

STATEMENT OF RESPONSIBILITY

BY THE BOARD OF DIRECTORS

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

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

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

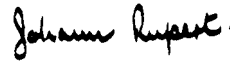
The directors are also responsible for the Company's system of internal financial controls. The system was developed to provide reasonable, but not absolute,

assurance regarding the reliability of the financial statements, the safeguarding of assets, and to prevent and detect misrepresentation and losses.

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

The financial statements were audited by the independent auditor, PricewaterhouseCoopers Inc., to whom unrestricted access was given to all financial records and related information. The auditor's report is presented on page 84.

Signed on behalf of the Board of Directors.



Johann Rupert
Chairman



Thys Visser
Chief Executive Officer

Stellenbosch
21 June 2010

STATEMENT BY THE COMPANY SECRETARY

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



Mariza Lubbe
Secretary

Stellenbosch
21 June 2010

AUDIT AND RISK COMMITTEE REPORT

TO THE MEMBERS OF REMGRO LIMITED

The Audit and Risk Committee has pleasure in submitting this report, as required in terms of the Companies Act (No. 61 of 1973), as amended ("Companies Act"). The Audit and Risk Committee consists of four non-executive directors who act independently as described in section 269A of the Companies Act. During the year under review four meetings were held and the committee members attended all the meetings. At the meetings the members fulfilled all their functions as prescribed by the Companies Act. A detailed list of the functions of the Audit and Risk Committee is contained in the corporate governance report. The Audit and Risk Committee has satisfied itself that the auditor is independent of the

Company and is thereby able to conduct his audit functions without any influence from the Company.



Herman Wessels
Chairman of the Audit and Risk Committee

Stellenbosch
21 June 2010

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF REMGRO LIMITED

We have audited the Group annual financial statements and annual financial statements of Remgro Limited, which comprise the consolidated and separate statements of financial position as at 31 March 2010, and the consolidated and separate income statements, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 85 to 154.

Directors' responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

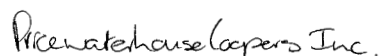
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on

the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Remgro Limited as at 31 March 2010, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.



PricewaterhouseCoopers Inc.

Director: N H Döman

Registered Auditor

Cape Town
21 June 2010

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2010

Dear Shareholder

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

NATURE OF ACTIVITIES

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

During the year under review Remgro acquired the entire issued share capital of VenFin Limited (VenFin) for R3.7 billion, resulting in VenFin becoming a wholly owned subsidiary company of Remgro.

After the transaction referred to above the Group's interests consist mainly of investments in banking and financial services, printing and packaging, glass products, medical services, mining, petroleum products, food, wine and spirits, media, technology and various other trade mark products.

RESULTS

Year ended 31 March:	2010	2009
Headline earnings (R million)	3 355	4 660
– per share (cents)	690.1	987.7
– diluted (cents)	676.4	954.8
Headline earnings from continuing operations (R million)*	3 355	3 168
– per share (cents)	690.1	671.5
– diluted (cents)	676.4	659.2
Earnings – net profit for the year (R million)	3 060	45 330
– per share (cents)	629.4	9 607.9
– diluted (cents)	616.3	9 570.4
Dividends (R million)**	1 080	902
– ordinary – per share (cents)	209.00	190.00

* During November 2008 the investment in British American Tobacco Plc (BAT) was unbundled to Remgro shareholders as an interim dividend in specie. Headline earnings from continuing operations is calculated by excluding the equity accounted income of BAT, as well as all non-recurring costs relating to the unbundling.

** A final dividend of 125 cents (2009: 110 cents) per share was declared after the year-end and was therefore not provided for in the annual financial statements. No STC is payable on these dividends.

INVESTMENT ACTIVITIES

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

Acquisition of VenFin Limited (VenFin)

On 23 November 2009 the VenFin acquisition was finalised resulting in Remgro issuing 41 626 619 shares at a price of R89.25 per share to VenFin shareholders.

For the year ended 31 March 2010 only VenFin's associates and joint ventures with March and September year-ends have been equity accounted for the three months from 1 January 2010 to 31 March 2010. The most significant of these investments are Sabido Investments (Pty) Limited (Sabido) and the CIV group of companies that includes the investment in Dark Fibre Africa (Pty) Limited. From 1 April 2010 all VenFin's investee companies will be equity accounted annually for a full twelve-month period.

In terms of IFRS 3: Business Combinations the purchase price of R3 715 million was allocated to investments in associated companies amounting to R2 986 million and other investments and loans of R485 million, while the balance was allocated to other net assets acquired. Intangible assets amounting to R698 million were identified within Sabido, SEACOM and Tracker as part of the accounting for the acquisition of VenFin. The amortisation of these assets will result in an additional annual charge of R35 million against headline earnings.

For the year under review, 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. 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.

Capevin Holdings Limited (Capevin Holdings) and Capevin Investments Limited (Capevin Investments)

During the year under review Remgro acquired 4 034 692 shares in Capevin Investments (9.6% shareholding) and 38 551 857 shares in Capevin Holdings (8.6% shareholding) for a total consideration of R389.3 million. These acquisitions effectively increased Remgro's indirect interest in Distell by 4.1% to 33.3% (31 March 2009: 29.2%).

The investment in Capevin Investments was originally classified as a financial instrument "available-for-sale" and dividend income amounting to R7.3 million was accounted for in the income statement during the year under review. Going forward both of these investments will be equity accounted for the twelve months to December each year.

REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2010

PG Group of Companies (PGSI)

PGSI is the foreign holding company of the Plate Glass group. During June 2009, in participation of a rights offer, Remgro invested a further R171.1 million in PGSI, being represented by an equity investment amounting to R41.5 million and an investment in convertible redeemable preference shares amounting to R129.6 million. The term of the preference shares is five years and it has an effective dividend yield of 7.6%.

During March 2010, PGSI made another rights offer in terms of which Remgro invested an initial R13.6 million in PGSI. The rights offer will be implemented in two tranches and Remgro is to invest a further R13.6 million during June 2010. The shareholders of PGSI simultaneously agreed to provide a standby facility amounting to R150 million to PGSI. Remgro's portion of the facility amounts to R44 million and the facility will expire on 27 December 2011. On 31 March 2010 Remgro's interest in PGSI, on a fully diluted basis, was 25.2% (31 March 2009: 25.0%).

Tsb Sugar Holdings (Pty) Limited (Tsb Sugar)

With effect from 3 August 2009 Tsb Sugar acquired the Pongola sugar mill from Illovo Sugar Limited for R180.0 million. 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.

Xiocom Wireless, Inc. (Xiocom)

During the 2008 financial year Remgro acquired a 37.5% interest in Xiocom. During the year under review Remgro invested a further \$7.1 million in this company, increasing the total investment to \$35.8 million. The company underperformed during this time.

During the second half of the financial year it was decided to exit the investment in Xiocom and in March 2010 it was sold for a nominal amount. In addition to equity accounting for a headline loss of R79.2 million in the current financial year, an after-tax capital loss of R13.5 million was also realised on this transaction.

