

Comments on results

Revenue from continuing operations increased by 22% to R664 million (2016: R543 million), with the major contributions from the sugar and bananas segments, driven mainly by high selling prices due to supply constraints caused by the drought. In contrast, the deciduous operation suffered from a substantial decline in prices driven by rand strength as well as the effects of a slump in oil and other commodity prices impacting our African markets.

Operating profit increased by 73% to R125 million (2016: R72 million), despite a R10 million operating loss recorded in our deciduous fruit segment. Headline earnings per share increased by 15.9% to 424.1 cents (2016: 366.0 cents).

Cash generated from operations increased by 5% to R102 million (2016: R97 million).

Community partnerships

A feature of our results is the substantial increase in profit attributable to non-controlling interests of R31.3 million (2016: R1.1 million), consisting of our community partners' share of profit. As of 1 April 2016, CBL converted its rights to the balance of a lease over a major portion of the 2500 ha Komati Estate to a 20 year partnering arrangement with the Mawewe community.

The long term benefits are significant and this arrangement is in line with the group's empowerment and sustainability objectives. We are currently negotiating a similar arrangement for the rest of the Komati farm.

Functional currency

Following a detailed assessment of our macadamia operation and banana joint venture, both in Mozambique, it was concluded that the functional currency of both these projects was Rands. This best reflects the operating reality and eliminates the effect of Metica's volatility on earnings.

Change in bearer biological asset standard to property plant and equipment- IAS16

Retrospectively with effect from 1 April 2015, CBL adopted the accounting standard change in respect of bearer biological assets. Bearer assets are now classified under property, plant and equipment at cost, with no subsequent revaluations, and are depreciated over the useful life of the crop. Details on the restatement are shown in the consolidated annual financial statements

Prospects

The next 12 months will be challenging as we recover from the effects of the drought, particularly in our cane segment in Mpumalanga. Our deciduous division continues to be exposed to water risk due to the severe ongoing drought in the Western Cape.

The performance of the deciduous division in 2018 will depend on rainfall in the current winter months.

With deciduous fruit orchards approaching maturity, an excellent first harvest from the macadamia project and the start of the Renishaw property development during the financial year under review, the group's medium term prospects are promising.

It is noteworthy that approximately R400 million of assets reflected on the group's balance sheet are currently in development phase and will deliver an increased contribution to profits from 2019.

We are confident that our financial goals of achieving long term headline earnings growth of 15% per annum and a return in equity of 15% are attainable with the maturing of these non-producing assets.

Project and capital expenditure

Planned project and capital expenditure for the next 12 months amounts to R226 million. We plan to extend our banking facilities to bring our ongoing projects to production over the next two years. The additional cash flows generated from new projects is targeted to drive the group into a free cash flow phase in 2019.

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, 7 July 2017.

In respect of the final gross cash dividend:

- the dividend has been declared from income reserves;
- the dividend withholding tax rate is 20% resulting in a net dividend of 92.0 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, 10 July 2017 to shareholders recorded in the books of the company at close of business on the record date Friday, 7 July 2017.

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

Last day to trade cum-dividend	Tuesday, 4 July 2017
Shares commence trading ex-dividend	Wednesday, 5 July 2017
Record date	Friday, 7 July 2017
Payment date	Monday, 10 July 2017

Share certificates may not be dematerialised or re-materialised between Wednesday, 5 July 2017 and Friday, 7 July 2017, both days inclusive.

The above dividend is in addition to the interim dividend of 50.0 cents per share, which was declared on 29 November 2017, and brings the aggregate dividend in respect of the year ended 31 March 2017 to 165.0 cents (2016: 150.0 cents) per share.

BASIS OF PREPARATION

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 annual 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 2016 consolidated annual financial statements except for the change in accounting policy in respect of bearer biological assets standard which has been retrospectively applied. The group has adopted all the new or revised accounting pronouncements as issued by the International Accounting Standards Board.

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.

AUDITED RESULTS

These provisional summary consolidated financial statements for the year ended 31 March 2017 have been audited by Deloitte & Touche who expressed an unmodified opinion thereon. The auditor has expressed an unmodified opinion on the consolidated annual 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 annual 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. 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.

