CROOKES BROTHERS

Audited Financial Statements

for the year ended 31 March 2022

Contents

Approval of the Financial Statements

for the year ended 31 March 2022

The preparation of the consolidated and separate Financial Statements that fairly represent the results of the Group in accordance with the Companies Act, International Financial Reporting Standards (IFRS), the Financial Reporting Pronouncement (as issued by the Financial Reporting Standards Council) and JSE Listings Requirements, is ultimately the responsibility of the Directors.

The Board ensures that an independent external audit of the Financial Statements is conducted. The Board confirms that the internal accounting control systems have adequate verification and maintenance of accountability for the Group's assets, and assure the integrity of the Financial Statements. There was no major breakdown in controls experienced during 2022 that could undermine the reliability of the Financial Statements. Based on the financial performance of the Crookes Brothers Limited Group, its cash flow projection to the end of March 2023, secured funding lines, and positive solvency and liquidity tests, the Directors confirm their view that the Group will remain operational for the foreseeable future. The Financial Statements were consequently prepared on a going concern basis.

At the Board meeting held on 22 June 2022, the Board of Directors approved the Financial Statements and further authorised Mr Larry Riddle and Mr Kennett Sinclair in their respective capacities as Chairman and Chief Executive Officer to sign off the Financial Statements. The Financial Statements which appear on pages 15 to 78, are therefore signed on its behalf by:

Larry Riddle
Chairman

Kennett Sinclair
Chief Executive Officer

Durban
22 June 2022

CEO and CFO responsibility statement

for the year ended 31 March 2022

The Directors, whose names are stated below, hereby confirm that:

(a) the Annual Financial Statements set out on pages 15 to 78, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) no facts have been omitted or untrue statements made that would make the Financial Statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the Financial Statements of the issuer; and

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the Financial Statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the Audit Committee and the auditors the deficiencies in design and operational effectiveness of the internal controls and any fraud that involves Directors, and have taken the necessary remedial action.

Kennett Sinclair
Chief Executive Officer

Nigel Naidoo
Chief Financial Officer

Durban
22 June 2022

Compliance statement by the Company Secretary

for the year ended 31 March 2022

The Company Secretary of Crookes Brothers Limited certifies that, in terms of section 88(2) of the Companies Act No.71 of 2008, as amended, the Company has lodged with the Companies and Intellectual Property Commission of South Africa all such returns and notices as are required of a public Company in terms of this Act and that all such returns are true, correct and up to date in respect of the financial year ended 31 March 2022.

Ziyanda Ngwenya
Company Secretary

Durban
22 June 2022

Preparation of the Financial Statements

for the year ended 31 March 2022

The consolidated and separate Financial Statements, which appear on pages 15 to 78 have been prepared under the supervision of Nigel Naidoo, CA(SA) and were approved by the Board of Directors on 22 June 2022.

Nigel Naidoo
Chief Financial Officer

Durban
22 June 2022

Audit Committee report

for the year ended 31 March 2022

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. Details of committee members are disclosed in the Integrated Report. The Chief Executive Officer, Chief Financial Officer, senior financial and IT executives of the Company 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 all meetings.

Statutory duties

In execution of its statutory duties during the financial year under review, the Audit Committee:

- nominated BDO and BDO audit partner Mr Ahmed Timol as external auditor after considering BDO's independence;
- determined BDO's fees;
- considered BDO's terms of engagement;
- ensured that the appointment of BDO complied with the relevant provisions of the Companies Act of South Africa and King IV;
- pre-approved all non-audit service work with BDO;
- confirmed that there were no complaints relating to accounting practices and internal audit of the Company, the content or auditing of its 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, variable pricing consideration, control assessment and recoverability of investments in subsidiaries and loans to related parties;
- ensured that appropriate financial reporting procedures existed and are working;
- confirmed responsibilities to review information obtained from the auditors in terms of paragraph 22.15(h) of the JSE Listings Requirements;
- advised the Board on any matters concerning the Group and Company accounting policies, financial control, records and reporting where applicable; and
- supported the appropriateness of the going-concern premise in the preparation of the financial statements.