Kagiso Trust Investments (Pty) Limited (KTI) and the Kagiso Infrastructure Empowerment Fund (KIEF)

During the 2007 financial year, Remgro entered into agreements with KTI and KIEF, in terms of which it committed funds amounting to R350 million to KIEF. The fund has a target size of R650 million and aims to invest in infrastructure projects, including roads, airports, power and telecommunication installations, railway systems, ports, water and social infrastructure. During the year under review Remgro invested a further R19.1 million in KIEF. By 31 March 2010, Remgro had invested R94.2 million of the R350 million committed.

Premier Team Holdings Limited (PTH)

During May 2009 VenFin acquired a 50% interest in PTH, a sports and leisure group based in the United Kingdom. Since the VenFin acquisition an amount of GBP2.5 million (or R30.3 million) was invested in PTH. The additional investment did not alter Remgro's 50% shareholding in PTH.

Milestone China Opportunities Fund II, L.P. (Milestone II)

During March 2007 VenFin committed an amount of \$25.0 million to Milestone II. Since the VenFin acquisition a further \$2.4 million was invested in Milestone II. By 31 March 2010 \$12.1 million of the \$25.0 million committed had already been invested.

One Digital Media (Pty) Limited (ODM)

VenFin acquired its interest in ODM during June 2007. Since then R54.5 million was invested in ODM in exchange for an equity interest of 49.1%. Since the VenFin acquisition an amount of R5.9 million was lent to ODM in terms of a R10.0 million facility granted by Remgro. The facility bears interest at prime and is repayable by 31 May 2013.

Business Partners Limited (Business Partners)

During the year under review Remgro acquired a further 75 000 Business Partners shares for a total amount of R0.4 million. On a fully diluted basis, Remgro's interest in Business Partners remained unchanged at 20.8%.

Events after year-end:

FirstRand Limited (FirstRand) and RMB Holdings Limited (RMBH)

On 31 March 2010 FirstRand announced that it has reached an agreement with Metropolitan Holdings Limited (Metropolitan) to dispose of all of FirstRand's ordinary shares in its wholly owned subsidiary, Momentum Group Limited, in consideration for Metropolitan ordinary shares. It is anticipated that FirstRand will hold approximately 59.5% of the issued share capital of the merged entity. FirstRand has further advised that, following the proposed merger, it intends to unbundle its entire shareholding in the merged entity to its ordinary shareholders. The transaction is subject to the fulfilment of a number of conditions precedent prior to 31 October 2010.

At the same time RMBH announced that it is exploring a number of restructuring steps to realign its investment portfolio and to enhance shareholder value. These steps include the possible separation of RMBH's insurance and banking interests that could result in a separate listing of these interests. Further announcements regarding the above will be made by FirstRand and RMBH once detailed information becomes available.

REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2010

Trans Hex Group Limited (Trans Hex)

On 21 June 2010 the Remgro Board approved the unbundling of the investment in Trans Hex to its shareholders. Remgro shareholders are referred to the separate Terms Announcement released on SENS, on 21 June 2010, that provides more detail regarding the proposed unbundling. A circular containing full detail of the intended unbundling will be posted to shareholders during July 2010.

Business Partners

Since 31 March 2010 Remgro acquired an additional 14 099 092 Business Partners shares for a total amount of R77.7 million. On a fully diluted basis, Remgro's interest in Business Partners increased to 28.7% (31 March 2010: 20.8%).

KTI and KIEF

Since 31 March 2010 Remgro invested a further R74.7 million in KIEF, thereby increasing the amount already invested to R168.9 million of the R350 million committed.

Dark Fibre Africa (Pty) Limited (Dark Fibre)

In the past Remgro only had an indirect interest of 31.3% in Dark Fibre through its interests in the CIV group of companies. During May 2010 an amount of R9.7 million was invested directly into Dark Fibre in exchange for an eventual 0.7% equity interest in that company. This

investment effectively increased Remgro's interest in Dark Fibre to 32.0%.

At the same time Remgro agreed to provide a loan facility amounting to R85.1 million to Dark Fibre. The term of the facility is ten years and R53.1 million of the facility has already been advanced to Dark Fibre.

Capevin Holdings

Since 31 March 2010 Remgro acquired a further 5 640 651 Capevin Holdings shares in the open market for a total consideration of R19.1 million. These acquisitions increased Remgro's indirect interest in Distell to 33.4% (31 March 2010: 33.3%).

Fundamo (Pty) Limited (Fundamo)

Since 31 March 2010, Remgro invested a further R9.9 million in Fundamo. Remgro's interest in Fundamo increased to 26.4% (31 March 2010: 26.0%).

PTH

Since 31 March 2010 Remgro invested a further GBP0.6 million (or R6.7 million) in PTH. Remgro's interest in PTH remained unchanged at 50%.

ODM

Since 31 March 2010 the remaining R4.1 million of the R10.0 million facility granted to ODM was advanced to that company.

CASH RESOURCES AT THE CENTRE

The Company's cash resources at 31 March 2010 were as follows:

	Local R million	Offshore R million	Total R million	2009 R million
Per consolidated statement of financial position	1 372	2 455	3 827	5 050
Investment in money market funds	–	1 812	1 812	1 578
Less: Cash of operating subsidiaries	(937)	(40)	(977)	(661)
Cash at the centre	435	4 227	4 662	5 967

On 31 March 2010, approximately 43% (R1 812 million) of the available offshore cash at the centre was invested in money market funds which are not classified as cash and

cash equivalents on the statement of financial position. Refer to note 16 to the annual financial statements for further details.

REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2010

GROUP FINANCIAL REVIEW

Change in accounting estimate

During the year under review Tsb Sugar Holdings (Pty) Limited (Tsb Sugar) changed its valuation methodology relating to biological agricultural assets. In terms of IAS 41: *Agriculture*, these assets should be measured, on initial recognition and at the end of each reporting period, at its fair value less costs to sell. The change in the valuation methodology resulted from improved management information being available and is consequently treated as a change in accounting estimate with only prospective application.

The financial effect on the carrying value of biological agricultural assets on 31 March 2010 and on profit attributable to equity holders for the year then ended is as follows:

Increase in the value of biological agricultural assets	R53 million
Increase in profit attributable to equity holders	R34 million

Comparison with prior year

With effect from 3 November 2008 the investment in BAT was distributed to Remgro shareholders as an interim

dividend *in specie*. For the year ended 31 March 2009 the investment in BAT was accordingly still equity accounted for the seven months to 31 October 2008, which distorts year-on-year comparisons.

However, year-on-year comparisons of headline earnings and headline earnings per share from continuing operations can be made.

Classification of investee companies

The acquisition of VenFin necessitated the introduction of two new reporting groups, "Media interests" and "Technology interests". A third new reporting group, "Other investments" was also created. In order to facilitate year-on-year comparison, the information presented for the comparative year has been adjusted accordingly.

