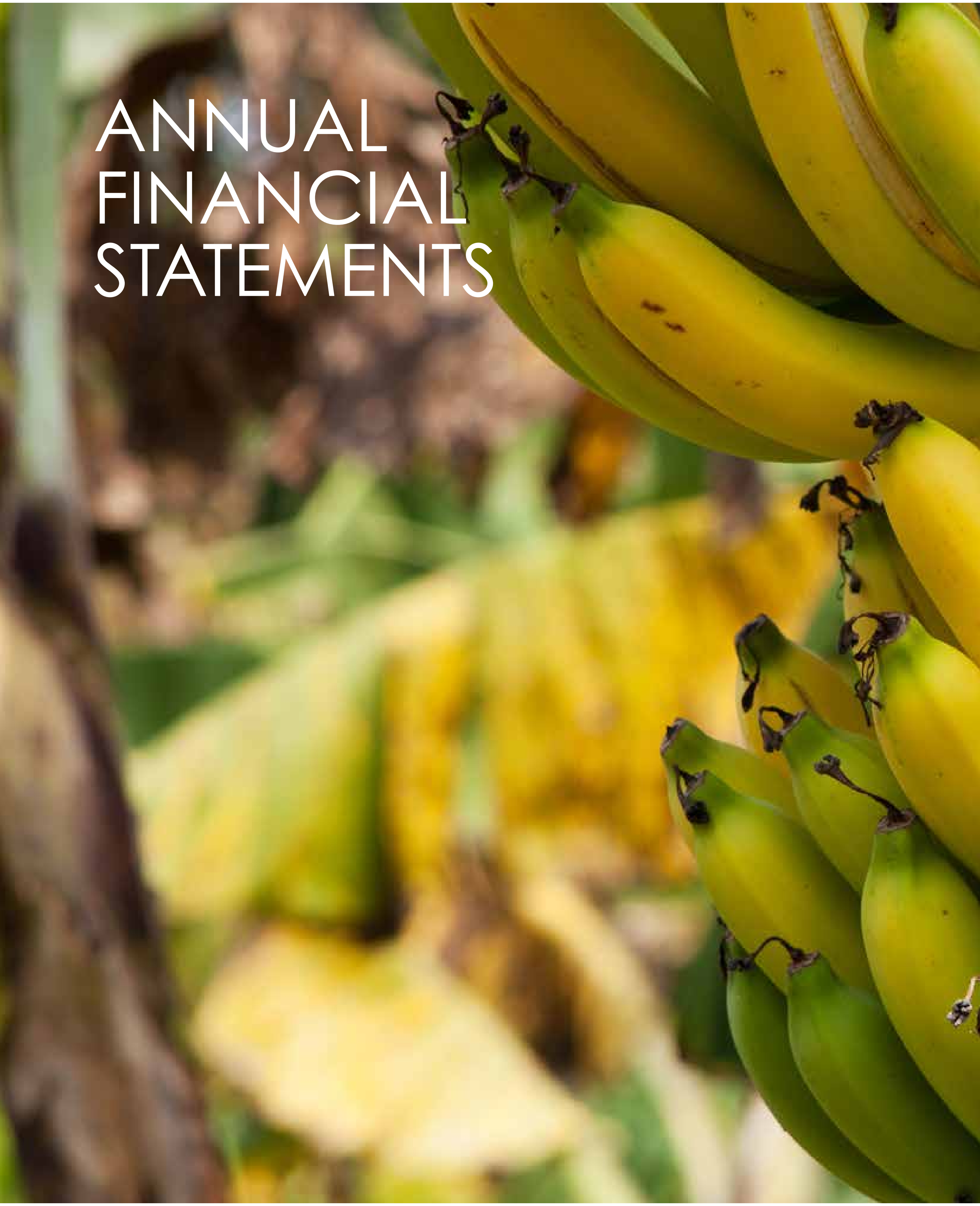

ANNUAL FINANCIAL STATEMENTS
2016
CROOKES
BROTHERS
LIMITED

ANNUAL FINANCIAL STATEMENTS



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ANNUAL FINANCIAL STATEMENTS

DIRECTORS' APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The directors of the company are responsible for the integrity and objectivity of the consolidated annual financial statements (hereafter referred to as financial statements), which have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

In discharging this responsibility, the group maintains appropriate internal control systems designed to provide reasonable assurance that assets are safeguarded and transactions are executed and recorded in accordance with group policies.

The directors, supported by the audit committee, are satisfied that such controls, systems and procedures are in place to minimise the possibility of material loss or misstatement.

The directors believe that the group has adequate resources to continue in operation for the foreseeable future. Therefore, the annual financial statements have been prepared on a going-concern basis.

The annual financial statements for the year ended 31 March 2016 have been prepared on behalf of Crookes Brothers Limited by Nigel Naidoo CA (SA) under the supervision of Gregory Veale CA (SA), group financial director.

The board of directors approved the financial statements on 27 May 2016. They are signed on its behalf by:

John Barton
Chairman

Guy Clarke
Group managing director

Mount Edgecombe
27 May 2016

CERTIFICATE FROM THE COMPANY SECRETARY

I hereby certify that the company has lodged with the Companies and Intellectual Property Commission, all such returns that are required of a public company in terms of the Companies Act, 2008, as amended, in respect of the year ended 31 March 2016 and that all such returns are true, correct and up to date.

Highway Corporate Services (Pty) Ltd
Company secretary

Mount Edgecombe
27 May 2016

INDEPENDENT AUDITOR'S REPORT
To the shareholders of Crookes Brothers Limited

We have audited the consolidated financial statements of Crookes Brothers Limited set out on pages 9 to 73, which comprise the statement of financial position as at 31 March 2016, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these consolidated 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 financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Crookes Brothers Limited as at 31 March 2016, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the consolidated financial statements for the year ended 31 March 2016, we have read the Directors' Report, the Audit Committee's Report and the Certificate from Company Secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the Independent Regulatory Board for Auditors (IRBA) Rule published in Government Gazette Number 39475 dated 04 December 2015, we report that Deloitte & Touche has been the auditor of Crookes Brothers Limited for 68 years.

Deloitte & Touche

Deloitte & Touche
Registered Auditors
Per: **Camilla Howard-Browne**
Partner

31 May 2016

2 Pencarrow Crescent
Pencarrow Park
La Lucia Ridge Office Estate
La Lucia
4051

DIRECTORS' REPORT

The directors have pleasure in submitting the annual financial statements of the group for the year ended 31 March 2016.

NATURE OF BUSINESS

Crookes Brothers Limited is an agricultural business growing sugar cane, bananas deciduous fruit and macadamia nuts in South Africa, Swaziland, Zambia and Mozambique, and is also embarking on a major property development in Scottburgh, KwaZulu-Natal.

SHARE CAPITAL

The authorised share capital at 31 March 2016 consisted of 16 000 000 shares of 25 cents each (2015: 16 000 000). The company has no unlisted securities.

The number of issued shares is 15 264 317 at 31 March 2016 (2015: 12 576 817).

The company holds no treasury shares and has not repurchased any of its own shares during the year under review.

FINANCIAL RESULTS

Group attributable earnings for the year ended 31 March 2016 was R60,5 million (2015: R40,7 million), representing earnings per share of 453,7cents (2015: 323,9 cents). Headline earnings per share were 452,9 cents (2015: 330,6 cents).

Full details of the financial position and results of the group are set out in the annual financial statements.

GOING CONCERN

The directors believe that the group has adequate resources to continue in operation for the foreseeable future and the financial statements have therefore been prepared on a going-concern basis.

DIVIDENDS

The following dividends per share were declared in respect of the year ended 31 March 2016:

- An ordinary interim dividend of 35,0 cents (2014: 65,0 cents) declared in November 2015 and paid in January 2016.
- An ordinary final dividend of 115,0 cents (2015: 85,0 cents) declared in May 2016 and payable in July 2016.

The aggregate distribution in respect of the year ended 31 March 2016 is therefore 150,0 cents (2015: 150,0 cents) per share.

DIRECTORATE

Non-executive

John Robert Barton – *Chairman*
Richard George Ferguson Chance
Timothy John Crookes
Timothy Kipling Denton
John Anthony Frederick Hewat
Phumla Mnganga
Malcolm Thomas Rutherford
Rodger Edward Stewart
Gary Vaughan-Smith

Executive

Guy Stanley Clarke – *Group Managing Director*
Gregory Lancaster Veale – *Group Financial Director*

Having reached mandatory retirement age, Phil Barker retired from the board on 31 March 2016.

Greg Veale was appointed to the board on 1 April 2016.

In terms of the company's memorandum of incorporation, Richard Chance, Tim Crookes, Tim Denton, Phumla Mnganga, Malcolm Rutherford, Rodger Stewart, Anthony Hewat and Gary Vaughan-Smith retire at the annual general meeting and, being eligible, offer themselves for re-election.

INTERESTS OF DIRECTORS IN SHARE CAPITAL

At 31 March 2016, the directors of the company held beneficial interests in 262 256 of the company's issued ordinary shares. The register of interests of directors and managers in the share capital of the company is available for inspection at the registered office of the company. Details of the shares held per individual director, as at 31 March 2016, are listed below.

Director	2016 Direct	2016 Indirect	2015 Direct	2015 Indirect
PJ Barker	**25 500**	**–**	25 500	–
CJH Chance	**–**	**–**	–	75 000
RGF Chance	**–**	**75 000**	–	–
GS Clarke	**18 616**	**–**	15 616	–
TJ Crookes	**–**	**143 140**	–	–
	44 116	**218 140**	41 116	75 000

In addition, at 31 March 2016, managers of the company held 40 250 shares (2015: 45 250 shares).

Non-executive director Gary Vaughan-Smith and non-executive director Tim Denton represent the interests of, and are directly and indirectly interested in, Silverlands (SA) Plantations Sarl, a wholly-owned subsidiary of SilverStreet Private Equity Strategies SICAR – Silverlands Fund ("the Silverlands Fund"), a private equity fund based in Luxembourg. The Silverlands Fund is managed by SilverStreet Management Sarl (the fund's General Partner) of which they are directors and shareholders. Both also have vested interests in the Silverlands Fund. Silverlands (SA) Plantations Sarl owned 6 793 314 shares at year-end (2015: 4 156 550), representing 44,5% (2015: 33,1%) of the issued share capital of the company.

DIRECTORS' REMUNERATION

At the forthcoming annual general meeting, shareholders will be requested to pass a non-binding advisory vote approving the group's remuneration policy and a special resolution to approve increases in fees payable to non-executive directors with effect from 1 April 2016 as follows:

	Proposed Rands per annum	Current Rands per annum
Board		
Chairman	**430 000**	**405 000**
Other non-executive board members	**187 000**	**160 000**
Audit committee		
Chairman	**130 000**	**113 500**
Other members	**62 000**	**53 000**
Remuneration committee		
Chairman	**37 000**	**32 000**
Other members	**25 000**	**21 500**
Nominations committee		
Chairman	**18 500**	**16 000**
Other members	**12 500**	**10 500**
Risk committee		
Chairman	**52 000**	**44 500**
Other non-executive board members	**35 000**	**30 000**
Social and ethics committee		
Chairman	**37 000**	**32 000**
Other non-executive board members	**25 000**	**21 500**
Retirement funds		
Chairman	**76 000**	**72 000**

SUBSIDIARY COMPANIES

The names and financial information in respect of the interest of the company in its subsidiaries are disclosed in note 17 of the annual financial statements.

SPECIAL RESOLUTIONS ADOPTED BY THE COMPANY AND ITS SUBSIDIARY COMPANIES

The company or its subsidiary companies have passed no special resolutions since the date of the previous annual general meeting.

EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period that have a significant effect in the affairs or financial position of the company are disclosed in note 33 of the annual financial statements.

CORPORATE INFORMATION

Company name:	Crookes Brothers Limited
Registered office:	Mount Edgecombe, KwaZulu-Natal
Postal address:	PO Box 611, Mount Edgecombe, 4300
Telephone:	031 508 7340
Email:	info@cbl.co.za
Website:	www.cbl.co.za
Share code:	CKS
Company registration number:	1913/000290/06
Company secretary:	Highway Corporate Services Proprietary Limited
Business address:	14 Hillcrest Office Park, 2 Old Main Road, Hillcrest
Postal address:	PO Box 1319, Hillcrest, 3650
Telephone:	031 765 4989
Telefax:	086 679 3461
Transfer secretaries:	Computershare Investor Services Proprietary Limited
Business address:	70 Marshall Street, Johannesburg
Postal address:	PO Box 61051, Marshalltown, 2107
Telephone:	011 370 5000
Telefax:	011 688 5200
Auditors:	Deloitte & Touche
Attorneys:	Livingston Leandy Inc.
Bankers:	FirstRand Bank Limited
	Investec Bank Limited
Sponsor:	Sasfin Capital (A division of Sasfin Bank Limited)

AUDIT COMMITTEE REPORT

The audit committee is a committee of the board of directors. In addition to having specific statutory responsibilities in terms of the Companies Act, it assists the board through advising and making recommendations on financial reporting, oversight of internal financial controls, external and internal audit functions and statutory and regulatory compliance of the group.

TERMS OF REFERENCE

The audit committee has adopted formal terms of reference that have been approved by the board of directors. The committee has executed its duties during the past financial year in accordance with these terms of reference.

COMPOSITION

The committee consists of three independent non-executive directors. At 31 March 2016, the audit committee comprised:

Anthony Hewat	*MA (Oxon), CA(SA)*
Malcolm Rutherford	*BCom, BAcc, CA(SA)*
Rodger Stewart	*BSc (Agric)*

The group managing director, group financial director, senior financial and IT executives of the group and representatives from the external and internal auditors attend the committee meetings by invitation. The auditors, both external and internal, have unrestricted access to the audit committee chairman or any other member of the committee as required.

MEETINGS

The audit committee held two meetings during the period under review and there was full attendance at both meetings.

STATUTORY DUTIES

In execution of its statutory duties during the financial year under review, the audit committee:

- nominated for appointment as auditor, Deloitte & Touche, who, in its opinion, is independent of the company;
- determined the fees to be paid to Deloitte & Touche;
- determined Deloitte & Touche's terms of engagement;
- ensured that the appointment of Deloitte & Touche complied with the relevant provisions of the Companies Act and King III;
- pre-approved all non-audit service contracts with Deloitte & Touche;
- confirmed that there were no complaints relating to accounting practices and internal audit of the group, the content or auditing of its financial statements, the internal financial controls of the group and any other related matters; and
- advised the board that, regarding matters concerning the group's accounting policies, financial control, records and reporting, it concurs that the adoption of the going-concern premise in the preparation of the financial statements is appropriate.

INTERNAL FINANCIAL CONTROLS AND INTERNAL AUDIT

In execution of its delegated duties in this area, the committee has:

- reviewed and recommended the internal audit charter for approval;
- evaluated the independence, effectiveness and performance of the internal audit function;
- reviewed the effectiveness of the group's system of key internal financial controls;
- reviewed the competence, qualifications and experience of the company secretary;
- reviewed significant issues raised by the external and internal audit process and the adequacy of corrective action in response to such findings;
- reviewed audit reports regarding the adequacy of accounting records; and
- reviewed policies and procedures for preventing and detecting fraud.

The chief audit executive functionally reported to the audit committee, had unrestricted access to the audit committee chairman, and is of the opinion that significant internal financial controls operated effectively during the period under review.

Based on the processes and assurances obtained, the audit committee believes that significant internal financial controls are effective.

REGULATORY COMPLIANCE

The audit committee has complied with all applicable legal, regulatory and other responsibilities.

EXTERNAL AUDIT

Based on processes followed and assurances received, the committee is satisfied that Deloitte & Touche is independent of the group.

