

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1. EARNINGS

	2010		2009	
	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		3 060		2 827
Plus/(minus):				
– Net impairment of investments	149	149	442	442
– Impairment of property, plant and equipment	4	3	–	–
– Impairment of intangible assets	26	20	–	–
– Profit/(loss) on sale of investments	9	17	(24)	(21)
– Net (surplus)/loss on disposal of property, plant and equipment	(4)	(1)	3	2
– Non-headline earnings items included in equity accounted earnings of associated companies and joint ventures	123	107	(117)	(82)
Headline earnings from continuing operations		3 355		3 168
DISCONTINUED OPERATIONS				
Net profit for the year attributable to equity holders		–		42 503
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)
Headline earnings from discontinued operations		–		1 492
Total headline earnings from continuing and discontinued operations		3 355		4 660
			2010	2009
			Cents	Cents

EARNINGS PER SHARE

Headline earnings per share

– Basic	690.1	987.7
Continuing operations	690.1	671.5
Discontinued operations	–	316.2
– Diluted	676.4	954.8
Continuing operations	676.4	659.2
Discontinued operations	–	295.6

Earnings per share

– Basic	629.4	9 607.9
Continuing operations	629.4	599.2
Discontinued operations	–	9 008.7
– Diluted	616.3	9 570.4
Continuing operations	616.3	584.6
Discontinued operations	–	8 985.8

Earnings per share

In determining earnings per share and headline earnings per share the weighted number of shares in issue, being 486 152 822 (2009: 471 798 001), 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.

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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 533 594 (2009: 115 156) 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, R63 million (2009: R57 million) and R61 million (2009: R68 million) were offset against headline earnings and earnings respectively to account for the potential diluted effect. For the comparative year R97 million and R98 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 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
Transfers and 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)
Additions	126	228	66	4	424
Disposals	(6)	(18)	(6)	–	(30)
Depreciation	(40)	(213)	(34)	(3)	(290)
Businesses acquired	45	148	4	1	198
Transfers and other	(51)	46	–	(3)	(8)
Carrying value at 31 March 2010	991	1 677	349	33	3 050
Cost	1 483	3 381	532	47	5 443
Accumulated depreciation	(492)	(1 704)	(183)	(14)	(2 393)

Depreciation rates are as follows:	2010	2009
	%	%
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 R2 million (2009: R4 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.

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3. BIOLOGICAL AGRICULTURAL ASSETS

Included in non-current assets:

Reconciliation of carrying value at the beginning and end of the year	Sugar cane roots	Sugar cane plants	Other	2010	Sugar cane roots	Sugar cane plants	Other	2009
	R million	R million	R million	R million	R million	R million	R million	R million
Balances at 1 April	33	27	16	76	27	25	15	67
Fair value adjustment	7	24	36	67	6	2	1	9
Transfer from assets "held for sale"	-	24	-	24	-	-	-	-
Disposals	(10)	-	-	(10)	-	-	-	-
Balances at 31 March	30	75	52	157	33	27	16	76

The quantity at 31 March is as follows:

Sugar cane roots (ha)	2 922	3 649
Sugar cane plants (ha)	4 461	3 649
Other (ha)	1 694	1 754

Included in current assets:

Reconciliation of carrying value at the beginning and end of the year	Breeding stock	Broiler stock	2010	Breeding stock	Broiler stock	2009
	R million	R million	R million	R million	R million	R million
Balances at 1 April	245	185	430	213	156	369
Additions	735	3 643	4 378	729	3 578	4 307
Decrease due to harvest	(745)	(3 661)	(4 406)	(700)	(3 559)	(4 259)
Fair value adjustment	6	15	21	3	10	13
Balances at 31 March	241	182	423	245	185	430

4. INVESTMENT PROPERTIES

	2010			2009		
	Cost	Accumulated depreciation	Net value	Cost	Accumulated depreciation	Net value
	R million	R million	R million	R million	R million	R million
Land	3	-	3	3	-	3
Buildings	31	-	31	31	-	31
	34	-	34	34	-	34

Reconciliation of carrying value at the beginning and end of the year	Land	Buildings	2010	Land	Buildings	2009
	R million	R million	R million	R million	R million	R million
Balances at 1 April	3	31	34	3	30	33
Additions	-	-	-	-	1	1
Balances at 31 March	3	31	34	3	31	34

The investment properties were valued during the 2008 financial year by an independent, qualified valuer using market information. The fair value of the investment properties, VAT exclusive, is R345 million (2009: 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.

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5. INTANGIBLE ASSETS

	2010			2009		
	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	350	(12)	338	347	–	347
Trade marks and other	100	(77)	23	144	(97)	47
	450	(89)	361	491	(97)	394

Amortisation rates are as follows:	2010 %	2009 %
Trade marks and other	5 – 100	5 – 100

Reconciliation of carrying value at the beginning and end of the year	Trade marks and other			Trade marks and other		
	Goodwill R million	Goodwill R million	2010 R million	Goodwill R million	2009 R million	2009 R million
Balances at 1 April	347	47	394	345	63	408
Additions	–	2	2	–	–	–
Amortisation	–	(10)	(10)	–	(11)	(11)
Impairment	(12)	(14)	(26)	–	–	–
Businesses acquired	5	2	7	4	–	4
Other	(2)	(4)	(6)	(2)	(5)	(7)
Balances at 31 March	338	23	361	347	47	394

Goodwill is tested annually for any possible impairment and for this reason allocated to the respective cash-generating units as indicated below. During the year under review goodwill amounting to R12 million was impaired.

	Tsb Sugar			2010 Total
	Rainbow Chicken Limited and its subsidiaries	Holdings (Pty) Limited and its subsidiaries	Wispeco Holdings Limited and its subsidiaries	
Goodwill allocated (R million)	292	32	14	338

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	16.8%
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

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6. INVESTMENTS – ASSOCIATED COMPANIES

(Annexures B & C)

	2010			2009		
	Listed R million	Unlisted R million	Total R million	Listed R million	Unlisted R million	Total R million
Shares – at cost	9 318	6 245	15 563	9 075	3 530	12 605
Equity adjustment	7 917	4 039	11 956	7 763	3 385	11 148
Carrying value	17 235	10 284	27 519	16 838	6 915	23 753
Long-term loans	–	533	533	–	42	42
	17 235	10 817	28 052	16 838	6 957	23 795
Market values of listed investments	28 480		28 480	18 904		18 904
Directors' valuation of unlisted investments		17 720	17 720		11 407	11 407
Market values and directors' valuation	28 480	17 720	46 200	18 904	11 407	30 311

Excess of market values and directors' valuation over the carrying value of investments:

– attributable to equity holders	18 148	6 516
– attributable to non-controlling interest	–	–
	<u>18 148</u>	<u>6 516</u>

Of the directors' valuations of unlisted investments stated above, a substantial proportion amounting to R4 048 million (2009: R3 052 million) was based on the stock exchange prices of underlying listed shares held by the unlisted investments concerned.

