

CROOKES BROTHERS LIMITED

(Incorporated in the Republic of South Africa)

Registration No. 1913/000290/06

Share code : CKS ISIN No: ZAE000001434

("Crookes Brothers" or "the company" or "the group")

PROVISIONAL SUMMARY AUDITED GROUP RESULTS FOR THE YEAR ENDED 31 MARCH 2016 AND FINAL DIVIDEND DECLARATION

The audited results of the group for the year ended 31 March 2016 together with those of the previous year are set out below:

	Year ended	Year ended
SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31 March	31 March
(R000's)	2016	2015
	audited	audited
Revenue	542 712	526 087
Operating profit	87 538	61 109
Share of profit of associate companies	3 549	655
Investment income	3 956	3 211
Finance costs	(8 026)	(7 316)
Capital items	-	251
Profit before taxation	87 017	57 910
Taxation	(25 254)	(14 774)
Profit for the year	61 763	43 136
Other comprehensive (loss)/income net of income tax		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Remeasurement of defined benefit surplus	(115)	1 962
Remeasurement of post-employment medical aid obligation	1 773	(876)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Reclassification adjustments relating to available-for-sale financial assets disposed of in the year	-	(204)
Net fair value gain on available-for-sale financial assets during the year	128	15
Exchange differences on translating foreign operations	(28 040)	(2 121)
Other comprehensive loss for the year, net of income tax	(26 254)	(1 224)
Total comprehensive income for the year	35 509	41 912
Profit for the year attributable to:		
Owners of the company	60 465	40 697
Non-controlling interests	1 298	2 439
	61 763	43 136
Total comprehensive income attributable to:		
Owners of the company	34 211	39 473
Non-controlling interests	1 298	2 439
	35 509	41 912
Earnings per share (cents)		
Basic	453.7	323.9
Diluted	452.0	317.9

	Year ended	Year ended
RECONCILIATION OF HEADLINE EARNINGS	31 March	31 March
(R000's)	2016	2015
	audited	audited
Profit for the year attributable to owners of the company	60 465	40 697
Adjusted for:		
Capital (profit)/loss on disposal of land, buildings, plant and equipment	(399)	1 165
Profit on disposal of shares	-	(251)
Tax effect of the adjustments	280	(80)
Headline earnings	60 346	41 531
Headline earnings per share (cents)		
Headline earnings per share	452.9	330.6
Headline earnings per share (diluted)	451.1	324.5
	Year ended	Year ended
DIVIDEND DECLARATION	31 March	31 March
	2016	2015
	audited	audited
Dividends per share (cents)		
Ordinary dividends declared per share - interim	35.0	65.0
Ordinary dividends declared per share - final	115.0	85.0
	150.0	150.0
	Year ended	Year ended
SUMMARY CONSOLIDATED	31 March	31 March
STATEMENT OF CHANGES IN EQUITY	2016	2015
(R000's)	audited	audited
Shareholders' equity at beginning of year	783 603	763 778
Movements in:		
Share capital and premium - share issue and exercise of share options	215 000	900
Share issue costs written off against share premium	(1 738)	-
Share-based payment reserve	398	244
Other comprehensive loss for the year	(28 027)	(348)
Changes in retained earnings	46 591	19 029
Net profit attributable to owners of the company	60 465	40 697
Remeasurement of post-employment obligations	1 773	(876)
Net profit attributable to non-controlling interests	1 298	2 439
Dividends paid	(16 945)	(23 231)
Shareholders' equity at end of year	1 015 827	783 603

