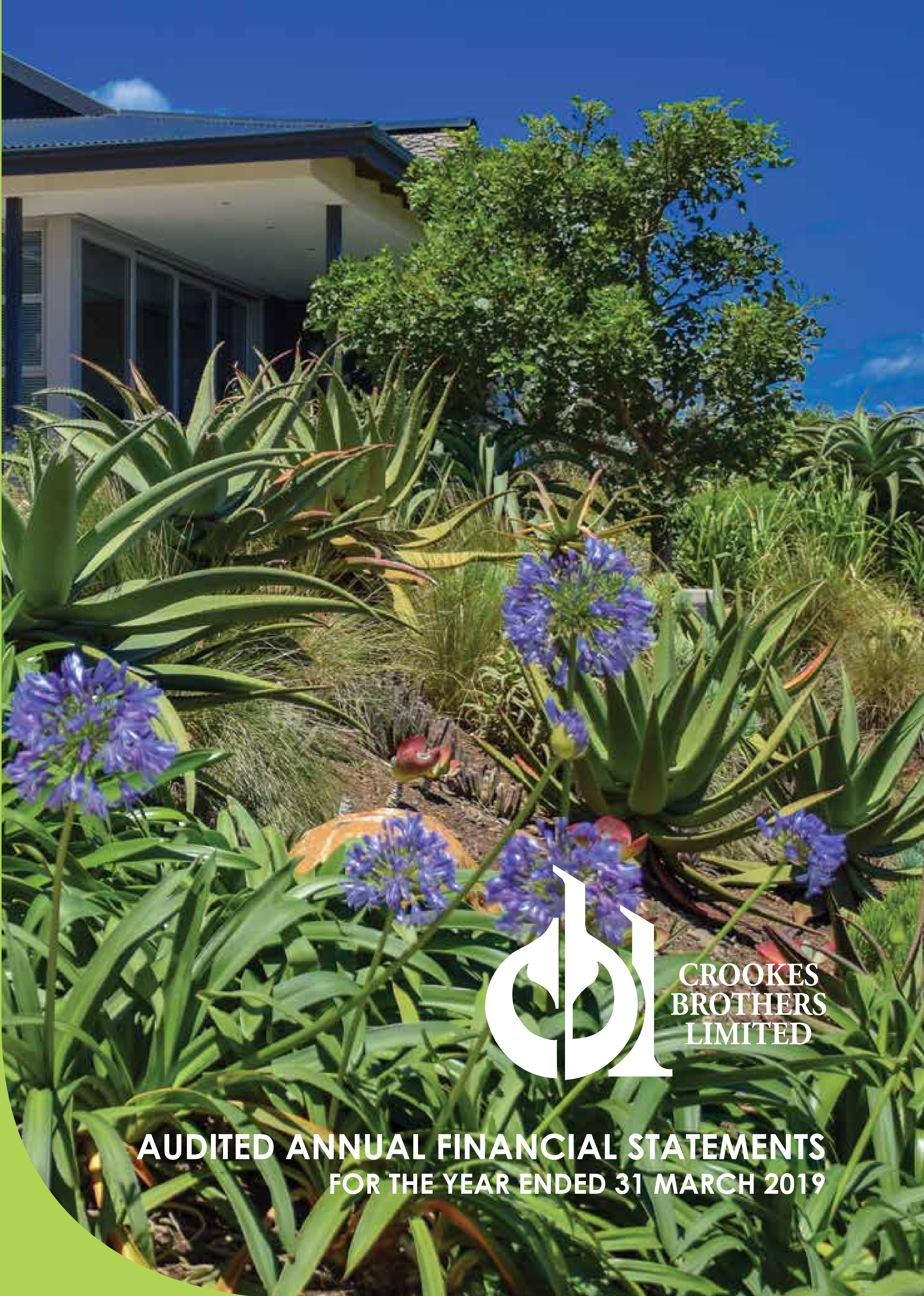

CROOKES BROTHERS LIMITED

AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Contents

Directors' approval of the annual financial statements

The directors of the company are responsible for the integrity and objectivity of the annual 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 2019 have been prepared under the supervision of Greg Veale CA(SA), group financial director.

The board of directors approved the annual financial statements on 6 June 2019. They are signed on its behalf by:

Malcolm Rutherford
Chairman

Guy Clarke
Group managing director

Mount Edgecombe
6 June 2019

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 2019 and that all such returns are true, correct and up to date.

Ziyanda Ngwenya
Company secretary

Mount Edgecombe
6 June 2019

Directors' report

The directors have pleasure in submitting the annual financial statements of the group for the year ended 31 March 2019.

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 has a long-term property development in Scottburgh, South Africa.

Share capital

The authorised share capital at 31 March 2019 consisted of 16 000 000 shares of 25 cents each (2018: 16 000 000). The company has no unlisted securities.

The number of issued shares is 15 264 317 at 31 March 2019 (2018: 15 264 317).

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

Financial results

Group earnings for the year ended 31 March 2019 amounted to R40,7 million (2018: Attributable loss R3,2 million), resulting in earnings per share of 167,6 cents (2018: loss per share 49,7 cents). Headline earnings per share amounted to 145,0 cents (2018: headline loss 50,6 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 annual financial statements have therefore been prepared on a going-concern basis.

Dividends

No final dividends were declared for the year ended 31 March 2019 (2018: 35,0 cents).

Directorate and company secretary

Brief curricula vitae of the current directors are disclosed on pages 14 to 15 of the integrated report. Details of the share incentive scheme and directors' remuneration appear in notes 29 and 32.2.

John Barton retired as chairman of the board on 1 March 2019 and Malcolm Rutherford was appointed as independent non-executive chairman with effect 1 March 2019.

Rodger Stewart and Tasneem Abdool-Samad retired from the board on 18 March 2019 and 25 April 2019 respectively.

Larry Riddle was appointed to the board on 25 April 2019 and appointed as audit committee chairman. Richard Chance was appointed as risk committee chairman on 18 March 2019.

Ziyanda Ngwenya was appointed as company secretary on 1 December 2018.

In terms of the company's memorandum of incorporation, Richard Chance, Gary Vaughan-Smith, Malcolm Rutherford and Larry Riddle retire at the annual general meeting and, being eligible, offer themselves for re-election.

Interests of directors in share capital

At 31 March 2019, the directors of the company held beneficial interests in 236 756 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 2019, are listed below.

Director	2019 Direct	2019 Indirect	2018 Direct	2018 Indirect
Richard Chance	–	75 000	–	75 000
Guy Clarke	18 616	–	18 616	–
Tim Crookes	–	143 140	–	143 140
	18 616	218 140	18 616	218 140

In addition, at 31 March 2019, managers of the company held 65 750 shares (2018: 65 750 shares).

Non-executive directors Gary Vaughan-Smith and Tim Denton represent the interests of Silverlands (SA) Plantations Sarl, which own 6 838 444 shares representing 44,8% of the issued share capital of the company at year end (2018: 6 838 444).

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 director's fees payable to non-executive directors with effect from 1 April 2019. In setting the proposed increases the remuneration committee has taken into account the fact that the group's remuneration committee lags JSE norms and the fact that the work of committees is becoming increasingly important and time-consuming with changing corporate governance standards.

The proposed director's fees for 2019 as approved by the remuneration committee are as follows:

	Proposed Rands per annum	Current Rands per annum
Board		
Chairman	**500 000**	460 000
Other non-executive board members	**225 000**	200 000
Audit committee		
Chairman	**120 000**	140 000
Other members	**50 000**	67 000
Remuneration committee		
Chairman	**45 000**	40 000
Other members	**30 000**	27 000
Nominations committee		
Chairman	**45 000**	20 000
Other members	**30 000**	13 500
Risk committee		
Chairman	**45 000**	56 000
Other non-executive board members	**30 000**	38 000
Social and ethics committee		
Chairman	**45 000**	40 000
Other non-executive board members	**30 000**	27 000
Agriculture committee		
Chairman	**45 000**	–
Other members	**30 000**	–
Retirement funds		
Chairman	**70 000**	80 000

Subsidiary companies

The names and financial information with respect to the company and its subsidiaries are set out on the company's website at www.cbl.co.za.

Special resolutions adopted by the company and its subsidiary companies

The company or its subsidiary companies have passed no special resolutions since 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 36 of the annual financial statements.

Directors' report continued

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:	Ziyanda Ngwenya
Business address:	170 Flanders Drive, Mount Edgecombe
Postal address:	PO Box 611, Mount Edgecombe, 4300
Telephone:	031 508 7372
Email:	zngwenya@cbl.co.za
Transfer secretaries:	Computershare Investor Services (Pty) Ltd
Business address:	Rosebank Towers, 15 Biermann Avenue, Rosebank
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 member of the Sasfin group)

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 of South Africa, 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 company and 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. 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 Deloitte & Touche as external auditor after considering Deloitte & Touche's independence;
- determined Deloitte & Touche's fees;
- considered Deloitte & Touche's terms of engagement;
- ensured that the appointment of Deloitte & Touche complied with the relevant provisions of the Companies Act of South Africa and King IV;
- pre-approved all non-audit service work with Deloitte & Touche;
- confirmed that there were no complaints relating to accounting practices and internal audit of the company, the content or auditing of its annual financial statements, the internal financial controls of the company and any other related matters;
- considered all key audit matters, specifically the valuation assumptions of group biological assets;
- advised the board on any matters concerning the group accounting policies, financial control, records and reporting where applicable; and
- supported the going concern premise in the preparation of the annual 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 company'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 internal audit manager reported to the committee that in his opinion significant internal financial controls operated effectively during the period under review. The internal audit manager reports directly to the audit committee and had unrestricted access to the audit committee chairman.

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

Audit committee report continued

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. It is the policy of the group that any non-audit services are approved by the committee. Deloitte & Touche provided approved non-audit services during the year under review. These services have been assessed and do not impact their independence.

The audit committee recommended that the board reappoint Deloitte & Touche as external auditor for the 2020 financial year, with the designated audit partner being Camilla Howard-Browne.

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.

Finance function
We believe that Greg Veale CA(SA), the group financial director for the period under review, possessed the appropriate expertise and experience to meet his responsibilities in that 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

LW Riddle CA(SA)
Audit committee chairman

Mount Edgecombe
5 June 2019

Independent auditor's report

to the shareholders of Crookes Brothers Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Crookes Brothers Limited ("the group") set out on pages 11 to 64, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at 31 March 2019, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The below key audit matter applies to the consolidated financial statements.

Key audit matter
Biological assets
Significant judgement and estimates are used in determining the fair valuation of biological assets. At 31 March 2019, the value of the biological assets (standing sugar cane, deciduous fruit and macadamias) was R189 million, R28,7 million and R28 million respectively which constitutes a significant balance on the statement of financial position. Given the value of the biological assets, together with the significant judgement and estimates that are required in determining the fair value, the valuation of biological assets is considered a key audit matter. Refer to note 16 for detailed information on biological assets.

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">Biological assets continued</td></tr>
<tr><td colspan="2">Standing sugar cane</td></tr>
<tr><td>The value of standing sugar cane is based on the current estimated cane price for the following season and sucrose content less the estimated costs of harvesting and transport. Significant judgement is required in estimating the expected cane yield, the maturity of the cane, the estimated sucrose content and the forecast sucrose price for the various operating locations and is considered subjective since it is based on management and the directors' experience and expectations and relevant current external factors.</td><td>Our procedures performed in considering the appropriateness of the valuation of standing sugar cane included the following:
• Reviewed the principles used in the valuation of standing sugar cane and analysed the key assumptions used in the valuation model.
• Detailed testing was performed on the key inputs into the standing sugar cane valuation model including estimated yields, estimated sucrose content and forecast price to confirm the validity, accuracy and completeness of the data by comparing the data to market and other external data where applicable.
• The forecast price was also agreed to external sources.
• The prior year estimated yields, estimated sucrose content and forecast price were also compared to the current year actuals attained to assess the reasonableness and accuracy of management and the directors' estimates.
• Sensitives performed on key judgements.
• The formulae per the model were reviewed and recalculated for accuracy.
Based on our testing performed the standing sugar cane valuation appears to be reasonable.</td></tr>
<tr><td colspan="2">Deciduous fruit – apples and pears</td></tr>
<tr><td>The value of the deciduous fruit is based on the estimated yield (tons/packout percentage) from the current crop of unpicked varieties multiplied by the forecast price per crop less estimated costs of harvesting, transport, packing and point of sale costs. This amount is then adjusted by a factor determined by management and the directors' to take into account the maturity of the fruit at reporting date. The significant judgements are the expected packout, price and yield.</td><td>Our procedures performed in considering the appropriateness of the valuation of deciduous fruit included the following:
• Reviewed the principles used in the valuation of deciduous fruit and analysed the key assumptions used in the valuation model.
• Detailed testing was performed on the key inputs into the deciduous fruit valuation model including estimated yields, forecast prices including harvesting, transport, packing and point of sale costs and the estimated maturity of the deciduous fruit to confirm the validity, accuracy and completeness of the data by comparing the data to market and other external data where applicable.
• The forecasted prices was also agreed to external sources.
• Yield agreed to final harvested tons.
• The prior year estimated yields and packout ratio were also compared to current year actuals to assess the reasonableness and accuracy of management and the directors' estimates.
• Sensitives performed on key judgements.
• The formulae per the model were reviewed and recalculated for accuracy.
Based on our testing performed the deciduous fruit valuation appears to be reasonable.</td></tr>
</table>

Key audit matter	How the matter was addressed in the audit
Biological assets continued	
Macadamia nuts	
The value of the macadamia nuts is based on the estimated yield and price multiplied by the forecast price per crop less estimated costs of harvesting, transport, packing and point of sale costs. The price is impacted by expected quality/crack-out achieved. This amount is then adjusted by a factor determined by management and the directors' to take into account the maturity of the crop at reporting date. The significant judgements in the valuation are the price, adjusted for expected crack-out percentages and expected yields.	Our procedures performed in considering the appropriateness of the valuation of macadamia nuts included the following: • Reviewed the principles used in the valuation of macadamia nuts and analysed the key assumptions used in the valuation model. • The forecasted prices were agreed to external sources. • Estimated crack-out percentages were compared to actual crack-out percentages achieved on subsequent sales. • Estimated yield assessed against actual yield harvested to date. • Sensitives performed on key judgements. • The formulae per the model were reviewed and recalculated for accuracy. Based on our testing performed the macadamia nuts valuation appears to be reasonable.

Other information

The directors are responsible for the other information. The other information comprises the Report of the Directors, the Report of the Audit Committee and the Compliance Statement by the Company Secretary's as required by the Companies Act of South Africa which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the 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.

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

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

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

Independent auditor's report continued

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going-concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going-concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going-concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Crookes Brothers Limited for 71 years.

Deloitte & Touche

Deloitte & Touche
Registered Auditor

Per: Camilla Howard-Browne
Partner

12 June 2019

2 Pencarrow Crescent
Pencarrow Park
La Lucia Ridge Office Estate
La Lucia 4051
Docex 3
Durban

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 March 2019

	Note	2019 R'000	2018* R'000
Continuing operations			
Revenue	6	**576 106**	477 183
Cost of sales		**(425 363)**	(361 386)
Gross profit		**150 743**	115 797
Other gains and losses	7	**12 031**	4 479
Distribution expenses		**(30 926)**	(24 765)
Operating and administrative expenses		**(106 001)**	(94 024)
Operating profit before biological assets		**25 847**	1 487
Change in fair value of biological assets	16.1	**48 086**	2 600
Operating profit after biological assets		**73 933**	4 087
Share of profit of joint venture and associate companies	18	**1 209**	3 641
Investment income	8	**1 801**	1 666
Finance costs	9	**(20 051)**	(14 050)
Profit/(loss) before tax		**56 892**	(4 656)
Income tax expense	11	**(14 447)**	4 466
Profit/(loss) for the year from continuing operations		**42 445**	(190)
Discontinued operations			
Loss for the year from discontinued operations	5	**(1 760)**	(3 047)
Profit/(loss) for the year	10	**40 685**	(3 237)
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of post-employment medical aid obligation	28.1	**261**	(514)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	22.3	**(2 496)**	(5 238)
Other comprehensive loss for the year, net of income tax		**(2 235)**	(5 752)
Total comprehensive income/(loss) for the year		**38 450**	(8 989)
Profit/(loss) for the year from continuing operations attributable to:			
Owners of the company		**26 964**	(4 798)
Non-controlling interests	22.5	**15 481**	4 608
		42 445	(190)
Loss for the year from discontinued operations attributable to:			
Owners of the company		**(1 380)**	(2 789)
Non-controlling interests	22.5	**(380)**	(258)
		(1 760)	(3 047)
Total comprehensive income/(loss) for the year from continuing operations attributable to:			
Owners of the company		**24 729**	(10 550)
Non-controlling interests	22.5	**15 481**	4 608
		40 210	(5 942)
Total comprehensive loss for the year from discontinued operations attributable to:			
Owners of the company		**(1 380)**	(2 789)
Non-controlling interests	22.5	**(380)**	(258)
		(1 760)	(3 047)
Earnings/(loss) per share			
From continuing and discontinued operations			
Basic (cents)	12.1	**167,6**	(49,7)
Diluted (cents)	12.2	**167,6**	(49,7)
Earnings/(loss) per share			
From continuing operations			
Basic (cents)	12.1	**176,6**	(31,4)
Diluted (cents)	12.2	**176,6**	(31,4)