	2010 R million	2009 R million
Reconciliation of carrying value at the beginning and end of the year		
Carrying value at 1 April	23 795	43 175
Exchange rate differences on translation of carrying value at the beginning of the year to year-end rate	–	(418)
<i>Income of associated companies retained</i>	1 457	3 492
Share of net attributable profit of associated companies	2 678	4 947
Dividends received from associated companies	(1 221)	(1 526)
Exchange rate differences on translation from average rate to year-end rates	–	71
Equity-accounted movements on reserves	(621)	(530)
Disposals/capital reductions	(9)	(78)
Investments made	221	29
Businesses acquired	2 986	–
Loans advanced	150	–
Transfer from investments – other	258	–
Transfer to assets "held for sale"	(65)	–
Unbundling of BAT	–	(21 432)
Impairment of investments	(118)	(438)
Other	(2)	(5)
Carrying value at 31 March	28 052	23 795

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7. INVESTMENTS – JOINT VENTURES

(Annexure B)

	2010 R million	2009 R million
Unlisted shares – at cost	8	284
Equity adjustment	39	(201)
Carrying value	47	83
Long-term loans	8	1
	55	84
Directors' valuation of unlisted investments	55	84
Excess of directors' valuation over the carrying value of investments:		
– attributable to equity holders	–	–
– attributable to non-controlling interest	–	–
	–	–
Reconciliation of carrying value at the beginning and end of the year		
Carrying value at 1 April	84	64
Exchange rate differences on translation of carrying value at the beginning of the year to year-end rate	(18)	26
<i>Losses of joint ventures recognised</i>	(55)	(155)
Share of net attributable losses of joint ventures	(59)	(141)
Dividends received from joint ventures	(1)	(2)
Exchange rate differences on translation from average rate to year-end rates	5	(12)
Equity accounted movements on reserves	1	(1)
Investments made	57	150
Disposals	(19)	–
Transfer to investments – subsidiary companies	(3)	–
Loans repaid	(1)	–
Businesses acquired	9	–
Carrying value at 31 March	55	84

The Group's share in the results, assets and liabilities of joint ventures is as follows:

Loss	(146)	(141)
Sales	146	113
Assets	95	176
Liabilities	49	154

The Group's share in capital commitments of joint ventures amounted to RNil (2009: R8 million).

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8. INVESTMENTS – OTHER

(Annexure B)

	2010			2009		
	Listed R million	Unlisted R million	Total R million	Listed R million	Unlisted R million	Total R million
Investments – other						
Shares	6 357	287	6 644	4 651	91	4 742
Market values of listed investments	6 357		6 357	4 651		4 651
Directors' valuation of unlisted investments		287	287		91	91
Market values and directors' valuation	6 357	287	6 644	4 651	91	4 742

	2010 R million	2009 R million
Reconciliation of carrying value of investments – other at the beginning and end of the year		
Balances at 1 April	4 742	8 551
Fair value adjustments for the year	1 425	(4 205)
Investments made	300	431
Businesses acquired	476	–
Exchange rate adjustments	(5)	–
Impairments	(31)	–
Transfer to investments – associated companies	(258)	–
Disposals	(5)	(35)
Balances at 31 March	6 644	4 742

9. INVESTMENTS – SUBSIDIARY COMPANIES

(Annexure A)

Unlisted subsidiary companies		
Shares – at cost	3 736	–

10. RETIREMENT BENEFITS

Statement of financial position obligations

Retirement benefits	(16)	(9)
Post-retirement medical benefits	(164)	(147)
	(180)	(156)

Statement of financial position assets

Retirement benefits	9	9
Defined-contribution fund employer's surplus	112	91
Net defined-benefit post-retirement obligation	(59)	(56)

Represented by:

Retirement benefits (refer note 10.1)	(7)	–
Post-retirement medical benefits (refer note 10.2)	(164)	(147)
Defined-contribution fund employer's surplus	112	91
	(59)	(56)

Income statement

Retirement benefits*	10	5
Post-retirement medical benefits	21	13
Expense/(income)	31	18

* Refer note 24 on page 126.

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10. RETIREMENT BENEFITS (continued)

10.1 Retirement benefits

Some of the Company's subsidiaries have various defined-benefit and defined-contribution funds which are privately administered independent of the finances of the Group. The Group operates defined-benefit funds in South Africa, governed by the Pension Funds Act, 1956 (as amended), and the United Kingdom. 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 2007 and 31 March 2010.

	Statement of financial position					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 statement of financial position R million	Included in staff costs R million
Balances at 1 April 2008	875	(845)	2	(113)	(81)	
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
Current service cost	–	(1)	–	–	(1)	1
Interest cost	–	(45)	–	–	(45)	45
Expected return on assets	53	–	–	–	53	(53)
Surplus limitation utilisation	–	–	29	(41)	(12)	12
Actuarial gain amortisation	–	–	(5)	–	(5)	5
Transferred to defined- contribution fund**	(19)	14	–	5	–	–
Exchange rate differences	(87)	109	(19)	–	3	–
Benefit payments	(38)	38	–	–	–	–
Actuarial movements: fund obligation	–	(114)	114	–	–	–
Actuarial movements: plan assets	117	–	(117)	–	–	–
Balances at 31 March 2010	744	(696)	62	(117)	(7)	10

* The Financial Services Board approved the surplus allocation scheme on 6 September 2005. The present value of economic benefits recognised in the financial statements is limited to the value of the surplus allocated to the Employer Surplus Account. The Trustees have decided not to allocate any of the current surpluses in the Fund.

** During the year, Rainbow Chicken's pension fund was replaced by a defined-contribution fund.

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10. RETIREMENT BENEFITS (continued)

10.1 Retirement benefits (continued)

	2010 R million	2009 R million
Amount of plan assets represented by investment in the entity's own financial instruments	–	6
Actual return on plan assets	170	(105)
Adjustment for experience on funded obligations	(9)	3
Expected contributions to retirement funds for the year ended 31 March 2011: R1 million		

	Number	Number
Number of members	389	7 870

Composition of plan assets	%	%
Cash	8.88	7.16
Equity	20.22	21.23
Bonds	3.72	1.80
Property	0.69	1.15
International	65.41	68.66
Other	1.08	–
	100.00	100.00

Principal actuarial assumptions on reporting date

Discount rate	5.50 – 9.25	6.50 – 9.25
Expected rates of return on plan assets*	6.23 – 10.00	6.76 – 10.25
Future salary increases	8.00	6.25 – 7.25
Future pension increases	3.50 – 5.25	3.00 – 5.25
Inflation rate	5.50	5.25

* 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 4 years	2010 R million	2009 R million	2008 R million	2007 R million	2006 R million
Fair value of plan assets	744	718	875	771	722
Present value of funded obligations	(696)	(697)	(845)	(767)	(633)
Surplus	48	21	30	4	89

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10. RETIREMENT BENEFITS (continued)