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 has 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

for the year ended 31 March 2022

Regulatory compliance

The Audit Committee has complied with all applicable legal, regulatory and other responsibilities.

IT Governance

The committee has oversight responsibility for IT governance and risk management. IT governance and risk management are managed through various charters, plans, policies, procedures and practices. Management monitor IT governance and risk-related matters and the adherence to various policies and procedures, and provides written feedback to the committee at each meeting. The committee is satisfied that the reports of management adequately address IT governance and risk management requirements, including the appropriateness of the IT strategy and policies, systems and network architecture, applications, disaster recovery and cyber security management.

External audit

Based on processes followed and assurances received, the committee is satisfied that BDO is independent of the Group and Company. It is the policy of the Group that any non-audit services are approved by the committee. BDO provided approved non-audit services during the year under review. These services have been assessed and do not impact their independence.

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.

JSE reporting

The committee evaluated the submissions made to it by the Company Secretary and management and is satisfied that the Group has met the JSE Listings Requirements and the requirements of the King IV Code. The committee has received and considered the findings in the JSE's reports for compliance with IFRS:

- Report back on proactive monitoring of financial statements in 2021.
- Amendment to the JSE Listings Requirements, effective 1 July 2022, pertaining to:
  - Trading statements.
  - Notification of the change in auditor.
  - Changes in wording of CEO/FD responsibility statement.
  - Publication of separate annual financial statements.
  - Appointment of Directors.

JSE reporting requirements 3.84(k)

The Committee has considered the approach adopted by management to ensure that the CEO and CFO responsibility statement sign-off on the financial statements and internal financial reporting controls in terms of the JSE Listings Requirement 3.84(k) is appropriately supported. In satisfying itself in this regard, the committee has evaluated:

- the risk assessment and scoping framework, including the determination of materiality applied to ensure that significant areas of risk, complexity and judgement are included for the evaluation of internal financial reporting controls;
- the process followed for the evaluation of the design of existing internal financial reporting controls and the need for amending and/or supplementing those controls;
- the ongoing implementation of the aforementioned controls and whether they have operated effectively during the reporting period under review; and
- the findings of assurance providers, including management declarations and internal audit findings, following their assessment of the operating effectiveness of internal financial reporting controls.

Finance function

We believe that Nigel Naidoo CA(SA), the Chief Financial Officer 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 financial statements be approved by the Board.

On behalf of the Audit Committee

Farzanah Mall
Audit Committee Chairperson

Durban
21 June 2022

Directors' report

for the year ended 31 March 2022

The Board of Directors is committed to the principles of good corporate governance, as set out in the principles and practices under the King IV Code on Good Corporate Governance. The Board composition reflects a balance of power, with no individuals yielding unfettered influence over the rest of the Board. The Directors have pleasure in submitting the financial statements of the Group and Company for the year ended 31 March 2022.

Nature of business

Crookes Brothers Limited is an agricultural business growing sugar cane, bananas, deciduous fruit and macadamia nuts in South Africa, Eswatini, Zambia and Mozambique, and has a long-term property development in Scottburgh, South Africa.

Share capital

The authorised share capital at 31 March 2022 consisted of 16 000 000 shares of 25 cents each (2021: 16 000 000). The Company has no unlisted securities.

The number of issued shares is 15 264 317 at 31 March 2022 (2021: 15 264 317).

The Company holds treasury shares and has repurchased 44 314 (2021: nil) of its own shares during the year under review.

The Directors propose that the general authority granted to them to repurchase ordinary shares be renewed at the forthcoming AGM.

Financial results

Group earnings for the year ended 31 March 2022 amounted to R78.9 million (2021: R42.8 million), resulting in earnings per share of 410.2 cents (2021: 152.2 cents). Headline earnings per share amounted to 229.6 cents (2021: 272.2 cents).

Full details of the financial position and results of the Group and Company are set out in the financial statements.

Going concern

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

Dividends

No dividends were declared for the year ended 31 March 2022 (2021: 50.0 cents per share).

Directorate and Company Secretary

Brief curricula vitae of the current Directors are disclosed in the integrated report. Details of the share incentive scheme and Directors' remuneration appear in notes 36 and 39.

