value million	2007 Forward value R million	Fair value R million
	<i>Foreign exchange contracts</i>					
Buy: USA dollar	11.7	95.0	8.8	1.3	8.7	2.6
Other	2.0	26.2	2.5	–	–	–
Sell: USA dollar	–	–	–	20.5	154.4	3.1
			11.3			5.7
<i>Other derivative instruments</i>						
Sugar selling contracts			0.3			9.7
Maize option contracts			–			0.3
Exchange option contracts			7.0			–
			7.3			10.0
			18.6			15.7

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

13. DERIVATIVE INSTRUMENTS *(continued)*

The following material derivative instruments existed at 31 March:

Liabilities	2008			2007		
	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: Euro	1.0	11.6	1.1	–	–	–
USA dollar	0.1	1.3	0.1	–	–	–
Other	–	–	–	0.1	0.8	–
Sell: USA dollar	5.3	42.6	0.8	3.7	27.7	0.4
			2.0			0.4
<i>Other derivative instruments</i>						
Sugar selling contracts			–			9.3
Maize selling contracts			–			16.9
Soy option contracts			1.3			–
			1.3			26.2
			3.3			26.6
					2008	2007
					R million	R million

14. 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 Tenbosch transaction was 1 April 2007. The second phase of the land reform transaction is now in process and 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	71	140
Biological agricultural assets	44	22
Inventories	1	1
Debtors	–	24
Various other net assets	89	2
	205	189

15. CASH AND CASH EQUIVALENTS

Cash at the centre	3 273	4 357
Other operating subsidiaries	661	647
	3 934	5 004

The cash is held in the following currencies (in rand):

	2008	2007
South African rand	1 201	1 867
British pound	2 733	3 137
	3 934	5 004

At year-end cash and cash equivalents earned interest at effective interest rates that vary between 10.85% and 10.95% (2007: 8.50% and 9.06%) per annum at local financial institutions and between 5.20% and 5.45% (2007: 5.33% and 5.35%) per annum abroad.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million
15. CASH AND CASH EQUIVALENTS <i>(continued)</i>		
Cash and cash equivalents are represented by the following:		
United Kingdom treasury bills	2 557	–
Current accounts and money market instruments	1 376	5 003
Cash	1	1
	3 934	5 004
At year-end the Group's cash was invested at financial institutions with the following		
Moody's credit rating:		
Aaa	2 648	–
Aa1	100	1 427
Aa2	–	2 095
Aa3	98	–
A1	–	300
A2	–	363
Baa1	1 087	818
Cash on hand	1	1
	3 934	5 004
16. SHARE CAPITAL AND SHARE PREMIUM		
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		
449 003 606 (2007: 448 802 207) ordinary shares of 1 cent each	4.5	4.5
35 506 352 (2007: 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	448 802 207
Shares issued	201 399	–
Total number of shares issued at 31 March*	449 003 606	448 802 207
<i>* Treasury shares held by wholly owned subsidiary companies included.</i>		
	2008 R million	2007 R million
Share premium		
Movement of the share premium account for the year:		
Balance at 1 April	–	–
Shares issued	37	–
Balance at 31 March	37	–

16. **SHARE CAPITAL AND SHARE PREMIUM** *(continued)*

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): 11 972 555 (2007: 11 948 372).

At a general meeting held on 22 August 2007, the unissued shares, as at 31 March 2007, 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 (No. 61 of 1973), as amended ("Companies Act"), subject to the provisions of the Companies 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 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 24 and the Report of the Board of Directors.