10.2 Post-retirement medical benefits

	Statement of financial position				Income statement
	Fair value of plan assets R million	Present value of funded obligations R million	Unrecognised actuarial (gains)/ losses R million	Amount	Included in staff costs R million
				recognised	
				in statement of financial position R million	
Balances at 1 April 2008	37	(153)	(22)	(138)	
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
Current service cost	–	(6)	–	(6)	6
Interest cost	–	(16)	–	(16)	16
Expected return on assets	3	–	–	3	(3)
Amortisation of actuarial (gains)/losses	–	(2)	–	(2)	2
Liability assumed as part of VenFin acquisition	1	(2)	–	(1)	–
Benefit payments	(2)	7	–	5	–
Actuarial movements	4	21	(25)	–	–
Balances at 31 March 2010	40	(192)	(12)	(164)	21

	2010 R million	2009 R million
Amount of plan assets represented by investment in the entity's own financial instruments	1	2
Actual return on plan assets	7	(1)
Expected contributions to retirement funds for the year ended 31 March 2011: R12 million		

	Number 895	Number 959
Number of members		

Fund history for the current and previous 4 years	2010 R million	2009 R million	2008 R million	2007 R million	2006 R million
Fair value of plan assets	40	34	37	35	16
Present value of funded obligations	(192)	(194)	(153)	(146)	(121)
Surplus/(deficit)	(152)	(160)	(116)	(111)	(105)

Composition of plan assets	2010 %	2009 %
Cash	16.00	16.00
Equity	78.00	81.00
Bonds	6.00	3.00
	100.00	100.00

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10. RETIREMENT BENEFITS (continued)

10.2 Post-retirement medical benefits (continued)

	2010 %	2009 %
Principal actuarial assumptions on reporting date		
Discount rate	9.25 – 9.50	8.25 – 9.00
Expected rates of return on plan assets*	10.25	10.00
Annual increase in healthcare costs	5.50 – 5.75	5.25 – 7.25

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

	2010 Increase R million	2010 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	28	27
Current service costs and interest on obligation	5	4

11. TAXATION

11.1 Deferred taxation

	2010 R million	2009 R million
Deferred taxation liability	1 162	825
Property, plant and equipment	432	359
Intangibles	4	10
Inventories	173	152
Provisions	(48)	(61)
Biological agricultural assets	46	38
Investments	614	372
Tax losses	(14)	(25)
Future capital gain taxable	46	32
Other	(91)	(52)
Deferred tax asset	(6)	(10)
Property, plant and equipment	(1)	21
Inventories	–	4
Provisions	(3)	(2)
Tax losses	–	(25)
Other	(2)	(8)
Net deferred taxation	1 156	815

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

Beginning of the year	815	1 450
Businesses acquired	5	–
As per income statement	117	(14)
Accounted for in other comprehensive income	219	(621)
	1 156	815

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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11. TAXATION (continued)

11.2 Tax losses

	2010 R million	2009 R million
Estimated tax losses available for set-off against future taxable income	215	118
Utilised to create deferred tax asset	(128)	(36)
	87	82

The calculated capital losses on 31 March, which could be set off against future capital gains of the Company, amount to R3 906 million (2009: R3 906 million).

11.3 Secondary taxation on companies (STC)

The STC credits on 31 March, which could be set off against future dividend payments, amount to

– The Company	4 727	3 260
– Subsidiary companies	1 794	2 595
Unutilised STC credits	6 521	5 855

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.

11.4 Taxation in income statement

CONSOLIDATED

Current	172	261
– current year – South African normal taxation	167	246
– Taxation on capital gain	–	2
– Foreign taxation	8	7
	175	255
– previous year – South African normal taxation	(3)	6
Secondary taxation on companies – current	20	21
Deferred – current year	107	–
– previous year	2	(10)
– tax on capital gain	8	(4)
	309	268

THE COMPANY

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

	%	%
Effective tax rate	36.1	33.5
Reduction/(increase) in standard rate as a result of:		
Exempt dividend income	4.0	12.2
Non-taxable capital profit	–	0.9
Other non-taxable expenditure	(8.2)	(12.3)
Foreign taxation	(0.9)	(4.2)
Previous year taxation	0.2	0.3
Future capital gain payable	(0.9)	0.2
Secondary taxation on companies	(2.3)	(2.6)
Standard rate	28.0	28.0

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12. INVENTORIES

	2010 R million	2009 R million
Raw materials	282	326
Finished products	661	516
Work in progress	4	3
Consumable stores	101	66
	1 048	911

13. DEBTORS AND SHORT-TERM LOANS

	THE COMPANY		CONSOLIDATED	
	2010 R million	2009 R million	2010 R million	2009 R million
Trade debtors (gross)	–	6	1 488	1 241
Less: Provision for impairments	–	–	(44)	(45)
Trade debtors (net)	–	6	1 444	1 196
Dividends receivable	–	–	327	389
Advance payments and other	–	–	170	214
Loans – Subsidiary companies	4 835	12 793	–	–
	4 835	12 799	1 941	1 799

Debtors with a carrying value of R43 million (2009: R42 million) provided collateral to the Group. Loans to subsidiary companies are unsecured, carry no interest and are repayable on request.

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

	2010 R million	2009 R million
Balances at 1 April	45	44
Provision for impairments on debtors	8	13
Debtors written off as uncollectable during the year	(3)	(9)
Unused amounts written back	(6)	(1)
Other	–	(2)
Balances at 31 March	44	45

During the year, bad debts amounting to R3 million (2009: R9 million) were written off. The other classes of assets in debtors and short-term loans have no assets where impairments were made. For further information refer to note 32.

14. DERIVATIVE INSTRUMENTS

The following derivative instruments existed at 31 March:

	2010			2009		
	Currency value million	Forward value R million	Fair value R million	Currency value million	Forward value R million	Fair value R million
Assets						
<i>Foreign exchange contracts</i>						
Sell: USA dollar	35.9	281.4	12.4	18.1	186.6	9.3
			12.4			9.3
<i>Other derivative instruments</i>						
Conversion right on preference shares			132.6			–
Soy option contracts			–			2.0
Exchange option contracts			–			4.3
			132.6			6.3
			145.0			15.6

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14. DERIVATIVE INSTRUMENTS (continued)

The following derivative instruments existed at 31 March:

Liabilities	Currency	2010	Fair	Currency	2009	Fair
	value	Forward	value	value	Forward	value
	million	R million	R million	million	R million	R million
<i>Foreign exchange contracts</i>						
Buy: Euro	1.0	10.1	0.2	3.5	3.5	–
USA dollar	–	–	–	89.3	85.8	3.6
GBP	1.0	10.2	0.7	–	–	–
			0.9			3.6
<i>Other derivative instruments</i>						
Commodity option contracts			0.1			2.1
Exchange option contracts			–			10.5
Interest rate swaps			2.4			1.7
			2.5			14.3
			3.4			17.9

15. ASSETS HELD FOR SALE

	2010	2009
	R million	R million
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, which were initially anticipated to have been finalised during the 2009 financial year is still 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.		
Carrying value of the assets classified as "held for sale"	167	176
Property, plant and equipment	119	116
Biological agricultural assets	48	60
Effective 30 November 2009 the investment in Trans Hex was reclassified as "held for sale" and accordingly the investment is measured in terms of the requirements of IFRS 5.		
Carrying value of the investment classified as "held for sale"	65	–
	232	176

16. INVESTMENT IN MONEY MARKET FUNDS

Money market fund investments are held in the following currencies:

USA dollar (2010: \$161 million; 2009: \$80 million)	1 172	766
British pound (2010: £13 million; 2009: £13 million)	146	181
Euro (2010: €50 million; 2009: €50 million)	494	631
	1 812	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 2010 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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17. CASH AND CASH EQUIVALENTS

	2010 R million	2009 R million
Cash at the centre	2 850	4 389
Operating subsidiaries	977	661
	3 827	5 050

The cash is held in the following currencies:

South African rand	1 388	1 513
British pound	109	118
USA dollar	1 255	2 283
Euro	896	946
Swiss franc	158	190
Other	21	–
	3 827	5 050

At year-end cash and cash equivalents earned interest at effective interest rates that varied between 6.00% and 7.73% (2009: 9.25% and 10.86%) per annum at local financial institutions and between 0.02% and 6.15% (2009: 0.03% and 5.30%) per annum abroad.