CHANGES TO THE BOARD OF DIRECTORS

There were no changes to the board of directors.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to shareholders as recorded in the company's securities register on 21 July 2017 that the 104th annual general meeting of shareholders of Crookes Brothers Limited ("**Crookes Brothers**" or "**the company**"), in respect of the financial year ended 31 March 2017 will be held at the Durban Country Club, Isaiah Ntshangase Road, Durban, 4001 on Friday, 28 July 2017, at 11h00 ("**the AGM**" or "**the annual general meeting**").

The annual report will be posted to shareholders on or about 30 June 2017.

For and on behalf of the board

John Barton
Chairman

Guy Clarke
Managing Director

Durban
31 May 2017

Registered office and postal address

170 Flanders Drive, Mount Edgecombe, KwaZulu-Natal, 4300
PO Box 611, Mount Edgecombe, KwaZulu-Natal, 4300

Website

www.cbl.co.za

Transfer secretaries

Computershare Investor Services (Pty) Ltd
PO Box 61051, Marshalltown, 2107

Sponsor

Sasfin Capital
A division of Sasfin Bank Limited

Directors

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

* Non-executive director #British

Company secretary

Highway Corporate Services (Pty) Limited

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 2017 AND FINAL DIVIDEND DECLARATION

The audited results of the group for the year ended 31 March 2017 together with those of the previous year are set out below:

	Audited year end	Audited year end
SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31 March	31 March
(R000's)	2017	2016*
Revenue	663 951	542 712
Operating profit	125 154	72 212
Share of profit of joint venture and associate companies	2 105	3 549
Investment income	9 055	3 956
Finance costs	(5 453)	(8 026)
Profit before tax	130 861	71 691
Income tax expense	(34 655)	(21 638)
Profit for the year	96 206	50 053
Other comprehensive income/(loss) net of income tax		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit surplus	(211)	(115)
Remeasurement of post-employment medical aid obligation	462	1 773
Items that may be reclassified subsequently to profit or loss:		
Net fair value (loss)/gain on available-for-sale financial assets during the year	(46)	128
Exchange differences on translating foreign operations	1 551	(28 040)
Other comprehensive income/(loss) for the year, net of income tax	1 756	(26 254)
Total comprehensive income for the year	97 962	23 799
Profit for the year attributable to:		
Owners of the company	64 826	48 893
Non-controlling interests	31 380	1 160
	96 206	50 053
Total comprehensive income attributable to:		
Owners of the company	66 582	22 639
Non-controlling interests	31 380	1 160
	97 962	23 799
Earnings per share (cents)		
Basic	424.7	366.9
Diluted	424.6	365.5
* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: property, plant and equipment.		

	Audited year end	Audited year end
RECONCILIATION OF HEADLINE EARNINGS	31 March	31 March
(R000's)	2017	2016*
Profit for the year attributable to owners of the company	64 826	48 893
Adjusted for:		
Gain on disposal of property, plant and equipment	(128)	(399)
Tax effect of the adjustment	36	280
Headline earnings	64 734	48 774
Headline earnings per share (cents)		
Headline earnings per share	424.1	366.0
Headline earnings per share (diluted)	424.0	364.6
<i>* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: property, plant and equipment.</i>		
	Audited year end	Audited year end
DIVIDEND DECLARATION	31 March	31 March
	2017	2016*
Dividends per share (cents)		
Ordinary dividends declared per share - interim	50.0	35.0
Ordinary dividends declared per share - final	115.0	115.0
	165.0	150.0
	Audited year end	Audited year end
SUMMARY CONSOLIDATED		
STATEMENT OF CHANGES IN EQUITY	31 March	31 March
(R000's)	2017	2016*
Shareholders' equity at beginning of year	1 004 117	783 603
Movements in:		
Share capital and premium - share issue	-	215 000
Share issue costs written off against share premium	-	(1 738)
Share-based payment reserve	980	398
Other comprehensive income/(loss) for the year	1 294	(28 027)
Changes in retained earnings	60 587	34 881
Net profit attributable to owners of the company	64 826	48 893
Remeasurement of post-employment obligations	462	1 773
Net profit attributable to non-controlling interests	31 380	1 160
Dividends paid - ordinary shareholders	(25 186)	(15 092)
Dividends paid - community partners	(10 895)	(1 853)
Shareholders' equity at end of year	1 066 978	1 004 117
<i>* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: property, plant and equipment.</i>		

