NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

12. INVENTORIES

	Group		Company	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Finished goods*	**293 135**	303 998	**–**	–
Merchandise – pharmaceutical**	**156 494**	146 420	**–**	–
Merchandise provision	**(550)**	(5 856)	**–**	–
INVENTORIES ON HAND AT YEAR-END	**449 079**	444 562	**–**	–

* *The finished goods balance consists of the inventories on hand net of the unearned fees relating to Single Exit Price (**SEP**) applied.*

** *Merchandise refers to pharmaceutical products that are on hand at year-end.*

13. OTHER FINANCIAL ASSETS

Other financial assets comprise the following balances:

	Group	
	June 2024 R'000	*Restated June 2023 R'000
MEASURED AT FAIR VALUE		
Investments in Venture Capital Funds	**8 394**	8 394
Foreign currency Forward Contract	**–**	1 530
Other equity investments	**94**	243
	8 488	10 167
MEASURED AT AMORTISED COST		
Mauritius Government Bonds	**19 231**	29 758
	19 231	29 758
TOTAL	**27 719**	39 927

* *With the adoption of IFRS 17, the investment in Cell Captive is now disclosed as an insurance contract asset. Refer to Note 34 for details on the restatement and Note 35 for the transition to IFRS 17.*

The investment vehicle for the venture capital funds has the mandate of re-investing capital funds. The objective is to generate returns for the holder of shares in the form of dividends.

The total shareholding percentage is less than 20% and as such, no significant influence is exercised over the venture capital fund. These equity investments are measured at fair value through profit or loss.

The Mauritius government bonds are held in a business model with the objective of collecting contractual cash flows, which consists of bi-annual interest receipts. Management's intention is to hold the bonds to maturity, at which point capital will be repaid. As such the bonds are measured at amortised cost. One of the government bonds matured on 14 July 2023 where value of the bond was MUR 20865 810 using an exchange rate of 0.386 resulting in a Rand value of R7 929 008.

The Expected Credit Loss allowance is deemed immaterial as government bonds are low risk.

Fair value hierarchy

The following hierarchy is used to classify financial instruments for fair value measurement purposes:

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 (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. The significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

13. OTHER FINANCIAL ASSETS CONTINUED

Fair value hierarchy *continued*

Specific valuation techniques used to value financial instruments include:

- the fair value of the debt instruments measured at fair value through profit and loss are determined based on a valuation of the net asset value attributable to the investment;
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis and price earnings (**PE**) ratios; and
- the fair value of the Foreign currency forward contract asset is determined with reference to the change in exchange rate between the rate agreed in the contract and the spot rate at the end of the reporting period.

The assets disclosed below have been classified as level 3 financial instruments, i.e. the inputs are not based on observable market data. The carrying amount of all assets in the table below approximates the fair value of the assets.

Group fair value measurements using quoted prices (level 2):

	Level 2 R'000
YEAR ENDED 30 JUNE 2024 – GROUP	
Foreign currency Forward Contract	–
YEAR ENDED 30 JUNE 2023 – GROUP	
Foreign currency Forward Contract	1 530

Group fair value measurements using significant unobservable inputs (level 3):

	Level 3 R'000
YEAR ENDED 30 JUNE 2024 – GROUP	
Unlisted investment	**8 488**
YEAR ENDED 30 JUNE 2023 – GROUP	
Unlisted investment	8 637

The table below presents the movements for the year:

	Financial assets at amortised cost – Group	Financial assets at fair value through profit and loss – Group				Financial assets at fair value through other comprehensive income – Group
	Mauritius government bonds R'000	Investments in Venture Capital Funds R'000	Investments in Cell Captive Restated* R'000	Other equity investments R'000	Fair value through profit and loss Total R'000	Foreign currency Forward Contract R'000
BALANCE AT 1 JULY 2022	10 723	8 394	–	–	8 394	–
Additions	18 346	–	–	–	–	1 530
Finance income	689	–	–	–	–	–
Fair value gains	–	–	–	243	243	–
BALANCE AT 30 JUNE 2023	29 758	8 394	–	243	8 637	1 530
Disposals	**(10 527)**	**–**	**–**	**(149)**	**(149)**	**(1 530)**
BALANCE AT 30 JUNE 2024	**19 231**	**8 394**	**–**	**94**	**8 488**	**–**

* *With the adoption of IFRS 17, the investment in Cell Captive is now disclosed as an insurance contract asset. Refer to Note 34 for details on the restatement and Note 35 for the transition to IFRS 17.*

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

13. OTHER FINANCIAL ASSETS CONTINUED

Valuation inputs and relationships to fair value

Investments in Venture Capital Funds

The intention of the parties is to refund the value invested at the end of the investment term. The recoverable amount of the instruments is therefore equal to the initial cost incurred.

Foreign currency Forward Contract

The foreign currency forward contract asset is measured at fair value, being the difference between the firm commitment measured at the exchange rate agreed in the forward contract and the firm commitment measured at the spot rate as at year-end.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value at 30 June 2024 R'000	Fair value at 30 June 2023 R'000	Unobservable Inputs	Input value used 2024 R'000	Input value used 2023 R'000	Sensitivity of unobservable inputs on profit or loss
Investment in Venture Capital Funds	**8 394**	8 394	Cost of Investment	**8 394**	8 394	As the input is based on the cost of the investment, no sensitivity analysis is deemed necessary.

Valuation process

The finance department of the Group performs the valuations of the investments for financial reporting purposes, including level 3 fair values. The team reports directly to the CFO. Discussions of the valuation processes and results are held between the CFO and Group Finance at year-end to determine the fair value of investments unless there is an indication of impairment which will result in a write off of the investment at that point in time.

14. ISSUED CAPITAL

14.1 Issued share capital

	Group		Company	
	30 June 2024 R'000	30 June 2023 R'000	30 June 2024 R'000	30 June 2023 R'000
AUTHORISED:				
1 billion ordinary shares at no par value	**10 000**	10 000	**10 000**	10 000
60 million redeemable preference shares of 1 cent each	**600**	600	**600**	600
ISSUED:				
841 088 241 ordinary shares of 1 cent each*	**21 324**	21 294	**21 324**	21 294
– Opening balance	**21 294**	18 909	**21 294**	18 909
– Issue of share capital**	**30**	2 385	**30**	2 385
Share premium (Note 14.2)	**2 537 411**	2 525 687	**2 537 411**	2 525 687
	2 558 735	2 546 981	**2 558 735**	2 546 981

* *The number of shares issued includes 12 995 532 treasury shares issued in terms of the FSP share scheme.*

** *During the current financial year, the last portion of the second tranche, as well as the second portion of the third tranche of the share-based awards vested. Refer Note 27 for further details.*

All ordinary shares rank equally regarding the Company's residual assets.

The directors are authorised, by resolution of the shareholders and until the forthcoming AGM, to issue the unissued shares in accordance with the limitation set by members. All issued shares have been fully paid.

MAJOR SHAREHOLDERS HOLDING MORE THAN 5% OF THE ISSUED SHARE CAPITAL	Number of shares	% of total shares
2024		
Sanlam Life Insurance Limited	**494 431 629**	58.78
Community Healthcare Holdings Proprietary Limited	**74 098 672**	8.81
ARC Financial Services Investments Proprietary Limited	**62 912 483**	7.48
TOTAL	**631 442 784**	75.07