Cash and cash equivalents are represented by the following:

United Kingdom treasury bills	33	41
United States treasury bills	–	772
German treasury instruments	122	157
Current accounts and money market instruments	3 672	4 079
Cash	–	1
	3 827	5 050

At year-end the Group's cash was invested at financial institutions with the following

Moody's credit rating (unless otherwise indicated):

Aa1	489	–
Aa2	693	1 051
Aa3	65	27
A1	–	1 063
A2	857	970
A3	1 323	1 475
AAA/V1 (Fitch credit rating)	400	463
Cash on hand	–	1
	3 827	5 050

18. 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

481 106 370 (2009: 439 479 751) ordinary shares of 1 cent each	4.8	4.4
35 506 352 (2009: 35 506 352) B ordinary shares of 10 cents each	3.6	3.5
	8.4	7.9

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FOR THE YEAR ENDED 31 MARCH 2010

18. SHARE CAPITAL AND SHARE PREMIUM (continued)

	2010 Number of shares	2009 Number of shares
Movement of the ordinary shares of 1 cent each for the year:		
Total number of shares issued at 1 April	439 479 751	449 003 606
Shares issued	41 626 619	–
Shares cancelled	–	(9 523 855)
Total number of shares issued at 31 March*	481 106 370	439 479 751

* Treasury shares held by wholly owned subsidiary companies included.

	2010 R million	2009 R million
Share premium		
Movement of the share premium account for the year:		
Balance at 1 April	–	37
Shares issued	3 714	–
Shares cancelled	–	(37)
Balance at 31 March	3 714	–

Each ordinary share has one vote.
Each B ordinary share has ten votes.

Number of shares held in treasury by a wholly owned subsidiary (ordinary shares of 1 cent each): 3 424 044 (2009: 3 500 000).

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 26 and the Report of the Board of Directors.

19. RESERVES

19.1 Composition of reserves

	2010 R million	2009 R million
The Company:		
Retained earnings	4 817	159
Subsidiary companies and joint ventures	25 543	29 523
Fair value reserve	4 589	3 389
Other reserves	409	314
Retained earnings	20 545	25 820
Associated companies:		
Equity reserves	9 477	8 642
	39 837	38 324
Statutory non-distributable reserves included in other reserves	6	11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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19. RESERVES (continued)

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

	<i>Other reserves</i> R million	<i>Retained earnings</i> R million	2010 Total R million	2009 Total R million
Balances at 1 April	23	(58)	(35)	6 243
Exchange rate adjustments during the year	(155)	(1 061)	(1 216)	(436)
Transfer of equity adjustment	5	(5)	–	–
Realised to the income statement	(11)	–	(11)	(5 842)
Balances at 31 March	(138)	(1 124)	(1 262)	(35)

20. LONG-TERM LOANS

	2010 R million	2009 R million
Interest-bearing loans		
Secured long-term loans with effective interest rates of between 9.37% and 10% (2009: 9.37% and 13%) per annum repayable over a period of between four to ten years. These liabilities are secured by assets with a book value of R62 million (2009: R56 million).	188	204
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 R2 million (2009: R4 million).	3	4
Various unsecured loans with varying terms and interest rates	5	3
	196	211
Instalments payable within one year transferred to short-term interest-bearing loans	(21)	(20)
	175	191
Payable – two to five years	173	191
Payable thereafter	2	–
	175	191

21. TRADE AND OTHER PAYABLES

	THE COMPANY		CONSOLIDATED	
	2010 R million	2009 R million	2010 R million	2009 R million
Trade payables	32	56	1 724	1 418
Accrued expenses	–	–	568	581
	32	56	2 292	1 999

22. SHORT-TERM LOANS

Interest-bearing loans				
Portion of long-term interest-bearing loans payable within one year	–	–	21	20
Bank overdrafts	–	–	86	31
	–	–	107	51
Interest-free loans with no fixed repayment conditions	–	–	39	66
Loans – Subsidiary companies	–	12 576	–	–
	–	12 576	146	117

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23. PROVISIONS

	<i>Legal disputes*</i> R million	<i>Other**</i> R million	2010 R million	<i>Legal disputes*</i> R million	<i>Other**</i> R million	2009 R million
Balances at 1 April	18	5	23	43	5	48
Unused amounts	–	(5)	(5)	(25)	–	(25)
	18	–	18	18	5	23
Provisions utilised during the year	(18)	–	(18)	–	–	–
Balances at 31 March	–	–	–	18	5	23

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

** Various smaller provisions.

24. STAFF COSTS

	2010 R million	2009 R million
Salaries and wages	1 699	1 513
Share-based payments	54	49
Pension costs – defined contribution	119	99
Pension costs – return on defined-contribution asset	(21)	–
Pension costs – defined benefit	10	5
Post-retirement medical benefits	21	13
Other	57	65
	1 939	1 744

25. DIRECTORS' EMOLUMENTS

	<i>Executive</i> R'000	2010 <i>Non- executive</i> R'000	Total R'000	<i>Executive</i> R'000	<i>2009</i> <i>Non- executive</i> R'000	Total R'000
Executive directors						
Fees	1 104		1 104	880		880
Salaries	20 107		20 107	15 000		15 000
Share Scheme bonuses*	–		–	20 064		20 064
Retirement fund contributions	4 135		4 135	3 344		3 344
Other benefits	1 269		1 269	1 547		1 547
Subtotal	26 615		26 615	40 835		40 835
Non-executive directors						
Independent		1 361	1 361		1 257	1 257
Non-independent		2 839	2 839		3 943	3 943
Total	26 615	4 200	30 815	40 835	5 200	46 035
Increase in value – Remgro Share Scheme*	–	–	–	133 530	103 104	236 634

* Refer note 26.1 on page 128.