	2008	2007
	R million	R million
17. RESERVES		
17.1 Composition of reserves		
The Company:		
Retained earnings	2 255	2 353
Subsidiary companies and joint ventures	31 102	24 653
Non-distributable reserves:		
Fair value reserve	6 977	5 003
Other non-distributable reserves	1 586	1 931
Retained earnings	22 539	17 719
Associated companies:		
Equity reserves	25 340	20 155
	58 697	47 161
Statutory non-distributable reserves included in	518	464
Other non-distributable reserves	11	11
Equity reserves	507	453

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

	<i>Non-</i> <i>distributable</i> <i>reserves</i>	<i>Equity</i> <i>reserves</i>	<i>Retained</i> <i>earnings</i>	2008	2007
	R million	R million	R million	Total	Total
				R million	R million
Balances at 1 April	802	2 713	366	3 881	(1 154)
Exchange rate adjustments during the year	370	1 685	307	2 362	5 035
Transfer of equity adjustment	(5)	167	(162)	–	–
Balances at 31 March	1 167	4 565	511	6 243	3 881

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million				
18. LONG-TERM LOANS						
Interest-bearing loans						
Secured long-term loans with effective interest rates of between 9.37% and 15% (2007: 9.5% and 11%) per annum repayable over a period of between three to ten years These liabilities are secured by assets with a book value of R48 million (2007: R68 million).	202	197				
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 These liabilities are secured by vehicles, plant, machinery and equipment with a book value of R3 million (2007: R1 million).	3	1				
Various unsecured loans with varying terms and interest rates	3	–				
	208	198				
Instalments payable within one year transferred to short-term interest-bearing loans	(19)	(37)				
	189	161				
Payable – two to five years	180	129				
Payable thereafter	9	32				
	189	161				
19. TRADE AND OTHER PAYABLES						
Trade payables	1 182	968				
Accumulated expenses	644	472				
	1 826	1 440				
20. SHORT-TERM LOANS						
Interest-bearing loans						
Portion of long-term interest-bearing loans payable within one year	19	37				
Bank overdrafts	103	103				
	122	140				
Interest-free loans with no fixed repayment conditions	68	93				
	190	233				
21. PROVISIONS						
	<i>Legal disputes*</i>	<i>Other**</i>	2008	<i>Legal disputes*</i>	<i>Other**</i>	2007
	R million	R million	R million	R million	R million	R million
Balances at 1 April	40	8	48	30	11	41
Additional provisions	4	1	5	13	1	14
Unused amounts	–	–	–	–	(4)	(4)
Other	–	(1)	(1)	–	–	–
	44	8	52	43	8	51
Provisions utilised during the year	(1)	(3)	(4)	(3)	–	(3)
Balances at 31 March	43	5	48	40	8	48

* 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 2008

	2008 R million	2007 R million
22. STAFF COSTS		
Salaries and wages	1 452	1 250
Share-based payments	23	20
Retirement benefits	1	1
Pension costs – defined contribution	87	79
Pension costs – defined benefit	2	(95)
Other post-retirement benefits	10	11
Other	46	36
	1 621	1 302

23. DIRECTORS' EMOLUMENTS

	<i>Executive</i> R'000	2008 <i>Non- executive</i> R'000	Total R'000	<i>Executive</i> R'000	2007 <i>Non- executive</i> R'000	Total R'000
Executive directors						
Fees	750		750	615		615
Salaries	11 919		11 919	11 472		11 472
Retirement fund contributions	2 690		2 690	2 411		2 411
Other benefits	1 212		1 212	1 238		1 238
Subtotal	16 571		16 571	15 736		15 736
Non-executive directors						
Independent		1 175	1 175		801	801
Non-independent		4 429	4 429		4 217	4 217
Total	16 571	5 604	22 175	15 736	5 018	20 754

Increase in value – Remgro Share Scheme*	–	–	–	5 607	–	5 607
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* Refer note 24.1 on page 95.