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Year ended	Year ended
	31 March 2016 audited	31 March 2015 audited
(R000's)		
ASSETS		
Non-current assets	835 625	798 048
Property, plant and equipment	494 705	514 116
Bearer biological assets	309 652	254 234
Unlisted investments	710	727
Investment in associates	23 612	19 336
Retirement benefit surplus	-	9 095
Unsecured loans: long-term	-	540
Deferred taxation asset	6 946	-
Current assets	495 433	313 937
Inventories	105 058	60 655
Biological assets - crops and livestock	196 065	184 864
Trade and other receivables	53 963	45 659
Taxation	4 356	9 686
Retirement benefit surplus	9 708	-
Unsecured loans: short-term	540	-
Cash and cash equivalents	125 743	13 073
Total assets	1 331 058	1 111 985
EQUITY AND LIABILITIES		
Capital and reserves	1 015 827	783 603
Share capital and premium	226 271	13 009
Retained earnings	808 387	761 356
Investment revaluation reserve	997	869
Foreign currency translation reserve	(25 315)	2 725
Share-based payment reserve	1 434	1 036
Equity attributable to owners of the company	1 011 774	778 995
Non-controlling interests	4 053	4 608
Non-current liabilities	232 191	213 500
Deferred taxation	136 175	118 320
Long term borrowings - interest bearing	42 967	39 162
Long term liability - interest free	53 049	45 082
Post-employment medical aid obligation	-	10 936
Current liabilities	83 040	114 882
Trade and other payables and provisions	49 471	23 229
Short term borrowings - interest bearing	24 629	91 653
Post-employment medical aid obligation	8 940	-
Total equity and liabilities	1 331 058	1 111 985

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS	Year ended	Year ended
	31 March	31 March
	2016	2015
(R000's)	audited	audited
Operating profit for the year	87 538	61 109
Adjustment for non-cash items	<u>24 891</u>	<u>13 204</u>
	112 429	74 313
Net working capital changes	(30 778)	(12 205)
Cash generated from operations	81 651	62 108
Cash flows from operating activities	68 748	36 703
Cash generated from operations	<u>81 651</u>	<u>62 108</u>
Interest received	<u>3 847</u>	<u>3 045</u>
Interest paid	<u>(8 026)</u>	<u>(7 316)</u>
Income taxes paid	<u>(8 358)</u>	<u>(21 134)</u>
Purchase of annuities for post-employment medical aid benefits	<u>(366)</u>	-
Cash flows from investing activities	(89 298)	(106 896)
Proceeds on disposal of property, plant, equipment	<u>665</u>	<u>1 178</u>
Proceeds on disposal and redemption of investments	<u>100</u>	<u>15 038</u>
Investment in property, plant and equipment - expansion*	<u>(26 557)</u>	<u>(50 206)</u>
Investment in property, plant and equipment - improvement*	<u>(7 220)</u>	<u>(14 093)</u>
Investment in property, plant and equipment - replacement*	<u>(12 528)</u>	<u>(23 782)</u>
Expansion of area under crop	<u>(43 058)</u>	<u>(38 569)</u>
Investment in associate companies	<u>(727)</u>	-
Other investing activities	<u>27</u>	<u>3 538</u>
Cash flows from financing activities	133 220	54 419
Dividends paid	<u>(16 945)</u>	<u>(23 231)</u>
Proceeds from issue of equity instruments of the company	<u>215 000</u>	-
Payment for share issue costs	<u>(1 738)</u>	-
Net (decrease)/increase in borrowings	<u>(63 097)</u>	<u>77 650</u>
Net increase/(decrease) in cash and cash equivalents	112 670	(15 774)
Cash and cash equivalents at beginning of year	<u>13 073</u>	<u>28 847</u>
Cash and cash equivalents at end of year	125 743	13 073
Cash flow from operating activities - per share (cents)	515.9	292.1
<i>* Prior year expanded to split investment in property, plant and equipment into categories of expansion, improvement and replacement.</i>		
OTHER GROUP SALIENT FEATURES	Year ended	Year ended
	31 March	31 March
	2016	2015
(R000's)	audited	audited
Depreciation	<u>32 870</u>	<u>30 502</u>
Capital expenditure and expansion of area under crop	<u>89 363</u>	<u>126 650</u>
Capital commitments		
- Contracted and anticipated	<u>9 880</u>	<u>15 623</u>
- Authorised but not contracted	<u>221 351</u>	<u>26 457</u>
	<u>231 231</u>	<u>42 080</u>
Guarantees	<u>86</u>	<u>86</u>
Net asset value per share (cents)	6 655	6 231
Number of shares in issue	15 264 317	12 576 817
Weighted average number of shares on which earnings per share (and headline earnings per share) are based	13 325 792	12 563 913

