

Audited financial
statements

**FOR THE NINE MONTHS ENDED
31 MARCH 2021**

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Directors' responsibility statement

To the shareholders of RMB Holdings Limited

The directors of RMB Holdings Limited (RMH or the company) are required by the Companies Act, 71 of 2008 (Companies Act) to prepare consolidated and separate financial statements.

In discharging this responsibility, the directors rely on management to prepare the consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRS) and for keeping adequate accounting records in accordance with the group's system of internal control.

As such, the financial statements include amounts based on judgements and estimates made by management.

In preparing the financial statements, suitable accounting policies have been applied and reasonable estimates have been made by management. The directors approve changes to accounting policies. There were, however, no changes to accounting policies during the financial period. The financial statements incorporate full and appropriate disclosure in line with the group's philosophy of good corporate governance.

The directors are responsible for the group's system of internal control. To enable the directors to meet these responsibilities, the directors set the standards for internal control to reduce the risk of error or loss in a cost-effective manner. The standards include the appropriate delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group.


Based on the information and explanations given by management and the internal auditor, nothing has come to the attention of the directors to indicate that the internal controls are inadequate or that the financial records may not be relied on in preparing the consolidated and separate financial statements in accordance with IFRS and maintaining accountability for the group's assets and liabilities.

Nothing has come to the attention of the directors to indicate any breakdown in the functioning of internal controls, resulting in a material loss to the group, both during the period and up to the date of this report.

Based on the effective internal controls implemented by management, the directors are satisfied that the consolidated and separate financial statements fairly present the state of affairs of the group and company at the end of the financial period and the net income and cash flows for the period. HL Bosman LLM CFA supervised the preparation of the financial statements for the period.

The directors have reviewed the group and company budgets and flow of funds forecasts and considered the group's and company's ability to continue as a going concern in the light of current and anticipated economic conditions. The directors have reviewed the assumptions underlying these budgets and forecasts, based on currently available information. The assumptions took into consideration the impact of the COVID-19 pandemic. Based on this review and in the light of the current financial position and profitable trading history, the directors are satisfied that the group and company have adequate resources to continue in business for the foreseeable future. The going concern basis therefore continues to apply and has been adopted in the preparation of the consolidated and separate financial statements.

It is the responsibility of the group's independent external auditor, Deloitte & Touche, to give an opinion on the fair presentation of the consolidated and separate financial statements.

 Their unmodified opinion appears on pages 7 to 9.

The consolidated and separate financial statements, which appear on pages 10 to 63, were approved by the board of directors of RMH (the board) on 29 June 2021 and are signed on its behalf by:



SEN De Bruyn
Chairperson



HL Bosman
Chief executive officer

Declaration by the company secretary

I declare that, to the best of my knowledge, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.



EJ Marais

Company secretary

29 June 2021

Declaration by the financial director and chief executive officer

The director, whose name is stated below, hereby confirms that:

- a) the annual financial statements set out on pages 10 to 63, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- b) no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and
- d) the internal financial controls are adequate and effective and can be relied upon in compiling the financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of King IV; and where we are not satisfied, we have disclosed to the audit committee and the auditor the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors and have taken the necessary remedial action.



HL Bosman

Chief executive officer and financial director

29 June 2021

Directors' report

Nature of business

RMH was the founding and largest shareholder in FirstRand Limited (FirstRand), one of South Africa's largest banking groups. On 1 June 2020, shareholders voted in favour of a resolution to unbundle the group's interest in FirstRand in terms of section 46 of the Income Tax Act.

In 2016, RMH expanded its investment strategy to include a property investment business, comprising scalable entrepreneurial businesses with proven track records in managing and building out property, RMH Property. After the unbundling, this is the only significant investment remaining in RMH.

The investments in RMH Property comprise the following:

- 27.5% of Atterbury Property Holdings Proprietary Limited (Atterbury);
- 37.5% of Atterbury Europe Holding B.V (Atterbury Europe). On 17 July 2019, the shareholders of Pareto Limited subscribed for 25% of Atterbury Europe for Euro 100 million, diluting RMH Property's shareholding from 50% to 37.5%;
- 20.3% interest in the Divercity Urban Property Fund Proprietary Limited (Divercity); and
- Shareholdings in Integer Properties 1 Proprietary Limited (9%), Integer Properties 2 Proprietary Limited (20%) and 50% in Integer Properties 3 Proprietary Limited, collectively referred to as Integer.

Share capital

Details of the company's authorised share capital as at 31 March 2021 are shown in note 7 to the financial statements.

Ordinary shares

There was no change in the authorised ordinary share capital during the period and no ordinary shares were issued during the period.

At the annual general meeting of the shareholders of the company, held on 3 December 2020, a special resolution was passed authorising the board of the company or the board of a subsidiary of the company to approve the purchase of shares in RMH during the period up to and including the date of the following annual general meeting. A general repurchase is limited in any one financial year to a cumulative maximum of 10% of the company's issued share capital. This resolution is subject to the provisions of the Companies Act and the JSE Listings Requirements. No such shares were purchased in the current or previous period.

Preference shares

On 31 October 2019, all preference share capital issued by RMH was redeemed.

Shareholder analysis

Based on information disclosed by STRATE and investigations conducted on behalf of the company, the following shareholders had an interest of 5% or more in the issued ordinary share capital of the company as at 31 March 2021 and 30 June 2020:

	As at	
	31 March 2021	30 June 2020
%		
Royal Bafokeng Holdings Proprietary Limited (Royal Bafokeng)	13	13
Public Investment Corporation (PIC)	12	13
Visio Capital Management	9	–
Steyn Capital Management	8	–
Allan Gray	6	–
RMB Morgan Stanley	5	–
SBG Securities	5	–
LL Dippenaar	–	5
Shareholding	58	31

Group results

A general review of the financial results of the group and the operations of its major investments is provided in the RMH financial results announcement published on the website, www.rmh.co.za.

Dividends

No ordinary dividends were declared by RMH during the period under review. Please refer to subsequent events below for the details of the special dividend declared.

Directorate and board changes

The directorate as at the date of this report consists of:

Directors

(Ms) SEN De Bruyn (chairperson), HL Bosman (chief executive officer and financial director), P Lagerström, UH Lucht, (Ms) MM Mahlare, MM Morobe and JA Teeger.

Changes

Mr P Cooper retired on 3 December 2020.

Ms A Kekana and Mr O Phetwe resigned effective 24 March 2021.

Directors' interests in RMH

Directors' interests in contracts

During the financial period, no contracts were entered into in which directors or officers of the company had an interest and which significantly affected the business of the group. The directors had no interest in any third party or company responsible for managing any of the business activities of the group, except to the extent that they are shareholders in RMH, as disclosed in this report.

Details of related party transaction are shown in note 21 to the financial statements.

Change in financial year-end

The board approved the change of financial year-end from 30 June to 31 March. This change is to align with the year-ends of RMH Property's investee companies post the unbundling of RMH's 34.1% holding in FirstRand Limited (FirstRand) in June 2020. The current period therefore constitutes a nine-month period ended 31 March 2021 while comparatives are for the 12 months ended 30 June 2020.

Change in external auditor

PricewaterhouseCoopers Inc has been the external auditor of the company for the past 32 years.

On 2 July 2017, the Independent Regulatory Board of Auditors formally implemented mandatory audit firm rotation for all public interest entities for years commencing on or after

1 April 2023. This, together with the change to the financial year-end, were the primary reasons for RMH's decision to early rotate its external auditor. RMH appointed Deloitte & Touche as external auditor, with the individual auditor being Johan van der Walt, with effect from 3 December 2020.

Directors' and prescribed officers' interests in ordinary shares of RMH

According to the register of directors' interests maintained by the company in accordance with section 30(4)(d) of the Companies Act, the directors have disclosed the following interests in the ordinary shares of RMH:

000's	Direct beneficial	Indirect beneficial	Held by associates	Total 31 March 2021**	%	Total 30 June 2020
Directors						
JP Burger*	–	–	–	–	–	1 234
P Cooper (Retired 3 December 2020)	–	–	–	–	–	3 811
LL Dippenaar*	–	–	–	–	–	75 329
PK Harris*	–	–	–	–	–	7 000
JA Teeger	52	–	–	52	–	52
Prescribed officers						
BM Roberts	771	–	–	771	–	353
TOTAL	823	–	–	823	–	87 779

* These directors resigned effective 7 July 2020.

** The directors' interests remained unchanged from the end of the financial period to the date of this report.

Directors' emoluments and participation in incentive schemes

Directors' emoluments and participation in incentive schemes are disclosed in note 27.

Directors' service contracts

All eligible, non-executive directors are elected for a period of three years. All executives and prescribed officers have a notice period of one month. Directors and prescribed officers are not entitled to additional compensation in the event of being removed from office.

Insurance

RMH has appropriate insurance cover against crime risks as well as professional indemnity.

Company secretary and registered address

EJ Marais is the company secretary. Her address is that of the company's registered office. The company's registered office is at: 12th floor, The Bank, Corner Cradock and Tyrwhitt Avenues Rosebank, Johannesburg, 2196.

Special resolutions

A full list of the special resolutions passed by the company during the period is available to shareholders on request.

Events subsequent to reporting date

On 8 April 2021, RMH declared a special dividend of 80 cents per share. The last date to trade to participate in this special dividend was Tuesday, 4 May 2021, the record date was Friday, 7 May 2021 and the payment date was Monday, 10 May 2021. This special dividend occurred as a direct result of the repayment of the Euro 50 million loan by Atterbury Europe earmarked for the Bucharest opportunity and management decision to reduce the cash retained for ongoing operations in alignment with the monetisation strategy.

On 20 May 2021, the CDC Group PLC (CDC) entered into a subscription agreement with Divercity. As a condition of the CDC subscription, the balance of the shareholders of Divercity, including RMH Property, were required to enter into a subscription agreement wherein they will each subscribe for their *pro rata* share of an additional R30 million of ordinary shares. As a result, RMH Property's interest in Divercity diluted to 10.9%.

The directors are not aware of any other material events that occurred after the date of the statement of financial position.

Audit and risk committee report

The audit and risk committee has pleasure in submitting this report, as required in terms of the Companies Act.

Audit and risk committee membership and meetings

The audit and risk committee is an independent statutory committee and consists of three non-executive directors who act independently, as described in section 94 of the Companies Act. Members are appointed by the shareholders. The current members are the chairperson, P Lagerström BSc (Accounting) MSc (Economics) (London School of Economics), SEN De Bruyn LLB (Hons) LSE MA (McGill) SFA and JA Teeger B Comm BAcc CA(SA) HDip Tax.

The chairperson is an independent, non-executive director and attends the annual general meeting. The committee meets at least twice a year or at the request of the chairperson, any member of the committee, the board or the external auditor. Comprehensive minutes of meetings are kept. The chief executive officer/financial director attends the meetings. The committee invites, at its discretion, the appropriate representatives of the external auditor, other professional advisors, officers or members of staff whose input may be required. Board members have the right to attend. The chairperson may excuse from the meeting or from the proceedings in respect of any item on the agenda any of the attendees at a meeting who may be considered to have a conflict of interest.

During the period under review, two meetings were held.

%	March 2021	September 2020
P Lagerström (chairperson)	✓	✓
SEN De Bruyn	✓	✓
JA Teeger	✓	✓

The key focus areas of the meetings were as follows:

September 2020	<ul style="list-style-type: none"> Approval of the year-end results; Change of year-end to ensure alignment with RMH Property post the FirstRand unbundling; Impact of COVID-19 on key assumptions and potential impairments on underlying investments; Business continuity during lockdown periods; and Feedback from external and internal auditors.
Round robin	Early rotation of external auditor and appointment of Deloitte & Touche as external auditor.

March 2021

- Approval of the interim results and related SENS announcements;
- Approval of internal and external audit plans and fees; and
- The approval of change in benchmark for JSE trading statement purposes to net asset value.

COVID-19 pandemic

The COVID-19 pandemic continued to have an impact on the results and operations of RMH. All the countries where RMH Property has a presence experienced further lockdowns and restrictions introduced as a result of continuing waves of the COVID-19 pandemic.

The audit and risk committee together with management ensured that the finance function remained safe while continuing to perform duties and responsibilities in an appropriate manner with the adequacy and efficiency of internal controls being maintained.

An appropriate level of judgement and review were undertaken by the committee in assessing the assumptions made in the key judgements and options elected in applying accounting policies, refer accounting policy note q.

Roles and responsibilities

At the meetings, the members fulfilled all their functions as prescribed by section 94(7) of the Companies Act, the JSE Listings Requirements and the committee's charter, which is updated annually and approved by the board. The committee's objectives are to assist the board of directors in fulfilling its fiduciary duties regarding:

- The safeguarding of the group's assets;
- The financial reporting process;
- The system of internal control;
- The management of financial and non-financial risks;
- The audit process and approval of non-audit services;
- The group's process for monitoring compliance with the laws and regulations applicable to it;
- The group's compliance with corporate governance practices;
- Review of the integrated report, including key audit matters outlined in the external auditor's report;
- The business conduct of the group and its officials;
- Ensuring that the accounting policies applied are consistent, appropriate and in compliance with IFRS;
- The appointment of the external auditor and the evaluation of their services and independence; and
- The appointment of the internal auditor, the evaluation of the effectiveness of the service and the appropriateness of the expertise of the chief audit executive.

Combined assurance

The board does not only rely on the adequacy of the internal control embedment process but considers reports on the effectiveness of risk management activities. The audit and risk committee ensures that the assurance functions of management as well as internal and external audit are sufficiently integrated.

The various assurance providers to the board comprise the following:

- Senior management, that considers the company's risk strategy and policy, along with the effectiveness and efficiency thereof; and
- The audit and risk committee, which considers the adequacy of risk management strategies, systems of internal control, risk profiles, legal compliance, internal and external audit reports and reviews the independence of the external auditor, the extent and nature of audit engagements, scope of work and findings. This committee also reviews the level of disclosure in the financial statements and the appropriateness of accounting policies adopted by management, the ethics register and other loss incidents reported. The board reviews the performance of the audit and risk committee against its charter.

The finance function

The committee considered and satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function. The committee reviewed the performance, appropriateness and expertise of the financial director, HL Bosman, and the company secretary, EJ Marais, and confirms that they are suitable as financial director and company secretary respectively in terms of the JSE Listings Requirements.

Effectiveness of the company's internal financial controls

The committee reports to the board that it is of the opinion that, based on enquiries made and the reports from the internal and external auditors, the risk management processes and systems of internal control of the company and its investments were effective for the period under review. No material weaknesses in financial control of the company and its investments were reported for the period under review.

External audit

The audit and risk committee considered the performance of the external auditor and concluded that their performance was satisfactory. On 2 July 2017, the Independent Regulatory Board of Auditors formally implemented mandatory audit firm rotation for all public interest entities for years commencing on or after 1 April 2023. This, together with the change to the financial year-end, were the primary reasons for RMH's decision to early rotate its external auditor. RMH appointed Deloitte & Touche as external auditor, with the individual auditor being Johan van der Walt, with effect from 3 December 2020.

The committee approved the 2021 audit plan and fees and inspected the Section 22.15(h) letter. The external audit scope of work is adequately integrated with the internal audit function without restricting the scope. The committee believes that the external auditor has observed the highest level of business and professional ethics. The committee is satisfied that the external auditor has at all times acted with unimpaired independence. The committee meets with the external auditor independently of senior management.