	<i>Fees</i> R'000	2008 <i>Salaries and other</i> R'000	Total R'000	<i>Fees</i> R'000	2007 <i>Salaries and other</i> R'000	Total R'000
Paid by:						
The Company	1 325		1 325	801		801
Management company	–	–	–	492	8 735	9 227
Subsidiary company	1 200	19 650	20 850	553	10 173	10 726
	2 525	19 650	22 175	1 846	18 908	20 754

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

23. DIRECTORS' EMOLUMENTS (continued)

	2008					2007				
	Fees R'000	Salaries R'000	Retire- ment fund R'000	Other benefits ⁽⁸⁾ R'000	Total R'000	Fees R'000	Salaries R'000	Retire- ment fund R'000	Other benefits ⁽⁸⁾ R'000	Total R'000
Executive										
W E Bührmann	150	1 578	341	221	2 290	123	1 272	276	219	1 890
D M Falck	150	2 027	436	319	2 932	123	1 884	403	316	2 726
J A Preller (Mrs)	150	910	210	221	1 491	123	864	196	219	1 402
M H Visser ⁽¹⁾	150	6 075	1 410	269	7 904	123	6 224	1 268	265	7 880
T van Wyk	150	1 329	293	182	1 954	123	1 228	268	219	1 838
Subtotal	750	11 919	2 690	1 212	16 571	615	11 472	2 411	1 238	15 736
Non-executive (independent)										
G D de Jager ⁽²⁾	225				225	160				160
P K Harris	175				175	147				147
M M Morobe ⁽³⁾	150				150	–				–
J F Mouton ⁽⁴⁾	–				–	99				99
D Prins	250				250	198				198
M Ramos (Miss) ⁽⁵⁾	150				150	–				–
F Robertson	225				225	197				197
Subtotal	1 175				1 175	801				801
Non-executive (non-independent)										
P E Beyers	150	514	131	102	897	123	645	155	100	1 023
J W Dreyer	150	1 395	306	102	1 953	123	1 328	287	100	1 838
E de la H Hertzog	150	1 000	204	75	1 429	123	916	183	73	1 295
J Malherbe ⁽⁶⁾	150	–	–	–	150	61	–	–	–	61
J P Rupert ⁽⁷⁾	–	–	–	–	–	–	–	–	–	–
Subtotal	600	2 909	641	279	4 429	430	2 889	625	273	4 217
Total	2 525	14 828	3 331	1 491	22 175	1 846	14 361	3 036	1 511	20 754

1. Mr M H Visser earns in addition to the above a director's fee of GBP75 000 (2007: GBP75 000) per annum from British American Tobacco Plc, an associated company.
2. Mr G D de Jager is a member of the Audit and Risk Committee as well as the Remuneration and Nomination Committee. During the 2007 financial year he was on these committees only for six months.
3. Mr M M Morobe was appointed as an independent non-executive director on 18 June 2007.
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. Mr J Malherbe was appointed as a non-executive director on 11 October 2006.
7. Mr J P Rupert receives no emoluments since 30 September 2005.
8. Benefits include medical aid contributions and vehicle benefits.

24. SHARE-BASED PAYMENTS

24.1 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.

	2008 R million	2007 R million
Fair value of offers made during the year	7	53
Share-based payment cost included in the income statement (in accordance with IFRS 2)	12	10
– Portion attributable to directors	8	7

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

	2008		2007	
	Number of shares	Rand	Number of shares	Rand
Previous financial years	3 396 994	72.65	3 093 691	59.24
Offered and accepted in current financial year	145 562	185.69	569 699	135.02
Shares paid for and delivered	(126 383)	56.50	(262 016)	49.52
Resignations and other	(4 250)	117.70	(4 380)	98.67
Total at 31 March	3 411 923	78.01	3 396 994	72.65
Exercisable at the end of the period	2 127 518	53.78	1 797 087	48.46

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

24. SHARE-BASED PAYMENTS (continued)

24.1 Remgro Share Scheme (continued)

Exercise price range of all offers:

	Number of shares outstanding at year-end	2008 Weighted average contract lifetime in years	Weighted average exercise price per share (Rand)	Number of shares outstanding at year-end	2007 Weighted average contract lifetime in years	Weighted average exercise price per share (Rand)
R40 – R60	1 399 790	2.57	45.03	1 464 972	3.57	44.98
R60 – R80	625 238	5.12	64.46	678 927	6.16	64.67
R80 – R100	648 709	4.10	86.88	656 615	5.13	86.82
R100 – R120	24 248	4.64	114.05	28 430	5.67	114.93
R120 – R140	567 986	5.24	134.89	568 050	6.24	135.01
R140 – R160	390	5.66	155.45	–	–	–
R160 – R180	14 915	6.33	176.83	–	–	–
R180 – R200	130 647	6.22	186.70	–	–	–

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

	2008	2007
Weighted average Remgro share price for the year (R)	185.73	150.20
Exercise price (R)	155.45 – 187.50	132.60 – 137.80
Average expected exercise period (years)	5 – 7	5 – 7
Price volatility (%)	19.24 – 20.21	20.05 – 20.18
Risk-free rate (%)	7.7 – 8.4	7.1 – 8.6
Expected dividend yield (%)	2.5 – 2.6	2.9 – 3.1

Current status – offers to directors

– ordinary shares

Participant	Balance of shares accepted as at 31 March 2007	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 2008
Executive									
W E Bührmann	97 872			87.86					97 872
	7 303			135.00					7 303
		38 645	27/06/07	186.70					38 645
D M Falck	458 716			43.60					458 716
	104 917			63.00					104 917
	30 050			87.86					30 050
	92 988			135.00					92 988
		18 146	03/07/07	186.70					18 146
J A Preller	24 466			43.60					24 466
	34 572			87.86					34 572
	30 167			135.00					30 167
		2 319	03/07/07	186.70					2 319
M H Visser	278 979			63.00					278 979
	342 488			87.86					342 488
	172 681			135.00					172 681
		68 230	26/06/07	186.70					68 230
T van Wyk	42 161			87.86					42 161
	41 598			135.00					41 598
		3 029	03/07/07	186.70					3 029
Subtotal	1 758 958	130 369							1 889 327
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	2 556 156	130 369							2 686 525

* 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.

24. SHARE-BASED PAYMENTS (continued)

24.1 Remgro Share Scheme (continued)

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			87.86					97 872
		7 303	26/06/06	135.00					7 303
D M Falck	458 716			43.60					458 716
	104 917			63.00					104 917
	30 050			87.86					30 050
		92 988	26/06/06	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.

24.2 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 R10.8 million (2007: R8.0 million) relating to this scheme was recognised in the income statement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million
25. PROFIT		
Profit is stated after taking the following into account:		
Income		
Fair value adjustment – biological assets	46	21
Fair value adjustment – derivative instruments	66	113
Rental income – investment properties	9	8
Interest received	296	332
Shareholder's loan to associated company	6	20
Financial institutions and other	290	312
Profit on redemption and sale of investments*	1 665	7
Profit with restructuring of investment in Unilever	1 167	–
Profit with unbundling of investment in Discovery by FirstRand	403	–
Other	95	7
Profit on sale of property, plant and equipment	114	–
Exchange rate gains	20	67
<i>* Refer to the Report of the Board of Directors for further information.</i>		
Expenses		
Amortisation of intangible assets	12	14
Fair value adjustment – derivative instruments	–	6
Expenses – investment properties	5	2
Rental	61	41
Land and buildings	26	20
Machinery and equipment	21	10
Vehicles	4	5
Office equipment	10	6
Research and development costs written off	1	–
Auditors' remuneration – audit fees	11	10
– other services	3	3
Professional fees	25	28
Depreciation	251	223
Buildings	30	27
Machinery and equipment	188	167
Vehicles	31	26
Office equipment	2	3
Loss on sale of property, plant and equipment	–	1
26. ADMINISTRATION AND MANAGEMENT FEES		
Total administration and management fees of Remgro Limited**	83	75
Less: Fees received	(16)	(16)
Intergroup – excluding wholly owned subsidiaries	(4)	(4)
Other	(12)	(12)
Net	67	59