The committee confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Professions Act, No 26 of 2005.

Based on our satisfaction with the results of the activities outlined above, the audit committee has recommended to the board that Deloitte & Touche should be reappointed for 2017, with the designated auditor being Camilla Howard-Browne.

FINANCE FUNCTION

We believe that Phillip Barker, the group financial director for the period under review, possessed the appropriate expertise and experience to meet his responsibility in this position. We are also satisfied with the expertise and adequacy of resources within the finance function. In making these assessments we have obtained feedback from both external and internal audit.

Based on the processes and assurances obtained we believe that the accounting practices are effective.

FINANCIAL STATEMENTS

Based on the processes and assurances obtained we recommend that the current annual financial statements be approved by the board.

On behalf of the audit committee

Anthony Hewat
Audit committee chairman

Mount Edgecombe
27 May 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2016

		Notes	2016 R'000	2015 R'000
Revenue		6	**542 712**	526 087
Cost of sales			**(316 228)**	(324 031)
Gross profit			**226 484**	202 056
Other operating income		7	**5 522**	1 951
Distribution expenses			**(53 538)**	(51 042)
Operating and administrative expenses			**(90 930)**	(91 856)
Operating profit		10	**87 538**	61 109
Share of profit of associate companies		17.2	**3 549**	655
Investment income		8	**3 956**	3 211
Finance costs		9	**(8 026)**	(7 316)
Capital items		11	**–**	251
Profit before taxation			**87 017**	57 910
Taxation		12	**(25 254)**	(14 774)
Profit for the year			**61 763**	43 136
Other comprehensive (loss)/income, net of income tax				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit surplus		25.2	**(115)**	1 962
Remeasurement of post-employment medical aid obligation		25.1	**1 773**	(876)
			1 658	1 086
Items that may be reclassified subsequently to profit or loss:				
Net fair value gain on available-for-sale financial assets during the year			**128**	15
Reclassification adjustments relating to available-for-sale financial assets disposed of in the year			**–**	(204)
Exchange differences on translating foreign operations			**(28 040)**	(2 121)
			(27 912)	(2 310)
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 for the year attributable to:				
Owners of the company			**34 211**	39 473
Non-controlling interests			**1 298**	2 439
			35 509	41 912
Earnings per share				
Basic	(cents)	13.1	**453,7**	323,9
Diluted	(cents)	13.2	**452,0**	317,9
Headline earnings per share				
Basic	(cents)	13.3	**452,9**	330,6
Diluted	(cents)	13.4	**451,1**	324,5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2016

	Notes	2016 R'000	2015 R'000
ASSETS			
Non-current assets		**835 625**	798 048
Property, plant and equipment	15	**494 705**	514 116
Bearer biological assets	16.1	**309 652**	254 234
Unlisted investments	17.1	**710**	727
Investment in associates	17.2	**23 612**	19 336
Retirement benefit surplus	25	**–**	9 095
Unsecured loans: long-term	18	**–**	540
Deferred taxation asset	12.2	**6 946**	–
Current assets		**495 433**	313 937
Inventories	19	**105 058**	60 655
Biological assets			
– crops	16.1	**195 138**	183 919
– livestock	16.2	**927**	945
Trade and other receivables	20	**53 963**	45 659
Taxation		**4 356**	9 686
Retirement benefit surplus	25	**9 708**	–
Unsecured loans: short-term	18	**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	21.1	**3 816**	3 144
Share premium	21.1	**222 455**	9 865
Investment revaluation reserve	21.1	**997**	869
Foreign currency translation reserve	21.1	**(25 315)**	2 725
Share-based payment reserve	21.1	**1 434**	1 036
Retained earnings		**808 387**	761 356
Equity attributable to owners of the company		**1 011 774**	778 995
Non-controlling interests	21.2	**4 053**	4 608
Non-current liabilities		**232 191**	213 500
Deferred taxation liability	12.2	**136 175**	118 320
Long-term borrowings: interest bearing	22.2	**42 967**	39 162
Long-term liability: interest-free	22.2	**53 049**	45 082
Post-employment medical aid obligation	25	**–**	10 936
Current liabilities		**83 040**	114 882
Trade and other payables	23	**32 337**	14 076
Short-term borrowings: interest bearing	22.1	**24 629**	91 653
Provisions	24	**14 104**	7 222
Outside shareholders' loan		**660**	538
Taxation		**2 307**	330
Dividend withholding taxation	12.1	**63**	1 063
Post-employment medical aid obligation	25	**8 940**	–
Total equity and liabilities		**1 331 058**	1 111 985

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2016

	2016 R'000	2015* R'000
Operating activities		
Operating profit for the year	**87 538**	61 109
Other comprehensive income	**2 302**	1 508
Adjustment for non-cash items:		
Depreciation and amortisation of non-current assets	**32 870**	30 502
Bad debts written off	**611**	114
Unrealised foreign exchange loss*	**9 939**	3 772
Foreign currency translation differences*	**(5 652)**	(508)
(Gain)/loss on disposal of property, plant and equipment	**(399)**	1 165
Net (decrease)/increase in provision for post-employment medical aid benefits	**(1 630)**	1 318
Decrease in provision for retirement funds benefits	**(613)**	(3 105)
Change in fair value of livestock biological assets	**18**	9
Change in fair value of biological assets – crops (excluding expansions)	**(29 304)**	(15 698)
Change in revaluation reserve	**160**	–
Increase/(decrease) in provisions	**6 882**	(6 117)
Property development costs transferred to inventory	**9 309**	–
Expense recognised in respect of equity-settled share-based payments	**398**	244
Operating cash flows before movements in working capital	**112 429**	74 313
Increase in inventories	**(40 124)**	(7 847)
(Increase)/decrease in trade and other receivables	**(8 915)**	8 083
Increase/(decrease) in trade and other payables	**18 261**	(12 441)
Cash generated from operations	**81 651**	62 108
Interest received	**3 847**	3 045
Interest paid	**(8 026)**	(7 316)
Income taxes paid	**(8 358)**	(21 134)
Purchase of annuities for post-employment medical aid benefits	**(366)**	–
Net cash generated by operating activities	**68 748**	36 703
Investing activities		
Dividends received	**27**	40
Proceeds on disposal of investments	**100**	402
Net proceeds on redemption of investments	**–**	14 636
Proceeds on disposal of property, plant and equipment	**665**	1 178
Decrease in unsecured loans	**–**	3 498
Investment in property, plant and equipment – expansion*	**(26 557)**	(50 206)
Investment in property, plant and equipment – improvement*	**(7 220)**	(14 093)
Investment in property, plant and equipment – replacement*	**(12 528)**	(23 782)
Investment in expansion of area under crop	**(43 058)**	(38 569)
Investment in associate companies	**(727)**	–
Net cash used in investing activities	**(89 298)**	(106 896)
Financing activities		
Net increase in long-term borrowings	**3 805**	19 207
Net (decrease)/increase in short-term borrowings	**(67 024)**	57 475
Proceeds from issue of equity instruments of the company	**215 000**	900
Payment for share issue costs	**(1 738)**	–
Net increase in outside shareholders' loans	**122**	68
Cash dividends paid – prior financial year final	**(10 690)**	(15 056)
Cash dividends paid – current financial year interim	**(6 255)**	(8 175)
Net cash generated by financing activities	**133 220**	54 419
Net increase/(decrease) in cash and cash equivalents	**112 670**	(15 774)
Cash and cash equivalents at beginning of the year	**13 073**	28 847
Cash and cash equivalents at end of the year	**125 743**	13 073

* *Prior year expanded to split net foreign exchange differences into unrealised and foreign currency translation movements, and investment in property, plant and equipment into categories of expansion, improvement and replacement.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2016

	Share capital and premium R'000	Investment revaluation reserve R'000	Foreign currency translation reserve R'000	Share-based payment reserve R'000	Retained earnings R'000	Attributable to owners of the company R'000	Non-controlling interest in subsidiary R'000	Total R'000
Balance at 1 April 2014	12 109	1 058	4 846	792	742 804	761 609	2 169	763 778
Net profit attributable to shareholders	–	–	–	–	40 697	40 697	2 439	43 136
Other comprehensive (loss)/income	–	(189)	(2 121)	–	1 086	(1 224)	–	(1 224)
Total comprehensive (loss)/income for the year	–	(189)	(2 121)	–	41 783	39 473	2 439	41 912
Dividends declared and paid (refer to note 14)	–	–	–	–	(23 231)	(23 231)	–	(23 231)
Exercise of share options (refer to note 21)	900	–	–	–	–	900	–	900
Share-based payment expense (refer to note 21)	–	–	–	244	–	244	–	244
Balance at 31 March 2015	**13 009**	**869**	**2 725**	**1 036**	**761 356**	**778 995**	**4 608**	**783 603**
Net profit attributable to shareholders	**–**	**–**	**–**	**–**	**60 465**	**60 465**	**1 298**	**61 763**
Other comprehensive (loss)/income	**–**	**128**	**(28 040)**	**–**	**1 658**	**(26 254)**	**–**	**(26 254)**
Total comprehensive (loss)/income for the year	**–**	**128**	**(28 040)**	**–**	**62 123**	**34 211**	**1 298**	**35 509**
Dividends declared and paid (refer to note 14 and 21)	**–**	**–**	**–**	**–**	**(15 092)**	**(15 092)**	**(1 853)**	**16 945**
Share issue (refer to note 21)	**215 000**	**–**	**–**	**–**	**–**	**215 000**	**–**	**215 000**
Share issue costs (refer to note 21)	**(1 738)**	**–**	**–**	**–**	**–**	**(1 738)**	**–**	**(1 738)**
Share-based payment expense (refer to note 21)	**–**	**–**	**–**	**398**	**–**	**398**	**–**	**398**
Balance at 31 March 2016	**226 271**	**997**	**(25 315)**	**1 434**	**808 387**	**1 011 774**	**4 053**	**1 015 827**
Note	21.1	21.1	21.1	21.1			21.2	

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

GENERAL INFORMATION

Crookes Brothers Limited (the company) is a limited company incorporated in the Republic of South Africa. The addresses of its registered office and principal place of business are disclosed in the directors' report. The principal activities of the company and its subsidiaries (the group) are described in the directors' report.

1. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

1.1 Amendments to IFRSs and the new interpretation that are mandatorily effective for the current year

In the current year, the group has applied a number of new and revised IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015.

1.1.1 IAS 19 *Defined Benefit Plans: Employee Contributions*

The group has applied the amendments for the first time in the current year. Prior to the amendments, the group accounted for discretionary employee contributions to defined benefit plans as a reduction of the service cost when contributions were paid to the plans, and accounted for employee contributions specified in the defined benefit plans as a reduction of the service cost when services are rendered. The amendments require the group to account for employee contributions as follows:

- Discretionary employee contributions are accounted for as reduction of the service cost upon payments to the plans.
- Employee contributions specified in the defined benefit plans are accounted for as reduction of the service cost, only if such contributions are linked to services. Specifically, when the amount of such contribution depends on the number of years of service, the reduction to service cost is made by attributing the contributions to periods of service in the same manner as the benefit attribution. On the other hand, when such contributions are determined based on a fixed percentage of salary (i.e. independent of the number of years of service), the group recognises the reduction in the service cost in the period in which the related services are rendered.

These amendments have been applied retrospectively. The application of these amendments has had no material impact on the disclosures or the amounts recognised in the group's consolidated financial statements.

1.1.2 Annual Improvements to IFRSs 2010 – 2012 Cycle

The group has applied the amendments to IFRSs included in the Annual Improvements to IFRSs 2010 – 2012 Cycle for the first time in the current year. Details regarding the nature of these amendments as well as a consideration of the impact on the group's consolidated financial statements are included below.

1.1.2.1 IFRS 2 *Share-based payment*

The amendment is to clarify the definition of vesting condition and market condition to ensure the consistent classification of conditions attached to a share-based payment. It also adds definitions for 'performance condition' and 'service condition' which were previously included as part of the definition of 'vesting condition'.

The amendment requires prospective application to share-based payment transactions for which the grant date is on or after 1 July 2014. Accordingly, the new share options granted in the current year have been accounted for and valued in line with the new requirements. Further detailed disclosure is included in note 26.

1.1.2.2 IFRS 3 *Business Combinations*

The amendment clarifies that contingent consideration should be measured at fair value at each reporting date, irrespective of whether or not the contingent consideration falls within the scope of IFRS 9 or IAS 39. Changes in fair value (other than measurement period adjustments as defined in IFRS 3) should be recognised in profit and loss.

The amendment to IFRS 3 requires prospective application to business combinations for which the acquisition date is on or after 1 July 2014. No business combinations occurred after the effective date but the directors anticipate that the application of this amendment may have an impact on the group's consolidated financial statements in future periods when new business combinations that are subject to contingent consideration arise.

1. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) CONTINUED

1.1 Amendments to IFRSs and the new interpretation that are mandatorily effective for the current year CONTINUED

1.1.2 Annual Improvements to IFRSs 2010 – 2012 Cycle CONTINUED

1.1.2.3 IFRS 8 *Operating Segments*

The amendment (i) requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a brief description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments share similar economic characteristics; and (ii) clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if information about the amount of the segment assets are regularly provided to the chief operating decision-maker.

The group has aggregated several operating segments into a single operating segment and made the required disclosures in note 5 in accordance with the amendments. The application of the other amendment has had no impact on the disclosures or amounts recognised in the group's consolidated financial statements.

1.1.2.4 IFRS 13 *Fair Value Measurement*

The amendment to the basis for conclusions of IFRS 13 clarifies that the issuance of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. This amendment does not include any effective date because this is just to clarify the intended meaning in the basis for conclusions.

Prior to the amendment, the group's short-term receivables and payables with no stated interest rate were already accounted for at their invoice amounts without discounting, where the effect of discounting was assessed to be immaterial. The application of this amendment has had no material impact on the disclosures or the amounts recognised in the group's consolidated financial statements.

1.1.2.5 IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*

The amendments to IAS 16 and IAS 38 removed perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The group does not account for any classes of property, plant and equipment or intangible assets using the revaluation method therefore the application of this amendment has had no impact on the disclosures or the amounts recognised in the group's consolidated financial statements.

1.1.2.6 IAS 24 *Related Party Disclosures*

The amendment clarifies that a management entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of compensation to key management personnel that is paid by the management entity to the management entity's employees or directors is not required.

There are no companies which provide key management personnel services to the group therefore the application of this amendment has had no impact on the disclosures or the amounts recognised in the group's consolidated financial statements.

1. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) CONTINUED

1.1 Amendments to IFRSs and the new interpretation that are mandatorily effective for the current year CONTINUED

1.1.3 Annual Improvements to IFRSs 2011 – 2013 Cycle

The group has applied the amendments to IFRSs included in the Annual Improvements to IFRSs 2011 – 2013 Cycle for the first time in the current year. Details regarding the nature of these amendments as well as a consideration of the impact on the group's consolidated financial statements are included below.

1.1.3.1 IFRS 3 *Business Combinations*

The amendment clarifies that IFRS 3 does not apply to the accounting for the formation of joint arrangement in the financial statements of the joint arrangement itself.

The group does not have any joint arrangements where it has applied the accounting requirements of IFRS 3 therefore the application of this amendment has had no impact on the disclosures or the amounts recognised in the group's consolidated financial statements.

1.1.3.2 IFRS 13 *Fair Value Measurement*

The amendment clarifies that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The group does not measure the fair value of any financial assets and financial liabilities as a portfolio therefore the application of this amendment has no material impact on the disclosures or the amounts recognised in the group's consolidated financial statements.

1.1.3.3 IAS 40 *Investment Property*

The amendment clarifies that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring an investment property must determine whether:

a) the property meets the definition of investment property in accordance with IAS 40; and
b) the transaction meets the definition of a business combination in accordance with IFRS 3.