Statement of financial position

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

	2010		2009	
	R million	R per share	R million	R per share
<i>Equity employed</i>				
Attributable to equity holders	43 304	84.38	38 072	80.75
<i>Employment of equity</i>				
Financial services	12 426	24.21	11 755	24.93
Industrial interests	16 154	31.48	14 976	31.76
Media interests	1 074	2.09	–	–
Mining interests	5 776	11.26	4 267	9.05
Technology interests	2 058	4.01	–	–
Other investments	573	1.12	415	0.88
Central treasury	4 662	9.08	5 967	12.66
Other net corporate costs	581	1.13	692	1.47
	43 304	84.38	38 072	80.75

REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2010

Income statement

	2010		2009	
	R million	%	R million	%
<i>Source of headline earnings</i>				
Tobacco interests	–	–	2 295	49
Financial services	1 355	40	1 576	34
Industrial interests	1 982	59	1 318	28
Media interests	17	1	–	–
Mining interests	96	3	164	3
Technology interests	13	–	–	–
Other investments	(64)	(2)	(80)	(1)
Central treasury	57	2	194	4
Other net corporate costs	(101)	(3)	(807)	(17)
	3 355	100	4 660	100

	2010 R million	2009 R million
<i>Composition of headline earnings</i>		
Subsidiary companies	630	142
Profits	730	159
Losses	(100)	(17)
Associated companies and joint ventures	2 725	4 518
Profits	2 839	5 023
Losses	(114)	(505)
	3 355	4 660

SHARE SCHEMES

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

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

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

Refer to note 26 to the annual financial statements for full details on the Remgro Share Scheme as well as the SAR Scheme.

REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2010

TREASURY SHARES

At 31 March 2009, 3 500 000 Remgro ordinary shares (0.8%) were held as treasury shares by a wholly owned subsidiary company of Remgro. As previously reported, these shares were acquired for the purpose of hedging the new share appreciation rights scheme that was implemented subsequent to the unbundling of the investment in BAT during November 2008.

During the year under review no Remgro ordinary shares were repurchased, while 75 956 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants who exercised share appreciation rights granted to them.

At 31 March 2010, 3 424 044 Remgro ordinary shares (0.7%) were held as treasury shares.

PRINCIPAL SHAREHOLDER

Rembrandt Trust (Pty) Limited (Rembrandt Trust) holds all the issued unlisted B ordinary shares of the Company and is entitled to 42.64% (2009: 44.89%) of the total votes.

An analysis of the shareholders appears on pages 152 and 153.

SUBSIDIARY COMPANIES AND INVESTMENTS

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

DIRECTORS

The names of the directors appear on pages 8 and 9.

With effect from 4 November 2009, Messrs N P Mageza, P J Moleketi, G T Ferreira and Dr M A Ramphela were appointed as independent, non-executive directors to the Board of Remgro. In addition Mr J J Durand has been appointed as an executive director. Mr G D de Jager retired as independent non-executive director on 5 August 2009.

In terms of the provision of the Articles of Association, Messrs J J Durand, J W Dreyer, G T Ferreira, N P Mageza, J Malherbe, P J Moleketi, F Robertson, M H Visser, Mrs J A Preller and Dr M A Ramphela retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

DIRECTORS' INTERESTS

At 31 March 2010 the aggregate of the direct and indirect interests of the directors and their associates in the issued ordinary share capital of the Company amounted to 2.81% (2009: 1.26%).

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

An analysis of directors' interests in the issued capital of the Company appears on page 154.

DIRECTORS' EMOLUMENTS

The total directors' fees for services rendered as directors during the past financial year amounted to R2 981 000 (2009: R2 697 000).

ACQUISITION OF SHARES OF THE COMPANY

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

Special resolutions to grant this general authority to the Board are incorporated in the notice of the annual general meeting that appears on page 156.

SPECIAL RESOLUTIONS

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

DIVIDENDS

The final ordinary dividend per share was determined at 125 cents (2009: 110 cents). Total ordinary dividends per share in respect of the financial year to 31 March 2010 therefore amount to 209 cents (2009: 190 cents).

REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2010

DECLARATION OF CASH DIVIDEND

Declaration of Dividend No. 20

A final dividend of 125 cents (2009: 110 cents) per share was declared in respect of both the ordinary shares of one cent each and the unlisted B ordinary shares of ten cents each, for the financial year ended 31 March 2010.

Payment

The final dividend is payable on Monday, 23 August 2010, to shareholders of the Company registered at the close of business on Friday, 20 August 2010.

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 16 August 2010, and Friday, 20 August 2010, both days inclusive.

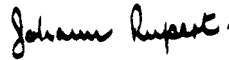
SECRETARY

The name and address of the Company Secretary appears on page 155.

APPROVAL

The annual financial statements set out on pages 85 to 154 have been approved by the Board.

Signed on behalf of the Board of Directors.



Johann Rupert
Chairman



Thys Visser
Chief Executive Officer

Stellenbosch
21 June 2010

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2010

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

These financial statements incorporate accounting policies that have been consistently applied to both years presented, with the exception of the implementation of *IFRS 8: Operating Segments* and the amendments to *IFRS 7: Financial Instruments disclosure* and *IAS 1 (revised): Presentation of financial statements*. The adoption of the new accounting standard and amendments to IFRS only affected disclosure and had no impact on the results of either the current or prior years.

The composition of the Group's net profit is relevant for a proper understanding of its financial results. Due to the nature of the Group's operations a significant portion of its net profit results from associated companies and joint ventures. Consequently, additional information relating to the Group's share of the after-tax profit of associated companies and joint ventures is disclosed separately in note 29. In order to promote comparability, equity accounted income from associated companies and joint ventures, which is presented on an after-tax basis, is disclosed after the tax line on the income statement.

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

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

(I) CONSOLIDATION AND EQUITY ACCOUNTING

Consolidation – subsidiary companies

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

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

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

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

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

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

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

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2010

Consolidation – The Remgro Share Trust

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

Equity accounting – joint ventures

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

Equity accounting – associated companies

Entities that are neither subsidiaries nor joint ventures, but in which a long-term interest is held and over whose financial and operating policies a significant influence can be exercised, are accounted for according to the equity method as associated companies. The results of associated companies, acquired or disposed of, are included in the consolidated income statement from the date on which effective significant influence begins or until it ceases. Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's share of retained income is transferred to non-distributable reserves. The Group's share of other movements in the reserves of associated companies is accounted for through other comprehensive income. The carrying value of the Group's associated companies includes goodwill identified at acquisition. When the Group's share of losses in an associated company equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

Dilutionary and anti-dilutionary effects of equity transactions by associated companies that Remgro is not party to, are accounted for through other comprehensive income.

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

Separate financial statements

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

(II) **PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION**

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

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

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

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

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

(III) BIOLOGICAL AGRICULTURAL ASSETS

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

Growing crops and orchards – Growing crops and orchards comprise two elements:

- Bearer biological assets – sugar cane roots, citrus trees and banana plants
- Consumable biological assets – standing sugar cane, citrus fruit and bananas

Bearer biological assets are valued at fair value based on the current replacement cost of planting and establishment, subsequently reduced in value over the period of their productive lives.

Consumable biological assets are measured at their fair value, determined on current estimated market prices less estimated harvesting, transport, packing and point-of-sale costs.

