NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

6. INVESTMENT PROPERTY

6.1 Balances at year end and movements for the year

	Group		Company	
RECONCILIATION FOR THE YEAR	**2024 R'000**	**2023 R'000**	**2024 R'000**	**2023 R'000**
Balance at the beginning of the year at fair value	**10 731**	7 631	**–**	–
Reclassification of investment property from property and equipment*	**–**	4 850	**–**	–
Fair value adjustment	**1 769**	(1 750)	**–**	–
BALANCE AT THE END OF THE YEAR AT FAIR VALUE	**12 500**	10 731	**–**	–

* *This relates to reclassification of investment property from property and equipment due to the fact that the property is leased to an unrelated third party.*

Changes in fair values are recognised as gains in profit or loss and included in 'fair value gains'. All gains are unrealised.

Amounts recognised in profit or loss

	2024 R'000	**2023 R'000**
Rental income	**550**	669
Operating expenses	**(161)**	(90)

Fair value measurements

Investment property consists of land situated at portion 108 (a portion of portion 27) of the farm Weltevreden 202 Roodepoort, South Africa and Portion 1 Erf 4172 Garsfontein, Registered Division JR City of Tshwane, Gauteng. Both properties are held for capital appreciation and are not occupied by the Group.

The valuation for portion 108 (a portion of portion 27) of the farm Weltevreden 202 Roodepoort was prepared by an independent valuer, J van der Hoven in July 2024, a property practitioner from De Hoven Proprietary Limited. J van der Hoven obtained his Post-Graduate Master's Degree in Architecture (recognised by Royal Institute of British Architects (**RIBA**) and Architects Registration Board (**ARB**) and has more than 10 years' experience as a property practitioner.

The valuation of Portion 1 Erf 4172 Garsfontein, Registered Division JR City of Tshwane, Gauteng is prepared every three years.

The last valuation was prepared in June 2023 by Ashton Eckler and Tebogo Digoamaje who are both independent valuers from DPP Valuation & Advisory Services Proprietary Limited.

The fair value of portion 108 (a portion of portion 27) of the farm Weltevreden was determined based on comparable sales method.

The fair value of Portion 1 Erf 4172 Garsfontein, was determined using the Income Approach method of valuation. This method of valuation involves the capitalisation of the net normalised income to determine a market value of the subject property. The total revenue and expenses of the subject property must therefore be calculated before a capitalisation rate can be applied.

Based on the 2024 property valuation report for portion 108 (a portion of portion 27) of the farm Weltevreden, the fair value has increased from the valuation performed in July 2023.

As the valuation for Portion 1 Erf 4172 Garsfontein was previously undertaken in June 2023, and the next valuation will be undertaken in three years' time, the value of the property as at 30 June 2024 has remained an unchanged.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

6. INVESTMENT PROPERTY CONTINUED

6.2 Recognised fair value measurements

Fair value hierarchy

The following hierarchy is used to classify financial and non-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.

Specific valuation techniques used to value non-financial instruments include:

- the fair value of the investment property is determined by using either the comparable sales method or the Income approach method of valuation.

The investment property has been classified as a level 3 non-financial instrument, i.e. the inputs are not based on observable market data. The carrying amount of the investment property approximates the fair value.

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

	Investment property R'000
OPENING BALANCE	10 731
Fair value adjustment	1 769
CLOSING BALANCE	12 500

Valuation inputs and relationships to fair value

The fair value of portion 108 (a portion of portion 27) of the farm Weltevreden 202 is derived by an external property valuer using the comparable sales method. In applying this approach the valuer has selected other properties that have similar risk, growth and cash-generating profiles. This investment property is valued on an annual basis.

The fair value of the Portion 1 Erf 4172 Garsfontein is derived by an external property valuer using the Income approach method. In applying this approach the valuer used market value determined by capitalising the first year's normalised net operating income. This investment property is valued every three years.

Management reviewed the valuation performed by the external valuer and is satisfied that the inputs used by the external property valuer are reasonable.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS continued

for the year ended 30 June 2024

6. INVESTMENT PROPERTY CONTINUED

6.2 Recognised fair value measurements *continued*

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	Unobservable inputs	Input value used	Sensitivity of unobservable inputs on profit and loss
Investment property	9 400	Price per block building rights per square metre	R500	If the fair value per square metre increased by 10% then the value of the property would increase by R940 000 in profit or loss. If the fair value per square metre decreased by 10% then the value of the property would decrease by R940 000 in profit or loss.
Investment property – Garsfontein	3 100	Net rentable area	R454	If the fair value per square metre increased by 10% then the value of the property would increase by R310 000 in profit or loss. If the fair value per square metre decreased by 10% then the value of the property would decrease by R310 000 in profit or loss.

7. INTANGIBLE ASSETS

7.1 Intangible assets

	Group						
	Brands and intellectual property R'000	Pharma-ceutical dossiers* R'000	Internally developed computer software R'000	Computer software R'000	Goodwill R'000	Customer relation-ships R'000	Total R'000
RECONCILIATION FOR THE YEAR ENDED 30 JUNE 2024 – GROUP							
AT 30 JUNE 2023							
At cost	37 416	525 739	1 478 330	238 369	1 607 941	386 851	4 274 646
Accumulated amortisation	(37 416)	(115 678)	(532 586)	(162 189)	–	(295 303)	(1 143 172)
Accumulated impairment	–	–	(13 926)	(22 562)	(49 445)	–	(85 933)
CLOSING CARRYING AMOUNT 30 JUNE 2023	–	410 061	931 818	53 618	1 558 496	91 548	3 045 541
MOVEMENTS FOR THE YEAR ENDED 30 JUNE 2024							
Additions	–	10 694	151 409	26 140	–	–	188 243
Amortisation	–	(35 316)	(114 562)	(16 835)	–	(25 977)	(192 690)
Impairment loss recognised (Note 7.2)	–	–	–	–	(230 835)	–	(230 835)
Write-off	–	(6 060)	–	–	–	–	(6 060)
CARRYING AMOUNT AT 30 JUNE 2024	–	379 379	968 665	62 923	1 327 661	65 571	2 804 199
AT 30 JUNE 2024							
At cost	37 416	530 371	1 629 738	264 509	1 607 941	386 851	4 456 826
Accumulated amortisation	(37 416)	(150 992)	(647 147)	(179 024)	–	(321 280)	(1 335 859)
Accumulated impairment	–	–	(13 926)	(22 562)	(280 280)	–	(316 768)
CLOSING CARRYING AMOUNT	–	379 379	968 665	62 923	1 327 661	65 571	2 804 199

* *Pharmaceutical dossiers relate to a set of documents that contains all the technical data (administrative, quality, non-clinical and clinical) of a pharmaceutical product in order to promote, market, sell, import and distribute the product in a specific territory.*