** After recovery of appropriate portion from VenFin Limited.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

27. DIVIDEND INCOME

	THE COMPANY		CONSOLIDATED	
	2008 R million	2007 R million	2008 R million	2007 R million
Included in profit:				
Listed	–	–	274	151
Unlisted – Subsidiary companies	2 138	3 358		
– Other	–	–	–	5
	2 138	3 358	274	156
Dividends from associated companies set off against investments			3 297	2 748
			2008 R million	2007 R million

28. EQUITY ADJUSTMENT

Share of net attributable profit of associated companies and joint ventures – per income statement	7 210	6 003
Dividends received from associated companies and joint ventures	(3 297)	(2 748)
Share of net profit retained by associated companies and joint ventures	3 913	3 255
Exchange rate differences on translation between average rates and year-end rates	162	111
Equity adjustment transferred to non-distributable reserves (Refer to statements of changes in equity)	4 075	3 366
Portion of the share of net profit retained by associated companies and joint ventures, that has been accounted for from unaudited interim reports and management accounts	1 039	1 102
Contingent liabilities of associated companies and joint ventures		
Guarantees to third parties – Performance guarantees, suretyships and letters of credit of various associated companies and joint ventures	142	393
Contingent tax liabilities	98	103

Product liabilities – British American Tobacco Plc (BAT) has contingent liabilities arising when BAT group companies are named as defendants in court cases in various countries with respect to product liability and non-product liability litigation, and arising from overseas taxes, guarantees and other matters. Despite the quality of defences judged by BAT to be available, BAT states in their annual report, where full details may be found, that it is not impossible that its results of operations or cash flows in a particular quarter or financial year could be materially affected by the outcomes of such matters. This 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 2008

29. CASH FLOW INFORMATION

	CONSOLIDATED		THE COMPANY	
	2008 R million	2007 R million	2008 R million	2007 R million
29.1 Adjustments				
Amortisation of intangible assets and depreciation	263	237	–	–
Movement in provisions	5	(58)	–	–
Share scheme cost	68	18	–	–
Exchange rate gain on foreign cash	259	622	–	–
(Profit)/loss on the sale of property, plant and equipment	(114)	1	–	–
Other	1	–	–	–
	482	820	–	–
29.2 Decrease/(increase) in working capital				
Decrease/(increase) in inventories and biological agricultural assets	(341)	(180)	–	–
Decrease/(increase) in trade and other receivables	(327)	(109)	3	(1)
Increase/(decrease) in trade and other payables	393	86	2	3
Net movement in derivative instruments	(26)	33	–	–
	(301)	(170)	5	2
29.3 Reconciliation of dividends received				
Receivable at the beginning of the year	168	–	–	–
Per income statement	274	156	2 138	3 358
Dividends from associated companies set off against investments	3 297	2 748	–	–
Dividend in specie	(191)	–	–	–
Receivable at the end of the year	–	(168)	–	–
Cash received	3 548	2 736	2 138	3 358
29.4 Reconciliation of taxation paid with the amount disclosed in the income statement				
Paid in advance at the beginning of the year	14	67	–	–
Unpaid at the beginning of the year	(104)	(473)	–	–
Per income statement	(340)	(360)	–	–
– normal income	(296)	(339)	–	–
– capital gain	(17)	–	–	–
– STC	(27)	(21)	–	–
Unpaid at the end of the year	13	104	–	–
Paid in advance at the end of the year	(80)	(14)	–	–
Cash paid	(497)	(676)	–	–
29.5 Reconciliation of dividends paid				
Per statements of changes in equity	(2 178)	(3 748)	(2 233)	(3 782)
Paid by subsidiary companies to minority	(74)	(65)	–	–
Cash paid	(2 252)	(3 813)	(2 233)	(3 782)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million
30. BUSINESSES ACQUIRED		
During the past two years a subsidiary company in the Group acquired various small businesses. The assets and liabilities arising from these acquisitions were as follows:		
Net assets acquired	3	4
Goodwill (note 5)	2	7
Cash paid	5	11
Cash acquired from business	(1)	3
Net cash flow on acquisition of business	4	14

31. FINANCIAL INSTRUMENTS

31.1 Classes of financial instruments and fair value

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.