- Standing cane at estimated sucrose content, age and market price.
- Growing fruit at estimated yields, quality standards, age and market prices.

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

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

Growing crops and orchards – bearer biological assets are reported in the statement of financial position as non-current assets, while breeding stock and growing crops and orchards – consumable biological assets are reported as current assets.

(IV) INVESTMENT PROPERTIES

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

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

(V) INTANGIBLE ASSETS

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

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

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

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

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

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

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(VI) FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

Fair value estimation – Financial instruments that are measured at fair value in the statement of financial position, are disclosed by level of the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

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

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

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

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

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

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

(VIII) INVENTORIES

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

(IX) TAXATION

Current taxation is provided by using rates that have been enacted or substantially enacted in terms of applicable tax laws.

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

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

(X) FOREIGN CURRENCIES

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated to the functional currency using the exchange rates

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

Group entities

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

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

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

(XI) IMPAIRMENT OF ASSETS

Goodwill and intangible assets with indefinite lives

These assets are assessed annually for possible impairments. For purposes of impairment testing, goodwill is allocated to cash-generating units, being the lowest component of the business

measured in the management accounts that is expected to generate cash flows that are largely independent of another business component. Impairment losses relating to goodwill are not reversed. Any impairment is recognised in profit and loss.

Other assets

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

▪ Impairment – subsidiaries, joint ventures and associated companies

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

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

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

▪ Financial instruments carried at amortised cost

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

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a held-to-maturity investment or a loan has a variable interest rate,

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the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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

▪ **Financial assets carried at fair value**

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

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

(XII) PROVISIONS

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

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

(XIII) EMPLOYEE BENEFITS

Post-retirement benefits

Pension obligations – Companies in the Group provide defined-benefit and defined-contribution post-retirement plans for their employees. The plan assets are held in separate trustee-administered funds. These plans are funded by

payments from the employees and the Group, taking into account recommendations of independent qualified actuaries.

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

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

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

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

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

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

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Equity compensation plans

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

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

Short-term benefits

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

(XIV) CASH AND CASH EQUIVALENTS

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

(XV) INVESTMENTS IN MONEY MARKET FUNDS

Investments in money market funds relate to investments in shares of liquidity funds of which the underlying investments have maturities of up to one year. The shares in these funds are callable on a daily basis.

(XVI) REVENUE RECOGNITION

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

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

(XVII) SHARE CAPITAL

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

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

(XVIII) DIVIDEND DISTRIBUTION

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

(XIX) CURRENT/NON-CURRENT DISTINCTION

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

(XX) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to

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the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company, who makes strategic decisions.

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

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

Critical judgements in applying the Group's accounting policies

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

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

income until being realised, as opposed to being reported in the income statement on a continuous basis.

Critical accounting estimates and assumptions

A significant estimate relates to the Group's accounting policy in terms of which deferred taxation is provided for on all temporary differences between the carrying value and the tax base of investments. This tax is measured at the estimated tax consequences based on the manner in which the entity, at the reporting date, expects to recover the carrying value of the various investments. The carrying value of investments in associated companies are mainly recovered through dividends. As no taxable temporary differences exist, no deferred taxation is provided. Deferred taxation is provided on temporary differences that arise on the revaluation of available-for-sale investments based on the future economic benefits the entity expects to realise from that asset, i.e. a combination of dividends and capital gains or losses.

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

Critical accounting estimates and assumptions were also made during the purchase price allocation process in accounting for the VenFin acquisition as a business combination in accordance with *IFRS 3: Business Combinations*. These estimates and assumptions relate to the determination of useful lives of assets, discount rates, growth rates and valuation of unlisted investments.

(XXII) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 31 March 2010, but not yet effective on that date. The standards that are applicable to the Group, but that were not implemented early, are the following:

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▪ **IFRS 9: Financial Instruments**

(effective date – financial periods commencing on/after 1 January 2013)

The International Accounting Standards Board (IASB) issued *IFRS 9: Financial Instruments* as the first step in its project to replace *IAS 39: Financial Instruments – Recognition and Measurement*. IFRS 9 introduces new requirements for classifying and measuring financial assets.

The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment and hedge accounting. By the end of 2010, IFRS 9 will be a complete replacement for IAS 39, but its application will only be mandatory from 1 January 2013.

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

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

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

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

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

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

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

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

IFRIC 18 provides guidance on how to identify the entity's obligation to provide one or more

separately identifiable services in exchange for the transferred asset and how to recognise revenue.

▪ **IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments**

(effective date – financial periods commencing on/after 1 July 2010)

This interpretation clarifies the requirements of IFRS when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially:

- The entity's equity instruments issued to a creditor are part of the consideration paid to extinguish the financial liability.
- The equity instruments issued are measured at their fair value. If their fair value cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished.
- The difference between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments issued is included in the entity's profit or loss for the period.

▪ **Revised IFRS 3: Business Combinations**

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

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

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

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

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- **Revised IAS 24: Related Party Disclosures**
(effective date – financial periods commencing on/after 1 January 2011)
The revised standard provides an exemption from disclosure requirements for transactions between entities controlled, jointly controlled or significantly influenced by the same state ('state-controlled entities').

The definitions of a related party and of a related party transaction have also been amended to clarify the intended meaning and remove some inconsistencies.
- **Revised IAS 27: Consolidated and Separate Financial Statements**
(effective date – financial periods commencing on/after 1 July 2009)
The standard specifies the circumstances in which an entity must consolidate the financial statements of another entity (being a subsidiary), the accounting for changes in the level of ownership interest in a subsidiary, the accounting for the loss of control of a subsidiary and the information that an entity must disclose to enable users of the financial statements to evaluate the nature of the relationship between the entity and its subsidiaries.

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

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

When an entity loses control of a subsidiary, it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in the income statement. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost.
- **Amendment to IFRS 1: First-Time Adoption of International Financial Reporting Standards (limited exemption from comparative IFRS 7 disclosures for first-time adopters)**
(effective date – financial periods commencing on/after 1 July 2010)
The amendment allows certain exemptions from comparative IFRS 7 disclosures for entities that adopt IFRS for the first time.
- **Amendments to IFRS 2: Share-based payment (Group cash-settled share-based payment transactions)**
(effective date – financial periods commencing on/after 1 January 2010)
This amendment clarifies the scope and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction.

It also incorporates the guidance contained in IFRIC 8: Scope of IFRS 2 and IFRIC 11: IFRS 2 – Group and treasury share transactions, resulting in the withdrawal of the aforementioned IFRICs.
- **Amendment to IAS 32: Financial Instruments: Presentation (Classification of Rights Issues)**
(effective date – financial periods commencing on/after 1 February 2010)
The amendment clarified that rights, options, or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments (and not financial liabilities) if the entity offers the rights, option or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

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

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

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

▪ **Amendment to IFRIC 14: Prepayments of a Minimum Funding Requirement**

(effective date – financial periods commencing on/after 1 January 2011)

The amendment to IFRIC 14, which is itself an interpretation of IAS 19: Employee Benefits, applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset.