Details of fees paid to the external auditor are disclosed in note 16 to the financial statements. All non-audit services were approved by the committee before engagement during the current financial period.

Findings reported by the external auditor were duly considered, specifically the key audit matters for the 2021 financial period as reported in the independent auditor's report. The committee is satisfied that all these matters are appropriately reflected in the financial statements.

See page 8 for an analysis of the key audit matter which arose during the audit and how it was addressed.

Internal audit

For the period, the company outsourced its internal audit function to Remgro Management Services Limited. Internal audit is an effective independent appraisal function and employs a risk-based audit approach. The head of internal audit has direct access to the chairperson of the audit and risk committee, as well as to the chairperson of the board.

The audit and risk committee is of the opinion that, based on enquiries made and the reports from the internal and external auditors, the risk management processes and systems of internal control of the company and its subsidiaries were effective for the period under review.

Financial statements

The audit and risk committee has reviewed and recommended approval of the consolidated and separate financial statements by the board. The audit and risk committee did not identify any additional key audit matters than those identified by the external auditor.

Focus during the year ahead

The committee shall continue to attend to its roles and responsibilities during the year ahead. In addition, it will pay particular attention to the following:

- Implementing and disclosing new accounting standards;
- Ensuring that the control environment remains adequate and effective;
- Ensuring that any new regulatory requirements are fully met; and
- Performance of the property portfolio and the accounting implications thereof.

The committee is satisfied that it has complied with all statutory duties as well as other duties given to it by the board under its terms of reference.



P Lagerström

Chairperson of the audit and risk committee

29 June 2021

Independent auditor's report

To the shareholders of RMB Holdings Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of RMB Holdings Limited (the group and company) set out on pages 10 to 63, which comprise the consolidated and separate statements of financial position as at 31 March 2021, the consolidated and separate income statements, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the period then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of RMB Holdings Limited and its subsidiaries as at 31 March 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the consolidated and separate financial statements' section of our report.

We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

The key audit matter applies to the consolidated financial statements only. There are no key audit matters for the separate financial statements.

Key audit matter	How the matter was addressed in the audit
Equity accounted earnings of the associate Atterbury Europe Holdings B.V (consolidated)	
<p>The group holds investments which are equity accounted for in terms of IAS 28: <i>Investments in associates and joint ventures</i>. The group has a 37.5% ownership interest in its most significant associate, Atterbury Europe Holdings B.V. For the purposes of this audit report, Atterbury Europe Holdings B.V is referred to as 'Atterbury Europe'.</p> <p>The group's share of the after-tax profits of Atterbury Europe for the period ended 31 March 2021 was R119 million and the group's share of Atterbury Europe's net assets was R1 902 million as at 31 March 2021.</p> <p>The equity accounting of this investment was considered to be a matter of most significance to our current year audit due to the inherent risk of material misstatement arising from the manual nature of the calculations supporting equity accounting entries, the magnitude of the equity accounted amounts recognised in relation to the reported results of the group and the significance of the group's share of the after-tax profits in the Atterbury Europe group.</p> <p>Refer to the following accounting policies and notes to the consolidated financial statements for detail:</p> <ul style="list-style-type: none"> Accounting policy note c, Principles of consolidation and equity accounting, Interest in associates; Note 5, Investment in associates and joint ventures; and Note 20, Segment reporting. 	<p>We performed the following procedures in order to address the key audit matter:</p> <ul style="list-style-type: none"> Issued the component auditor with referral instructions which outlined the scope of their work; Obtained an understanding of the component auditor, including an understanding of their competence, skill and independence; Conducted meetings with the component auditor as well as component management to obtain an understanding of the component and its environment; Performed a review of the component auditor's audit documentation which included the review of their significant risks as well as the work that the component auditor performed on their significant components within the Atterbury Europe group; Re-calculated the share profit or loss of the equity accounted investment; Assessed whether there are any impairment indicators in the equity accounted investment; Assessed the disclosure of the equity accounted investment in terms of the requirements in IAS 28; and Conducted close out meetings with the component auditor to conclude on the appropriateness of the audit procedures performed on the component. <p>The accounting and disclosures pertaining to the investment in Atterbury Europe are found to be appropriate in terms of the relevant accounting standards.</p>

Other matter

The consolidated and separate financial statements of the group and company for the year ended 30 June 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 17 September 2020.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled 'RMB Holdings Limited Audited financial statements for the nine months ended 31 March 2021', which includes the directors' report, the audit and risk committee's report, the declaration by the company secretary as required by the Companies Act of South Africa and the declaration by financial director and chief executive officer, which we obtained prior to the date of this report, and the integrated report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and

separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and/or the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte and Touche has been the auditor of RMB Holdings Limited for one year.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: Johan van der Walt
Partner

29 June 2021

Deloitte
5 Magwa Crescent
Waterfall City
Waterfall
2090

Consolidated and separate statements of financial position

R million	Note	CONSOLIDATED		COMPANY	
		As at		As at	
		31 March 2021	30 June 2020 Represented*	31 March 2021	30 June 2020
ASSETS					
Current asset					
Cash and cash equivalents	1	980	724	579	118
Investment securities	2	1 101	557	–	–
Non-current asset held for sale	3	–	28	–	–
Loans and receivables	4	30	979	1	2
Taxation receivable		12	10	–	–
Non-current assets					
Loans and receivables	4	192	143	–	508
Investment in associates and joint ventures	5	2 392	2 613	–	–
Investment in subsidiaries	6			3 177	3 175
Total assets		4 707	5 054	3 757	3 803
EQUITY					
Capital and reserves attributable to the company's equity holders					
Share capital and premium	7	8 825	8 825	8 825	8 825
Reserves	8	(4 203)	(3 865)	(5 512)	(5 059)
Equity of ordinary equity holders		4 622	4 960	3 313	3 766
LIABILITIES					
Current liabilities					
Trade and other payables	9	30	40	28	36
Amount due to intergroup company	9.1	–	–	405	–
Provisions	10	28	35	–	–
Taxation payable		2	1	–	1
Non-current liabilities					
Financial liabilities	11	6	16	4	–
Long-term liabilities	26	19	–	7	–
Deferred tax liability	12	–	2	–	–
Total liabilities		85	94	444	37
Total equity and liabilities		4 707	5 054	3 757	3 803

* Numbers have been represented (refer accounting policy note t).

Consolidated and separate income statements

R million	Note	CONSOLIDATED		COMPANY	
		For the		For the	
		Nine months ended 31 March 2021	Year ended 30 June 2020	Nine months ended 31 March 2021	Year ended 30 June 2020
Continuing operations					
Investment income	13	20	22	4	6 142
Share of after-tax profit/(loss) of associates and joint ventures	5	18	(133)	–	–
Revenue		38	(111)	4	6 142
Fee income		5	6	4	5
Fair value (losses)/gains on financial assets and liabilities	14	(59)	260	(4)	(75)
Net impairment losses	15	(8)	(131)	(402)	(10 289)
Net (loss)/income		(24)	24	(398)	(4 217)
Operating expenses	16	(38)	(43)	(28)	(23)
Loss from operations		(62)	(19)	(426)	(4 240)
Finance costs	17	–	(253)	–	(29)
Loss before tax		(62)	(272)	(426)	(4 269)
Income tax (expense)/credit	18	(10)	(93)	–	9
Loss from continuing operations		(72)	(365)	(426)	(4 260)
Discontinued operation					
Profit attributable to discontinued operation	30	–	32 961	–	73 264
(Loss)/profit for the period		(72)	32 596	(426)	69 004
(Loss)/profit attributable to:					
Ordinary equity holders of the company		(72)	32 596	(426)	69 004
(Loss)/profit for the period		(72)	32 596	(426)	69 004
Continuing and discontinued operations					
Earnings per share (cents)					
– Basic	19	(5.1)	2 309.0		
– Diluted	19	(5.1)	2 309.0		
Continuing operations					
Earnings per share (cents)					
– Basic	19	(5.1)	(25.9)		
– Diluted	19	(5.1)	(25.9)		

Consolidated and separate statements profit or loss and other comprehensive income

R million	CONSOLIDATED		COMPANY	
	For the		For the	
	Nine months ended 31 March 2021	Year ended 30 June 2020	Nine months ended 31 March 2021	Year ended 30 June 2020
(Loss)/profit for the period	(72)	32 596	(426)	69 004
Other comprehensive income after tax				
Items that may subsequently be reclassified to profit or loss				
Share of other comprehensive profit of associate after tax and non-controlling interest*	–	2 011	–	–
Reclassification of accumulated comprehensive income of discontinued operation	–	(3 316)	–	–
Exchange difference on translating foreign operations	(243)	382	–	–
Items that may not subsequently be reclassified to profit or loss				
Share of other comprehensive profit/(loss) of associate after tax and non-controlling interest	–	102	–	–
Other comprehensive loss for the period	(243)	(821)	–	–
Total comprehensive (loss)/income for the period	(315)	31 775	(426)	69 004
Total comprehensive (loss)/income attributable to:				
Ordinary equity holders of the company	(315)	31 775	(426)	69 004
– Continuing operations	(315)	17	(426)	(4 260)
– Discontinued operation	–	31 758	–	73 264
Total comprehensive (loss)/income for the period	(315)	31 775	(426)	69 004

* Large movement due to translation of FirstRand's foreign operations.

Consolidated statement of changes in equity

CONSOLIDATED						
R million	Share capital and premium	Equity accounted reserves	Foreign currency translation reserve	Other reserves	Retained earnings	Equity of ordinary equity holders
Balance as at 1 July 2019	8 825	37 622	91	333	2 427	49 298
Reserve released to retained earnings	–	–	–	–	333	333
Total comprehensive (loss)/income	–	(1 203)	382	–	32 596	31 775
– Continuing operations	–	–	382	–	(365)	17
– Discontinued operation	–	(1 203)	–	–	32 961	31 758
Dividends paid	–	–	–	–	(2 795)	(2 795)
Dividend <i>in specie</i> (Refer note 30)	–	(35 211)	–	(333)	(38 110)	(73 654)
Income of associate retained	–	143	–	–	(143)	–
Share option expense – IFRS 2	–	–	–	15	–	15
Reserve movements relating to associates	–	203	–	–	(215)	(12)
Balance as at 30 June 2020	8 825	1 554	473	15	(5 907)	4 960
Balance as at 1 July 2020	8 825	1 554	473	15	(5 907)	4 960
Total comprehensive loss	–	–	(243)	–	(72)	(315)
– Continuing operations	–	–	(243)	–	(72)	(315)
Income of associate retained	–	(263)	–	–	263	–
Share option expense – IFRS 2	–	–	–	(6)	–	(6)
Reserve movements relating to associates	–	10	–	–	–	10
Movement in treasury shares	–	–	–	(27)	–	(27)
Balance as at 31 March 2021	8 825	1 301	230	(18)	(5 716)	4 622
Note	7	8	8	8	8	

Separate statement of changes in equity

COMPANY					
R million	Share capital	Share premium	Other reserves	Retained earnings	Equity of ordinary equity holders
Balance as at 1 July 2019	14	8 811	333	1 720	10 878
Total comprehensive income	–	–	–	69 004	69 004
– Continuing operations	–	–	–	(4 260)	(4 260)
– Discontinued operation	–	–	–	73 264	73 264
Reserve released to retained earnings	–	–	–	333	333
Dividends paid	–	–	–	(2 795)	(2 795)
Dividend <i>in specie</i> paid (Refer note 30)	–	–	(333)	(73 321)	(73 654)
Balance as at 30 June 2020	14	8 811	–	(5 059)	3 766
Balance as at 1 July 2020	14	8 811	–	(5 059)	3 766
Total comprehensive loss	–	–	–	(426)	(426)
Movement in treasury shares	–	–	(27)	–	(27)
Balance at 31 March 2021	14	8 811	(27)	(5 485)	3 313
Note	7	8	8	8	

Consolidated and separate statements of cash flows

R million	Note	CONSOLIDATED		COMPANY	
		For the		For the	
		Nine months ended 31 March 2021	Year ended 30 June 2020	Nine months ended 31 March 2021	Year ended 30 June 2020
Cash flow from operating activities					
Cash (utilised in)/generated from operations	28.1	(15)	(21)	(24)	4 456
Interest received		4	16	4	4
Income tax paid		(3)	(118)	(1)	(10)
Net cash generated from discontinued operation		–	5 633	–	(57)
Net cash (utilised in)/generated from operating activities		(14)	5 510	(21)	4 393
Cash flow from investing activities					
Investment in subsidiaries		–	–	(404)	(420)
Loans repaid by associates		894	–	–	–
Loans to associates		(53)	(173)	–	–
Loans repaid by subsidiaries		–	–	508	–
Additions to investments securities		(544)	(557)	–	–
Disposal of investment securities		–	123	–	123
Disposal of derivatives		–	238	–	54
Proceeds on sale of discontinued operation		–	2 289	–	–
Net cash inflow from/(outflow into) investment activities		297	1 920	104	(243)
Cash flow from financing activities					
Treasury shares bought		(27)	–	(27)	–
Funding provided by subsidiary to RMH		–	–	405	–
Preference shares repaid		–	(4 410)	–	(1 180)
Preference shares issued		–	1 750	–	–
Notes issued		–	1 500	–	–
Notes repaid		–	(2 501)	–	–
Borrowings repaid		–	(37)	–	(37)
Interest paid		–	(105)	–	–
Dividends paid on preference shares in issue		–	(225)	–	(44)
Dividends paid to equity holders		–	(2 795)	–	(2 795)
Net cash (outflow to)/inflow from financing activities		(27)	(6 823)	378	(4 056)
Net increase in cash and cash equivalents		256	607	461	94
Cash and cash equivalents at the beginning of the period		724	117	118	24
Cash and cash equivalents at the end of the period		980	724	579	118

Accounting policies

The following accounting policies were adopted in preparing the consolidated and separate financial statements. The policies have been consistently applied to all the periods presented. The consolidated and separate financial statements include the results of the company and its subsidiaries.

The group applied the following standards and amendments which became effective for the first time in the consolidated financial statements:

Improvements to the Conceptual Framework, which included revised definitions of assets and liabilities and clarified concepts relating to prudence, stewardship, measurement uncertainty and substance over form, became effective in the current period. Other amendments that became effective in the current period include amendments to IFRS 3 to clarify the definition of a business in a business combination and amendments to IAS 1 and IAS 8 to update and clarify the definition of materiality.

In addition, amendments were made to IFRS 9 and IAS 39 as part of phase 1 of the interbank offered rate (IBOR) reform, to provide hedge accounting relief for any hedging relationships if a particular interest rate is affected by an IBOR reform.

No other new or amended IFRS become effective for the nine months ended 31 March 2021 that impacted the group's reported earnings, financial position or reserves, or the accounting policies.

a. Basis of preparation

RMH's consolidated and separate financial statements are prepared in accordance with IFRS and interpretations issued by the IFRS Interpretations committee (IFRIC), the requirements of the Companies Act, 71 of 2008, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, SAICA Financial Reporting Guide as issued by the Accounting Practices Committee and the Listings Requirements of the JSE Limited.

The financial statements are prepared on a going concern basis. The preparation of the financial statements in conformity with IFRS necessitates the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. Although estimates are based on management's best knowledge and judgements of current facts as at the reporting date, the actual outcome may differ from those estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are outlined in accounting policy note q and note 24.

