

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 auditor's report is presented on page 54.

Signed on behalf of the Board of Directors.



Johann Rupert
Chairman

Stellenbosch
22 June 2009



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
22 June 2009

AUDIT AND RISK COMMITTEE REPORT

TO THE MEMBERS OF REMGRO LIMITED

The Audit and Risk Committee has pleasure in submitting this report, as required in terms of the Companies Act (No. 61 of 1973), as amended ("Companies Act"). The Audit and Risk Committee consists of three non-executive directors who act independently as described in section 269A of the Companies Act. During the year under review four meetings were held and the committee members attended all the meetings. At the meetings the members fulfilled all their functions as prescribed by the Companies Act. A detailed list of the functions of the audit and risk committee is contained in the corporate governance report. The Audit and Risk Committee has satisfied itself that the auditors are independent of the Company and are thereby able to conduct their audit functions without any influence from the Company.



Herman Wessels
Chairman of Audit and Risk Committee

Stellenbosch
22 June 2009

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 2009, 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 55 to 121.

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 (IFRS) 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 at 31 March 2009, and of their financial performance and their cash flows for the year then ended in accordance with IFRS and in the manner required by the Companies Act of South Africa.



PRICEWATERHOUSECOOPERS 

Director: N H Döman
Registered Auditor

Cape Town
22 June 2009

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2009

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.

During the year under review the investment in British American Tobacco Plc (BAT) was unbundled to shareholders as an interim dividend *in specie* amounting to R55.2 billion. Refer to the section on "Investments" below for further details of the unbundling.

After the unbundling referred to above the Group's interests consist mainly of investments in 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:	2009	2008
Headline earnings (R million)	4 660	7 991
– per share (cents)	987.7	1 692.8
– diluted (cents)	954.8	1 649.0
Headline earnings from continuing operations (R million)*	3 168	4 551
– per share (cents)	671.5	964.1
– diluted (cents)	659.2	928.3
Earnings – net profit for the year (R million)	45 330	9 893
– per share (cents)	9 607.9	2 095.7
– diluted (cents)	9 570.4	2 048.9
Dividends (R million)**	902	2 471
– ordinary – per share (cents)	190.00	510.00

* *Headline earnings from continuing operations is calculated by excluding the equity accounted income of BAT, as well as all non-recurring costs relating to the unbundling.*

** *A final dividend of 110 cents (2008: 330 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:

GROUP RESTRUCTURING

On 7 October 2008 Remgro shareholders approved the unbundling of the investment in BAT by way of an interim dividend *in specie*, and on 3 November 2008 Remgro distributed 192.9 million ordinary shares in BAT and 302.6 million Reinet Investments S.C.A. (Reinet) depositary receipts (DRs) to Remgro shareholders in the ratio of 40.6054 BAT ordinary shares and 63.6977 Reinet DRs for every 100 Remgro shares held.

The interim dividend *in specie* amounted to a total amount of R55.2 billion and secondary taxation on companies (STC) of R686.0 million was payable on this dividend. In addition to the STC payable, Securities Transfer Tax (STT) amounting to R144.1 million was also payable. As R129.7 million of the STT was paid on behalf of Remgro shareholders

with the unbundling of the ordinary shares in BAT to them, this amount is included in the interim dividend *in specie* referred to above.

Due to the fact that the ordinary shares in BAT and Reinet DRs were distributed at market value, a capital gain of R40 805.0 million was realised on the dividend *in specie*.

All cautionary and other announcements relating to the unbundling of the investment in BAT are available on Remgro's website at www.remgro.com.

REPURCHASE OF REMGRO SHARES

At 31 March 2008 8 554 019 Remgro ordinary shares (1.9%) were held as treasury shares. During the six months ended 30 September 2008 a wholly owned subsidiary company of Remgro acquired 3 500 000 Remgro ordinary shares at an average price of R189.71 for a total amount of R666.4 million. These shares were acquired for the purpose of hedging the new share appreciation right scheme that was implemented subsequent to the unbundling of the investment in BAT. At 30 September 2008, 12 054 019 Remgro ordinary shares (2.7%) were held as treasury shares.

During the year under review no Remgro ordinary shares were purchased by The Remgro Share Trust, while 1 042 426 shares were delivered to participants against payment of the subscription price.

Subsequent to 30 September 2008, as part of the preliminary steps to the unbundling of the investment in BAT, the 8 554 019 Remgro ordinary shares held as treasury shares and 969 836 of the Remgro ordinary shares held by The Remgro Share Trust were cancelled after the unbundling of the investment in BAT was approved by Remgro shareholders. The balance of the Remgro ordinary shares held by The Remgro Share Trust, were delivered to participants and a wholly owned subsidiary company of Remgro provided a direct finance facility to the participants to allow them to settle the outstanding purchase price. At 31 March 2009 the outstanding amount of the direct finance facility amounted to R73.6 million and this amount is included in the balance sheet as a non-current asset under "Loans".

At 31 March 2009, 3 500 000 Remgro ordinary shares (0.8%) were held as treasury shares.

As a result of the 3.5 million treasury shares acquired and as part of the unbundling of the investment in BAT, the wholly owned subsidiary company that acquired the treasury shares, also received ordinary shares in BAT and Reinet DRs. At 31 March 2009, 1 252 712 ordinary shares in BAT and 1 966 260 Reinet DRs were held. These investments were classified as financial instruments "available-for-sale" for accounting purposes and only dividend income from these investments will in the future be accounted for in the income statement. The unbundling of the investment in BAT also resulted in Remgro receiving 196 626 Reinet warrant receipts. These warrant receipts were sold during December 2008 and an after-tax capital gain of R2.9 million was realised on this transaction.

XIOCOM WIRELESS, INC. (XIOCOM)

During the 2008 financial year Remgro acquired a 37.5% interest, on a fully diluted basis, in Xicom, a 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 and on 31 March 2008 \$11.25 million had already been invested. During the year under review Remgro invested a further \$17.5 million in Xicom.

For the year under review Xicom was equity accounted for the twelve months to 31 March 2009, compared to eight months in the comparative year.

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. PGSI is the foreign holding company of the Plate Glass group. During the year under review Remgro invested a further \$1.0 million (or R7.9 million) in PGSI. On 31 March 2009, Remgro's interest in PGSI, on a fully diluted basis, was 25.0%.

During March 2009 Remgro advanced a bridging loan amounting to R29.0 million to PGSI in anticipation of a PGSI rights offer intending to raise up to R300 million from shareholders.

For the year ended 31 March 2009 PGSI, which has a December year-end, has been equity accounted for the twelve months to December 2008 compared to the five months to December 2007 in the comparative year.

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 2008, Remgro invested R50.4 million of the R350 million committed. During the year under review Remgro invested a further R24.7 million in KIEF.

BUSINESS PARTNERS LIMITED (BUSINESS PARTNERS)

During the year under review Remgro acquired a further 930 900 Business Partners shares for a total amount of R5.8 million. On 31 March 2009, Remgro's interest in Business Partners was 20.8% (31 March 2008: 20.2%) on a fully diluted basis.

Tsb SUGAR HOLDINGS (PTY) LIMITED (Tsb SUGAR)

With effect from 1 April 2007 Tsb Sugar concluded the Tenbosch land claim whereby it disposed of 4 800 hectares (ha) of irrigated sugar cane 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 of approximately 6 000 ha is currently in progress and consists of the remaining claimed land, situated mainly in the Malelane area. This transaction is expected to be completed in the next financial year.

Post balance sheet events:

KWV INVESTMENTS LIMITED (KWV INVESTMENTS)

On 14 April 2009, Remgro acquired 4 028 136 KWV Investments shares (9.6% shareholding) for a total consideration of R258.5 million. As Remgro's interest in Distell Group Limited (Distell) is held through Remgro-KWV Investments Limited, in which both Remgro and KWV Investments have a 50% interest, this acquisition effectively increases Remgro's indirect interest in Distell by 2.8% to 32.0% (31 March 2009: 29.2%).

For accounting purposes the investment in KWV Investments will be classified as a financial instrument "available-for-sale" and only dividend income will in the future be accounted for in the income statement.

XIOCOM

Since 31 March 2009 a further \$3.0 million was invested in Xiocom. Currently \$31.75 million of the \$50.0 million conditional commitment has already been invested.

GROUP RESTRUCTURING

On 8 June 2009 Remgro and VenFin Limited announced that they are engaged in discussions regarding a possible merger of the two companies.

The boards of directors of the respective companies have proposed that the possible merger will be implemented on a net asset value (NAV) basis and will exclude VenFin's shareholding in Dimension Data Plc (Didata). Based on the NAV of Remgro and VenFin (excluding VenFin's shareholding in Didata) as at 5 June 2009, the agreed value date of the transaction, it is anticipated that VenFin shareholders will receive 1 Remgro share for every 6.25 VenFin shares held.

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

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2009

CASH RESOURCES

The Company's cash resources at 31 March 2009 were as follows:

	Local R million	Offshore R million	Total R million
Per consolidated balance sheet	1 507	3 543	5 050
Investment in money market funds	–	1 578	1 578
Less: Cash of operating subsidiaries	(633)	(28)	(661)
Cash at the centre	874	5 093	5 967

On 31 March 2009, approximately 31% (R1 578 million) of the available offshore cash at the centre was invested in money market funds which are not classified as cash and cash equivalents on the balance sheet. Refer to note 15 to the annual financial statements for further details.

GROUP FINANCIAL REVIEW

COMPARISON WITH PRIOR YEAR

With effect from 3 November 2008 the investment in BAT was distributed to Remgro shareholders as an interim dividend *in specie*. For the year under review the investment in BAT was accordingly only equity accounted for the seven months to 31 October 2008.

In order to facilitate year-on-year comparison, headline earnings and headline earnings per share are also presented for continuing operations, which excludes the equity accounted income of BAT, as well as all non-recurring costs relating to the unbundling.

BALANCE SHEET

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

	2009		2008	
	R million	R per share	R million	R per share
<i>Equity employed</i>				
Attributable to equity holders	38 072	80.75	57 227	121.11
<i>Employment of equity</i>				
Tobacco interests	–	–	21 891	46.33
Financial services	10 969	23.27	10 559	22.34
Industrial interests	10 025	21.26	15 182	32.14
Mining interests	11 329	24.03	7 619	16.12
Corporate finance and other interests	5 749	12.19	1 976	4.18
	38 072	80.75	57 227	121.11

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2009

INCOME STATEMENT

	2009		2008	
	R million	%	R million	%
<i>Source of headline earnings</i>				
Tobacco interests	2 295	49	3 579	45
Financial services	1 576	34	2 120	26
Industrial interests	1 318	28	1 895	24
Mining interests	164	4	264	3
Corporate finance and other interests	(693)	(15)	133	2
	4 660	100	7 991	100

	2009	2008
	R million	R million
<i>Composition of headline earnings</i>		
Subsidiary companies	142	910
Profits	159	933
Losses	(17)	(23)
Associated companies and joint ventures	4 518	7 081
Profits	5 023	7 148
Losses	(505)	(67)
	4 660	7 991

SHARE SCHEMES

During the year under review a new share scheme, the Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme), was implemented in addition to the existing Remgro Share Scheme. No new allocations under the Remgro Share Scheme have been made during the year under review. In terms of the SAR scheme participants are offered shares to the value of the appreciation of a specified number of Remgro ordinary shares that can be exercised at different intervals but before the expiry of seven years from date of grant.

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

- One-third after the third anniversary of the grant date
- Two-thirds after the fourth anniversary of the grant date
- The remainder after the fifth anniversary of the grant date

Refer to note 25 to the annual financial statements for full details on the Remgro Share Scheme as well as the SAR Scheme.

PRINCIPAL SHAREHOLDER

Rembrandt Trust (Pty) Limited (Rembrandt Trust) holds all the issued unlisted B ordinary shares of the Company and is entitled to 44.89% (2008: 44.83%) of the total votes.