	<i>Fees</i> R'000	2010 <i>Salaries and other</i> R'000	Total R'000	<i>Fees</i> R'000	<i>2009</i> <i>Salaries and other</i> R'000	Total R'000
Paid by:						
The Company	1 533		1 533	1 417		1 417
Subsidiary company	1 448	27 834	29 282	1 280	43 338	44 618
	2 981	27 834	30 815	2 697	43 338	46 035

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25. DIRECTORS' EMOLUMENTS (continued)

	2010					2009					
	Fees	Salaries	Retire- ment fund	Other benefits ⁽¹³⁾	Total	Fees	Salaries	Share Scheme bonuses ⁽¹²⁾	Retire- ment fund	Other benefits ⁽¹³⁾	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	172	1 957	422	225	2 776	160	1 806	6 583	389	289	9 227
L Crouse ⁽¹⁾	172	3 070	642	225	4 109	160	2 750		588	223	3 721
J W Dreyer ⁽²⁾	172	1 926	416	106	2 620	80	698		132	35	945
J J Durand ⁽³⁾	72	2 122	313	75	2 582						
D M Falck ⁽⁴⁾							560		111	80	751
J A Preller (Mrs)	172	1 074	247	225	1 718	160	999	3 659	229	242	5 289
T van Wyk	172	1 896	410	141	2 619	160	1 591	4 694	343	175	6 963
M H Visser ⁽⁵⁾	172	8 062	1 685	272	10 191	160	6 596	5 128	1 552	503	13 939
Subtotal	1 104	20 107	4 135	1 269	26 615	880	15 000	20 064	3 344	1 547	40 835
Non-executive (independent)											
G D de Jager ⁽⁶⁾	93				93	241					241
G T Ferreira ⁽⁷⁾	84				84						
P K Harris	201				201	187					187
N P Mageza ⁽⁷⁾	96				96						
P J Moleketi ⁽⁷⁾	96				96						
M M Morobe	172				172	160					160
M A Ramphele (Dr) ⁽⁷⁾	72				72						
D Prins ⁽⁸⁾						134					134
M Ramos (Mrs) ⁽⁹⁾						160					160
F Robertson	259				259	241					241
H Wessels ⁽¹⁰⁾	288				288	134					134
Subtotal	1 361				1 361	1 257					1 257
Non-executive (non-independent)											
P E Beyers	172	610	155	106	1 043	160	568	–	144	104	976
J W Dreyer ⁽²⁾						80	929	–	218	69	1 296
E de la H Hertzog	172	1 141	232	79	1 624	160	1 059	–	215	77	1 511
J Malherbe	172	–	–	–	172	160	–	–	–	–	160
J P Rupert ⁽¹¹⁾	–	–	–	–	–	–	–	–	–	–	–
Subtotal	516	1 751	387	185	2 839	560	2 556	–	577	250	3 943
Total	2 981	21 858	4 522	1 454	30 815	2 697	17 556	20 064	3 921	1 797	46 035

⁽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 J J Durand was appointed as an executive director on 4 November 2009.

⁽⁴⁾ Mr D M Falck retired as financial director on 18 June 2008.

⁽⁵⁾ Mr M H Visser earned, in addition to the above, a director's fee of GBP7 500 (2009: GBP78 750) from BAT. He retired as a director of BAT on 30 April 2009.

⁽⁶⁾ Mr G D de Jager retired as an independent non-executive director on 5 August 2009.

⁽⁷⁾ Messrs N P Mageza, P J Moleketi, G T Ferreira and Dr M A Ramphele were appointed as independent non-executive directors on 4 November 2009.

⁽⁸⁾ Mr D Prins retired as a non-executive director on 22 August 2008. He was the chairman of the Audit and Risk Committee.

⁽⁹⁾ Mrs M Ramos retired as an independent non-executive director on 26 February 2009.

⁽¹⁰⁾ 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.

⁽¹¹⁾ Mr J P Rupert receives no emoluments.

⁽¹²⁾ 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.

⁽¹³⁾ Benefits include medical aid contributions and vehicle benefits.

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26. 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 and the Rainbow Share Appreciation Right 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.

26.1 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.

	2010 R million	2009 R million
Share-based payment cost included in the income statement (in accordance with IFRS 2)	2	16

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:

	2010		2009	
	<i>Number of shares</i>	<i>Rand</i>	<i>Number of shares</i>	<i>Rand</i>
Carried forward from previous financial years	415 525	123.68	3 411 923	78.01
Resignations and other	–	–	(547 698)	124.58
Shares paid for and delivered	–	–	(2 448 700)	59.84
Total at 31 March	415 525	123.68	415 525	123.68
Exercisable at the end of the period	232 175	99.55	60 452	87.86

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26. SHARE-BASED PAYMENTS (continued)

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

Exercise price range of all offers:

	2010			2009		
	Number of shares outstanding at year-end	Weighted average remaining contract lifetime in years	Weighted average exercise price per share (Rand)*	Number of shares outstanding at year-end	Weighted average remaining contract lifetime in years	Weighted average exercise price per share (Rand)
R80 – R100	174 614	1.67	87.86	174 614	2.67	87.86
R120 – R140	172 681	3.24	135.00	172 681	4.24	135.00
R180 – R200	68 230	4.22	186.70	68 230	5.22	186.70

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

Average expected exercise period (years)	5 – 7
Price volatility (%)	19.2 – 20.2
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.

26.2 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

	2010 R million	2009 R million
Share-based payment cost included in the income statement (in accordance with IFRS 2)	33	13
Fair value of offers made during the year	13	63

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

	2010		2009	
	Number of SARs	Rand	Number of SARs	Rand
Carried forward from previous financial years	3 634 754	73.24	–	–
Offered during current financial year	145 785	75.72	3 641 533	73.24
SARs issued due to the VenFin transaction*	2 010 335	43.93	–	–
Forfeited during the year	(8 713)	75.77	(6 779)	73.21
Exercised during the period	(215 655)	56.40	–	–
Outstanding at the end of the period	5 566 506	65.35	3 634 754	73.24
Exercisable at the end of the period	2 053 903	63.93	295 159	72.00

* After the acquisition of VenFin Limited by the Group became unconditional during November 2009, participants to the VenFin Share Appreciation Rights Scheme (VenFin SAR Scheme) were given the opportunity to join the SAR scheme on the basis of equivalent value, terms, conditions and vesting dates that were applicable in terms of the VenFin SAR Scheme. Each VenFin SAR Scheme participant accordingly received 1 Remgro SAR for every 6.25 unexercised and/or unvested VenFin SARs held.

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26. SHARE-BASED PAYMENTS (continued)

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

Exercise prices of all options:

	2010		2009	
	Number of SARs outstanding at year-end	Weighted average remaining contract lifetime in years	Number of SARs outstanding at year-end	Weighted average remaining contract lifetime in years
R30.00 – R39.99	949 709	2.22	–	–
R40.00 – R49.99	368 247	2.23	–	–
R50.00 – R59.99	3 640	2.29	–	–
R60.00 – R69.99	26 131	5.92	–	–
R70.00 – R79.99	3 609 240	4.64	3 634 754	5.52
R80.00 – R89.99	530 592	5.41	–	–
R90.00 – R99.99	78 947	3.90	–	–

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

	2010	2009
Weighted average Remgro share price for the year following the BAT unbundling (R)	84.11	70.37
Exercise price (R)	39.19 – 97.19	72.00 – 74.00
Average expected exercise period (years)	4 – 5	3 – 6
Price volatility (%)	22.21 – 22.36	20.78 – 22.36
Risk-free rate (%)	7.32 – 8.46	8.13 – 8.76
Expected dividend yield (%)	2.37 – 2.41	2.37

26.3 Current status – offers to directors

Remgro Share Scheme

– ordinary shares

Participant	Balance of shares accepted as at 31 March 2009	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)	Balance of shares accepted as at 31 March 2010
Executive									
M H Visser	174 614			87.86					174 614
				135.00					172 681
				186.70					68 230
Total	415 525	–			–			–	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.