* *Prior year restated for revenue standard change and re-presented to account for discontinued operations.*

Consolidated statement of financial position

as at 31 March 2019

	Note	2019 R'000	2018* R'000
ASSETS			
Non-current assets		**1 076 056**	1 052 815
Property, plant and equipment	14	**960 879**	967 756
Investment property	15	**30 336**	11 432
Deferred tax assets	11	**14 406**	6 044
Other financial assets	17	**4 056**	3 269
Investments in joint venture and associates	18	**61 393**	60 816
Unsecured loans	21	**4 986**	3 498
Current assets		**605 876**	515 615
Biological assets	16	**260 806**	213 443
Inventories	19	**30 541**	128 494
Trade and other receivables	20	**136 414**	124 419
Current tax assets	11.2	**7 362**	8 398
Other financial assets	17	**110**	102
Retirement benefit surplus	28.2	**1 693**	10 212
Unsecured loans	21	**2 792**	3 673
Cash and bank balances	25	**56 683**	26 874
		496 401	515 615
Assets classified as held for sale	5.1	**109 475**	–
Total assets		**1 681 932**	1 568 430
EQUITY AND LIABILITIES			
Capital and reserves		**1 059 620**	1 032 156
Share capital	22.1	**3 816**	3 816
Share premium	22.1	**222 455**	222 455
Investment revaluation reserve	22.2	**951**	951
Foreign currency translation reserve	22.3	**(31 498)**	(29 002)
Share-based payment reserve	22.4	**4 612**	3 473
Retained earnings		**831 316**	805 471
Equity attributable to owners of the company		**1 031 652**	1 007 164
Non-controlling interests	22.5	**27 968**	24 992
Non-current liabilities		**267 674**	207 202
Deferred tax liabilities	11.3	**129 596**	126 986
Borrowings – interest-bearing	23.1	**70 765**	24 104
Other financial liabilities	15	**19 692**	8 797
Obligation to restore leased farmland	24	**44 045**	44 674
Post-employment medical aid obligation	28.1	**3 576**	2 641
Current liabilities		**354 638**	329 072
Trade and other payables	26	**76 614**	45 597
Provisions	27	**16 154**	9 603
Current tax liabilities	11.2	**2 775**	337
Post-employment medical aid obligation	28.1	**–**	7 693
Borrowings – interest-bearing	23.1	**251 500**	241 792
Bank overdraft	25	**7 595**	24 050
Total equity and liabilities		**1 681 932**	1 568 430

* *Prior year restated for revenue standard change.*

Consolidated statement of cash flows

for the year ended 31 March 2019

	Note	2019 R'000	2018* R'000
Operating activities			
Operating profit for the year from continuing operations		**73 933**	4 087
Operating profit/(loss) for the year from discontinued operations	5	**4 569**	(1 027)
Adjustment for non-cash items:			
Depreciation	10.1	**59 989**	49 290
Change in fair value of biological assets	16.1	**(48 086)**	(2 600)
Increase/(decrease) in provisions	27	**6 551**	(7 207)
Expense recognised in respect of equity-settled share-based payments	22.4	**1 139**	1 059
Other non-cash items		**(1 998)**	1 743
Operating cash flows before movements in working capital		**96 097**	45 345
Decrease in inventories		**3 061**	23 690
Increase in trade and other receivables		**(12 227)**	(40 726)
Increase/(decrease) in trade and other payables		**31 017**	(5 585)
Cash generated from operations		**117 948**	22 724
Interest received		**1 076**	1 591
Interest paid		**(22 726)**	(16 594)
Income taxes paid		**(16 552)**	(17 171)
Net cash generated by/(used in) operating activities		**79 746**	(9 450)
Investing activities			
Investment in other financial assets		**(766)**	(2 356)
Increase in unsecured loans		**–**	(7 171)
Proceeds on disposal of property, plant and equipment		**1 538**	6 402
Investment in property, plant and equipment		**(78 920)**	(155 217)
Investment in investment property		**(5 770)**	(11 449)
Investment in joint venture and associate companies		**216**	(2 525)
Other net investing activities		**78**	(75)
Net cash used in investing activities		**(83 624)**	(172 391)
Financing activities			
Proceeds from loans and borrowings**		**55 000**	29 210
Repayment of loans and borrowings**		**(23 087)**	(21 597)
Increase in general banking facilities		**19 097**	154 985
Net increase in other financial liabilities	15	**11 257**	8 873
Dividends paid – ordinary shareholders	13	**–**	(22 896)
Dividends paid – community partners	22.5	**(12 125)**	(10 895)
Net cash generated by financing activities		**50 142**	137 680
Net increase/(decrease) in cash and cash equivalents		**46 264**	(44 161)
Cash and cash equivalents at beginning of the year		**2 824**	46 985
Cash and cash equivalents at end of the year		**49 088**	2 824

* *Prior year restated for revenue standard change and re-presented to account for discontinued operations.*
** *Re-presented for improved disclosure.*

Consolidated statement of changes in equity

for the year ended 31 March 2019

	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 interests R'000	Total R'000
Balance at 31 March 2017	226 271	951	(23 764)	2 414	836 706	1 042 578	24 400	1 066 978
Net loss attributable to shareholders	–	–	–	–	(7 587)	(7 587)	4 350	(3 237)
Other comprehensive loss	–	–	(5 238)	–	(514)	(5 752)	–	(5 752)
Total comprehensive loss for the year	–	–	(5 238)	–	(8 101)	(13 339)	4 350	(8 989)
Dividends declared and paid (see note 13 and 22.5)	–	–	–	–	(22 896)	(22 896)	(10 895)	(33 791)
Share-based payment expense (see note 22.4)	–	–	–	1 059	–	1 059	–	1 059
Adjustments to non-controlling interests (see note 22.5)	–	–	–	–	(238)	(238)	7 137	6 899
Balance at 31 March 2018	**226 271**	**951**	**(29 002)**	**3 473**	**805 471**	**1 007 164**	**24 992**	**1 032 156**
Net profit attributable to shareholders	**–**	**–**	**–**	**–**	**25 584**	**25 584**	**15 101**	**40 685**
Other comprehensive loss	**–**	**–**	**(2 496)**	**–**	**261**	**(2 235)**	**–**	**(2 235)**
Total comprehensive income for the year	**–**	**–**	**(2 496)**	**–**	**25 845**	**23 349**	**15 101**	**38 450**
Dividends declared and paid (see note 13 and 22.5)	**–**	**–**	**–**	**–**	**–**	**–**	**(12 125)**	**(12 125)**
Share-based payment expense (see note 22.4)	**–**	**–**	**–**	**1 139**	**–**	**1 139**	**–**	**1 139**
Balance at 31 March 2019	**226 271**	**951**	**(31 498)**	**4 612**	**831 316**	**1 031 652**	**27 968**	**1 059 620**
Note	22.1	22.2	22.3	22.4			22.5	

Consolidated segmental analysis

for the year ended 31 March 2019

Products and services from which reportable segments derive their revenues

Information reported to the managing director (chief operating decision maker) 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", "bananas", "macadamias" and "property" operations, the information is further analysed based on the different classes of customers. The executive directors of the company have chosen to organise the group around differences in products and services across its farming and property operations. Other revenue streams that have no direct bearing on crop or property performance have been aggregated under "other operations".

Information about customers

The following is an analysis of revenue from continuing operations by customer.

	Sugar cane R'000	Deciduous fruit R'000	Bananas R'000	Macadamias R'000	Other operations R'000	Total continuing operations R'000	Total discontinued operations R'000	Total R'000
Year to 31 March 2019								
Customer	**RCL Foods and Illovo Sugar**	**Two-A-Day**	**Lebombo Growers**	**Mayo Macs and Green Farms**	**Various**		**Various**	
Revenue	**321 855**	**100 226**	**117 052**	**8 070**	**26 922**	**574 125**	**89 587**	**663 712**
Proportion of revenue to total group revenue (%)	**48**	**15**	**18**	**1**	**4**	**87**	**13**	**100**
Year to 31 March 2018*								
Customer	RCL Foods and Illovo Sugar	Two-A-Day	Lebombo Growers	Mayo Macs	Various		Various	
Revenue	300 080	68 513	88 464	2 166	17 960	477 183	49 538	526 721
Proportion of revenue to total group revenue (%)	57	13	17	–	3	91	9	100

** Prior year restated for revenue standard change and re-presented to account for discontinued operations.*

Information about geographical areas

Revenue attributable to South Africa and foreign countries is disclosed in note 6.

Consolidated segmental analysis continued

for the year ended 31 March 2019

Segment results and balances

The following is an analysis of the group's results and balances by reportable segment.

	Sugar cane R'000	Deciduous fruit R'000	Bananas R'000	Macadamias R'000	Property^ R'000	Other operations R'000	Unallocated R'000	Total continuing operations R'000	Total discontinued operations R'000	Total R'000
Year to 31 March 2019										
Revenue	321 855	100 226	117 052	8 070	1 981	26 922	–	576 106	89 587	665 693
Operating profit before unallocated overheads	50 391	140	39 779	(2 931)	2 865	(3 118)	–	87 126	4 709	91 835
Profit on disposal of property, plant and equipment and unlisted shares	–	–	–	–	–	–	399	399	–	399
Corporate expenses	–	–	–	–	–	–	(61 678)	(61 678)	(140)	(61 818)
Operating profit before biological assets	50 391	140	39 779	(2 931)	2 865	(3 118)	(61 279)	25 847	4 569	30 416
Change in fair value of biological assets	19 920	9 979	(2 976)	21 163	–	–	–	48 086	–	48 086
Operating profit after biological assets	70 311	10 119	36 803	18 232	2 865	(3 118)	(61 279)	73 933	4 569	78 502
Share of profit of joint venture and associates	–	–	–	–	–	–	1 209	1 209	–	1 209
Investment income	–	–	–	–	–	–	1 801	1 801	–	1 801
Finance costs	–	–	–	–	–	–	(20 051)	(20 051)	(6 696)	(26 747)
Profit before tax	70 311	10 119	36 803	18 232	2 865	(3 118)	(78 320)	56 892	(2 127)	54 765
Segment assets and liabilities										
Assets										
Segmental assets	478 867	329 607	30 283	304 009	90 800	47 714	26 286	1 307 566	86 064	1 393 630
Investments and loans	–	–	–	–	–	–	73 337	73 337	–	73 337
Corporate assets	–	–	–	–	–	–	214 965	214 965	–	214 965
Consolidated total assets	478 867	329 607	30 283	304 009	90 800	47 714	314 588	1 595 868	86 064	1 681 932
Liabilities										
Segmental liabilities	75 891	11 400	24 421	3 286	79 692	258	427 364	622 312	–	622 312
Other information										
Capital expenditure on property, plant and equipment	24 994	6 698	2 153	42 458	1 757	6 995	1 570	86 625	–	86 625
Depreciation	29 203	12 066	1 458	10 734	2 150	2 291	2 087	59 989	–	59 989

^ *The property segment includes development, infrastructure costs and future land sales not affiliated with the Renishaw Hills residential development, which has been re-presented as a discontinued operation.*

	Sugar cane R'000	Deciduous fruit R'000	Bananas R'000	Macadamias R'000	Property^ R'000	Other operations R'000	Unallocated R'000	Total continuing operations R'000	Total discontinued operations R'000	Total R'000
Year to 31 March 2018*										
Revenue	300 080	68 513	88 464	2 166	–	17 960	–	477 183	49 538	526 721
Operating profit before unallocated overheads	48 993	(19 197)	26 240	(1 398)	(498)	(3 667)	–	50 473	(476)	49 997
Profit on disposal of property, plant and equipment	–	–	–	–	–	–	361	361	–	361
Corporate expenses	–	–	–	–	–	–	(49 347)	(49 347)	(551)	(49 898)
Operating profit before biological assets	48 993	(19 197)	26 240	(1 398)	(498)	(3 667)	(48 986)	1 487	(1 027)	460
Change in fair value of biological assets	(4 684)	(1 227)	1 584	6 927	–	–	–	2 600	–	2 600
Operating profit after biological assets	44 309	(20 424)	27 824	5 529	(498)	(3 667)	(48 986)	4 087	(1 027)	3 060
Share of profit of joint venture and associates	–	–	–	–	–	–	3 641	3 641	–	3 641
Investment income	–	–	–	–	–	–	1 666	1 666	–	1 666
Finance costs	–	–	–	–	–	–	(14 050)	(14 050)	(2 650)	(16 700)
Loss before tax	44 309	(20 424)	27 824	5 529	(498)	(3 667)	(57 729)	(4 656)	(3 677)	(8 333)
Segment assets and liabilities										
Assets										
Segmental assets	473 127	356 321	35 598	257 728	158 753	43 126	–	1 324 653	–	1 324 653
Investments and loans	–	–	–	–	–	–	71 358	71 358	–	71 358
Corporate assets	–	–	–	–	–	–	172 419	172 419	–	172 419
Consolidated total assets	473 127	356 321	35 598	257 728	158 753	43 126	243 777	1 568 430	–	1 568 430
Liabilities										
Segmental liabilities	84 652	11 990	25 954	16 429	8 797	320	388 132	536 274	–	536 274
Other information										
Capital expenditure on property, plant and equipment	54 691	18 523	4 299	43 087	24 671	12 509	623	158 403	–	158 403
Depreciation	25 190	12 614	878	7 022	–	1 450	2 136	49 290	–	49 290

* *Prior year restated for revenue standard change and re-presented to account for discontinued operations.*

^ *The property segment includes development, infrastructure costs and future land sales not affiliated with the Renishaw Hills residential development, which has been re-presented as a discontinued operation.*

Notes to the consolidated financial statements

for the year ended 31 March 2019

General information

Crookes Brothers Limited (the group) is 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 group is described in the Directors' report.

Adoption of new and revised standards

1. New and amended IFRS standards that are effective for the current year

1.1 IFRS 9 Financial Instruments

The following is a summary of the key changes from IAS 39 Financial Instruments: Recognition and Measurement to IFRS 9:

(a) *Classification and measurement*
The revised standard requires that all financial assets be classified either at FVTPL, FVTOCI or amortised cost based on the group's business model for managing the financial assets and the contractual cash flows of the financial asset. Financial liabilities are classified at amortised cost or FVTPL.

(b) *Impairment*
In relation to impairment, IFRS 9 requires the use of an *expected* credit loss (ECL) model as opposed to an *incurred* credit loss model as required under IAS 39. This requires the group to account for ECL at each reporting date since initial recognition based on the level of increase in credit risk. It is no longer necessary for a credit event to have occurred before credit losses are recognised by the group.

(c) *Hedge Accounting*
The general hedge accounting requirements remain the same under IFRS 9 but there is greater flexibility in terms of the types of transactions eligible for hedge accounting namely, the types of instruments available for hedge accounting and types of risks that can be hedged. There has also been a simplification of hedge effectiveness testing.

The group has applied IFRS 9 with date of initial application of 1 April 2018, in accordance with the transition provisions set out above.

(a) *Classification and measurement of financial assets*
The group's does not hold any financial assets at FVTPL. For the remaining financial assets, it has always been management's election to measure them at either FVTOCI or amortised cost. Therefore, the directors have concluded that there is no change in the current classification and measurement policies of the group with regards to its financial assets, which is already consistent with the provisions of IFRS 9. Accordingly, there has been no restatement to comparative reported information.

(b) *Impairment*
The group has adopted the *simplified* approach for measuring the loss allowance, at an amount equal to the lifetime expected credit losses (ECL) for trade and loan receivables and cash held in the bank.

Since the group has elected to restate comparatives (if necessary), for the purpose of assessing whether there has been a significant increase in credit risk since initial recognition of its financial assets that remain recognised on the date of initial application of IFRS 9 (i.e. 1 April 2018), the directors have compared the credit risk of the respective financial assets on the date of their initial recognition to their credit risk as at 1 April 2017.

1. New and amended IFRS standards that are effective for the current year continued

1.1 IFRS 9 Financial Instruments continued

The result of the assessment is as follows:

Financial Assets as at 1 April 2018 that are subject to the impairment provisions of IFRS 9	Credit risk attributes at 1 April 2017 and 1 April 2018	Cumulative additional loss allowance recognised on: 01-Apr-17 R'000	01-Apr-18 R'000
Loans to related parties	The directors have concluded that it would require undue cost and effort to determine the credit risk of each loan on their respective dates of initial recognition. These loans are also assessed to have credit risk other than low. Accordingly, the group recognises lifetime ECL for these loans until they are derecognised.	No impairment necessary.	
Loans receivable – amortised cost	These amounts owed are from co-ops and suppliers with strong credit ratings and a long business history with the group. The group employs an executive who sits on the Komati Kortpad Board. Mayo Macs is one of South Africa's leading suppliers of macadamia nuts, and Delta Sieira is also a supplier of the group, with a presence through-out southern Africa. There has been no significant increase in the risk of default on the underlying balance since initial recognition. The group therefore recognises 12-months ECL for these contracts.	No impairment necessary. The group has recourse to deduct the full outstanding loan balance from Delta Sieira against future supplier payments to them with no uncertainty over full recoverability.	
Trade and other receivables	The group applies the simplified approach and recognises lifetime ECL for these assets.	No impairment, due to adequacy of existing provision (note 20) as well as deciduous fruit revenue accruals making up the majority of the balance.	
Unsecured loans	The loan owing from the MCPA has been fully repaid on 1 April 2019. With regards to the loan to the Libuyile Community Trust, there has been no significant increase in the risk of default on the underlying balance since initial recognition. The group therefore recognises 12-months ECL for these contracts.	No impairment on the amount owing from the Libuyile Community Trust, due to the fact that the group has recourse to deduct the full balance owing, against future lease rentals due to the Libuyile Community.	
Cash and bank balances	All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions.	No impairment necessary.	