SUMMARY CONSOLIDATED SEGMENTAL ANALYSIS	Year ended	Year ended
(R000's)	31 March 2016 audited	31 March 2015 audited
Revenue		
Sugar cane	283 321	281 281
Deciduous fruit	134 012	141 851
Bananas	104 962	84 930
Other operations	20 417	18 025
	<u>542 712</u>	<u>526 087</u>
Operating profit		
Sugar cane	61 434	73 366
Deciduous fruit	57 788	16 183
Bananas	26 797	15 949
Macadamias	(3 191)	(5 183)
Other operations/sundry income	6 291	7 630
Unallocated profit/(loss) on disposal of property, plant and equipment	399	(1 165)
Unallocated operating lease rental - Komatipoort*	(9 893)	(2 300)
Unrealised foreign exchange loss*	(9 939)	(3 772)
Unallocated corporate expenses*	(42 148)	(39 599)
	<u>87 538</u>	<u>61 109</u>
Assets		
Sugar cane**	412 293	442 927
Deciduous fruit**	401 168	337 075
Bananas**	44 909	37 969
Macadamias**	174 545	147 468
Other operations**	39 332	10 197
Unallocated investments and loans	24 862	20 603
Unallocated corporate assets**	233 949	115 746
	<u>1 331 058</u>	<u>1 111 985</u>
Liabilities		
Sugar cane**	54 866	45 317
Deciduous fruit**	1 598	-
Bananas**	24 539	20 783
Macadamias**	30 301	24 704
Other operations**	10 000	10 000
Unallocated corporate liabilities**	193 927	227 578
	<u>315 231</u>	<u>328 382</u>

* Prior year expanded to separately disclose operating lease rental paid for the Komatipoort estate and unrealised foreign exchanges losses incurred.

** Prior year reclassified to disaggregate inventory and segmental liabilities from unallocated corporate assets and liabilities, so as to reallocate to the relevant crop segment.

	Year ended	Year ended
NOTES TO THE SUMMARY FINANCIAL STATEMENTS	31 March	31 March
(R000's)	2016	2015*
	audited	audited
1. Biological assets		
1.1 Growing crops and orchards		
At fair value		
Sugar cane	229 333	232 574
Deciduous fruit	154 135	124 019
Bananas	36 261	29 128
Macadamias	78 518	48 208
Grain and vegetables	6 543	4 224
Carrying amount at end of year	504 790	438 153
Included in the consolidated statement of financial position as:		
Non-current assets - bearer biological assets	309 652	254 234
Current assets - crops	195 138	183 919
	504 790	438 153
Included in the consolidated statement of financial position as:		
Biological assets - owned	451 741	393 071
Biological assets - leased	53 049	45 082
	504 790	438 153
Reconciliation of carrying amounts of bearer, growing crops and orchards:		
Carrying value at beginning of year	438 153	382 691
Gains arising from changes attributable to physical and price changes	267 096	247 958
Decreases due to harvest and sales	(186 767)	(190 372)
Exchange rate translation	(13 692)	(2 124)
Carrying value at end of year	504 790	438 153
In terms of IAS 41 Agriculture, sugar cane (roots and standing cane), trees (banana, deciduous and macadamia), and growing crops (bananas, deciduous fruit, grain, vegetables and macadamia nuts) are accounted for as biological assets and are measured and recognised at fair value. Changes in fair value, replanting and agricultural operating costs incurred are included in profit or loss.		
Non-financial measurements that affect the group's biological asset valuation include weather and climate, in the form of rainfall, heat and evaporation. Stability of electricity supply, water rights and water restrictions impact on the group's ability to irrigate its bearer assets and standing crops. In South Africa, the use of farmland for commercial farming purposes is regulated by the Department of Agriculture.		
The determination of the fair value of the roots and trees and valuation inputs is more comprehensively described in note 1.2 of the notes to the summary financial statements below.		
The fair value of crops and agricultural produce is determined based on current market prices less estimated selling costs.		
* Prior year expanded to split biological assets by owned and leased.		