An entity should apply the amendment prospectively for acquisitions of investment property from the beginning of the first period for which it adopts the amendment. Consequently, accounting for acquisitions of investment property in prior periods should not be restated. However, an entity may choose to apply the amendment to individual acquisitions of investment property that occurred prior to the beginning of the first annual period occurring on or after the effective date (i.e. 1 July 2014) if and only if information needed to apply the amendment to earlier transactions is available to the entity.

The group has not acquired any investment properties in the current financial period which require further consideration in terms of this amendment. Additionally, the group does not have investment properties acquired in prior periods to which it intends to apply this amendment therefore the application of this amendment has had no impact on the disclosures or the amounts recognised in the group's consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of those standards as issued by the IFRS Interpretations Committee (IFRIC), containing the information required by the Companies Act of South Africa, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The consolidated financial statements have been prepared on the historical cost basis except for biological assets and certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payments*, leasing transactions that are within the scope of IAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets.*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company and its subsidiaries. Control is achieved when the company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- the size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.2 Basis of consolidation CONTINUED

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies in line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

Changes in the group’s ownership interests in existing subsidiaries

Changes in the group’s ownership interests in subsidiaries that do not result in the group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 *Financial Instruments: Recognition and Measurement*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the group, the liabilities incurred by the group to the former owners of the acquiree and the equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payments* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.3 Business combinations CONTINUED

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete.

Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.4 Investments in subsidiaries

Investments in subsidiaries, associates and joint ventures in the separate financial statements presented by the company are recognised at cost less impairments.

2.5 Investments in associates

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associate companies are incorporated in these consolidated financial statements using the equity method of accounting, except where the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate. When the group's share of losses of an associate exceed the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate or joint venture), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 *Financial Instruments: Recognition and Measurement* are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 *Impairment of Assets* to the extent that the recoverable amount of the investment subsequently increases.

The group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the group retains an interest in the former associate and the retained interest is a financial asset, the group measures the retained interest at fair value at

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.5 Investments in associates CONTINUED

that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the group reduces its ownership interest in an associate but the group continues to use the equity method, the group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the group.

2.6 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such an asset (or disposal group), and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

When the group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method. The group discontinues the use of the equity method at the time of disposal when the disposal results in the group losing significant influence over the associate.

After the disposal takes place, the group accounts for any retained interest in the associate in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* unless the retained interest continues to be an associate, in which case the group uses the equity method (see note 2.5 above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.7 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2.7.1 Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.7 Revenue recognition CONTINUED

2.7.2 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.7.3 Rental income

The group's policy for recognition of revenue from operating leases is described in note 2.8 below.

2.8 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

A lease of land and buildings is classified by considering the land and buildings elements separately. Minimum lease payments are allocated between the land and buildings elements in proportion to the relative fair values of the leasehold interest in the land and buildings elements of the lease at inception of the lease.

The group as lessee

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

The group as lessor

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the lease term.

2.9 Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position or each entity are expressed in South African Rand, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historic cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the group's foreign operations are translated into South African Rands using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (group's foreign currency translation reserve). Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

2.10 Retirement benefit costs

The group provides retirement benefits for its employees through a number of defined contribution and defined benefit plans.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Contributions made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.10 Retirement benefit costs CONTINUED

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position, with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.
- Remeasurement.

The group presents the first two components of defined benefit costs in profit or loss in the line item "Administrative expenses" on the face of the statement of profit or loss and other comprehensive income. The remaining component is included in other comprehensive income.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Past service cost is recognised immediately to the extent that the benefits are already vested, or otherwise is amortised on the straight-line basis over the average period until the benefits become vested.

All plans are funded. Funding shortfalls arising in defined benefit plans are met by lump sum payments or increased future contributions.

Additional severance liabilities in terms of legislative regulations are assessed annually and provided for.

Historically, qualifying employees have been granted certain post-retirement medical benefits. Although the post-retirement medical benefit option is now closed, a liability still exists in respect of current and retired employees to whom the benefit was granted. These costs are provided on the accrual basis, determined actuarially.

2.11 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 26.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

The group issues equity-settled share-based payments to certain employees in terms of the Crookes Brothers Share Option Scheme. The amount expensed on a straight-line basis over the vesting period is adjusted based on the group's estimate of the shares that will eventually vest and the effect of non-market based vesting conditions.

Fair value is measured using the Black-Scholes-Merton pricing model.

2.12 Dividends

Dividends declared by the company to its shareholders are charged against reserves in the period declared, and raised as an outstanding payable until settled.

Where the company offers shareholders an option between receiving a cash consideration or a scrip dividend, the group applies IAS1:137, where the gross 'cash equivalent' amount of the dividend is reflected as a debit to distributable reserves in the statement of changes in equity. The scrip element of the dividend is separately accounted for as a credit in the statement of changes in equity, attributable to the owners of the company.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.13.1 Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.13.2 Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of good will.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.13.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

2.14 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment includes professional fees and other directly attributable costs incurred in the acquisition and installation of such assets, as well as the present value of the estimated cost of dismantling, removal or site restoration costs if applicable, so as to bring the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

The cost of small parts as well as repairs and maintenance costs are recognised in profit or loss as incurred.

Freehold land, leasehold land and assets under construction are carried at cost, less any impairment loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land, leasehold land and assets under construction) to their residual value over their estimated useful lives, using the straight-line method. Depreciation commences when the assets are ready for their intended use and is calculated at rates appropriate in terms of management's current assessment of useful lives and residual values. Depreciation ceases at the earlier of the date the asset is classified as held for sale or at the date it is derecognised.

The varied nature of property, plant and equipment result in a range of different depreciation rates being applied to assets. Depreciation guidelines are defined for asset classes, however, individual consideration is given to the appropriateness of the useful life applied to each individual asset which reflects management's estimate of the consumption of economic benefits inherent in the value of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.14 Property, plant and equipment CONTINUED

In summary, the following asset categories and depreciation ranges apply (useful lives measured in years):

• Buildings and housing	30 – 50 years
• Water installations	5 – 25 years
• Irrigation equipment	5 – 25 years
• Farming Equipment (tractors, trailers, trucks, spraycarts and harvesters)	5 – 20 years
• Furniture, fittings and office equipment	5 – 10 years
• Computer software	3 – 10 years
• Motor vehicles and motor cycles	4 – 5 years
• Computer equipment	2 – 5 years

Depreciation is recognised directly in profit or loss. Management reviews the residual lives and depreciation methods annually, considering market conditions and projected disposal values. In the assessment of useful lives, maintenance programmes and technological innovations are considered.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, where there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.15 Impairment of assets

At the end of each reporting period, the group reviews the carrying amounts of its assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to the recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

2.16 Biological assets – owned by the group

Growing crops and orchards comprise two elements:

- Bearer biological assets
  - Sugar cane roots, deciduous trees, macadamia trees and banana plants
- Consumable biological assets
  - Standing sugar cane, deciduous fruit, bananas, grain and vegetables.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.16 Biological assets – owned by the group CONTINUED

Biological assets are measured at fair value, determined on the following basis:

Growing crops and orchards

Bearer biological assets are valued at escalated average current replacement costs of planting and establishment, subsequently reduced in value over the period of their productive lives.

Consumable biological assets are measured, based at 31 March, on current estimated market prices for the following season, less the estimated costs of harvesting, transport, packing and point-of-sale costs:

- Standing cane at estimated sucrose content.
- Growing fruit, grains and potatoes at estimated yields, quality standards and age.

These values are assessed to fair values on an annual basis.

Livestock

Livestock are measured at their last revalued amounts prior to the discontinuation of fair value accounting, adjusted for changes in livestock population (deaths). As the Crocworld facility continues to operate profitably, no further valuation adjustments (i.e. impairments) are considered necessary.

2.17 Biological assets – leased by the group

Bearer biological assets are measured on initial recognition of the lease at fair value and credited to a long-term liability. At each period-end date, biological assets are measured at their fair values in accordance with note 2.16 above and any change in value is adjusted to the long-term liability for the period in which it arises.

Bearer biological assets leased and related to expansion area subsequent to initial recognition are measured at their fair values and any change in value is adjusted to profit or loss.

2.18 Agricultural produce

Agricultural produce represent biological assets, specifically deciduous fruit, potatoes, tomatoes, maize and beans harvested and awaiting sale. Agricultural produce is measured at their fair value at date of harvesting, less estimated point-of-sale costs incurred in bringing them to their present location and condition to be sold.

2.19 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion or selling and distribution.

Redundant and slow-moving inventories are identified and written down to their net realisable values.

2.20 Merchandise

Merchandise is valued at the lower of cost or net realisable value, cost being determined on the weighted average method basis.

2.21 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, where the effect of the time value of money is material.

2.22 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Financial assets and financial liabilities are offset and the net amount reported when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and liability simultaneously.

2.22.1 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.22 Financial instruments CONTINUED

2.22.1 Financial assets CONTINUED

2.22.1.1 Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'investment income' line item on the statement of profit or loss and other comprehensive income.

2.22.1.2 Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

2.22.1.3 Available-for-sale financial assets (AFS) financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

The group has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value at the end of each reporting period (because the directors consider that fair value can be reliably measured). Interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the group's right to receive the dividends is established.

The fair value of AFS monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.22 Financial instruments CONTINUED

2.22.1 Financial assets CONTINUED

2.22.1.4 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

2.22.1.5 Cash and cash equivalents

Cash and cash equivalents comprise cash, on demand balances and overnight balances with bankers.

2.22.2 *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

2.22.2.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'finance costs' line item on the statement of profit or loss and other comprehensive income.

2.22.2.2 Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.23 Equity

Debt and equity instruments are classified as either financial liabilities or as equity based on the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Equity instruments issued by the company are recorded at the value of the proceeds received, net of direct issue costs.

2.24 Derivative financial instruments

The group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risk, including foreign exchange contracts. The group does not trade in commodity futures.

The use of financial derivatives is governed by the group's policies. The group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value on the contract date, and are subsequently remeasured to fair value at each reporting date. The resultant gains or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

2.25 Segmental analysis

Segment reporting is presented in respect of the group's business segments. The primary format, nature of business, is based on the group's management and internal reporting structure and combines businesses with common characteristics.

Segments results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segmental capital expenditure is the total costs incurred during the period to acquire segment assets that are expected to be used for more than one year.

The group consists of the following business segments:

- Sugar cane – the growing of sugar cane
- Deciduous fruit – the growing of deciduous fruits
- Bananas – the growing of bananas
- Macadamias – the growing of macadamia nut trees
- Other operations – grain and vegetables, rental income, tourism revenue, sales of sand and stone and property development business

2.26 Contingent liabilities

A contingent liability is recognised when the group has a possible obligation (legal or constructive), as a result of a past event, and whose existence 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 the amount of the obligation cannot be measured with sufficient reliability. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

2.27 Contingent assets

A contingent asset is recognised when the group has a possible asset, as a result of a past event, and whose existence 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. Such contingent assets are only recognised as assets in the financial statements where the realisation of income is virtually certain. If the inflow of economic benefits is only probable, the contingent asset is disclosed as a claim in favour of the group but not recognised in the statement of financial position.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

New and revised standards and interpretations in issue but not yet effective

The group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Standard/ Interpretation	Description	Effective date
IFRS 9 *Financial Instruments*	Classification and measurement of financial assets and financial liabilities, derecognition and new general guidance for the application of hedge accounting.	Annual periods beginning on or after 1 January 2018 Retrospective application with restatement where required.
IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates*	Clarifies accounting treatment where there is a sale or contribution of assets between an investor and its associate or joint venture.	Annual periods beginning on or after 1 January 2016 Prospective application only.
IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investment Entities*	Clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10.	Annual periods beginning on or after 1 January 2016 Retrospective application with restatement where required.
IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	Accounting for acquisitions of interests in joint operations.	Annual periods beginning on or after 1 January 2016 Prospective application only.
IFRS 14 *Regulatory Deferral Accounts*	Specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities.	Annual periods beginning on or after 1 January 2016 Retrospective application with restatement where required.
IFRS 15 *Revenue from contracts with customers*	Recognition and measurement of revenue from contracts as well as additional disclosure requirements.	Annual periods beginning on or after 1 January 2018 Retrospective application with restatement where required.
IFRS 16 *Leases*	Introduces a single model to account for all lease transactions.	Annual periods beginning on or after 1 January 2018 Full retrospective application or a modified retrospective restatement where required.
IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*	Clarification of acceptable methods of depreciation and amortisation: revenue-based depreciation methods are presumed inappropriate (strict requirements apply).	Annual periods beginning on or after 1 January 2016 Prospective application only.
IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture*	Defines a bearer plant and requires bearer plants to be accounted for under IAS 16 *Property, Plant and Equipment* instead of IAS 41 *Agriculture*.	Annual periods beginning on or after 1 January 2016 Retrospective application with restatement where required.
Annual Improvements to IFRSs 2012 – 2014 Cycle	Various amendments to IFRS 5, IFRS 7 and IAS 19	Annual periods beginning on or after 1 January 2016 Retrospective application with restatement where required.

The directors of the company anticipate that the application of these new and amended standards in the future may have a material impact on the amounts reported and disclosures made in the group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect until the group performs a detailed review.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

4.1 Critical accounting judgements made by management

In the application of the group's accounting policies, the directors of the company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

4.2 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4.2.1 Impairment of assets

In making its judgement, management has assessed at each reporting date whether there is any indication that its assets may be impaired. If such an indication exists, the recoverable amount of the asset is assessed in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use.

4.2.2 Held-to-maturity financial assets

The directors have reviewed the group's held-to-maturity financial assets in the light of its capital expansion plans and liquidity requirements and have confirmed the group's positive intention and ability to hold those assets to maturity.

4.2.3 Control over Mthayiza Farming (Pty) Ltd

Note 17.3 describes that Mthayiza Farming (Pty) Ltd is a subsidiary of the group although the group only owns 45% equity shares of Mthayiza Farming (Pty) Ltd. Based on contractual arrangements between the group and other investors, the group has the power to control the operational and financial decisions of the company. Therefore, the directors of the group concluded that the group has control over Mthayiza Farming (Pty) Ltd and accordingly the entity has been consolidated into these group financial statements.

4.2.4 Control over Mawecro Farming Joint Venture

Effective 1 April 2016, the group acquired a 49% ownership interest in Mawecro Farming JV, in terms of a strategic partnership with the community owners of a large part of the leased Komatipoort estate. In terms of the agreement, the company terminated its previous 10-year lease, four years ahead of schedule, in return for participation in the partnership for an extended 20-year term. The remaining 51% ownership interest is held by a Communal Property Association that is unrelated to the group. The directors of the group assessed whether or not the group has control over Mawecro Farming JV based on whether the group has the practical ability to direct the activities of Mawecro Farming JV unilaterally. In making their judgement, the directors considered the group's absolute size of holding in Mawecro Farming JV and the relative size and dispersion of the shareholdings owned by the other shareholder. After assessment, the directors concluded that the group has a sufficiently dominant power to direct the relevant activities of Mawecro Farming JV, through dictation of the planting programmes, the provision of all working capital finance and the power and discretion to grant such finance. Therefore, the directors of the group concluded that the group has control over Mawecro Farming Joint Venture and accordingly the sale of movable fixed assets and biological assets from the company to Mawecro Farming Joint Venture on 1 April 2016 does not give rise to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* disclosures at a group level.

4.2.5 Significant influence over Lebombo Growers (Pty) Ltd

Note 17.2.1 describes that Lebombo Growers (Pty) Ltd is an associate of the group although the group only owns a 26.56% ownership interest in Lebombo Growers (Pty) Ltd. The group has significant influence over Lebombo Growers (Pty) Ltd by virtue of its shareholding arising from significant delivery of its agricultural produce in the form of bananas to Lebombo Growers (Pty) Ltd.