▪ **IASB first and second annual improvements projects**

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

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

- Revised *IFRS 3: Business Combinations* and revised *IAS 27: Consolidated and Separate Financial Statements* – These standards will be applied prospectively to all business combinations and changes in a parent's ownership interest in a subsidiary from 1 April 2010 and it will therefore only affect the Group after this date.

STATEMENTS OF FINANCIAL POSITION

AT 31 MARCH 2010

<i>R million</i>	Notes	CONSOLIDATED		THE COMPANY	
		2010	2009	2010	2009
ASSETS					
Non-current assets					
Property, plant and equipment	2	3 050	2 756	–	–
Biological agricultural assets	3	157	76	–	–
Investment properties	4	34	34	–	–
Intangible assets	5	361	394	–	–
Investments – Associated companies	6	28 052	23 795	–	–
– Joint ventures	7	55	84	–	–
– Other	8	6 644	4 742	–	–
– Subsidiary companies	9			3 736	–
Retirement benefits	10	121	100	–	–
Loans		108	100	–	–
Deferred taxation	11	6	10	–	–
		38 588	32 091	3 736	–
Current assets		9 470	10 025	4 835	12 799
Inventories	12	1 048	911	–	–
Biological agricultural assets	3	423	430	–	–
Debtors and short-term loans	13	1 941	1 799	4 835	12 799
Derivative instruments	14	145	16	–	–
Taxation		42	65	–	–
Assets held for sale	15	232	176	–	–
Investment in money market funds	16	1 812	1 578	–	–
Cash and cash equivalents	17	3 827	5 050	–	–
Total assets		48 058	42 116	8 571	12 799
EQUITY AND LIABILITIES					
Share capital	18	8	8	8	8
Share premium	18	3 714	–	3 714	–
Reserves	19	39 837	38 324	4 817	159
Treasury shares		(255)	(260)	–	–
Shareholders' equity		43 304	38 072	8 539	167
Non-controlling interest		779	715	–	–
Total equity		44 083	38 787	8 539	167
Non-current liabilities					
Retirement benefits	10	180	156	–	–
Long-term loans	20	175	191	–	–
Deferred taxation	11	1 162	825	–	–
Current liabilities		2 458	2 157	32	12 632
Trade and other payables	21	2 292	1 999	32	56
Short-term loans	22	146	117	–	12 576
Provisions	23	–	23	–	–
Derivative instruments	14	3	18	–	–
Taxation		17	–	–	–
Total equity and liabilities		48 058	42 116	8 571	12 799

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

<i>R million</i>	Notes	CONSOLIDATED		THE COMPANY	
		2010	2009	2010	2009
CONTINUING OPERATIONS					
Sales		11 849	11 455	–	–
Inventory expenses		(7 099)	(7 245)	–	–
Staff costs	24	(1 939)	(1 744)	–	–
Depreciation	27	(290)	(271)	–	–
Other net operating expenses	27	(1 680)	(1 480)	(10)	(5)
Trading profit/(loss)		841	715	(10)	(5)
Dividend income	28	116	355	5 624	59 469
Interest received	27	146	197	–	–
Finance costs		(59)	(49)	–	–
Net impairment of investments, assets and goodwill	27	(179)	(442)	–	–
Profit/(loss) on sale of investments	27	(9)	24	–	(2 012)
Consolidated profit before tax		856	800	5 614	57 452
Taxation	11	(309)	(268)	–	(686)
Consolidated profit after tax		547	532	5 614	56 766
Share of after-tax profit of associated companies and joint ventures	29	2 619	2 389		
Net profit for the year from continuing operations		3 166	2 921	5 614	56 766
DISCONTINUED OPERATIONS					
Profit for the year from discontinued operations	38	–	42 503	–	–
Net profit for the year		3 166	45 424	5 614	56 766

Attributable to:

Equity holders		3 060	45 330	5 614	56 766
Continuing operations		3 060	2 827	5 614	56 766
Discontinued operations		–	42 503	–	–
Non-controlling interest		106	94		
		3 166	45 424	5 614	56 766

EARNINGS PER SHARE

	1	Cents	Cents
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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2010

<i>R million</i>	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				CONSOLIDATED		Total equity
	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Shareholders' equity	Non-controlling interest	
2010							
Net profit for the year				3 060	3 060	106	3 166
Other comprehensive income, net of tax	(621)	(158)	1 200	(1 061)	(640)	–	(640)
Exchange rate adjustments		(155)		(1 061)	(1 216)		(1 216)
Fair value adjustments for the year		3	1 418		1 421		1 421
Deferred taxation on fair value adjustments		(1)	(218)		(219)		(219)
Realisation of reserves previously deferred in equity		(6)			(6)		(6)
Change in reserves of associated companies and joint ventures	(621)	1			(620)		(620)
Total comprehensive income for the year	(621)	(158)	1 200	1 999	2 420	106	2 526
2009							
Net profit for the year				45 330	45 330	94	45 424
Other comprehensive income, net of tax	(2 022)	(1 126)	(3 588)	(510)	(7 246)	–	(7 246)
Exchange rate adjustments	(351)	(82)		(3)	(436)		(436)
Fair value adjustments for the year		9	(4 193)		(4 184)		(4 184)
Deferred taxation on fair value adjustments		(2)	623		621		621
Realisation of reserves previously deferred in equity	(1 141)	(1 050)	(18)	(507)	(2 716)		(2 716)
Change in reserves of associated companies and joint ventures	(530)	(1)			(531)		(531)
Total comprehensive income for the year	(2 022)	(1 126)	(3 588)	44 820	38 084	94	38 178
<i>R million</i>							
Net profit for the year						5 614	56 766
Other comprehensive income						–	–
Total comprehensive income for the year						5 614	56 766

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2010

<i>R million</i>	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY							CONSOLIDATED	
	Issued capital	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Treasury shares	Shareholders' equity	Non-controlling interest	Total equity
2010									
Balances at 1 April	8	8 642	314	3 389	25 979	(260)	38 072	715	38 787
Total comprehensive income for the year		(621)	(158)	1 200	1 999		2 420	106	2 526
Dividends paid					(950)		(950)	(56)	(1 006)
Capital invested by minorities								10	10
Transfer between reserves and other movements			266		(264)		2	-	2
Transfer of retained income of associated companies and joint ventures		1 456	(54)		(1 402)		-		-
Long-term share incentive scheme reserve			41			5	46	4	50
Shares issued	3 714						3 714		3 714
Balances at 31 March	3 722	9 477	409	4 589	25 362	(255)	43 304	779	44 083
2009									
Balances at 1 April	45	25 340	1 586	6 977	24 794	(1 515)	57 227	648	57 875
Total comprehensive income for the year		(2 022)	(1 126)	(3 588)	44 820		38 084	94	38 178
Dividends paid					(1 938)		(1 938)	(52)	(1 990)
Dividend <i>in specie</i>					(55 225)	406	(54 819)		(54 819)
Purchase of shares by wholly owned subsidiary (treasury shares)						(666)	(666)		(666)
Capital invested by minorities								14	14
Transfer between reserves and other movements		(18 168)	63		18 134		29	(6)	23
Transfer of retained income of associated companies and joint ventures		3 492	(155)		(3 337)		-		-
Net disposal of shares by The Remgro Share Trust						213	213		213
Long-term share incentive scheme reserve			(54)				(54)	17	(37)
Cancellation of treasury shares	(37)				(1 269)	1 302	(4)		(4)
Balances at 31 March	8	8 642	314	3 389	25 979	(260)	38 072	715	38 787