Greg Veale resigned from the Board on 30 April 2021. Nigel Naidoo was appointed as Chief Financial Officer and a director of the Board on 3 May 2021.

Larry Riddle was elected as Chairman of the Board on 21 October 2021.

Dr Phumla Mnganga resigned as non-executive Director on 29 August 2021. Farzanah Mall was appointed as an independent non-executive director and member of the Audit Committee on 5 November 2021, and subsequently elected as chairman of the Audit Committee on 1 April 2022.

In terms of the Company's memorandum of incorporation, Richard Chance, Farzanah Mall, Gary Vaughan-Smith and Dr Thembi Xaba, retire at the annual general meeting and, being eligible, offer themselves for re-election.

Interests of Directors in share capital

At 31 March 2022, the Directors of the Company held beneficial interests in 243 940 of the Company's issued ordinary shares (2021: 218 940). 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 2022, are listed below.

Director	2022 Direct	2022 Indirect	2021 Direct	2021 Indirect
Richard Chance	800	100 000	800	75 000
Tim Crookes	—	143 140	—	143 140
	800	243 140	800	218 140

In addition, at 31 March 2022, managers of the Company held 24 566 shares (2021: 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 (2021: 6 838 444).

There have been no changes to the directors interests between the end of the financial year and date of approval of the financial statements.

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 Directors' fees payable to non-executive Directors with effect from 1 April 2022.

The proposed Directors' fees for 2023 as approved by the Human Capital committee remain unchanged from 2022 and are as follows:

Rands per annum	Current 2022	Proposed 2023
Board		
Chairman	553 875	**553 875**
Other non-executive Board members	249 244	**249 244**
Audit Committee		
Chairman	132 930	**132 930**
Other members	55 388	**55 388**
Human Capital Committee		
Chairman	49 849	**49 849**
Other members	33 235	**33 235**
Risk Committee		
Chairman	49 849	**49 849**
Other non-executive Board members	33 235	**33 235**
Social and Ethics Committee		
Chairman	49 849	**49 849**
Other non-executive Board members	33 235	**33 235**
Agriculture Committee		
Chairman	49 849	**49 849**
Other members	33 235	**33 235**

Subsidiary companies

The names and financial information with respect to the Company and its subsidiaries are disclosed in note 21 of the financial statements.

Special resolutions adopted by the Company and its subsidiary companies

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

Major shareholders

Shareholders holding beneficially, directly or indirectly, in excess of 5% of the issued share capital of the Company are disclosed in note 39 of the financial statements.

Auditors

At the forthcoming AGM, pursuant to the requirements of section 90(1), read with section 61(8)(c) of the Companies Act of South Africa, shareholders will be requested to pass an ordinary resolution re-appointing BDO as the Company's independent registered auditors and to confirm the appointment of Mr Ahmed Timol as the designated audit partner.

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 42 of the financial statements.

Independent Auditor's Report

to the shareholders of Crookes Brothers Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the Consolidated and Separate Financial Statements of Crookes Brothers Limited (the Group and Company) set out on pages 15 to 78, which comprise the consolidated and separate statements of financial position as at 31 March 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the Consolidated and Separate Financial Statements, including a summary of significant accounting policies.

In our opinion, the Consolidated and Separate Financial Statements present fairly, in all material respects, the consolidated and separate financial position of Crookes Brothers Limited as at 31 March 2022, and its consolidated and separate financial performance and consolidated and separate 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 Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board of Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. 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 matters that, in our professional judgement, were of most significance in our audit of the Consolidated and Separate Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated and Separate Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Biological Asset valuations	
The entity's Biological Assets (standing cane, deciduous fruit, macadamia nuts and banana bunches) are stated at fair value less costs to sell, in accordance with International Accounting Standard 41, *Agriculture* (IAS 41), at the harvesting stage and is a Level 3 fair value measurement in terms of the fair value hierarchy as established by International Financial Reporting Standard (IFRS) 13 *Fair Value Measurement*.	
Standing cane (applicable to the Consolidated Financial Statements only)	
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 various operating locations. The assessment is considered subjective since it is based on management's and the director's experience and expectations and relevant current external factors. As a result, we determined the valuation of standing cane to be a matter of most significance to the audit of the current year consolidated financial statements. Please refer to note 23 to the Consolidated Financial Statements for the relevant disclosure.	Our procedures performed in considering the appropriateness of the valuation of standing sugar cane included the following, amongst others: • Assessed the design, implementation and operating effectiveness of key controls over the valuation process. • Critically evaluated the fair value methodology and the key measurements and assumptions applied by management in determining the fair value of the standing cane against the criteria in IAS 41 and IFRS 13. • Performed detailed testing on the key inputs into the standing sugar cane valuation model, including area under crop, estimated yields, estimated sucrose content and forecast price to assess the reasonability and appropriateness of the data, by comparing the data to market and other external data, where applicable. • Assessed the forecast price for reasonability by comparing the information to data obtained from external source.