	Audited year end	Audited year end
SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 March	31 March
(R000's)	2017	2016*
ASSETS		
Non-current assets	944 326	801 209
Property, plant and equipment	874 815	769 941
Other financial assets	1 019	710
Investments in joint venture and associates	55 410	23 612
Deferred tax assets	13 082	6 946
Current assets	523 495	495 433
Inventories	151 191	111 601
Biological assets	213 272	189 522
Trade and other receivables	84 512	53 963
Current tax assets	6 900	4 356
Retirement benefit surplus	10 212	9 708
Unsecured loans	540	540
Cash and bank balances	56 868	125 743
Total assets	1 467 821	1 296 642
EQUITY AND LIABILITIES		
Capital and reserves	1 066 978	1 004 117
Share capital and premium	226 271	226 271
Investment revaluation reserve	951	997
Foreign currency translation reserve	(23 764)	(25 315)
Share-based payment reserve	2 414	1 434
Retained earnings	836 706	796 815
Equity attributable to owners of the company	1 042 578	1 000 202
Non-controlling interests	24 400	3 915
Non-current liabilities	218 918	209 485
Deferred tax liabilities	148 326	132 559
Long term borrowings: interest-bearing	33 169	42 967
Long term liability: interest-free	37 423	33 959
Current liabilities	181 925	83 040
Trade and other payables	51 182	32 337
Short term borrowings: interest-bearing	80 356	24 629
Provisions	16 810	14 104
Outside shareholders' loan	597	660
Current tax liabilities	14 074	2 307
Dividend withholding tax	-	63
Post-employment medical aid obligation	9 023	8 940
Bank overdraft	9 883	-
Total equity and liabilities	1 467 821	1 296 642

* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: property, plant and equipment.

	Audited year end	Audited year end
SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS	31 March	31 March
(R000's)	2017	2016*
Operating profit for the year	125 154	72 212
Adjustment for non-cash items	28 169	55 135
	153 323	127 347
Net working capital changes	(51 505)	(30 778)
Cash generated from operations	101 818	96 569
Cash flows from operating activities	89 361	83 666
Cash generated from operations	101 818	96 569
Interest received	8 958	3 847
Interest paid	(5 453)	(8 026)
Income taxes paid	(15 962)	(8 358)
Purchase of annuities for post-employment medical aid benefits	-	(366)
Cash flows from investing activities	(189 266)	(104 216)
Proceeds on disposal of property, plant, equipment	1 743	665
Proceeds on disposal and redemption of investments	-	100
Investment in property, plant and equipment:		
replacement	(9 065)	(12 528)
expansion and development	(102 783)	(33 777)
bearer asset replants	(47 151)	(57 976)
Investment in joint venture and associate companies	(31 798)	(727)
Other net investing activities	(212)	27
Cash flows from financing activities	21 147	133 220
Dividends paid:		
Ordinary shareholders	(25 186)	(15 092)
Community partners	(10 895)	(1 853)
Proceeds from issue of equity instruments of the company	-	215 000
Payment for share issue costs	-	(1 738)
Net increase/(decrease) in borrowings	57 228	(63 097)
Net (decrease)/increase in cash and cash equivalents	(78 758)	112 670
Cash and cash equivalents at beginning of year	125 743	13 073
Cash and cash equivalents at end of year	46 985	125 743
Cash flow from operating activities - per share (cents)	585.4	627.9

* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: property, plant and equipment.