An analysis of the shareholders appears on pages 123 and 124.

SUBSIDIARY COMPANIES AND INVESTMENTS

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

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2009

DIRECTORS

The names of the directors appear on pages 12 and 13.

Mr D Prins and Mrs M Ramos resigned as independent non-executive directors on 22 August 2008 and 26 February 2009 respectively. The Board of Directors wishes to thank them for their contribution. On 22 August 2008 Mr H Wessels was appointed as an independent non-executive director and was also appointed as the chairman of the Audit and Risk Committee.

In terms of the provision of the Articles of Association, Messrs J P Rupert, P E Beyers, W E Bührmann, P K Harris, M M Morobe and H Wessels retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

DIRECTORS' INTERESTS

At 31 March 2009 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 1.26% (2008: 0.94%).

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 125.

DIRECTORS' EMOLUMENTS

The total directors' fees for services rendered as directors during the past financial year amounted to R2 697 000 (2008: R2 525 000).

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 to the Board are incorporated in the notice of the annual general meeting that appears on page 126.

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.

DIVIDENDS

The final ordinary dividend per share was determined at 110 cents (2008: 330 cents). Total ordinary dividends per share in respect of the financial year to 31 March 2009 therefore amount to 190 cents (2008: 510 cents).

For a Remgro shareholder who continues to hold ordinary shares in BAT as well as Reinet DRs, this means an increase of 8.0% in dividend income when compared to the previous financial year.

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2009

DECLARATION OF CASH DIVIDEND

DECLARATION OF DIVIDEND NO. 18

A final dividend of 110 cents (2008: 330 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 2009.

PAYMENT

The final dividend is payable on Monday, 24 August 2009, to shareholders of the Company registered at the close of business on Friday, 21 August 2009.

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 17 August 2009, and Friday, 21 August 2009, both days inclusive.

SECRETARY

The name and address of the Company Secretary appears on page 122.

APPROVAL

The annual financial statements set out on pages 55 to 121 have been approved by the Board.

Signed on behalf of the Board of Directors.



Johann Rupert
Chairman

Stellenbosch
22 June 2009



Thys Visser
Chief Executive Officer

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

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.

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

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.

"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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

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 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.

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

(III) BIOLOGICAL AGRICULTURAL ASSETS

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

Sugar cane – 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.

Sugar cane, 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 indefinite useful 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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

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.

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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

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

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

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

(VIII) INVENTORIES

Inventories are stated at the lower of cost or net realisable value. The basis of determining cost, which excludes finance costs, is the first-in first-out cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. 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 for 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. The functional currency of the Company and the presentation currency of both the Company and the Group is rand. All amounts, unless otherwise indicated, are stated in millions.

Transactions and balances

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing at the date of the transactions. Except when deferred in 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. Translation differences on non-monetary items are accounted for based on the classification of the underlying items. Foreign exchange gains and losses on financial instruments classified as available-for-sale financial assets are included in 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.

(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 associated companies**

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

- ✦ **Investment 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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

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.

Equity compensation plans

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

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

Short-term benefits

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

(xiv) CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, short-term government debt instruments, 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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

(xvii) DIVIDEND DISTRIBUTION

Distribution of assets to the shareholders of the Company are accounted for at fair value.

(xviii) 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.

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

The preparation of the financial statements necessitates the use of estimates, assumptions and judgements that affect the reported amounts in the 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.

Critical judgements in applying the Group's accounting policies

The most critical judgement exercised relates to the classification of investments as associated companies rather than investments available-for-sale. 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.

Critical judgement is also exercised with regards to the determination of the functional currency of the offshore entities that holds the group's cash and short-term financial investments. The functional currencies of these entities are determined with reference to the currency in which the entities receive their operating cash inflows, as these most faithfully represent the economic effects of the underlying transactions, events and conditions. The operations of these entities are clearly separated from those of the parent and are managed separately from each other in terms of a strategic investment plan to invest in hard currencies based on specific and pre-determined portfolio allocations. As a result, exchange differences arising on the translation of those entities into the reporting currency of the Group are deferred in equity until being realised, as opposed to being reported in the income statement on a continuous basis.

Critical accounting estimates and assumptions

A significant estimate relates to the Group's accounting policy in terms of which deferred taxation is provided for on all temporary differences between the carrying value and the tax base of investments. This tax is measured at the estimated tax consequences based on the manner in which the entity, at the 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 taxation is provided. Deferred taxation is provided on temporary differences that arise on the revaluation of available-for-sale investments based on the future economic benefits the entity expects to realise from that asset, i.e. a combination of dividends and capital gains or losses.

Other estimates and assumptions relate to the determination of the useful lives of assets, impairments, 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.

(xx) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 31 March 2009, 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.

✦ **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 15: Agreements for the Construction of Real Estate**

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

This interpretation provides guidance on how to determine whether an agreement for the construction of real estate falls within the scope of IAS 11: Construction Contracts or IAS 18: Revenue and when revenue from the construction should be recognised.

✦ **IFRIC 16: Hedges of a Net Investment in a Foreign Operation**

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

This interpretation provides guidance on the accounting treatment for a hedge of a net investment in a foreign operation in an entity’s consolidated financial statements and states that:

- ✦ The presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may only designate the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation as a hedged risk.
- ✦ The hedging instruments may be held by any entity or entities within the Group.
- ✦ While IAS 39: Financial Instruments – Recognition and Measurement is applied to determine the amount that needs to be transferred from equity to profit or loss in respect of the hedging instrument, IAS 21: The Effects of Changes in Foreign Exchange Rates must be applied in respect of the hedged item.

✦ **IFRIC 17: Distributions of Non-cash Assets to Owners**

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

This interpretation provides guidance on how an entity should account for and measure:

- ✦ distributions of non-cash assets to its owners; and
- ✦ distributions that give owners a choice of receiving either cash or another asset.

An entity should measure the dividend payable at the fair value of the net assets to be distributed. The difference between the dividend paid and the carrying amount of the net assets distributed should be accounted for in profit or loss.

• **IFRIC 18: Transfers of Assets from Customers**

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

This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives property, plant and equipment from a customer that the entity must use to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services.

IFRIC 18 provides guidance on how to identify the entity's obligation to provide one or more separately identifiable services in exchange for the transferred asset and how to recognise revenue.

• **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 derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in the income statement. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost.

✦ **Amendment to IFRS 1: First-Time Adoption of International Financial Reporting Standards and IAS 27 – Consolidated and Separate Financial Statements (Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate)**

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

The amendment allows entities a choice between the previous GAAP carrying amount and the fair value as deemed cost when adopting IFRS for the first time and it also removed the definition of the cost method in IAS 27. The amendment further specifies that dividends from subsidiaries, jointly controlled entities or associated companies are recognised as income in separate financial statements. Consequently, the requirement to separate the retained earnings of these investments into pre- and post-acquisition components has been removed from IFRS.

✦ **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.

✦ **Amendment to IAS 39: Financial Instruments – Recognition and Measurement (Eligible Hedged Items)**

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

The amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows of a hedged item is eligible for designation in a hedging relationship, should be applied in particular situations.

✦ **Amendment to IFRIC 9: Reassessment of Embedded Derivatives and IAS 39: Financial Instruments – Recognition and Measurement**

(effective date – financial periods ending on/after 30 June 2009)

The amendment clarifies that an entity shall reassess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when a financial asset is reclassified out of the “at fair value through profit and loss” category.

The amendment also prohibits the reclassification of a hybrid instrument out of the fair value through profit and loss category in the event that the entity is unable to separate the embedded derivative from the host contract.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

- **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, except for the following:

- Revised IFRS 3: Business Combinations and revised IAS 27: Consolidated and Separate Financial Statements – These standards will be applied prospectively to all business combinations and changes in a parent's ownership interest in a subsidiary from 1 April 2010 and it will therefore only affect the Group after this date.
- IFRS 8: Operating Segments and IAS 1 (revised): Presentation of Financial Statements – These standards are expected to have an impact on disclosure only.

BALANCE SHEETS

AT 31 MARCH 2009

R million	Notes	CONSOLIDATED		THE COMPANY	
		2009	2008	2009	2008
ASSETS					
Non-current assets					
Property, plant and equipment	2	2 756	2 568	–	–
Biological agricultural assets	3	76	67	–	–
Investment properties	4	34	33	–	–
Intangible assets	5	394	408	–	–
Investments – Associated companies	6	23 795	43 175	–	–
– Joint ventures	7	84	64	–	–
– Other	8	4 742	8 551	–	–
Retirement benefits	9	100	103	–	–
Loans		100	2	–	–
Deferred taxation	10	10	4	–	–
		32 091	54 975	–	–
Current assets		10 025	6 852	12 799	2 313
Inventories	11	911	953	–	–
Biological agricultural assets	3	430	369	–	–
Debtors and short-term loans	12	1 799	1 292	12 799	2 313
Derivative instruments	13	16	19	–	–
Taxation		65	80	–	–
Assets held for sale	14	176	205	–	–
Investment in money market funds	15	1 578	–	–	–
Cash and cash equivalents	16	5 050	3 934	–	–
Total assets		42 116	61 827	12 799	2 313
EQUITY AND LIABILITIES					
Share capital	17	8	8	8	8
Share premium	17	–	37	–	37
Reserves	18	38 324	58 697	159	2 255
Treasury shares	17	(260)	(1 515)	–	–
Shareholders' equity		38 072	57 227	167	2 300
Minority interest		715	648	–	–
Total equity		38 787	57 875	167	2 300
Non-current liabilities		1 172	1 872	–	–
Retirement benefits	9	156	229	–	–
Long-term loans	19	191	189	–	–
Deferred taxation	10	825	1 454	–	–
Current liabilities		2 157	2 080	12 632	13
Trade and other payables	20	1 999	1 826	56	13
Short-term loans	21	117	190	12 576	–
Provisions	22	23	48	–	–
Derivative instruments	13	18	3	–	–
Taxation		–	13	–	–
Total equity and liabilities		42 116	61 827	12 799	2 313

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

<i>R million</i>	Notes	CONSOLIDATED		THE COMPANY	
		2009	2008	2009	2008
CONTINUING OPERATIONS					
Sales		11 455	9 447	–	–
Inventory expenses		(7 245)	(5 415)	–	–
Personnel costs	23	(1 744)	(1 621)	–	–
Depreciation	26	(271)	(251)	–	–
Other net operating expenses	26	(1 480)	(1 109)	(5)	(3)
Trading profit/(loss)		715	1 051	(5)	(3)
Dividends received	27	355	274	59 469	2 138
Interest received	26	197	296	–	–
Finance costs		(49)	(43)	–	–
Net impairment of investments, assets and goodwill		(442)	19	–	–
Profit/(loss) on sale, distribution and restructuring of investments	26	24	1 665	(2 012)	–
Consolidated profit before tax		800	3 262	57 452	2 135
Taxation	10	(268)	(419)	(686)	–
Consolidated profit after tax		532	2 843	56 766	2 135
Share of after-tax profit of associated companies and joint ventures	28	2 389	3 825	–	–
Net profit for the year from continuing operations		2 921	6 668	56 766	2 135
DISCONTINUED OPERATIONS					
Profit for the year from discontinued operations	37	42 503	3 385	–	–
Net profit for the year		45 424	10 053	56 766	2 135

Attributable to:

Equity holders	45 330	9 893	56 766	2 135
Continuing operations	2 827	6 508	56 766	2 135
Discontinued operations	42 503	3 385	–	–
Minority interest	94	160	–	–
	45 424	10 053	56 766	2 135

EARNINGS PER SHARE

	1	Cents	Cents
Basic		9 607.9	2 095.7
Continuing operations		599.2	1 378.7
Discontinued operations		9 008.7	717.0
Diluted		9 570.4	2 048.9
Continuing operations		584.6	1 339.5
Discontinued operations		8 985.8	709.4