The accounting policy for financial instruments was applied to the following balance sheet line items.

	Non-financial assets R million	Loans and receivables R million	Assets at fair value through profit and loss R million	Available- for-sale R million	Carrying value R million	Fair value R million
2008						
Investments – other				8 551	8 551	8 551
Loans		2			2	2
Debtors and short-term loans	124	1 261			1 385	1 385
Derivative instruments			19		19	19
Cash and cash equivalents		3 934			3 934	3 934
	124	5 197	19	8 551	13 891	13 891
2007						
Investments – other				6 245	6 245	6 245
Loans		2			2	2
Debtors and short-term loans	95	1 119			1 214	1 214
Derivative instruments			16		16	16
Cash and cash equivalents		5 004			5 004	5 004
	95	6 125	16	6 245	12 481	12 481

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

31. FINANCIAL INSTRUMENTS *(continued)*

31.1 Classes of financial instruments and fair value *(continued)*

Financial liabilities	<i>Liabilities at amortised cost</i> R million	<i>Liabilities at fair value through profit and loss</i> R million	<i>Carrying value</i> R million	<i>Fair value</i> R million
2008				
Long-term loans	189		189	189
Trade and other payables	1 826		1 826	1 826
Short-term loans	190		190	190
Derivative instruments		3	3	3
	2 205	3	2 208	2 208
2007				
Long-term loans	161		161	161
Trade and other payables	1 440		1 440	1 440
Short-term loans	233		233	233
Derivative instruments		27	27	27
	1 834	27	1 861	1 861

Fair value

On 31 March 2008 and 2007 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 quoted market prices 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 their fair value.

Borrowings: The fair value of long-term borrowings is based on discounted cash flows using the effective interest rate method. As the interest rates of long-term borrowings are all market related their carrying values approximate their fair value.

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

31.2 Financial instruments and risk management

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

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

31. FINANCIAL INSTRUMENTS (continued)

31.2 Financial instruments and risk management (continued)

Relevant financial risks and risk management programmes 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. Some operating subsidiaries have commodity options and futures contracts that are influenced by the prices of the underlying commodities.

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.

The Group has no significant exposure to foreign exchange risk.

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 £1 200 million (2007: £1 188 million) and it also had cash amounting to £165 million (2007: £219 million) abroad.

Interest rate risk

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

The Company and its subsidiary companies are also exposed to interest rate risk due to long-term debt. The interest rate profile of the liabilities is disclosed in note 18.

The Group's sensitivity to market risk

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

	Change	2008 Income statement R million	Equity R million	Change	2007 Income statement R million	Equity R million
Interest rates	2.0%	51		1.0%	33	
Foreign exchange:						
ZAR/UK pound	5.0%	1		5.0%	43	
Equity prices	10.0%		731	10.0%		534
Commodity prices	R50/ton	9		R50/ton	22	
		61	731		98	534

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

31. FINANCIAL INSTRUMENTS *(continued)*

31.2 Financial instruments and risk management *(continued)*

Credit risk

The Group's exposure to credit risk is the fair value of loans, debtors, short-term loans, derivative instruments and cash and cash equivalents as indicated above.

Loans receivable and debtors

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. Other debtors consist mainly of prepayments and dividends receivable.

Terms granted to trade debtors are determined by the relevant operating subsidiaries, i.e. Rainbow Chicken, Tsb Sugar and Wispeco, who each puts its own credit policy in place.

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

Debtors	Age analysis of trade debtors in arrears			Total trade debtors in arrears R million
	60 days R million	90 days R million	120 days + R million	
2008	76	8	10	94
2007	85	7	20	112

A provision for doubtful debts of R44 million (2007: R49 million) was made. Refer note 12.