		Year ended	Year ended
NOTES TO THE SUMMARY FINANCIAL STATEMENTS		31 March	31 March
(R000's)		2016	2015
		audited	audited
1.2 Biological asset valuations			
The following key assumptions have been used in determining the fair value of biological assets:			
Sugar cane			
(i)	Standing sugar cane		
	Expected area to harvest - after 31 March		
	- South Africa	(ha) 4 008	3 672
	- Swaziland	(ha) 2 288	2 360
	- Zambia	(ha) 415	397
	Estimated yields		
	- South Africa	(tons/ha) 77.2	101.5
	- Swaziland	(tons/ha) 86.2	104.9
	- Zambia	(tons/ha) 111.0	126.7
	Average maturity of cane at 31 March		
	- South Africa	(%) 64	63
	- Swaziland	(%) 64	64
	- Zambia	(%) 64	64
	Estimated RV price - South Africa	(Rands) 4 446	3 842
	Estimated sucrose price - Swaziland	(Rands) 3 416	2 773
	Estimated ERC price - Zambia	(Rands) 3 808	3 876
(ii)	Cane roots		
	Estimated productive ratoons	(years) 6 to 8	6 to 8
	Average indexed current replacement cost of establishment - reduced according to age	(R/ha) 10 387	9 912
	Inflation escalation	(%) 5.2	5.6
Deciduous fruit			
(i)	Crop		
	Expected area to harvest - after 31 March	(ha) 183	131
	Estimated yields	(tons/ha) 54.4	64.1
	Average maturity of crop at 31 March	(%) 84.2	88
	Estimated net price per kg - apples and pears	(Rands) 3.85	2.73
	Estimated packout		
	Class 1	(%) 40.8	40.5
	Class 2	(%) 16.6	14.7
	Class 3	(%) 10.7	10.0
	Juice	(%) 31.9	34.8
(ii)	Deciduous trees		
	Estimated productive life	(years) 30	30
	Average indexed current replacement cost of establishment - reduced according to age	(R/ha) 208 777	188 047
	Inflation escalation	(%) 5.2	5.6
Bananas			
(i)	Crop		
	Expected area to harvest - after 31 March	(ha) 354	319
	Estimated yields	(tons/ha) 55.2	53.6
	Average maturity of crop at 31 March	(%) 50.0	50.0
	Estimated net price per carton	(Rands) 103.73	89.10
(ii)	Banana plants		
	Estimated productive life	(years) 9	9
	Average indexed current replacement cost of establishment - reduced according to age	(R/ha) 55 922	52 283
	Inflation escalation	(%) 5.2	5.6
Macadamias⁽¹⁾			
(i)	Crop		
	Expected area to harvest - after 31 March	(ha) -	-
(ii)	Macadamia trees		
	Estimated productive life	(years) 30	30
	Average indexed current replacement cost of establishment - reduced according to age	(R/ha) 290 199	199 472
	Inflation escalation	(%) 6.5	2.7
Vegetables⁽²⁾			
(i)	Crop		
	Expected area to harvest - after 31 March	(ha) -	1.5
	Estimated yields	(tons/ha) -	40
	Average maturity of crop at 31 March	(%) -	33
	Estimated net price per pocket	(Rands) -	54.52
Grain			
(i)	Crop		
	Expected area to harvest - after 31 March	(ha) 453	294
	Estimated yields	(tons/ha) 7.5	9.2
	Average maturity of crop at 31 March	(%) 61	78
	Estimated net price per ton	(Rands) 3 846	3 402

⁽¹⁾ A macadamia tree is expected to reach full production at an age of 7 years. Trees under crop are presently 3 to 4 years old.