(c) *Hedge Accounting*
The group has not employed the use of Hedge Accounting for IFRS 9 purposes.

Notes to the consolidated financial statements
for the year ended 31 March 2019

1. New and amended IFRS standards that are effective for the current year continued

1.2 IFRS 15 Revenue from contracts with customers

During the current year, the group has applied IFRS 15 Revenue from Contracts with Customers which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios.

Effective 1 April 2018, the group now recognises revenue on the fulfilment of a performance obligation, which results in the irrevocable transfer of control to its customers, such that the group is then entitled to the transaction prices associated with these sales.

The judgements applied by the directors in assessing performance obligations and the resultant impact of the adoption of IFRS 15 on the group's revenue segments from continuing operations is summarised as follows:

Revenue segment	IFRS 15 Revenue recognised based on fulfilment of a performance obligation resulting in transfer of control	IFRS 15 Revenue recognised on a net basis where group does not derive any benefit for service related costs	IFRS 15 Variable pricing considerations resulting in a material reversal of revenue initially recognised
Sugar cane	No impact	No impact	No impact
Deciduous fruit	Impacted	Impacted	Immaterial
Bananas	No impact	Impacted	No impact
Macadamias	No impact	Impacted	No impact
Other operations	No impact	No impact	No impact

Deciduous fruit

The group sells all of its deciduous fruit to its co-op partner Two-a-Day Group (Pty) Ltd ("TAD"). TAD also acts as the exclusive distribution and marketing agent for the group's deciduous fruit segment.

At each reporting period end, deliveries of the group's deciduous fruit is segregated by TAD into the following two categories:

1. Packed – in boxes awaiting distribution to customers.
2. Unpacked – in bins awaiting to be packed.

Under the old revenue standard, the group would only recognise revenue to the extent of the packed fruit awaiting distribution, i.e. revenue was only recognised on the portion of fruit that TAD themselves had packed to be sold. The portion of fruit still in bins was accounted for as unsold inventory measured at the estimated selling price less direct costs.

With the adoption of IFRS 15, applied in conjunction with the unchanged terms of the contract with TAD, the directors assessed that control of all the group's stock of deciduous fruit had in fact passed to TAD upon delivery. Stock that is unpacked and in bins also constitutes control passing in accordance with IFRS 15, as TAD had assumed all of the risks and rewards associated with this stock, and therefore had *de facto* control over it as well.

The group accordingly accounted for the transaction price receivable for this stock as revenue, net of the associated packaging costs paid, *in lieu* of control having already transferred to TAD upon delivery. TAD's relationship with the group is now purely that of a customer and no longer as an agent.

Bananas and macadamias

Revenue from the sale of bananas and macadamias to the group's co-op partners are now accounted for, net of marketing, distribution and other direct costs incurred by these co-ops. In arriving at this assessment, the directors concluded that control of the group's bananas and macadamias had already transferred to these respective co-ops upon delivery, and therefore the group had not derived any benefit for these service related costs.

The current period's results have been reported on, based on the application of IFRS 15.

To the extent that the above changes have had an impact on results reported in the prior financial year end, the restatement impact on the group's results is as follows:

Statement of profit or loss	Deciduous fruit 2018 R'000	Bananas 2018 R'000	Macadamias 2018 R'000	Total continuing operations 2018 R'000
Revenue – decrease	(97 548)	(32 492)	(462)	(130 502)
Cost of sales: deciduous stock reclassified to revenue at year-end – decrease	20 123	–	–	20 123
Cost of sales: packaging, processing, marketing and surcharge costs netted off against revenue – decrease	77 425	–	462	77 887
Distribution expenses: banana road haulage expenses netted off against revenue – decrease	–	32 492	–	32 492
Net effect on operating profit	**–**	**–**	**–**	**–**

There is no tax effect and no impact on the amounts previously reported in earnings per share, as where there is a change in revenue, there is an opposite but equal change to cost of sales and/or distribution expenses, hence no change to overall profit or loss.

The following is a disaggregation of revenue from continuing operations showing the transition effect of IFRS 15 on the current year's results.

Revenue	**Sugar cane 2019 R'000**	**Deciduous fruit 2019 R'000**	**Bananas 2019 R'000**	**Macadamias 2019 R'000**	**Property 2019 R'000**	**Other operations 2019 R'000**	**Total continuing operations 2019 R'000**
Under IAS 18	**321 855**	**152 906**	**161 934**	**10 022**	**1 981**	**26 922**	**675 620**
Transition to IFRS 15							
Deciduous stock reclassified to revenue at year end	**–**	**15 002**	**–**	**–**	**–**	**–**	**15 002**
Packaging, processing, marketing and surcharge costs netted off against revenue	**–**	**(67 682)**	**–**	**(1 952)**	**–**	**–**	**(69 634)**
Road haulage banana distribution expenses netted off against revenue	**–**	**–**	**(44 882)**	**–**	**–**	**–**	**(44 882)**
Under IFRS 15	**321 855**	**100 226**	**117 052**	**8 070**	**1 981**	**26 922**	**576 106**

The following is a disaggregation of revenue from continuing operations showing the transition effect of IFRS 15 on the prior year's results.

Revenue	Sugar cane 2018 R'000	Deciduous fruit 2018 R'000	Bananas 2018 R'000	Macadamias 2018 R'000	Property 2018 R'000	Other operations 2018 R'000	Total continuing operations 2018 R'000
As previously reported	300 080	166 061	120 956	2 628	–	17 960	607 685
Transition to IFRS 15							
Deciduous stock reclassified to revenue at year end	–	(20 123)	–	–	–	–	(20 123)
Packaging, processing, marketing and surcharge costs netted off against revenue	–	(77 425)	–	(462)	–	–	(77 887)
Road haulage banana distribution expenses netted off against revenue	–	–	(32 492)	–	–	–	(32 492)
Restated	300 080	68 513	88 464	2 166	–	17 960	477 183

1. New and amended IFRS standards that are effective for the current year continued

1.2 IFRS 15 Revenue from contracts with customers continued

As a result of the transition to IFRS 15, trade and other receivables are increased by the value of deciduous stock now accrued for as revenue under IFRS 15, with a corresponding opposite but equal decrease to inventories.

	Deciduous fruit only		
Statement of financial position	Prior year 2017 R'000	Prior year 2018 R'000	**Current year 2019 R'000**
Inventories – decrease	(50 650)	(30 527)	**(45 529)**
Trade and other receivables – increase	50 650	30 527	**45 529**
Net effect on current assets	–	–	–

Variable pricing considerations

The directors have assessed the impact of variable pricing considerations on revenue recognised under IFRS 15. Per their assessments, the directors have concluded that no revenue in any of its segments initially recognised under IFRS 15, will materially reverse in future periods. Refer to note 4.5 for the judgements applied by the directors in making these assessments and the rationale used in arriving at these conclusions. There have been no changes to payment terms for any of the group's revenue streams.

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

The directors of the group have assessed the impact of pertinent standards and interpretations in issue but not yet effective, and have not applied all of them, for the reasons summarised below:

Effective for annual periods beginning on or after 1 January 2019

IFRS 16 Leases

- During the current reporting period, the group undertook a review of all its contracts that were or potentially contained leases.
- A number of outsourcing arrangements with the group's logistic and IT service providers were identified, however none of these outsourcing arrangements afforded the group the exclusive supply of these goods and services. Furthermore, in the case of IT service providers, these providers were able to substitute alternative network infrastructure cabling and components at any time, at their discretion and to their economic benefit.
- Excluding short-term leases and leases of low value assets (printers, etc.), the group has identified two lease contracts currently classified as operating leases which are material. These are the leases of the Mawecro and Mthayiza farms in Mpumalanga (see note 33.1).
- Under IFRS 16, the group will have to recognise a right-of-use asset and corresponding liability. In addition, the pattern of the group's expenses will change. Instead of a lease expense included in other operating expenses, the group will recognise additional depreciation on the asset and an additional interest expense on the liability.
- The date of initial application is 1 January 2019. The group will apply what is referred to in the standard as a "modified retrospective approach". Under this approach, the group will not restate comparative information.
- At the date of initial application, the group will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity as of 1 April 2019.
- When compared to the current 2018/19 financial year, based on an Akwandze borrowing rate range of 5% and the prevailing SA bond rate 8,33%, the impact on profit or loss in the 2019/20 financial year, is expected to be in the following ranges:
  - Depreciation expense: Increase of between R11 million and R16 million.
  - Interest expense (continuing operations): Increase of between R13 million and R18 million.
  - Operating lease rental expense: Decrease of between R17 million and R18 million.
  - Income tax expense (continuing operations): Increase of between R1,5 million and R1,6 million.
- When compared to the current 2018/19 financial year, the impact on the statement of financial position in the 2019/20 financial year, is expected to be in the following range:
  - Right-of-use asset: Increase of between R197 million and R259 million.
  - Deferred tax asset: Increase of between R3,2 million and R3,4 million.
  - Current tax asset: Decrease of between R4,7 million and R4,9 million.
  - Lease liability: Increase of between R209 million and R271 million.

3. Significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), Interpretations issued by the IFRS Interpretations Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The historical cost convention is used except for investment property, biological assets and certain financial instruments that are stated at fair value.

Foreign and functional currencies

The functional currency of each entity within the group is based on the currency of the primary economic environment in which that entity operates. The functional currency is determined by assessing the primary economic environment of the revenue, operating and capital expenditure and financing cash flows of the group entity. 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 group, and the presentation currency for the consolidated financial statements.

During the 2017 financial year, due to changes in trading arrangements that meet the requirements of IAS 21:36, the functional currency of the group's Mozambique operations changed from Meticais (MZN) to Rands (ZAR).

Transactions in currencies other than the entity's functional currency extend only to the group's Zambia operation. The results of Zambia are recognised at the rates of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in such currencies are translated at the rates ruling at the date of the statement of financial position. Gains and losses arising on exchange differences are recognised in profit or loss. The financial statements of entities whose functional currencies are different from the group's presentation currency which, because of its primary operating activities, is South African Rand, are translated as follows:

- Assets and liabilities at exchange rates ruling at the date of the statement of financial position;
- Income and expense items at the average exchange rates for the period; and
- Equity items at the exchange rate ruling when they arose.

Resulting exchange differences are classified as a foreign currency translation reserve and recognised in other comprehensive income.

Comparative figures

Comparative figures are restated in the event of a change in accounting policy or a prior period error or where restatement results in a more meaningful comparison to current year figures.

Consolidated financial statements

3.1 Interests in subsidiaries

On an annual basis, the group reassesses whether or not it controls its investees if facts and circumstances indicate that there are changes to one or more of the three elements of control listed below:

- the group 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.

At the end of the current reporting period, the group accounted for 12 investees as controlled subsidiaries.

Of these 12 investees, the group held the majority share capital and voting rights in nine of them, thus giving the group majority voting power to affect the operating and financial returns of these nine investees.

With regards to the other three subsidiaries, Bellcro Farming (Pty) Ltd ("Bellcro"), Mthayiza Farming (Pty) Ltd ("Mthayiza") and Mawecro Farming (Pty) Ltd ("Mawecro"), the non-controlling interests owned the majority of the issued share capital in these investees.

Even though the group had less than a majority of the voting rights in these three investees, it was still able to demonstrate power over these investees and direct the relevant activities of these investees unilaterally.

Refer to notes 4.1, 4.2 and 4.3 for all relevant facts and circumstances that the group assessed, in making this judgement.

Profit or loss and each component of other comprehensive income are attributed to the owners of the group and to the non-controlling interests.

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

3. Significant accounting policies continued

3.2 Investments in joint venture and associates

See note 18 for a list of associates that the group has investments in. The group exerts 'significant influence' over these associates, which is the power to participate in the financial and operating policy decisions of these investees, but does not have control or joint control over the policies of these investees.

With respect to SMHL (see note 18), the group has acquired a joint venture, via a joint arrangement whereby the group shares joint control of the arrangement and has rights to the net assets of SMHL through this joint arrangement. The group has a contractually agreed sharing of control over the arrangement of SMHL's operations with SilverStreet Private Equity Strategies ("SilverStreet"), a subsidiary of the group's majority shareholder Silverlands (SA) Plantations Sarl a company incorporated in the United Kingdom. Any decisions regarding the relevant activities of SMHL require the unanimous consent of both the group and SilverStreet.

The results and assets and liabilities of the group's joint venture and associates are incorporated in these consolidated financial statements using the equity method of accounting. Under this equity method, the group's investment in its joint venture and associates are 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.

The group transacts with all the investees' disclosed in note 18 on an arm's-length basis.

Statement of profit or loss transactions and events

3.3 Revenue

The group now recognises revenue on the fulfilment of a performance obligation, which results in the irrevocable transfer of control to its customers, such that the group is then entitled to the transaction prices associated with these sales. Refer to note 1.2 for the impact of the change in accounting policy on the reportable revenue segments of the group.

Refer to note 6 for a summary of revenue by product and geographic region. The group's revenue is largely made up of "farming" revenue in the form of sugar cane, deciduous fruit, bananas and macadamias.

Sugar cane
Revenue is recognised when the cane is delivered to the sugar mills.

Deciduous fruit
Revenue is recognised on delivery to TAD and Elgin Fruit Juices.

Bananas
Revenue is recognised on delivery of packed banana cartons to Lebombo Growers (Pty) Ltd ("Lebombo").

Macadamias
Revenue from the sale of macadamias is recognised on delivery to Mayo Macs SA and Green Farms.

Revenue from the sale of completed residential units is recognised on transfer of ownership to buyers through occupation of a completed unit and is accounted for as a discontinued operation as per note 5.

Other operations revenue comprises revenue from the sale of grain, rental income from leased buildings, tourism revenue and utility services related to the property development.

3.4 Investment income

Dividend and interest income disclosed in note 8 is earned from the group's range of financial assets and positive bank balances respectively.

3. Significant accounting policies continued

3.5 Employee benefits

Retirement funds

In South Africa, the group provides retirement benefits for its employees through the Crookes Brothers Retirement, Pension and Provident Funds. These funds are all defined contribution plans. The assets of the defined contribution schemes are held separately from those of the group and are administered and controlled by trustees. Contributions to these defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The Crookes Brothers Pension Fund also operates an Employer Surplus Reserve Account. There are assets allocated to the employer in the employer surplus reserve accounts in the Crookes Brothers Pension and Retirement Funds.

The group has elected to utilise this surplus to extinguish a portion of the post-retirement medical aid subsidy below. To this end, an additional liability for medical benefits in the funds' rules have been created, and this surplus has been utilised to cover these costs as disclosed in note 28.2.

In other geographical locations in which the group operates – Swaziland, Zambia and Mozambique, contributions are made to state-managed retirement benefit schemes. These 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. Additional severance liabilities in terms of legislative regulations are assessed annually and provided for. See note 27 for disclosure pertaining to severance allowance provisions.

Post-retirement medical aid benefits

Historically, qualifying employees have been granted certain post-retirement medical benefits. The post-retirement medical benefit option is now closed and the group's obligation in respect of post-employment medical aid relate solely to past employees of the group referred to as Continuation and Widow(er) Members ("CAWMs"). See note 28.1 for the actuarial valuation of the liability.

3.6 Share-based payment arrangements

The group issues equity-settled share-based payments to certain executives and senior employees of the company and its subsidiaries. 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.

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.

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, 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 reserve.

3. Significant accounting policies continued

3.7 Taxation

Income tax expense represents the sum of the current tax payable and deferred tax and is 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.

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.

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.

Deferred tax assets are raised in respect of the unused tax losses of an entity and offset against the deferred tax liability of that entity only where these losses may be utilised in the short term or will not expire in terms of applicable tax legislation.

3.8 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. During the current reporting period, no dividends were declared to the group's ordinary shareholders, only to the group's community partners, who are also the non-controlling interests (note 22.5).

Statement of financial position line items

3.9 Property, plant and equipment

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

The cost of property, plant and equipment includes any other directly attributable costs incurred to bring the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

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

Costs capitalised to bearer assets (sugar cane roots, banana palms, deciduous and macadamia trees) include all direct costs of land preparation and planting.

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.

During the year under review, property, plant, equipment was depreciated on the straight line basis using the rates set out below:

• Leasehold and land rights	not depreciated
• Buildings and housing	30 – 50 years
• Capital work-in progress	not depreciated until in use
• Plant and other assets	four – 25 years
• Sugar cane roots	seven – nine years
• Banana palms	nine years
• Deciduous fruit trees	apples – 26 years, pears – 24 years
• Macadamia trees	23 years

3. Significant accounting policies continued

3.9 Property, plant and equipment continued

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.

On the disposal or scrapping of property, plant, equipment and bearer assets, the gain or loss arising thereon is recognised in profit or loss.

