NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

4. SEGMENT INFORMATION

The operating segments identified are examined from a service perspective (total healthcare versus IT) and geographical perspective (South Africa versus Africa). The geographical segments identified include all businesses outside of South Africa which include Botswana, Mauritius and Namibia. Individually, each business outside of South Africa is not material hence management has taken the decision to disclose all businesses outside of South Africa as a separate operating segment. All segments have been disclosed according to what the Chief Operating Decision-Maker reviews.

Nature of business segments

- Healthcare SA – consists of medical scheme administration and Health risk management services, of which Medscheme is the biggest contributor. These services are rendered in South Africa. Associate earnings are included as the entity that receives the earnings is Medscheme which operates in South Africa.
- Healthcare Retail – consists of pharmaceutical sales/services by Pharmacy Direct, Scriptpharm Risk Management, Curasana Wholesaler, Activo Health, and Activo Healthcare Assets Group. These services are rendered in South Africa.
- Healthcare Africa – consists of all Healthcare services outside of South Africa (Namibia and Mauritius).
- IT – this relates to all IT-related services for the Group predominantly within South Africa.

4.1 Segment revenues

	Healthcare SA R'000	Healthcare Africa R'000	Healthcare Retail R'000	Total Healthcare R'000	Information Technology R'000	Intergroup eliminations R'000	Group R'000
YEAR ENDED 30 JUNE 2024							
Gross revenue	4 715 671	249 355	4 251 575	9 216 601	635 652	(961 547)	8 890 706
Cost of distribution of pharmaceutical products	–	–	(71 624)	(71 624)	–	–	(71 624)
Cost of pharmaceutical products and finished goods	(50 044)	–	(2 048 289)	(2 098 333)	(14 456)	82 513	(2 030 276)
Capitation Funds	(376 404)	–	(1 268 596)	(1 645 000)	–	–	(1 645 000)
Employee benefit costs	(2 126 485)	(112 935)	(315 380)	(2 554 800)	(196 031)	51 774	(2 699 057)
Other expenses	(1 868 594)	(52 223)	(352 407)	(2 273 224)	(206 646)	847 461	(1 632 409)
Amortisation of intangibles	(3 889)	(977)	(3 887)	(8 753)	(126 375)	(57 562)	(192 690)
Depreciation	(28 063)	(4 076)	(18 671)	(50 810)	(41 447)	(1 885)	(94 142)
Other income	5 187	–	–	5 187	–	–	5 187
Net finance (cost)/income	(17 577)	2 647	(21 022)	(35 952)	(3 085)	–	(39 037)
Finance income	6 780	2 648	–	9 428	38 156	(9 576)	38 008
Finance cost	(24 357)	(1)	(21 022)	(45 380)	(41 241)	9 576	(77 045)
Share-based payment expense	(3 102)	(608)	765	(2 945)	(188)	–	(3 133)
Net fair value (loss)/gain of assets	(13 096)	–	7 464	(5 632)	(26 611)	(240 253)	(272 496)
Fair value gain	1 769	–	–	1 769	–	–	1 769
Impairment of assets	(14 865)	–	7 464	(7 401)	(26 611)	(240 253)	(274 265)
Share of losses from associates and joint ventures	(9 045)	–	–	(9 045)	–	–	(9 045)
PROFIT BEFORE TAXATION	224 559	81 183	159 928	465 670	20 813	(279 499)	206 984
Income tax expense	(84 643)	(24 924)	(42 233)	(151 800)	3 529	15 542	(132 729)
PROFIT FOR THE YEAR	139 916	56 259	117 695	313 870	24 342	(263 957)	74 255
Net segments assets	2 155 868	192 638	1 768 058	4 116 564	1 389 280	(96 289)	5 409 555
Segments assets	2 141 696	192 638	1 768 058	4 102 392	1 389 280	(90 849)	5 400 823
Investments in associates and joint ventures	14 172	–	–	14 172	–	(5 440)	8 732
Segment liabilities	1 824 011	47 129	1 060 508	2 931 648	849 334	(1 772 612)	2 008 370
Additions to intangible assets	2 724	–	8 788	11 512	174 085	–	185 597
Additions to property and equipment	43 081	3 156	6 344	52 581	21 328	–	73 909

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

4. SEGMENT INFORMATION CONTINUED

4.1 Segment revenues *continued*

	Healthcare SA R'000	Healthcare Africa R'000	Healthcare Retail R'000	Total Healthcare R'000	Information Technology R'000	Intergroup eliminations R'000	Group R'000
YEAR ENDED 30 JUNE 2023 RESTATED*							
Gross revenue	4 445 898	234 835	4 464 637	9 145 370	651 877	(954 606)	8 842 641
Cost of distribution of pharmaceutical products	–	–	(78 376)	(78 376)	–	–	(78 376)
Cost of pharmaceutical products and finished goods	(49 620)	–	(2 152 392)	(2 202 012)	(14 984)	91 922	(2 125 074)
Capitation Funds	(385 582)	–	(1 387 400)	(1 772 982)	–	–	(1 772 982)
Employee benefit costs	(1 937 880)	(95 072)	(305 564)	(2 338 516)	(148 954)	42 383	(2 445 087)
Other expenses	(1 738 748)	(46 936)	(344 013)	(2 129 697)	(312 570)	818 954	(1 623 313)
Amortisation of intangibles	(4 366)	(911)	(5 584)	(10 861)	(142 481)	(55 481)	(208 823)
Depreciation	(24 785)	(4 312)	(15 198)	(44 295)	(37 079)	(1 602)	(82 976)
Net finance (cost)/income	(16 108)	2 731	(33 491)	(46 868)	(4 524)	–	(51 392)
Finance income	5 714	2 752	–	8 466	30 789	(13 418)	25 837
Finance cost	(21 822)	(21)	(33 491)	(55 334)	(35 313)	13 418	(77 229)
Share-based payment expense	(14 935)	(228)	(2 264)	(17 427)	(678)	268	(17 837)
Net fair value impairment of assets	(59 159)	–	(4 961)	(64 120)	(25 000)	65 674	(23 446)
Fair value (losses)/gains	(57 855)	–	5 176	(52 679)	–	56 348	3 669
Impairment of assets	(1 304)	–	(10 137)	(11 441)	(25 000)	9 326	(27 115)
Share of profit of associates and joint ventures	14 051	–	–	14 051	–	–	14 051
PROFIT/(LOSS) BEFORE TAXATION	228 766	90 107	135 394	454 267	(34 393)	7 512	427 386
Income tax (expense)/income	(77 140)	(25 282)	(43 894)	(146 316)	215	14 447	(131 654)
PROFIT/(LOSS) FOR THE YEAR	151 626	64 825	91 500	307 951	(34 178)	21 959	295 732
Net segments assets	1 739 388	191 515	1 759 636	3 690 539	1 605 207	264 484	5 560 230
Segments assets	1 735 309	146 446	1 759 636	3 641 391	1 605 207	264 484	5 511 082
Investments in associates and joint ventures	4 079	45 069	–	49 148	–	–	49 148
Segment liabilities	1 356 072	39 740	1 194 217	2 590 029	1 032 774	(1 561 825)	2 060 978
Additions to intangible assets	5 380	1 125	18 624	25 129	158 562	–	183 691
Additions to property and equipment	27 130	31 933	15 549	74 612	117	–	74 729

* *Refer to Note 34 for details on the restatements and Note 35 for transitioning to IFRS 17.*