

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>Accumulated depreciation</i> R million	<i>Cost</i> R million	<i>Accumulated depreciation</i> R million	<i>Cost</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		
	<i>Listed</i> R million	<i>Unlisted</i> R million	<i>Total</i> R million	<i>Listed</i> R million	<i>Unlisted</i> R million	<i>Total</i> 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

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	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).

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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)
Post-retirement medical benefits		(147)
		(156)
Balance sheet assets		100
Retirement benefits		9
Defined contribution fund employer's surplus**		91
Net defined benefit post-retirement obligation		(56)
Represented by:		
Retirement benefits (refer note 9.1)		–
Post-retirement medical benefits (refer note 9.2)		(147)
Defined contribution fund employer's surplus**		91
		(56)
Income statement		
Retirement benefits*		5
Post-retirement medical benefits		13
Expense/(income)		18

* 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 R million	Present value of funded obligations R million	Unrecognised actuarial (gains)/losses R million	Pension fund surplus limitation* R million	Amount recognised in balance sheet R million	Included in staff costs R million
Balances at 1 April 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.

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	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		
	Number	Number
Number of members	7 870	7 425
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
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.

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	718	875	771	722
Present value of funded obligations	(697)	(845)	(767)	(633)
Surplus/(deficit)	21	30	4	89

9. RETIREMENT BENEFITS (continued)

9.2 Post-retirement medical benefits

	Balance sheet				Income statement
	Fair value of plan assets R million	Present value of funded obligations R million	Unrecognised actuarial (gains)/losses R million	Amount recognised in balance sheet R million	Included in staff costs R million
Balances at 1 April 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	

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	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
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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.

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	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

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	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

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	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

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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

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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

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FOR THE YEAR ENDED 31 MARCH 2009

24. DIRECTORS' EMOLUMENTS (continued)

	2009					2008					
	Fees R'000	Salaries R'000	Share Scheme bonuses ⁽⁹⁾ R'000	Retire- ment fund R'000	Other benefits ⁽¹⁰⁾ R'000	Total R'000	Fees R'000	Salaries R'000	Retire- ment fund R'000	Other benefits ⁽¹⁰⁾ R'000	Total 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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FOR THE YEAR ENDED 31 MARCH 2009

	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.				

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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)

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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	<u>Age analysis of trade debtors in arrears</u>			<u>Total trade debtors in arrears</u> 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.

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	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.

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	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.