4.2.6 Significant influence over Mpambanyoni Construction Supplies (Pty) Ltd

Note 17.2.3 describes that Mpambanyoni Construction Supplies (Pty) Ltd is an associate of the group although the group only owns a 23% ownership interest in Mpambanyoni Construction Supplies (Pty) Ltd. The group has significant influence over Mpambanyoni Construction Supplies (Pty) Ltd by virtue of its contractual representation on the board and provision of capital funding to the company.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

4.2 Critical judgements in applying accounting policies CONTINUED

4.2.7 Discount rate used to determine the carrying amount of the group's defined benefit obligation

The group's defined benefit surplus/obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded. The valuation was performed by the actuaries appointed by the company.

4.3 Key sources of estimation uncertainty

In the process of applying the group's accounting policies, management has made the following key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date:

4.3.1 Property, plant and equipment residual values and useful lives

Assets are written down to their estimated residual values over their anticipated useful lives using the straight-line basis. Management reviews the residual values annually considering market conditions and projected disposal values. In assessing useful lives, maintenance programmes and technological innovations are considered. The carrying value of property, plant and equipment is disclosed in note 15 to the financial statements.

4.3.2 Biological asset valuations and Inventory – agricultural produce

The accounting policy is detailed above in this report and the assumptions that have been used to determine the fair value of the consumable biological assets are detailed in note 16 to the financial statements.

4.3.3 Post-employment benefit obligations

The key assumptions are provided in note 25 to the financial statements.

There are no other key assumptions concerning the future, or key sources of estimation uncertainty at the reporting date, that management have assessed as having a significant risk of causing material adjustments to the carrying amounts of the assets and liabilities within the next financial year.

4.3.4 Deferred tax assets

Deferred tax assets are raised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Those entities, where unused tax losses and unused tax credits exist, are viable trading companies for which the going-concern basis of preparation remains appropriate as assessed by management. A reconciliation of the deferred tax balance is included in note 12.2.

5. CONSOLIDATED SEGMENTAL ANALYSIS

5.1 Products and services from which reportable segments derive their revenues

Information reported to the managing director for the purposes of resource allocation and assessment of segment performance, focuses on the types of goods or services delivered or provided, and in respect of the 'sugar cane', 'deciduous fruit', 'banana' and 'macadamia' operations, the information is further analysed based on the different classes of customers. The directors of the company have chosen to organise the group around differences in products and services across its agricultural and farming operations.

Specifically, the group's reportable segments under IFRS 8 are as follows:

– Sugar cane: direct sales to sugar cane mills;
– Deciduous fruit: direct sales to the group's co-operative and distribution partner, Two-A-Day Group;
– Bananas: direct sales to the group's co-operative, marketing and distribution partner, Lebombo Growers (Pty) Ltd; and
– Macadamias: currently still in the tertiary land preparation and planting phase.

Whilst the directors of the company have chosen to organise the group on the basis of its revenue generating crops, other revenue streams that have no direct bearing on crop performance have been aggregated under "other operations".

For the purposes of these annual financial statements, "other operations" represents the aggregation of the following operating segments:

– Grain and vegetables;
– Travel and tourism from the company's Crocworld facility;
– Plant nursery business;
– Sand and stone business;
– Rental of buildings and housing; and
– Property development business.

5. CONSOLIDATED SEGMENTAL ANALYSIS CONTINUED

5.2 Segment revenues and results

The following is an analysis of the group's revenue and results from continuing operations by reportable segment.

	Sugar cane R'000	Deciduous fruit R'000	Bananas R'000	Macadamias R'000	Other operations R'000	Total R'000
Year to 31 March 2016						
Revenue	283 321	134 012	104 962	–	20 417	542 712
Operating profit/(loss)	61 434	57 788	26 797	(3 191)	6 291	149 119
Unallocated profit on disposal of property, plant and equipment						399
Unallocated operating lease rental – Komatipoort						(9 893)
Unallocated unrealised foreign exchange loss						(9 939)
Unallocated corporate expenses						(42 148)
Consolidated operating profit						87 538
Share of profit of associates						3 549
Unallocated investment income						3 956
Unallocated finance costs						(8 026)
Consolidated profit before taxation						87 017
Balance sheet						
Assets						
Segmental assets	412 293	401 168	44 909	174 545	39 332	1 072 247
Unallocated investments and loans						24 862
Unallocated corporate assets						233 949
Consolidated total assets						1 331 058
Liabilities						
Segmental liabilities	54 866	1 598	24 539	30 301	10 000	121 304
Unallocated corporate liabilities						193 927
Consolidated total liabilities						315 231
Other information						
Capital expenditure on property, plant and equipment*	6 854	6 987	904	19 460	4 465	38 670
Unallocated corporate capital expenditure						7 635
Consolidated capital expenditure						46 305
Depreciation	15 833	4 810	1 431	8 702	330	31 106
Unallocated corporate depreciation						1 764
Consolidated depreciation						32 870

* *Other operations capital expenditure includes R4,3 million in property development costs on the Renishaw farm.*

5. CONSOLIDATED SEGMENTAL ANALYSIS CONTINUED

5.2 Segment revenues and results CONTINUED

	Sugar cane R'000	Deciduous fruit R'000	Bananas R'000	Macadamias R'000	Other operations R'000	Total R'000
Year to 31 March 2015						
Revenue	281 281	141 851	84 930	–	18 025	526 087
Operating profit/(loss)	73 366	16 183	15 949	(5 183)	7 630	107 945
Unallocated loss on disposal of property, plant and equipment						(1 165)
Unallocated operating lease rental – Komatipoort[1]						(2 300)
Unallocated unrealised foreign exchange loss[1]						(3 772)
Unallocated corporate expenses[1]						(39 599)
Consolidated operating profit						61 109
Share of profit of associates						655
Unallocated investment income						3 211
Unallocated finance costs						(7 316)
Unallocated capital items						251
Consolidated profit before taxation						57 910
Balance sheet						
Assets						
Segmental assets[2]	442 927	337 075	37 969	147 468	10 197	975 636
Unallocated investments and loans						20 603
Unallocated corporate assets[2]						115 746
Consolidated total assets						1 111 985
Liabilities						
Segmental liabilities[2]	45 317	–	20 783	24 704	10 000	100 804
Unallocated corporate liabilities[2]						227 578
Consolidated total liabilities						328 382
Other information						
Capital expenditure on property, plant and equipment[3]^	25 281	9 019	1 928	44 924	6 824	87 976
Unallocated corporate capital expenditure[3]						105
Consolidated capital expenditure						88 081
Depreciation[3]	13 614	3 668	870	5 384	4 426	27 962
Unallocated corporate depreciation[3]						2 540
Consolidated depreciation						30 502

^ *Other operations capital expenditure includes R2 million in property development costs on the Renishaw farm.*

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

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

[3] *Prior year reclassified to split unallocated corporate capital expenditure and depreciation, previously aggregated under other operations.*

Information about geographical areas

Revenue and property, plant and equipment attributable to South Africa and foreign countries are disclosed in notes 6 and 15.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

		2016 R'000	2015 R'000
6.	**REVENUE**		
	Revenue represents the proceeds from:		
	Sugar cane	**283 321**	281 281
	Deciduous fruit	**134 012**	141 851
	Bananas	**104 962**	84 930
	Other revenue[i]	**20 417**	18 025
		542 712	526 087
	Attributable to:		
	South Africa	**425 777**	405 587
	Foreign countries	**116 935**	120 500
		542 712	526 087

[i] *Other revenue comprises rental income from leased buildings, tourism revenue and the sale of grain and vegetables.*

		2016 R'000	2015 R'000
7.	**OTHER OPERATING INCOME**	**5 522**	1 951
	Gain/(loss) on disposal of property, plant and equipment	**399**	(1 165)
	Income from the sale of sand and stone	**806**	1 015
	Sundry income	**4 317**	2 101
8.	**INVESTMENT INCOME**	**3 956**	3 211
	Dividends received from unlisted investments and preference shares	**109**	166
	Interest received on loans and deposits	**3 847**	3 045
9.	**FINANCE COSTS**	**8 026**	7 316
	Interest on bank overdrafts and loans	**6 785**	6 119
	Interest on loan from Two-A-Day Group (refer to note 22.1)	**1 000**	1 000
	Interest on obligations under instalment sale agreements	**233**	167
	Other interest	**8**	30

	2016 R'000	2015 R'000

10. OPERATING PROFIT

	2016 R'000	2015 R'000
The following items requiring separate disclosure include:		
Staff costs	**152 925**	143 654
Depreciation	**32 870**	30 502
Buildings and housing	**2 462**	2 174
Vehicles	**8 969**	14 056
Plant and other assets	**21 439**	14 272
Post-employment medical aid benefit expense	**466**	102
Retirement benefit costs	**10 034**	11 429
Retirement benefit contributions	**10 807**	9 726
Defined benefit service and interest cost	**(773)**	1 703
Auditors' remuneration	**2 341**	2 778
Audit fees – current year	**1 840**	1 786
Audit fees – prior year	**50**	154
Audit fees – expenses	**148**	64
Fees for other services	**303**	774
Legal and consulting fees	**2 219**	2 863
Listing fees paid to the JSE Limited	**247**	231
Operating lease charges (refer to note 30.1)	**12 693**	4 373

11. CAPITAL ITEMS

	2016 R'000	2015 R'000
Profit on disposal of available-for-sale investments	**–**	251

12. TAXATION

12.1 Income tax recognised in profit or loss

		2016 R'000	2015 R'000
Current taxation			
South Africa	– current year	**14 524**	6 432
	– prior year	**(385)**	(4 348)
Swaziland	– current year	**14**	14
	– prior year	**(227)**	–
Zambia	– current year	**718**	1 411
Deferred taxation			
South Africa	– current year	**8 597**	12 236
	– prior year	**(9)**	148
Swaziland	– current year	**2 015**	(2 003)
	– prior year	**88**	217
Zambia	– current year	**507**	27
	– prior year	**(6)**	–
Dividend withholding taxation			
South Africa	– current year	**63**	1 063
	– prior year	**(1)**	–
		25 898	15 197
Attributable to:			
Income taxes recognised in profit or loss		**25 254**	14 774
Income taxes recognised in other comprehensive income		**644**	423
The income tax expense for the year can be reconciled to the accounting profit as follows:			
Profit before tax		**89 319**	59 422
Income tax calculated at 28% (2015: 28%)		**25 009**	16 638
Effect of income that is exempt from taxation		**(1 897)**	(3 265)
Effect of expenses that are not deductible in determining taxable profit		**1 310**	3 028
Effect of unused tax losses and tax offsets not recognised as deferred tax assets		**576**	174
Effect of different tax rates of subsidiaries operating in other jurisdictions		**1 350**	1 476
Effect of capital gains tax at an inclusion rate of 66,6% (2015: 66,6%)		**28**	1 063
Effect of dividends withholding tax at an effective rate of 15% (2015: 15%)		**63**	67
		26 439	19 181
Adjustments recognised in the current year in relation to the current tax of prior years		**(541)**	(3 984)
Income tax expense recognised in profit or loss		**25 898**	15 197
The tax rate used for the 2016 and 2015 reconciliations above is the corporate tax rate of 28% payable by corporate entities in the Republic of South Africa on taxable profits under tax law in that jurisdiction.			
Effective rate of taxation	(%)	**29,0**	25,6

	2016 R'000	2015 R'000
12. TAXATION CONTINUED		
12.2 Deferred taxation		
Taxation on temporary differences resulting from:		
Agricultural capital development allowances	**34 546**	33 895
Consumable stores	**5 551**	4 139
Biological assets	**99 623**	92 753
Other – (provisions)/prepayments	**(3 774)**	(2 014)
Tax losses	**(6 946)**	(10 652)
Revaluation of available-for-sale investments	**229**	199
	129 229	118 320
The movement on the deferred taxation balance for the year was as follows:		
Balance at beginning of year	**118 320**	107 199
Reclassification of tax liabilities against prior year assessed losses recognised	**–**	608
Accounted for in other comprehensive income:		
Revaluation of available-for-sale financial assets during the year	**32**	3
Reclassification adjustments relating to available-for-sale financial assets disposed of during the year	–	(47)
Recognised in profit or loss – current year charge	**11 119**	10 263
Recognised in profit or loss – related to the prior year	**73**	399
Exchange rate translation	**(315)**	(105)
	129 229	118 320
Included in the consolidated statement of financial position as:		
Deferred taxation asset*	**(6 946)**	–
Deferred taxation liability	**136 175**	118 320
	129 229	118 320

* *Deferred tax assets are raised to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilised. Management has assessed those entities where unused tax losses exist, and has concluded these entities are viable trading companies for which the going-concern basis of preparation remains appropriate and they are expected to generate future taxable profits. The group through its Mozambican subsidiaries has unused tax losses of R6,9 million (2015: R4,6 million) for which no deferred tax asset is recognised. Tax losses in Mozambique may be carried forward subject to an expiry after five years.*

	2016 cents	2015 cents
13. EARNINGS AND HEADLINE EARNINGS PER SHARE		
13.1 Basic earnings per share		
From continuing operations	**453,7**	323,9
Total basic earnings per share	**453,7**	323,9

	R'000	R'000
The earnings used in the calculation of basic earnings per share are as follows:		
Profit for the year	**61 763**	43 136
Adjusted for outside shareholders	**(1 298)**	(2 439)
Earnings used in the calculation of basic earnings per share from continuing operations	**60 465**	40 697

	Number of shares	Number of shares
Weighted average number of shares for the purposes of basic earnings per share	**13 325 792**	12 563 913
Number of shares in issue at the beginning of the year	**12 576 817**	12 546 817
2 687 500 shares issued on 21 December 2015, and 30 000 shares issued on 5 September 2014 through the exercise of share options (refer to note 21.1). Weighted for the number of days the shares were in issue	**748 975**	17 096
Number of shares for the purposes of basic earnings per share from continuing operations	**13 325 792**	12 563 913

	cents	cents
13.2 Diluted earnings per share		
From continuing operations	**452,0**	317,9
Total diluted earnings per share	**452,0**	317,9

	R'000	R'000
The earnings used in the calculation of diluted earnings per share are as follows:		
Profit for the year	**61 763**	43 136
Adjusted for outside shareholders	**(1 298)**	(2 439)
Earnings used in the calculation of diluted earnings per share from continuing operations	**60 465**	40 697

	Number of shares	Number of shares
Weighted average number of shares for the purposes of diluted earnings per share	**13 376 735**	12 799 913
The weighted average number of shares for the purposes of diluted earnings per share reconciles to the weighted number of shares used in the calculation of basic earnings per share as follows:		
Weighted shares used in the calculation of basic earnings per share	**13 325 792**	12 563 913
Shares deemed to be issued for no consideration in respect of employee share options (refer to note 26.4)	**326 000**	236 000
Adjusted weighting based on average market price of options and average company share price for the year	**(275 057)**	–
Weighted average shares used in the calculation of diluted earnings per share	**13 376 735**	12 799 913

	2016 R'000	2015 R'000

13. EARNINGS AND HEADLINE EARNINGS PER SHARE CONTINUED

13.3 Headline earnings per share

		2016 R'000	2015 R'000
Reconciliation of headline earnings:			
Profit for the year attributable to owners of the company		**60 465**	40 697
Adjusted for:			
Profit on disposal of shares		**–**	(251)
Tax effect of the disposal of shares		**–**	33
(Gain)/loss on disposal of property, plant and equipment		**(399)**	1 165
Tax effect of the adjustments		**280**	(113)
Headline earnings		**60 346**	41 531
Headline earnings per share	(cents)	**452,9**	330,6

Headline earnings per share is derived from headline earnings of R60,346 million (2015: R41,531 million), divided by the weighted average number of shares in issue during the year.