ASSOCIATED COMPANIES AND JOINT VENTURES

	R million	R million
Share of after-tax profit of associated companies and joint ventures (continuing operations)		
Profit before taking into account impairments, non-recurring and capital items	3 208	5 070
Net impairment of investments, assets and goodwill	(253)	(18)
Profit on the sale of investments	360	188
Other non-recurring and capital items	(11)	32
Profit before tax and minority interest	3 304	5 272
Taxation	(809)	(1 153)
Minority interest	(106)	(294)
	2 389	3 825

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2009

CONSOLIDATED

ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

<i>R million</i>	Issued capital	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Treasury shares	Share- holders' equity	Minority interest	Total equity
2009									
Balances at 1 April	45	25 340	1 586	6 977	24 794	(1 515)	57 227	648	57 875
Total income accounted for		(1 492)	(1 125)	(3 588)	44 820		38 615	94	38 709
Exchange rate adjustments		(351)	(82)		(3)		(436)		(436)
Net fair value adjustments for the year			7	(3 570)			(3 563)		(3 563)
Net loss directly accounted for in equity		(351)	(75)	(3 570)	(3)		(3 999)		(3 999)
Realised to the income statement		(1 141)	(1 050)	(18)	(507)		(2 716)		(2 716)
Net profit for the year					45 330		45 330	94	45 424
Dividends paid					(1 938)		(1 938)	(52)	(1 990)
Dividend <i>in specie</i>					(55 225)	406	(54 819)		(54 819)
Purchase of shares by wholly owned subsidiary (treasury shares)						(666)	(666)		(666)
Capital invested by minorities								14	14
Transfer between reserves and other movements		(18 168)	63		18 134		29	(6)	23
Change in reserves of associated companies and joint ventures		(530)	(1)				(531)		(531)
Transfer of retained income of associated companies and joint ventures		3 492	(155)		(3 337)		-		-
Net disposal of shares by The Remgro Share Trust						213	213		213
Long-term share incentive scheme reserve			(54)				(54)	17	(37)
Cancellation of treasury shares	(37)				(1 269)	1 302	(4)		(4)
Balances at 31 March	8	8 642	314	3 389	25 979	(260)	38 072	715	38 787

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

THE COMPANY

<i>R million</i>	2009	2008
Balances at 1 April	2 300	2 361
Issued capital	45	8
Retained earnings	2 255	2 353
Shares issued	-	37
Shares cancelled	(1 695)	-
Net profit for the year	56 766	2 135
Dividends paid	(1 979)	(2 233)
Dividend <i>in specie</i>	(55 225)	-
Balances at 31 March	167	2 300

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

<i>R million</i>	Notes	CONSOLIDATED		THE COMPANY	
		2009	2008	2009	2008
Cash flows – operating activities					
Trading profit/(loss)		715	1 051	(5)	(3)
Adjustments	29.1	214	223	–	–
Consolidated profit/(loss) before working capital changes		929	1 274	(5)	(3)
Working capital changes	29.2	52	(301)	40	5
Cash generated from operations		981	973	35	2
Cash flow generated from returns on investments		1 691	3 844	59 469	2 138
Interest received		197	296	–	–
Dividends received	29.3	1 494	3 548	59 469	2 138
Finance costs		(49)	(43)	–	–
Taxation paid	29.4	(280)	(497)	(686)	–
Cash available from operating activities		2 343	4 277	58 818	2 140
Dividends paid	29.5	(2 120)	(2 252)	(2 109)	(2 233)
Cash inflow/(outflow) from operating activities		223	2 025	56 709	(93)
Cash flows – investing activities					
Net investments to maintain operations		(221)	198	–	–
Replacement of property, plant and equipment		(273)	(100)	–	–
Proceeds on disposal of property, plant and equipment and other assets		52	298	–	–
Investments to expand operations		(479)	(3 889)	(57 108)	–
Additions to – property, plant and equipment and other assets		(191)	(405)	–	–
– investments and loans		(277)	(2 820)	(57 108)	–
– subsidiaries		–	(660)	–	–
Businesses acquired	30	(11)	(4)	–	–
Proceeds from disposal of investments and loans		115	274	–	–
Proceeds from the BAT unbundling		3 736	–	–	–
Purchase of treasury shares		(520)	(21)	–	–
Net cash generated/(utilised) before financing activities		2 854	(1 413)	(399)	(93)
Cash flows – financing activities					
Shares issued		–	37	–	37
Shares cancelled		(4)	–	(1 695)	–
(Increase)/decrease in loans		–	(15)	2 094	56
Issue of new shares by subsidiary companies		9	30	–	–
Capital contributed by minorities of subsidiary company		5	32	–	–
Net increase/(decrease) in cash and cash equivalents		2 864	(1 329)	–	–
Investment in money market funds		(1 578)	–	–	–
Exchange rate gain/(loss) on foreign cash		(98)	259	–	–
Cash and cash equivalents at the beginning of the year		3 831	4 901	–	–
Cash and cash equivalents at the end of the year		5 019	3 831	–	–
Cash and cash equivalents – per balance sheet		5 050	3 934		
Bank overdraft		(31)	(103)		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

1. EARNINGS

	2009		2008	
	Gross R million	Net R million	Gross R million	Net R million
HEADLINE EARNINGS RECONCILIATION				
CONTINUING OPERATIONS				
Net profit for the year attributable to equity holders		2 827		6 508
Plus/(minus):				
– Net impairment of investments, assets and goodwill	442	442	(15)	(8)
– Profit on sale and restructuring of investments	(24)	(21)	(1 665)	(1 627)
– Net (surplus)/loss on disposal of property, plant and equipment	3	2	(114)	(138)
– Non-headline earnings items included in equity accounted earnings of associated companies and joint ventures	(117)	(82)	(208)	(184)
Headline earnings from continuing operations		3 168		4 551
DISCONTINUED OPERATIONS				
Net profit for the year attributable to equity holders		42 503		3 385
Plus/(minus):				
– Profit on the distribution of investments	(40 805)	(40 805)	–	–
– Non-headline earnings items included in equity accounted earnings of associated companies	(223)	(206)	86	55
Headline earnings from discontinued operations		1 492		3 440
Total headline earnings from continuing and discontinued operations		4 660		7 991
			2009	2008
			Cents	Cents
EARNINGS PER SHARE				
Headline earnings per share				
– Basic			987.7	1 692.8
Continuing operations			671.5	964.1
Discontinued operations			316.2	728.7
– Diluted			954.8	1 649.0
Continuing operations			659.2	928.3
Discontinued operations			295.6	720.7
Earnings per share				
– Basic			9 607.9	2 095.7
Continuing operations			599.2	1 378.7
Discontinued operations			9 008.7	717.0
– Diluted			9 570.4	2 048.9
Continuing operations			584.6	1 339.5
Discontinued operations			8 985.8	709.4

Earnings per share

In determining earnings per share and headline earnings per share the weighted number of shares in issue, being 471 798 001 (2008: 472 052 993), 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 offers accepted by participants in the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme, but not yet delivered.

1. EARNINGS (continued)

EARNINGS PER SHARE (continued)

Diluted earnings per share (continued)

The delivery of scheme shares to participants will be regarded as an issue of shares. As the market value (fair value) of the shares at date of delivery will differ from the offer value, the number of shares represented by the difference will be regarded as an issue of ordinary shares for no consideration. These imputed shares total 115 156 (2008: 1 908 925) 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 from continuing operations, R57 million (2008: R151 million) and R68 million (2008: R159 million) were offset against headline earnings and earnings respectively to account for the potential diluted effect. R97 million (2008: R24 million) and R98 million (2008: R23 million) were offset against headline earnings and earnings respectively, to account for the potential diluted effect on earnings from discontinued operations.

2. PROPERTY, PLANT AND EQUIPMENT

	<i>Land and buildings</i> R million	<i>Machinery and equipment</i> R million	<i>Vehicles</i> R million	<i>Office equipment</i> R million	<i>Total</i> R million
Carrying value at 1 April 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)
Additions	113	263	83	4	463
Disposals	(2)	(2)	(7)	–	(11)
Depreciation	(34)	(203)	(31)	(3)	(271)
Businesses acquired	–	–	7	–	7
Other	(56)	56	–	–	–
Carrying value at 31 March 2009	917	1 486	319	34	2 756
Cost	1 377	3 015	489	53	4 934
Accumulated depreciation	(460)	(1 529)	(170)	(19)	(2 178)

Depreciation rates are as follows:	2009	2008
	%	%
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 R4 million (2008: R3 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.

3. BIOLOGICAL AGRICULTURAL ASSETS

Included in non-current assets:

Reconciliation of carrying value at the beginning and end of the year	<i>Sugar cane roots</i> R million	<i>Sugar cane plants</i> R million	<i>Other</i> R million	2009 R million	<i>Sugar cane roots</i> R million	<i>Sugar cane plants</i> R million	<i>Other</i> R million	2008 R million
Balances at 1 April	27	25	15	67	55	22	14	91
Fair value adjustment	6	2	1	9	14	27	1	42
Transfer to assets held for sale	–	–	–	–	(28)	(16)	–	(44)
Other	–	–	–	–	(14)	(8)	–	(22)
Balances at 31 March	33	27	16	76	27	25	15	67

The quantity at 31 March is as follows:

Sugar cane roots (ha)	3 649	3 654
Sugar cane plants (ha)	3 649	3 654
Other (ha)	1 754	1 787

Included in current assets:

Reconciliation of carrying value at the beginning and end of the year	<i>Breeding stock</i> R million	<i>Broiler stock</i> R million	2009 R million	<i>Breeding stock</i> R million	<i>Broiler stock</i> R million	2008 R million
Balances at 1 April	213	156	369	160	109	269
Additions	729	3 578	4 307	576	2 810	3 386
Decrease due to harvest	(700)	(3 559)	(4 259)	(526)	(2 775)	(3 301)
Fair value adjustment	3	10	13	3	12	15
Balances at 31 March	245	185	430	213	156	369

4. INVESTMENT PROPERTIES

	2009	Net value	2008	Net value
	<i>Cost</i> R million	<i>Accumulated depreciation</i> R million	<i>Cost</i> R million	<i>Accumulated depreciation</i> R million
Land	3	–	3	–
Buildings	31	–	30	–
	34	–	33	–

Reconciliation of carrying value at the beginning and end of the year	<i>Land</i> R million	<i>Buildings</i> R million	2009 R million	<i>Land</i> R million	<i>Buildings</i> R million	2008 R million
Balances at 1 April	3	30	33	3	29	32
Additions	–	1	1	–	1	1
Balances at 31 March	3	31	34	3	30	33

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 (2008: R345 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.

FOR THE YEAR ENDED 31 MARCH 2009

5. INTANGIBLE ASSETS

	2009			2008		
	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	347	–	347	345	–	345
Trade marks and other	144	(97)	47	154	(91)	63
	491	(97)	394	499	(91)	408

Amortisation rates are as follows:	2009	2008
	%	%
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	2009 R million	Goodwill R million	Trade marks and other R million	2008 R million
Balances at 1 April	345	63	408	342	71	413
Amortisation	–	(11)	(11)	–	(12)	(12)
Businesses acquired	4	–	4	2	–	2
Other	(2)	(5)	(7)	1	4	5
Balances at 31 March	347	47	394	345	63	408

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	2009 Total
Goodwill allocated (R million)	292	39	16	347
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	13.5%
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.

FOR THE YEAR ENDED 31 MARCH 2009

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

	2009			2008		
	Listed R million	Unlisted R million	Total R million	Listed R million	Unlisted R million	Total R million
Shares – at cost	9 075	3 530	12 605	9 182	6 930	16 112
Equity adjustment	7 763	3 385	11 148	7 483	19 538	27 021
Carrying value	16 838	6 915	23 753	16 665	26 468	43 133
Long-term loans	–	42	42	–	42	42
	16 838	6 957	23 795	16 665	26 510	43 175
Market values of listed investments	18 904		18 904	22 147		22 147
Directors' valuation of unlisted investments		11 407	11 407		82 286	82 286
Market values and directors' valuation	18 904	11 407	30 311	22 147	82 286	104 433
Excess of market values and directors' valuation over the carrying value of investments:						
– attributable to equity holders			6 516			61 258
– attributable to minority			–			–
			6 516			61 258

Of the directors' valuations of unlisted investments stated above, a substantial proportion amounting to R3 052 million (2008: R72 010 million) was based on the stock exchange prices of underlying listed shares held by the unlisted investments concerned.