Key audit matter	How our audit addressed the key audit matter
	• The crop age and factors used to discount the valuation were evaluated against external sources to assess the reasonability of the assumptions. • A retrospective evaluation of the prior year estimated yields, estimated sucrose content and forecast price was performed by comparing the prior year estimates to the current year actuals attained. This was done in order to assess the reasonableness of management's and the Directors' forecast ability. • Performed analytical procedures to assess the fluctuations year-on-year for a five-year period for price, yield and sucrose content to assess the accuracy of management's estimates. • Performed sensitivity analyses on key judgements and estimates to assess the reasonability of the sensitivity disclosures. • Inspected and recalculated the formulae per the model for mathematical accuracy. • Evaluated the adequacy of the disclosures against the requirements of IAS 41 and IFRS 13.
Deciduous fruit (applicable to the Consolidated Financial Statements only)	
The value of the deciduous fruit is based on the estimated yield (tons/pack-out 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 pack-out, price and yield. As a result, we determined the valuation of deciduous fruit to be a matter of most significance to the audit of the current year Consolidated Financial Statements. Please refer to note 23 to the Consolidated Financial Statements for the relevant disclosure.	Our procedures performed in considering the appropriateness of the valuation of deciduous fruit included the following, amongst others: • Assessed the design, implementation and operating effectiveness of key controls over the valuation process. • Critically evaluated the fair value methodology and the key measurements and assumptions applied by management in determining the fair value of the deciduous fruit against the criteria in IAS 41 and IFRS 13. • Performed detailed testing on the key inputs into the deciduous fruit valuation model, including area under crop, estimated yields, forecast prices including harvesting, transport, packing and point-of-sale costs and the estimated maturity of the deciduous fruit, to assess reasonability by comparing the inputs to market data and other external sources, where applicable. • Tested the forecasted prices for reasonability by comparing it to external sources. • Evaluated the crop age, price risk factor and volume risk factor used to discount the valuation against external sources to assess the reasonability of the assumptions. • Final harvested tons were used to perform an assessment regarding the reasonability of the yields used in the valuation as at 31 March 2022. • Performed a retrospective evaluation on estimated yields, price and pack-out ratios by comparing the prior year estimates to current year actuals. This was done in order to assess the reasonableness of management's and the Directors' estimates. • Performed sensitivity analysis on key judgements and estimates to assess the reasonability of the sensitivity disclosures. • Inspected and evaluated the formulae per the model for mathematical accuracy. • Evaluated the adequacy of the disclosures against the requirements of IAS 41 and IFRS 13.

Independent Auditor's Report

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Macadamia nuts (applicable to the Consolidated Financial Statements only)</td></tr>
<tr><td>The value of the macadamia nuts is based on the estimated yield, 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 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 and expected yields.

As a result, we determined the valuation of Macadamia nuts to be a matter of most significance to the audit of the current year Consolidated Financial Statements.