13.4 Diluted headline earnings per share

		2016 R'000	2015 R'000
Headline earnings per share (diluted)	(cents)	**451,1**	324,5

Headline earnings per share (diluted) is derived from headline earnings of R60,346 million (2015: R41,531 million), divided by the weighted average number of shares in issue during the year after adjusting for the potentially dilutive shares.

14. DISTRIBUTIONS

Cash distributions	2016 R'000	2015 R'000
Distribution number 198 of 120 cents per share (final 2014) – paid 14 July 2014	**–**	15 056
Distribution number 199 of 65 cents per share (interim 2015) – paid 12 January 2015	**–**	8 175
Distribution number 200 of 85 cents per share (final 2015) – paid 13 July 2015	**10 690**	–
Distribution number 201 of 35 cents per share (interim 2016) – paid 21 December 2015	**4 402**	–
Total dividends	**15 092**	23 231

The directors declared a final dividend distribution of 115 cents per share which will be paid to shareholders on 4 July 2016.

The distribution will be regarded as a distribution of reserves and shareholders will be liable for any dividend withholding tax consequences. The total distribution for the current year will be 150 cents per share (2015: 150 cents per share).

	2016 R'000	2015 R'000
15. PROPERTY, PLANT AND EQUIPMENT		
At cost		
Freehold land	**161 468**	170 777
Leasehold land/land rights	**32 070**	37 795
Buildings	**68 074**	57 389
Vehicles, plant and other assets	**385 083**	376 156
Vehicles, plant and other assets under instalment sale agreements	**5 229**	3 398
	651 924	645 515
Accumulated depreciation and impairment		
Buildings	**22 561**	20 607
Vehicles, plant and other assets	**133 180**	109 569
Vehicles, plant and other assets under instalment sale agreements	**1 478**	1 223
	157 219	131 399
Net book value	**494 705**	514 116
Reconciliation of net book value of property, plant and equipment:		
Net book value at beginning of year	**514 116**	460 961
Capital replacement, improvements and additions from acquisitions(i)(ii)	**46 305**	88 081
Depreciation	**(32 870)**	(30 502)
Disposals	**(1 382)**	(1 027)
Property development costs transferred to inventory(iii)	**(13 588)**	–
Effect of foreign currency exchange differences	**(17 876)**	(3 397)
Net book value at end of year	**494 705**	514 116
Located in South Africa	**290 194**	295 956
Located in other countries	**204 511**	218 160
	494 705	514 116

(i) *The group focused its expenditure during the current year on the replacement of certain movable farming equipment and vehicles, as well as improvements to the hostels, compounds and dwellings of its employees. Further investment into the group's macadamia development in Gurue, Mozambique was made, with a further R20 million being spent on capital assets and infrastructure developments on the farm.*

(ii) *During the prior year, the group spent R50 million on the macadamia development in Mozambique and concluded the construction of a dam in Swaziland, at a final cost of R25 million.*

(iii) *On 9 September 2015, final approval was received from the Department of Agriculture for the rezoning of the group's Renishaw farm for the development of commercial and residential units for lease and sectional title sale. All property development costs associated with the Renishaw farm that were previously capitalised, were transferred to inventory at year end, in anticipation of property development and sales in the forthcoming financial year (refer to note 19).*

The group's properties are wide-ranging, comprising largely the land on which the group's crop growing activities are situated.

As the number of properties is extensive, a list is not published with these annual financial statements, but registers of land and buildings are available for inspection at the registered offices of the company or its subsidiaries. Certain assets are encumbered in respect of instalment sale agreements, details of which are shown in note 22.2. The group's Ouwerf fruit farms at Grabouw, in the Western Cape are pledged as security for a bank demand loan facility (refer to note 22.1).

Portions of the group's Renishaw farm are subject to land claims by the neighbouring community, and the group is therefore the defendant in the matter arbitrated by The Land Claims Court of South Africa. The court case has been adjourned to June 2016. The estimated financial effect cannot be quantified at the reporting period, however it is not expected to result in a loss to the group.

	2016 R'000	2015* R'000

16. BIOLOGICAL ASSETS

16.1 Growing crops and orchards

	2016 R'000	2015* R'000
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* (refer to note 22.2)	**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)
Effect of foreign currency exchange differences	**(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 is more comprehensively described in note 2.16 and 2.17 of the accounting policies and note 16.3 which documents the valuation inputs.

The fair value of crops and agricultural produce is determined based on current market prices less estimated selling costs. Refer to note 2.16 and 2.18 of the accounting policies for the valuation assumptions and note 16.3 for the valuation inputs.

Refer to note 27 for a disclosure of the group's financial risk management strategies, with regards to biological assets.

16.2 Livestock

	2016 R'000	2015* R'000
Reconciliation of carrying amounts of livestock:		
Carrying amount at beginning of year	**945**	954
Fair value changes attributable to births, deaths and ageing	**(18)**	(9)
Carrying amount at end of year	**927**	945

* *Prior year expanded to split biological assets by owned and leased.*

		2016 R'000	2015 R'000
16. BIOLOGICAL ASSETS CONTINUED			
16.3 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)	**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
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			
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**	88,0
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
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

16. BIOLOGICAL ASSETS CONTINUED

16.3 Biological asset valuations CONTINUED

		2016 R'000	2015 R'000
BANANAS			
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
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*			
Crop			
Expected area to harvest – after 31 March	(ha)	**–**	–
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**			
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			
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

* *A macadamia tree is expected to reach full production at an age of seven years. Trees under crop are presently three to four years old.*

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

	2016 Number of shares held	2015 Number of shares held	2016 R'000	2015 R'000
17. INVESTMENTS				
17.1 Unlisted investments				
Nkwaleni Investments[1]	–	71	–	100
Two-A-Day Group	1 893 481	1 893 481	66	66
Elgin Co-operative Fruitgrowers	1 660 081	1 660 081	166	166
Villiersdorp Co-operative	132 397	132 397	348	265
Other farming co-operatives and agribusinesses	–	–	130	130
	3 685 959	3 686 030	710	727

[1] *The investment in Nkwaleni Investments was disposed of at cost during the current year.*

17.2 Investment in associates

Details of each of the group's material associates at the end of the reporting period are as follows:

17.2.1 Lebombo Growers (Pty) Ltd*

	2016 R'000	2015 R'000
Unlisted shares and loans	9 857	9 130
Share of retained earnings	12 442	8 744
Carrying value of associate company	22 299	17 874

Principal activity: banana marketing and distribution

Percentage holding: 26,56% (2015: 26,56%)

Summarised financial information in respect of the group's interest is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs (adjusted by the group for equity accounted purposes).

	2016 R'000	2015 R'000
Revenue	171 575	155 923
Expenses	(153 210)	(150 000)
Profit before tax	18 365	5 923
Tax expense	(4 442)	(4 190)
Profit for the year	13 923	1 733
Other comprehensive income for the year	–	–
Total comprehensive income for the year	13 923	1 733
Equity acccounting share of profit	3 698	460

There were NIL dividends received during the year (2015: Rnil).

Summarised assets and liabilities of associate company and its subsidiaries as per the audited financial statements: (31 March 2015)**

	2016 R'000	2015 R'000
Property, plant, equipment and investments	100 998	101 188
Current assets	59 618	38 529
Total assets	160 616	139 717
Long-term liabilities including shareholders' loans	(67 215)	(64 897)
Current liabilities	(38 483)	(28 442)
Net assets	54 918	46 378

* *Incorporated in South Africa*
** *Latest available audited financial information at the date of reporting*

	2016 R'000	2015 R'000

17. INVESTMENTS CONTINUED

17.2 Investment in associates CONTINUED

17.2.2 Mpambanyoni Sand (Pty) Ltd*

	2016 R'000	2015 R'000
Unlisted shares and loans	**49**	49
Share of retained deficit	**(22)**	(22)
Carrying value of associate company	**27**	27

Principal activity: dormant

Percentage holding: 37,0% (2015: 37,0%)

Summarised financial information in respect of the group's interest is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs (adjusted by the group for equity accounted purposes).

	2016 R'000	2015 R'000
Revenue	**–**	–
Expenses	**(0,10)**	(0,20)
Loss before tax	**(0,10)**	(0,20)
Tax expense	**–**	–
Loss for the year	**(0,10)**	(0,20)
Other comprehensive income for the year	**–**	–
Total comprehensive income for the year	**(0,10)**	(0,20)
Equity acccounting share of loss	**(0,04)**	(0,07)

There were NIL dividends received during the year (2015: Rnil).

	2016 R'000	2015 R'000
Net liabilities per the most recent audited results: (31 March 2016)**	**(59)**	(59)

17.2.3 Mpambanyoni Construction Supplies (Pty) Ltd*

	2016 R'000	2015 R'000
Unlisted shares and loans	**760**	760
Share of retained profit	**526**	675
Carrying value of associate company	**1 286**	1 435

Principal activity: manufacture of blocks, bricks, lintels, pavers and associated cement products

Percentage holding: 23% (2015: 23%)

Summarised financial information in respect of the group's interest is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs (adjusted by the group for equity accounted purposes).

	2016 R'000	2015 R'000
Revenue	**16 711**	21 869
Expenses	**(17 360)**	(20 657)
(Loss)/profit before tax	**(649)**	1 212
Tax expense	**–**	(365)
(Loss)/profit for the year	**(649)**	847
Other comprehensive income for the year	**–**	–
Total comprehensive (loss)/income for the year	**(649)**	847
Equity acccounting share of (loss)/profit	**(149)**	195

There were NIL dividends received during the year (2015: Rnil).

Aggregate assets and liabilities as per the most recent audited financial statements: (28 February 2016)**

	2016 R'000	2015 R'000
Property, plant and equipment	**11 134**	11 197
Current assets	**3 578**	4 012
Total assets	**14 712**	15 209
Long-term liabilities including shareholders' loans	**(8 864)**	(9 462)
Current liabilities	**(3 360)**	(2 610)
Net assets	**2 488**	3 137
Included in the consolidated financial statements as:		
Share of profit of associate companies	**3 549**	655
Investment in associates	**23 612**	19 336

* *Incorporated in South Africa*

** *Latest available audited financial information at the date of reporting.*

All of the associates are accounted for using the equity method in these consolidated financial statements. There is no quoted market value for the investment in these associates.

	2016 R'000	2015 R'000

17. INVESTMENTS CONTINUED

17.3 Investment in subsidiaries

The principal subsidiaries of Crookes Brothers Limited and their respective loan balances are listed in notes 17.3.2 and 17.3.3.

17.3.1 Profits/(losses) of subsidiaries

	2016 R'000	2015 R'000
Aggregate profits	**26 189**	14 789
Aggregate losses	**(11 582)**	(8 696)

17.3.2 Shares and amounts owing by subsidiaries

Subsidiary	% holding 2016	% holding 2015	Issued capital	Country of in-corporation	Principal activity	2016 R'000	2015 R'000
Murrimo Macadamias Lda(iv)	**99**	99	MZN55 000	Mozambique	Farming	**175 231**	121 649
Murrimo Farming Lda(iv)	**99**	99	MZN20 000	Mozambique	Agricultural land holding company	**19 451**	19 451
CBL Agri Services (Pty) Ltd(ii)	**100**	100	R100	South Africa	Farming	**133 620**	127 009
CBL Agri International (Pty) Ltd(ii)	**100**	100	R100	South Africa	Agricultural holding company	**47**	47
Crookes Plantations Limited(ii)	**100**	100	E500 000	Swaziland	Farming	**830**	830
Bar J Limited (a subsidiary of Crookes Plantations Limited)	**100**	100	E200	Swaziland	Agricultural land holding company	**–**	–
Mthayiza Farming (Pty) Ltd (a subsidiary of CBL Agri Services (Pty) Ltd(i)(iii)	**45**	45	R100	South Africa	Farming	**–**	313
Renishaw Property Developments (Pty) Ltd(ii)	**100**	100	R100	South Africa	Property development company	**13 422**	9 265
CBL Agri Zambia Limited (a subsidiary of CBL Agri International (Pty) Ltd)(i)	**100**	100	ZMW5 000	Zambia	Farming	**12 653**	10 563
						355 254	289 127

	2016 R'000	2015 R'000

17. INVESTMENTS CONTINUED

17.3 Investment in subsidiaries CONTINUED

17.3.3 Amounts owing to subsidiaries

	2016 R'000	2015 R'000
Mthayiza Farming (Pty) Ltd[(i)(iii)]	**172**	–
Crookes Plantations Limited[(ii)]	**72 284**	60 086
	72 456	60 086

17.3.4 Subsidiaries with a material non-controlling interest

Summarised financial information of the group's subsidiaries that have a material non-controlling interest is set out below:

	2016 R'000	2015 R'000
Mthayiza Farming (Pty) Ltd		
Current assets	**32 860**	22 560
Non-current assets	**23 894**	19 290
Current liabilities	**(19 375)**	(8 485)
Non-current liabilities	**(29 588)**	(24 774)
Equity attributable to owners of the company	**(3 506)**	(3 866)
Non-controlling interests	**(4 285)**	(4 725)
Revenue	**36 018**	33 138
Expenses	**(33 448)**	(28 545)
Profit for the year	**2 570**	4 593
Profit attributable to owners of the company	**1 156**	2 067
Profit attributable to non-controlling interests	**1 414**	2 526
	2 570	4 593

(i) The loans are unsecured, interest-bearing, and have no fixed terms of repayment. Variable interest is charged at South African prime less 1% per annum. These loans will not be settled in the next financial year and are of a long-term nature.

(ii) The loans are unsecured, interest-free, and have no fixed terms of repayment. The loans will not be settled in the next financial year and are of a long-term nature.

(iii) The group owns 45% equity shares of Mthayiza Farming (Pty) Ltd. Based on contractual arrangements between the group and other investors, the group has the power to control the operational and financial decisions of the company. Therefore, the directors concluded that the group has control over Mthayiza Farming (Pty) Ltd and accordingly the entity has been consolidated into these group financial statements.

(iv) The loans are unsecured, interest-free and in relation to a macadamia farming project of a long-term nature, which is expected to endure for fifty years. The loans are not obliged to be repaid or redeemed in full within thirty years of the advance date of June 2012. Any repayment of the loan will be at the discretion of the borrowing company and conditional on the fair value of its assets exceeding the fair value of its liabilities.

	2016 R'000	2015 R'000
18. UNSECURED LOANS		
Kwacele Development Company (Pty) Ltd[i]	**459**	459
Mphenjwa Training and Development CC[ii]	**81**	81
	540	540
Included in the consolidated statement of financial position as:		
Non-current assets	**–**	540
Current assets	**540**	–
	540	540
Movements during the year		
Balance at beginning of year	**540**	4 152
Repaid during the year[iii]	**–**	(3 498)
Written off during the year[iv]	**–**	(114)
Balance at end of year	**540**	540

[i] The loan provided to Kwacele Development Company (Pty) Ltd enabled that company to acquire an empowerment shareholding in Mpambanyoni Construction Supplies (Pty) Ltd, the group's brick and block making associate company (refer to note 17.2.3).

The unsecured loan is interest-free, and is repayable by March 2017.

[ii] The loan provided to Mphenjwa Training and Development CC enabled that company to acquire an empowerment shareholding in Mpambanyoni Construction Supplies (Pty) Ltd, the group's brick and block making associate company (refer to note 17.2.3).

The unsecured loan is interest-free, and is repayable by March 2017.

[iii] The group sold its equity interest in its subsidiary, Kwacele Farming (Pty) Ltd and the working capital loan that was provided to the group company remained unpaid at the end of the 2014 financial year. The unsecured loan accrued interest at prime plus 2%.