	2009 R million	2008 R million
Reconciliation of carrying value at the beginning and end of the year		
Carrying value at 1 April	43 175	33 033
Exchange rate differences on translation of carrying value at the beginning of the year to year-end rate	(418)	2 003
<i>Income of associated companies retained</i>	3 492	4 100
Share of net attributable profit of associated companies	4 947	7 230
Dividends received from associated companies	(1 526)	(3 297)
Exchange rate differences on translation from average rate to year-end rates	71	167
Equity-accounted movements on reserves	(530)	(154)
Loans repaid	–	(147)
Disposals/capital reductions	(78)	(236)
Investments made	29	3 411
Restructuring of interest in Unilever	–	1 167
Unbundling of BAT	(21 432)	–
Impairment of investments	(438)	–
Other	(5)	(2)
Carrying value at 31 March	23 795	43 175

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009 R million	2008 R million
7. INVESTMENTS – JOINT VENTURES (Annexure B)		
Unlisted shares – at cost	284	97
Equity adjustment	(201)	(34)
Carrying value	83	63
Long-term loans	1	1
	84	64
Directors' valuation of unlisted investments	84	64
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	64	8
Exchange rate differences on translation of carrying value at the beginning of the year to year-end rate	26	10
<i>Losses of joint ventures recognised</i>	(155)	(25)
Share of net attributable losses of joint ventures	(141)	(20)
Dividends received from joint ventures	(2)	–
Exchange rate differences on translation from average rate to year-end rates	(12)	(5)
Equity accounted movements on reserves	(1)	(11)
Loans granted/(repaid)	–	(7)
Investments made	150	89
Carrying value at 31 March	84	64
The Group's share in the results, assets and liabilities of joint ventures is as follows:		
Profit/(loss)	(141)	(20)
Sales	113	71
Assets	176	124
Liabilities	154	66

The Group's share in capital commitments of joint ventures amounted to R8 million (2008: R11 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

8. INVESTMENTS – OTHER (Annexure B)

	<i>Listed</i> R million	2009 <i>Unlisted</i> R million	<i>Total</i> R million	<i>Listed</i> R million	2008 <i>Unlisted</i> R million	<i>Total</i> R million
Investments – other						
Shares – available-for-sale	4 651	91	4 742	8 483	68	8 551
Market values of listed investments	4 651		4 651	8 483		8 483
Directors' valuation of unlisted investments		91	91		68	68
Market values and directors' valuation	4 651	91	4 742	8 483	68	8 551
Reconciliation of carrying value of investments available-for-sale at the beginning and end of the year					2009 R million	2008 R million
Balances at 1 April					8 551	6 245
Fair value adjustments for the year					(4 205)	2 258
Investments made					431	48
Disposals					(35)	–
Balances at 31 March					4 742	8 551

9. RETIREMENT BENEFITS

Balance sheet obligations

Retirement benefits	(9)	(91)
Post-retirement medical benefits	(147)	(138)

	(156)	(229)
Balance sheet assets	100	103

Retirement benefits	9	10
Defined contribution fund employer's surplus**	91	93

Net defined benefit post-retirement obligation	(56)	(126)
--	------	-------

Represented by:

Retirement benefits (refer note 9.1)	–	(81)
Post-retirement medical benefits (refer note 9.2)	(147)	(138)
Defined contribution fund employer's surplus**	91	93
	(56)	(126)

Income statement

Retirement benefits*	5	2
Post-retirement medical benefits	13	10
Expense/(income)	18	12

* Refer note 23 on page 97.

** The defined contribution fund employer's surplus was included under "Debtors and short-term loans" in the 2008 financial statements.

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	Present value of funded obligations	Unrecognised actuarial (gains)/losses	Pension fund surplus limitation*	Amount recognised in balance sheet	Included in staff costs
	R million	R million	R million	R million	R million	R million
Balances at 1 April 2007	771	(767)	(45)	(34)	(75)	
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
Current service cost	–	(2)	–	–	(2)	2
Interest cost	–	(54)	–	–	(54)	54
Expected return on assets	66	–	–	–	66	(66)
Surplus limitation utilisation	–	–	(47)	32	(15)	15
Contributions	79	–	–	–	79	–
Exchange rate differences	(88)	108	(13)	–	7	–
Benefit payments	(43)	43	–	–	–	–
Actuarial movements:						
fund obligation	–	53	(53)	–	–	–
Actuarial movements:						
plan assets	(171)	–	171	–	–	–
Balances at 31 March 2009	718	(697)	60	(81)	–	5

* 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 yet been finalised.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009 R million	2008 R million
9. RETIREMENT BENEFITS (continued)		
9.1 Retirement benefits (continued)		
Amount of plan assets represented by investment in the entity's own financial instruments	6	20
Actual return on plan assets	(105)	115
Adjustment for experience on funded obligations	3	(21)
Expected contributions to retirement funds for the year ended 31 March 2010: R9 million		
<hr/>		
Number of members	Number 7 870	Number 7 425
<hr/>		
Composition of plan assets	%	%
Cash	7.16	6.81
Equity	21.23	22.48
Bonds	1.80	1.67
Property	1.15	1.39
International	68.66	67.65
	100.00	100.00
<hr/>		
Principal actuarial assumptions on balance sheet date		
Discount rate	6.50 – 9.25	6.50 – 9.62
Expected rates of return on plan assets*	6.76 – 10.25	6.43 – 10.25
Future salary increases	6.25 – 7.25	6.25 – 7.25
Future pension increases	3.00 – 5.25	3.50 – 6.25
Inflation rate	5.25	6.25

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

	2009 R million	2008 R million	2007 R million	2006 R million
Fund history for the current and previous 3 years				
Fair value of plan assets	718	875	771	722
Present value of funded obligations	(697)	(845)	(767)	(633)
Surplus/(deficit)	21	30	4	89

FOR THE YEAR ENDED 31 MARCH 2009

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 2007	35	(146)	(18)	(129)	
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
Current service cost	–	(5)	–	(5)	5
Interest cost	–	(13)	–	(13)	13
Expected return on assets	3	–	–	3	(3)
Amortisation of actuarial (gains)/losses	–	–	2	2	(2)
Contributions	–	2	–	2	–
Benefit payments	(2)	4	–	2	–
Actuarial movements	(4)	(29)	33	–	–
Balances at 31 March 2009	34	(194)	13	(147)	13
				2009 R million	2008 R million
Amount of plan assets represented by investment in the entity's own financial instruments				2	2
Actual return on plan assets				(1)	2
Expected contributions to retirement funds for the year ended 31 March 2010: R14 million					
				Number 959	Number 987
Fund history for the current and previous 3 years	2009 R million	2008 R million	2007 R million	2006 R million	
Fair value of plan assets	34	37	35	16	
Present value of funded obligations	(194)	(153)	(146)	(121)	
Surplus/(deficit)	(160)	(116)	(111)	(105)	
Composition of plan assets			2009 %	2008 %	
Cash			16.00	3.00	
Equity			81.00	92.00	
Bonds			3.00	5.00	
			100.00	100.00	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009 %	2008 %
9. RETIREMENT BENEFITS <i>(continued)</i>		
9.2 Post-retirement medical benefits <i>(continued)</i>		
Principal actuarial assumptions on balance sheet date		
Discount rate	8.25 – 9.00	8.75 – 9.00
Expected rates of return on plan assets*	10.00	9.75
Annual increase in healthcare costs	5.25 – 7.25	5.50 – 7.50

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

	2009 Increase R million	2009 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	34	27
Current service costs and interest on obligation	2	2

	2009 R million	2008 R million
--	-------------------	-------------------

10. TAXATION

10.1 Deferred taxation

Deferred taxation liability	825	1 454
Property, plant and equipment	359	334
Intangibles	10	13
Inventories	152	109
Provisions	(61)	(68)
Biological agricultural assets	38	26
Investments (accounted for directly in equity)	372	1 027
Tax losses	(25)	(38)
Future capital gain taxable	32	35
Other	(52)	16
Deferred tax asset	(10)	(4)
Property, plant and equipment	21	(2)
Inventories	4	–
Provisions	(2)	(2)
Tax losses	(25)	–
Other	(8)	–
Net deferred taxation	815	1 450

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

Beginning of the year	1 450	1 081
Rate change	–	(25)
As per income statement	(14)	79
Direct in equity	(621)	315
	815	1 450

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 2009

	2009 R million	2008 R million
10. TAXATION (continued)		
10.2 Tax losses		
Estimated tax losses available for set-off against future taxable income	118	189
Utilised to create deferred tax asset	(36)	(135)
	82	54

The calculated capital losses on 31 March, which could be set off against future capital gains of the Company, amount to R3 906 million.

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	3 260	76
– Subsidiary companies	2 595	2 970
Unutilised STC credits	5 855	3 046

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.

10.4 Taxation in income statement

CONSOLIDATED

Current	261	313
– current year – South African normal taxation	246	290
– Taxation on capital gain	2	17
– Foreign taxation	7	8
	255	315
– previous year – South African normal taxation	6	(2)
Secondary taxation on companies – current	21	27
Deferred – current year	–	56
– previous year	(10)	1
– rate change	–	(13)
– tax on capital gain	(4)	35
	268	419

THE COMPANY

Secondary taxation on companies – current	686	–
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10.5 Reconciliation of effective tax rate of the Company and its subsidiaries with standard rate

	%	%
Effective tax rate	21.6	12.9
Reduction/(increase) in standard rate as a result of:		
Exempt dividend income	7.9	2.3
Non-taxable capital profit	0.6	13.5
Other non-taxable income	2.0	3.6
Foreign taxation	(2.7)	(1.7)
Previous year taxation	0.2	–
Rate change	–	0.4
Future capital gain payable	0.1	(1.2)
Secondary taxation on companies	(1.7)	(0.8)
Standard rate	28.0	29.0

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009 R million	2008 R million
11. INVENTORIES		
Raw materials	326	333
Finished products	516	549
Work in progress	3	12
Consumable stores	66	59
	911	953

12. DEBTORS AND SHORT-TERM LOANS

	THE COMPANY		CONSOLIDATED	
	2009 R million	2008 R million	2009 R million	2008 R million
Trade debtors (gross)	6	3	1 241	1 184
Less: Provision for impairments	–	–	(45)	(44)
Trade debtors (net)	6	3	1 196	1 140
Dividends receivable	–	–	389	–
Advance payments and other	–	–	214	152
Loans – Subsidiary companies	12 793	2 310	–	–
	12 799	2 313	1 799	1 292

Debtors with a carrying value of R42 million (2008: R32 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:

	2009 R million	2008 R million
Balances at 1 April	44	49
Provision for impairments on debtors	13	8
Debtors written off as uncollectable during the year	(9)	(3)
Unused amounts written back	(1)	(11)
Other	(2)	1
Balances at 31 March	45	44

During the year, bad debts amounting to R21 million (2008: R11 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	2009 Forward value R million	Fair value R million	Currency value million	2008 Forward value R million	Fair value R million
	<i>Foreign exchange contracts</i>					
Buy: USA dollar	–	–	–	11.7	95.0	8.8
Other	–	–	–	2.0	26.2	2.5
Sell: USA dollar	18.1	186.6	9.3	–	–	–
			9.3			11.3
<i>Other derivative instruments</i>						
Sugar selling contracts			–			0.3
Soy option contracts			2.0			–
Exchange option contracts			4.3			7.0
			6.3			7.3
			15.6			18.6

13. DERIVATIVE INSTRUMENTS (continued)

The following material derivative instruments existed at 31 March:

Liabilities	2009			2008		
	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	3.5	3.5	–	1.0	11.6	1.1
USA dollar	89.3	85.8	3.6	0.1	1.3	0.1
Sell: USA dollar	–	–	–	5.3	42.6	0.8
			3.6			2.0
<i>Other derivative instruments</i>						
Commodity option contracts			2.1			–
Exchange option contracts			10.5			–
Interest rate swops			1.7			–
Soy option contracts			–			1.3
			14.3			1.3
			17.9			3.3
					2009 R million	2008 R million

14. ASSETS 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	2009 R million	2008 R million
Property, plant and equipment	59	71
Biological agricultural assets	60	44
Inventories	–	1
Various other net assets	57	89
	176	205

15. INVESTMENT IN MONEY MARKET FUNDS

Money market fund investments are held in the following currencies:

USA dollar (2009: \$80 million; 2008: \$Nil)	766	–
British pound (2009: £13 million; 2008: £Nil)	181	–
Euro (2009: €50 million; 2008: €Nil)	631	–
	1 578	–

Investments in money market funds relate to investments in shares of JP Morgan liquidity funds, specifically the Sterling Gilt Liquidity Fund, the US Treasury Liquidity Fund and the Euro Government Liquidity Fund. The portfolios of the funds on 31 March 2009 consisted of government bonds with maturities of up to one year and bank repurchase agreements to ensure liquidity on demand as the shares in the funds are callable on a daily basis. Distributions from these funds are disclosed as dividend income. These instruments carry very low risk and provide daily liquidity, but cannot be classified as cash and cash equivalents as the individual instruments held by the funds do not meet the maturity criteria of IAS 7: Statement of Cash Flows. These investments are considered to be equity instruments categorised as “financial assets at fair value through profit and loss”.

