

Notes to the consolidated financial statements

for the year ended June 30

	2014 R'000	2013 R'000
17. Interest in associates		
Listed associates	3 467 317	767 551
Net asset value at acquisition	1 068 924	569 508
Inherent goodwill	3 515 253	463 843
Impairment allowances	(1 116 860)	(265 800)
Unlisted associates	126 373	103 081
Net asset value at acquisition	92 592	72 030
Inherent goodwill	33 781	31 051
Investments in associates at cost less impairments	3 593 690	870 632
Attributable share of post-acquisition reserves of associates	300 881	279 028
At beginning of year	279 028	188 476
Share of current year earnings net of dividends	33 354	97 358
Share of movement in other reserves	253	3 516
Reversal of prior year reserves on becoming subsidiary, disposal or change in shareholding	(11 754)	(10 322)
Advances	33 862	50 219
	3 928 433	1 199 879

Advances to associates bear interest at rates of between 0% and 11% (2013: 0% and 11%) and have no fixed terms of repayment.

A list of the Group's significant associates, their country of incorporation and principal place of business, the Group's percentage shareholding and an indication of their nature of business is included on annexure A to these financial statements.

During the year 31,9% of the issued ordinary capital of Adcock Ingram Holdings Limited (Adcock) was acquired by the Group, to add to the 2,3% held at June 30 2013, for a consideration of R3,9 billion.

Adcock is a leading South African pharmaceutical manufacturer, listed on the Johannesburg Stock Exchange. The company manufactures, markets and distributes a wide range of healthcare products to both the private and public sectors of the market.

The majority of the shares were acquired in January and February 2014. The Group has accounted for Adcock as an associate with effect from March 1 2014.

Adcock changed its year-end during the year from September to June, and the information provided below is for the nine months ended June 30 2014. Full details of Adcock's results can be found on their website www.adcock.co.za.

Summarised aggregated financial information of Adcock:

	For the nine months ended June 30 2014 R'000
Revenue	3 640 780
Loss for the period	(962 156)
Other comprehensive income for the period	44 912
Total comprehensive loss for the period	(917 244)
Dividends received from Adcock during the period	–

	June 30 2014 R'000
17. Interest in associates <i>(continued)</i>	
Summarised aggregated financial information of Adcock: <i>(continued)</i>	
Current assets	2 666 093
Non-current assets	2 739 749
Current liabilities	(1 500 421)
Non-current liabilities	(1 047 942)
Minority interest	(118 578)
Reconciliation of the above summarised financial information to the carrying amount of Adcock recognised in the consolidated financial statements:	
Net assets of Adcock	2 738 901
Proportion of Group's interest in Adcock	936 704
Inherent goodwill	3 268 801
Provision for impairment of carrying value	(1 056 060)
Carrying value of Group's interest in Adcock	3 149 445
Market value as at June 30 2014	3 149 445

The Group acquired the entire issued share capital of Home of Living Brands Holdings Limited that it did not already own, being 71,7%, with effect from July 1 2013; and the entire issued share capital of Mvelaserve Limited that it did not already own, being 65,3% with effect from November 1 2013. Refer to note 11 for further details.

Summarised aggregated financial information of associates that are not individually material:

	2014 R'000	2013 R'000
The Group's share of profit	71 915	161 824
The Group's share of other comprehensive income (loss)	(9 333)	3 516
The Group's share of total comprehensive income	62 582	165 340
Aggregate carrying amount of the Group in these associates	778 988	1 199 879
18. Investments		
Listed held-for-trading	1 264 998	1 431 277
Unlisted held-for-trading	699 902	773 958
Listed available-for-sale	124 778	98 191
Unlisted available-for-sale	277 924	204 480
	2 367 602	2 507 906
Fair value and hierarchy of investments		
Investments held at cost	304 659	99 340
Investments held at fair value as determined on inputs based on:	2 062 943	2 408 566
Unadjusted quoted prices in an active market for identical assets	1 390 059	1 529 467
Factors that are observable for the asset either as prices or derived from prices	17 995	62 939
Factors that are not based on observable market data	654 889	816 160
	2 367 602	2 507 906
Analysis of investments at fair value not determined by observable market data		
Balance at the beginning of year	816 160	110 510
Purchases, loan advances or transfers from other categories	24 536	650 943
Fair value adjustment arising during the year recognised in the income statement	11 871	60 000
Proceeds on disposal, repayment of loans or transfers to other categories	(224 207)	(63 547)
Exchange rate adjustments	26 529	58 254
	654 889	816 160