⁽²⁾ The production of vegetables in Mozambique ceased during the financial year, due to extra focus on the group's macadamia development.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

(R000's)

Year ended
**31 March
2016
audited**

Year ended
31 March
2015
audited

2. Fair value measurement

The directors are of the opinion that the book value of financial assets and liabilities does not exceed their approximate fair value.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

2016	Level 1	Level 2	Level 3	Total
Unlisted investments	-	710	-	710
Biological assets	-	-	504 790	504 790
Inventories - agricultural produce	-	-	66 565	66 565
Cash and bank balances	125 743	-	-	125 743
	125 743	710	571 355	697 808
2015				
Unlisted investments	-	727	-	727
Biological assets	-	-	438 153	438 153
Inventories - agricultural produce	-	-	39 388	39 388
Cash and bank balances	13 073	-	-	13 073
	13 073	727	477 541	497 341

The group's financial assets and financial liabilities are measured at fair value on a recurring basis.

There have been no transfers between level 1 and 2 of any financial assets in the current financial reporting period.

The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs to fair value	Relationship of unobservable inputs to fair value
	2016	2015				
Unlisted investments	710	727	Level 2	Quoted bid prices in an active market.	N/A	N/A
Biological assets - bearer	309 652	254 234	Level 3	Escalated average current replacement costs of planting and establishment, reduced in value over its productive life.	Current inflation adjusted replacement cost.	Fair value derived by escalating planting and establishment costs by annual inflation.
Biological assets - crops	195 138	183 919	Level 3	Current estimated market prices for the following season, less the estimated costs of harvesting, transport, packing and point-of-sale costs.	Estimated price, yield and inflation is subject to fluctuation and change. Prices are not based on published or quoted market and commodity listings.	In arriving at the fair value, the estimated price is applied against the expected area to harvest, together with the estimated yields and average maturity of the crop.
Inventories - agricultural produce	66 565	39 388	Level 3	Current estimated market prices for the following season, less the estimated costs of harvesting, transport, packing and point-of-sale costs.	Estimated price and packout is subject to fluctuation and change. Prices are not based on published or quoted market and commodity listings.	In arriving at the fair value at the date of harvesting, the estimated price is applied against the estimated point of sale costs incurred, in bringing the produce to their present location and condition to be sold.

The group's growing crops, banana plants, trees, sugar cane roots and agricultural produce are measured at fair value which is determined using estimated unobservable inputs and is categorised as level 3 under the fair value hierarchy. The unobservable inputs are disclosed in the above fair value hierarchy.

The fair value of sugar cane roots is determined on a current amortised cost basis, which is adjusted for cost increases, and the amortisation takes place over the estimated number of productive ratoons (approximately 6 to 8 years life span).

The fair value of banana plants, deciduous and macadamia trees are determined using the average current replacement costs associated with planting and establishing them. The fair values of these plants and trees are then reduced in value, over their estimated productive lives (9 years in the case of banana plants and 30 years in the case of the trees).

The fair value of standing crops and agricultural produce is determined by their growth factor, estimated yield, quality, age and selling prices less costs to harvest, transport and sell.

Changes in the fair value of biological assets are included in profit or loss, with an increase of R72 million (2015: increase of R54 million) being recognised in profit or loss in the current year. A reconciliation of the change in fair value for the year is included in note 1.1.

The directors consider the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements to approximate their fair values.

Sensitivity analysis	2016	2015
The impact of a 1% change in the inflation rate on bearer biological assets will have the following effect on pre-tax profit or loss:		
Sugar cane roots	566	314
Deciduous fruit trees	971	806
Macadamia trees	470	110
	2 007	1 230
The impact of a 1% change in the price or yield of biological assets - crops will have the following effect on pre-tax profit or loss:		
Standing sugar cane	1 809	2 300
Deciduous fruit	287	155
Bananas	246	190
Vegetables	-	1
Grain	78	42
	2 420	2 688
The impact of a 1% change in the price of agricultural produce will have the following effect on pre-tax profit or loss:		
Deciduous picked produce - stock	647	394
The impact of a 1% change in the packout of biological assets from Class 1 to juice will have the following effect on pre-tax profit or loss:		
Deciduous fruit	438	248
The impact of a 1% change in the packout of agricultural produce from Class 1 to Class 3 will have the following effect on pre-tax profit or loss:		
Deciduous fruit	590	370

COMMENTS ON RESULTS

Despite the impact of the ongoing drought affecting large parts of Southern Africa, headline earnings for the year, at 452.9 cents per share, increased by 37% on the previous period (2015: 330.6 cents) and operating profit of R 88 million (2015: R61 million) was 44% higher. Cash generated by operations improved significantly to R 82 million (2015: R 62 million) driven by good profits from the deciduous and banana divisions.