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	2009 R million	2008 R million
16. CASH AND CASH EQUIVALENTS		
Cash at the centre	4 389	3 273
Operating subsidiaries	661	661
	5 050	3 934
The cash is held in the following currencies:		
South African rand	1 513	1 201
British pound	118	2 733
USA dollar	2 283	–
Euro	946	–
Swiss franc	190	–
	5 050	3 934
At year-end cash and cash equivalents earned interest at effective interest rates that vary between 9.25% and 10.86% (2008: 10.85% and 10.95%) per annum at local financial institutions and between 0.03% and 5.30% (2008: 5.20% and 5.45%) per annum abroad.		
Cash and cash equivalents are represented by the following:		
United Kingdom treasury bills	41	2 557
United States treasury bills	772	–
German treasury instruments	157	–
Current accounts and money market instruments	4 079	1 376
Cash	1	1
	5 050	3 934
At year-end the Group's cash was invested at financial institutions with the following Moody's credit rating (unless otherwise indicated):		
Aaa	970	2 648
Aa1	–	100
Aa2	1 051	–
Aa3	27	98
A1	1 063	–
Baa1	1 475	1 087
F1+ (Fitch credit rating)	463	–
Cash on hand	1	1
	5 050	3 934
17. 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		
439 479 751 (2008: 449 003 606) ordinary shares of 1 cent each	4.4	4.5
35 506 352 (2008: 35 506 352) B ordinary shares of 10 cents each	3.5	3.5
	7.9	8.0

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009 Number of shares	2008 Number of shares
17. SHARE CAPITAL AND SHARE PREMIUM <i>(continued)</i>		
Movement of the ordinary shares of 1 cent each for the year:		
Total number of shares issued at 1 April	449 003 606	448 802 207
Shares issued	–	201 399
Shares cancelled	(9 523 855)	–
Total number of shares issued at 31 March*	439 479 751	449 003 606

* Treasury shares held by wholly owned subsidiary companies included.

	2009 R million	2008 R million
Share premium		
Movement of the share premium account for the year:		
Balance at 1 April	37	–
Shares issued	–	37
Shares cancelled	(37)	–
Balance at 31 March	–	37

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): 3 500 000 (2008: 11 972 555).

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

Details in respect of the share schemes and the current year's offers are disclosed in note 25 and the Report of the Board of Directors.

	2009 R million	2008 R million
18. RESERVES		
18.1 Composition of reserves		
The Company:		
Retained earnings	159	2 255
Subsidiary companies and joint ventures	29 523	31 102
Fair value reserve	3 389	6 977
Other reserves	314	1 586
Retained earnings	25 820	22 539
Associated companies:		
Equity reserves	8 642	25 340
	38 324	58 697
Statutory non-distributable reserves included in	11	518
Other reserves	11	11
Equity reserves	–	507

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

18. RESERVES (continued)

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

	Other reserves R million	Equity reserves R million	Retained earnings R million	2009 Total R million	2008 Total R million
Balances at 1 April	1 167	4 565	511	6 243	3 881
Exchange rate adjustments during the year	(82)	(351)	(3)	(436)	2 362
Transfer of equity adjustment	(12)	71	(59)	–	–
Realised to the income statement	(1 050)	(4 285)	(507)	(5 842)	–
Balances at 31 March	23	–	(58)	(35)	6 243
				2009 R million	2008 R million

19. LONG-TERM LOANS

Interest-bearing loans

Secured long-term loans with effective interest rates of between 9.37% and 13%

(2008: 9.37% and 15%) per annum repayable over a period of between four to ten years

These liabilities are secured by assets with a book value of R56 million

(2008: R48 million).

Net liabilities resulting from various capitalised finance leases and instalment

sale agreements payable in monthly, quarterly and annual instalments at varying

interest rates per annum amount to

These liabilities are secured by plant, machinery and equipment

with a book value of R4 million (2008: R3 million).

Various unsecured loans with varying terms and interest rates

	204	202
	4	3
	3	3
	211	208
Instalments payable within one year transferred to short-term interest-bearing loans	(20)	(19)
	191	189
Payable – two to five years	191	180
Payable thereafter	–	9
	191	189

	THE COMPANY		CONSOLIDATED	
	2009 R million	2008 R million	2009 R million	2008 R million

20. TRADE AND OTHER PAYABLES

Trade payables	56	13	1 418	1 182
Accrued expenses	–	–	581	644
	56	13	1 999	1 826

21. SHORT-TERM LOANS

Interest-bearing loans

Portion of long-term interest-bearing loans payable

within one year

Bank overdrafts

	–	–	20	19
	–	–	31	103
	–	–	51	122
Interest-free loans with no fixed repayment conditions	–	–	66	68
Loans – Subsidiary companies	12 576	–	–	–
	12 576	–	117	190

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

22. PROVISIONS

	<i>Legal disputes*</i> R million	<i>Other**</i> R million	2009 R million	<i>Legal disputes*</i> R million	<i>Other**</i> R million	2008 R million
Balances at 1 April	43	5	48	40	8	48
Additional provisions	–	–	–	4	1	5
Unused amounts	(25)	–	(25)	–	–	–
Other	–	–	–	–	(1)	(1)
	18	5	23	44	8	52
Provisions utilised during the year	–	–	–	(1)	(3)	(4)
Balances at 31 March	18	5	23	43	5	48

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

** *Various smaller provisions.*

23. STAFF COSTS

	2009 R million	2008 R million
Salaries and wages	1 513	1 452
Share-based payments	49	23
Retirement benefits	–	1
Pension costs – defined contribution	99	87
Pension costs – defined benefit	5	2
Post-retirement medical benefits	13	10
Other	65	46
	1 744	1 621

24. DIRECTORS' EMOLUMENTS

	2009			2008		
	<i>Executive</i> R'000	<i>Non-executive</i> R'000	<i>Total</i> R'000	<i>Executive</i> R'000	<i>Non-executive</i> R'000	<i>Total</i> R'000
Executive directors						
Fees	880		880	750		750
Salaries	15 000		15 000	11 919		11 919
Share Scheme bonuses*	20 064		20 064	–		–
Retirement fund contributions	3 344		3 344	2 690		2 690
Other benefits	1 547		1 547	1 212		1 212
Subtotal	40 835		40 835	16 571		16 571
Non-executive directors						
Independent	1 257	1 257		1 175	1 175	
Non-independent	3 943	3 943		4 429	4 429	
Total	40 835	5 200	46 035	16 571	5 604	22 175
Increase in value – Remgro Share Scheme*	133 530	103 104	236 634	–	–	–

* *Refer note 25.1 on page 99.*

	2009			2008		
	<i>Fees</i> R'000	<i>Salaries and other</i> R'000	<i>Total</i> R'000	<i>Fees</i> R'000	<i>Salaries and other</i> R'000	<i>Total</i> R'000
Paid by:						
The Company	1 417		1 417	1 325		1 325
Subsidiary company	1 280	43 338	44 618	1 200	19 650	20 850
	2 697	43 338	46 035	2 525	19 650	22 175

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

24. DIRECTORS' EMOLUMENTS (continued)

	2009					Total	2008				
	Fees	Salaries	Share Scheme bonuses ⁽⁹⁾	Retirement fund	Other benefits ⁽¹⁰⁾		Fees	Salaries	Retirement fund	Other benefits ⁽¹⁰⁾	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Executive											
W E Bührmann	160	1 806	6 583	389	289	9 227	150	1 578	341	221	2 290
L Crouse ⁽¹⁾	160	2 750		588	223	3 721					
J W Dreyer ⁽²⁾	80	698		132	35	945					
D M Falck ⁽³⁾		560		111	80	751	150	2 027	436	319	2 932
J A Preller (Mrs)	160	999	3 659	229	242	5 289	150	910	210	221	1 491
T van Wyk	160	1 591	4 694	343	175	6 963	150	1 329	293	182	1 954
M H Visser ⁽⁴⁾	160	6 596	5 128	1 552	503	13 939	150	6 075	1 410	269	7 904
Subtotal	880	15 000	20 064	3 344	1 547	40 835	750	11 919	2 690	1 212	16 571
Non-executive (independent)											
G D de Jager	241					241	225				225
P K Harris	187					187	175				175
M M Morobe	160					160	150				150
D Prins ⁽⁵⁾	134					134	250				250
M Ramos (Mrs) ⁽⁶⁾	160					160	150				150
F Robertson	241					241	225				225
H Wessels ⁽⁷⁾	134					134					
Subtotal	1 257					1 257	1 175				1 175
Non-executive (non-independent)											
P E Beyers	160	568	–	144	104	976	150	514	131	102	897
J W Dreyer ⁽²⁾	80	929	–	218	69	1 296	150	1 395	306	102	1 953
E de la H Hertzog	160	1 059	–	215	77	1 511	150	1 000	204	75	1 429
J Malherbe	160	–	–	–	–	160	150	–	–	–	150
J P Rupert ⁽⁸⁾	–	–	–	–	–	–	–	–	–	–	–
Subtotal	560	2 556	–	577	250	3 943	600	2 909	641	279	4 429
Total	2 697	17 556	20 064	3 921	1 797	46 035	2 525	14 828	3 331	1 491	22 175

1. Mr L Crouse was appointed as financial director on 18 June 2008.
2. Mr J W Dreyer was appointed as executive director on 25 November 2008. Prior to this date he served on the Board as a non-independent non-executive director.
3. Mr D M Falck retired as financial director on 18 June 2008. In terms of the rules of the Remgro Share Scheme, participants who retired from the employment of the Group have one year after their retirement in which to exercise shares offered to them.
4. Mr M H Visser earned, in addition to the above, a director's fee of GBP78 750 (2008: GBP75 000) from BAT. He retired as a director of BAT on 30 April 2009.
5. Mr D Prins retired as a non-executive director on 22 August 2008. He was the chairman of the Audit and Risk Committee.
6. Mrs M Ramos retired as an independent non-executive director on 26 February 2009.
7. Mr H Wessels was appointed as an independent non-executive director on 22 August 2008. He was also appointed as the chairman of the Audit and Risk Committee.
8. Mr J P Rupert receives no emoluments.
9. This bonus represents the gain paid to participants to the Remgro Share Scheme relating to ordinary shares in Remgro Limited purchased by participants after 30 September 2004, which have not vested by 6 August 2008. The gain was calculated as the difference between the original offer price of the shares and the five-day volume weighted average price up to 27 October 2008, being the last day to trade in order to have qualified for the BAT unbundling. The treatment as described was approved by Remgro shareholders on 7 October 2008.
10. Benefits include medical aid contributions and vehicle benefits.