RMH made the following accounting elections in terms of IFRS, with reference to the detailed accounting policy:

- Regular way purchases or sales of financial assets are recognised and derecognised using trade date accounting; and
- Investment in subsidiaries and associates are carried at cost in the separate financial statements.

During the current period, RMH changed its year-end from June to March. The current period, therefore, constitutes a nine-month period ended 31 March 2021 while comparatives are for the 12 months ended 30 June 2020. The amounts therefore will not be entirely comparable.

Further, during the current period the face of the statement of financial position was disaggregated further. The splits between current and non-current assets and liabilities were included on the face of the statement of financial position rather than in a note to the financial statements. RMH believes that this provides users with more appropriate information and transparency. The prior year numbers were aligned with the current period disclosures. Refer accounting policy note t.

RMH has also adopted net asset value per share as a benchmark for trading statement purposes as permitted in terms of paragraph 3.4(b)(vi) of the JSE Listings Requirements, the appropriateness of this benchmark is hereby confirmed.

b. Foreign currency translation

Functional and presentation currency

Functional currency	Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates
Functional and presentation currency of RMH	South African Rand
Amounts	All amounts are stated in millions of Rand (R million), unless otherwise indicated

The exchange rates used for the period were as follows:

	For the		% change
	Nine months ended 31 March 2021	Year ended 30 June 2020	
Rand/Euro			
Average rate	18.76	17.31	8
Closing rate	17.29	19.51	(11)

Group companies

Assets and liabilities of group foreign operations whose functional currency is different to the presentation currency are translated from their respective functional currency into the group's presentation currency at closing rates ruling at statement of financial position date.

The income and expenditure and equity movements are translated into the group's presentation currency at rates approximating the foreign exchange rates ruling at the date of the various transactions. All resulting translation differences arising from the consolidation and translation of foreign operations are recognised in other comprehensive income and accumulated in equity as a foreign currency translation reserve.

When a foreign operation is partially disposed of or sold, the cumulative amount of the exchange differences in the foreign currency translation reserve relating to that foreign operation is reclassified from the reserve to profit or loss when the gain or loss on disposal is recognised.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

c. Principles of consolidation and equity accounting

Type	Measurement
Subsidiaries	<p>Subsidiaries are defined as entities that are controlled by the group. For control to exist, the group must have:</p> <ul style="list-style-type: none"> • power over the investee; • exposure or rights to variable returns from involvement with the investee; and • the ability to use power over the investee to affect the amount of the group's returns. The group must possess all three elements to conclude that it controls an investee. <p>Subsidiaries are consolidated from the date on which control is transferred to the group (effective date of acquisition) and are no longer consolidated from the date that control ceases (effective date of disposal). Gains and losses on disposal of subsidiaries are included in profit or loss. The accounting policies for subsidiaries are consistent, in all material respects, with the policies adopted by the group.</p> <p>Intergroup transactions, balances and unrealised gains and losses are eliminated on consolidation.</p> <p>Interests in subsidiary companies in the separate financial statements comprise shares, which are measured at cost less any required impairment. Acquisition costs are recorded as an expense in the period in which they are incurred, the carrying amounts of these investments are reviewed annually for impairment.</p>
Interest in associates	<p>An associate is an entity over which the group can exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investment.</p> <p>Judgement is applied in assessing which entities the group can significantly influence. In the case of voting rights, it is generally demonstrated by the group holding 20% or more of the voting power of the investee.</p> <p>Investments in associates are subsequently equity accounted. The group's share of post-acquisition profit or loss is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income, with a corresponding adjustment to the carrying amount of the investment. Other equity movements are assessed based on the substance of the transaction and accounted for accordingly, with a corresponding adjustment to the carrying amount of the investment. Equity accounted earnings, net of dividends received, are transferred to equity accounted reserves.</p> <p>Unrealised gains on transactions are eliminated to the extent of the group's interest in the entity. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset.</p> <p>Certain equity accounted investments have year-ends that differ from that of RMH. In such circumstances, the management accounts of the equity accounted investments as at RMH's reporting date are used in equity accounting. For equity accounted investments with year-ends within the permitted three months of RMH's year-end, the latest audited financial statements are used with adjustments for material subsequent events.</p>
Interest in joint ventures	<p>A joint arrangement is one in which RMH and the other contracting parties have joint control, as defined in <i>IFRS 11</i>.</p> <p>Joint ventures are those joint arrangements where the group has rights to the net assets of the arrangement.</p> <p>Joint ventures are initially recognised at cost (including goodwill) and subsequently equity accounted in the same way as interests in associates. Refer to the above.</p>
Change in ownership	<p>The group treats transactions with non-controlling interests that do not result in the loss of control as transactions with equity owners.</p> <p>If the ownership interest in an associate changes but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit and loss.</p>

d. Related party transactions

Considering the definition of related parties in IAS 24: *Related party disclosure*, the related parties of RMH have been identified as follows:

Principal shareholders

Details of major shareholders are disclosed in the directors' report. The principal shareholder is Royal Bafokeng Holdings Proprietary Limited.

Key management personnel

Key management personnel are the RMH board of directors and the chief executive officer of RMH and RMH Property respectively.

Information on directors' emoluments and their shareholding in the company appears in note 27 and the directors' report respectively.

Associates

Details of the investments in associates are disclosed in note 5.

Joint ventures

Details of the investments in joint ventures are disclosed in note 5.

Subsidiaries

Details of the investments in subsidiaries are disclosed in note 6.

e. Revenue

Revenue consists of interest income, dividends received and income from associates and joint ventures.

Type	Measurement
Interest	Interest is recognised on an effective interest rate method (taking into account the principal outstanding, the effective rate and the period).
Dividend income	Dividend income is recognised when there is an irrevocable right to the dividend.
Income from associates and joint ventures	Refer accounting policy note c.

f. Income tax expense

The income tax expense includes both current and deferred tax. Income taxes include South African and foreign jurisdiction corporate taxation payable, as well as capital gains tax.

Current tax

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, based on amounts expected to be paid to the tax authorities.

Deferred tax

Recognition

Deferred tax is recognised on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements.

These temporary differences typically include revaluation of certain financial assets and liabilities, including derivative contracts.

Measurement

Deferred tax is measured using the liability method in terms of IAS 12 and applying tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax on temporary differences is measured based on the tax base of assets and liabilities and their carrying amounts in the financial statements.

g. Recognition of contingent liabilities

Contingent liabilities

The group discloses a contingent liability where:

- It has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group; or
- It is not probable that an outflow of resources will be required to settle an obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

h. Financial instruments

Financial assets

Financial assets include:

- Cash and cash equivalents;
- Loans;
- Receivables; and
- Investment securities.

Classification

The group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- Those to be measured at amortised cost.

The classification depends on the group's business model for managing the financial assets and the contractual terms of the cash flow.

Initial recognition and measurement

Financial instruments are initially recognised at fair value, including transaction costs, when the group becomes party to the contractual terms of the instruments. The transaction costs relating to the acquisition of financial instruments held at fair value through profit or loss are expensed.

Subsequent measurement

Category	Measurement
Financial assets at fair value through profit or loss <ul style="list-style-type: none"> • Investment securities • Loan to associates 	<p>Realised and unrealised gains and losses arising from changes in the fair value of these financial instruments are recognised in profit or loss in the period in which they arise.</p> <p>Unit trusts have been classified as fair value through profit or loss.</p> <p>Loans to associates where the purpose is to fund ongoing operational expenses and the loan forms part of the initial subscription agreement are classified as fair value through profit or loss.</p>
Financial assets at amortised cost <ul style="list-style-type: none"> • Receivables • Loans • Inter-company balances 	<p>Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in revenue using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss, together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.</p> <p>Intergroup balances with subsidiaries are measured at amortised cost. These are subject to the expected credit loss impairment model.</p>

Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the investments have expired or on trade date, when they have been transferred and the group has also transferred substantially all risks and rewards of ownership.

Financial liabilities

Financial liabilities include:

- Trade and other payables; and
- Financial guarantee contracts.

Subsequent measurement

Category	Measurement
Financial liabilities <ul style="list-style-type: none"> • Trade and other payables • Financial guarantee contracts • Inter-group payables 	<p>The group initially recognises financial liabilities at the fair value of the considerations received. Financial liabilities are subsequently measured at amortised cost using the effective interest method.</p> <p>Financial guarantee contracts are recognised as financial liabilities at the time the guarantees are issued. The liability is initially measured at fair value and subsequently at the higher of:</p> <ul style="list-style-type: none"> • the amount determined in accordance with the expected credit loss model in terms of <i>IFRS 9</i>; and • the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of <i>IFRS 15</i>. <p>The fair values of financial guarantees are determined based on the present value of the difference in cash flows between the contractual payments required per the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.</p> <p>Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.</p>

Derecognition

Financial liabilities (or portions thereof) are derecognised when the obligation specified in the contract is discharged or cancelled or has expired. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it, is included in profit or loss.

Reclassification

A financial liability may not be reclassified.

i. Impairment of assets

Financial asset	Measurement
<i>IFRS 9</i>	<p>The group assesses, on a forward-looking basis, the expected credit losses (ECL) associated with its debt financial asset carried at amortised cost.</p> <p>The impairment methodology applied depends on whether there has been a significant increase in credit risk at the reporting date which includes forward-looking information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Forward-looking information used includes budgets, cash flow forecasts, observable changes in business environment and the economy, current and past operating results and significant changes in the behaviour of counterparties.</p> <p>RMH applies the simplified approach to measuring expected credit losses for trade receivables. Trade receivables which are 120 days past due are written off.</p> <p>RMH uses the staged approach as recommended:</p> <ul style="list-style-type: none"> • Stage 1 for performing assets: the expected loss for the next 12 months and this is extrapolated for the contractual life of the instrument to determine the expected loss; • Stage 2: the expected loss is measured at the lifetime expected loss, the loan is doubtful but not credit impaired; and • Stage 3: the lifetime expected loss, the loan is in default and credit impaired. <p>Stage 2 is reached when repayments are 30 days past due contractual terms and Stage 3 is reached when repayment are 90 days past due contractual terms.</p> <p>Loans for which an expected credit loss allowance was recognised are written off against the provision when there is no expectation of recovering additional cash.</p> <p>ECLs are recognised as a deduction from the gross carrying amount of the asset. Therefore, assets subject to ECLs are disclosed on a net basis in the statement of financial position.</p>
Other asset	Measurement
<i>Investment in associates and joint ventures</i>	<p>Investment in associates and joint ventures are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the investment in associates and joint ventures fair value less costs of disposal and the value-in-use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.</p>

j. Share capital**Ordinary share capital**

Ordinary shares are classified as equity. Mandatorily redeemable preference shares were classified as financial liabilities in the prior period.

Share issue costs

Instruments issued by the group are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs, directly related to the issue of new shares or options are shown as a deduction from equity, net of any related tax benefit.

Dividends paid

Dividends paid on ordinary shares are recognised against equity in the period in which they are paid. Dividends declared after the reporting date are not recognised but disclosed as an event subsequent to reporting date.

Treasury shares

Where the company or other entities within the group repurchase the company's equity share capital, unrealised gains and losses on transactions are eliminated to the extent of the group's interest in the entity. These shares are treated as a deduction from the issued number of shares and taken into account in the calculation of the weighted average number of shares.

k. Provisions

Provisions are recognised when the group has a known present legal or constructive obligation of uncertain timing or amount, as a result of past events and it is probable that an outflow of the group resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Judgement is applied as to the quantum and timing of these resources, considering all available information. Provisions are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

l. Segment reporting

An operating segment is a component of the group that engages in business activities from which the group may earn revenues and incur expenses. An operating segment is also a component of the group whose operating results are regularly reviewed by the chief operating decision-maker in allocating resources, assessing its performance and for which discrete financial information is available.

The chief operating decision-maker has been identified as the chief executive officer of RMH. The group's identification and measurement of operating segments is consistent with the internal reporting provided to the chief executive officer. The operating segments have been identified and classified in a manner that reflects the risks and rewards related to the segment operating in a specific geographic segment.

m. Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents comprise:

- Money at call and short notice.

All balances included in cash and cash equivalents have a maturity date of less than three months from the date of acquisition.

n. Earnings per share**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

 Refer note 19.

Diluted earnings per share

RMH does not have any dilutive potential ordinary shares. Therefore, there is no difference between basic and diluted earnings per share.

o. Share-based payments**Cash-settled**

RMH has issued share appreciation rights to employees and individuals who are not employees of RMH but provide management services to RMH in terms of the RMH share appreciation right scheme as a share-based payment structure. The fair value of the share appreciation rights is determined at the end of each financial period. This results in the recognition of a share-based payment liability with a corresponding expense recognised in profit and loss.

RMH has entered into an ownership-participation structure with the management of RMH Property, a subsidiary of RMH, as well as some individuals who are not employees of RMH but provide management services to RMH.

The ownership-participation structure qualifies as a share-based payment structure. The fair value of the ownership-participation structure is determined at the end of each financial period. This results in the recognition of a share-based payment liability with a corresponding expense recognised in profit and loss.

Equity-settled

In the prior year, RMH extended a loan to Mr B Roberts to subscribe for ordinary shares in RMH Property. The shares are collateral for the loan and therefore the arrangement qualifies as an equity-settled shared-based arrangement. This results in the recognition of a share-based payment reserve with a corresponding expense recognised in profit and loss.

Refer note 26.

p. Discontinued operations and non-current assets held for sale or distribution

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale or distribution and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

q. Key judgements in applying accounting policies and options elected, where permitted by IFRS

RMH made the following key judgements in applying accounting policies:

- Applying equity accounting where the investment percentage held is less than 20%. The investment in Integer Properties 1 Proprietary Limited (Integer 1) forms part of a group of companies. The level of influence over the management of relevant activities of Integer 1 is the same as for Integer Properties 2 Proprietary Limited (Integer 2). Significant influence is therefore not dependent on the ownership percentage but on the management of the investments;

- Any impairment loss in an investment in an associate is recognised by comparing the carrying value to the recoverable amount. The unprecedented nature of the continuing COVID-19 pandemic makes it impossible to accurately predict the full extent and duration of its economic effect. The economic and financial impact of this pandemic was considered as part of the impairment assessment of associates. It included the rate of economic recovery after each lockdown, cash generated by associates and trading levels achieved compared to pre-COVID-19 trading levels. The impacts of COVID-19 on ECL, impairments of investments in notes 5 and 6, valuation of loans to associates classified as fair value and going concern (refer note 25) are reflected in the financial statements.

Further detail is provided in note 5.

- In making the judgement regarding the impairment of financial assets, RMH evaluates factors such as, *inter alia*, evidence of a deterioration in the financial health of the issuer, industry and sector performance;
- The achievement of performance objectives in determining the share-based payment liability; and

Further detail is provided in note 26.

- Valuation of Level 3 fair value instruments uses valuation techniques with significant unobservable data.

Further detail is provided in note 25.

r. Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that RMH have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

s. Standards, interpretations and amendments not yet effective

Certain new accounting standards and interpretations have been published but are not mandatory for the 31 March 2021 reporting period and have not been early adopted by RMH. These standards are not expected to have a material impact on RMH in the current or future reporting periods and on foreseeable future transactions.