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26. SHARE-BASED PAYMENTS (continued)

26.3 Current status – offers to directors (continued)

Remgro Share Scheme (continued)

– ordinary shares

Participant	Balance	Shares	Date of	Offer	Number	Date of	Share price	Increase	Shares	Balance
	of shares						on date of			of shares
	accepted	accepted	acceptance	price	paid and	payment	and	in value ⁽¹⁾	forfeited	accepted
	as at	during	of shares	(Rand)	delivered	and	delivery	(R'000)	on	as at
	31 March	the year				delivery	(Rand)		27/10/08 ⁽²⁾	31 March
	2008					of shares			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 ⁽³⁾	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 25.

⁽³⁾ Mr D M Falck retired as a director on 18 June 2008.

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26. SHARE-BASED PAYMENTS (continued)

26.3 Current status – offers to directors (continued)

Remgro Equity Settled Share Appreciation Right Scheme

– Share appreciation rights (SARs)

Participant	Balance of SARs accepted as at 31 March 2009	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 ⁽¹⁾ (R'000)	Balance of SARs accepted as at 31 March 2010
Executive									
W E Bührmann	283 148			72.00					283 148
	124 771			74.00					124 771
L Crouse	418 108			74.00					418 108
J J Durand		427 047	23/11/09	39.19					427 047
		162 354	23/11/09	87.50					162 354
		22 717	23/11/09	83.94					22 717
		12 662	23/11/09	90.81					12 662
J A Preller	141 411			72.00					141 411
	48 788			74.00					48 788
T van Wyk	185 207			72.00					185 207
	87 829			74.00					87 829
M H Visser	136 767			72.00					136 767
	542 424			74.00					542 424
J W Dreyer	270 270			74.00					270 270
Subtotal	2 238 723	624 780			–			–	2 863 503
Non-executive									
J Malherbe ⁽²⁾		195 730	23/11/09	39.19					195 730
		75 761	23/11/09	87.50					75 761
		20 847	23/11/09	83.94					20 847
		5 807	23/11/09	90.81					5 807
Subtotal	–	298 145			–			–	298 145
Total	2 238 723	922 925			–			–	3 161 648

Participant	Balance of SARs accepted as 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 ⁽¹⁾ (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

⁽¹⁾ 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.

⁽²⁾ Subsequent to the acquisition of VenFin, Mr J Malherbe was awarded SARs to compensate him for the cancellation of the VenFin Share Appreciation Rights Scheme.

26.4 Rainbow Share Schemes

Rainbow has an equity settled share scheme, as well as a share appreciation right 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 (for the share scheme) and three, four and five years (for the share appreciation right scheme) 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 R19 million (2009: R20 million) relating to these schemes were recognised in the income statement.

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27. PROFIT

	2010 R million	2009 R million
Profit is stated after taking the following into account:		
CONSOLIDATED		
Income		
Fair value adjustment – biological assets	74	27
Fair value adjustment – derivative instruments	78	15
Rental income – investment properties	10	10
Interest received	146	197
Shareholder's loan to associated company	18	–
Financial institutions and other	128	197
Profit on sale of investments	–	24
Exchange rate gains	–	121
Profit on sale of property, plant and equipment	4	–
Expenses		
Amortisation of intangible assets	10	11
Fair value adjustment – derivative instruments	117	164
Expenses – investment properties	1	5
Rental	130	84
Land and buildings	55	45
Machinery and equipment	55	15
Vehicles	5	7
Office equipment	15	17
Research and development costs written off	6	7
Auditors' remuneration – audit fees	15	13
– other services	2	3
Net impairment of investments, assets and goodwill	179	442
Investment in PGSI	107	411
Investment in the Kagiso Infrastructure Empowerment Fund	31	–
Investment in Premier Team Holdings	30	–
Other investments, assets and goodwill	11	31
Professional fees	38	49
Depreciation	290	271
Buildings	40	34
Machinery and equipment	213	203
Vehicles	34	31
Office equipment	3	3
Loss on sale of investments	9	–
Exchange rate losses	9	–
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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28. DIVIDEND INCOME

	THE COMPANY		CONSOLIDATED	
	2010	2009	2010	2009
	R million	R million	R million	R million
Included in profit:				
Listed	–	–	113	352
Unlisted – Subsidiary companies	5 624	59 469		
– Other	–	–	3	3
	5 624	59 469	116	355
Dividends from associated companies and joint ventures set off against investments			1 222	1 528

29. EQUITY ADJUSTMENT

	2010	2009
	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	3 952	3 208
Net impairment of investments, assets and goodwill	(118)	(253)
Profit on the sale of investments	41	360
Other non-recurring and capital items	(46)	(11)
Profit before tax and non-controlling interest	3 829	3 304
Taxation	(981)	(809)
Non-controlling interest	(229)	(106)
Continuing operations	2 619	2 389
Discontinued operations	–	2 417
Share of net attributable profit of associated companies and joint ventures – per income statement	2 619	4 806
Dividends received from associated companies and joint ventures	(1 222)	(1 528)
Share of net profit retained by associated companies and joint ventures	1 397	3 278
Exchange rate differences on translation from average rates to year-end rates	5	59
Equity adjustment transferred to non-distributable reserves (Refer to statements of changes in equity)	1 402	3 337
Portion of the share of net attributable profit of associated companies and joint ventures, that has been accounted for from unaudited interim reports and management accounts. The results of these associated companies and joint ventures will be audited in later financial periods that coincide with their financial year-ends.	1 219	1 291
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	190	170
Contingent tax liabilities	23	11

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 2010

30. CASH FLOW INFORMATION

30.1 Adjustments

	THE COMPANY		CONSOLIDATED	
	2010 R million	2009 R million	2010 R million	2009 R million
Amortisation of intangible assets and depreciation	–	–	300	282
Movement in provisions	–	–	(21)	(96)
Net movement in derivative instruments	–	–	(86)	31
Share scheme cost	–	–	54	49
(Profit)/loss on the sale of property, plant and equipment	–	–	(4)	3
Other	–	–	(12)	(24)
	–	–	231	245

30.2 Decrease/(increase) in working capital

Decrease/(increase) in inventories and biological agricultural assets	–	–	(109)	(27)
Decrease/(increase) in trade and other receivables	5	(3)	(54)	(117)
Increase/(decrease) in trade and other payables	(23)	43	8	165
	(18)	40	(155)	21