Corporate activities

The share issue was concluded on 21 December 2015, raising R 215 million, improving the group's gearing ratio to 6, 7% (2015: 16.7%).

Operational activities

Increased profit from deciduous fruit of R 58 million (2015: R 16 million) and bananas of R 28 million (2015: R 16 million) was offset by a 15% decline in the profit from the cane division to R 62 million (2015: 73 million) due to depressed cane yields as a consequence of the drought.

The strong performance of both divisions resulted from improved yields and quality following the large scale replanting and upgrading programs undertaken in recent years.

Substantial projects currently being implemented include:

- Development of the Renishaw Hills residential housing estate;
- The continuing development of the macadamia project located near Gurue in northern Mozambique;
- and
- A 300 ha greenfield banana development in southern Mozambique in conjunction with Silverlands Mozambique.

The group has traditionally been highly exposed to the sugar industry, with cane contributing the largest portion of income. As our diversification efforts bring results, this dependence is declining. In the past year, for the first time, income from cane constituted less than 50% of group operating income. Notwithstanding the effect of the drought on the income from cane, we expect this trend to continue into the future.

Prospects

The 2016/17 year is likely to be tough for the group's cane operations, with little relief expected from the difficult climatic conditions, as we go into winter with very low dam levels and restricted irrigation in Mpumalanga and Swaziland. It is expected that the reduced production will be partially offset by excellent sugar prices, however.

We anticipate that deciduous fruit volumes will continue to increase as new orchards come into production, although growth might slow next year after the bumper crop of the current season. This division will become increasingly important to the group in the future.

The effect of the drought on the banana crop tonnage and quality are unknown at this stage, but early indications are good and we expect good yields and grades in 2017. Prices are also expected to be good in 2017 as the supply to the market is affected by the drought.

The group's prospects for the medium term are exciting, with the replanted deciduous fruit orchards approaching maturity, the macadamia orchards coming into production in 2017 and the implementation of the Renishaw development imminent. Following the capital raising exercise, several high return projects/acquisitions are under evaluation to build on the group's expansion strategy.

Capital Planning

Project investment and capital expenditure of R 221 million has been authorised by the board for the 2017 financial year for new investments, ongoing continuous improvement projects and fixed asset replacement.

CASH DIVIDEND DECLARATION

The board of directors, ("the board") has resolved to declare a final gross cash dividend of 115.0 cents per ordinary share ("the cash dividend") to ordinary shareholders recorded in the register of the company at the close of business on Friday, 1 July 2016.

In respect of the final gross cash dividend:

- the dividend has been declared from income reserves;
- the dividend withholding tax rate is 15% resulting in a net dividend of 97.75 cents per share to those shareholders who are not exempt from dividend withholding tax;
- Crookes Brothers Limited tax reference number is 9696/001/71/9; and
- the issued number of shares as at declaration date is 15 264 317.

The cash dividend will be paid on Monday, 4 July 2016 to shareholders recorded in the books of the company at close of business on the record date Friday, 1 July 2016.

The salient dates of the declaration and payment of these dividends are as follows:

Last day to trade cum-dividend	Friday	24 June 2016
Shares commence trading ex-dividend	Monday	27 June 2016
Record date	Friday	1 July 2016
Payment date	Monday	4 July 2016

Share certificates may not be dematerialised or re-materialised between Monday, 27 June 2016 and Friday, 1 July 2016, both days inclusive.

The above dividend is in addition to the interim dividend of 35.0 cents per share, which was declared on 26 November 2015, and brings the aggregate dividend in respect of the year ended 31 March 2016 to 150.0 cents (2015: 150.0 cents) per share.