25. SHARE-BASED PAYMENTS

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

Background to the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme

The valuation of both share schemes were 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 schemes, especially with regard to early exercise of offers.

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

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

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

25.1 Remgro Share Scheme (the "Scheme")

Share-based payments in terms of the Scheme consist of ordinary shares in Remgro Limited that were offered to participants. 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 yearly 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 Scheme was superseded by the Remgro Equity Share Appreciation Right Scheme following the unbundling of BAT.

	2009 R million	2008 R million
Share-based payment cost included in the income statement (in accordance with IFRS 2)	16	12
Fair value of offers made during the year	–	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:

	2009		2008	
	<i>Number of shares</i>	<i>Rand</i>	<i>Number of shares</i>	<i>Rand</i>
Previous financial years	3 411 923	78.01	3 396 994	72.65
Offered in current financial year	–	–	145 562	185.69
Resignations and other	(547 698)	124.58	(4 250)	117.70
Shares paid for and delivered	(2 448 700)	59.84	(126 383)	56.50
Total at 31 March	415 525	123.68	3 411 923	78.01
Exercisable at the end of the period	60 452	87.86	2 127 518	53.78

25. SHARE-BASED PAYMENTS (continued)

25.1 Remgro Share Scheme (the "Scheme") (continued)

Exercise price range of all offers:

	2009	Weighted average remaining contract lifetime in years	Weighted average exercise price per share (Rand)*	Number of shares outstanding at year-end	2008 Weighted average remaining contract lifetime in years	Weighted average exercise price per share (Rand)
R40 – R60	–	–	–	1 399 790	2.57	45.03
R60 – R80	–	–	–	625 238	5.12	64.46
R80 – R100	174 614	2.67	87.86	648 709	4.10	86.88
R100 – R120	–	–	–	24 248	4.64	114.05
R120 – R140	172 681	4.24	135.00	567 986	5.24	134.89
R140 – R160	–	–	–	390	5.66	155.45
R160 – R180	–	–	–	14 915	6.33	176.83
R180 – R200	68 230	5.22	186.70	130 647	6.22	186.70

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

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

No offers were made during the current financial year in terms of this share scheme.

* Additionally, in terms of the scheme rules, participants also receive all special dividends and proceeds from group restructurings following the offer date.

25.2 Remgro Equity Settled Share Appreciation Right Scheme (the "SAR Scheme")

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

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

- One-third after the third anniversary of the grant date
- Two-thirds after the fourth anniversary of the grant date
- The remainder after the fifth anniversary of the grant date

	2009 R million	2008 R million
Share-based payment cost included in the income statement (in accordance with IFRS 2)	13	–
Fair value of offers made during the year	63	–

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

	2009	
	Number of SARs	Rand
Offered in current financial year	3 641 533	73.24
Forfeited during the current financial year	(6 779)	73.21
Total at 31 March	3 634 754	73.24
Exercisable at the end of the period	295 159	72.00

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25. SHARE-BASED PAYMENTS (continued)

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

Exercise prices of all options:

	2009	2009
	Number of SARs outstanding at year-end	Weighted average remaining contract lifetime in years
R72	1 389 152	3.69
R74	2 245 602	6.66

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

	2009
Weighted average Remgro share price for the year:	
– Full year (R)	137.62
– Prior to the BAT unbundling (R)	191.99
– Following the BAT unbundling (R)	70.37
Exercise price (R)	72 – 74
Average expected exercise period (years)	3 – 6
Price volatility (%)	20.78 – 22.36
Risk-free rate (%)	8.13 – 8.76
Expected dividend yield (%)	2.37

25.3 Current status – offers to directors

Remgro Share Scheme

– ordinary shares

Participant	Balance of shares accepted as at 31 March 2008	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 of shares (Rand)	Increase in value ⁽¹⁾ (R'000)	Shares forfeited on 27/10/08 ⁽²⁾	Balance of shares accepted as at 31 March 2009
Executive										
W E Bührmann	97 872			87.86	32 624	13/10/08	167.00	2 582	65 248	–
	7 303			135.00					7 303	–
	38 645			186.70					38 645	–
D M Falck	458 716			43.60	458 716	08/08/08	194.22	69 092	–	–
	104 917			63.00	104 917	08/08/08	194.22	13 767	–	–
	30 050			87.86	30 050	13/10/08	167.00	2 378	–	–
	92 988			135.00	92 988	13/10/08	167.00	2 976	–	–
	18 146			186.70	18 146	13/10/08	167.00	(357)	–	–
J A Preller	24 466			43.60	24 466	13/10/08	167.00	3 019	–	–
	34 572			87.86	11 524	13/10/08	167.00	912	23 048	–
	30 167			135.00					30 167	–
	2 319			186.70					2 319	–
M H Visser	278 979			63.00	278 979	13/10/08	167.00	29 014	–	–
	342 488			87.86	114 164	13/10/08	167.00	9 035	53 710	174 614
	172 681			135.00					–	172 681
	68 230			186.70					–	68 230
T van Wyk	42 161			87.86	14 055	13/10/08	167.00	1 112	28 106	–
	41 598			135.00					41 598	–
	3 029			186.70					3 029	–
Subtotal	1 889 327	–			1 180 629			133 530	293 173	415 525
Non-executive										
P E Beyers	191 130			43.60	191 130	13/10/08	167.00	23 585	–	–
J W Dreyer	191 130			43.60	191 130	13/10/08	167.00	23 585	–	–
J P Rupert	414 938			48.20	414 938	23/09/08	183.00	55 934	–	–
Subtotal	797 198	–			797 198			103 104	–	–
Total	2 686 525	–			1 977 827			236 634	293 173	415 525

1. 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.

2. In lieu of shares forfeited, directors were paid a cash bonus. Refer to note 24.

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25. SHARE-BASED PAYMENTS (continued)

25.3 Current status – offers to directors (continued)

Remgro Share Scheme (continued)

– 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.

25. SHARE-BASED PAYMENTS (continued)

25.3 Current status – offers to directors (continued)

Remgro Equity Settled Share Appreciation Right Scheme

– Share appreciation rights (SARs)

Participant	Balance of SARs accepted at 31 March 2008	SARs accepted during the year	Offer date	Offer price (Rand)	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value* (R'000)	Balance of SARs accepted as at 31 March 2009
Executive									
W E Bührmann	–	283 148	04/11/08	72.00					283 148
	–	124 771	27/11/08	74.00					124 771
L Crouse	–	418 108	27/11/08	74.00					418 108
J A Preller	–	141 411	04/11/08	72.00					141 411
	–	48 788	27/11/08	74.00					48 788
T van Wyk	–	185 207	04/11/08	72.00					185 207
	–	87 829	27/11/08	74.00					87 829
M H Visser	–	136 767	04/11/08	72.00					136 767
	–	542 424	27/11/08	74.00					542 424
J W Dreyer	–	270 270	27/11/08	74.00					270 270
Total	–	2 238 723							2 238 723

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

25.4 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 R20 million (2008: R11 million) relating to this scheme was recognised in the income statement.

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	2009 R million	2008 R million
26. PROFIT		
Profit is stated after taking the following into account:		
CONSOLIDATED		
Income		
Fair value adjustment – biological assets	27	46
Fair value adjustment – derivative instruments	15	66
Rental income – investment properties	10	9
Interest received	197	296
Shareholder's loan to associated company	–	6
Financial institutions and other	197	290
Profit on sale and restructuring of investments	24	1 665
Profit with restructuring of investment in Unilever	–	1 167
Profit with unbundling of investment in Discovery by FirstRand	–	403
Other	24	95
Profit on sale of property, plant and equipment	–	114
Exchange rate gains	121	20
Expenses		
Amortisation of intangible assets	12	12
Fair value adjustment – derivative instruments	164	–
Expenses – investment properties	5	5
Rental	84	61
Land and buildings	45	26
Machinery and equipment	15	21
Vehicles	7	4
Office equipment	17	10
Research and development costs written off	7	1
Auditors' remuneration – audit fees	13	11
– other services	3	3
Professional fees	49	25
Depreciation	271	251
Buildings	34	30
Machinery and equipment	203	188
Vehicles	31	31
Office equipment	3	2
Loss on sale of property, plant and equipment	3	–
THE COMPANY		
Loss on exchange of investment in BAT for investment in Reinet depository receipts and other costs relating to the BAT unbundling	2 012	–

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	THE COMPANY		CONSOLIDATED	
	2009	2008	2009	2008
	R million	R million	R million	R million
27. DIVIDEND INCOME				
Included in profit:				
Listed	–	–	352	274
Unlisted – Subsidiary companies	59 469	2 138		
– Other	–	–	3	–
	59 469	2 138	355	274
Dividends from associated companies and joint ventures set off against investments			1 528	3 297
			2009	2008
			R million	R million
28. EQUITY ADJUSTMENT				
Share of net attributable profit of associated companies and joint ventures – per income statement			4 806	7 210
Continuing operations			2 389	3 825
Discontinued operations			2 417	3 385
Dividends received from associated companies and joint ventures			(1 528)	(3 297)
Share of net profit retained by associated companies and joint ventures			3 278	3 913
Exchange rate differences on translation from average rates to year-end rates			59	162
Equity adjustment transferred to non-distributable reserves (Refer to statements of changes in equity)			3 337	4 075
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			876	1 039
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			170	142
Contingent tax liabilities			11	98
Claims – There are a number of existing and potential legal 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 2009

	CONSOLIDATED		THE COMPANY	
	2009 R million	2008 R million	2009 R million	2008 R million
29. CASH FLOW INFORMATION				
29.1 Adjustments				
Amortisation of intangible assets and depreciation	282	263	–	–
Movement in provisions	(96)	5	–	–
Share scheme cost	49	68	–	–
(Profit)/loss on the sale of property, plant and equipment	3	(114)	–	–
Other	(24)	1	–	–
	214	223	–	–
29.2 Decrease/(increase) in working capital				
Decrease/(increase) in inventories and biological agricultural assets	(27)	(341)	–	–
Decrease/(increase) in trade and other receivables	(117)	(327)	(3)	3
Increase/(decrease) in trade and other payables	165	393	43	2
Net movement in derivative instruments	31	(26)	–	–
	52	(301)	40	5
29.3 Reconciliation of dividends received				
Receivable at the beginning of the year	–	168	–	–
Per income statement	355	274	59 469	2 138
Dividends from associated companies and joint ventures set off against investments	1 528	3 297	–	–
Dividend <i>in specie</i>	–	(191)	–	–
Receivable at the end of the year	(389)	–	–	–
Cash received	1 494	3 548	59 469	2 138
29.4 Reconciliation of taxation paid with the amount disclosed in the income statement				
Paid in advance at the beginning of the year	80	14	–	–
Unpaid at the beginning of the year	(13)	(104)	–	–
Per income statement	(282)	(340)	(686)	–
– normal income	(259)	(296)	–	–
– capital gain	(2)	(17)	–	–
– STC	(21)	(27)	(686)	–
Unpaid at the end of the year	–	13	–	–
Paid in advance at the end of the year	(65)	(80)	–	–
Cash paid	(280)	(497)	(686)	–
29.5 Reconciliation of dividends paid				
Per statements of changes in equity	(56 757)	(2 178)	(57 204)	(2 233)
Dividend <i>in specie</i>	54 689	–	55 095	–
Paid by subsidiary companies to minority	(52)	(74)	–	–
Cash paid	(2 120)	(2 252)	(2 109)	(2 233)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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	2009 R million	2008 R million
30. BUSINESSES ACQUIRED		
During the past two years subsidiary companies in the Group acquired various small businesses. The assets and liabilities arising from these acquisitions were as follows:		
Net assets acquired	7	3
Goodwill (note 5)	4	2
Cash paid	11	5
Cash acquired from business	–	(1)
Net cash flow on acquisition of business	11	4

31. FINANCIAL INSTRUMENTS

31.1 Classes of financial instruments and fair value

Financial instruments on the balance sheet include investments, investment in money market funds, 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.