3.10 Investment property

Residential units occupied by customers under RTO arrangements are recognised by the group as investment property. The customers in these cases are lessees, whilst the group is a lessor, who holds these properties for capital appreciation over the RTO term. RTO units are initially measured at cost, and subsequently at fair value, with gains and losses arising from changes in fair value being recorded in profit or loss in the period in which they arise.

3.11 Impairment

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible 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). The recoverable amount of assets is the higher of fair value less costs of disposal and value in use.

Regarding its financial assets, the group recognises lifetime *expected* credit losses (ECL) in these assets as opposed to *incurred* credit losses.

3.12 Financial instruments

Financial assets

The group has a range of financial assets, which are classified as either "FVTOCI", or "amortised cost". The classification is already in accordance with the adoption of IFRS 9 in note 1.1.

Measurement

At the end of the current reporting period, the group held an interest in a number of financial assets in the form of equity investments in various deciduous co-ops and agribusinesses as well as loans receivable, trade receivables and cash in the bank. Refer to notes 17.1, 17.2 and 17.3.

The investment in Elgin is measured at fair value, with changes in share price being recognised in other comprehensive income (FVTOCI) and accumulated under the heading of "investment revaluation reserve".

With respect to the investments in TAD, Villiersdorp and other farming co-ops and agribusinesses, the fair values of these investments are not readily determinable, therefore the directors have measured these investments at cost, which they assess to be the closest approximation of fair value. Refer to note 17.4 for the judgements applied by the directors in making this assessment.

Based on the contractual cash flows associated with trade and loan receivables, the group measures these at amortised cost.

Cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdraft.

Financial liabilities

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

Measurement

The group has other financial liabilities, in the form of bank overdraft, interest-bearing borrowings, RTO obligations, prepaid lease income, and trade and other payables. The group has never elected to fair value any of its financial liabilities and therefore only measures its financial liabilities at amortised cost, using the effective interest method.

The receipt of cash proceeds (excl. VAT) associated with RTO sales, results in a RTO obligation and prepaid lease income, initially measured at fair value.

The RTO obligation is initially measured by discounting these proceeds at the South African prime lending rate and the SARS prescribed mortality rate of the purchaser or his/her spouse. The RTO obligation is then annually unwound using this effective interest rate and subsequently measured at amortised cost.

3. Significant accounting policies continued

3.12 Financial instruments continued

Prepaid lease income is initially measured at fair value, being the difference between the cash proceeds (excl. VAT) received and the RTO obligation raised. This prepaid lease income is then amortised over the mortality period of the purchaser or his/her spouse, with the current year portion of lease income recognised in profit or loss, and the carrying amount of prepaid lease income subsequently measured at amortised cost.

3.13 Biological assets

The group's biological assets comprise growing crops in the form of sugar cane, deciduous fruit, bananas and macadamias.

Biological assets are measured at fair value, determined as at 31 March, based on current estimated market prices for the following season, less the estimated costs of harvesting, transport, packing and point-of-sale costs.

3.14 Inventories

Inventories are stated at the lower of cost and net realisable value. 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.

Agricultural produce represents grown nursery plants and grain not sold at year end. Agricultural produce is measured at their fair value at date of harvesting, less the estimated cost of harvesting, transport, packing and point-of-sale costs incurred in bringing them to their present location and condition to be sold.

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

3.15 Investment revaluation reserve

The investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of financial assets referred to in note 17.1 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.

3.16 Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the group's Zambian subsidiary from its functional currency of Zambian Kwacha (ZMW) to the group's presentation currency of Rands (ZAR) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

3.17 Obligations to restore leased farmland

This relates to the valuations attributable to the carrying amount of bearer assets attached to farms in the Mpumalanga areas which are owned by communities and leased to the group as part of long-term 20 and 30 year leases. At the end of the current reporting period, the amortised cost of these liabilities were opposite but equal to the carrying amount of the associated bearer asset sugar cane roots and banana palms.

These liabilities are unsecured, interest-free and will be extinguished on handover of the bearer assets to the respective community land owners, on termination of the leases, hence non-current.

3.18 Provisions

The group has legal obligations to its employees in the form of leave pay, bonus and severance pay provisions at the end of the current reporting period.

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.

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.

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. The severance allowance is calculated based on number of years' service, age of employee and the applicable daily pay-rate.

3. Significant accounting policies continued

3.19 Non-current assets held for sale

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

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Refer to notes 5 and 5.1 for a demonstration of management's commitment to classifying the Renishaw Hills inventory and aircraft as held for sale.

4. Judgements made by management and key sources of estimation uncertainty

Preparing annual financial statements in conformity with IFRS requires estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from these estimates. Key assumptions concerning the future, and other key sources of estimation uncertainty have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year. Certain accounting policies and key sources of estimation uncertainty have been identified as involving particularly complex or subjective judgements or assessments, as follows:

4.1 Control over Mthayiza Farming (Pty) Ltd

Mthayiza Farming (Pty) Ltd ("Mthayiza") is a subsidiary of the group although the group only owns a 45% equity share of Mthayiza. Through the provision of working capital finance, the group has the power to control the financial decision making of the company. In addition, the group also stands surety for the subsidiary's term loans, which Mthayiza is unable to raise on the strength of its own balance sheet. The group therefore has the power to control the financial decision making of Mthayiza and ultimately affect its returns. Therefore, the directors concluded that the group has control over Mthayiza and accordingly the entity has been recognised as a subsidiary into these consolidated financial statements.

4.2 Control over Mawecro Farming (Pty) Ltd

Mawecro Farming (Pty) Ltd ("Mawecro") is a subsidiary of the group although the group only owns a 49% equity share of Mawecro. The group has the power to direct the relevant activities of Mawecro, through the provision of all working capital finance and the power and discretion to grant such finance. In addition, the group also stands surety for the subsidiary's revolving credit and term loans, which Mawecro is unable to raise on the strength of its own balance sheet. The group therefore has the power to control the financial decision making of Mawecro and ultimately affect its returns. Therefore, the directors concluded that the group has control over Mawecro and accordingly the entity has been recognised as a subsidiary into these consolidated financial statements.

4.3 Control over Bellcro Farming (Pty) Ltd

Bellcro Farming (Pty) Ltd ("Bellcro") is a subsidiary of the group although the group only owns a 45% equity share of Bellcro. The group has the power to direct the relevant activities of Bellcro, through the provision of all working capital finance and the power and discretion to grant such finance. The group therefore has the power to control the financial decision making of Bellcro and ultimately affect its returns. Therefore, the directors concluded that the group has control over Bellcro and accordingly the entity has been recognised as a subsidiary into these consolidated financial statements.

4.4 Joint control over Silverlands Mozambique Holdings Limited ("SMHL")

Note 18 describes that SMHL is a joint venture of the group although the group only owns a 49.5% ownership interest in SMHL. The group has joint control over SMHL by virtue of a signed shareholder agreement with the other shareholder SilverStreet, which documents that the group has joint control over the financial and operating affairs of SMHL.

4. Judgements made by management and key sources of estimation uncertainty continued

4.5 Variable pricing considerations over the recognition of revenue

The group now recognises revenue under IFRS 15. Refer to note 1.2 for the impact of the adoption of IFRS 15 on the group's reportable revenue segments. Revenue which may materially reverse subsequent to initial recognition under IFRS 15, is assessed across the group's major revenue segments as follows:

1. Sugar cane – Prices applied in recognising revenue are directly from the Cane Growers associations in the various geographical segments in which the group operates. The price paid is virtually certain and not subject to change over a 12 month period after being recorded. Most significant cane payments are received by November of each year, when the mills close, with a final payment usually received in March. Shortly thereafter, the group's financial year concludes.
2. Bananas – Proceeds associated with the sale of bananas are received weekly, therefore there is no revenue that may materially reverse.
3. Deciduous fruit – There is a longer time lag associated with the deliveries of deciduous fruit to TAD, which does traverse across 12 months. However, at interim period end 30 September each year, approximately 70% of all early varieties of fruit have already been delivered and sold to TAD, leaving approximately 30% which still needs to be sold. A portion of this 30% of fruit is exported by TAD, hence is subject to variable price adjustments arising from changes in exchange rates. Based on a trend analysis of the previous five years and using 12-month forecast exchange rates obtained from the group's bankers, management has calculated the financial impact of a strengthening in the rand against export currencies and the associated effect on its initial deciduous revenue accruals. Based on these calculations, the variance in the price expected to be realised, versus the actual revenue recorded was found to be immaterial. Accordingly, the directors concluded that deciduous revenue accruals are accurately, reasonably and consistently measured, with amounts to be subsequently reversed (if any), not having a material impact on the group's initially reported revenue.
4. Macadamias – 80% of payments associated with sale of macadamias is within a year of delivery. Price updates are received every month from the group's macadamia customers. By financial year end, 95% to 99% of macadamia proceeds are received, together with a final remittance of what is expected to be paid. Based on this final remittance, a revenue accrual is raised. Therefore there is little to no impact of macadamia revenue initially recorded, being subsequently reversed.

4.6 Investment property

During the prior reporting period, the group's property division entered into a number of RTO sale arrangements with customers, whereby customers were offered the alternative to purchase units at a 25% to 30% discount of the selling price of other similar units. Based on the fact that the group had an option to repurchase these properties at the original discounted selling price at a later stage, the directors assessed that the group would enjoy capital appreciation in the value of these properties over the RTO term and recognised these units as investment property. The directors assessed that the most appropriate measurement technique to fair value these units was the relevant selling price per square metre with respect to similar residential units.

4.7 Functional currency of Mozambique operations

The functional currency of the group's Murrimo Mozambique operations is Rands (ZAR). The directors review the appropriateness of the functional currency on an annual basis, and was satisfied with ZAR as being the functional currency of the Murrimo operations for the current reporting period.

4.8 Assets classified as held for sale and discontinued operations

During the current year, the directors resolved to dispose of inventory relating to the group's Renishaw Hills property development, as well as a significant item of plant and equipment in the form of its aircraft. Due to management's intention to now recover the carrying amounts of these assets through sale, rather than continuing use, these two categories of assets have been classified as assets held for sale and were measured at the lower of carrying amount and fair value less costs to sell. See note 5.1. The disposal of both these categories of assets is expected to be concluded within the next 12 months.

The disposal of the aircraft does not constitute a material or reportable segment of the group, therefore is not accounted for as a "discontinued operation". However, the disposal of inventory relating to the group's Renishaw Hills property development does constitute a significant reportable segment, both in terms of revenue and assets. Management has therefore analysed on a "line by line" basis, all income and expenditure transactions directly attributable to the discontinued Renishaw Hills operation. The remaining income and expenditure not attributable to the discontinued Renishaw Hills operation has been retained in the group results as part of "continuing operations".

4. Judgements made by management and key sources of estimation uncertainty continued

4.9 Property, plant and equipment residual values and useful lives

Property, plant and equipment are depreciated over their useful lives taking into account residual values. The actual lives of the assets and residual values are assessed annually and are influenced by factors such as technological innovation, product life cycles and maintenance programmes. Residual value assessments consider issues such as market conditions, the remaining life of the asset and projected disposal values.

4.10 Post-retirement medical obligations

Post-retirement medical obligations are provided for certain existing and former employees. See note 28.1. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return of plan assets, healthcare costs, inflation rates and salary increments.

4.11 Fair value measurements and the valuation process over biological assets

The group's biological assets are held at fair value. Under the supervision and review of the Group Financial Director, an experienced and qualified team of management accountants determine the appropriate valuation techniques and inputs used to arrive at the fair value of biological assets and agricultural produce.

In estimating the fair value of the biological assets and agricultural produce, the group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the group engages suitable experts in the agricultural industry, which includes the South African Cane Growers Association and the group's co-ops Two-A-Day, Lebombo Growers (Pty) Ltd and Mayo Macs SA, to establish the appropriate valuation techniques and prices.

Refer to note 16.2 for the valuation inputs applied in determining the fair value of biological assets at the end of the reporting period and note 31 for the fair value hierarchy of the group's biological assets and agricultural produce.

4.12 RTO obligations

RTO obligations are measured at inception of sale agreement, based on assumptions which include the discount rate linked to the South African prime lending rate (a variable rate). Other assumptions include the mortality rates of the purchaser or his/her spouse, which is inherently uncertain.

4.13 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. Tax losses in Mozambique may be carried forward subject to an expiry after five years. A reconciliation of the deferred tax balance is included in note 11.3.

Notes to the consolidated financial statements

for the year ended 31 March 2019

5. Discontinued operations

During the current reporting period, the directors resolved to dispose of the group's Renishaw Hills residential development in the Scottburgh area, administered by the group's property company Renishaw Property Developments (Pty) Ltd.

The disposal will involve the sale of all inventory related to the work in progress construction of incomplete units on the group's balance sheet, subject to a due diligence review by the acquirer.

The disposal of the operation is consistent with the group's long-term strategy to focus its activities on agriculture and farming. These operations, which are expected to be sold within 12 months, have been classified as a disposal group held for sale and separately disclosed on the statement of financial position.

The results of the discontinued operation included in the statement of profit or loss and cash flows for the year is set out below. The comparative statement of profit or loss and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

Statement of profit or loss	**2019 R'000**	2018 R'000
Revenue	**89 587**	49 538
Cost of sales	**(81 596)**	(49 692)
Gross profit/(loss)	**7 991**	(154)
Other gains and losses	**471**	1 929
Operating and administrative expenses	**(3 893)**	(2 802)
Operating profit/(loss)	**4 569**	(1 027)
Finance costs	**(6 696)**	(2 650)
Loss before tax	**(2 127)**	(3 677)
Tax	**367**	630
Loss for the year from discontinued operations	**(1 760)**	(3 047)

Statement of cash flows	**2019 R'000**	2018 R'000
Net cash used in operating activities	**(3 369)**	(33 127)
Net cash used in financing activities	**(5 000)**	–
Net decrease in cash and cash equivalents	**(8 369)**	(33 127)

5.1 Assets classified as held for sale

Statement of financial position	**2019 R'000**	2018 R'000
Inventory – Renishaw Hills	**86 064**	–
Property, plant and equipment – Aircraft[1]	**23 411**	–
	109 475	–

[1] *During the current reporting period, the directors resolved to dispose of the company's aircraft. The proceeds on disposal are expected to substantially exceed the carrying amount of the aircraft and accordingly no impairment loss has been recognised on the classification of this asset as held for sale. The aircraft does not constitute a material or reportable segment of the group, therefore is not accounted for as a discontinued operation.*

	2019 R'000	2018* R'000

6. Revenue

The following is an analysis of the group's revenue for the year (excluding investment income, see note 8).

	2019 R'000	2018* R'000
Continuing operations		
Sugar cane	**321 855**	300 080
Deciduous fruit	**100 226**	68 513
Bananas	**117 052**	88 464
Macadamias	**8 070**	2 166
Property^	**1 981**	–
Other operations[i]	**26 922**	17 960
	576 106	477 183
Discontinued operations		
Property development (see note 5)	**89 587**	49 538
Attributable to:		
South Africa	**515 578**	393 769
Foreign countries	**150 115**	132 952
	665 693	526 721

^ *The property segment includes development, infrastructure costs and future land sales not affiliated with the Renishaw Hills residential development, which has been re-presented as a discontinued operation (see note 5).*

[i] *Other operations revenue comprises revenue from the sale of grain, rental income from leased buildings, tourism revenue and utility services related to the property development.*

For a disaggregation of revenue by reportable segment and the associated financial impact of IFRS 15 (if any) on the above prior year reported revenue, refer to note 1.2.