30.3 Reconciliation of dividends received

Receivable at the beginning of the year	–	–	389	–
Per income statement	5 624	59 469	116	355
Dividends from associated companies and joint ventures set off against investments	–	–	1 222	1 528
Businesses acquired	–	–	44	–
Receivable at the end of the year	–	–	(327)	(389)
Cash received	5 624	59 469	1 444	1 494

30.4 Reconciliation of taxation paid with the amount disclosed in the income statement

Paid in advance at the beginning of the year	–	–	65	80
Unpaid at the beginning of the year	–	–	–	(13)
Per income statement	–	(686)	(192)	(282)
– normal income	–	–	(172)	(259)
– capital gain	–	–	–	(2)
– STC	–	(686)	(20)	(21)
Businesses acquired	–	–	8	–
Unpaid at the end of the year	–	–	17	–
Paid in advance at the end of the year	–	–	(42)	(65)
Cash paid	–	(686)	(144)	(280)

30.5 Reconciliation of dividends paid

Per statements of changes in equity	(956)	(57 204)	(950)	(56 757)
Dividend <i>in specie</i>	–	55 095	–	54 689
Paid by subsidiary companies to minority	–	–	(56)	(52)
Cash paid	(956)	(2 109)	(1 006)	(2 120)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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31. BUSINESSES ACQUIRED

With effect from 23 November 2009 Remgro acquired 100% of VenFin Limited (VenFin), an investment holding company with investments mainly in the media and technology sectors. In terms of the transaction, VenFin shareholders received 1 Remgro share for every 6.25 VenFin shares held and on 23 November 2009 Remgro issued 41 626 619 shares at a price of R89.25 per share. Apart from VenFin's investments in associated companies the carrying values of all the other assets and liabilities approximated their fair value. The cost of the acquisition was allocated to the assets acquired and liabilities and contingent liabilities assumed as required by the International Financial Reporting Standards (*IFRS 3: Business Combinations*). Goodwill that arose was allocated to the different associated companies and forms part of each associated company's underlying purchase price. Since the acquisition, the results of VenFin included in Remgro's reported results were immaterial and consisted of headline earnings from investee companies of approximately R53 million and after-tax corporate costs of approximately R16 million. By applying the Group's accounting policies and based on the assumption that the acquisition was effective on 1 April 2009, it is calculated that VenFin's headline earnings for the full year would have amounted to approximately R117 million.

With effect from 3 August 2009, Tsb Sugar Holdings (Pty) Limited, a wholly owned subsidiary of Remgro, acquired the Pongola sugar mill from Illovo Limited. For the eight months since acquisition the Pongola sugar mill contributed R248 million to turnover, while an operating loss of R46 million, before interest and tax, was reported. If the acquisition had occurred on 1 April 2009, the Pongola sugar mill would have contributed R471 million to turnover and an operating loss of R37 million, before interest and tax.

During the past two years subsidiary companies in the Group also acquired various other small businesses.

The assets and liabilities arising from the acquisitions above were as follows:

	<i>VenFin Limited</i> R million	<i>Pongola sugar mill</i> R million	<i>Other</i> R million	2010 Total R million	2009 Total R million
Assets					
Property, plant and equipment (refer note 2)	–	167	31	198	7
Intangible assets (refer note 5)	–	–	2	2	–
Investments – Associated companies (refer note 6)	2 986	–	–	2 986	–
– Joint ventures (refer note 7)	9	–	–	9	–
– Other (refer note 8)	476	–	–	476	–
Loans	116	–	–	116	–
Deferred taxation (refer note 11)	–	1	–	1	–
Inventories	–	55	23	78	–
Debtors and short-term loans	106	75	13	194	–
Derivative instruments	55	–	–	55	–
Taxation	9	–	–	9	–
Cash and cash equivalents	317	–	3	320	–
Liabilities					
Long-term loans	(1)	–	(2)	(3)	–
Deferred taxation (refer note 11)	(6)	–	–	(6)	–
Trade and other payables	(89)	(181)	(9)	(279)	–
Bank overdrafts	(242)	–	–	(242)	–
Taxation	(1)	–	–	(1)	–
Fair value of net assets acquired	3 735	117	61	3 913	7
Investment previously held	–	–	(3)	(3)	–
Goodwill (refer note 5)	–	5	–	5	4
Total purchase consideration	3 735	122	58	3 915	11
Fair value of shares issued*	(3 714)	–	–	(3 714)	–
Purchase consideration settled in cash	21	122	58	201	11
Cash and cash equivalents in subsidiary acquired	(75)	–	(3)	(78)	–
Cash (inflow)/outflow on acquisition	(54)	122	55	123	11

* The fair value of the shares issued was based on the published share price on 13 November 2009.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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32. FINANCIAL INSTRUMENTS

32.1 Classes of financial instruments and fair value

Financial instruments on the statement of financial position include investments, investment in money market funds, loans receivable, debtors, cash, creditors, short-term loans, 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 statement of financial position line items.

Financial assets	Non- financial assets	Loans and receivables	Assets at fair value through profit and loss	Available- for-sale	Carrying value	Fair value
	R million	R million	R million	R million	R million	R million
2010						
Investments – other			60	6 584	6 644	6 644
Loans		108			108	108
Loans to associated companies and joint ventures		541			541	541
Debtors and short-term loans	62	1 879			1 941	1 941
Derivative instruments			145		145	145
Investment in money market funds			1 812		1 812	1 812
Cash and cash equivalents		3 827			3 827	3 827
	62	6 355	2 017	6 584	15 018	15 018
2009						
Investments – other			40	4 702	4 742	4 742
Loans		100			100	100
Loans to associated companies and joint ventures		43			43	43
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	6 930	1 634	4 702	13 328	13 328

Financial liabilities	Liabilities at amortised cost	Liabilities at fair value through profit and loss	Carrying value	Fair value
	R million	R million	R million	R million
2010				
Long-term loans		175	175	175
Trade and other payables		2 292	2 292	2 292
Short-term loans		146	146	146
Derivative instruments			3	3
		2 613	3	2 616
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
		2 307	18	2 325

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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32. FINANCIAL INSTRUMENTS (continued)

32.1 Classes of financial instruments and fair value (continued)

Fair value

On 31 March 2010 and 2009 the fair value of financial instruments approximates their carrying value.

Fair value estimation

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.

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

	Level 1 R million	Level 2 R million	Level 3 R million	Total R million
2010				
Available-for-sale	6 310	–	274	6 584
Assets at fair value through profit and loss	47	–	13	60
Derivative instruments	–	12	133	145
Investment in money market funds	1 812	–	–	1 812
	8 169	12	420	8 601

	Available- for-sale R million	Assets at fair value through profit and loss R million	Derivative instruments R million	Total R million
Reconciliation of carrying value of level 3 assets at the beginning and end of the year				
2010				
Balances at 1 April	91	–	–	91
Businesses acquired	201	9	55	265
Additions	37	4	–	41
Disposals	(5)	–	–	(5)
Exchange rate adjustments	(3)	–	–	(3)
Impairments	(32)	–	–	(32)
Fair value adjustments through profit and loss	–	–	78	78
Fair value adjustments through comprehensive income	(15)	–	–	(15)
Balances at 31 March	274	13	133	420

The following table illustrates the fair value of financial liability by hierarchy level:

	Level 1 R million	Level 2 R million	Level 3 R million	Total R million
2010				
Derivative instruments	–	3	–	3

32. FINANCIAL INSTRUMENTS (continued)

32.2 Financial instruments and risk management

Various financial risks have an impact on the Group's results: market risk (including price risk, 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 price risk is due to investments in listed and unlisted shares which are classified as "Investments available-for-sale", conversion rights on preference shares, investments in money market funds and investments in commodity future contracts.