Financial assets	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
2009						
Investments – other			40	4 702	4 742	4 742
Loans		100			100	100
Debtors and short-term loans	62	1 737			1 799	1 799
Derivative instruments			16		16	16
Investment in money market funds			1 578		1 578	1 578
Cash and cash equivalents		5 050			5 050	5 050
	62	6 887	1 634	4 702	13 285	13 285
2008						
Investments – other				8 551	8 551	8 551
Loans		2			2	2
Debtors and short-term loans	31	1 261			1 292	1 292
Derivative instruments			19		19	19
Cash and cash equivalents		3 934			3 934	3 934
	31	5 197	19	8 551	13 798	13 798

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
2009				
Long-term loans	191		191	191
Trade and other payables	1 999		1 999	1 999
Short-term loans	117		117	117
Derivative instruments		18	18	18
	2 307	18	2 325	2 325
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

Fair value

On 31 March 2009 and 2008 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 and investment in money market funds: 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. FINANCIAL INSTRUMENTS *(continued)***31.2 Financial instruments and risk management**

Various financial risks have an impact on the Group's results: market risk (including price, 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 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.

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. At year-end the carrying value of foreign cash as well as the investment in money market funds amounted to R3 515 million (2008: R2 654 million). Refer to notes 15 and 16 for further details.

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 16. 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 19.

31. FINANCIAL INSTRUMENTS (continued)

31.2 Financial instruments and risk management (continued)

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	2009		Change	2008	
		Income statement R million	Equity R million		Income statement R million	Equity R million
Interest rates	2.0%	92	–	2.0%	51	–
Foreign exchange	5.0%	–	183	5.0%	1	–
Equity prices	10.0%	–	408	10.0%	–	731
Commodity prices	–	–	–	R50/ton	9	–
		92	591		61	731

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

Credit risk

The Group's exposure to credit risk is the fair value of loans, 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 respective credit policies of each operating subsidiary, i.e. Rainbow Chicken, Tsb Sugar and Wispeco.

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	
2009	17	2	19	38
2008	76	8	10	94

A provision for doubtful debts of R45 million (2008: R44 million) was made. Refer note 12.

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

	2009	2008
Existing customers (history of six months +) – no past defaults	778	839
Existing customers (history of six months +) – with past defaults	220	82
New customers (history of less than six months)	160	125
	1 158	1 046

31. FINANCIAL INSTRUMENTS (continued)

31.2 Financial instruments and risk management (continued)

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 16) 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.

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
2009					
Long-term loans	191	255	–	250	5
Trade and other payables	1 999	1 999	1 999	–	–
Short-term loans	117	139	139	–	–
Derivative instruments	18	159	117	28	14
	2 325	2 552	2 255	278	19
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

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 cash dividends amounting to R902 million (2008: R2 471 million) were declared and the investment in BAT amounting to R55.2 billion was unbundled by way of an interim dividend *in specie*. The Group also repurchased its own shares to the value of R666 million (2008: R28 million).

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

	2009 R million	2008 R million
33. COMMITMENTS		
Capital commitments	751	888
Uncompleted contracts for capital expenditure	100	114
Capital expenditure authorised but not yet contracted	173	161
Investment liabilities	478	613
Operating lease commitments	131	130
Due within one year	43	39
Due – two to five years	82	81
Due thereafter	6	10
	882	1 018

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

34. BORROWING POWERS

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

	2009 R million	2008 R million
35. GUARANTEES AND CONTINGENT LIABILITIES		
35.1 Guarantees		
Guarantee to associated company*	386	–
Guarantees by subsidiary companies	1	8
	387	8
35.2 Contingent liabilities		
Contract grower guarantees**	48	50

* Unilever Plc and Unilever NV, hereafter Unint, and Robertsons Holdings (Pty) Limited (Robertsons), a wholly owned subsidiary company of Remgro, issued a guarantee to the holders of commercial paper issued by Unilever SA (Pty) Limited (Unilever SA). The companies are jointly and severally liable in the event of non-performance by Unilever SA. In terms of its commercial paper programme, Unilever SA may issue commercial paper to the value of R2.5 billion. On 31 March 2009, commercial paper amounting to R1.5 billion was issued by Unilever SA. Unint issued a cross-guarantee that limits Robertson's liability to 25.75% of the paper in issue. If Unilever SA issues commercial paper to the full extent of the programme, Robertson's maximum exposure in terms of this arrangement amounts to R643.75 million.

** 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 24 and 25 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 123 and 124 of the Annual Report.

Other

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

FOR THE YEAR ENDED 31 MARCH 2009

	2009 R million	2008 R million
36. RELATED PARTY INFORMATION (continued)		
Related party transactions		
CONSOLIDATED		
Transactions of Remgro Limited and its subsidiary companies with:		
<i>Controlling shareholder</i>		
Cash dividends	146	164
Dividend <i>in specie</i>	4 128	–
<i>Associated companies</i>		
Interest received	12	11
Dividends received	1 528	3 297
Sales	69	2
Administration fees	16	13
Purchases	148	113
Interest paid	–	1
<i>Key management personnel</i>		
Salaries and other benefits	23	19
Share Scheme bonuses	20	–
Retirement benefits	3	3
Share-based payments	13	8
<i>Other</i>		
Fees received from VenFin Limited	19	17
Balances due from/(to) related parties		
Associated companies	(20)	(11)
Associated companies	473	22
Joint ventures	116	–
Loans to directors	38	–
Balance – 1 April	–	–
Loans advanced during the year	40	–
Interest charged	1	–
Repayments made	(3)	–
THE COMPANY		
Transactions of Remgro Limited with:		
<i>Controlling shareholder</i>		
Cash dividends	146	164
Dividend <i>in specie</i>	4 128	–
<i>Subsidiary companies</i>		
Dividends received	59 469	2 138
Administration fees received	5	5
Balances due by related parties		
Subsidiary companies	179	2 312

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. Loans were advanced to participants of the Remgro Share Scheme relating to the purchase of ordinary shares in Remgro by participants awarded before 30 September 2004, which have not vested by 6 August 2008.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009 R million	2008 R million
37. DISCONTINUED OPERATIONS		
Equity accounted income from discontinued operations	2 417	3 385
Realisation of reserves previously deferred in equity	2 695	–
Pre-tax profit on distribution of discontinued operations	38 068	–
Tax on the distribution of discontinued operations	(677)	–
Profit for the year from discontinued operations	42 503	3 385
Cash flows from discontinued operations:		
Operating activities	169	1 893
Investing activities	3 736	–
Net cash flow from discontinued operations	3 905	1 893

On 7 October 2008 Remgro shareholders approved the unbundling of the investment in BAT by way of an interim dividend *in specie*, and on 3 November 2008 Remgro distributed 192.9 million ordinary shares in BAT and 302.6 million Reinet Investments S.C.A. (Reinet) depositary receipts (DRs) to Remgro shareholders in the ratio of 40.6054 BAT ordinary shares and 63.6977 Reinet DRs for every 100 Remgro shares held.

ANNEXURE A

PRINCIPAL SUBSIDIARY COMPANIES AT 31 MARCH 2009

NAME OF COMPANY Incorporated in South Africa unless otherwise stated	Issued capital R (unless other- wise stated)	Effective interest		HELD BY COMPANY			
		2009 %	2008 %	Shares 2009 R	2008 R	Loan 2009 R million	2008 R million
Financial services							
Financial Securities Limited	250 000	100.0	100.0	250 000	250 000		
Industrial interests							
Industrial Partnership Investments Limited	125 000	100.0	100.0	125 000	125 000		
IPI (Overseas) Limited – Jersey	719 476	100.0	100.0				
Rainbow Chicken Limited	* 1 166 762 000	73.7	74.0				
Remgro International Holdings (Pty) Limited	2	100.0	100.0	2	2		
Remgro Investment Corporation (Pty) Limited	100	100.0	100.0	100	100		
Robertsons Holdings (Pty) Limited	1 000	100.0	100.0				
Tsb Sugar Holdings (Pty) Limited	100	100.0	100.0				
Wispeco Holdings Limited	5 000 000	100.0	100.0				
Mining interests							
Partnership in Mining Limited	100	100.0	100.0	100	100		
Tegniese Mynbeleggings Limited	2	100.0	100.0				
Corporate finance and other interests							
Eikenlust (Pty) Limited	100	100.0	100.0				
Entek Investments Limited	810 630	65.3	65.0				
Historical Homes of South Africa Limited	555 000	54.0	54.0				
M&I Group Services Limited	100	100.0	100.0			645	200
R&R Holdings Group Limited	Δ (GBP) 369 495 000	100.0	–				
Remgro CHF Limited – Jersey	# (CHF) 2	100.0	–				
Remgro Continental Limited – Jersey	# (EUR) 1	100.0	–				
Remgro Finance Corporation Limited	300 000	100.0	100.0				
Remgro International Investments (Pty) Limited	100	100.0	100.0				
Remgro International Limited – Jersey	# 51 359	100.0	–				
Remgro Investments Limited – Jersey	(GBP) 1 315 000	100.0	100.0				
Remgro Loan Corporation Limited	700	100.0	100.0			12 148	2 110
Remgro South Africa (Pty) Limited	48 614	100.0	100.0	96 506	96 506		
Remgro Sterling Limited – Jersey	# (GBP) 2	100.0	–				
Remgro USA Limited – Jersey	# (USD) 2	100.0	–				
Remont (Pty) Limited	# 100	100.0	–	100	–		
Stellenryck Trust Limited	700	100.0	100.0				
						12 793	2 310

(GBP) British pound

(CHF) Swiss franc

(EUR) euro

(USD) USA dollar

* Listed company

Δ After becoming a wholly owned subsidiary company the name of R&R Holdings SA was changed to R&R Holdings Group Limited.

Newly incorporated

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

ANNEXURE B

PRINCIPAL INVESTMENTS AT 31 MARCH 2009

NAME OF COMPANY Incorporated in South Africa unless otherwise stated		LISTED				UNLISTED			
		2009 Effective Shares interest held %		2008 Effective Shares interest held %		2009 Effective Shares interest held %		2008 Effective Shares interest held %	
Tobacco interests									
R&R Holdings SA – Luxembourg	Δ								
– ordinary shares						–	–	316 000	33.3
– debentures						–	–	682 291	38.7
– participating securities (2005)						–	–	19 281 686	100.0
– participating securities (2006)						–	–	1	33.3
– held by R&R Holdings SA:									
– BAT Plc – UK (2008: 30%)	#		–		10.6				
Financial services									
RMB Holdings Limited	(2)	302 279 403	25.0	302 279 403	25.0				
– held by RMB Holdings Limited:									
– FirstRand Limited (33%)			8.1		8.2				
FirstRand Limited	(2)	481 142 375	9.2	481 142 375	9.3				
Industrial interests									
Air Products South Africa (Pty) Limited	(1)					4 500 000	50.0	4 500 000	50.0
Dorbyl Limited	(1)	14 058 346	41.4	14 058 346	41.4				
Kagiso Trust Investments (Pty) Limited	*(2)					10 344	42.5	10 344	41.8
Medi-Clinic Corporation Limited	(1)	257 346 286	45.9	257 346 286	45.9				
Nampak Limited	(1)	78 096 694	13.3	78 096 694	13.3				
PGSI Limited – BVI	*(3)					11 387 737	29.1	11 153 362	28.5
Unilever South Africa Holdings (Pty) Limited	(4)					5 348 135	25.8	5 348 135	25.8
Total South Africa (Pty) Limited	*(2)					12 872 450	33.2	12 872 450	33.2
Remgro-KWV Investments Limited	(2)					50	50.0	50	50.0
– held by Remgro-KWV Investments Limited:									
– Distell Group Limited (58%)			29.2		29.4				
Mining interests									
Impala Platinum Holdings Limited	**	26 687 288	4.4	26 687 288	4.4				
Trans Hex Group Limited	(1)	30 215 000	28.5	30 215 000	28.5				
Other interests									
Business Partners Limited	*(1)					37 135 149	21.5	36 204 249	21.1
Xicom Wireless, Inc. – USA	(5)					22 500 000	44.4	11 250 000	44.4

Financial period accounted for:

(1) Twelve months to 31 March 2009

(2) Twelve months to 31 December 2008

(3) Twelve months to 31 December 2008 (2008: for five months from date of purchase to 31 December 2007)

(4) Twelve months to 31 March 2009 (2008: for six months from restructuring of interest in Unilever to 31 March 2008)

(5) Twelve months to 31 March 2009 (2008: for eight months from date of purchase to 31 March 2008)

* Effective interest, on a fully diluted basis:

– Total South Africa (Pty) Limited 24.9% (2008: 24.9%)

– Kagiso Trust Investments (Pty) Limited 37.7% (2008: 37.1%)

– Business Partners Limited 20.8% (2008: 20.2%)

– PGSI Limited 25.0% (2008: 24.5%)

** Not an associated company

The investment in BAT was unbundled to shareholders on 3 November 2008. As a result the indirect investment in BAT was only equity accounted for the seven months to 31 October 2008.