<i>R million</i>	THE COMPANY	
	2010	2009
Balances at 1 April	167	2 300
Issued capital	8	45
Retained earnings	159	2 255
Shares issued/(cancelled)	3 714	(1 695)
Total comprehensive income for the year	5 614	56 766
Dividends paid	(956)	(1 979)
Dividend <i>in specie</i>	-	(55 225)
Balances at 31 March	8 539	167

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2010

<i>R million</i>	Notes	CONSOLIDATED		THE COMPANY	
		2010	2009	2010	2009
Cash flows – operating activities					
Trading profit/(loss)		841	715	(10)	(5)
Adjustments	30.1	231	245	–	–
Trading profit/(loss) before working capital changes		1 072	960	(10)	(5)
Working capital changes	30.2	(155)	21	(18)	40
Cash generated/(utilised) from/(by) operations		917	981	(28)	35
Cash flow generated from returns on investments		1 590	1 691	5 624	59 469
Interest received		146	197	–	–
Dividends received	30.3	1 444	1 494	5 624	59 469
Finance costs		(59)	(49)	–	–
Taxation paid	30.4	(144)	(280)	–	(686)
Cash available from operating activities		2 304	2 343	5 596	58 818
Dividends paid	30.5	(1 006)	(2 120)	(956)	(2 109)
Cash inflow from operating activities		1 298	223	4 640	56 709
Cash flows – investing activities					
Net investments to maintain operations		(240)	(221)	–	–
Replacement of property, plant and equipment		(274)	(273)	–	–
Proceeds on disposal of property, plant and equipment and other assets		34	52	–	–
Investments to expand operations		(1 005)	(479)	(22)	(57 108)
Additions to – property, plant and equipment and other assets		(153)	(191)	–	–
– investments and loans		(729)	(277)	(22)	(57 108)
Businesses acquired	31	(123)	(11)	–	–
Proceeds from disposal of investments and loans		98	115	–	–
Proceeds from the BAT unbundling		–	3 736	–	–
Purchase of treasury shares		–	(520)	–	–
Net cash generated/(utilised) before financing activities		151	2 854	4 618	(399)
Cash flows – financing activities					
Shares cancelled		(5)	10	(4 618)	399
(Increase)/decrease in loans		–	(4)	–	(1 695)
Issue of new shares by subsidiary companies		(15)	–	(4 618)	2 094
Capital contributed by minorities of subsidiary company		10	9	–	–
		–	5	–	–
Net increase in cash and cash equivalents		146	2 864	–	–
Increase in money market funds		(234)	(1 578)	–	–
Exchange rate loss on foreign cash		(1 190)	(98)	–	–
Cash and cash equivalents at the beginning of the year		5 019	3 831	–	–
Cash and cash equivalents at the end of the year		3 741	5 019	–	–
Cash and cash equivalents – per statement of financial position		3 827	5 050		
Bank overdraft		(86)	(31)		

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

14. DERIVATIVE INSTRUMENTS (continued)

The following derivative instruments existed at 31 March:

Liabilities	Currency value million	2010	Fair value R million	Currency value million	2009	Fair value R million
		Forward value R million			Forward value 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 R million	2009 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."

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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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
FOR THE YEAR ENDED 31 MARCH 2010

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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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	Increase in value ⁽¹⁾ (R'000)	Balance of shares accepted as at 31 March 2010
							(Rand)		
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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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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.

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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)

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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
FOR THE YEAR ENDED 31 MARCH 2010

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
FOR THE YEAR ENDED 31 MARCH 2010

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

Reconciliation of carrying value of level 3 assets at the beginning and end of the year	Available- for-sale R million	Assets at fair value through profit and loss R million	Derivative instruments R million	Total R million
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
FOR THE YEAR ENDED 31 MARCH 2010

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	<i>Age analysis of trade debtors in arrears</i>				<i>Total trade debtors in arrears</i>
	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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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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:

	<i>Carrying value</i>	<i>Contractual cash flow</i>	<i>Non-discounted cash flow</i>		
			<i>0 to 12 months</i>	<i>1 to 5 years</i>	<i>5 years and longer</i>
Financial liabilities	R million	R million	R million	R million	R million
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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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	2009
	R million	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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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.

ANNEXURE A

PRINCIPAL SUBSIDIARY COMPANIES AT 31 MARCH 2010

NAME OF COMPANY Incorporated in South Africa unless otherwise stated	Issued capital		Effective interest		HELD BY COMPANY			
	R (unless otherwise stated)	2010	2009	Shares		Loan		
				2010	2009	2010	2009	
		%	%	R	R	R million	R million	
Eikenlust (Pty) Limited	100	100.0	100.0					
Entek Investments Limited	810 630	65.6	65.3					
Financial Securities Limited	250 000	100.0	100.0	250 000	250 000			
Historical Homes of South Africa Limited	555 000	55.0	54.0					
Industrial Electronic Investments Limited	# 1 000	100.0	–					
Industrial Partnership Investments Limited	125 000	100.0	100.0	125 000	125 000			
InVenFin (Pty) Limited	# 100	100.0	–					
IPI (Overseas) Limited – Jersey	1 132 917	100.0	100.0					
IPROP Holdings Limited – British Virgin Islands	# (USD) 4 882 892	100.0	–					
Partnership in Mining Limited	100	100.0	100.0	100	100			
Rainbow Chicken Limited	* 1 177 057 000	73.3	73.7					
Remgro CHF Limited – Jersey	(CHF) 2	100.0	100.0					
Remgro Continental Limited – Jersey	(EUR) 1	100.0	100.0					
Remgro Finance Corporation Limited	300 000	100.0	100.0					
Remgro International Holdings (Pty) Limited	2	100.0	100.0	2	2			
Remgro International Limited – Jersey	51 359	100.0	100.0					
Remgro Investment Corporation (Pty) Limited	100	100.0	100.0	100	100			
Remgro Loan Corporation Limited	700	100.0	100.0			4 584	12 148	
Remgro Management Services Limited	Δ 100	100.0	100.0			251	645	
Remgro South Africa (Pty) Limited	48 614	100.0	100.0	96 506	96 506			
Remgro Sterling Limited – Jersey	(GBP) 2	100.0	100.0					
Remgro USA Limited – Jersey	(USD) 2	100.0	100.0					
Remont (Pty) Limited	100	100.0	100.0	100	100			
Robertsons Holdings (Pty) Limited	1 000	100.0	100.0					
RPII Holdings Limited	# 8 600 000	100.0	–					
SEACOM SA SPV (Pty) Limited	# 100	100.0	–					
Tegniese Mynbeleggings Limited	2	100.0	100.0					
Tracking and Signal Distribution Technologies (Pty) Limited	# 21 412	100.0	–					
Tsb Sugar Holdings (Pty) Limited	100	100.0	100.0					
VenFin Holdings Limited – Jersey	# (EUR) 79 533 052	100.0	–					
VenFin Limited	# 5 797 236	100.0	–	3 735 678 454	–			
VenFin Media Investments (Pty) Limited	# 2	100.0	–					
VenFin Sport Investments (Pty) Limited	# 100	100.0	–					
VenFin Technology (Pty) Limited	# 200	100.0	–					
Wispeco Holdings Limited	5 000 000	100.0	100.0					
						4 835	12 793	

(GBP) British pound

(CHF) Swiss franc

(EUR) euro

(USD) USA dollar

* Listed company

Acquired in terms of the VenFin transaction.