7. Other gains and losses

	2019 R'000	2018* R'000
Gain on disposal of property, plant and equipment	**369**	361
Gain/(loss) on disposal of financial assets – held at cost	**30**	(4)
Impairment of goodwill and investment premium	**(393)**	(150)
Net unrealised foreign exchange gains/(losses)	**1 742**	(625)
Gain/(loss) arising on changes in fair value of investment property (see note 15)	**4 787**	(17)
Income from the sale of sand and stone	**672**	2 333
Income from utility services related to property segment	**–**	236
Charter fee income from charter of aircraft	**649**	775
Consultancy fee income	**2 235**	2 208
Sundry income	**2 411**	1 291
	12 502	6 408
Attributable to:		
Continuing operations	**12 031**	4 479
Discontinued operations	**471**	1 929
	12 502	6 408

* *Prior year restated for revenue standard changes and re-presented to account for discontinued operations.*

Notes to the consolidated financial statements

for the year ended 31 March 2019

	2019 R'000	2018 R'000
8. Investment income		
Interest received on loans and bank deposits	**1 762**	1 591
Dividends received from unlisted equity investments	**39**	75
	1 801	1 666
9. Finance costs		
Interest on bank overdrafts and loans (excluding related parties)	**24 039**	14 945
Interest on loan from Two-A-Day Group	**1 000**	1 000
Interest on obligations under instalment sale agreements	**458**	479
Interest on reversionary sale and transfer obligations	**500**	106
Other interest expense	**750**	170
	26 747	16 700
Attributable to:		
Continuing operations	**20 051**	14 050
Discontinued operations	**6 696**	2 650
	26 747	16 700
10. Profit/(loss) for the year		
Profit/(loss) for the year is attributable to:		
Owners of the company	**25 584**	(7 587)
Non-controlling interests	**15 101**	4 350
	40 685	(3 237)
Profit/(loss) for the year has been arrived at after charging:		
10.1 Depreciation		
Buildings and housing	**2 738**	2 269
Plant and other assets	**39 219**	31 716
Bearer assets	**18 032**	15 305
	59 989	49 290
10.2 Employee benefits expense		
Post-employment medical aid benefit (credit)/expense (see note 28.1)	**(6 396)**	597
Retirement benefit contributions	**13 424**	11 662
Equity-settled share-based payments (see note 22.4)	**1 139**	1 059
Total net employee benefits expense	**8 167**	13 318
10.3 Auditors' remuneration		
Audit fees – current year	**2 410**	2 308
Audit fees – prior year	**234**	(52)
Audit fees – travel and disbursements	**91**	40
Fees for other services	**471**	465
	3 206	2 761
10.4 Other operating and administrative expenses		
Legal and consulting fees	**7 233**	4 378
Operating lease charges (see note 33.1)	**17 952**	17 519
	25 185	21 897

		2019 R'000	2018* R'000
11. Income tax expense			
11.1 Income tax			
Current tax			
South Africa	– current year	13 170	6 611
	– prior year	2 433	68
Swaziland	– current year	3 914	2 208
	– prior year	22	(155)
Zambia	– current year	230	15
	– prior year	44	12
Deferred tax			
South Africa	– current year	(5 277)	(12 031)
	– current year discontinued operations	(367)	(630)
	– prior year	2 447	755
Swaziland	– current year	694	(2 378)
	– prior year	(269)	(125)
Zambia	– current year	270	364
	– prior year	(29)	(10)
Mozambique	– current year	(3 101)	–
		14 181	(5 296)
Recognised in:			
Profit or loss relating to continuing operations		14 447	(4 466)
Profit or loss relating to discontinued operations		(367)	(630)
Other comprehensive income (OCI)		101	(200)
Reconciliation of rate of tax			
Standard rate of tax	(%)	28,0	28,0
The income tax expense for the year can be reconciled to the accounting profit/(loss) as follows:			
Profit/(loss) before tax – adjusted for income recognised in OCI		55 127	(9 047)
Income tax calculated at 28% (2018: 28%)		15 436	(2 533)
Exempt equity accounted income from associate		(338)	(1 019)
Employment tax incentives exempt from tax		(1 350)	(844)
Capital profit on sale of land		–	(3 560)
Other aggregated exempt income – individually immaterial		(43)	(495)
Legal fees of a capital nature		690	169
Bad debts disallowed		–	364
Non-deductible fines, penalties and interest		260	142
Unproductive interest		338	–
Initiation fees paid to financial institutions of a capital nature		336	–
Consulting fees of a capital nature		110	–
Impairment of goodwill		110	–
Agricultural allowances disallowed		344	807
Tax losses recognised as deferred tax assets less losses expired in Mozambique		(4 475)	–
Unused tax losses not recognised as deferred tax assets		35	72
Effect of different tax rates of subsidiaries operating in other jurisdictions		(1 956)	15
Effect of capital gains tax at an inclusion rate of 80,0% (2018: 80,0%)		(34)	1 041
Effect of dividends withholding tax at an effective rate of 20% (2018: 20%)		70	–
		9 533	(5 841)
Adjustments recognised in the current year in relation to the current tax of prior years		4 648	545
Income tax expense		14 181	(5 296)
The tax rate used for the 2019 and 2018 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 tax	(%)	25,7	58,5

* *Prior year re-presented to account for discontinued operation.*

Notes to the consolidated financial statements
for the year ended 31 March 2019

	2019 R'000	2018 R'000
11. Income tax expense continued		
11.2 Current tax		
Current tax assets		
Tax refund receivable	**7 362**	8 398
Current tax liabilities		
Income tax payable	**2 775**	337
11.3 Deferred tax		
Tax on temporary differences resulting from:		
Agricultural capital development allowances	**81 742**	85 782
Property capital development allowances	**9 624**	10 607
Investment property	**8 408**	3 287
Reversionary sale and transfer obligations	**(2 092)**	(1 650)
Prepaid lease income	**(3 422)**	(813)
Consumable stores	**4 758**	5 401
Biological assets	**67 347**	55 491
Other – (provisions)/prepayments	**(7 535)**	(3 117)
Tax losses	**(43 914)**	(34 320)
Revaluation of financial assets	**274**	274
	115 190	120 942
The movement on the deferred tax balance for the year was as follows:		
Balance at beginning of year	**120 942**	135 244
Recognised in profit or loss:		
Current year charge	**(7 781)**	(14 675)
Prior year charge	**2 149**	620
Effect of foreign currency exchange differences	**(120)**	(247)
	115 190	120 942
Included in the consolidated statement of financial position as:		
Deferred tax assets (see 3.7 and 4.13)	**(14 406)**	(6 044)
Deferred tax liabilities	**129 596**	126 986
	115 190	120 942

	2019 cents	2018* cents
12. Earnings per share		
12.1 Basic earnings/(loss) per share		
From continuing operations	**176,6**	(31,4)
From discontinued operations	**(9,0)**	(18,3)
Total basic earnings/(loss) per share	**167,6**	(49,7)
12.2 Diluted earnings/(loss) per share		
From continuing operations	**176,6**	(31,4)
From discontinued operations	**(9,0)**	(18,3)
Total diluted earnings/(loss) per share[1]	**167,6**	(49,7)

[1] *Diluted loss per share is capped at the basic loss per share. See note 12.1.*

	R'000	R'000
The earnings used in the calculation of basic and diluted earnings per share are as follows:		
Profit/(loss) for the year	**40 685**	(3 237)
Adjusted for non-controlling interest	**(15 101)**	(4 350)
Total profit/(loss) for the year attributable to owners of the company	**25 584**	(7 587)
Adjusted for loss for the year from discontinued operations	**1 380**	2 789
Earnings/(loss) used in the calculation of basic and diluted earnings per share from continuing operations	**26 964**	(4 798)

	Number of shares	Number of shares
The weighted average number of shares for the purposes of earnings and diluted earnings per share are as follows:		
Number of shares in issue at the beginning of the year	**15 264 317**	15 264 317
Weighted average number of shares for the purposes of basic earnings per share	**15 264 317**	15 264 317
Shares deemed to be issued for no consideration in respect of employee share options (see note 29)	**424 500**	396 833
Adjusted weighting based on average market price of options and average company share price for the year	**(484 780)**	(341 061)
Weighted average shares used in the calculation of diluted earnings per share	**15 204 037**	15 320 090

* *Prior year re-presented to account for discontinued operation.*

Notes to the consolidated financial statements
for the year ended 31 March 2019

		2019 R'000	2018 R'000
12. Earnings per share continued			
12.3 Headline earnings/(loss) per share			
Reconciliation of headline earnings/(loss):			
Profit/(loss) for the year attributable to owners of the company		**25 584**	(7 587)
Adjusted for:			
Gain on disposal of property, plant and equipment		**(369)**	(361)
(Gain)/loss on disposal of financial assets		**(30)**	4
Impairment of goodwill and investment premium		**393**	150
(Gain)/loss arising on changes in fair value of investment property		**(4 787)**	17
Tax effect of the adjustments		**1 342**	54
Headline earnings/(loss)		**22 133**	(7 723)
Headline earnings/(loss) per share	(cents)	**145,0**	(50,6)

Headline earnings/(loss) per share is derived from headline earnings/(loss), divided by the weighted average number of shares in issue during the year.

12.4 Diluted headline earnings/(loss) per share

		2019 R'000	2018 R'000
Headline earnings/(loss) per share (diluted)	(cents)	**145,0**	(50,6)

Headline earnings/(loss) per share (diluted) is derived from headline earnings/(loss), divided by the weighted average number of shares in issue during the year after adjusting for the potentially dilutive shares, but is capped at the headline loss per share. See note 12.3.

13. Dividends

	2019 R'000	2018 R'000
Cash distributions		
Distribution number 203 of 115,0 cents per share (final 2017) – paid 10 July 2017	–	17 554
Distribution number 204 of 35,0 cents per share (interim 2018) – paid 8 January 2018	–	5 342
	–	22 896

The directors have resolved to not declare a final dividend for the current financial year.

14. Property, plant and equipment

	2019 R'000	2018* R'000
Cost		
Freehold land	**161 237**	161 412
Leasehold land/land rights	**29 977**	30 853
Buildings	**88 336**	76 504
Property development infrastructure	**54 444**	52 712
Bearer assets	**448 821**	392 225
Plant and other assets	**493 775**	465 965
Plant and other assets under instalment sale agreements	**10 735**	14 726
Capital work in progress	**15 307**	34 124
	1 302 632	1 228 521
Accumulated depreciation and impairment		
Buildings	**28 961**	26 454
Property development infrastructure	**1 817**	–
Bearer assets	**70 489**	43 795
Plant and other assets	**212 891**	182 941
Plant and other assets under instalment sale agreements	**4 184**	7 575
	318 342	260 765
Net book value	**984 290**	967 756
Reconciliation of net book value of property, plant and equipment		
Net book value at beginning of year	**967 756**	874 815
Additions:		
– Land	**21**	–
– Buildings	**11 993**	6 877
– Property development infrastructure	**1 800**	18 832
– Bearer assets	**56 076**	68 814
– Plant and other assets	**35 287**	69 627
– Plant and other assets under instalment sale agreements	**334**	3 186
– Capital work in progress	**12 077**	15 098
– Less: transfer from capital work in progress to completed assets	**(30 963)**	(24 031)
Depreciation (see note 10.1 for details by asset category)	**(59 989)**	(49 290)
Adjustment to leased bearer assets	**(7 974)**	(6 759)
Disposals:		
– Freehold land	**(196)**	(21)
– Plant and other assets	**(974)**	(3 862)
Land and buildings transferred to inventory of property development	**–**	(2 159)
Transfer from/(to) inventory	**482**	(72)
Effect of foreign currency exchange differences	**(1 440)**	(3 299)
Net book value at end of year	**984 290**	967 756
Included in the consolidated financial statements as:		
Non-current	**960 879**	967 756
Current – held for sale (see note 5.1)	**23 411**	-
	984 290	967 756

* *Prior year reclassified to disaggregate capital work in progress from other categories of property, plant and equipment to more accurately reflect the economic substance of the underlying categories making up property, plant and equipment.*

14.1 Details of encumbrances and assets pledged as security

Refer to note 23.5 for details of assets encumbered.

	2019 R'000	2018 R'000
15. Residential units held under reversionary sale and transfer obligations (RTO)		
Investment property[1]	**30 336**	11 432
Other financial liabilities[2]	**(19 692)**	(8 797)
Net current value of RTO right	**10 644**	2 635

The group's property division primarily develops residential units for normal sale. As a separate arrangement to a normal sale, customers are also offered an alternative to use the property under a "life right" style arrangement, referred to as a reversionary sale and transfer obligation ("RTO").

Revenue from a normal sale is recognised upon control passing to the customer. In this instance, the unit's selling price is recognised as revenue upon transfer of ownership through occupation by the customer.

In the case of a RTO, the transaction is treated similar to a "lease arrangement", whereby the buyer is in substance a "lessee" for the duration of his or her natural life.

The essence of a RTO contract is that the buyer ("lessee") acquires the unit at a discount of between 25% and 30% of the cash selling price of other similar units offered under normal sale, on the basis that the group has an option to repurchase the unit at the original discounted price paid by the lessee.

[1] The property division under this RTO arrangement is therefore in substance a "lessor". The property is held for the purpose of capital appreciation over the duration of the RTO term. The unit is therefore recognised as Investment Property, with fair value gains or losses in the unit's value recognised in profit or loss annually ("FVTPL") as follows:

	2019 R'000	2018 R'000
Fair value at beginning of year	**11 432**	–
Current year additions	**14 117**	11 449
Fair value adjustment through profit or loss	**4 787**	(17)
Fair value at end of year	**30 336**	11 432

Refer to note 31 for details of the fair value hierarchy of investment property.

[2] The "repurchase price" under a RTO arrangement payable by the property division is disclosed in the summarised consolidated financial statements as non-current other financial liabilities, and comprises the following two components:

	2019 R'000	2018 R'000
RTO obligations	**7 470**	2 905
Prepaid lease income	**12 222**	5 892
	19 692	8 797

Refer to note 3.12 of the accounting policies for details of measurement of other financial liabilities.

16. Biological assets

16.1 Growing crops

	2019 R'000	2018 R'000
Fair value		
Sugar cane	**189 083**	169 886
Deciduous fruit	**28 796**	18 817
Bananas	**14 837**	17 813
Macadamias	**28 090**	6 927
Fair value at end of year	**260 806**	213 443
Analysis of fair values of growing crops:		
Fair value at beginning of year	**213 443**	213 272
Gains/(losses) arising from changes attributable to volume and price:		
Sugar cane		
– Gain arising from physical growth/yield	**6 164**	19 367
– Gain arising from area under crop to be harvested	**2 305**	16 989
– Gain/(loss) arising from price changes	**11 451**	(41 040)
Deciduous fruit		
– (Loss)/gain arising from physical growth/yield	**(397)**	2 274
– Gain/(loss) arising from area under crop to be harvested	**3 973**	(227)
– Gain/(loss) arising from price changes	**6 403**	(3 274)
Bananas		
– Gain arising from physical growth/yield	**1 756**	923
– Gain arising from area under crop to be harvested	**1 341**	203
– (Loss)/gain arising from price changes	**(6 073)**	458
Macadamias		
– Gain arising from physical growth/yield	**16 101**	6 927
– Gain arising from area under crop to be harvested	**3 477**	–
– Gain arising from price changes	**1 585**	–
Fair value changes attributable to births, deaths and ageing of livestock	**–**	(5)
Transfer of livestock to inventory (see note 19)	**–**	(916)
Effect of foreign currency exchange differences	**(723)**	(1 508)
Fair value at end of year	**260 806**	213 443

In terms of IAS 41: Agriculture, growing crops, comprising sugar cane, deciduous fruit, bananas and macadamias are accounted for as a biological assets and are measured and recognised at fair value. Changes in the fair value are included in profit or loss.

The fair value of growing crops is determined based on current market prices less estimated selling costs.

		2019	2018
16. Biological assets continued			
16.2 Biological asset valuations			
The following key assumptions have been used in determining the fair value of biological assets:			
Sugar cane			
Expected area to harvest after 31 March			
– South Africa	(ha)	**3 954**	3 901
– Swaziland	(ha)	**2 439**	2 443
– Zambia	(ha)	**428**	410
Total area	(ha)	**6 821**	6 754
Estimated yields			
– South Africa	(tons/ha)	**104,3**	101,5
– Swaziland	(tons/ha)	**111,5**	108,3
– Zambia	(tons/ha)	**133,9**	120,9
Weighted average		**108,7**	105,1
Average maturity of cane at 31 March			
– South Africa	(%)	**64**	64
– Swaziland	(%)	**64**	64
– Zambia	(%)	**64**	64
Estimated RV price – South Africa	(Rands)	**4 119**	3 991
Estimated sucrose price – Swaziland	(Rands)	**3 358**	2 946
Estimated ERC price – Zambia	(Rands)	**3 943**	4 044
Deciduous fruit			
Expected area to harvest after 31 March	(ha)	**254**	202
Estimated yields*	(tons/ha)	**47,4**	56,9
Average maturity of crop at 31 March	(%)	**83,9**	81,9
Estimated net price per kg – apples and pears	(Rands)	**4,43**	3,47
Estimated packout			
– Class 1	(%)	**39,5**	31,8
– Class 2	(%)	**19,2**	18,5
– Class 3	(%)	**12,9**	11,9
– Juice	(%)	**28,4**	37,7
Bananas			
Expected area to harvest after 31 March	(ha)	**446**	415
Estimated yields	(tons/ha)	**60,7**	55,3
Average maturity of crop at 31 March	(%)	**50,0**	50,0
Estimated net price per carton	(Rands)	**81,98**	103,53
Macadamias			
Expected area to harvest after 31 March	(ha)	**462**	382
Estimated yields*	(tons/ha)	**0,97**	0,41
Average maturity of crop at 31 March	(%)	**95**	76
Estimated net price per ton	(Rands)	**72 111**	53 741

* *Actual yield data used in 2019.*

	Note	2019 Number of shares held	2018 Number of shares held	2019 R'000	2018 R'000
17. Other financial assets					
17.1 Equity investment: at FVTOCI					
Elgin Co-operative Fruit growers	1	**1 660 081**	1 660 081	**166**	166
17.2 Equity investments: at FVTOCI					
Villiersdorp Co-operative	2	**226 514**	226 514	**479**	453
Other farming co-operatives and agribusinesses	2	**–**	–	**9**	44
Two-A-Day Group	3	**2 413 481**	2 413 481	**67**	67
Two-A-Day Vacation Station	4	**–**	–	**2 865**	1 910
		2 639 995	2 639 995	**3 420**	2 474
17.3 Loans receivable: at amortised cost					
Komati Kortpad (Pty) Ltd	5	**–**	–	**86**	86
Mayo Macs SA	5	**–**	–	**142**	190
Delta Sieira Limitada	5	**–**	–	**352**	455
		–	–	**580**	731
Included in the consolidated financial statements as:					
Non-current				**4 056**	3 269
Current				**110**	102
				4 166	3 371

Refer to accounting policies note 3.12 for the recognition and measurement principles applicable to these financial assets in accordance with the group's adoption of IFRS 9.

17.4 Judgement applied in the adoption of IFRS 9

1 The directors have assessed the fair value of this investment against the net asset value and share price extracted from the latest available audited financial information for this company. Refer to note 31 for details of the fair value hierarchy of this investment.