The following new standards and amendments and any potential material impact were considered:

Title	Key requirements	Effective date
Annual Improvements to IFRS Standards 2018-2020 Cycle	<p>Amendments to <i>IFRS 1: First-time Adoption of International Financial Reporting Standards</i>, <i>IFRS 9: Financial Instruments</i>, <i>IFRS 16: Leases</i>, and <i>IAS 41: Agriculture</i></p> <p><i>IFRS 9: Financial Instruments</i></p> <p>The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.</p> <p>The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.</p> <p>RMH anticipates that the application of these amendments may have an impact on RMH's consolidated financial statements in future periods should such transactions arise.</p>	1 January 2022
<i>IFRS 10</i> and <i>IAS 28</i> (amendments)	<p>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.</p> <p>The amendments to <i>IFRS 10</i> and <i>IAS 28</i> deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.</p> <p>The effective date of the amendments has yet to be set by the board; however, earlier application of the amendments is permitted.</p> <p>RMH anticipates that the application of these amendments may have an impact on RMH's consolidated financial statements in future periods should such transactions arise.</p>	To be announced
Amendments to <i>IAS 1</i>	<p>Classification of Liabilities as Current or Non-current</p> <p>The amendments to <i>IAS 1</i> affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p> <p>The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.</p> <p>The amendments are applied retrospectively.</p> <p>RMH does not anticipate this amendment to have an impact.</p>	1 January 2023
Amendments to <i>IFRS 3</i>	<p>Reference to the Conceptual Framework</p> <p>The amendments update <i>IFRS 3</i> so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to <i>IFRS 3</i> a requirement that, for obligations within the scope of <i>IAS 37</i>, an acquirer applies <i>IAS 37</i> to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of <i>IFRIC 21: Levies</i>, the acquirer applies <i>IFRIC 21</i> to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.</p> <p>Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.</p> <p>RMH anticipates that the application of these amendments may have an impact on RMH's consolidated financial statements in future periods should such transactions arise.</p>	1 January 2022

t. Representation of statement of financial position

Amounts previously disclosed on the face of the statement of financial position as at 30 June 2020		Amounts now disclosed on the face of the statement of financial position as at 30 June 2020		Explanation
R million				
Loans and receivables	1 122	Current: Loans and receivables	979	Split of current and non-current portions incorporated on the face of the statement of financial position, as permitted by <i>IAS 1: Presentation of Financial Statement paragraph 55</i> . Before the unbundling of FirstRand, RMH's most significant investment was its investment in FirstRand. FirstRand presented its statement of financial position by function. RMH's most significant investment now is Atterbury Europe, which presents its statement of financial position in terms of paragraph 55 of <i>IAS 1</i> . RMH, therefore, in alignment with Atterbury Europe and the property industry, represented its statement of financial position to include the current and non-current split on its face.
		Non-current: Loans and receivables	143	
Trade and other payables	75		40	The amount relating to the liquidation of Propertuity was previously incorrectly included in trade and other payables. The uncertainty relating to the finalisation date of the liquidation has led to the reclassification as a provision.
Provisions	–		35	Refer trade and other payables.

Notes to the financial statements

R million	CONSOLIDATED		COMPANY	
	As at		As at	
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
1. Cash and cash equivalents				
Cash at bank and on hand	980	724	579	118

2. Investment securities

R million	CONSOLIDATED		COMPANY	
	As at		As at	
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
Listed				
Unit trust at fair value through profit and loss	1 101	557	–	–
Investment securities	1 101	557	–	–
Reconciliation of movement in investment securities				
Opening balance	557	–	–	–
Additions	544	557	–	–
Fair value increase	25	–	–	–
Fair value movement withdrawal	(25)	–	–	–
Investment securities	1 101	557	–	–

Investment securities consist of units held in the Ashburton Money Market Fund, JSE code: ASMBB1.

3. Non-current asset held for sale

On 14 February 2020, RMH PropHoldco 1 Proprietary Limited entered into a share purchase agreement with Atterbury Property Holdings Proprietary Limited for the 38 100 ordinary shares held in Atterbury Mauritius Limited. The cash consideration is USD1.9 million. As at 31 March 2021, all conditions precedent were met and the transaction was settled on 12 April 2021.

4. Loans and receivables

R million	CONSOLIDATED		COMPANY	
	As at		As at	
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
Current	30	979	1	2
Loan to associate company at fair value	–	977	–	–
Amount due for settlement of sale of Atterbury Mauritius Limited (Refer note 3)	29	–	–	–
Accounts receivable at amortised cost ¹	1	2	1	2
Non-current	192	143	–	508
Loan to associate company at fair value	24	35	–	–
Loans to joint ventures	168	108	–	–
Amount due from subsidiaries	–	–	–	508
Net loans and receivables	222	1 122	1	510

1. The group applies the simplified approach to providing for expected credit losses as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The expected credit losses on receivables were immaterial.

Details of loans to associates

R million		CONSOLIDATED	
		As at	
Description	Terms	31 March 2021	30 June 2020
Euro 1.5 million (2020: 1.8 million) operational loan extended to Atterbury Europe as a condition to the subscription by Pareto Limited in July 2018	Earns interest at 5% and repayable one year after the Pareto subscription loan is repaid. The Pareto subscription loan will not be repaid in the next 12 months	24	35
A Euro 50 million was provided to Atterbury Europe in pursuance of a development opportunity in Bucharest. The loan was to convert to share capital should certain conditions have been met.	The date for conditions to be met to convert to share capital was set at 31 March 2021. The loan accrued interest at 0.3%	–	977
Net loans to associates carried at fair value		24	1 012

4. Loans and receivables (continued)

Details of loans to joint ventures

R million

Description	Terms	CONSOLIDATED			
		Gross	ECL	As at	
				31 March 2021	30 June 2020
A R 80 million shareholders loan was extended to Integer Properties 3 Proprietary Limited when the initial investment was made.	The loan carried interest at the prime lending rate but, during the current year, the rate was reduced to zero. The loan has no fixed repayment date and will only be settled once all other debt due by Integer Properties 3 Proprietary Limited has been settled. This is not anticipated to occur in the next 12 months.	86	(2)	84	84
A further R100 million was extended to Integer Properties 3 Proprietary Limited.	The loan bears interest at the prime lending rate plus 5% and is repayable in May 2023. Should the Integer Properties 3 Proprietary Limited not be able to settle the loan, the loan carries a conversion right into ordinary shares. The current assessment is that the loan will not be converted into ordinary shares.	84	–	84	24
Net loans to associates carried at amortised cost		170	(2)	168	108

Details of loans to subsidiaries

R million

Description	Terms	CONSOLIDATED			
		Gross	ECL	As at	
				31 March 2021	30 June 2020
RMH has a central treasury function. Funding requirements are met through short-term funding facilities.	Shareholder funding facilities do not carry interest and have no predetermined repayment terms. The expected loss on intergroup loans is reversed on consolidation and not considered material.	–	–	–	508
Net funding to subsidiaries		–	–	–	508

5. Investment in associates and joint ventures

R million	CONSOLIDATED	
	As at	
	31 March 2021	30 June 2020
<i>Analysis of the movement in the carrying value of associates and joint ventures</i>		
Opening carrying value	2 613	52 038
Atterbury Mauritius Limited transferred to non-current asset held for sale	–	(28)
Share of after-tax profits/(losses) of associates and joint ventures	18	(133)
Impairments	(8)	(131)
Dividends received	–	(14)
Share of other reserves	12	2
Foreign currency translation	(243)	382
Less amount transferred to discontinued operation (Refer note 30)	–	(49 503)
Total carrying values of associates and joint ventures	2 392	2 613

R million	CONSOLIDATED	
	As at	
	31 March 2021	30 June 2020
<i>Carrying values of associates and joint ventures</i>		
Unlisted		
Atterbury Property Holdings Proprietary Limited	343	342
Atterbury Europe Holding B.V.	1 902	2 116
Diversity Urban Property Fund Proprietary Limited	133	143
Integer Properties 1 Proprietary Limited	14	12
Total carrying values of associates and joint ventures	2 392	2 613

5. Investment in associates and joint ventures (continued)

The group's interests in its associates and joint ventures are as follows:

	Number of shares		Percentage held	
	As at		As at	
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
Unlisted associates				
Atterbury Europe Holding B.V.	44 536	44 536		
% of ownership			37.50	37.50
% of voting rights			37.50	37.50
Financial year-end	December			
Reporting period used to equity account	Six months ended 31 December 2020 adjusted for significant subsequent events			
Country of incorporation	Netherlands			
Principal place of business	Netherlands			
Nature of activities	Property investment holding company			
Date acquired	February 2018			
Atterbury Property Holdings Proprietary Limited	28 448 276	28 448 276		
% of ownership			27.50	27.50
% of voting rights			27.50	27.50
Financial year-end	June			
Reporting period used to equity account	Six months ended 31 December 2020			
Country of incorporation	Republic of South Africa			
Principal place of business	Republic of South Africa			
Nature of activities	Property investment holding company			
Date acquired	July 2016			
Integer Properties 1 Proprietary Limited	900	900		
% of ownership			9.00	9.00
% of voting rights			9.00	9.00
Financial year-end	March			
Reporting period used to equity account	March			
Country of incorporation	Republic of South Africa			
Principal place of business	Republic of South Africa			
Nature of activities	Property investment holding company			
Date acquired	September 2018			

	Number of shares		Percentage held	
	As at		As at	
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
Unlisted associates				
Integer Properties 2 Proprietary Limited	20	20		
% of ownership			20.00	20.00
% of voting rights			20.00	20.00
Financial year-end	March			
Reporting period used to equity account	March			
Country of incorporation	Republic of South Africa			
Principal place of business	Republic of South Africa			
Nature of activities	Property investment holding company			
Date acquired	September 2018			
Divercity Urban Property Fund Proprietary Limited				
	144 208 114	144 208 114		
% of ownership			20.30	20.30
% of voting rights			20.30	20.30
Financial year-end	June			
Reporting period used to equity account	Nine months ended 31 March 2021			
Country of incorporation	Republic of South Africa			
Principal place of business	Republic of South Africa			
Nature of activities	Property investment holding company			
Date acquired	October 2018			
Unlisted joint ventures				
Integer Properties 3 Proprietary Limited	100	100		
% of ownership			50.00	50.00
% of voting rights			50.00	50.00
Financial year-end	March			
Reporting period used to equity account	March			
Country of incorporation	Republic of South Africa			
Principal place of business	Republic of South Africa			
Nature of activities	Property investment holding company			
Date acquired	December 2017			

5. Investment in associates and joint ventures (continued)

R million	As at									
	31 March 2021					As at 30 June 2020				
	Atterbury Europe Holding B.V.	Atterbury Property Holdings Proprietary Limited	Integer	Diversity Urban Property Fund Proprietary Limited	Total	Atterbury Europe Holding B.V.	Atterbury Property Holdings Proprietary Limited	Integer	Diversity Urban Property Fund Proprietary Limited	Total
Statement of financial position										
Assets										
Current assets	1 027	1 546	49	80	2 702	2 062	1 669	73	141	3 945
Non-current assets	9 153	7 572	837	2 661	20 223	10 639	7 477	809	2 335	21 260
Total assets	10 180	9 118	886	2 741	22 925	12 701	9 146	882	2 476	25 205
Liabilities										
Current liabilities	317	1 347	131	534	2 329	1 757	1 419	50	716	3 942
Non-current liabilities	4 699	6 067	699	1 557	13 022	5 240	6 024	753	1 099	13 116
Total liabilities	5 016	7 414	830	2 091	15 351	6 997	7 443	803	1 815	17 058
Non-controlling interest	53	457	–	1	511	61	459	–	1	521
Net asset value	5 111	1 247	56	649	7 063	5 643	1 244	79	660	7 626
RMH Property's share of net asset value	1 902	343	14	133	2 392	2 116	342	12	135	2 605
Notional goodwill	–	–	–	–	–	–	–	–	8	8
Closing carrying value	1 902	343	14	133	2 392	2 116	342	12	143	2 613

R million	For the									
	Nine months ended 31 March 2021					Year ended 30 June 2020				
	Atterbury Europe Holding B.V.	Atterbury Property Holdings Proprietary Limited	Integer	Divercity Urban Property Fund Proprietary Limited	Total	Atterbury Europe Holding B.V.	Atterbury Property Holdings Proprietary Limited	Integer	Divercity Urban Property Fund Proprietary Limited	Total
Revenue	268	501	64	207	1 040	258	748	165	102	1 273
Statement of comprehensive income/(loss)										
Net profit/(loss) for the period	119	(16)	(25)	(14)	64	(213)	(317)	(98)	(18)	(646)
Other comprehensive (loss)/income	–	(1)	–	–	(1)	–	2	–	–	2
Total comprehensive income/(loss)	119	(17)	(25)	(14)	63	(213)	(315)	(98)	(18)	(644)
Dividends received from associates and joint ventures	–	–	–	–	–	–	14	–	–	14
Guarantees issued in respect of funding not included in carrying value*	–	534	–	–	534	–	534	–	40	574
Loans to associates and joint ventures (Refer note 4) *	24	–	–	168	192	1 012	–	–	108	1 120

* A financial guarantee liability of R6 million (2020: R 16 million) was recognised for the guarantee provided to Atterbury SA (refer note 11) for its facility with RMB, a division of FirstRand Bank Limited. The facility is repayable in July 2023. The facility with RMB, a division of FirstRand Bank Limited can be settled by converting it into ordinary shares at the election of Atterbury SA.

* The loan to Integer Properties 3 Proprietary Limited contains certain equity conversion rights in June 2023. An assessment was completed at 31 March 2021 of the equity conversion right and it was concluded that, as at 31 March 2021, the equity conversion would not be elected.

Property

In October 2018, Property was placed in liquidation. As at 31 March 2021, significant progress has been made but the liquidation was not yet completed. RMH has fully provided for its commitments to Property. Refer to note 11.

5. Investment in associates and joint ventures (continued)

Atterbury SA

During the prior financial year, the South African property industry experienced significant headwinds. The majority of listed property funds were trading at significant discounts to net asset value. Management therefore impaired the goodwill acquired in Atterbury Property Holdings Proprietary Limited by a further R131 million. This did not bear any relation to the performance of Atterbury Property Holdings Proprietary Limited. The calculation took into consideration capitalisation rate changes since acquisition, changes in the embedded value of the development and asset management business since acquisition.

Atterbury Europe

On 31 March 2021, Atterbury Europe repaid the Euro 50 million loan provided for the Bucharest development opportunity as the conditions were not met by the long stop date. As a result, subscription funding of Euro 25 million became due and payable to Business Venture Investments No 1360 Proprietary Limited. Atterbury Europe repaid Euro 10 million and the balance of Euro 15 million was transferred to a new loan facility with a repayment date of 30 September 2022 or such a date as will be agreed by the parties. The accrued interest of Euro 2.4 million was also settled.

Diversity

The statement of financial position disclosed above has been adjusted to take this into consideration.

The South African property industry continued to experienced headwinds and the residential rental market did not go unscathed. This represents a significant portion of the Diversity portfolio and RMH Property therefore impaired the balance of the goodwill carried in respect of Diversity.