The loan was repaid during April 2014.

[iv] A working capital loan was provided to the owners of the Le Rendez-Vous restaurant who operated from the company's Crocworld facility.

The unsecured loan related to the remaining interest portion and was written off during the prior year as irrecoverable.

The fair value adjustments on these unsecured loans are considered immaterial.

	2016 R'000	2015 R'000

19. INVENTORIES

Consumable stores	**24 634**	20 080
Agricultural picked produce	**64 662**	39 388
Merchandise	**271**	1 187
Agricultural grown produce	**1 903**	–
Property for development and sale (refer to note 15)	**13 588**	–
	105 058	60 655
Agricultural picked produce (as stated above) – reflected at fair value	**64 662**	39 388
Agricultural grown produce (as stated above) – reflected at fair value	**1 903**	–
Property for development and sale (as stated above) – reflected at cost	**13 588**	–
Cost of inventories recognised as an expense in profit or loss	**87 097**	84 693
Cost of inventories written-down to to net-realisable value	**3 249**	203

20. TRADE AND OTHER RECEIVABLES

Receivables – trade	**52 973**	43 800
Less: Allowances for doubtful debts	**(297)**	(192)
Net trade receivables	**52 676**	43 608
Prepayments	**1 287**	2 051
Total trade and other receivables	**53 963**	45 659
Reconciliation of allowances for doubtful debts:		
Opening balance	**192**	346
Impairment losses recognised on receivables	**105**	80
Amounts written off during the year	**–**	(234)
Closing balance	**297**	192

In determining the recoverability of trade receivables, the group considers any change in the credit quality from the date credit was initially granted to the end of the reporting period.

Included in the allowance for doubtful debts are individually impaired trade receivables amounting to R0,1 million (2015: 0,08 million) which have been placed under liquidation and handed over to the company's attorneys for collection. The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. The group does not hold any collateral over these balances.

Age of impaired trade receivables

61 – 90 days	**–**	–
91 – 120 days	**–**	–
121+ days	**105**	80
Total	**105**	80

The concentration of credit risk is limited due to the group only dealing with reputable customers who have consistent payment histories.

The directors consider that the carrying amounts of trade and other receivables approximate their fair value, and that the present allowance for doubtful debts is adequate.

The directors believe there is no further credit risk provision required in excess of the allowance for doubtful debts.

Disclosures concerning the management of credit risk have been provided in note 27.3.

	2016 R'000	2015 R'000
21. CAPITAL, RESERVES AND SHAREHOLDING INTERESTS		
21.1 Share capital, share premium and reserves		
Authorised		
16 000 000 (2015:16 000 000) ordinary shares of 25 cents (2015: 25 cents) each	**4 000**	4 000
Issued		
15 264 317 (2015:12 576 817) ordinary shares of 25 cents (2015: 25 cents) each	**3 816**	3 144
Share premium account	**222 455**	9 865
	226 271	13 009
The share capital movement for the year was as follows:		
Balance at the beginning of the year	**13 009**	12 109
Share issue and share options exercised[(1)(2)]	**215 000**	900
Less: share issue costs[(2)]	**(1 738)**	–
Balance at the end of the year	**226 271**	13 009

	Number of shares	Number of shares
The shares in issue movement for the year was as follows:		
Balance at the beginning of the year	**12 576 817**	12 546 817
Share issue and share options exercised[(1)(2)]	**2 687 500**	30 000
Balance at the end of the year	**15 264 317**	12 576 817

[(1)] *At a general meeting convened on 30 July 2015 of the current financial year, a R215 million claw-back share offer was voted on and approved by shareholders. In terms of the claw-back offer, shareholders were entitled to subscribe for shares in the ratio of 21,36868 shares for every 100 shares held at the close of trade on 4 December 2015 at a price of R80 per share. Following the closing of the claw-back offer on 18 December 2015, applications for 54 231 shares constituting 3,01% (excluding the 888 200 shares to which Silverlands (SA) Plantations Sarl was entitled in terms of the claw-back offer) of the claw-back shares were received from shareholders (or their renouncees). The balance of 2 633 269 Silverlands (SA) Plantations Sarl subscription shares, constituting 97,98% of the claw-back shares (including the shares to which Silverlands was entitled in terms of the claw-back offer) were credited to Silverlands' CSDP account. Following the closing of the claw-back offer, on 21 December 2015 the share register and issued share capital of the company was then updated for the further 2 687 500 shares at a price of R80 per share. Share issue costs of R1,7 million were incurred and written off against share premium.*

[(2)] *In the prior period, 30 000 share options were exercised by the managing director, at an exercise price of 2 999 cents.*

Under control of directors:

– for the purposes of the employee share option scheme: 159 000 shares (2015: 249 000 shares)
– in terms of a shareholders' resolution: NIL shares (2015: 943 261 shares)

	2016 R'000	2015 R'000

21. CAPITAL, RESERVES AND SHAREHOLDING INTERESTS CONTINUED

21.1 Share capital, share premium and reserves continued

Investment revaluation reserve

	2016 R'000	2015 R'000
Balance at beginning of year	**869**	1 058
Net gain arising on revaluation of available-for-sale financial assets	**128**	15
Cumulative gain reclassified to profit or loss on sale of available-for-sale financial assets	**–**	(204)
Balance at end of year	**997**	869

The investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of during the year.

Foreign currency translation reserve

	2016 R'000	2015 R'000
Balance at beginning of year	**2 725**	4 846
Exchange differences on translation of subsidiaries	**(28 040)**	(2 121)
Balance at end of year	**(25 315)**	2 725

Exchange differences relating to the translation of the results and net assets of the group's foreign subsidiaries from their functional currency to the group's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Share-based payment reserve

	2016 R'000	2015 R'000
Balance at beginning of year	**1 036**	792
Share-based payment expense	**398**	244
Balance at end of year	**1 434**	1 036

At 31 March 2016, executives and senior employees held options over 326 000 ordinary shares (2015: 236 000 shares) of the company. Options are exercisable at a price equal to the volume-weighted average price of a share on the JSE over the 20 trading days immediately prior to the day on which the option was granted. Options vest after stipulated periods over five years and are exercisable up to a maximum of 10 years from the date of grant. Share options granted under the company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in note 26.

21.2 Non-controlling interests

	2016 R'000	2015 R'000
Balance at beginning of year	**4 608**	2 169
Share of profit for the year	**1 298**	2 439
Dividend to Mthayiza Holdings (Pty) Ltd – paid 14 December 2015	**(1 853)**	–
Balance at end of year	**4 053**	4 608

	2016 R'000	2015 R'000
22. BORROWINGS		
22.1 Short-term borrowings: interest-bearing		
Call loans(i)	**10 000**	10 128
Current portion of long-term borrowings (refer to note 22.2)	**14 629**	6 023
Amounts due to bankers(ii)	**–**	75 502
	24 629	91 653
22.2 Long-term borrowings		
Instalment sale agreements(iii)		
Capital repayments due:		
Not later than one year	**933**	581
Later than one year and not later than five years	**2 027**	632
	2 960	1 213
Term loan arrangements(iv)		
Capital repayments due:		
Not later than one year	**13 696**	5 442
Later than one year and not later than five years	**40 940**	38 530
	54 636	43 972
Unsecured liability		
Komatipoort Estate(v)	**44 667**	38 981
Mthayiza Estate(vi)	**8 382**	6 101
	53 049	45 082
Included in the consolidated financial statements as:		
Long-term borrowings: interest-bearing	**42 967**	39 162
Long-term liability: interest-free	**53 049**	45 082
Short-term borrowings (refer to note 22.1)	**14 629**	6 023
	110 645	90 267
22.3 Borrowing powers		
Total permitted level of borrowings is limited in terms of the memorandum of incorporation to the equity of the company	**779 505**	534 028
Actual borrowings	**67 596**	130 815

22. BORROWINGS CONTINUED

Summary of borrowing arrangements

(i) Call loans represent a loan of R10 million from the Two-A-Day Group, bearing fixed interest at 10% per annum. The loan has no fixed terms of repayment and is linked to the Two-A-Day Group's use of the Vyeboom pack house facility in the Western Cape. In the prior year, the remaining call loans amounted to R0,1 million bore interest at prime less 3,5% per annum. These call loans were closed during the current financial year.

(ii) The amounts due to bankers have no fixed terms of repayment and bear interest at variable market related interest rates.

The group has demand deposit and bank overdraft facilities of R115 million (2015: R115 million). These facilities are subject to annual review and bear interest as follows:

R30 million – prime less 1,00%

R60 million – prime less 1,00%

R25 million – prime

A further R30 million facility can be activated at short-notice, bringing a total facility of R145 million available to the group.

A mortgage bond to the value of R60 million exists over the company's Ouwerf deciduous fruit properties in the Western Cape. At year-end, this mortgage bond security over the farms was released, but not fully cancelled. (This amount does not form part of the total R115 million unsecured facilities above, but can be activated into a facility at short notice). A cross-suretyship of R60 million exists over the group's High Noon farm, as security over the company's demand deposit facility. This is due to the bank's requirements to have at least 70% of group profits wrapped up into the security.

(iii) The group has instalment sale agreements with Wesbank and Standard Bank, secured by tractors, LDVs and sugarcane haulage trucks and trailers with a net book value of R3,7 million (2015: R2,1 million). The agreements bear fair arm's length interest of between prime less 0,5% and prime less 1,0%, with monthly repayment terms.

(iv) In current and prior years, Mthayiza Farming (Pty) Ltd has secured loan facilities to the value of R43 million from the Land Bank, administered by Akwandze Agricultural Finance. These facilities are repayable between two to six years, at a fair arm's length fixed interest of rate of 4% per annum and average repayments of R0,3 million per month. The nine repayment months per year are structured into cane season revenue generating months from May to January inclusive. Security for both loans is provided by a cession over the cane proceeds with additional surety provided by Crookes Brothers Limited, by way of standing surety for the due and punctual performance of all of Mthayiza Farming (Pty) Ltd's obligations and the payment on demand of all amounts owing by Mthayiza Farming (Pty) Ltd to Crookes Brothers Limited.

In September 2014, the group's Mozambique subsidiary, Murrimo Macadamias Lda secured a USD2 million loan from Investec Bank (Mauritius) Limited to fund its capital expansion and working capital requirements The loan bears fair arm's length interest at Libor plus 4,00% per annum, payable quarterly. There are no capital repayments due for the first three years. Capital repayments accrue thereafter, culminating in the maturity of the loan on the fifth anniversary of the advance date, being June 2019, whereby it will be settled in full. Crookes Brothers Limited stand surety for the loan, and the group has signed an agreement to disclose to the bank any change in its financial indebtedness, since date of signature of the loan agreement.

(v) The liability relates to the valuation attributable to bearer biological assets attached to leased land in Komatipoort. The liability has since been transferred effective 1 April 2016, by way of handover of the bearer biological assets to the Mawewe Communal Property Association, in exchange for a 20-year lease. (refer to note 30.1).

(vi) The liability relates to the valuation attributable to bearer biological assets attached to leased land. The liability will be extinguished by handover of the bearer biological assets on termination of the lease agreement with the Libuyile Community Trust. The lease is due to end in September 2023.

	2016 R'000	2015 R'000
23. TRADE AND OTHER PAYABLES		
Trade payables and accruals	**29 578**	11 806
Payroll accruals	**2 759**	2 270
	32 337	14 076

Trade payables and accruals principally comprise outstanding trade payables in respect of goods or services acquired.

No interest is charged on the majority of trade payables for the first 45 days from the date of invoice. Suppliers charging interest on overdue accounts predominantly charge at 2% above the prime lending rate.

The group has financial risk management policies in place to ensure that all payables are paid within the pre-approved credit terms.

The directors consider that the carrying amount of trade and other payables approximates their fair value.

	2016 R'000	2015 R'000
24. PROVISIONS		
Balance at beginning of year	**7 222**	13 339
Leave pay	**5 083**	4 914
Bonuses	**399**	6 827
Severance allowances	**1 740**	1 598
Net movements during the year	**6 882**	(6 117)
Leave pay	**9**	169
Bonuses	**6 716**	(6 428)
Severance allowances	**157**	142
Balance at end of year	**14 104**	7 222
Leave pay(i)	**5 092**	5 083
Bonuses(ii)	**7 115**	399
Severance allowances(iii)	**1 897**	1 740

(i) The provision for leave pay represents annual leave entitlements accrued by employees based on leave days not taken at financial year end multiplied by the applicable daily pay-rate.

(ii) The provision for bonuses is payable to qualifying employees in terms of a "balanced scorecard", which refers to a weighting of group and individual performance. The board has the discretion to reduce or cancel the payment if one or more of the aforementioned criteria has not being achieved.

(iii) The provision for severance allowances is based on terms included in the collective agreements between the labour unions and the group's Swaziland and Zambia subsidiaries, Crookes Plantations Limited and CBL Agri Zambia Limited. The severance allowance is calculated based on number of years service, age of employee and the applicable daily pay-rate.

	2016 R'000	2015 R'000

25. NET POST-EMPLOYMENT OBLIGATION

	2016 R'000	2015 R'000
Post-employment medical aid benefits	**8 940**	10 936
Retirement benefits	**(9 708)**	(9 095)
	(768)	1 841
Included in the consolidated statement of financial position as:		
Non-current		
Retirement benefit surplus	**–**	(9 095)
Post-employment medical aid obligation	**–**	10 936
	–	1 841
Current		
Retirement benefit surplus[(i)]	**(9 708)**	–
Post-employment medical aid obligation[(i)]	**8 940**	–
	(768)	–

[(i)] The company has undertaken an exercise of the "buyout" of its post-employment medical aid obligation. The retirement benefit surplus will be used to fund a portion of the buyout. Thereafter, each individual will be required to purchase an annuity, which will extinguish the company's obligation.

25.1 Post-employment medical aid benefits

The obligation of the group to pay medical aid benefits after retirement is no longer part of the conditions of employment for employees engaged after 31 July 1996.

However, eight pensioners (2015 : 11) and 13 current employees (2015: 13) remain entitled to this benefit.

The continued entitlement to this benefit for current employees is dependent upon the employee remaining in service until retirement age being 63 years of age.

The company continues to pay medical aid benefits in the form of an allowance for qualifying employees until the age of 65, thereafter it purchases individual CPI linked annuities from approved insurers to extinguish the company's on-going liability. During the current year the group settled a post-employment obligations in respect of a certain pensioner at a cost of R0,36 million (2015: R0,7 million).

Valuation data of qualifying employees

Status	Members	Subsidy weighted average age	Average past service	Proportion married %	Average monthly subsidy Rands
Working employees	13	57,2	28,0	100	3 266
Pensioners and widower members	8	78,2	–	25	2 893

The value of the liability is in accordance with the company's subsidy policy for each given member and is based on:

– The benchmark subsidy amount

– The member's date of joining the company

– The member's marital status

The fixed subsidy benchmark amounts are reviewed and increased on an annual basis, each individual member receiving a percentage of the benchmark based on the member's date of joining the company.

25. NET POST-EMPLOYMENT OBLIGATION CONTINUED

25.1 Post-employment medical aid benefits CONTINUED

The benchmark subsidy is per the below:

Member type	**2016 Subsidy Rands**	2015 Subsidy Rands
Single member	**2 467**	2 327
Married member	**4 512**	4 313

The benchmark subsidy members are eligible to receive is based on their date of joining the company.

One member retired during the current year, who was also subject to the Active members' benchmark subsidies.

Members	%
Members employed before 1 January 1991	100
Members employed between 1 January 1991 and 31 July 1996	70

The membership data used for the valuation was provided by the company to the actuaries and verified by the relevant medical scheme administrator.