Please refer to note 23 to the Consolidated Financial Statements for the relevant disclosure.</td><td>Our procedures performed in considering the appropriateness of the valuation of macadamia nuts included the following, amongst others:
• Assessed the design, implementation and operating effectiveness of key controls over the valuation process;
• Critically evaluated the fair value methodology and the key measurements and assumptions applied by management in determining the fair value of the macadamia nuts against the criteria in IAS 41 and IFRS 13;
• Tested the forecasted price for reasonability by comparing to actual prices after year-end;
• Assessed estimated yields against actual yields harvested to date;
• Performed a retrospective evaluation on estimated yields and price by comparing the prior year estimates to current year actuals. This was done in order to assess the reasonableness and accuracy of management and the Directors' estimates;
• The crop age, price risk factor and volume risk factor used to discount the valuation were evaluated against external sources to assess the reasonableness of the assumptions;
• Sensitivity analysis were performed on key judgements and estimates to assess the reasonability of the sensitivity disclosures;
• Inspected and evaluated the formulae per the model for mathematical accuracy; and
• Evaluated the adequacy of the disclosure in terms of IAS 41 and IFRS 13.</td></tr>
<tr><td colspan="2">Banana bunches (applicable to the Consolidated Financial Statements only)</td></tr>
<tr><td>The value of the bunch banana is based on the estimated yield, multiplied by the forecast price per crop, less estimated costs of harvesting, haulage and pack house costs.

The price is impacted by expected quality 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 and expected yields. As a result, we determined the valuation of bananas to be a matter of most significance to the audit of the current year Consolidated Financial Statements.

Please refer to note 23 to the Consolidated Financial Statements for the relevant disclosure.</td><td>Our procedures performed in considering the appropriateness of the valuation of macadamia nuts included the following, amongst others:
• Assessed the design and implementation and operating effectiveness of key controls over the valuation process;
• Critically evaluated the fair value methodology and the key measurements and assumptions applied by management in determining the fair value of the banana bunches against the criteria in IAS 41 and IFRS 13;
• Agreed the forecasted prices to external sources and tested within the sensitivities performed;
• Assessed estimated yield against actual yield harvested to date;
• Evaluated the crop age and maturity factor used to discount the valuation against external sources to assess the reasonableness of the assumptions;
• Performed sensitivity analysis on key judgements and estimates to assess the reasonability of the sensitivity disclosures;
• Inspected and evaluated the formulae per the model for mathematical accuracy;
• Performed a retrospective evaluation by comparing the prior year estimates to current year actuals. This was done in order to assess the reasonableness of management's and the Directors' estimates; and
• Evaluated the adequacy of the disclosure terms of IAS 41 and IFRS 13.</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
Variable pricing consideration (applicable to the Consolidated Financial Statements only)	
There is a delay between the deliveries of deciduous fruit to Two-A-Day and the final settlement thereof, which is usually during December each year, approximately nine months after the Group's financial year-end. A revenue accrual is thus raised at year-end, based on the expected market price and pack-out ratio of deciduous fruit sold. A portion of this fruit is exported by Two-A-Day and is therefore subject to variable price adjustments arising from changes in exchange rates. Furthermore, there is significant judgement in the market price of deciduous fruit used to calculate the revenue accrual as well as the estimated pack-out ratio, which is based on the expected quality of the fruit sold. Due to this level of judgement and the associated risk of the existence and accuracy of the revenue accrual, the variable pricing consideration is considered a matter of most significance to the audit of the current year Consolidated Financial Statements. Please refer to note 4.5 to the Consolidated Financial Statements for the relevant disclosure.	Our procedures performed in the calculation of the associated revenue accrual, included the following, amongst others: • Evaluated the revenue recognition policy against the requirements of IFRS 15, Revenue from Contracts with Customers, to assess whether risk and reward has passed to the Group before year-end; • Performed detailed testing on the key inputs into the deciduous fruit revenue accrual, including estimated price, volume and pack-out ratio to assess the reasonability of the critical assumptions. This was done by comparing the inputs to market data and other external sources, where applicable; • Performed a retrospective evaluation assessing the prior year estimated price, volume and pack-out ratio against the actuals attained in the current financial year to assess the reasonableness of management's and the Directors' estimates; • Performed analytical procedures to assess the fluctuations year-on-year for a five-year period for price and volume variance to assess the accuracy of management's estimates; • Final volume was used to perform an assessment regarding the reasonability of the accrual as at 31 March 2022; and • Evaluated the adequacy of the disclosure against the requirements of IFRS 15.
Control assessment (applicable to the Consolidated Financial Statements only)	
The Group has an interest in 3 farming operations with local communities. The Company has a shareholding in Libcro Farming Proprietary Limited (45%), Bellcro Farming Proprietary Limited (45%) and Mawecro Farming Proprietary Limited (49%), respectively. The determination of whether the Company controlled the entities, shared control or had significant influence was considered significant to the audit as it had a material impact on various account balances in the consolidated financial statements. In assessing the level of control exerted by the Company, the Directors considered the extent of the joint ventures' (JVs') working capital requirements and its ability to raise the finance needed. The Directors found that the JVs, including the other party to the JVs, had limited means of raising the required working capital funding and consequentially, in the short term, the JVs are dependent on the Company to provide the working capital requirements. The Directors concluded that while the JVs are dependent on the Company to provide its working capital requirements, the Company has control over the JVs and therefore its results are consolidated into the Consolidated Financial Statements. Due to this level of judgement, the control assessment is considered a matter of most significance to the audit of the current year Consolidated Financial Statements. Please refer to note 4.1 to 4.3 to the Consolidated Financial Statements for the relevant disclosure.	Our procedures performed in considering the control of the JVs included the following, amongst others: • Obtained an assessment from management evaluating control of the JV against the control definition in terms of IFRS 10, Consolidated Financial Statements; • Evaluated management's judgements in determining whether the Company controls, has joint control, or significant influence over the JVs by inspecting underlying contracts to assess the key inputs applied by management, as well as to assess the ability of the JVs to obtain funding or to continue operating without the working capital provided by the Group; Making use of our internal accounting expertise, we assessed the specific terms and conditions of the underlying contracts against the requirements for control in terms of IFRS 10; and • Evaluated the adequacy of the disclosure the requirements of IFRS 10.