6. Investment in subsidiaries

R million	COMPANY	
	As at	
	31 March 2021	30 June 2020
Opening balance	3 175	13 044
Additions	404	419
Impairment*	(402)	(10 288)
Total investment in subsidiaries – unlisted shares at cost	3 177	3 175

* Management considers the carrying value of its investment in subsidiaries on an annual basis. Following the unbundling of FirstRand in the prior year, the carrying value of the investment in RMH Asset Holding Company Proprietary Limited was impaired by an amount equal to the amount attributable to the FirstRand carrying value disposed of through dividend in specie. In the current year, the investment in RMH Treasury Company Limited was impaired with the accumulated historical loss in the entity as a result of the funding structure of the group. All funding was settled as part of the unbundling transactions. These entries are reversed on consolidation and bear no reflection on the continuing operations of RMH.

List of subsidiaries	% Voting rights		% Ownership	
	As at		As at	
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
Direct subsidiaries				
RMH Treasury Company Limited	100	100	100	100
RMH Asset Holding Company Proprietary Limited	100	100	100	100
Indirect subsidiaries				
RMH Property Holdings Proprietary Limited	99	99	100	100
RMH PropHoldco 1 Proprietary Limited	100	100	100	100
RMH PropHoldco 2 Proprietary Limited	100	100	100	100
RMH PropHoldco 3 Proprietary Limited	100	100	100	100
RMH PropHoldco 4 Proprietary Limited	100	100	100	100
RMH PropHoldco 5 Proprietary Limited	100	100	100	100
RMH PropHoldco 6 Proprietary Limited	100	100	100	100

7. Share capital and premium

CONSOLIDATED AND COMPANY				
R million	Number of shares million	Share capital	Share premium	Total
As at 30 June 2020	1 411.7	14	8 811	8 825
Balance as at 1 July 2020	1 411.7	14	8 811	8 825
Treasury shares acquired (Refer note 8)	(19.5)	–	–	–
As at 31 March 2021	1 392.2	14	8 811	8 825

The total authorised number of shares is 2 000 000 000 (2020: 2 000 000 000), with a par value of one cent per share (2020: one cent). During the current year, no shares were issued (2020: nil). 5% of the unissued share capital is under the control of the board of directors until the forthcoming annual general meeting.

The total authorised number of redeemable cumulative preference shares is 100 000 000 (2020: 100 000 000), with a par value of one cent per share (2020: one cent). During the year, no preference shares were issued. As these preference shares are redeemable, they are classified as financial liabilities at amortised cost (Refer note 11). All preference shares were unlisted and redeemed during October 2019.

During the current period RMH bought 19 514 151 call options as a hedge for share appreciation rights granted, these options are treated as treasury shares, as it is a fixed number of options and a fixed strike price. A treasury share reserve has been created for the treatment as such. Refer note 8.

Detail of option:

Date of transaction	31 December 2020
Number of options	19 514 151
Option style	Asian
Option type	Call
Call strike price	R0.0001 per share
Delta reference	R1.3625 per share

8. Reserves

		CONSOLIDATED		COMPANY	
		As at		As at	
R million		31 March 2021	30 June 2020	31 March 2021	30 June 2020
Retained earnings		(5 716)	(5 907)	(5 485)	(5 059)
Other reserves	Description				
Equity accounted reserves	Reserves belonging to equity accounted investments	1 301	1 554	–	–
Share-based payment reserve (Refer note 26)	Reserve for equity-settled share-based payment arrangements	9	15	–	–
Foreign currency translation reserve	Translation reserve relating to foreign equity accounted investments.	230	473	–	–
Treasury share reserve	Reserve created to account for call option on own equity.	(27)	–	(27)	–
Other reserves		1 513	2 042	(27)	–
Total reserves		(4 203)	(3 865)	(5 512)	(5 059)

9. Trade and other payables

R million	CONSOLIDATED		COMPANY	
	As at		As at	
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
Trade payables and accrued expenses	5	50	3	11
Unclaimed dividends	25	25	25	25
Provision for liquidation costs transferred to provisions	–	(35)	–	–
Trade and other payables	30	40	28	36
9.1 Amount due to intergroup company				
Amount due to RMH Asset Holding Company Proprietary Limited*			405	–
Amount due to intergroup company			405	–

* The outstanding amount was settled on 13 April 2021.

10. Provisions

R million	CONSOLIDATED		COMPANY	
	As at		As at	
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
Provision for liquidation costs	28	35	–	–
Provisions	28	35	–	–
Balance at 1 July	35	43	–	–
Amount utilised	(7)	(8)	–	–
Provisions	28	35	–	–

Description:

Significant progress has been made on the transfer of underlying properties owned by Propertuity. However, the sale of one property was cancelled and has caused a delay in the finalisation of the liquidation of Propertuity.

The transfer of remaining properties is anticipated within the next six months, there has been a delay in obtaining the necessary clearance certificates from local municipalities as a result of the COVID-19 pandemic.

The provision is the best estimate of the liquidation fee and net amounts due on sureties signed.

11. Financial liabilities

R million	CONSOLIDATED		COMPANY	
	As at		As at	
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
Financial guarantee contract liability	6	16	4	–
Financial liabilities	6	16	4	–

Details of preference shares

The following preference shares were issued in terms of the group debt programmes in the prior period but redeemed as part of the FirstRand unbundling:

R million	CONSOLIDATED		COMPANY	
	As at		As at	
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
Shares in issue at the beginning of the period	–	1 702	–	1 180
Shares redeemed during the period	–	(1 702)	–	(1 180)
Share in issue at the end of the period	–	–	–	–
Fixed rate, cumulative, redeemable preference shares				
Shares in issue at the beginning of the period	–	957	–	–
Issued during the period	–	1 750	–	–
Shares redeemed during the period	–	(2 707)	–	–
Share in issue at the end of the period	–	–	–	–

Details of interest-bearing notes

The following interest-bearing notes were issued by RMH Treasury Company Limited in terms of the RMH debt programme in the prior period but redeemed as part of the FirstRand unbundling:

R million	CONSOLIDATED	
	As at	
	31 March 2021	30 June 2020
Interest-bearing note funding		
Balance at the beginning of the period	–	1 001
Issued during the period	–	1 500
Repaid during the period	–	(2 501)
Total interest-bearing note funding at the end of the period	–	–

12. Deferred income tax

R million	CONSOLIDATED		COMPANY	
	For the		For the	
	Nine months ended 31 March 2021	Year ended 30 June 2020	Nine months ended 31 March 2021	Year ended 30 June 2020
Movement on the deferred income tax account is shown below:				
Balance at the beginning of the period	2	20	–	20
Deferred income tax charged during the current period	(2)	(18)	–	(20)
Total deferred income tax liability	–	2	–	–
Deferred income tax liabilities arise from:				
Unrealised fair value income	–	2	–	–
Total deferred income tax liability	–	2	–	–

13. Investment income

R million	CONSOLIDATED		COMPANY	
	For the		For the	
	Nine months ended 31 March 2021	Year ended 30 June 2020	Nine months ended 31 March 2021	Year ended 30 June 2020
Dividend income from subsidiary	–	–	–	6 130
Dividend income from investment securities	–	6	–	6
Interest income	10	5	3	4
Interest on loans to associates	10	11	–	–
Interest income from RMH Treasury Company Limited	–	–	1	2
Total investment income	20	22	4	6 142

14. Fair value (losses)/gains on financial assets and liabilities

R million	CONSOLIDATED		COMPANY	
	For the		For the	
	Nine months ended 31 March 2021	Year ended 30 June 2020	Nine months ended 31 March 2021	Year ended 30 June 2020
Fair value gain on derivative assets and liabilities	–	319	–	(31)
Fair value (loss)/profit on loans carried at fair value	(94)	6	–	–
Fair value income/(loss) on financial guarantee contract	10	(16)	(4)	–
Fair value gain/(loss) on investment securities	25	(49)	–	(44)
Net fair value (loss)/gain	(59)	260	(4)	(75)

15. Net impairment losses

R million	CONSOLIDATED		COMPANY	
	For the		For the	
	Nine months ended 31 March 2021	Year ended 30 June 2020	Nine months ended 31 March 2021	Year ended 30 June 2020
Impairment on associate	(8)	(131)	–	–
Impairment of investment in subsidiary	–	–	(402)	–
Net impairment losses	(8)	(131)	(402)	–

16. Operating expenses

R million	CONSOLIDATED		COMPANY	
	For the		For the	
	Nine months ended 31 March 2021	Year ended 30 June 2020	Nine months ended 31 March 2021	Year ended 30 June 2020
Expenses by nature				
– Professional fees and regulatory compliance cost	(11)	(23)	(9)	(9)
– Management fees*	(4)	(3)	(4)	(3)
– Short-term lease expense	(1)	(1)	(1)	(1)
– Audit fees	(1)	(2)	(1)	(2)
– Staff costs	(2)	(7)	–	–
– Share-based payment expense (Refer note 26)	(13)	12	(7)	–
– Directors' fees	(1)	(3)	(1)	(3)
– Stamp duty	–	(11)	–	(3)
– Donations	(3)	–	(3)	–
– Other expenses**	(2)	(5)	(2)	(2)
Total administrative expenses	(38)	(43)	(28)	(23)
* Management fees are paid to RMI for services rendered. These services include a recovery of personnel cost.				
** Aggregation of expenses all less than R500k individually.				
Audit fees				
Statutory audit – current year	(1)	(2)	(1)	(2)
Statutory audit – prior year	–	(1)	–	(1)
Total audit fees	(1)	(3)	(1)	(3)

17. Finance costs

R million	CONSOLIDATED		COMPANY	
	For the		For the	
	Nine months ended 31 March 2021	Year ended 30 June 2020	Nine months ended 31 March 2021	Year ended 30 June 2020
Interest expense on borrowings	–	(56)	–	–
Dividends accrued on redeemable preference shares	–	(197)	–	(29)
Total finance costs	–	(253)	–	(29)

18. Income tax expense

R million	CONSOLIDATED		COMPANY	
	For the		For the	
	Nine months ended 31 March 2021	Year ended 30 June 2020	Nine months ended 31 March 2021	Year ended 30 June 2020
SA income tax				
Current tax				
– Current year	(10)	(111)	–	(11)
Deferred tax				
– Current year	–	18	–	20
Taxation	(10)	(93)	–	9
The tax on accounting profits differs from the actual tax paid:				
Loss before tax	(62)	(272)	(426)	(4 269)
Tax at the standard income tax rate of South Africa	17	76	119	1 195
Tax effect of amounts which are not deductible (taxable) in calculating taxable income				
Dividend income	–	2	–	1 718
Realised fair value income/(loss)	7	(121)	–	(23)
Impairment of investment in subsidiary	–	–	(113)	(2 881)
Impairment of associates	(2)	(37)	–	–
(Income)/loss from associates	(5)	37	–	–
Expenses including preference dividends not tax deductible	(3)	(27)	(3)	(20)
Unrealised fair value (loss)/profit reversed	(24)	18	(3)	20
Taxation	(10)	(52)	–	9

The tax on accounting profits differs from the actual tax paid:

	CONSOLIDATED		COMPANY	
	For the		For the	
	Nine months ended 31 March 2021	Year ended 30 June 2020	Nine months ended 31 March 2021	Year ended 30 June 2020
%				
Standard income tax rate of South Africa	(28.00)	(28.00)	(28.00)	(28.00)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Dividend income	–	(0.74)	–	(40.24)
Realised fair value (income)/loss	(11.29)	44.49	–	0.54
Impairment of investment in subsidiary	–	–	26.40	67.49
Impairment of associates	3.61	13.60	–	–
Income/(loss) from associates	8.13	(13.60)	–	–
Expenses including preference dividends not tax deductible	5.51	25.06	0.80	0.47
Unrealised fair value profit/(loss) reversed	38.71	(6.62)	0.80	(0.47)
Effective tax rate	16.67	34.19	(0.00)	(0.21)

19. Earnings, headline earnings and dividend per share

	CONSOLIDATED			
	R million		Cents per share	
	For the		For the	
	Nine months ended 31 March 2021	Year ended 30 June 2020	Nine months ended 31 March 2021	Year ended 30 June 2020
(Loss)/earnings attributable to ordinary equity holders – continuing and discontinued operations				
– Basic	(72)	32 596	(5.1)	2 309.0
– Diluted	(72)	32 596	(5.1)	2 309.0
Headline (loss)/earnings – continuing and discontinued operations				
– Basic	(30)	5 377	(2.1)	380.9
– Diluted	(30)	5 377	(2.1)	380.9
Loss attributable to ordinary equity holders – continuing operations				
– Basic	(72)	(365)	(5.1)	(25.9)
– Diluted	(72)	(365)	(5.1)	(25.9)
Headline loss – continuing operations				
– Basic	(30)	(262)	(2.1)	(18.6)
– Diluted	(30)	(262)	(2.1)	(18.6)
Earnings attributable to ordinary equity holders – discontinued operation				
– Basic	–	32 961	–	2 334.9
– Diluted	–	32 961	–	2 334.9
Headline earnings – discontinued operation (Refer note 30)				
– Basic	–	5 639	–	399.5
– Diluted	–	5 639	–	399.5
Ordinary dividend declared during the period				
– Interim	–	–	–	–
– Final	–	–	–	–
Ordinary dividends paid during the period	–	2 795	–	198.0

19. Earnings, headline earnings and dividend per share (continued)

19.1 Weighted average number of shares

	As at	
	31 March 2021	30 June 2020
Number of shares issued	1 411 703 218	1 411 703 218
Number of treasury shares	(19 514 151)	–
Number of shares	1 392 189 067	1 411 703 218
Weighted number of shares issued	1 411 703 218	1 411 703 218
Weighted number of treasury shares	(6 409 758)	–
Weighted number of shares	1 405 293 460	1 411 279 552
Weighted number of shares issued	1 411 703 218	1 411 703 218
Diluted weighted number of treasury shares	(6 409 758)	–
Diluted weighted number of shares	1 405 293 460	1 411 703 218

19.2 Headline earnings reconciliation

R million	CONSOLIDATED			
	For the		For the	
	Nine months ended 31 March 2021		Year ended 30 June 2020	
	Gross	Net	Gross	Net
(Loss)/earnings attributable to ordinary equity holders – continuing and discontinued operations	(72)	(72)	32 596	32 596
Adjusted for:	42	42	(27 207)	(27 219)
<i>Adjustments made by discontinued operation:</i>				
FirstRand	–	–	107	85
<i>RMH's share of adjustments made by RMH Property and its associates:</i>				
RMH Property's associates adjustments	34	34	(38)	(28)
Impairment of goodwill by RMH Property	8	8	131	131
<i>RMH's own adjustments:</i>				
Loss on deemed sale of associate due to change in effective shareholding	–	–	20	20
Profit on distribution of discontinued operation	–	–	(26 676)	(26 676)
Profit on sale of discontinued operation	–	–	(751)	(751)
Headline (loss)/earnings attributable to ordinary equity holders	(30)	(30)	5 389	5 377

20. Segmental reporting

Group's chief operating decision-maker

The chief operating decision-maker has been identified as the chief executive officer. Information provided is aligned with the internal reporting provided to the chief executive officer.

Identification and measurement of operating segments

Information provided is aligned with the internal reporting provided to the chief executive officer. Operating segments with revenue, absolute profit or loss for the period or total assets representing 10% or more of all total revenue, total profit or loss or total assets, are reported separately. Subsequent to the unbundling of FirstRand, the only segment information considered is the geographical information.