2 Given that these rights are inextricably linked to the group's deciduous farms, the directors assessment of these co-ops is that cost approximates fair value.

3 The directors have conducted a detailed assessment of the fair value of its investment in the Two-A-Day Group ("TAD"), with the results of the assessment as follows:

TAD functions as the packhouse and marketing facility for a number of fruitgrowers in the Grabouw/ Elgin region and has invested significantly in packing and storage infrastructure, and marketing and logistics facilities over many years, paid for by the members as a deduction from deciduous revenues.

The group has a participation right in TAD determined by its pro rata contribution to TAD's through-put. This contribution is not valued on the balance sheet, neither is the group's contribution to TAD's infrastructure. The directors estimate that the combined value of the deciduous operation including its participation right in TAD, exceeds the underlying value of its farms, as determined by independent valuators, by approximately 20%. TAD has a net asset value of R375 million (2018: R355 million). The group has a 16,68% shareholding in TAD (2018: 16,68%). Given that the participation right in TAD is inextricably linked to the group's deciduous farms, and it cannot be sold separately and that the exit price of the share in the co-op is at cost, the directors assessment of fair value in TAD, results in the cost of R67 000 being the most appropriate approximation of fair value.

4 The group holds shares in an unlisted investment for purposes of an employee benefit scheme, in partnership with TAD. The proceeds from the share issue were recently used to acquire assets at fair value. The directors assessment of cost therefore approximates fair value.

5 Based on the contractual cash flows associated with these receivables, the directors are satisfied that these are measured at amortised cost.

17.5 Significant changes in credit risk since initial application of IFRS 9

There has been no significant increase in the risk of default on the underlying balances since initial recognition. The group therefore has in accordance with IFRS 9, adopted the simplified approach and recognises lifetime expected credit losses ("ECL") for these contracts, which during the year was assessed as Rnil.

Notes to the consolidated financial statements

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18. Investments in joint venture and associates

Included in the group's portfolio of investments, is a joint venture and two associates, all accounted for using the equity method in these consolidated financial statements. There is no quoted market value for the investments in the joint venture and associates.

There were no dividends received from either of these investees during the year (2018: Rnil). However, there are no restrictions on the ability of these investees to transfer funds to the group in the form of cash dividends or to repay loans or advances made by the group, should the need arise.

Details of the group's joint venture and associates at the end of the reporting period are as follows:

Name of investee	Type	Principal activity	Place of incorporation and principal place of business	Other relationship to group	Proportion of ownership interest and voting power held by the group **2019**	2018
Silverlands Mozambique Holdings Limited	Joint venture	Banana farming	Mozambique	Fellow subsidiary of group's majority shareholder SilverStreet	**49,5%**	49,5%
Lebombo Growers (Pty) Ltd	Associate	Banana marketing and distribution	South Africa	Co-operative partner and main banana customer	**29,9%**	29,9%
Mpambanyoni Sand (Pty) Ltd	Associate	Dormant	South Africa	Dormant	**28%**	28%

The group's interest in the above investees is as per the below summarised information, all which are extracts of the investees financial statements prepared in accordance with IFRSs (adjusted by the group for equity accounting purposes). In the case of the financial information for Silverlands Mozambique Holdings Limited, this is based on unaudited financial statements. In the case of the financial information for Lebombo Growers (Pty) Ltd, this is based on the latest available unaudited financial information as at the date of reporting.

Details of the group's equity accounted income earned from the joint venture and associates during the reporting period is as follows:

Statement of profit or loss and other comprehensive income	Silverlands Mozambique Holdings Limited		Lebombo Growers (Pty) Ltd		Mpambanyoni Sand (Pty) Ltd		Total equity accounted income from joint venture and associates	
	2019 R'000	2018 R'000	**2019 R'000**	2018 R'000	**2019 R'000**	2018 R'000	**2019 R'000**	2018 R'000
Revenue	**–**	608	**237 660**	239 145	**20**	11	**237 680**	239 764
Expenses	**(4 509)**	(547)	**(219 305)**	(220 734)	**–**	–	**(223 814)**	(221 281)
Profit/(loss) before tax	**(4 509)**	61	**18 355**	18 411	**20**	11	**13 866**	18 483
Income tax expense	**–**	–	**(6 859)**	(6 336)	**–**	–	**(6 859)**	(6 336)
Profit/(loss) for the year	**(4 509)**	61	**11 496**	12 075	**20**	11	**7 007**	12 147
Other comprehensive income for the year	**–**	–	**–**	–	**–**	–	**–**	–
Total comprehensive income/(loss) for the year	**(4 509)**	61	**11 496**	12 075	**20**	11	**7 007**	12 147
Equity accounted share of profit/(loss)	**(2 232)**	30	**3 435**	3 608	**6**	3	**1 209**	3 641

18. Investments in joint venture and associates continued

Details of the group's carrying value in the joint venture and associates at the end of the reporting period are as follows:

Details of investment	Silverlands Mozambique Holdings Limited 2019 R'000	Silverlands Mozambique Holdings Limited 2018 R'000	Lebombo Growers (Pty) Ltd 2019 R'000	Lebombo Growers (Pty) Ltd 2018 R'000	Mpambanyoni Sand (Pty) Ltd 2019 R'000	Mpambanyoni Sand (Pty) Ltd 2018 R'000	Total investment in joint venture and associates 2019 R'000	Total investment in joint venture and associates 2018 R'000
Unlisted shares and loans	**32 179**	32 160	**9 263**	9 914	**50**	50	**41 492**	42 124
Share of retained profit/(deficit)	**(3 140)**	(908)	**23 058**	19 622	**(17)**	(22)	**19 901**	18 692
Carrying value of investment	**29 039**	31 252	**32 321**	29 536	**33**	28	**61 393**	60 816

Summarised assets and liabilities of the joint venture, associate company and their subsidiaries are as per the following financial information extracted of their latest available financial statements.

Statement of financial position	Silverlands Mozambique Holdings Limited 2019 R'000	Silverlands Mozambique Holdings Limited 2018 R'000	Lebombo Growers (Pty) Ltd 2019 R'000	Lebombo Growers (Pty) Ltd 2018 R'000	Mpambanyoni Sand (Pty) Ltd 2019 R'000	Mpambanyoni Sand (Pty) Ltd 2018 R'000
Non-current assets	**104 849**	78 902	**175 042**	186 547	**–**	–
Current assets	**11 223**	11 999	**76 993**	58 573	**–**	–
Total assets	**116 072**	90 901	**252 035**	245 120	**–**	–
Non-current liabilities	**(45 512)**	–	**(105 060)**	(85 896)	**(60)**	(60)
Current liabilities	**(11 325)**	(27 765)	**(60 408)**	(60 376)	**–**	–
Shareholder loan owing to the group	**3 558**	3 539	**11 272**	9 430	**50**	50
Net assets	**62 793**	66 675	**97 839**	108 278	**(10)**	(10)
Group share of net assets	**31 083**	33 004	**29 234**	32 353	**(3)**	(3)
Carrying value of investment – as above	**29 039**	31 252	**32 321**	29 536	**33**	28
Excess/(deficit)	**2 044**	1 752	**(3 087)**	2 817	**(36)**	(31)

The directors assess that the deficits above are immaterial and recoverable upon future trade and therefore accordingly, not impaired these investments.

	2019 R'000	2018* R'000
19. Inventories		
Consumable stores	**23 110**	24 396
Merchandise	**514**	412
Livestock	**906**	916
Property for development and sale	**86 064**	88 651
Agricultural picked produce – restated	**514**	5 270
– As previously reported	**514**	35 797
– Change in accounting policy (see note 1.2)	**–**	(30 527)
Nursery plants	**4 225**	4 322
Grain	**1 272**	4 527
	116 605	128 494
Attributable to:		
Continuing operations	**30 541**	128 494
Discontinued operations (see note 5.1)	**86 064**	–
	116 605	128 494

During the current year, the cost of inventories recognised as an expense in profit or loss was R125 million (2018: R86,4 million).

The cost of inventories written-down to net-realisable value in the current year was R2,5 million (2018: immaterial), and related to the grain operation at Murrimo Mozambique.

	2019 R'000	2018* R'000
20. Trade and other receivables		
Trade and rental debtors	**26 719**	24 009
VAT refunds due	**18 797**	18 389
Other receivables	**6 866**	3 854
Banana revenue receivables	**9 361**	8 789
Deciduous fruit revenue receivables	**72 041**	23 301
Trade and other receivables – as previously reported	**133 784**	78 342
Change in accounting policy (see note 1.2)	**–**	30 527
Trade and other receivables – restated	**133 784**	108 869
Less: Allowances for doubtful debts	**(604)**	(347)
Net trade receivables	**133 180**	108 522
Prepayments[1]	**3 234**	15 897
Total trade and other receivables	**136 414**	124 419
Reconciliation of allowances for doubtful debts:		
Balance at beginning of the year	**347**	271
Impairment losses recognised on receivables	**424**	895
Amounts written off during the year as uncollectable[2]	**(167)**	(819)
Balance at end of the year	**604**	347

* *Prior year restated for revenue standard change and re-presented to account for discontinued operations.*

[1] *Prepayments in the prior year include prepaid rental of R13,2 million to the Mawewe Communal Property Association ("MCPA") for the lease of the Komati farms in Mpumalanga.*

[2] *Amounts written off as uncollectable in the current and prior reporting periods were immaterial, individually and in aggregate.*

The directors consider the amortised costs of trade and other receivables to approximate their fair value, and that the present allowance for doubtful debts is adequate. Disclosures concerning the management of credit risk have been provided in note 31.3. In terms of IFRS 9, the group applies the simplified approach and recognises lifetime ECL for these debtors. The directors have assessed that the cumulative additional loss allowance since initial adoption of IFRS 9 is Rnil. In terms of the judgement applied, the directors have assessed that no impairment is necessary, due to adequacy of the existing provision as well as deciduous fruit revenue receivables making up the majority of the balance.

	2019 R'000	2018 R'000

21. Unsecured loans

21.1 Interest-bearing

	2019 R'000	2018 R'000
Libuyile Community Trust[(1)]	**4 986**	4 645
Mawewe Communal Property Association[(2)]	**2 792**	2 526
	7 778	7 171
Included in the consolidated financial statements as:		
Non-current	**4 986**	3 498
Current	**2 792**	3 673
	7 778	7 171

[(1)] During the prior reporting period, a R4,3 million loan was advanced to the Libuyile Community Trust, an indirect non-controlling shareholder of the group's subsidiary Mthayiza Farming Proprietary Limited. Per the signed loan agreement, interest is charged in advance at 3.00% below the prevailing South African prime lending rate on the capital balance outstanding at the end of each month. The loan together with any capitalised interest owing is repayable over five years, with a minimum annual repayment value of R0,9 million due on 1 April each year. The loan is unsecured, however, a condition precedent to the advancement of the loan, was a granting to the group of an extension to its lease agreement over the Mthayiza farms for a further 15 years from the date of original expiry. The term of the lease agreement was therefore extended to the end of September 2038. See note 24.1. During the current reporting period, interest of R0,3 million was charged, however, the directors of the group agreed by written consent to roll over the first and second annual repayments due in April 2018 and April 2019, to be deducted against the lease rental owing for the 2020/21 financial year. The directors consider the loan fully recoverable and have recourse to deduct the capitalised interest-bearing balance against future lease payments.

(2) The R3,5 million loan advanced to the Mawewe Communal Property Association ("MCPA") in the prior year was fully settled on 1 April 2019.

These loans are held at amortised cost in accordance with IFRS 9. In terms of IFRS 9, the group applies the simplified approach and recognises lifetime ECL for these loans receivable. The directors have assessed that the cumulative additional loss allowance since initial adoption of IFRS 9 is Rnil. In terms of the judgement applied, the directors have assessed that no impairment is necessary, due to the fact that the entire loan from the MCPA was fully settled on 1 April 2019 and the loan from the Libuyile Community Trust is also fully recoverable against future lease rentals payable to them.

	2019 R'000	2018 R'000
22. Capital, reserves and shareholding interests		
22.1 Share capital and share premium		
Authorised		
16 000 000 (2018: 16 000 000) ordinary shares of 25 cents (2018: 25 cents) each	**4 000**	4 000
Issued		
15 264 317 (2018: 15 264 317) ordinary shares of 25 cents (2018: 25 cents) each	**3 816**	3 816
Share premium	**222 455**	222 455
	226 271	226 271
The share capital movement for the year was as follows:		
Balance at the beginning of the year	**226 271**	226 271
Balance at the end of the year	**226 271**	226 271

	Number of shares	Number of shares
The shares in issue movement for the year was as follows:		
Balance at the beginning of the year	**15 264 317**	15 264 317
Balance at the end of the year	**15 264 317**	15 264 317

The shares in issue at the end of the current and prior year are fully paid up, carry one vote per share and a right to dividends.

Under control of directors:
– for the purposes of the employee share option scheme: 383 000 shares (2018: 324 000 shares).

22.2 Investment revaluation reserve

	2019 R'000	2018 R'000
Balance at beginning of year	**951**	951
Net loss arising on revaluation of financial assets	**–**	–
Balance at end of year	**951**	951

22.3 Foreign currency translation reserve

	2019 R'000	2018 R'000
Balance at beginning of year	**(29 002)**	(23 764)
Exchange differences on translation of subsidiaries	**(2 496)**	(5 238)
Balance at end of year	**(31 498)**	(29 002)

22.4 Share-based payment reserve

	2019 R'000	2018 R'000
Balance at beginning of year	**3 473**	2 414
Share-based payment expense	**1 139**	1 059
Balance at end of year	**4 612**	3 473

22.5 Non-controlling interests

	2019 R'000	2018 R'000
Balance at beginning of year	**24 992**	24 400
Non-controlling interests arising on the acquisition of subsidiaries	**–**	6 899
Adjustment to non-controlling interests	**–**	238
Share of profit for the year – continuing operations	**15 481**	4 608
Share of loss for the year – discontinued operations	**(380)**	(258)
Dividend to Mthayiza Holdings (Pty) Ltd	**(1 925)**	(3 245)
Dividend to Mawewe Communal Property Association	**(10 200)**	(7 650)
Balance at end of year	**27 968**	24 992

	Security	Note	2019 R'000	2018 R'000

23. Borrowings – interest-bearing

23.1 Loans and demand facilities

	Security	Note	2019 R'000	2018 R'000
Amortised cost				
Call loan – Two-A-Day	Unsecured	24.5(A)	**10 000**	10 000
Demand facility – Investec Bank Limited	Secured	24.5(B)	**30 000**	30 000
Seasonal facility – Rand Merchant Bank	Secured	24.5(B)	**159 700**	140 000
Revolving credit loan – Akwandze Agricultural Finance	Secured	24.5(C)	**35 029**	35 633
Term-loans – Akwandze Agricultural Finance	Secured	24.5(D)	**19 882**	28 361
Term-loan – Investec Bank Limited	Unsecured	24.5(E)	**3 286**	16 429
Term-loan – Grindrod Bank Limited	Secured	24.5(F)	**60 000**	–
Instalment sale agreements	Secured	24.5(G)	**4 368**	5 473
			322 265	265 896
Included in the consolidated financial statements as:				
Non-current			**70 765**	24 104
Current			**251 500**	241 792
			322 265	265 896

23.2 Bank overdraft at amortised cost

	Security	Note	2019 R'000	2018 R'000
Bank overdraft – FNB Swaziland	Secured	24.5(B)	**7 595**	24 050

23.3 Total interest-bearing borrowings at amortised cost

	2019 R'000	2018 R'000
Loans, bank overdrafts and facilities (See note 23.1 and 23.2)	**329 860**	289 946

23.4 Borrowing powers

In terms of the memorandum of incorporation, the total permitted level of borrowings is limited to the equity of the ultimate holding company, and is as follows:

	2019 R'000	2018 R'000
Crookes Brothers Limited	**781 500**	789 661

23.5 Summary of borrowing arrangements

A) The call loan of R10 million from the Two-A-Day Group ("TAD"), was advanced to the group to assist in the acquisition and purchase of the group's Vyeboom deciduous fruit farm in the Western Cape. The loan is unsecured, bears fixed interest at 10% per annum and is also linked to TAD's use of the Vyeboom packhouse and cold storage facility in the Western Cape. The loan has no fixed terms of repayment, however, becomes fully and immediately repayable, should the group terminate its contract with TAD, in favour of another co-op to perform the purchase, marketing and distribution of the group's deciduous fruit.

B) The bank overdraft and general banking facilities are repayable on demand and bear interest at variable market related interest rates. At the end of the current reporting period, the following facilities, subject to annual review, were available to the group:

Financing institution	Term	Interest rate	2019 R'000	2018 R'000
Investec Bank Limited[a]	Demand facility	Prime less 0.50%	**30 000**	30 000
Rand Merchant Bank[b]	Seasonal facility	Prime less 1.00%	**160 000**	160 000
First National Bank Swaziland[c]	Overdraft	Prime	**25 000**	25 000
			215 000	215 000

(a) The Investec Bank Limited ("Investec") banking facility is an uncommitted demand facility. The facility is unconditionally revocable and cancellable by Investec without penalty or prior written notice. The facility is secured by a first covering mortgage bond over the group's High Noon farm. During the year, the facility was reissued in the name of the group's wholly-owned subsidiary Crookes Brothers South Africa Proprietary Limited ("CBSA"). Crookes Brothers Limited ("CBL") accordingly provides a guarantee to Investec for the payment obligations of CBSA.

