

Notes to the consolidated financial statements (continued)

for the year ended 30 June

	2019 R'000	2018 R'000
18. Interest in associates		
Listed associates	4 551 484	4 469 751
Net asset value at acquisition	1 734 216	1 430 447
Inherent goodwill	4 428 883	4 083 041
Remeasurement allowances	(1 611 615)	(1 043 737)
Unlisted associates	41 229	54 841
Net asset value at acquisition	166 484	199 272
Inherent goodwill	1 575	6 584
Remeasurement allowances	(126 830)	(151 015)
Investments in associates at cost net of remeasurement allowances	4 592 713	4 524 592
Attributable share of post-acquisition reserves of associates	1 210 837	817 416
At beginning of year	817 416	608 790
Share of IFRS 9 adjustment to balance at beginning of the period	(1 882)	–
Share of current year earnings net of dividend	427 309	217 004
Share of current year movement in other comprehensive income	(13 828)	–
Share of movement in other reserves	–	(19 172)
Reversal of prior year reserves on unbundling, disposal, and or change in shareholding	(18 178)	10 794
Net advances to associates	19	19
Advances to associates	52 519	19
Impairments	(52 500)	–
	5 803 569	5 342 027

Except for the R53 million advance made to Strait Access Technologies Holdings Proprietary Limited, which attracts interest at the South African prime interest rate (10.25%), all 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 Ingram). Adcock Ingram 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 purchased an additional 10.6 million Adcock Ingram ordinary shares during the year which resulted in the Group holding an effective 44.8% (2018: 38.5%) of the net ordinary shares in issue (total ordinary shares in issue less treasury shares). The Group's economic interest in Adcock Ingram is 51.4% (2018: 45.2%) as a consequence of treating the 2015 sale of 15% of its holding, in terms of the Adcock Ingram Broad-Based Black Empowerment Scheme (Scheme), to Ad-izinyosi as a deferred sale.

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

	2019 R'000	2018 R'000
18. Interest in associates (continued)		
Summarised aggregated financial information of Adcock Ingram:		
Revenue	7 089 058	6 562 865
Profit for the year	687 986	637 943
Other comprehensive income for the year	(32 841)	7 040
Total comprehensive income for the year	655 145	644 983
Dividends received from Adcock Ingram during the year	122 880	106 848
Current assets	3 558 617	3 617 934
Non-current assets	2 692 176	2 652 791
Current liabilities	(1 834 629)	(2 220 552)
Non-current liabilities	(117 970)	(135 254)
Non-controlling interests	(2 762)	(2 413)
Reconciliation of the above summarised financial information to the carrying amount of Adcock Ingram recognised in the consolidated financial statements:		
Net assets of Adcock Ingram	4 295 432	3 912 506
Proportion of Group's interest in Adcock Ingram	2 207 999	1 767 699
Inherent goodwill	4 122 176	3 734 763
Provision for impairment of carrying value	(1 078 410)	(842 742)
Carrying value of Group's interest in Adcock Ingram	5 251 765	4 659 720
Market value as at 30 June	5 251 765	4 659 720
The investment in Adcock Ingram 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 2019. 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 impairment 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	267 188	141 223
The Group's share of other comprehensive loss	–	(830)
The Group's share of total comprehensive income	267 188	140 393
Aggregate carrying amount of the Group investment in these associates	551 804	682 307
19. Investments		
Investments are measured as follows:		
Amortised cost	135 207	–
Fair value through other comprehensive income	563 990	–
Fair value through profit or loss	2 245 235	–
Listed held-for-trade	–	1 337 689
Unlisted held-for-trade	–	1 049 559
Listed available-for-sale	–	376 072
Unlisted available-for-sale	–	39 585
	2 944 432	2 802 905
Long-term portion of listed investments	1 500 828	1 713 761
Long-term portion of unlisted investments	232 123	1 089 144
Short-term portion of unlisted investments	1 211 481	–
	2 944 432	2 802 905