

Notes to the consolidated financial statements

for the year ended 30 June

	2017 R'000	2016 R'000
18. Interest in associates		
Listed associates	4 661 516	3 628 411
Net asset value at acquisition	1 425 513	1 492 853
Inherent goodwill	4 073 768	4 318 229
Remeasurement allowances	(837 765)	(2 182 671)
Unlisted associates	104 182	119 077
Net asset value at acquisition	205 876	119 319
Inherent goodwill	6 732	(242)
Remeasurement allowances	(108 426)	–
Investments in associates at cost less impairments	4 765 698	3 747 488
Attributable share of post-acquisition reserves of associates	608 790	442 176
At beginning of year	442 176	409 573
Share of current year earnings net of dividend – continuing operations	264 737	11 294
– discontinued operations	–	(772)
Share of movement in other reserves – continuing operations	(69 191)	83 389
– discontinued operations	–	(311)
Reversal of prior year reserves on unbundling, disposal, and or change in shareholding	(28 932)	(60 997)
Advances to associates	840	832
	5 375 328	4 190 496

Unsecured advances to associates are interest free 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.

The Group's most significant associate is Adcock Ingram Holdings Limited (Adcock). 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 Group holds 38,4% of the net ordinary shares in issue in Adcock, but equity accounts for 45,0% of its results as a consequence of treating the sale of 15% of its holding, in terms of the Adcock BEE scheme to Ad-izinyosito, as a deferred sale.

Full details of Adcock's results can be found at www.adcock.co.za.

	For the year ended 30 June 2017 R'000	For the year ended 30 June 2016 R'000
Summarised aggregated financial information of Adcock:		
Revenue	5 957 700	5 559 896
Profit for the period	553 534	168 801
Other comprehensive income for the period	(147 966)	110 935
Total comprehensive income for the period	405 568	279 736
Dividends received from Adcock during the period	77 024	85 436

	2017 R'000	2016 R'000
18. Interest in associates <i>(continued)</i>		
Summarised aggregated financial information of Adcock: <i>(continued)</i>		
Current assets	3 326 463	3 460 786
Non-current assets	2 236 510	2 135 821
Current liabilities	(1 726 546)	(1 749 148)
Non-current liabilities	(341 423)	(592 862)
Non-controlling interests	(7 522)	(26 024)
Reconciliation of the above summarised financial information to the carrying amount of Adcock recognised in the consolidated financial statements:		
Net assets of Adcock	3 487 482	3 228 573
Proportion of Group's interest in Adcock	1 570 947	1 454 321
Inherent goodwill	3 767 061	3 777 372
Provision for remeasurement of carrying value	(773 352)	(1 810 904)
Carrying value of Group's interest in Adcock	4 564 656	3 420 789
Market value as at 30 June	4 564 656	3 420 789
The investment in Adcock forms part of the Corporate and Investments operating segment. The recoverable amount of the investment has been assessed with reference to the fair value determined based on the quoted market price at the year ended 30 June 2017. This measurement is considered to be "level 1" in the fair value hierarchy. The Group assessed the carrying value and remeasured the investment to recoverable fair value. The same remeasurement considerations have been applied to other listed investments in associates.		
Summarised aggregated financial information of associates that are not individually material:		
The Group's share of profit – continuing operations	129 728	20 786
– discontinued operations	–	(772)
The Group's share of other comprehensive income (loss)		
– continuing operations	(637)	23 835
– discontinued operations	–	(310)
The Group's share of total comprehensive income		
– continuing operations	129 091	44 621
– discontinued operations	–	(1 082)
Aggregate carrying amount of the Group investment in these associates	810 672	769 707
19. Investments		
Listed held-for-trade	1 529 987	1 561 958
Unlisted held-for-trade	995 069	853 038
Listed available-for-sale	254 407	283 417
Unlisted available-for-sale	63 669	171 409
	2 843 132	2 869 822
Fair value hierarchy of investments		
Investments and loans held at cost or amortised cost	62 149	88 984
Investments held at fair value as determined on inputs based on:	2 780 983	2 780 838
Unadjusted quoted prices in an active market for identical assets	1 785 022	1 845 821
Factors that are not based on observable market data	995 961	935 017
	2 843 132	2 869 822
Analysis of investments at a fair value not determined by observable market data:		
Balance at the beginning of year	935 017	847 403
On acquisition of business	39 087	–
On disposal or unbundling of business	(6 087)	(1 051)
Purchases, loan advances or transfers from other categories	5 700	28 047
Fair value adjustment arising during the year recognised in the income statement	95 326	94 354
Proceeds on disposal, unbundling or repayment of loans or transfers to other categories	(72 679)	(88 517)
Profit on disposal of investments	–	53 136
Exchange rate adjustments	(403)	1 645
	995 961	935 017