Geographical segments

R million	South Africa	Europe	Continuing operations	FirstRand – discontinued operation	RMH
For the nine months ended 31 March 2021					
Revenue	9	29	38	–	38
Share of after-tax (loss)/profit of associates and joint ventures	(11)	29	18	–	18
(Loss)/profit for the period	(101)	29	(72)	–	(72)
As at 31 March 2021					
Investment in associates and joint ventures	490	1 902	2 392	–	2 392
For the 12 months ended 30 June 2020					
Revenue	(51)	(60)	(111)	5 594	5 483
Share of after-tax (loss)/profit of associates and joint ventures	(73)	(60)	(133)	5 594	5 461
(Loss)/profit for the year	(305)	(60)	(365)	5 594	5 229
As at 30 June 2020					
Investment in associates and joint ventures	497	2 116	2 613	–	2 613

21. Related parties

Principal shareholders

Details of major shareholders are disclosed in the directors' report. The principal shareholder is Royal Bafokeng Holdings Proprietary Limited.

Key management personnel and their associates

RMH's directors and prescribed officers are key management personnel. Information on directors' emoluments and their shareholding in the company appears in the directors' report. RMI has been identified as an associate of key management personnel.

21. Related parties (continued)

Associate and joint ventures

Details of the investment in associates and joint ventures are disclosed in note 5.

R million	CONSOLIDATED		COMPANY	
	For the		For the	
	Nine months ended 31 March 2021	Year ended 30 June 2020	Nine months ended 31 March 2021	Year ended 30 June 2020
Key management personnel				
Salaries and other benefits	5	6	5	6
Directors' fees	1	3	1	3
Transactions of RMH or its wholly-owned subsidiaries with FirstRand:				
Income statement effect				
Dividends received	–	5 693	–	–
Interest received	–	16	–	2
Preference shares dividends paid	–	167	–	29
Finance costs	–	38	–	–
Balance sheet effect				
Cash and cash equivalents	–	678	–	72
Investment securities	–	557	–	–
Transactions of RMH's wholly-owned subsidiaries with RMH Property associates and joint ventures:				
Income statement effect				
Fee income	4	5	4	4
– Fees received from Atterbury Property Holdings Proprietary Limited	4	4	4	4
– Fees received from Integer Properties 3 Proprietary Limited	–	1	–	–
Investment income				
– Interest received from Integer 3 Proprietary Limited	6	8		
Balance sheet effect				
Loans and receivables	192	1 120		
– Loan to Integer Properties 3 Proprietary Limited	168	108		
– Atterbury Europe Holding B.V.	24	1 012		
Transactions of RMH with RMI				
Income statement effect				
Operating expenses				
– Management fee	(4)	(3)	(4)	(3)

22. Financial guarantees and commitments

R million	CONSOLIDATED		COMPANY	
	As at		As at	
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
Financial guarantees provided on behalf of associates	6	16	–	–
Loan funding committed to associates and joint ventures	44	76	–	–
Financial guarantees and commitments	50	92	–	–

Guarantees have been provided for certain funding facilities on behalf of property investments (refer note 5). Refer to note 25 for the credit risk management of RMH.

23. Subsequent events

On 8 April 2021, RMH declared a special dividend of 80 cents per share. The last date to trade to participate in this special dividend was Tuesday, 4 May 2021, the record date was Friday, 7 May 2021 and the payment date was Monday, 10 May 2021. This special dividend occurred as a direct result of the repayment of the Euro 50 million loan by Atterbury Europe earmarked for the Bucharest opportunity and management's decision to reduce the cash retained for ongoing operations in alignment with the monetisation strategy.

On 20 May 2021, the CDC Group PLC (CDC) entered into a subscription agreement with Divercity. As a result, RMH Property's interest in Divercity will dilute. As a condition of the CDC subscription, the balance of the shareholders of Divercity, including RMH Property, were required to enter into a subscription agreement wherein they will each subscribe for their *pro rata* share of an additional R30 million of ordinary shares. As a result RMH Property's interest diluted to 10.9%.

There were no other material events that occurred between the date of the statement of financial position and the date of these financial statements

24. Fair value measurements and analysis of assets and liabilities

This note provides information about the judgements and estimates made to determine the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is contained in the table below.

Valuation methodology applied

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. Fair value is therefore a market-based measurement and, when measuring fair value, RMH uses the assumptions that market participants would use when pricing an asset or liability under current market conditions, including assumptions about risk. When determining fair value, it is presumed that the entity is a going concern and the fair value is therefore not an amount that represents a forced transaction, involuntary liquidation or a distressed sale.

The fair value of non-traded derivatives is based on discounted cash flow models and option pricing models, as appropriate. The group recognises derivatives as assets when the fair value is positive and as liabilities when the fair value is negative. The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received), unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging), or based on a valuation technique with variables that include only data from observable markets. When such evidence exists, the group recognises profits or losses on day one. Where fair value is determined using valuation techniques with variables that include non-observable market data, the difference between the fair value and the transaction price (the day one profit or loss) is not recognised in the statement of financial position. These differences are, however, monitored for disclosure purposes. If observable market factors that market participants would consider in setting a price subsequently become available, the balance of the deferred day one profit or loss is released to profit or loss.

24. Fair value measurements and analysis of assets and liabilities (continued)

Fair value measurement

Fair value measurements are determined on both a recurring and non-recurring basis.

Recurring fair value measurements

Recurring fair value measurements are those for assets and liabilities that IFRS requires or permits to be recognised at fair value and are recognised in the statement of financial position at reporting date. This includes financial assets, financial liabilities and non-financial assets.

Non-financial assets

When determining the fair value of a non-financial asset, a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use, is taken into account. This includes the use of the asset that is physically possible, legally permissible and financially feasible. In determining the fair value of the group's investment properties, the highest and best use of the assets is their current use.

Non-recurring fair value measurements

Non-recurring fair value measurements are those triggered by particular circumstances and include the classification of assets and liabilities as non-current assets or disposal groups held for sale under *IFRS 5: Non-current Assets Held for Sale and Discontinued Operations*, where fair value less costs to sell is the recoverable amount, *IFRS 3: Business Combinations*, where assets and liabilities are measured at fair value at acquisition date, and *IAS 36: Impairments of Assets*, where fair value less costs to sell is the recoverable amount. These fair value measurements are determined on a case-by-case basis as they occur within each reporting period.

Other fair value measurements

Other fair value measurements include assets and liabilities not measured at fair value but for which fair value disclosures are required under another IFRS standard, e.g. financial instruments at amortised cost. The fair values of these items are determined by using observable quoted market prices where these are available, or in accordance with generally acceptable pricing models such as a discounted cash flow analysis.

Fair value hierarchy and measurements

Valuations based on observable inputs include:

- **Level 1** – Fair value is based on quoted market prices (unadjusted) in active markets for identical instruments as measured on reporting date. An active market is one in which transactions occur with sufficient volume and frequency to reliably provide pricing information on an on-going basis.
- **Level 2** – Fair value is determined through valuation techniques based on observable market inputs. These valuation techniques maximise the use of observable market data where available and rely as little as possible on entity-specific estimates.

Valuations based on unobservable inputs include:

- **Level 3** – Fair value is determined through valuation techniques that use significant unobservable inputs.

The table below sets out the valuation techniques applied by RMH for fair value measurements of financial assets and liabilities categorised as Level 3 asset and liabilities in the fair value hierarchy.

Instrument	Valuation technique	Description of valuation technique and main assumptions	Unobservable inputs
For instruments carried at fair value			
Loans and receivables including loans to associates (Refer note 4)	Discounted cash flows	The future cash flows are discounted using a market-related interest rate adjusted for credit inputs, over the contractual period	Interest rates

The table below sets out the valuation techniques applied by RMH for fair value measurements of financial assets and liabilities categorised as Level 3 asset and liabilities in the fair value hierarchy.

Instrument	Valuation technique	Description of valuation technique and main assumptions	Unobservable inputs
Financial guarantee contracts (Refer note 11)	Discounted cash flow	The fair values of financial guarantees are determined based on the present value of the difference in cash flows between the contractual payments required per the debt instrument and the payments that would be required without the guarantee.	Discount rate and credit rating with and without guarantee

R million	CONSOLIDATED		
	Level 1	Level 3	Total
As at 31 March 2021			
<i>Recurring fair value measurements</i>			
Financial assets measured at fair value			
Investment securities	1 101	–	1 101
Loans and receivables	–	24	24
Fair value of financial assets	1 101	24	1 125
<i>Recurring fair value measurements</i>			
Financial liabilities measured at fair value			
Financial liabilities	–	6	6
Fair value of financial liabilities	–	6	6
As at 30 June 2020			
<i>Financial assets measured at fair value</i>			
Investment securities	557	–	557
Equity of ordinary equity holders	–	1 085	1 085
Fair value of financial assets	557	1 085	1 642
<i>Recurring fair value measurements</i>			
Financial liabilities measured at fair value			
Financial liabilities	–	16	16
Fair value of financial liabilities	–	16	16

	CONSOLIDATED	
	As at	
	31 March 2021	30 June 2020
Reconciliation of Level 3 assets measured at fair value		
Balance at the beginning of the period	1 012	722
Additions in the current period	–	146
Disposals	(894)	–
Fair value movement recognised in profit	(94)	144
Balance at the end of the period	24	1 012
Reconciliation of Level 3 liabilities measured at fair value		
Balance at the beginning of the period	16	–
Fair value movement recognised in profit	(10)	16
Balance at the end of the period	6	16

25. Management of financial risk

Various financial risks have an impact on the group's results: market risk (including currency risk, interest rate risk and other price risk), credit risk, concentration risk and liquidity risk. These risks are all managed within the investment strategy of RMH and are discussed at bi-annual audit and risk committee and quarterly board meetings as part of the assessment of the performance of the underlying investments. The risk management framework is aimed at minimising the negative impact that the unpredictable financial markets can have on the results of the group. Below, the quantitative and qualitative impacts of market risk, credit risk and liquidity risk on the results of the group are outlined:

Market risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: **currency risk, interest rate risk and other price risk.**

Currency risk

Currency risk is the risk that the value of the financial instrument denominated in a foreign currency and group entities with functional currencies other than Rand will fluctuate because of changes in currency valuation of the Rand.

The following assets of RMH are exposed to currency risk:

- Its investment in Atterbury Europe (refer note 5). Atterbury Europe operates in the CEE countries of Romania, Serbia and Cyprus. The investment in Atterbury Europe currently accounts for 80% (2020: 80%) of the carrying value of investment in associates. The investment is currently not hedged for currency risk as it is not permitted within current foreign exchange legislation. Currency risk is taken into account in the IRR target for investments in a currency other than the functional currency of RMH, Rand.
- RMH have extended a Euro 1.5 million (2020: 51.8 million) loan to Atterbury Europe (refer note 5). The loan is currently unhedged. The balance in prior year included the loan of Euro 50 million for the Bucharest opportunity. The RMH board decided not to extend the period for the opportunity in March 2021 and the Euro-denominated loan was repaid on 31 March 2021 at the prevailing exchange rate.

RMH has no liabilities exposed to currency risk.

The impact of the movement in the Rand/Euro exchange rate on the results of the group is demonstrated below:

R million	CONSOLIDATED			
	As at			
	31 March 2021		30 June 2020	
	10% increase	10% decrease	10% increase	10% decrease
Loan to associates (Refer note 5)	2	(2)	101	(101)

Interest rate risk

Interest rate risk is the risk of the fair value of future cash flows of a financial instrument fluctuating because of changes in market interest rates.

As both the company and the group have settled all funding arrangements, the exposure to interest rate risk has reduced significantly. The table below reflects the equity holders' exposure to interest rate risk. The construct of the statement of financial position is monitored on an ongoing basis by management and reported on at the quarterly board meetings. Management takes a view on the short, medium and long term of the interest rate environment and accordingly makes recommendations to the board.

Below is the quantitative impact of applying an interest rate shock of 200bps on the effective rate method to the underlying interest rate. An increase or decrease in the market interest rate would result in the following changes in the profit before tax of the group:

R million	CONSOLIDATED				COMPANY			
	31 March 2021		30 June 2020		31 March 2021		30 June 2020	
	200bps increase	200bps decrease	200bps increase	200bps decrease	200bps increase	200bps decrease	200bps increase	200bps decrease
Financial assets								
Cash and cash equivalents	14	(14)	14	(14)	2	(2)	3	(3)
Loans and receivables	13	(13)	22	(22)	–	–	–	–
Investment securities – Unit trusts	17	(17)	11	(11)	–	–	–	–

Other price risk

Equity risk is the risk of the fair value or future cash flows of a financial instrument fluctuating because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The group currently does not have exposure to other price risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The key areas where the group is exposed to credit risk are:

- Cash and cash equivalents;
- Loans and receivables;
- Investment securities; and
- Financial guarantee contracts.

The assets above relate to RMH's investment in associates. Loans and receivables relate to loans extended to the investees of RMH as there is a short-term need for cash flow which does not require permanent capital or where RMH had to commit funding for future developments such as the Bucharest opportunity. Credit risk is managed as part of the investment strategy. Upon investment, credit risk of the investees is considered by the board. Changes in creditworthiness of investees is part of the investment matrixes monitored by management on an ongoing basis and reported on at quarterly board meetings. Changes in the assessment are taken into account to determine ECLs and the fair value of loans carried at fair value. The investees of RMH do not have formal credit ratings. Credit risk is assessed on a short-, medium- and long-term basis. No defaults were experienced on loans and receivables in the current or prior period.

RMH's cash and cash equivalents and investment securities are placed with high credit quality financial institutions.

The table below provides information as assessed by RMH on the credit risk exposure by credit ratings at the period-end:

R million	As at					
	31 March 2021			30 June 2020		
	B	Not rated	Total	B	Not rated	Total
CONSOLIDATED						
Cash and cash equivalents	980	–	980	724	–	724
Loans and receivables	–	222	222	–	1 122	1 122
Investment securities	1 101	–	1 101	557	–	557
Financial guarantee contract issued	–	6	6	–	574	574
	2 081	228	2 309	1 281	1 696	2 977
COMPANY						
Cash and cash equivalents	579	–	579	118	–	118
Loans and receivables	–	1	1	–	510	510
	579	1	580	118	510	628

The ratings were obtained from Standard & Poor's. The ratings are based on long-term investment horizons. Where long-term ratings are not available, the financial instruments are categorised according to short-term ratings. The ratings are defined as follows:

25. Management of financial risk (continued)

Long-term investment grade

B	An obligation rated 'B' is more vulnerable to non-payment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments on the obligation.
Not rated	The credit exposure for the assets listed above is considered acceptable by the board even though the counterparty does not have a formal rating. Deterioration of credit risk per asset is considered in the determination for impairment or fair value of the asset by the board on an asset level, taking into consideration historical performance of the counterparty as well as forward-looking information.

Concentration risk

Credit concentration risk is the risk of loss to the group arising from an excessive concentration of exposure to a single counterparty, industry, market, product, financial instrument or type of security, country or region, or maturity.

RMH, by nature of being an investing holding company with one investment namely an investment in RMH Property, is naturally exposed to a single industry, being the property industry. Furthermore, 94% (2020: 94%) of its investments in associates are part of the Atterbury group. This concentration risk is closely monitored on an ongoing basis by the dedicated management of RMH Property and reported on at the quarterly board meetings.