	Audited year end	Audited year end
OTHER GROUP SALIENT FEATURES	31 March	31 March
(R000's)	2017	2016*
Depreciation	<u>48 557</u>	45 691
Capital commitments		
- <i>Contracted and anticipated:</i>		
- replacement	1 231	1 100
- expansion and development	<u>25 736</u>	8 780
	<u>26 967</u>	<u>9 880</u>
- <i>Authorised but not contracted:</i>		
- replacement	11 538	5 295
- expansion and development	177 882	200 056
- bearer asset replants	<u>36 825</u>	16 000
	<u>226 245</u>	<u>221 351</u>
Guarantees	86	86
Net asset value per share (cents)	6 990	6 578
Number of shares in issue	15 264 317	15 264 317
Weighted average number of shares on which earnings per share (and headline earnings per share) are based	15 264 317	13 325 792
<p>* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: property, plant and equipment.</p>		

	Audited year end	Audited year end
SUMMARY CONSOLIDATED SEGMENTAL ANALYSIS	31 March 2017	31 March 2016*
(R000's)		
Revenue*		
Sugar cane	342 844	283 321
Deciduous fruit	170 219	134 012
Bananas	126 493	104 962
Other operations	24 395	20 417
	<u>663 951</u>	<u>542 712</u>
Operating profit*		
Sugar cane	136 979	49 108
Deciduous fruit	(10 386)	46 719
Bananas	38 076	23 718
Macadamias ⁽¹⁾	2 317	(13 782)
Property development^	(1 530)	(64)
Other operations^	9 261	6 355
Unallocated profit on disposal of property, plant and equipment	128	399
Unallocated corporate expenses ⁽¹⁾	(49 691)	(40 241)
	<u>125 154</u>	<u>72 212</u>
Assets*		
Sugar cane	457 712	409 284
Deciduous fruit	381 206	390 098
Bananas	31 178	27 043
Macadamias	214 816	172 074
Property development^	93 580	13 588
Other operations^	29 292	25 744
Unallocated investments and loans	56 969	24 862
Unallocated corporate assets	203 068	233 949
	<u>1 467 821</u>	<u>1 296 642</u>
Liabilities*		
Sugar cane	83 455	53 642
Deciduous fruit	11 945	11 598
Bananas	13 691	6 673
Macadamias	27 439	30 301
Unallocated corporate liabilities	264 313	190 311
	<u>400 843</u>	<u>292 525</u>

* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: property, plant and equipment.

^ Prior year reclassified to disaggregate the "Property development" segment, previously included under "Other Operations".

⁽¹⁾ Prior year reclassified to reallocate operating lease rentals and unrealised foreign exchange differences to the relevant crop segment.

The "Macadamias" segment represents mainly interest and gains and losses arising from the translation of the US Dollar term loan to Rands.

	Audited year end	Audited year end
NOTES TO THE SUMMARY FINANCIAL STATEMENTS	31 March	31 March
(R000's)	2017	2016*
1. BIOLOGICAL ASSETS		
1.1 Growing crops and livestock		
<i>At fair value</i>		
Sugar cane	176 078	151 253
Deciduous fruit	20 044	25 347
Bananas	16 229	11 995
Livestock	921	927
Fair value at end of year	213 272	189 522
Reconciliation of fair values of growing crops and livestock:		
Fair value at beginning of year - as previously reported	189 522	439 098
Effect of change in accounting policy on opening balances	-	(254 234)
Fair value at beginning of year - restated	189 522	184 864
Gains arising from changes attributable to physical and price changes:		
- Sugar cane	175 609	165 093
- Deciduous fruit	20 044	43 366
- Bananas	16 230	15 478
- Macadamias		43 159
Decreases due to harvest and sales:		
- Sugar cane	(151 536)	(165 070)
- Deciduous fruit	(25 348)	(13 251)
- Bananas	(11 995)	(8 345)
- Macadamias	-	(101)
Fair value changes attributable to births, deaths and ageing of livestock	(6)	(18)
Effect of foreign currency exchange differences	752	(13 692)
Transfer of grain to inventory	-	(6 543)
Effect of change in accounting policy on movement for the year	-	(55 418)
Fair value at end of year	213 272	189 522
In terms of IAS 41 Agriculture, standing sugar cane and growing crops (bananas, deciduous fruit, grain 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. Bearer assets are now accounted for as property, plant and equipment and recognised at depreciated historic cost.		
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 standing crops. In South Africa, the use of farmland for commercial farming purposes is regulated by the Department of Agriculture.		
The fair value of crops and agricultural produce is determined based on current market prices less estimated selling costs.		
<i>* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: property, plant and equipment.</i>		