The actuarial present value of the unfunded post-employment medical aid obligation as at 31 March 2016 has been determined by Henri Dowling (Bcomm (Hons) FASSA FFA) (Primary regulator: Actuarial Society of South Africa), in his capacity as an actuary of NMG Consultants and Actuaries (Pty) Ltd.

Valuation assumptions and methodology

The post employment health care liabilities have been valued using the projected unit credit discounted cash flow method.

The key assumptions used are shown below:

Economic assumptions	**31 March 2016 %**	31 March 2015 %
Consumer Price Inflation (CPI)	**8,08**	6,78
Health care cost inflation	**8,08**	8,28
Discount rate	**10,14**	8,68
Real discount rate	**1,91**	0,37

25. NET POST-EMPLOYMENT OBLIGATION CONTINUED

25.1 Post-employment medical aid benefits CONTINUED

	2016 R'000	2015 R'000
Amounts recognised in comprehensive income in respect of the post-employment medical aid benefits are as follows:		
Service cost	**246**	226
Interest cost	**933**	929
Benefit payments	**(347)**	(334)
Purchase of annuities	**(366)**	(719)
Components of post-employment medical aid benefits recognised in profit or loss	**466**	102
Remeasurement gain/(loss) of post-employment medical aid benefits recognised in other comprehensive income	**2 462**	(1 216)
Tax effect of remeasurement	**(689)**	340
Components of post-employment medical aid benefits recognised in other comprehensive income, net of income tax	**1 773**	(876)
The amount included in the consolidated statement of financial position arising from the company's obligations in respect of post-employment medical aid is as follows:		
Net liability at beginning of year	**10 936**	9 618
Service cost	**246**	226
Interest cost	**933**	929
Benefit payments	**(347)**	(334)
Purchase of annuities	**(366)**	(719)
Remeasurement (gain)/loss	**(2 462)**	1 216
Net liability at end of year	**8 940**	10 936
Sensitivity of health care cost trend rates		
1% increase in trend rate		
– effect on the aggregate of the service and interest costs	**166**	188
– effect on the obligation	**1 198**	1 673
1% decrease in trend rate		
– effect on the aggregate of the service and interest costs	**(139)**	(152)
– effect on the obligation	**(1 001)**	(1 378)
Estimated contributions payable in the next financial year	**335**	347

Risks associated with the obligation

There are no specific assets set aside to meet the obligation. Therefore, should the company be liquidated or no longer be able afford to subsidise the post-retirement medical scheme contributions, the retirees would not receive the subsidy they are entitled to. The employer is exposed to the risk of higher than expected inflation, which would increase the cash flow requirements to meet the subsidy payments.

Effects the obligation may have on amount, timing and uncertainty of future cash flows of the company

The obligation is based on a number of assumptions such as mortality, withdrawals before retirement, proportion married at retirement, future rate of increase of the medical scheme subsidy and the discount rate. While every effort is made to ensure that the assumptions are as realistic as possible, to the extent that actual practice differs from these assumptions, it could result in the actual obligation differing slightly from the initial value calculated.

Regulatory framework

The benefit is provided as part of the employment agreements with the individuals concerned, and is hence governed by the Basic Conditions of Employment Act and the Labour Relations Act of South Africa.

Unusual, entity/plan specific and any significant concentration risks of the obligation, to which the company is exposed to

Given that the obligation is a fixed monetary amount which is linked to CPI, a large element of the uncertainty of the risk has been eliminated (i.e. as opposed to the subsidy being linked to a medical scheme contribution). As a result, there are no unusual, entity or plan specific or significant concentration risks. The subsidy is also related to a closed group of members which will decrease in the future, as members exit.

25. NET POST-EMPLOYMENT OBLIGATION CONTINUED

25.2 Pension and provident funds

South Africa

The group provides retirement benefits through two previously defined benefit plans, the Crookes Brothers Pension Fund and the Crookes Brothers Retirement Fund, both funds being registered under the Pension Funds Act No 24 of 1956.

Both the Crookes Brothers Retirement Fund and Crookes Brothers Pension Fund have converted from defined benefit to defined contribution plans in a prior period and the Funds have no obligations to this regard.

The company also operates a defined contribution plan, namely the Crookes Brothers Provident Fund.

A valuation using the projected unit credit method was performed on the two funds by NMG Employee Benefits (Pty) Ltd, utilising information provided by the fund administrators.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 December 2015 by Natasha Huggett-Henchie (BBusSc FIA FASSA CFP), in her capacity as valuator of the Fund and director of NMG Employee Benefits (Pty) Ltd Administrators.

The principal assumptions used for the purposes of the actuarial valuation were as follows:

		1 January 2016	1 January 2015
Discount rate	%	**n/a**	n/a
Expected rate of salary increases	%	**n/a**	n/a
Average longevity at retirement age for current pensioners			
Males	years	**n/a**	n/a
Females	years	**n/a**	n/a
Average longevity at retirement age for current employees (future pensioners)			
Males	years	**n/a**	n/a
Females	years	**n/a**	n/a
Expected return on plan assets	%	**n/a**	n/a
Pension increases	%	**n/a**	n/a
General price inflation	%	**n/a**	n/a

The section 14 transfer of the pensioners in the Crookes Brother Pension Fund, to the third party insurer was approved on 4 April 2016 and both the liabilities and assets were transferred in the current period.

No disclosure of assumptions were required in the current or prior year, as the liability was measured at the exact amount advised by the outsourced insurer, to which the liability was transferred.

25. NET POST-EMPLOYMENT OBLIGATION CONTINUED

25.2 Pension and provident funds CONTINUED

The Crookes Brothers Pension Fund operates an Employer Surplus Reserve Account with monies arising from surplus apportionment.

To allow for the surplus apportionment, any asset which may arise for the purpose of this disclosure will therefore have been limited in terms of paragraph 64 of IAS19 as the company may not derive any economic benefit from the assets. To this end, the value in the employer surplus reserve account has been determined.

	2016 R'000	2015 R'000
Amounts recognised in comprehensive income in respect of the defined benefit plans are as follows:		
Service cost	**–**	2 207
Net interest	**(773)**	(504)
Components of defined benefit costs recognised in profit or loss	**(773)**	1 703
The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss.		
Remeasurement of the net defined benefit asset:		
Return on plan assets (excluding amounts included in net interest expense)	**(84)**	(1 472)
Actuarial (losses)/gains arising from changes in demographic/financial/experience adjustments	**(76)**	1 316
Effect of asset ceiling	**–**	2 881
Components of defined benefit income recognised in other comprehensive income	**(160)**	2 725
Tax effect of remeasurements	**45**	(763)
Components of defined benefit income recognised in other comprehensive income, net of income tax	**(115)**	1 962

	1 January 2016 R'000	1 January 2015 R'000
The amount included in the consolidated statement of financial position arising from the company's obligations in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	**–**	29 867
Fair value of plan assets	**(9 708)**	(38 962)
Funded status	**(9 708)**	(9 095)
Restrictions on asset recognised	**–**	–
Net asset arising from defined benefit obligation	**(9 708)**	(9 095)
Movements in the present value of the defined benefit obligation in the current year were as follows:		
Opening defined benefit obligation	**29 867**	58 607
Current service cost	**–**	2 207
Interest cost	**2 438**	4 728
Actuarial losses/(gains) arising from changes in demographic, financial and experience adjustments	**76**	(1 316)
Benefits paid	**(2 376)**	(8 180)
Settlement*	**(30 005)**	(26 179)
Closing defined benefit obligation	**–**	29 867
Movements in the fair value of the plan assets in the current year were as follows:		
Opening fair value of plan assets	**38 962**	67 252
Expected return on plan assets	**3 211**	5 457
Contribution from the employer	**–**	2 083
Contributions from plan participants	**–**	1 051
Benefits paid	**(2 376)**	(9 231)
Settlement of obligations*	**(30 005)**	(26 178)
Actuarial loss	**(84)**	(1 472)
Closing fair value of plan assets	**9 708**	38 962

* *The retirement fund liability was settled during the year and for the remaining defined benefit pension fund member, his share of fund exceeded the defined benefit underpin.*

25. NET POST-EMPLOYMENT OBLIGATION CONTINUED

25.2 Pension and provident funds CONTINUED

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

The plan assets are invested in the Strategic Investment Services Management Company Limited and S.A. Road Board Stocks and are in compliance with regulation 28.

Actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increases and mortality. The sensitivity analyses below have been determined based on possible changes of the respective assumptions occurring at the end of the reporting period:

– if the discount rate is 1% higher or lower, the defined benefit obligation would remain unchanged.

– if the discount rate is 1% higher or lower, the change in service cost plus net interest would decrease/increase by 0,2% respectively.

The retirement fund operates within the regulatory framework of the Pension Funds Act 24, 956 As Amended (Pension Funds Act), of South Africa, with oversight by the Financial Services Board. In terms of IAS 19, there are no risks nor impacts affecting the plan or company as at 1 January 2016, due to the fact that there are no defined benefit liabilities in the plans anymore.

Swaziland

All employees who are Swaziland citizens contribute to the government operated Swaziland National Provident Fund which is a defined contribution plan.

The Swaziland subsidiary contributes an amount equivalent to the employees' contributions, which is charged against profits in the year in which it is due.

Employees who are not Swaziland citizens are entitled to be members of the group's South African retirement fund or pension fund.

Zambia

All employees contribute to the government operated NAPSA Fund, which is a defined contribution plan.

The Zambian subsidiary contributes an amount equivalent to the employee's contributions of 5%, which is charged against profits in the year in which it is due. Employees who are not Zambian citizens are entitled to be members of the group's South African retirement fund or pension fund.

Mozambique

All employees contribute to the government operated INSS fund at a rate of 3% of earnings which is a defined contribution plan.

The Mozambican subsidiary contributes 4% of the employees' earnings, which is charged against profits in the year in which it is due.

Employees who are not Mozambican citizens are entitled to be members of the group's South African retirement fund or pension fund.

26. EMPLOYEE SHARE INCENTIVE SCHEME

26.1 Details of the employee share option plan of the group

The group issues equity-settled share-based payments to certain executives and senior employees of the company and its subsidiaries. In accordance with the terms of the plan, as approved by shareholders at the previous annual general meeting, executives and senior employees may be granted options to purchase ordinary shares.

Each employee share option converts into one ordinary share of the company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is calculated in accordance with the performance-based formula approved by shareholders at the previous annual general meeting and is subject to approval by the remuneration committee. The formula rewards executives and senior employees to the extent of the group's and the individual's achievement judged against both qualitative and quantitative criteria from the following measures:

1) Improvement in net profit;
2) Improvement in share price;
3) Improvement in return to shareholders;
4) Achievement of the group's strategic objectives;
5) Achievement of the group's operational objectives; and
6) Meaningful contributions to enhancing the long-term profits and sustainability of the group.

26.2 Fair value of share options granted in the year

Equity-settled share-based payments are measured at fair value at the date of grant.

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the group's estimate of the shares that will eventually vest. Options vest over a period of five years and all shares must be taken up by way of purchase and delivery by no later than 10 years after the date of grant.

The exercise price of the option is not less than the market value of the ordinary shares on the day preceding the date of grant.

IFRS 2 requires the fair value of equity instruments granted to be based on market prices, if available, and to take into account the terms and conditions upon which those equity instruments were granted. In the absence of market prices, fair value is estimated, using a valuation technique to estimate what the price of those equity instruments would have been on the measurement date in an arm's length transaction between knowledgeable, willing parties. As employee share options are not traded, there is no market price available.

Employees have been granted a call option in terms of the Scheme where the payoff on exercise is the difference between the market value of the company's shares at that time less the strike price. Fair value of the share options is therefore determined using an option pricing model.

The share options have been valued using the widely accepted Black-Scholes-Merton model. This model is used to value options traded openly in the market.

This methodology takes into account the following factors:

1) The exercise price of the option;
2) The dates at which the option can be exercised;
3) The share price of the company at grant date;
4) The expected volatility of the share price;
5) The dividends expected on the shares; and
6) The risk free interest rate for the term till the option is exercised.

26. EMPLOYEE SHARE INCENTIVE SCHEME CONTINUED

26.3 Effect of share-based payment transaction on profit or loss

During the current financial year, share-based payment expenses of R0,4 million (2015: R0,24 million) were incurred and expensed to profit or loss in the consolidated financial statements of the group. Refer to note 21 for a reconciliation of the movement for the year.

26.4 Share options granted and unexpired as at 31 March 2016

	Options as at 31 March 2015	Options granted during the year	Weighted average option price (cents)	Options forfeited during the year	Options exercised during the year	Exercise price (cents)	**Options as at 31 March 2016**
Executive directors							
GS Clarke	128 000	–	5 228	–	–	–	**128 000**
PJ Barker	31 000	–	4 486	–	–	–	**31 000**
GL Veale*	–	25 000	5 272	–	–	–	**25 000**
Management	77 000	65 000	6 708	–	–	–	**142 000**
Total	236 000	90 000	5 613	–	–	–	**326 000**

* *Prescribed officer appointed 3 August 2015*

26.5 Share options available at 31 March 2016 for further grants

	Number of shares
Shares reserved for the share option scheme	**900 000**
Shares issued to the end of the financial year	**(415 000)**
Options granted and unexpired as shown above	**(326 000)**
Balance available	**159 000**

26.6 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average remaining contractual life of 985 days (2015: 1 361 days).

27. FINANCIAL RISK MANAGEMENT

Financial instruments consist primarily of cash deposits with banks, short and medium-term investments, short and medium-term loans, trade and other receivables and other payables, bank borrowings and loans to and from associates and subsidiaries.

Financial instruments are carried at cost, amortised cost or fair value where available-for-sale.

Categories of financial instruments:	**2016 R'000**	2015 R'000
Financial assets		
Cash and bank balances	**125 743**	13 073
Loans and receivables	**54 503**	46 199
Unlisted investments	**710**	727
Investment in associates	**23 612**	19 336
	204 568	79 335
Financial liabilities		
Long-term borrowings: interest-bearing	**42 967**	39 162
Trade and other payables	**32 337**	14 076
Short-term borrowings: interest-bearing	**24 629**	91 653
Outside shareholders' loan	**660**	538
	100 593	145 429

27.1 Interest rate risk management

Taking cognisance of the seasonality of the group's cash flows and treasury risk, management positions the group's interest rate exposures according to expected movements in interest rates in the countries in which the group operates.

Interest rate profile is as follows:		Variable rate: Less than one year	Variable rate: Greater than one year	Fixed rate: Less than one year	Fixed rate: Greater than one year	Total borrowings
2016						
Borrowings	(R'000)	**933**	**2 027**	**23 696**	**40 940**	**67 596**
Total borrowings	%	**1**	**3**	**35**	**61**	**100**
2015						
Borrowings	(R'000)	76 211	632	15 442	38 530	130 815
Total borrowings	%	58	0	12	30	100

Fluctuations in interest rates impact on the return on short-term cash investments and the cost of financing activities giving rise to cash flow interest rate risk. The exposure to interest rate risk is managed through the group's cash management system which enables the group to maximise returns while minimising risks.

The group has not entered into any interest rate derivatives during the year.

Effective interest rate on borrowings		**2016**	2015
Amounts due to local bankers	%	**–**	**8,8**
Amounts due to foreign bankers	%	**4,2**	**4,2**
Term loans	%	**4,0**	**4,0**
Instalment sale agreements	%	**9,8**	**8,5**
Call loans	%	**10,0**	**10,0**

Based on year-end exposure to borrowings at variable interest rates, the impact of a 1% move in interest rates will have a R30 000 (2015: R768 000) effect on pre-tax profit or loss and a R21 000 (2015: R553 000) impact on equity for the group.