The following table provides a breakdown of the gross credit exposure across geographical areas:

R million	As at					
	31 March 2021			30 June 2020		
	South Africa	Europe	Total	South Africa	Europe	Total
CONSOLIDATED						
Cash and cash equivalents	980	–	980	724	–	724
Loans and receivables	198	24	222	110	1 012	1 122
Investment securities	1 101	–	1 101	557	–	557
	2 279	24	2 303	1 391	1 012	2 403
COMPANY						
Cash and cash equivalents	579	–	579	118	–	118
Loans and receivables	1	–	1	510	–	510
	580	–	580	628	–	628

Liquidity risk and asset/liability matching

Liquidity risk is the risk that RMH will encounter difficulty in meeting obligations associated with financial liabilities. RMH's liabilities are matched with appropriate liquid assets. The group's liquidity and ability to meet cash calls are monitored at the quarterly board meetings.

Contractual discounted cash flow analysis

CONSOLIDATED

R million	0 – 6 months	7 – 12 months	2 – 5 years	Over 5 years	Non-financial	Total
As at 31 March 2021						
Cash and cash equivalents	980	–	–	–	–	980
Investment securities	1 101	–	–	–	–	1 101
Loans and receivables	30	–	192	–	–	222
Taxation receivable	–	–	–	–	12	12
Investment in associates and joint ventures	–	–	–	–	2 392	2 392
Trade and other payables	(30)	–	–	–	–	(30)
Provisions	–	–	–	–	(28)	(28)
Taxation payable	–	–	–	–	(2)	(2)
Financial liabilities	–	–	(6)	–	–	(6)
Long-term liabilities	–	–	–	–	(19)	(19)
Net liquidity gap	2 081	–	186	–	2 355	4 622
Cumulative liquidity gap	2 081	2 081	2 267	2 267	4 622	4 622
As at 30 June 2020						
Cash and cash equivalents	724	–	–	–	–	724
Investment securities	557	–	–	–	–	557
Non-current asset held for sale	28	–	–	–	–	28
Loans and receivables	2	977	143	–	–	1 122
Taxation receivable	–	–	–	–	10	10
Investment in associates and joint ventures	–	–	–	–	2 613	2 613
Trade and other payables	(40)	–	–	–	–	(40)
Provisions	–	–	–	–	(35)	(35)
Taxation payable	–	–	–	–	(1)	(1)
Financial liabilities	–	–	(16)	–	–	(16)
Deferred tax liability	–	–	–	–	(2)	(2)
Net gap	1 271	977	127	–	2 585	4 960
Cumulative liquidity gap	1 271	2 248	2 375	2 375	4 960	4 960

25. Management of financial risk (continued)

Contractual discounted cash flow analysis (continued)

R million	COMPANY					Total
	0 – 6 months	7 – 12 months	2 – 5 years	Over 5 years	Non-financial	
As at 31 March 2021						
Cash and cash equivalents	579	–	–	–	–	579
Loans and receivables	1	–	–	–	–	1
Investment in subsidiaries	–	–	–	–	3 177	3 177
Trade and other payables	(28)	–	–	–	–	(28)
Amount due to intergroup company	(405)	–	–	–	–	(405)
Financial liabilities	–	–	(4)	–	–	(4)
Long-term liabilities	–	–	–	–	(7)	(7)
Net liquidity gap	147	–	(4)	–	3 170	3 313
Cumulative liquidity gap	147	147	143	143	3 313	3 313
As at 30 June 2020						
Cash and cash equivalents	118	–	–	–	–	118
Loans and receivables	2	–	–	508	–	510
Investment in subsidiaries	–	–	–	–	3 175	3 175
Trade and other payables	(36)	–	–	–	–	(36)
Taxation payable	–	–	–	–	(1)	(1)
Net gap	84	–	–	508	3 174	3 766
Cumulative liquidity gap	84	84	84	592	3 766	3 766

Undiscounted cash flow analysis

R million	CONSOLIDATED			
	0 – 6 months	7 – 12 months	2 – 5 years	Total
As at 31 March 2021				
Trade and other payables	30	–	–	30
Provisions	28	–	–	28
Financial guarantees	534	–	–	534
Long-term liabilities	–	–	19	19
Total liabilities	592	–	19	611
As at 30 June 2020				
Trade and other payables	40	–	–	40
Provisions	35	–	–	35
Financial guarantees	574	–	–	574
Total liabilities	649	–	–	649

R million	COMPANY			Total
	0 – 6 months	7 – 12 months	2 – 5 years	
As at 31 March 2021				
Trade and other payables	28	–	–	28
Amount due to intergroup company	405	–	–	405
Total liabilities	433	–	–	433
As at 30 June 2020				
Trade and other payables	36	–	–	36
Total liabilities	36	–	–	36

The following table analyses the assets in the statements of financial position per category of financial instrument and by measurement basis. The disaggregation of the face of the balance sheet in the current year as per basis of preparation has led to the prior year numbers being aligned with the current year:

R million	CONSOLIDATED			Total carrying value
	At fair value through profit and loss (mandatory)	At amortised cost	Non-financial instrument	
As at 31 March 2021				
Cash and cash equivalents	–	980	–	980
Investment securities	1 101	–	–	1 101
Loans and receivables	24	198	–	222
Taxation receivable	–	–	12	12
Investment in associates and joint ventures	–	–	2 392	2 392
Total assets	1 125	1 178	2 404	4 707
As at 30 June 2020				
Cash and cash equivalents	–	724	–	724
Investment securities	557	–	–	557
Non-current asset held for sale	28	–	–	28
Loans and receivables	1 085	37	–	1 122
Taxation receivable	–	–	10	10
Investment in associates and joint ventures	–	–	2 613	2 613
Total assets	1 670	761	2 623	5 054

25. Management of financial risk (continued)

Undiscounted cash flow analysis (continued)

R million	COMPANY			
	At fair value through profit and loss (mandatory)	At amortised cost	Non-financial instrument	Total carrying value
As at 31 March 2021				
Cash and cash equivalents	–	579	–	579
Loans and receivables	–	1	–	1
Investment in subsidiaries	–	–	3 177	3 177
Total assets	–	580	3 177	3 757
As at 30 June 2020				
Cash and cash equivalents	–	118	–	118
Loans and receivables	–	510	–	510
Investment in subsidiaries	–	–	3 175	3 175
Total assets	–	628	3 175	3 803

The following table analyses the liabilities in the statements of financial position per category of financial instrument and by measurement basis:

R million	CONSOLIDATED			
	At fair value through profit and loss (mandatory)	Financial liabilities at amortised cost	Non-financial instrument	Total carrying value
As at 31 March 2021				
Trade and other payables	–	30	–	30
Provisions	–	–	28	28
Taxation payable	–	–	2	2
Financial liabilities	6	–	–	6
Long-term liabilities	–	–	19	19
Total liabilities	6	30	49	85
As at 30 June 2020				
Trade and other payables	–	40	–	40
Provisions	–	–	35	35
Taxation payable	–	–	1	1
Financial liabilities	16	–	–	16
Deferred tax liability	–	–	2	2
Total liabilities	16	40	38	94

R million	COMPANY			
	At fair value through profit and loss (mandatory)	Financial liabilities at amortised cost	Non-financial instrument	Total carrying value
As at 31 March 2021				
Trade and other payables	–	28	–	28
Amount due to intergroup company	–	405	–	405
Financial liabilities	4	–	–	4
Long-term liabilities	–	–	7	7
Total liabilities	4	433	7	444
As at 30 June 2020				
Trade and other payables	–	36	–	36
Total liabilities	–	36	–	36

Capital management

RMH is not regulated by the Financial Sector Regulation Act, 9 of 2017, and does not have to meet any minimum regulatory capital requirements. Capital is therefore managed within a set risk appetite, taking into account the capital and liquidity requirements and commitments of the group. RMH defines capital as issued share capital plus accumulated reserves available for distribution.

R million	CONSOLIDATED	
	As at	
	31 March 2021	30 June 2020
Share capital and premium	8 825	8 825
Retained loss	(5 716)	(5 907)
Capital	3 109	2 918
Cash and cash equivalents to capital ratio (%)	32	25
Liabilities to capital ratio (%)	3	3

26. Share-based payment

R million	CONSOLIDATED		COMPANY	
	As at		As at	
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
RMH share appreciation rights scheme	7	–	7	–
RMH management participation structure	12	–	–	–
Long-term liabilities	19	–	7	–

26. Share-based payment (continued)

26.1 RMH share appreciation rights scheme

RMH operates a share scheme as part of its remuneration philosophy, which track the RMH share price and settles in cash.

Description:

The purpose of this scheme is to provide employees, including executive directors and those individuals who provide management services, with the opportunity of receiving incentive remuneration payments based on the increase in the market value of RMH shares.

Appreciation rights may only be exercised by the third, fourth and fifth anniversary of the grant date in equal tranches of one third each, provided that the performance objectives set for the grant have been achieved. All share grants have a maximum exercise period of seven years.

The table below summarises the performance objectives set for the 2020 grant, which was the first since the FirstRand unbundling:

Performance objective	Weighting of benchmark applied grant	Percentage of grant vesting should the performance objective be achieved	Cumulative percent of grant vesting if not 0%
Total shareholders return is 83% of nominal GDP growth	30%	15%	
Increase in net asset value is 9.02% for 3 years	30%	15%	
Proportion of award accrued to participant			30%
Total shareholders return = nominal GDP growth	30%	22.50%	
Increase in net asset value is 10.83% for 3 years	30%	22.50%	
Proportion of award accrued to participant			45%
Total shareholders return is 117% of nominal GDP growth	30%	30.00%	
Increase in net asset value is 12.63% for 3 years	30%	30.00%	
Proportion of award accrued to participant			60%
Total shareholders return is 136% of nominal GDP growth	30%	37.50%	
Increase in net asset value is 14.73% for 3 years	30%	37.50%	
Proportion of award accrued to participant			75%
Total shareholders return is 159% of nominal GDP growth	30%	45.00%	
Increase in net asset value is 17.19% for 3 years	30%	45.00%	
Proportion of award accrued to participant			90%
Total shareholders return is 185% of nominal GDP growth	30%	52.50%	
Increase in net asset value 20.05% for 3 years	30%	52.50%	
Proportion of award accrued to participant			105%
Total shareholders return is 216% of nominal GDP growth	30%	60.00%	
Increase in net asset value is 23.39% for years	30%	60.00%	
Proportion of award accrued to participant			120%
Portion of award under remuneration committee discretion	40%	40%	40%
Maximum percentage of grant that can vest should outperformance criteria be met			160%

Valuation methodology

The share appreciation rights scheme issues are valued using the Cox Rubenstein binomial tree. The scheme is cash-settled and will thus be repriced at each reporting date.

Market and dividend data consist of the following:

- Volatility is the expected volatility over the period of the option. Historic volatility was used as a proxy for expected volatility.
- The interest rate is the risk-free rate of return, as recorded on the last day of the financial year, on a swap curve of a term equal to the expected life of the share appreciation right.
- A fixed dividend yield of zero was assumed.

Employee statistic assumptions

- No forfeiture rate is used due to the limited number of employees participating in the scheme.

Performance conditions:

- Nominal GDP predictions as supplied by Statistics SA are used.
- The future share price is determined by applying a consistent discount to net asset value per share and is used to measure total shareholders return.
- The net asset value per share is determined by using assumptions on underlying net asset value growth of underlying investment of RMH Property.

Input in determination of liability	Input
Number of options granted	40 264 165
Strike price of option granted (cents)	115
Share price on 31 March 2021	177
Risk free rate	6.82%
Volatility rate	84.93%
Assessment of performance objectives achieved	90.00%
No of days lapsed since grant date	187

	CONSOLIDATED AND COMPANY
	As at
	31 March 2021
R million	
Opening balance 1 July 2020	–
Charge to the income statement	7
Long-term liabilities	7

26.2 RMH management participation structure

In 2018, RMH implemented a management participation structure upon the activation of the portfolio and the establishment of the RMH Property portfolio. The aim of the structure is to align the interests of management with those of shareholders and establish a long-term focus.

	CONSOLIDATED	
	As at	
	31 March 2021	30 June 2020
R million		
Opening balance	–	–
Charge to the income statement	12	–
Long-term liabilities	12	–

26. Share-based payment (continued)

26.2 RMH management participation structure (continued)

Description of the structure

The purpose of this structure is to provide participants, including executive directors, with the opportunity to participate in the creation of long-term value in the RMH Property portfolio after RMH has been compensated for the capital it provides. The structure rewards the participants in accordance with the outperformance of the relevant investments over a hurdle rate and supports long-term retention.

Vesting occurs on day one and the structure has no exercise period. There are no further performance conditions attached.

Monetisation of the structure occurs after ten years through a put option to RMH, available for 365 days, or through the realisation of the underlying investment, whichever occurs first. The structure is not settled in RMH shares. The board has discretion concerning:

- the allocation per individual participant;
- the hurdle rate per individual participant per individual allocation;
- good leaver principles, should a participant leave before the monetisation of the underlying investment; and
- the maximum exposure provided to the participants.

Valuation methodology

The following approach is followed:

Step 1 – Determine the value of the underlying investment

In the prior year, RMH Property and its underlying investments were valued at their carrying values. In the current year, RMH used the look through approach to value RMH Property and its underlying investments.

Step 2 – Determine value per share

A value per share is determined by dividing the proportionate value of the underlying investment by the number of shares.

Step 3 – Calculate cost per share

A cost per share is then calculated by taking the capital amount injected and accruing the agreed-upon hurdle rate on the amount. These numbers are added and divided by the number of shares.

Step 4 – Determine the value of the liability

The value per share calculated in Step 2 is reduced by the value per share calculated in Step 3. The determined value is then multiplied by the number of shares issued to participants to determine the value of the liability. An increase in the value of the liability leads to the charge of a share-based payment expense in profit and loss. If the value of the liability decreases, a negative share-based payment expense is charged to profit and loss.

R million	CONSOLIDATED	
	As at	
	31 March 2021	30 June 2020
Gross value	116	114
Notional loan value	(182)	(219)
Adjustment made due to different % of participation by different participants and different hurdle rates	78	105
Balance (which cannot be less than zero)	12	–
Total number of participants	6	6
Total number of shares issued to participants		
Balance at the beginning of the period	1 292 041	1 284 322
Shares issued during the period	–	7 719
Number of shares at the end of the period	1 292 041	1 292 041

26.3 RMH Property equity-settled structure

During the prior year, RMH extended a loan to Brian Roberts, the chief executive officer of RMH Property, to acquire ordinary shares in RMH Property Holdings Proprietary Limited. The shares acquired serve as collateral for the loan. The loan met the requirements of an equity-settled share-based payment transaction per *IFRS 2: Share-based Payments*.

The arrangements do not have any vesting or performance conditions attached. The terms of the loan were agreed upfront when Mr Roberts was appointed as chief executive officer of RMH Property.