		Audited year end	Audited year end
NOTES TO THE SUMMARY FINANCIAL STATEMENTS		31 March	31 March
(R000's)		2017	2016*
1.2 Biological asset valuations			
The following key assumptions have been used in determining the fair value of biological assets:			
SUGAR CANE			
Standing sugar cane			
Expected area to harvest - after 31 March			
- South Africa	(ha)	3 615	4 008
- Swaziland	(ha)	2 195	2 288
- Zambia	(ha)	382	415
Estimated yields			
- South Africa	(tons/ha)	84.8	77.2
- Swaziland	(tons/ha)	108.0	86.2
- Zambia	(tons/ha)	130.0	111.0
Average maturity of cane at 31 March			
- South Africa	(%)	64	64
- Swaziland	(%)	64	64
- Zambia	(%)	64	64
Estimated RV price - South Africa	(Rands)	4 790	4 446
Estimated sucrose price - Swaziland	(Rands)	3 880	3 416
Estimated ERC price - Zambia	(Rands)	3 355	3 808
DECIDUOUS FRUIT			
Crop			
Expected area to harvest - after 31 March			
	(ha)	178	183
Estimated yields			
	(tons/ha)	57.0	54.4
Average maturity of crop at 31 March			
	(%)	81.8	84.2
Estimated net price per kg - apples and pears			
	(Rands)	3.97	3.85
Estimated packout			
- Class 1	(%)	41.6	40.8
- Class 2	(%)	15.9	16.6
- Class 3	(%)	9.1	10.7
- Juice	(%)	33.4	31.9
BANANAS			
Crop			
Expected area to harvest - after 31 March			
	(ha)	411	354
Estimated yields			
	(tons/ha)	52.6	55.2
Average maturity of crop at 31 March			
	(%)	50.0	50.0
Estimated net price per carton			
	(Rands)	134.64	103.73
MACADAMIAS⁽¹⁾			
Crop			
Expected area to harvest - after 31 March			
	(ha)	-	-
* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: property, plant and equipment.			
⁽¹⁾ A macadamia tree is expected to reach full production at an age of seven years.			
Trees under crop are presently four to five years old with limited production in year six.			

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

31 March

31 March

(R000's)

2017

2016*

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).

2017	Level 1	Level 2	Level 3	Total
Other financial assets	-	586	-	586
Biological assets (excluding livestock)	-	-	212 351	212 351
Inventories - agricultural produce	-	-	56 221	56 221
	-	586	268 572	269 158
2016*				
Other financial assets	-	514	-	514
Biological assets (excluding livestock)	-	-	188 595	188 595
Inventories - agricultural produce	-	-	66 565	66 565
	-	514	255 160	255 674

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 2017	Fair value as at 2016*	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs to fair value	Relationship of unobservable inputs to fair value
Other financial assets	586	514	Level 2	Quoted bid prices in an active market.	None.	None.
Biological assets (excluding livestock)	212 351	188 595	Level 3	Discounted cash flow. 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	56 221	66 565	Level 3	Discounted cash flow. 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 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 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 R23 million (2016: restated increase of R55 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.

Sensitivity analysis	2017	2016*
The impact of a 1% change in the price or yield of biological assets (excluding livestock) will have the following effect on pre-tax profit or loss:		
Sugar cane	2 073	1 809
Deciduous fruit	291	287
Bananas	287	246
Grain	-	78
	2 651	2 420
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	581	647
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	350	438
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	452	590
The impact of a 1% change in the price of a carton of bananas has a negligible effect on pre-tax profit or loss.		
<i>* Prior year restated to account for change in accounting policy, with respect to bearer assets now measured under IAS 16: property, plant and equipment.</i>		