Δ During the year under review the name of M&I Group Services Limited was changed to Remgro Management Services Limited.

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

ANNEXURE B

PRINCIPAL INVESTMENTS AT 31 MARCH 2010

NAME OF COMPANY Incorporated in South Africa unless otherwise stated	LISTED				UNLISTED			
	2010 Shares held	Effective interest %	2009 Shares held	Effective interest %	2010 Shares held	Effective interest %	2009 Shares held	Effective interest %
Financial services								
RMB Holdings Limited	(2)	302 279 403	25.0	302 279 403		25.0		
– held by RMB Holdings Limited:								
– FirstRand Limited (33%)			8.1			8.1		
FirstRand Limited	(2)	481 142 375	9.1	481 142 375		9.2		
Industrial interests								
Air Products South Africa (Pty) Limited	(1)				4 500 000	50.0	4 500 000	50.0
Capevin Holdings Limited	(5)				38 551 857	8.6	–	–
– indirectly held by Capevin Holdings Limited through Remgro-Capevin Investments Limited:								
– Distell Group Limited (15%)			1.3			–		
Capevin Investments Limited	(6)	4 034 692	9.6	–	–	–		
– indirectly held by Capevin Investments Limited through Remgro-Capevin Investments Limited:								
– Distell Group Limited (29%)			2.8			–		
Dorbyl Limited	(1)	14 058 346	41.4	14 058 346		41.4		
Kagiso Trust Investments (Pty) Limited	*(2)				10 344	42.5	10 344	42.5
Medi-Clinic Corporation Limited	(1)	257 346 286	45.7	257 346 286		45.9		
Nampak Limited	(1)	78 096 694	13.3	78 096 694		13.3		
PGSI Limited – BVI	*(2)				13 272 128	28.7	11 387 737	29.1
PGSI Limited preference shares	**				129 607 022	91.7	–	–
Unilever South Africa Holdings (Pty) Limited	(1)				5 348 135	25.8	5 348 135	25.8
Total South Africa (Pty) Limited	*(2)				12 872 450	31.1	12 872 450	33.2
Remgro-Capevin Investments Limited	(2)				50	50.0	50	50.0
– held by Remgro-Capevin Investments Limited:								
– Distell Group Limited (58%)			29.2			29.2		
Media interests								
Sabido Investments (Pty) Limited	(7)				17 730 595	31.6	–	–
MARC Group Limited	(5)				81 392 413	33.7	–	–
MARC Group Limited preference shares	**				144 788 321	100.0		
Mining interests								
Impala Platinum Holdings Limited	**	26 687 288	4.4	26 687 288		4.4		
Trans Hex Group Limited	(3)	30 215 000	28.6	30 215 000		28.5		
Technology interests								
CIV Fibre Network Solutions (Pty) Limited	(7)				150	30.0	–	–
CIE Telecommunications Limited	(7)				90 000	30.0	–	–
CIV Power Limited	(7)				90 000	30.0	–	–
Central Lake Trading No. 77 (Pty) Limited	(7)				21 445	18.8	–	–
SEACOM Capital Limited – Mauritius	(5)				1 000	25.0	–	–
Tracker Investment Holdings (Pty) Limited	(5)				28 374	31.0	–	–
Other investments								
Business Partners Limited	*(1)				37 210 149	21.5	37 135 149	21.5
Xiocom Wireless, Inc. – USA	(4)				–	–	22 500 000	44.4

Financial period accounted for:

⁽¹⁾ Twelve months to 31 March 2010.

⁽²⁾ Twelve months to 31 December 2009.

⁽³⁾ On 30 November 2009 the investment in Trans Hex Group Limited was reclassified as an investment "held for sale." As a result the investment was only equity accounted for the eight months to 30 November 2009.

⁽⁴⁾ Twelve months to 31 March 2010. The investment in Xiocom Wireless, Inc. was sold during March 2010.

⁽⁵⁾ No income accounted for during the year under review.

⁽⁶⁾ Only dividend income accounted for during the year under review.

⁽⁷⁾ Three months to 31 March 2010.

* Effective interest, on a fully diluted basis:

– Total South Africa (Pty) Limited 24.9% (2009: 24.9%)

– Kagiso Trust Investments (Pty) Limited 37.7% (2009: 37.7%)

– Business Partners Limited 20.8% (2009: 20.8%)

– PGSI Limited 25.1% (2009: 25.0%)

** Not an associated company.

BVI – British Virgin Islands

USA – United States of America

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

ANNEXURE C

SIGNIFICANT ASSOCIATED COMPANIES – ADDITIONAL INFORMATION

	RMBH (Financial services)	FirstRand (Financial services)	Medi-Clinic (Industrial interests)	Unilever South Africa (Industrial interests)
	2010	2010	2010	2010
Effective interest	25.0%	9.1%	45.7%	25.8%
	R million	R million	R million	R million
Carrying value of investments	6 400	6 026	3 111	3 109
Share of retained equity income				
– Current year	373	298	(422)	159
Normal income	720	635	461	275
Dividends	(299)	(270)	(180)	(116)
Non-recurring and capital items and impairments	(21)	(15)	13	–
Other changes in reserves and exchange rates	(27)	(52)	(716)	–
– Cumulative	3 074	3 270	1 048	399

Summarised financial information:

	Per Interim Report 31/12/2009	Per Interim Report 31/12/2009	Per Annual Report 31/03/2010	Per Quarterly Report 31/03/2010
				Note 1

STATEMENT OF FINANCIAL POSITION

Assets

Net advances, loans and bank-related securities	1 082	50 180	–	–
Intangible assets	13	5 632	5 243	10 496
Property, plant and equipment and other	143	7 990	28 046	2 726
Investments and loans	21 664	24 436	26	22
Net current assets/(liabilities)	–	(21 321)	(4 686)	173
	22 902	66 917	28 629	13 417

Equity and liabilities

Shareholders' funds	22 902	56 622	7 616	12 148
Long-term debt	–	10 295	21 013	1 269
	22 902	66 917	28 629	13 417

	12 months ended 31/12/2009	12 months ended 31/12/2009	12 months ended 31/03/2010	12 months ended 31/03/2010
--	----------------------------------	----------------------------------	----------------------------------	----------------------------------

INCOME STATEMENT

Headline earnings	2 879	6 880	1 004	1 083
Net profit for the year	2 797	6 717	1 034	1 070
Dividends paid	1 197	2 929	374	450

There are no loans to these associated companies.