Based on year-end exposure to cash investments with yields linked to variable interest rates, the impact of a 1% move in interest rates will have a R1 257 000 (2015: R131 000) effect on pre-tax profit or loss and a R905 000 (2015: R94 000) impact on equity for the group.

27. FINANCIAL RISK MANAGEMENT CONTINUED

27.2 Liquidity risk management

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. The group has access to financing facilities as described in note 22.1, of which R115 million (2015: R39 million) were unused at the end of the reporting period.

Short-term borrowings have been disclosed in note 22.1 to the financial statements.

Trade and other payables have been disclosed in note 23 to the financial statements. All payables are due within a 30 to 60 day period.

The maturities of contractual liabilities are as follows:

	2016				2015			
	One to three months R'000	**Four to 12 months R'000**	**Greater than 12 months R'000**	**Total R'000**	One to three months R'000	Four to 12 months R'000	Greater than 12 months R'000	Total R'000
Trade and other payables	**32 337**	**–**	**–**	**32 337**	14 076	–	–	14 076
Outside shareholders' loan	**660**	**–**	**–**	**660**	538	–	–	538
Instalment sale agreements	**172**	**760**	**2 027**	**2 960**	69	512	632	1 213
Term loan arrangements	**3 161**	**10 535**	**40 940**	**54 636**	1 166	4 276	38 530	43 972
Bank overdrafts	**–**	**–**	**–**	**–**	75 502	–	–	75 502
Call loans	**–**	**10 000**	**–**	**10 000**	128	10 000	–	10 128
	36 330	**21 295**	**42 968**	**100 593**	91 479	14 788	39 162	145 429

27.3 Credit risk management

Credit risk consists mainly of short-term cash deposits, cash equivalent investments, trade receivables and loans. The group limits its exposure in relation to cash balances by only dealing with well established financial institutions of high quality credit standings and limits the amount of credit exposure to any one counterparty.

The group's trade and other receivables comprise a widespread base, and group companies undertake on-going credit evaluations of the financial condition of the other parties.

At 31 March 2015, the directors did not believe there is any significant concentration of credit risk which has not been adequately provided for.

Past due trade receivables

Included in trade receivables at the reporting date, are debtors which are past the original expected collection date (past due), but not impaired.

A summarised age analysis of past due debtors is set out below:

	2016 R'000	2015 R'000
Less than one month	**197**	46
Between one to two months	**55**	50
Between two to three months	**40**	24
Greater than three months	**296**	217
	588	337

An allowance for doubtful debts (note 20) is assessed annually, on a debtor by debtor basis, considering the credit risk of the debtor and the likely recoverability of the receivable.

27. FINANCIAL RISK MANAGEMENT CONTINUED

27.4 Foreign currency risk management

The group undertakes certain transactions denominated in foreign currency and hence direct exposure to exchange rate fluctuations arise.

Exchange rate exposure is hedged through the use of forward exchange contracts where considered required. There were no forward exchange contracts outstanding at 31 March 2016 (2015: nil).

A portion of the group's exchange rate exposure also relates to the conversion of its investments in foreign subsidiaries and earnings in non-Rand currencies which are translated into the Rand reporting currency.

The group operates in Zambia and Mozambique, the local currencies being the Kwacha (ZMW) and Metical (MZN) respectively.

Translation exposure is not hedged.

The group's Mozambique subsidiary undertook various foreign currency transactions during the current and prior year, including the inception of the interest-bearing loan with Investec Bank (Mauritius) Limited. The loan is US dollar (USD) denominated. There are no capital repayments due for the first three years of the advance date, however during the financial year, the entity incurred and paid interest on the loan amounting to a ZAR equivalent of R1,3 million (2015: R0,9 million).

Through its Zambia and Mozambique operations, the group's exchange rate exposure relate to:

- loans to shareholders – Rand (ZAR) as well as US dollar (USD) denominated, in the case of the portion owing to the Mozambique outside shareholders;
- the interest-bearing long-term loan from Investec Bank (Mauritius) Limited – US dollar (USD) denominated;
- payments to certain foreign creditors, utilised for the supply of certain capital goods and consulting services in the group's Mozambique operation – Rand (ZAR) denominated; and
- the Mozambique and Zambia foreign currency bank account – US dollar (USD) denominated.

Based on year end exposure to variable exchange rates, the impact of a 1% move in exchange rates will have a R0,6 million (2015: R1,9 million) effect on pre-tax profit or loss and equity for the group.

27.5 Commodity price risk management

Commodity price risk arises from the fluctuations in the world sugar price and the impact this may have on current or future earnings potential of the group's sugar cane crop.

The sale of sugar on the world market, as well as the related hedging activities, is undertaken by the South African Sugar Association (SASA).

Sugar cane price risk in Swaziland is not hedged by the group.

Foreign currency fluctuations relating to sugar cane sales in Zambia are not hedged.

Commodity price risk arises from fluctuations in the prices for bananas sold in the local market. The group, through its association with Lebombo Growers (Pty) Ltd (note 17.2.1), markets the sale of bananas to receive the best possible prices.

The group's deciduous crop is subject to price and foreign currency risk arising from foreign currency fluctuations.

The group's marketing partner, Two-A-Day Group Limited enters into currency contracts for its export sales.

The company paticipates in decisions made by Two-A-Day relative to its hedging activities via representation on the Two-A-Day board.

The group's macadamia development is yet to produce nuts, as a result, the group is not directly exposed to this commodity price risk.

Refer to note 28 for sensitivity analysis disclosure relating to commodity risk, as applicable to biological assets.

28. 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).

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
2016				
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	491 341

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.

28. FAIR VALUE MEASUREMENT CONTINUED

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 2016**	Fair value as at 2015	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs to fair value	Relationship of unobservable inputs to fair value
Unlisted investments	**710**	727	Level 2	Quoted bid prices in an active market.	Not applicable	Not applicable
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 six to eight 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 (nine 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.

The group's valuation policy and methodology are fully disclosed in the accounting policies in note 2.16 and the assumptions and valuation inputs are disclosed in note 16.3.

28. FAIR VALUE MEASUREMENT CONTINUED

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 16.1.

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 R'000**	2015 R'000
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

29. RELATED PARTY TRANSACTIONS

During the year, the group, in the ordinary course of business, entered into various transactions with related parties.

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial and operating decisions. These transactions occurred under terms that are no more or less favourable than those arranged with third parties.

The group's related parties are its subsidiaries, associates, and key management, including directors.

Related party transactions and balances have been eliminated on consolidation.

	2016 R'000	2015 R'000
29.1 Compensation relating to key management personnel		
The remuneration of executive directors, prescribed officer and three other members of key management during the year was:		
Salary	**7 381**	6 761
Bonus	**2 453**	200
Share options exercised	**–**	1 369
Retirement, medical, accident and death benefits	**746**	1 500
Other material benefits	**2 769**	947
Total	**13 349**	10 777
29.2 Transactions and balances with associate companies		
Lebombo Growers (Pty) Ltd		
Short-term receivable from associate at year end	**4 163**	3 793
Rebate income	**4 962**	4 561
Total banana marketing and transport costs paid to associate company on an arm's-length basis	**30 492**	25 372
Mpambanyoni Sand (Pty) Ltd		
Loan to associate	**49**	49
Mpambanyoni Construction Supplies (Pty) Ltd		
Loan to associate	**760**	760
Interest received	**29**	28
Details of material investments in associates are set out in note 17.2.		
29.3 Transactions and balances with subsidiary companies		
Renishaw Property Developments (Pty) Ltd		
Short-term receivable	**13 422**	9 265
CBL Agri International (Pty) Ltd		
Short-term receivable	**47**	47
CBL Agri Services (Pty) Ltd		
Short-term receivable	**133 620**	127 009
Management fees received	**1 716**	1 621
Mthayiza Farming (Pty) Ltd		
Short-term (payable)/receivable	**(172)**	313
Management fees received	**89**	–
Management fees paid	**(200)**	(189)
Interest received	**67**	101
Surety fee received	**454**	439
Crookes Plantations Limited		
Short-term payable	**(72 284)**	(60 086)
Murrimo Macadamias Lda		
Long-term receivable	**175 215**	121 634
Murrimo Farming Lda		
Long-term receivable	**19 446**	19 446
CBL Agri Zambia Limited		
Short-term receivable	**12 653**	10 563
Interest received	**1 053**	1 269

Details of investments in subsidiaries are set out in note 17.3.

29. RELATED PARTY TRANSACTIONS CONTINUED

29.4 Interest of directors in contracts

All directors of the company have confirmed that they were not materially interested in any contract of significance with the company or any of its subsidiaries which could have resulted in a conflict of interest during the year.

29.5 Shareholdings and related interests of directors and officers in share capital

Details of directors' interests in share capital have been disclosed in the directors' report.

29.6 Directors' emoluments

Executive directors	Salary R'000	Bonus R'000	Retirement and medical contributions R'000	Share options exercised R'000	Other benefits R'000	Total R'000
Year to 31 March 2016						
GS Clarke	**2 281**	**938**	**29**	**–**	**566**	**3 814**
PJ Barker	**1 292**	**511**	**49**	**–**	**553**	**2 405**
GL Veale*	**917**	**364**	**22**	**–**	**260**	**1 563**
	4 490	**1 813**	**100**	**–**	**1 379**	**7 782**
Year to 31 March 2015						
GS Clarke	2 269	–	431	1 369	–	4 069
PJ Barker	1 290	–	341	–	372	2 003
	3 559	–	772	1 369	372	6 072

** Prescribed officer appointed 3 August 2015.*

Non-executive directors	Directors' fees 2016 R'000	Directors' fees 2015 R'000	Committee fees 2016 R'000	Committee fees 2015 R'000
JR Barton	**405**	323	**38**	46
P Bhengu(i)	**–**	150	**–**	45
CJH Chance(ii)	**40**	150	**5**	20
JAF Hewat	**160**	150	**114**	106
P Mnganga	**160**	150	**75**	63
MT Rutherford	**160**	150	**98**	92
XGS Sithole(iii)	**–**	112	**–**	38
RE Stewart	**160**	150	**91**	48
G Vaughan-Smith	**160**	150	**–**	10
TJ Crookes(v)	**120**	–	**–**	–
RGF Chance(v)	**120**	–	**8**	–
TK Denton(v)	**120**	–	**–**	–
GP Wayne(iv)	**–**	127	**–**	11
Total	**1 605**	1 612	**429**	479

(i) Retired 25 February 2015
(ii) Resigned 29 May 2015
(iii) Resigned 6 June 2015
(iv) Retired 1 August 2014
(v) Appointed 10 July 2015

Refer to note 26 for details of directors' and management share options granted and unexpired as at 31 March 2016.

29. RELATED PARTY TRANSACTIONS CONTINUED

29.7 Shareholder information

	Number of shareholdings	Percentage of total shareholdings	Number of shares	Percentage of shares in issue
Shareholder spread				
1 – 2 000 shares	246	49,8	155 446	1,0
2 001 – 10 000 shares	128	25,9	643 227	4,2
10 001 – 20 000 shares	37	7,5	521 139	3,4
20 001 – 50 000 shares	49	9,9	1 581 666	10,4
50 001 – 100 000 shares	17	3,4	1 285 499	8,4
Over 100 000 shares	17	3,4	11 077 340	72,6
	494	100,0	15 264 317	100,0
Shareholder type				
Non-public shareholders:				
Silverlands (SA) Plantations S.A.R.L.	1		6 793 314	44,5
Directors (direct and indirect holdings)	2		40 000	0,3
Associates of directors	3		55 571	0,4
	6	1,2	6 888 885	45,1
Public shareholders	488	98,8	8 375 432	54,9
	494	100,0	15 264 317	100,0
Shareholder distribution				
Trusts	90	18,2	3 498 347	22,9
Stockbrokers and nominees	5	1,0	46 379	0,3
Individuals	330	66,8	2 279 930	14,9
Private companies and other corporations	69	14,0	9 439 661	61,8
	494	100,0	15 264 317	100,0
Beneficial shareholders with a holding greater than 5% of the shares in issue				
Silverlands (SA) Plantations S.A.R.L.			6 793 314	44,5
Ellingham Estate (Pty) Ltd			840 000	5,5
			7 633 314	50,0

	2016 R'000	2015 R'000

30. OPERATING LEASE ARRANGEMENTS

30.1 Payments recognised as an expense

	2016 R'000	2015 R'000
Minimum lease payments	**12 693**	4 373
	12 693	4 373

(i) The group leases office space in Durban based on a fixed rate per square metre, escalating at 6,5% per annum. The lease term is four years, based on the initial term of two years and a renewal option, exercisable by the group, for a further two years on the same terms (excluding further right of renewal).

(ii) The group, through its subsidiary Mthayiza Farming (Pty) Ltd, leases the Mthayiza Estate (sugar operation) from the Libuyile Community Trust (a joint venture company with the Libuyile community), based on a fixed Rand rate per hectare under crop, escalated annually by the consumer price index. The 15-year lease is due to expire in 2023.

(iii) On 6 November 2015, an agreement was concluded with the community owners of a large part of the leased Komatipoort estate to establish a 20-year partnership for the operation of the farm. The company subsequently terminated its previous 10-year lease four years ahead of schedule, in return for participation in the partnership for the extended term. Effective 1 April 2016, the group acquired a 49% ownership interest in Mawecro Farming JV, with the remaining 51% ownership interest held by a Communal Property Association that is unrelated to the group.

The group does not have an option to purchase leased office space or leased land at the expiry of the respective lease terms. Accordingly, these leases are accounted for as operating leases.

30.2 The group's commitments in respect of operating leases are as follows:

	2016 R'000	2015 R'000
Not later than one year	**14 963**	5 239
Later than one year and not later than five years	**66 665**	9 688
Later than five years	**399 979**	6 978
	481 607	21 905

	2016 R'000	2015 R'000
31. PROPOSED CAPITAL EXPENDITURE		
Contracted and anticipated	**9 880**	15 623
Authorised by the directors but not yet contracted	**221 351**	26 457
	231 231	42 080

The authorised capital expenditure proposed includes the following group capital requirements:

1) R60 million for the continued macadamia expansion in Mozambique.
2) R97 million for the property development on the Renishaw estate, in lieu of the Department of Agriculture approval.
3) R26 million relating to the investment into a banana operation in southern Mozambique, in partnership with the group's majority shareholder Silverlands (SA) Plantations S.A.R.L.
4) R15 million relating to improvements to the group's irrigation infrastructure and cane haulage fleet.

The above expenditure will be funded from the group's liquid resources, shareholder loans, short-term borrowing facilities, term loans and instalment sale agreements.

	2016 R'000	2015 R'000
32. GUARANTEES		
The group has provided a guarantee to the Department of Minerals & Energy for the rehabilitation of the sand mining area in the Mpambanyoni River	**30**	30
First National Bank has provided other guarantees on behalf of the group	**56**	56

33. EVENTS AFTER THE REPORTING PERIOD

Effective 1 April 2016, the group acquired a 49% ownership interest in Mawecro Farming JV, in terms of a strategic partnership with the community owners of a large part of the leased Komatipoort estate. In terms of the agreement, the company terminated its previous 10-year lease, four years ahead of schedule, in return for participation in the partnership for an extended 20-year term. The remaining 51% ownership interest is held by a Communal Property Association that is unrelated to the group.

The directors of the group assessed whether or not the group has control over Mawecro Farming JV based on whether the group has the practical ability to direct the activities of Mawecro Farming JV unilaterally. In making their judgement, the directors considered the group's absolute size of holding in Mawecro Farming JV and the relative size and dispersion of the shareholdings owned by the other shareholder. After assessment, the directors concluded that the group has a sufficiently dominant power to direct the relevant activities of Mawecro Farming JV, through dictation of the planting programmes, the provision of all working capital finance and the power and discretion to grant such finance.

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