Δ R&R Holdings SA became a wholly owned subsidiary company on 1 November 2008 as part of the preliminary steps to the unbundling of the investment in BAT. Accordingly, R&R Holdings SA was equity accounted for the seven months to 31 October 2008 and consolidated for the five months to 31 March 2009. Refer Annexure A.

BVI – British Virgin Islands

UK – United Kingdom

USA – United States of America

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

ANNEXURE C

SIGNIFICANT ASSOCIATED COMPANIES – ADDITIONAL INFORMATION

	RMB Holdings (Financial services) 2009	FirstRand (Financial services) 2009	Medi-Clinic (Industrial interests) 2009	Unilever South Africa (Industrial interests) 2009
	R million	R million	R million	R million
Effective interest	25.0%	9.2%	45.9%	25.8%
Carrying value of investments	6 027	5 728	3 533	2 950
Share of retained equity income				
– Current year	533	642	(558)	114
Normal income	761	816	294	229
Dividends	(382)	(348)	(163)	(116)
Non-recurring and capital items and impairments	55	51	–	1
Other changes in reserves and exchange rates	99	123	(689)	–
– Cumulative	2 701	2 972	1 470	240
Summarised financial information:	Per Interim Report 31/12/2008	Per Interim Report 31/12/2008	Per Annual Report 31/03/2009	Per Quarterly Report 31/03/2009
				<i>Note 1</i>
BALANCE SHEET				
Assets				
Net advances, loans and bank-related securities	1 071	40 071	–	–
Intangible assets	26	5 284	6 293	10 423
Property, plant and equipment and other	116	8 805	32 479	1 875
Investments and loans	20 202	25 656	32	23
Net current assets/(liabilities)	–	(12 472)	(5 469)	(182)
	21 415	67 344	33 335	12 139
Equity and liabilities				
Shareholders' funds	21 415	53 181	7 989	11 643
Long-term debt	–	14 163	25 346	496
	21 415	67 344	33 335	12 139
	12 months ended 31/12/2008	12 months ended 31/12/2008	12 months ended 31/03/2009	12 months ended 31/03/2009
INCOME STATEMENT				
Headline earnings	3 043	8 779	627	898
Net profit for the year	3 262	9 338	639	894
Dividends paid	1 712	4 289	339	450

There are no loans to these associated companies.

Note 1: This balance sheet is at 31 December 2008 as Unilever South Africa has not included a balance sheet in its quarterly report to 31 March 2009.

Note 2: The investments above represent 75% of the total carrying value of associated companies.

ANNEXURE C

SIGNIFICANT ASSOCIATED COMPANIES – ADDITIONAL INFORMATION

	RMB Holdings (Financial services) 2008	FirstRand (Financial services) 2008	Medi-Clinic (Industrial interests) 2008	R&R (Tobacco interests) 2008
Effective interest	25.0%	9.3%	45.9%	33½%
	R million	R million	R million	R million
Carrying value of investments	5 493	5 085	4 091	19 229
Share of retained equity income				
– Current year	715	676	1 150	1 866
Normal income	1 030	1 090	286	3 579
Dividends	(433)	(611)	(97)	(1 893)
Non-recurring and capital items and impairments	38	67	–	(55)
Other changes in reserves and exchange rates	80	130	961	235
– Cumulative	2 168	2 330	2 028	16 216
Summarised financial information:	Per Interim Report 31/12/2007	Per Interim Report 31/12/2007	Per Annual Report 31/03/2008	Per Annual Report 31/03/2008
				<i>Note 1</i>
BALANCE SHEET				
Assets				
Net advances, loans and bank-related securities	1 612	40 654	–	–
Intangible assets	22	4 409	6 079	129 915
Property, plant and equipment and other	110	3 788	30 972	38 117
Investments and loans	17 850	22 812	34	46 147
Net current assets/(liabilities)	–	(14 352)	(3 812)	13 016
	19 594	57 311	33 273	227 195
Equity and liabilities				
Shareholders' funds	19 594	46 062	9 687	113 774
Long-term debt	–	11 249	23 586	113 421
	19 594	57 311	33 273	227 195
	12 months ended 31/12/2007	12 months ended 31/12/2007	12 months ended 31/03/2008	12 months ended 31/03/2008
				<i>Note 2</i>
INCOME STATEMENT				
Headline earnings	4 332	11 695	607	9 874
Net profit for the year	4 491	12 429	609	9 719
Dividends paid	1 681	4 266	189	5 165

There are no loans to these associated companies.

Note 1: In the audited balance sheet of R&R, its interest in British American Tobacco Plc (BAT) is only shown as a single item representing the carrying value thereof as an equity accounted associated company. So as to disclose more meaningful information, BAT's abridged balance sheet is presented above instead. This balance sheet is at 31 December 2007 as BAT has not included a balance sheet in its quarterly report to 31 March 2008.

Note 2: Headline earnings and net profit for the year relate to the income statement of R&R which includes its share of the net profit of BAT.

Note 3: The investments above represent 78% of the total carrying value of associated companies.

ANNEXURE D

INFORMATION ON BUSINESS AND GEOGRAPHICAL SEGMENTS FOR THE YEAR ENDED 31 MARCH 2009

<i>R million</i>	Tobacco interests	Financial services	Industrial interests	Mining interests	Corporate finance and other interests	CONSOLI- DATED 2009 Total
BUSINESS SEGMENT ANALYSIS						
Sales	–	–	11 455	–	–	11 455
Results						
Subsidiary companies	100	(2)	320	336	29	783
Associated companies and joint ventures	2 501	1 682	967	(227)	(117)	4 806
Finance costs						5 589
Profit on sale and distribution of investments						(49)
Profit before tax						40 829
Taxation						46 369
Net profit						(945)
Attributable to:						
Equity holders						45 424
Minority interests						45 330
						94
						45 424
Headline earnings	2 295	1 576	1 318	164	(693)	4 660
OTHER INFORMATION						
Segment assets	–	327	7 153	4 223	6 459	18 162
Investments in associated companies	–	11 754	11 636	44	361	23 795
Investments in joint ventures	–	–	28	–	56	84
Taxation – Deferred						42 041
– Current						10
Consolidated total assets						65
Segment liabilities	–	–	2 403	–	101	2 504
Taxation – Deferred	–	17	401	387	20	825
Consolidated total liabilities	–	17	2 804	387	121	3 329
Additions to property, plant and equipment and intangible assets	–	–	456	–	7	463
Depreciation and amortisation	–	–	278	–	4	282
Net impairment	–	–	4	–	–	4

The interests of the Group have been classified into five main operating divisions/business segments – tobacco interests, financial services, industrial interests, mining interests and corporate finance/other interests. Each segment represents the main business sector of the investments classified thereunder. No adjustment has been made where companies are mainly active in one sector but also have interests in other sectors. During the year under review, the investment in BAT has been unbundled to shareholders. Accordingly the tobacco interest segment has been disbanded.

Income and expenses, as well as the attributable portion of the income from associated companies and joint ventures, are directly attributable to the segment.

Segment assets mainly include cash and cash equivalents, debtors and short-term loans, inventories, property, plant and equipment, intangible assets and other investments. Investments in associated companies and joint ventures, accounted for according to the equity method, are stated separately.

Segment liabilities include all operating liabilities, except for taxation.

GEOGRAPHICAL SEGMENTAL ANALYSIS

The Group's interests can be divided into two main geographical areas, namely South Africa and abroad.

<i>R million</i>	Capital expenditure 2009	Sales 2009	Headline earnings 2009	Total assets 2009
South Africa	463	11 455	2 376	36 897
Abroad	–	–	2 284	5 144
	463	11 455	4 660	42 041

Total assets include assets and investments in associated companies and joint ventures, but exclude deferred tax assets and taxation paid in advance.

ANNEXURE D

INFORMATION ON BUSINESS AND GEOGRAPHICAL SEGMENTS FOR THE YEAR ENDED 31 MARCH 2008

<i>R million</i>	Tobacco interests	Financial services	Industrial interests	Mining interests	Corporate finance and other interests	CONSOLI- DATED 2008 Total
BUSINESS SEGMENT ANALYSIS						
Sales	–	–	9 447	–	–	9 447
Results						
Subsidiary companies	167	2	1 170	267	15	1 621
Associated companies and joint ventures	3 525	2 226	1 458	(6)	7	7 210
Finance costs						8 831 (43)
Profit on sale of investments and negative goodwill						1 684
Profit before tax						10 472
Taxation						(419)
Net profit						10 053
Attributable to:						
Equity holders						9 893
Minority interests						160
						10 053
Headline earnings	3 579	2 120	1 895	264	133	7 991
OTHER INFORMATION						
Segment assets	2 660	–	6 481	8 353	1 010	18 504
Investments in associated companies	19 229	10 579	12 758	283	326	43 175
Investments in joint ventures	2	–	24	–	38	64
Taxation – Deferred						61 743 4
– Current						80
Consolidated total assets						61 827
Segment liabilities	2	–	2 368	–	115	2 485
Taxation – Deferred						1 454
– Current						13
Consolidated total liabilities						3 952
Additions to property, plant and equipment and intangible assets	–	–	454	–	10	464
Depreciation and amortisation	–	–	256	–	7	263
Net recovering of impairment	–	(4)	(15)	–	–	(19)

The interests of the Group have been classified into five main operating divisions/business segments – tobacco interests, financial services, industrial interests, mining interests and corporate finance/other interests. Each segment represents the main business sector of the investments classified thereunder. No adjustment has been made where companies are mainly active in one sector but also have interests in other sectors.

Income and expenses, as well as the attributable portion of the income from associated companies and joint ventures, are directly attributable to the segment.

Segment assets mainly include cash and cash equivalents, debtors and short-term loans, inventories, property, plant and equipment, intangible assets and other investments. Investments in associated companies and joint ventures, accounted for according to the equity method, are stated separately.

Segment liabilities include all operating liabilities, except for taxation.

GEOGRAPHICAL SEGMENTAL ANALYSIS

The Group's interests can be divided into two main geographical areas, namely South Africa and abroad.

<i>R million</i>	Capital expenditure 2008	Sales 2008	Headline earnings 2008	Total assets 2008
South Africa	464	9 447	4 293	39 852
Abroad	–	–	3 698	21 891
	464	9 447	7 991	61 743

Total assets include assets and investments in associated companies and joint ventures, but exclude deferred tax assets and taxation paid in advance.