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

	2008	2007
New customers (history of less than six months)	125	57
Existing customers (history of six months +) – no past defaults	839	667
Existing customers (history of six months +) – with past defaults	82	34
	1 046	758

Derivative instrument transactions and cash investments

Derivative instrument transactions are limited to transactions with financial institutions with a good credit rating. The treasury committee approves these institutions and determines the limit of credit exposure of each separate entity.

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

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.

31. FINANCIAL INSTRUMENTS (continued)

31.2 Financial instruments and risk management (continued)

The following schedule indicates the repayment terms of outstanding debt:

Financial liabilities	Carrying value R million	Contractual cash flow R million	Non-discounted cash flow		
			0 to 12 months R million	1 to 5 years R million	5 years and longer R million
2008					
Long-term loans	189	248	–	238	10
Trade and other payables	1 826	1 826	1 826	–	–
Short-term loans	190	211	211	–	–
Derivative instruments	3	56	56	–	–
	2 208	2 341	2 093	238	10
2007					
Long-term loans	161	206	–	172	34
Trade and other payables	1 440	1 440	1 440	–	–
Short-term loans	233	252	252	–	–
Derivative instruments	27	113	113	–	–
	1 861	2 011	1 805	172	34

32. CAPITAL MANAGEMENT

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

In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue shares or repurchase shares from shareholders. For the year under review dividends amounting to R2 471 million (2007: R2 102 million) were declared and shares to the value of R37 million (2007: RNil) were issued. The Group also repurchased its own shares to the value of R28 million (2007: R1 106 million).

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

	2008 R million	2007 R million
33. COMMITMENTS		
Capital commitments	888	704
Uncompleted contracts for capital expenditure	114	106
Capital expenditure authorised but not yet contracted	161	253
Investment liabilities	613	345
Operating lease commitments	130	122
Due within one year	39	37
Due – two to five years	81	79
Due thereafter	10	6
	1 018	826

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

34. BORROWING POWERS

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

	2008 R million	2007 R million
35. GUARANTEES AND CONTINGENT LIABILITIES		
35.1 Guarantees		
Guarantees by subsidiary companies	8	4
35.2 Contingent liabilities		
Legal actions pending	–	4
Contract grower guarantees*	50	53
Other	–	19
	50	76

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

36. RELATED PARTY INFORMATION

Subsidiaries

Details of income from and investments in subsidiary companies are disclosed in note 27 and in Annexure A respectively.

Associated companies and joint ventures

Details of investments in and income from associated companies and joint ventures are disclosed in notes 6, 7 and 28 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 23 and 24 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 115 and 116 of the Annual Report.

Other

Certain contractually agreed upon, supporting and other services are rendered to VenFin Limited. Refer to note 26.

	2008 R million	2007 R million
Related party transactions		
CONSOLIDATED		
Transactions of Remgro Limited and its subsidiary companies with:		
<i>Controlling shareholder</i>		
Dividends paid	164	277
<i>Associates</i>		
Interest received	11	35
Dividends received	3 297	2 748
Sales	2	12
Administration fees	13	12
Purchases	113	200
Interest paid	1	–
Other expenses	–	1
<i>Key management personnel</i>		
Salaries and other benefits	19	18
Retirement benefits	3	3
Share-based payments	8	7

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million
36. RELATED PARTY INFORMATION <i>(continued)</i>		
CONSOLIDATED <i>(continued)</i>		
Transactions of Remgro Limited and its subsidiary companies with <i>(continued)</i> :		
<i>Other</i>		
Fees received from VenFin Limited	17	21
Balances due from/(to) related parties		
Associated companies	(11)	(13)
THE COMPANY		
Transactions of Remgro Limited with:		
<i>Subsidiary companies</i>		
Dividends received	2 138	3 358
Administration fees received	5	4
Balances due by/(to) related parties		
Subsidiary companies	2 312	2 371

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.