(b) At 31 March 2019, the group had a seasonal facility with Rand Merchant Bank ("RMB") to the value of R160 million. Of the R160 million facility, which existed at 31 March 2019, R20 million related to a temporary facility expiring in May 2019. The group thereafter extended the temporary facility alongside rasing a further R20 million facility. Refer to note 36 for details.

(c) The FNB Swaziland ("FNB") overdraft facility is a secured by way of an unlimited general deed of suretyship by the group's wholly owned Swaziland subsidiary BAR J Ltd, in favour of FNB for the obligations of Crookes Plantations Limited, Swaziland.

23. Borrowings – interest-bearing continued

23.5 Summary of borrowing arrangements continued

In addition to the seasonal banking facility, the following other RMB facilities are available to the group:

Type	Term	Utilisation	2019 R'000	2018 R'000
Short-term direct	Demand facility	Corporate card	**200**	200
Short-term contingent	Demand facility	Guarantees	**30**	30
Settlement	Demand facility	Settlement	**230**	230
			460	460

The RMB facility is secured by way of:

1. A suretyship for the amount of R200 million by the group's wholly-owned subsidiary Crookes Brothers South Africa Proprietary Limited in favour of RMB for the obligations of the group, and
2. A first covering mortgage bond of R200 million registered over the Ouwerf, Vyeboom and Dennebos deciduous fruit farms situated in the Western Cape measuring 841,6241 hectares, plus an additional sum of R12 million for costs, charges and disbursements.

C) The revolving credit loan with Akwandze Agricultural Finance ("Akwandze"), relates to a working capital loan for the group's Mawecro estate. The loan is current, bears fixed interest at prime less 1,5% and is fully repayable each year. The full loan of R35 million is refinanced annually at the discretion of the directors of the company.

D) In addition to the revolving credit loan with Akwandze, the group's Mawecro and Mthayiza estates are the recipients of medium-term funding from the Land Bank, in the form of six loans bearing fixed interest at between 4% and 6,75% per annum and repayable at between one and six years. These loans are used to fund capital expenditure as well as to supplement working capital needs. During the current reporting period, repayments amounted to approximately R8,5 million (2018: R11,2 million) over the nine month repayment period. Details of Akwandze security is as follows:

- Akwandze has a cession over the gross sugar cane proceeds paid by the mill to Mawecro and Mthayiza, and deducts the loan repayments against the monthly cane proceeds received.
- The holding company Crookes Brothers Limited ("CBL"), provides a deed of surety to Akwandze for the due and punctual performance of all of Mthayiza and Mawecro's obligations and the payment on demand of all amounts owing by Mthayiza and Mawecro to Akwandze.

E) In September 2014, the group's Mozambique subsidiary, Murrimo Macadamias Lda ("Murrimo") secured a USD2 million five-year term-loan from Investec Bank (Mauritius) Limited ("Investec"), to fund its capital expansion and working capital requirements. The loan bore interest at USD Libor plus 4,00% per annum, payable quarterly. No capital repayments were due for the first three years, the first being due in September 2017. Crookes Brothers Limited, the South African holding company stood guarantee to Investec for this term-loan.

On 31 July 2017, an agreement was concluded between Investec and the group, for the South African holding company Crookes Brothers Limited, to purchase the loan claim from Investec, thus converting the holding company's guarantee obligation to a direct shareholder's loan to Murrimo. The carrying value of the settlement amount and accrued interest at acquisition on 31 July 2017 was R26,3 million. During the current reporting period, capital and accrued interest repayments of R14,3 million (2018: R9,9 million) were made to Investec. The loan is unsecured, but the group is required to meet various financial covenants at its interim and financial year-end measurement periods. Should the group default on one or more of these financial covenants at each measurement date, the outstanding loan amount including capitalised interest becomes fully and immediately repayable to Investec. During the measurement period ending 30 September 2018, the group defaulted on certain financial covenants, however, was issued with letters of condonation from Investec for the defaults. As at 31 March 2019, the group has one last repayment of R3,4 million due to Investec, payable by 28 June 2019. The loan will then be fully settled.

F) On 5 June 2018, the group secured a R60 million three-year term loan with Grindrod Bank Limited ("Grindrod"), to provide property finance to its Renishaw Property Developments (RPD) subsidiary in Scottburgh, KwaZulu-Natal. The loan is secured by way of a guarantee from the holding company ("CBL") to the value of R60 million, as well as a deed of pledge of CBL's 85% shareholding in RPD. In addition, CBL has subordinated its shareholder loan in RPD up to a value of R60 million in favour of Grindrod. The loan bears interest at the prevailing South African prime rate. Monthly interest is capitalised to the loan, with the exception of when the loan amount reaches or exceeds R60 million, whereby the interest is then repaid in cash. Per the signed agreement, the full loan including capitalised interest is to be repaid on 5 June 2021.

G) The group has instalment sale agreements with Wesbank and Ford Credit, secured by vehicles with a net book value of R6,1 million (2018: R6,7 million). The agreements bear interest at between prime less 0,5% and prime less 1,0%, with monthly repayment terms.

	2019 R'000	2018 R'000

24. Other liabilities – interest-free

24.1 Obligation to restore leased farmland

	2019 R'000	2018 R'000
Nicoskamp estate[1]	**8 290**	5 497
Mawecro estate[2]	**26 189**	28 167
Mthayiza estate[3]	**9 566**	11 010
	44 045	44 674

[1] *This liability relates to the obligation to restore the leased Nicoskamp Farm in Mpumalanga to its original condition, on termination of the lease agreement with the Mpumalanga Department of Rural Development and Land Reform. The original lease term was for a period of 10 years. At the end of the current reporting period, just over a year of the lease term was left remaining, with the lease expiring on 30 June 2020.*

[2] *This liability relates to a constructive obligation to restore the remaining leased Komatipoort farms in Mpumalanga to their original condition, on termination of the lease agreement with the Mawewe Communal Property Association ("MCPA"). The original lease term is for a period of 20 years. At the end of the current reporting period, 17 years of the lease term was left remaining.*

[3] *This liability relates to a contractual obligation to restore the leased Mthayiza Malelane farms in Mpumalanga to their original condition, on termination of the lease agreement with Mthayiza Holding Proprietary Limited ("MTH"). The original lease term was for a period of 15 years and due to expire at the end of September 2023. During the prior reporting period, the lease was extended for a further 15 years up to September 2038.*

25. Cash and cash equivalents

	2019 R'000	2018 R'000
Cash and bank balances	**56 683**	26 874
Bank overdraft (see note 23.2)	**(7 595)**	(24 050)
	49 088	2 824

All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions. Accordingly, the directors have deemed that no impairment is necessary in terms of IFRS 9.

26. Trade and other payables

	2019 R'000	2018 R'000
Trade payables and accruals	**65 697**	41 896
Income received in advance	**6 348**	–
Payroll accruals	**4 569**	3 701
	76 614	45 597

Trade payables and accruals principally comprise outstanding trade payables in respect of goods or services acquired. The group has financial risk management policies in place to ensure that all payables are paid within the pre-approved credit terms. In terms of IFRS 9, trade and other payables are held at amortised cost.

27. Provisions

	2019 R'000	2018 R'000
Leave pay	**6 919**	6 524
Bonuses	**5 902**	701
Severance allowances	**2 493**	2 378
Property development expenditure	**840**	–
	16 154	9 603

Reconciliation of net movements	Leave pay R'000	Bonuses R'000	Severance allowances R'000	Property development R'000	Total R'000
Balance at 1 April 2017	5 978	8 638	2 194	–	16 810
Payments/reversals	(775)	(7 982)	–	–	(8 757)
Provisions raised	1 338	50	231	–	1 619
Effect of foreign currency exchange differences	(17)	(5)	(47)	–	(69)
Balance at 31 March 2018	**6 524**	**701**	**2 378**	**–**	**9 603**
Payments/reversals	**(537)**	**(10)**	**(215)**	**–**	**(762)**
Provisions raised	**940**	**5 212**	**355**	**840**	**7 347**
Effect of foreign currency exchange differences	**(8)**	**(1)**	**(25)**	**–**	**(34)**
Balance at 31 March 2019	**6 919**	**5 902**	**2 493**	**840**	**16 154**

Refer to accounting policies note 3.18 for details of the above provisions, which are all current. The effects of discounting is negligible.

	2019 R'000	2018 R'000
28. Net post-employment obligation		
Post-employment medical aid obligation (see note 28.1)	**3 576**	10 334
Retirement benefit surplus (see note 28.2)	**(1 693)**	(10 212)
Net obligation	**1 883**	122

28.1 Post-employment medical aid obligation

Refer to accounting policy note 3.5. The closing fair value of the obligation to CAWM's is as follows:

	2019 R'000	2018 R'000
Net liability at beginning of year	**10 334**	9 023
Components recognised in profit or loss	**(6 396)**	597
Service cost	**91**	114
Interest cost	**615**	871
Benefit payments	**(330)**	(388)
Expected settlement	**(6 772)**	–
Components recognised in other comprehensive income ("OCI")	**(362)**	714
Actuarial remeasurement (gain)/loss net of tax	**(261)**	514
Tax effect of actuarial remeasurement	**(101)**	200
Net liability at end of year	**3 576**	10 334
Included in the consolidated financial statements as:		
Non-current	**3 576**	2 641
Current	**–**	7 693
	3 576	10 334

The effects of a 1% change in the healthcare cost trend rates have an immaterial effect on the aggregate of the service and interest costs, as well as the value of the obligation itself.

28.2 Retirement benefit surplus

Refer to accounting policy note 3.5. The closing fair value of the surplus available to the group is as follows:

	2019 R'000	2018 R'000
Opening fair value of plan assets	**10 212**	10 212
Post-retirement medical aid benefits settled	**(8 519)**	–
Closing fair value of plan assets	**1 693**	10 212

29. Employee share incentive scheme

See accounting policy note 3.6. A final annual share volatility of 40,42% (2018: 38,85%) was calculated, in predicting the possible future value of the company's share price on exercise date for the options granted.

29.1 Share options granted and unexpired as at 31 March 2019

	Options as at 31 March 2018	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 2019**
Executive directors							
GS Clarke	128 000	–	5 331	–	(15 000)	4 450	**113 000**
GL Veale	52 000	15 000	5 303	–	–	–	**67 000**
Prescribed officer							
AG Duncan	75 000	–		(75 000)	–	–	**–**
Management	206 000	35 000	5 567	(34 000)	–	–	**207 000**
Total	461 000	50 000	5 452	(109 000)	(15 000)	–	**387 000**

29.2 Share options available at 31 March 2019 for further grants

	Number of shares
Shares reserved for the share option scheme[1]	**1 200 000**
Shares issued and exercised by employees as at the end of the financial year	**(430 000)**
Options granted and unexpired as shown above	**(387 000)**
Balance available[2]	**383 000**

[1] *During the prior reporting period, the company's directors approved an additional 300 000 share options to be reserved for the share option scheme.*

[2] *The share options outstanding at the end of the year had a weighted average remaining contractual life of 659 days (2018: 831 days).*

30. Financial instruments

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.

Categories of financial instruments	**2019 R'000**	2018* R'000
Financial assets		
At amortised cost		
Cash and bank balances	**56 683**	26 874
Trade and other receivables	**136 414**	124 419
Unsecured loans	**7 778**	7 171
Other financial assets: loans and receivables	**580**	731
FVTOCI		
Other financial assets: equity investments	**3 586**	2 640
Equity accounted		
Investments in joint venture and associates	**61 393**	60 816
	266 434	161 835
Financial liabilities		
At amortised cost		
Bank overdraft	**7 595**	24 050
Trade and other payables	**76 614**	45 597
Non-current borrowings: interest-bearing	**70 765**	24 104
Current borrowings: interest-bearing	**251 500**	241 792
Reversionary sale and transfer obligations	**7 470**	2 905
Prepaid lease income	**12 222**	5 892
	426 166	344 340

* *Prior year restated for revenue standard change.*

30. Financial instruments continued

30.1 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.

Consolidated interest rate profile		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
2019						
Borrowings	(R'000)	**245 809**	**18 235**	**13 286**	**60 000**	**337 330**
Total borrowings	(%)	**73**	**5**	**4**	**18**	**100**
2018						
Borrowings	(R'000)	242 699	23 723	23 143	3 286	292 851
Total borrowings	(%)	83	8	8	1	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 manages its interest rate risk by ensuring that demand deposit facilities are paid up regularly, to avoid treatment of the facilities as term loans by the financial institutions who provided the finance.

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

Effective interest rate on borrowings		**2019**	2018
Amounts due to local bankers	(%)	**9,25**	9,00
Amounts due to foreign bankers	(%)	**10,00**	10,00
Revolving credit loan – Akwandze	(%)	**6,50**	6,25
Term loans – Akwandze	(%)	**6,25**	6,00
Term loan – Investec	(%)	**10,65**	10,45
Term loan – Grindrod	(%)	**10,25**	0,00
Instalment sale agreements	(%)	**10,00**	9,75
Call loan – Two-A-Day	(%)	**10,00**	10,00

Based on year-end exposure to interest-bearing borrowings at variable rates, a 1,00% (100 basis points) change in interest rates will have a R2,6 million (2018: R2,7 million) effect on pre-tax profit or loss and a R1,9 million (2018: R1,9 million) impact on equity for the group.

Based on year-end exposure to bank balances and cash investments with yields linked to variable interest rates, a 1,00% (100 basis points) change in interest rates will have an immaterial impact on current and prior year pre-tax profit or loss and equity for the group.

30. Financial instruments continued

30.2 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 notes 23.1 and 23.2, of which R17,7 million was undrawn at year-end (2018: undrawn: R21 million).

Current borrowings have been disclosed in note 23.1 to the financial statements.

Trade and other payables have been disclosed in note 26 to the financial statements. All payables are due within a 30-to 60-day period.

The maturities of contractual liabilities are as follows:

	2019				2018			
	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	**76 614**	**–**	**–**	**76 614**	45 597	–	–	45 597
Instalment sale agreements[1]	**482**	**1 445**	**3 018**	**4 945**	484	1 451	4 620	6 555
Revolving credit and term-loan arrangements[1]	**9 154**	**51 937**	**75 496**	**136 587**	14 970	46 163	18 405	79 537
Reversionary sale and transfer obligations	**–**	**–**	**7 470**	**7 470**	–	–	2 905	2 905
Bank overdraft and facilities	**197 295**	**–**	**–**	**197 295**	194 050	–	–	194 050
Call loan – Two-A-Day	**–**	**10 000**	**–**	**10 000**	–	10 000	–	10 000
	283 545	**63 382**	**85 984**	**432 911**	255 101	57 614	25 930	338 644

[1] *Adjusted to exclude the effects of discounting. The discounting effects of the other contractual liabilities were quantified and are immaterial.*

30.3 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 ongoing credit evaluations of the financial condition of the other parties. At 31 March 2019, the directors did not believe there is any significant concentration of credit risk which has not been adequately provided for.

Past due, but not impaired 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.

At the end of the current financial year, management made an assessment of the ageing of past due, but not impaired debtors.

The ageing of the majority of these debtors was older than three months, however, the cumulative total of these past due, not impaired debtors was immaterial in both the current and prior financial years.

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

30. Financial instruments continued

30.4 Foreign currency risk management

The group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposure is currently not hedged though the use of forward exchange contracts, or any other derivative financial instruments, but rather managed by the board of directors.

Besides the Republic of South Africa, the group also operates in Swaziland, Zambia and Mozambique, the local currencies being the Emalangeni (E), Kwacha (ZMW) and Metical (MZN) respectively. The Swazi Emalangeni ranks 1:1 with the South African Rand (ZAR), therefore no foreign currency translation differences arise when translating Swaziland monetary assets and monetary liabilities.

The functional currency of the group's Mozambican operations changed to ZAR in the 2017 year, hence the shareholder loan accounts owing from these companies are also ZAR denominated, therefore not subject to foreign currency fluctuations. The Mozambican operations do, however, hold bank accounts, trade receivables and payables denominated in MZN, which are subject to foreign currency fluctuations against the ZAR.

The carrying amounts of the group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		Liabilities		Assets	
		2019 R'000	2018 R'000	**2019 R'000**	2018 R'000
Bank accounts	(USD)	**–**	–	**6 509**	7 031
Bank accounts	(MZN)	**–**	–	**1 183**	495
Bank accounts	(ZMW)	**–**	–	**782**	629
Trade and other receivables	(MZN)	**–**	–	**11 855**	8 177
Trade and other receivables	(ZMW)	**–**	–	**2 964**	2 264
Interest-bearing shareholder loan	(ZMW)	**1 402**	1 824	**–**	–
Trade and other payables	(MZN)	**3 466**	2 930	**–**	–
Trade and other payables	(ZMW)	**1 548**	848	**–**	–
		6 416	5 602	**23 293**	18 596

Sensitivity analysis

The following table details the group's sensitivity to a 10% devaluation and appreciation in the Rand against the relevant foreign currencies.