ACCOUNTING POLICIES

The provisional summary consolidated financial statements are prepared in accordance with the requirements of the JSE Listings Requirements ("Listings Requirements") for provisional reports, and the requirements of the Companies Act of South Africa applicable to summary financial statements. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements, from which the summary consolidated financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the 31 March 2015 consolidated financial statements. The group has adopted all revised accounting pronouncements as issued by the IASB. The adoption of these standards had no recognition and measurement impact on the financial results.

The results have been prepared by N Naidoo CA (SA) under the supervision of GL Veale CA (SA), the group financial director.

The financial information has been prepared on the historical cost basis except for the valuation of biological assets, certain financial instruments and share-based payments, which are at fair value. The principal accounting policies are consistent with those of the previous financial year.

FAIR VALUE DISCLOSURE

The JSE requires that all the disclosure mandated by IFRS13 'Fair Value Measurement' be included in the annual financial statements as well as in the provisional summary group results announcement.

At the specific request of the JSE, full details of the fair value disclosure around biological assets have been included in this statement under group results.

AUDITED RESULTS

These provisional summary consolidated financial statements for the year ended 31 March 2016 have been audited by Deloitte and Touche who expressed an unmodified opinion thereon. The auditor has expressed an unmodified opinion on the consolidated financial statements from which these provisional summary consolidated financial statements were derived.

A copy of the auditor's report on the provisional summary consolidated financial statements and of the auditor's report on the consolidated financial statements are available for inspection at the company's registered office, together with the financial statements identified in the respective auditor's reports.

The auditor's report does not necessarily report on all the information contained in the financial results including commentary on future prospects. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the company's registered office.

EVENTS AFTER THE REPORTING PERIOD

During the past period the government transferred a large portion of the Komati Estate leased by the group to the Mawewe community. Following negotiations, it was decided to give up the 4 year balance of the lease in favour of a 20 year joint venture with the community to lease and operate the farm. The joint venture was implemented from 1 April 2016.

CHANGES TO THE BOARD OF DIRECTORS

During the year under review and to the date of this report, the following changes to the board took place:

- CJH Chance resigned as a non-executive director on 29 May 2015;
- TJ Crookes was appointed as a non- executive director on 10 July 2015;
- RGF Chance was appointed as non-executive director on 10 July 2015;
- T K Denton was appointed as non-executive director on 10 July 2015;
- PJ Barker retired as financial director on 31 March 2016;
- GL Veale was appointed as financial director, effective 1 April 2016.

NOTICE OF THE ANNUAL GENERAL MEETING AND POSTING OF ANNUAL REPORT

Notice is hereby given that the 103rd annual general meeting of shareholders of Crookes Brothers Limited ("**Crookes Brothers**" or "**the company**"), in respect of the financial year ended 31 March 2016 will be held at the Durban Country Club, Isaiah Ntshangase Road, Durban, 4001 on Friday, 29 July 2016, at 11h00 ("**the AGM**" or "**the annual general meeting**").

The annual report will be posted to shareholders on or about 30 June 2016.

For and on behalf of the Board:

John Barton
(Chairman)

Guy Clarke
(Managing Director)

Mt Edgecombe

31 May 2016

Registered office and postal address

Kwashukela, 170 Flanders Drive, Mt Edgecombe, 4300

PO Box 611, Mt Edgecombe, 4300

Transfer secretaries

Computershare Investor Services (Pty) Ltd.

PO Box 61051, Marshalltown, 2107

Sponsor

Sasfin Capital

A division of Sasfin Bank Limited

Website

www.cbl.co.za

Directors:

JR Barton * (Chairman), GS Clarke (Managing), GL Veale (Financial), TJ Crookes*, RGF Chance*, TK Denton*#, JAF Hewat*, P Mnganga*, MT Rutherford*, RE Stewart*, G Vaughan-Smith*#.

* Non-executive director #British

Secretary:

Highway Corporate Services (Pty) Limited