Note 1: This statement of financial position is at 31 December 2009 as Unilever South Africa has not included a statement of financial position in its quarterly report to 31 March 2010.

Note 2: The investments above represent 66% of the total carrying value of associated companies.

ANNEXURE C

SIGNIFICANT ASSOCIATED COMPANIES – ADDITIONAL INFORMATION

	RMBH (Financial services) 2009	FirstRand (Financial services) 2009	Medi-Clinic (Industrial interests) 2009	Unilever South Africa (Industrial interests) 2009
	R million	R million	R million	R million
Effective interest	25.0%	9.2%	45.9%	25.8%
Carrying value of investments	6 027	5 728	3 533	2 950
Share of retained equity income				
– Current year	533	642	(558)	114
Normal income	761	816	294	229
Dividends	(382)	(348)	(163)	(116)
Non-recurring and capital items and impairments	55	51	–	1
Other changes in reserves and exchange rates	99	123	(689)	–
– Cumulative	2 701	2 972	1 470	240

Summarised financial information:

	Per Interim Report 31/12/2008	Per Interim Report 31/12/2008	Per Annual Report 31/03/2009	Per Quarterly Report 31/03/2009

Note 1

STATEMENT OF FINANCIAL POSITION

Assets

Net advances, loans and bank-related securities	1 071	40 071	–	–
Intangible assets	26	5 284	6 293	10 423
Property, plant and equipment and other	116	8 805	32 479	1 875
Investments and loans	20 202	25 656	32	23
Net current assets/(liabilities)	–	(12 472)	(5 469)	(182)
	21 415	67 344	33 335	12 139

Equity and liabilities

Shareholders' funds	21 415	53 181	7 989	11 643
Long-term debt	–	14 163	25 346	496
	21 415	67 344	33 335	12 139

	12 months ended 31/12/2008	12 months ended 31/12/2008	12 months ended 31/03/2009	12 months ended 31/03/2009

INCOME STATEMENT

Headline earnings	3 043	8 779	627	898
Net profit for the year	3 262	9 338	639	894
Dividends paid	1 712	4 289	339	450

There are no loans to these associated companies.

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

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

ANNEXURE D

INFORMATION ON SEGMENTS FOR THE YEAR ENDED 31 MARCH 2010

<i>R million</i>	2010			
	Revenue	Headline earnings	Assets	Liabilities
Financial services				
RMBH	–	720	6 400	–
FirstRand	–	635	6 026	–
Industrial interests				
Air Products South Africa	–	115	536	–
Distell Group ⁽²⁾	–	281	1 798	–
Kagiso Trust Investments	–	128	1 213	–
Medi-Clinic Corporation	–	460	3 111	–
Nampak	–	73	1 205	–
PGSI	–	83	533	–
Rainbow Chicken	6 953	259	4 419	1 756
Total South Africa	–	42	631	–
Tsb Sugar	4 149	227	2 857	1 425
Unilever SA Holdings	–	279	3 109	–
Wispeco	747	63	533	175
Other industrial interests	–	(28)	343	16
Media interests				
Sabido	–	11	837	–
MARC ⁽⁴⁾	–	5	187	–
Other media interests	–	1	50	–
Mining interests				
Implats	–	85	5 711	–
Trans Hex Group	–	11	65	–
Technology interests				
CIV group ⁽³⁾	–	7	378	–
SEACOM ⁽⁴⁾	–	–	721	–
Tracker ⁽⁴⁾	–	–	574	–
Other technology interests	–	6	385	–
Other investments	–	(64)	573	–
Central treasury – cash at the centre	–	57	4 662	–
Other net corporate assets	–	(101)	1 419	821
	11 849	3 355	48 276	4 193
Elimination of loans to/from subsidiary companies			(218)	(218)
Consolidated			48 058	3 975

⁽¹⁾ Previously the interests of the Group were classified into five main operating divisions/business segments – tobacco interests, financial services, industrial interests, mining interests and corporate and other. Following the adoption of IFRS 8: Operating Segments, the business segment analysis was amended to present significant investments as operating segments in their own right. For ease of reference, operating segments are still grouped together (in “reporting groups”). The acquisition of VenFin necessitated the introduction of two new reporting groups, “Media interests” and “Technology interests”. A third new reporting group, “Other investments” was also created. In order to facilitate year on year comparison, the information presented for the comparative year has been adjusted accordingly.

⁽²⁾ Includes the investments in Capevin Investments Limited and Capevin Holdings Limited.

⁽³⁾ Includes the investments in CIV Fibre Network Solutions (Pty) Limited, CIE Telecommunications Limited, CIV Power Limited and Central Lake Trading No. 77 (Pty) Limited.

⁽⁴⁾ No equity income accounted for the year ended 31 March 2010. These companies have June and December year-ends. Refer to the “Acquisition of VenFin” in the Report of the Board of Directors for further information.

⁽⁵⁾ Geographical segmental information: Revenue is only derived in South Africa while non-current assets, amounting to R1 943 million, are located in foreign countries.

ANNEXURE D

INFORMATION ON SEGMENTS FOR THE YEAR ENDED 31 MARCH 2009

<i>R million</i>	2009			
	Revenue	Headline earnings	Assets	Liabilities
Tobacco interest⁽²⁾				
R&R	–	2 295	–	–
Financial services				
RMBH	–	761	6 027	–
FirstRand	–	815	5 728	–
Industrial interests				
Air Products South Africa	–	102	453	–
Distell Group	–	304	1 320	–
Kagiso Trust Investments	–	(139)	940	–
Medi-Clinic Corporation	–	288	3 533	–
Nampak	–	105	1 263	–
PGSI	–	40	368	–
Rainbow Chicken	6 811	235	4 182	1 693
Total South Africa	–	(25)	566	–
Tsb Sugar	3 732	188	2 229	972
Unilever SA Holdings	–	231	2 950	–
Wispeco	912	30	410	98
Other industrial interests	–	(41)	224	–
Mining interests				
Implats	–	346	4 223	–
Trans Hex Group	–	(182)	44	–
Other investments	–	(80)	415	–
Central treasury – cash at the centre	–	194	5 967	–
Other net corporate assets	–	(807)	1 274	566
	<u>11 455</u>	<u>4 660</u>	42 116	3 329
Elimination of loans to/from subsidiary companies			–	–
Consolidated			<u>42 116</u>	<u>3 329</u>

⁽¹⁾ Previously the interests of the Group were classified into five main operating divisions/business segments – tobacco interests, financial services, industrial interests, mining interests and corporate and other. Following the adoption of IFRS 8: Operating Segments, the business segment analysis was amended to present significant investments as operating segments in their own right. For ease of reference, operating segments are still grouped together (in “reporting groups”).

⁽²⁾ During the 2009 financial year, the investment in BAT was unbundled to shareholders. Accordingly the tobacco interest designation has been terminated.

⁽³⁾ Geographical segmental information: Revenue is only derived in South Africa while non-current assets, amounting to R734 million, are located in foreign countries.