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Rand strengthens 10% against the relevant currency. For a 10% weakening of the Rand against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	USD impact		MZN impact		ZMW impact	
	2019 R'000	2018 R'000	**2019 R'000**	2018 R'000	**2019 R'000**	2018 R'000
Profit or loss and equity[1]	**651**	703	**(721)**	(475)	**77**	104

[1] *From the above table, it is evident that a 10% change in the value of the Rand against the other currencies, will not have a material impact on profit or loss and equity of the group. However, the sensitivity analysis is not a completely accurate representation of the inherent foreign exchange risk in the trading and economic environment of Mozambique during the current and prior financial years. This is because the reporting period end MZN spot rate does not reflect the extreme month on month fluctuations in the average MZN rate during the current and prior financial year. Conversely, the month on month average USD and ZMW exchange rates remained relatively stable against the ZAR throughout the current and prior financial year.*

30. Financial instruments continued

30.5 Commodity price risk management

The group is exposed to commodity price risk based on the various commodities it trades in and geographic territories it operates in.

The sugar price in South Africa, Swaziland and Zambia are government protected and regulated prices, therefore cannot be hedged by the group.

In South Africa, 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 and neither is foreign currency fluctuations relating to sugar cane sales in Zambia.

The group's deciduous crop is subject to price and foreign currency risk arising from foreign currency fluctuations, for which the group's marketing partner, Two-A-Day Group enters into currency contracts for its export sales.

Commodity price risk arises from fluctuations in the prices for bananas sold in the local market. The group, through its association with Lebombo Growers Proprietary Limited (see note 18), markets the sale of bananas to receive the best possible prices. The price of bananas per carton is largely driven by demand and supply, and cannot be hedged by the group.

The group's macadamia development produced its second harvest of nuts during the current reporting period. Commodity price risk arises in the form of demand and supply, based on the changing appetites of consumers around the world due to the health benefits of macadamia nuts. Foreign exchange risk is hedged by the group's co-op partner Mayo Macs SA. The other customer Green Farms, pays the group in Rands.

30.6 Capital management

The group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The group's overall strategy is to maximise the internal rate of return associated with capital projects of an expansion, improvement and replacement nature, and remains unchanged from 2018. See note 34 for the budgeted capital expenditure of the group.

The capital structure of the group consists of net debt (bank overdraft and facilities and interest-bearing borrowings as detailed in note 23 offset by cash and bank balances) and equity (comprising issued share capital, reserves, retained earnings and non-controlling interests as detailed in note 22).

The group is exposed to externally imposed capital requirements. See note 23.5 for details of financial institution imposed encumbrances and requirements.

The group risk committee reviews the capital structure of the company on a semi-annual basis, whilst the board of directors reviews the capital structure on an ongoing basis. As part of this review, the directors considers the cost of capital and the risks associated with each class of capital. The group has a target financial gearing ratio of 25% to 30%. This target financial gearing ratio is determined as interest-bearing debt, expressed as a percentage of shareholders' funds.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

		2019 R'000	2018 R'000
Debt[1]		**329 860**	289 946
Cash and bank balances[2]		**(56 683)**	(26 874)
Net debt		**273 177**	263 072
Equity[3]		**1 059 620**	1 032 156
Net debt to equity ratio	(%)	**25,78**	25,49

[1] Debt comprises bank overdraft, facilities and interest-bearing debt (non-current and current) as disclosed in note 23. For the purposes of the gearing ratio, the interest-free loan relating to the obligation to restore leased farmland (see note 24.1) is excluded from debt, as this liability is offset by an opposite but equal bearer asset (see note 14).

[2] Cash and bank balances include all bank balances, call and notice deposits.

[3] Equity includes all capital and reserves of the group that are managed as capital (see note 22).

The gearing ratio at the end of the current reporting period of 25,78% (see above) was in line with the group's target range.

31. Fair value measurements

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
2019				
Investment property	**–**	**30 336**	**–**	**30 336**
Other financial assets				
– as previously reported under IAS 39	**166**	**–**	**–**	**166**
Other financial assets – under IFRS 9	**–**	**–**	**3 420**	**3 420**
Biological assets	**–**	**–**	**260 806**	**260 806**
Inventories – grain	**–**	**–**	**1 272**	**1 272**
	166	**30 336**	**265 498**	**296 000**
2018*				
Investment property	–	11 432	–	11 432
Other financial assets				
– as previously reported under IAS 39	166	–	–	166
Other financial assets – under IFRS 9	–	–	2 474	2 474
Biological assets	–	–	213 443	213 443
Inventories – grain	–	–	4 527	4 527
	166	11 432	220 444	232 042

** Prior year restated for revenue standard change.*

The above assets are measured at fair value on a recurring basis.

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

The fair values of other financial assets under IFRS 9 are not readily determinable, therefore the directors have measured these investments at cost, which they assess to be the closest approximation of fair value.

31. Fair value measurements continued

The following table gives information about how the fair value of these assets are determined in particular, the valuation techniques and inputs used.

Financial assets/ financial liabilities	**Fair value as at 2019**	Fair value as at 2018	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs to fair value	Relationship of unobservable inputs to fair value
Investment property	**30 336**	11 432	Level 2	Relevant selling price per square metre with respect to similar residential units.	None.	None.
Other financial assets – as previously reported under IAS 39	**166**	166	Level 1	Quoted bid prices in an active market.	None.	None.
Other financial assets – under IFRS 9	**3 420**	2 474	Level 3	At cost.	At cost.	At cost.
Biological assets	**260 806**	213 443	Level 3	Discounted cash flow. Current estimated market prices for the following season, less the estimated costs of harvesting, transport, packing and point-of-sale costs.	Estimated price, yield and inflation is subject to fluctuation and change. Prices are not based on published or quoted market and commodity listings.	In arriving at the fair value, the estimated price is applied against the expected area to harvest, together with the estimated yields and average maturity of the crop.
Inventories – grain	**1 272**	4 527	Level 3	Discounted cash flow. Current estimated market prices for the following season, less the estimated costs of harvesting, transport, packing and point-of-sale costs.	Estimated price and packout is subject to fluctuation and change. Prices are not based on published or quoted market and commodity listings.	In arriving at the fair value at the date of harvesting, the estimated price is applied against the estimated point of sale costs incurred, in bringing the produce to their present location and condition to be sold.

31. **Fair value measurements** continued

The group's growing crops and agricultural produce are measured at fair value which is determined using estimated unobservable inputs and is categorised as level 3 under the fair value hierarchy. The unobservable inputs are disclosed in the fair value hierarchy. The fair value of the group's grain approximates the actual direct, agricultural and allocated overhead costs allocated to it, hence fair value adjustments are considered immaterial, and there are no real unobservable inputs applied, in calculating the value of grain.

The group's valuation policy and methodology are fully disclosed in the accounting policies in notes 1.1 and note 3.12. The assumptions and valuation inputs are disclosed in notes 16.2, 15 and 17.

Changes in the fair value of biological assets are included in profit or loss, with an increase of R48,1 million (2018: increase of R2,6 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.

Sensitivity analysis	2019 R'000	2018* R'000
The impact of a 5% change in the price or yield of biological assets up or (down) will have the following positive or (negative) effect on pre-tax profit or loss:		
Sugar cane	**11 503**	10 340
Deciduous fruit	**1 730**	1 310
Bananas	**1 104**	1 595
Macadamias	**1 504**	370
	15 841	13 615
The impact of a 5% change in the packout of biological assets from Class 1 to juice will have the following negative effect on pre-tax profit or loss:		
Deciduous fruit	**(2 405)**	(1 725)
The impact of a 5% change in the packout of biological assets from Class 1 to Class 3 will have the following negative effect on pre-tax profit or loss:		
Deciduous fruit	**(2 830)**	(2 085)
The impact of a 5% change in the price of deciduous deliveries over year-end (revenue receivables) will have the following negative effect on pre-tax profit or loss:		
Deciduous fruit	**(3 451)**	(2 100)
The impact of a 5% change in the packout of deciduous deliveries over year-end (revenue receivables) from Class 1 to Class 3 will have the following negative effect on pre-tax profit or loss:		
Deciduous fruit	**(3 939)**	(2 635)

** Re-presented at 5% for improved disclosure.*

The impact of a 5% change in the price of a carton of bananas has a negligible effect on pre-tax profit or loss. Likewise, revenue proceeds from banana deliveries over year-end are received within two weeks of the new financial year. The revenue is essentially accrued for at this actual value received, hence there is no price movement due to the passage of time between accrual and actual receipt.

32. Related party transactions

Balances and transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the group and other related parties are disclosed below.

32.1 Trading transactions

During the current reporting period, the group entities entered into the following trading transactions with related parties that are equity accounted associates of the group. All trading transactions were at arms length, and there were no trading transactions with any other related parties that are not members of the group.

	Balances owing from/(to)		Sale of goods and services		Purchase of goods and services	
	2019	2018	**2019**	2018	**2019**	2018
	R'000	R'000	**R'000**	R'000	**R'000**	R'000
Silverlands Mozambique Holdings Limited						
Consumable stock sold	**–**	–	**259**	–	**–**	–
Management fees received	**–**	–	**1 822**	1 829	**–**	–
Loan to associate	**3 558**	3 539	**–**	–	**–**	–
Lebombo Growers (Pty) Ltd						
Banana marketing and transport costs paid	**–**	–	**–**	–	**(44 882)**	(32 492)
Current account	**(3 031)**	(2 463)	**–**	–	**–**	–
Banana pool accrual	**9 361**	8 789	**–**	–	**–**	–
Mpambanyoni Sand (Pty) Ltd						
Loan to associate	**50**	50	**–**	–	**–**	–
Mpambanyoni Construction Supplies (Pty) Ltd						
Income from the sale of sand	**–**	–	**–**	122	**–**	–
Purchase of bricks, blocks and lintels	**–**	–	**–**	–	**–**	(1 660)
Management fees received	**–**	–	**–**	–	**–**	–
Interest received	**–**	–	**–**	31	**–**	–
Loan to associate	**–**	–	**–**	–	**–**	–

Details of investments in joint venture and associates are set out in note 18.

32. **Related party transactions** continued

32.2 Directors' emoluments

Executive directors and prescribed officer	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 2019						
GS Clarke	**3 229**	**356**	**505**	**119**	**180**	**4 389**
GL Veale	**2 019**	**269**	**449**	**–**	**96**	**2 833**
AG Duncan*	**1 705**	**–**	**306**	**–**	**80**	**2 091**
	6 953	**625**	**1 260**	**119**	**356**	**9 313**
Year to 31 March 2018						
GS Clarke	3 058	–	454	–	180	3 692
GL Veale	1 939	–	384	–	96	2 419
AG Duncan*	1 968	–	428	–	142	2 538
	6 965	–	1 266	–	418	8 649

* *Prescribed officer, resigned 30 November 2018.*

Non-executive directors	Directors' fees **2019 R'000**	Directors' fees 2018 R'000	Committee fees **2019 R'000**	Committee fees 2018 R'000
T Abdool-Samad[(i)]	**200**	150	**67**	50
JR Barton[(ii)]	**460**	460	**47**	47
JAF Hewat[(iii)]	**–**	50	**–**	35
P Mnganga	**200**	200	**94**	94
MT Rutherford	**200**	200	**178**	164
RE Stewart[(iv)]	**200**	200	**150**	146
G Vaughan-Smith	**200**	200	**14**	14
TJ Crookes	**200**	200	**38**	38
RGF Chance	**200**	200	**68**	68
TK Denton	**200**	200	**38**	38
	2 060	2 060	**694**	694

[(i)] *Appointed 6 June 2017, retired 25 April 2019.*
[(ii)] *Retired 1 March 2019.*
[(iii)] *Retired 28 July 2017.*
[(iv)] *Retired 18 March 2019.*

See note 29 for details of directors' and management share options granted and unexpired as at 31 March 2019.

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

32.3 Shareholder information

	Number of shares	Percentage of shares in issue
Beneficial shareholders with a holding greater than 5% of the shares in issue		
Silverlands (SA) Plantations Sarl	**6 838 444**	**44,8**
Ellingham Estate (Pty) Ltd	**840 000**	**5,5**
	7 678 444	**50,3**

	2019 R'000	2018 R'000

33. Operating lease arrangements

33.1 Payments recognised as an expense

	2019 R'000	2018 R'000
Minimum lease payments	**17 952**	17 519

(i) The group leases the Komati farms in Mpumalanga from the Department of Rural Development and Land Reform ("the Department"). A 10-year lease agreement was signed in July 2010, for an annual lease rental of R2 million, escalated at 7,00% annually in July. In July 2015, approximately 1 895.91 hectares out of a total land area of 2 494.76 hectares, was transferred to the neighbouring Mawewe Community, represented by the Mawewe Communal Property Association ("MCPA"). Refer to note (ii) below.

The remaining 598.85 hectares relating to the Nicoskamp portion of the Komati farms is still leased from the Department at the original lease rental, escalated at 7,00%, but *pro rated* for the area of farms under the Department's ownership. At the end of the current reporting period, just over a year of the lease term was left remaining, with the lease expiring on 30 June 2020.

(ii) Effective 1 April 2016, the group through its subsidiary Mawecro Farming, signed a lease agreement with the Mawewe Communal Property Association, who are the owners of approximately 1 895.91 hectares of the Komati estate, since transferred from the Department of Rural Development and Land Reform (see (i) above). The period of the lease is 20 years, and the lease rental is based on a fixed Rand rate per hectare under crop, escalated annually by the consumer price index.

(iii) The group, through its subsidiary Mthayiza Farming, leases the Mthayiza Estate (sugar operation) from the Libuyile Community Trust (a joint venture partnership 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 was due to expire in 2023, but renewed for a further 15 years during the prior reporting period to September 2038.

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

	2019 R'000	2018 R'000
Not later than one year	**18 347**	17 460
Later than one year and not later than five years	**77 062**	73 258
Later than five years	**340 395**	353 343
	435 804	444 061

34. Budgeted capital expenditure

	2019 R'000	2018 R'000
Contracted and anticipated:		
– replacement	**95**	150
– expansion, improvement and development	**1 812**	18 832
Authorised by the directors but not yet contracted:		
– replacement	**9 791**	5 310
– expansion, improvement and development	**27 611**	34 398
– bearer asset replants	**20 831**	15 921
	60 140	74 611

The authorised budgeted capital expenditure for the following financial year includes the following group capital requirements

– R15,5 million for the continued macadamia expansion and development in Mozambique.

– R6,3 million relating to improvements to the group's irrigation infrastructure to achieve better yields.

– R9,9 million relating to replacement of the group's farming vehicles, implements and other farming equipment necessary to achieve consistent yields and comply with safety standards.

– R5 million relating to the group's Renishaw infrastructure development, not attributable to the discontinued operation as per note 5.

– R20,8 million relating to planting costs associated with the group's cane fields, deciduous, banana and macadamia orchards which require replanting due to age.

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

Notes to the consolidated financial statements
for the year ended 31 March 2019

35. Uncertain tax positions

The group is currently involved in a dispute with the South African Revenue Services ("SARS") over the tax treatment of shareholder funding provided to its Mozambique subsidiaries Murrimo Macadamias Lda ("MML") and Murrimo Farming Lda ("MFL").

SARS has queried as to why no interest has been charged to these cross-border companies for the 2016 years of assessment to date, and in the absence of such, why no transfer pricing adjustments have been made in the holding company's tax returns submitted.

Management is of the view that the funding provided to MML and MFL is equity in nature and not loans as defined per section 31 of the Income Tax Act of South Africa. The funding provided was registered in the Republic of Mozambique as Foreign Direct Investment ("FDI"). Under the laws and regulations in Mozambique, FDI constitutes equity as defined and may only ever be repaid to the lending company via the declaration of a dividend.

The group has sought legal and tax advice in this matter, with both legal counsel and tax advisors unanimous in agreement with the group's position. Management is further of the opinion that should the matter proceed to Tax Court, the probability of losing its case against SARS is remote.

On the basis that the matter does proceed to court and in the unlikely possibility that the group does lose the case, the effects on the group's financial statements are as follows:

Statement of profit or loss	2019 R'000
Current tax expense – increase	**15 000**
Net decrease in profit for the period	**15 000**

Statement of financial position	2019 R'000
Current tax liability – increase	**15 000**
Net increase in current liabilities	**15 000**

36. Events after the reporting period

Subsequent to the end of the current reporting period, the group extended its general banking demand facilities with Investec and RMB as follows:

Financing institution	Term	Interest rate	2019 R'000
Investec Bank Limited[a]	Demand facility	Prime less 0,50%	**70 000**
Rand Merchant Bank[b]	Seasonal facility	Prime less 1,00%	**180 000**

[a] *As security for the additional R40 million facility, the group has extended the first covering mortgage bond over High Noon in favour of Investec, from R43,5 million to R73,6 million. In addition, the group has provided a pledge and cession to Investec over the cane proceeds at its Swaziland and Zambia operations.*

[b] *Of the R160 million facility, which existed at 31 March 2019, R20 million related to a temporary facility expiring in May 2019. The group thereafter extended the temporary facility alongside raising a further R20 million facility. The revised seasonal facility with Rand Merchant Bank ("RMB") of R180 million will remain in effect until 31 August 2019. Thereafter the facility decreases to R140 million until 29 February 2020. From 1 March 2020 to 31 May 2020 the facility then increases again to R160 million. For this amended seasonal facility, the group is bound by the same collateral requirements as disclosed in note 23.5, with the added requirement that the group furnishes RMB with proof of the availability of the Investec facility above, which the group has since done.*

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