Terms of loan	Detail
Maximum exposure	R 50 million
Interest rate	SARS official interest rate capitalised monthly
Repayment date	No fixed repayment date
Current capital utilisation	R26 million

R million	CONSOLIDATED	
	As at	
	31 March 2021	30 June 2020
Balance at the beginning of the period	751 793	–
Shares issued during the period	–	751 793
Number of shares at the end of the period	751 793	751 793
% of RMH Property	1.48%	1.48%

27. Directors' and prescribed officer emoluments

Non-executive directors' emoluments

R'000	Services as director	Sacrificed for the COVID-19 relief fund ⁸	Nine months ended 31 March 2021	Services as director	Year ended 30 June 2020
Non-executive					
JJ Durand ^{1, 4}	18	(9)	9	352	352
JP Burger ⁴	3	(2)	1	187	187
P Cooper	91	(45)	46	177	177
SEN De Bruyn (Chairperson from 7 July 2020)	383	(106)	277	265	265
LL Dippenaar ⁴	3	(2)	1	177	177
PK Harris ⁴	3	(2)	1	177	177
A Kekana ^{2, 6}	138	(39)	99	163	163
P Lagerström	230	(64)	166	237	237
UH Lucht ^{2, 5}	139	(38)	101	–	–
MM Mahlare	142	(39)	103	154	154
MM Morobe	204	–	204	266	266
R Mupita ^{3, 4}	3	(2)	1	205	205
O Phetwe ⁷	3	(2)	1	177	177
JA Teeger	177	(49)	128	201	201
DA Frankel (alternate) ⁴	3	(2)	1	154	154
Total	1 540	(401)	1 139	2 892	2 892

Notes

- Directors' fees for services rendered by JJ Durand were paid to the Remgro group.
- Directors' fees for services rendered by A Kekana and UH Lucht were paid to Royal Bafokeng Holdings Proprietary Limited.
- Directors' fees for services rendered by R Mupita were paid to MTN Group Limited.
- Resigned 7 July 2020.
- UH Lucht changed from alternate to A Kekana to replacing O Phetwe effective 7 July 2020.
- Resigned 24 March 2021.
- O Phetwe became the alternate to A Kekana on 7 July 2020 and resigned 24 March 2021.
- During April 2020, the RMH board, together with the RMI board, agreed to sacrifice some of its directors' fees. These funds were utilised to provide some relief to the community with the philosophy of 'Food first'.

Non-executive and executive directors' emoluments paid by FirstRand

R'000	For the	
	Nine months ended 31 March 2021	Year ended 30 June 2020
JP Burger ^{1, 4}	–	3 112
HL Bosman ² (resigned from FirstRand 30 June 2020)	–	1 295
JJ Durand ^{3, 4}	–	277
F Knoetze ^{3, 4}	–	2 021
Total	–	6 705

Notes

- This amount includes JP Burger's total earnings from FirstRand as an executive director for part of 2019. His remuneration includes total compensation for being a prescribed officer of FirstRand. Prescribed officer remuneration disclosure has been aligned with King IV single figure reporting, which requires the disclosure of the performance-related incentives (both cash and deferred) in respect of the year and delivery of the past years' long-term incentive awards (CIP) dependent on the fulfilment of the conditions during the year. The long-term CIP included in JP Burger's remuneration is the CIP settled in the financial year at original award value.
- Directors' fees for services rendered by HL Bosman were paid to RMH.
- Directors' fees for services rendered by JJ Durand and F Knoetze were paid to the Remgro group.
- Resigned from RMH on 7 July 2020.

Executive directors' emoluments and participation in the RMH share scheme and the ownership participation structure

R'000						Nine months ended 31 March 2021						Year ended 30 June 2020
	Cash package ¹	Bonus	Retirement benefits ²	Other benefits ³	RMH share scheme ⁴		Cash package ¹	Bonus	Retirement benefits ²	Other benefits ³	RMH share scheme ⁴	
HL Bosman	764	–	91	32	–	887	2 819	–	301	91	–	3 211
BM Roberts	2 714	1 800	–	18	–	4 532	3 783	2 250	–	24	–	6 057

Notes

1. Cash package 10% of HL Bosman's salary paid by RMI is recouped from RMH in terms of a service level agreement (SLA).
2. Retirement benefits 10% of HL Bosman's pension and provident fund contributions paid by RMI are recouped from RMH in terms of an SLA.
3. Other benefits 10% of HL Bosman's cell phone allowance and medical aid contributions paid by RMI are recouped from RMH in terms of an SLA.
4. RMH share scheme This includes the value of share appreciation rights granted by RMI on RMH shares which vest and became exercisable in the 12 months following the end of the reporting period.

RMH share appreciation rights	Strike price (cents)	Vesting date	Opening balance as at 1 July 2020 000's				Closing balance as at 31 March 2021 000's	Benefit derived* R'000
				Issued 000's	Cancelled 000's	Exercised 000's		
HL Bosman	115	25 September 2023	–	3 043	–	–	3 043	–
	115	25 September 2024	–	3 043	–	–	3 043	–
	115	25 September 2025	–	3 043	–	–	3 043	–
BM Roberts	115	25 September 2023	–	6 711	–	–	6 711	–
	115	25 September 2024	–	6 711	–	–	6 711	–
	115	25 September 2025	–	6 711	–	–	6 711	–

* It is the amount paid to the participant in the current period. Please refer to note 26 for the liability created as all share appreciation rights currently are unvested.

Executive directors' and prescribed officer's participation in RMH management participation structure and RMH Property equity-settled share-based payment transactions

		Number of shares granted		Percentage holding (%)		Value R'000	
		31 March 2021	30 June 2020	31 March 2021	30 June 2020	31 March 2021	30 June 2020
HL Bosman	RMH Prop Holdco 1 Proprietary Limited	265	265	2.5	2.5	–	–
	RMH Prop Holdco 2 Proprietary Limited	700	700	1.4	1.4	–	–
	RMH Prop Holdco 3 Proprietary Limited	450	450	2.5	2.5	–	–
	RMH Prop Holdco 4 Proprietary Limited	1 250	1 250	2.5	2.5	–	–
	RMH Prop Holdco 5 Proprietary Limited	1 350	1 350	1.4	1.40	–	–
BM Roberts	RMH Property Holdings Proprietary Limited	1 280 080	1 280 080	2.5	2.5	–	–
	RMH Property Holdings Proprietary Limited	751 793	751 793	1.5	1.5	–	–
Total				4.0	4.0	–	–

28. Notes to the consolidated and separate statements of cash flows

R million	CONSOLIDATED		COMPANY	
	For the		For the	
	Nine months ended 31 March 2021	Year ended 30 June 2020	Nine months ended 31 March 2021	Year ended 30 June 2020
28.1 Cash flows from operating activities				
Reconciliation of loss before tax to cash generated from operations				
Loss before tax	(62)	(272)	(426)	(4 269)
Adjusted for:				
Share of (profit)/loss of associates including impairments	(10)	264	–	–
Impairment of subsidiary	–	–	402	10 289
Accruals	–	4	–	7
Share-based payment accrual	19	(11)	7	–
Interest received	(10)	(16)	(4)	(4)
Interest paid on borrowings	–	56	–	–
Dividends paid on preference shares in issue	–	197	–	29
Unrealised fair value adjustment	84	(260)	4	77
Changes in working capital				
– Current receivables and prepayments	–	8	1	(460)
– Current payables	(36)	9	(8)	(1 213)
Cash (invested in)/generated from operations	(15)	(21)	(24)	4 456
28.2 Net debt reconciliation				
Cash and cash equivalents	980	724	579	118
Borrowings	–	–	–	–
Net debt	980	724	579	118
Cash and cash equivalents	980	724	579	118
Gross borrowings – fixed rate	–	–	–	–
Gross borrowings – variable rate	–	–	–	–
Net debt	980	724	579	118
Net debt				
Opening balance	724	(3 580)	118	(1 193)
Movement in cash and cash equivalents	256	607	461	94
Movement in gross borrowings – fixed rate	–	957	–	–
Movement in gross borrowings – variable rate	–	2 740	–	1 217
Net debt	980	724	579	118
Net debt				
Current	980	724	118	118
Due within 1 year	–	–	–	–
Due within 2 to 5 years	–	–	–	–
Net debt	980	724	118	118

29. Going concern

The consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The directors have satisfied themselves that the group and company are in a sound financial position and that they have access to sufficient cash reserves and borrowing facilities over the next 12 months to meet their cash requirements. The directors are not aware of any new material changes that may adversely impact the group and/or company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group and/or company.

In making the above assessment the directors considered the following:

Solvency

As at 31 March 2021, the group had a positive net asset value of R4.7 billion and its current assets exceeded its current liabilities by R2 billion.

Liquidity

As at 31 March 2021, the group had available liquidity of R1.5 billion comprising unrestricted cash and cash equivalents, and listed unit trust.

The directors have reviewed the group's and company's cash flow forecasts for the next 24 months and, in light of this review and the current financial position, the directors believe that the group and company have adequate financial resources to continue in operation for the ensuing 12-month period. Accordingly, the consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The directors have satisfied themselves that the group and company are in sound financial positions and that they have access to sufficient cash reserves over the next 12 months to meet their cash requirements. The directors are not aware of any new material changes that may adversely impact the group and/or company.

30. Discontinued operation

On 19 November 2019, RMH announced its intention to unbundle its entire interest in FirstRand by way of a distribution *in specie* in terms of section 46 of the Companies Act and section 46 of the Income Tax Act. Consequently, the investment in the associate was reclassified as held for distribution in the 2020 annual financial statements.

Constituting the greater part to the assets of RMH, the transaction constituted a section 112 transaction in terms of the Companies Act and required approval by special shareholders resolution. The general meeting was conducted on 1 June 2020 and the resolution passed by 100%. At this date, RMH satisfied the criteria to classify the investment as held for distribution. The finalisation date was 15 June 2020. The last date to trade to participate in the unbundling was Tuesday, 23 June 2020. The effective date for the distribution to shareholders was 24 June 2020.

The reclassification criteria considered included the fact that FirstRand was a significant associate for the company and the group and its only investment in the financial services sector.

The investment in FirstRand Limited was housed in RMH Asset Holding Company Proprietary Limited. The asset was moved from RMH Asset Holding Company Proprietary Limited on 17 June 2020 to RMH for onwards distribution by RMH to its shareholders. The distribution was done in terms of section 46 of the Income Tax Act. The distribution was received at cost in RMH on 17 June 2020 in terms of RMH's accounting policy. On this day, the investment met the criteria to be classified as a held for distribution investment and was therefore revalued to market value.

30. Discontinued operation (continued)

30.1 Financial information relating to the discontinued operation for the period to date of distribution is set out below. The financial performance is for the eleven months ended 31 May 2020:

Name of entity	FirstRand Limited	
	Republic of South Africa	
Country of incorporation	For the	
	Nine months ended 31 March 2021	Eleven months ended 31 May 2020
% of ownership	–	33.02
% of voting rights	–	33.02
Principal activities	Financial services	
RMH's share in %	–	33.02
RMH's share in FirstRand	–	44 792
Goodwill	–	5 169
Carrying amount	–	49 961
Dividends received from FirstRand	–	5 693

30.2 Details on profit of distribution *in specie* of FirstRand

R million	CONSOLIDATED		COMPANY	
	For the			
	Nine months ended 31 March 2021	Eleven months ended 31 May 2020	Nine months ended 31 March 2021	Eleven months ended 31 May 2020
Consideration received:				
Dividend <i>in specie</i> received from RMH Asset Holding Company Proprietary Limited	–	–	–	11 372
Cash/Gain on distribution of FirstRand	–	2 289	–	68 042
Total disposal consideration	–	2 289	–	79 414
Carrying amount of FirstRand shares sold for the settlement of debt	–	(1 538)	–	–
Gain on pre-unbundling sale of FirstRand shares	–	751	–	79 414
Equity accounted earnings for the period	–	5 594	–	–
Gain on distribution of FirstRand	–	23 360	–	(6 093)
Reclassification of accumulated comprehensive income of discontinued operation	–	3 316	–	–
Transactions costs	–	(60)	–	(57)
Profit from discontinued operation	–	32 961	–	73 264
Carrying amount of FirstRand on 1 June 2020/17 June 2020	–	(49 961)	–	(79 414)
Market value of FirstRand on 24 June 2020	–	73 321	–	73 321
Gain/(loss) on distribution of FirstRand	–	23 360	–	(6 093)
Share of comprehensive income that may be reclassified to profit and loss	–	2 011	–	–
Reclassification of accumulated comprehensive income of discontinued operation	–	(3 316)	–	–
Share of comprehensive income that may not be reclassified to profit and loss	–	102	–	–
Other comprehensive income from discontinued operation	–	(1 203)	–	–
Headline earnings				
FirstRand				
Earnings	–	5 594	–	–
Headline earnings adjustments made by FirstRand	–	107	–	–
Tax adjustments	–	(14)	–	–
Non-controlling interest	–	(8)	–	–
RMH				
Transaction costs	–	(60)	–	–
Profit on change in effective shareholding	–	20	–	–
Headline earnings from discontinued operation	–	5 639	–	–

Shareholding

The shareholders of RMH are:

	As at 31 March 2021			As at 30 June 2020		
	Number of shareholders	Shares held (000's)	%	Number of shareholders	Shares held (000's)	%
Major shareholders holding more than 5%						
Public Investment Corporation (PIC)		168 728	12		186 255	13
Royal Bafokeng Holdings		176 463	13		176 463	13
Visio Capital Management		120 593	9		–	–
Steyn Capital Management		118 025	8		–	–
Alan Gray		77 307	6		–	–
RMB Morgan Stanley		71 757	5		–	–
SBG Securities		71 446	5		–	–
LL Dippenaar (direct and indirect)		–	–		75 329	5
Shareholders holding more than 5% each		804 319	58		438 047	31
Shareholders holding less than 5% each		607 384	42		973 656	69
Total		1 411 703	100		1 411 703	100
Shareholder type						
Corporates		176 463	13		176 463	13
Unit Trusts		339 101	24		303 399	21
Pension funds		258 440	18		238 535	17
Insurance companies and banks		104 033	7		106 914	8
Individuals		99 232	7		58 943	4
Other		434 434	31		527 449	37
Total		1 411 703	100		1 411 703	100
Public and non-public shareholders						
Public	52 677	1 234 469	87	64 465	1 147 461	81
Non-public						
– Corporates (Royal Bafokeng and Remgro in 2019)	1	176 463	13	1	176 463	13
– Directors and their associates	2	771	–	6	87 779	6
Total	52 680	1 411 703	100	64 472	1 411 703	100
Geographic ownership						
South Africa		1 278 937	91		1 115 812	79
International		132 766	9		295 891	21
Total		1 411 703	100		1 411 703	100

Administration

RMB Holdings Limited (RMH)

(Incorporated in the Republic of South Africa)

Registration number: 1987/005115/06
JSE ordinary share code: RMH
ISIN code: ZAE000024501
Sector: Financials
ICB Sector: Real Estate Investment & Services

Directors

(Ms) SEN De Bruyn (chairperson), HL Bosman (CEO and FD),
P Lagerström, UH Lucht, (Ms) MM Mahlare,
MM Morobe, and JA Teeger

Secretary and registered office

(Ms) EJ Marais

Physical address: 12th floor, The Bank
Corner Cradock and Tyrwhitt Avenues,
Rosebank, Johannesburg 2196

Postal address: Private bag X1000,
Saxonwold, 2132

Telephone: +27 10 753 2420

Website: www.rmh.co.za

Sponsor

(in terms of JSE Limited Listings Requirements)

Rand Merchant Bank

(a division of FirstRand Bank Limited)

Physical address: 1 Merchant Place, Corner of
Fredman Drive and Rivonia Road,
Sandton, 2196

Transfer secretaries

Computershare Investor Services Proprietary Limited

Physical address: Rosebank Towers, 15 Biermann Avenue,
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Postal address: Private Bag X9000,
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