"Investments available-for-sale" consists mainly of the investment in Impala Platinum Holdings Limited. The Management Board monitors all the investments continuously and makes recommendations to the investment committee and the Board of Directors in this regard.

Conversion rights on preference shares are preference shares in associated companies, the valuation of which is influenced by the underlying valuation of the associated company. The underlying valuations are monitored by the Board of Directors, through representation on the associated companies' boards.

Investments in money market funds consist mainly of interest-bearing liquid investments with a low risk. Refer to note 16 for further details.

Some operating subsidiaries have commodity options and future contracts that are influenced by the prices of the underlying commodities. The Board of Directors monitors this through representation on the subsidiaries' boards.

Foreign exchange risk

Certain subsidiary companies operate internationally and are therefore exposed to foreign currency risk due to commercial transactions denominated in foreign currencies. These risks are limited by using foreign exchange contracts when deemed necessary. Refer to note 14 for further details.

The Group is also exposed to foreign exchange translation risk through its investment in money market funds (note 16) and foreign cash (note 17).

The Board of Directors monitors the exposure on money market funds and foreign cash on a regular basis and the risk is limited through the diversification in foreign currencies.

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 17. 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 20.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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32. FINANCIAL INSTRUMENTS (continued)

32.2 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:

	2010			2009		
	Change	Income statement R million	Equity R million	Change	Income statement R million	Equity R million
Interest rates	2.0%	86	–	2.0%	92	–
Foreign exchange	5.0%	1	231	5.0%	–	183
Equity prices	10.0%	9	566	10.0%	–	408
		96	797		92	591

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, loans to associated companies and joint ventures, debtors, short-term loans, derivative instruments and cash and cash equivalents as indicated above, as well as financial guarantee contracts.

Loans to associated companies and joint ventures

Management continuously assesses the credit risk of loans to associated companies and joint ventures through its representation on the respective boards. Loans to associated companies and joint ventures are within their mandated terms and none have been impaired in the current financial year.

Financial guarantee contracts

Credit risk exposure relating to items not recognised on the statement of financial position relates to financial guarantee contracts. Refer to note 36 for further details.

Loans receivable and debtors

At year-end "Loans receivable" consisted of various insignificant loans. 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
	30 days R million	60 days R million	90 days R million	120 days + R million	R million
2010	79	21	–	8	108
2009	159	17	2	19	197

A provision for doubtful debts of R44 million (2009: R45 million) was made. Refer note 13.

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

	2010 R million	2009 R million
Existing customers (history of six months +) – no past defaults	1 234	778
Existing customers (history of six months +) – with past defaults	57	61
New customers (history of less than six months)	45	160
	1 336	999

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32. FINANCIAL INSTRUMENTS (continued)

32.2 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 17) 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:

	Carrying value	Contractual cash flow	Non-discounted cash flow		
			0 to 12 months	1 to 5 years	5 years and longer
	R million	R million	R million	R million	R million
Financial liabilities					
2010					
Long-term loans	175	273	–	270	3
Trade and other payables	2 292	2 292	2 292	–	–
Short-term loans	146	146	146	–	–
Derivative instruments	3	63	35	28	–
Financial guarantee contracts (note 36)	–	644	644	–	–
	2 616	3 418	3 117	298	3
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
Financial guarantee contracts (note 36)	–	644	644	–	–
	2 325	3 196	2 899	278	19

33. 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 R1 080 million (2009: R902 million) were declared. The Group also issued shares to the value of R3 714 million (2009: repurchased R666 million).

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

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34. COMMITMENTS

	2010 R million	2009 R million
Capital commitments	882	751
Uncompleted contracts for capital expenditure	114	100
Capital expenditure authorised but not yet contracted	130	173
Investments	638	478
Operating lease commitments	170	131
Due within one year	63	43
Due – two to five years	94	82
Due thereafter	13	6
	1 052	882

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

35. BORROWING POWERS

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

36. GUARANTEES AND CONTINGENT LIABILITIES

36.1 Guarantees

	2010 R million	2009 R million
Guarantee to associated company*	–	386
Guarantees by subsidiary companies**	144	1
	144	387

36.2 Contingent liabilities

SARS dispute – STC***	214	–
Contract grower guarantees****	31	48
	245	48

* 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 2010, commercial paper amounting to RNil (2009: 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.

** Various guarantees given to financial institutions on behalf of associated companies.

*** Legal dispute relating to VenFin Limited (VenFin) regarding a possible STC liability involving shares held in treasury by a subsidiary that was subsequently sold to VenFin and cancelled.

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

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37. RELATED PARTY INFORMATION

Subsidiaries

Details of income from and investments in subsidiary companies are disclosed in note 28 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 29 respectively, as well as in Annexures B and C.

Key management personnel

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

Shareholders

Details of the principal shareholder appear in the Report of the Board of Directors. A detailed analysis of shareholders appears on pages 152 and 153 of the Annual Report.

Related party transactions

	2010 R million	2009 R million
CONSOLIDATED		
Transactions of Remgro Limited and its subsidiary companies with:		
<i>Controlling shareholder</i>		
Cash dividends	69	146
Dividend in specie	–	4 128
<i>Associated companies and joint ventures</i>		
Interest received	32	12
Dividends received	1 222	1 528
Sales	50	69
Administration fees	17	16
Purchases	141	148
<i>Key management personnel</i>		
Salaries and other benefits	27	23
Share Scheme bonuses	–	20
Retirement benefits	4	3
Share-based payments	20	13
<i>Other</i>		
Fees received from VenFin Limited	11	19

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37. RELATED PARTY INFORMATION (continued)

Related party transactions (continued)

	2010 R million	2009 R million
CONSOLIDATED (continued)		
Balances due from/(to) related parties:		
Associated companies	(19)	(20)
Associated companies	413	473
Other	57	–
Loans to directors	3	38
Balance – 1 April	38	–
Loans advanced during the year	–	40
Interest charged	2	1
Repayments made	(37)	(3)

THE COMPANY

Transactions of Remgro Limited with:

<i>Controlling shareholder</i>		
Cash dividends	69	146
Dividend <i>in specie</i>	–	4 128
<i>Subsidiary companies</i>		
Dividends received	5 624	59 469
Administration fees received	–	5
Balances due by related parties		
Subsidiary companies	4 815	179

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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38. DISCONTINUED OPERATIONS

	2010 R million	2009 R million
Equity accounted income from discontinued operations	–	2 417
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
Cash flows from discontinued operations:		
Operating activities	–	169
Investing activities	–	3 736
Net cash flow from discontinued operations	–	3 905

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.