Independent Auditor’s Report

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Recoverability of investments in subsidiaries and loans to related parties to (Separate Financial Statements only)</td></tr>
<tr><td>Investments and loans to subsidiaries is one of the largest asset categories on the Statement of Financial Position of the Separate Financial Statements. An impairment of these investments and related party loans would have a significant impact on the equity of the Company.

In accordance with IAS 36, Impairment of Assets, the Company shall assess at the end of each reporting period whether there is any indication that the asset may be impaired. Indicators of impairment were identified in subsidiaries with a negative net asset value.

Management uses either a net asset value or discounted cash flow model to determine the value-in-use for each investment in subsidiary and assesses the recoverability of loans in terms of IFRS 9 expected credit loss model.

There are judgements made and estimates involved in determining the inputs into these models, including:
• Revenue growth rate (including market share and volume growth);
• Expected changes to selling prices and direct costs during the period;
• Discount rate applied to the projected cash flows;
• Budgeted results; and
• Probability of default and loss given default.

Testing for impairment depends on the future results of the companies concerned which creates estimation uncertainty. In addition, there is significant scope for judgement in determining the assumptions underlying forecast results.

Due to the significance of the balances, as well as the judgments and estimates involved, we determined it to be a matter of most significance to the audit of the current year Separate Financial Statements.

Please refer to note 21 to the Consolidated Financial Statements for the relevant disclosure.</td><td>Investments in subsidiaries were evaluated for indicators of impairment in terms of IAS 36 and loans to subsidiaries were assessed to determine the recoverability in terms of IFRS 9 expected credit loss model.

We performed various procedures, including the following:
• Assessed the design and implementation of key controls over the impairment process and calculations;
• Utilised our internal valuation expertise, we performed an independent assessment of the recoverable amount of the investment. Our independent assessment was evaluated against management’s calculation and estimates involved, by performing the following procedures:
– Critically evaluated whether the discounted cash flow model used in managements valuation complied with the requirements of IAS 36;
– Assessed the key assumptions used in calculating the discount rates against comparable companies and recalculated these rates;
– Assessed the mathematical accuracy of the projected cash flows and assessed the growth rates against the companies historical performance and our knowledge of the business and industry;
– Analysed the projected cash flows which creates estimation uncertainty in the model to determine whether they are reasonable and supportable given the companies’ historical performance, current macroeconomic climate and future performance of the industry; and
– Subjected the key judgements in the valuation model to the sensitivity analyses, considered the potential impact of the downside changes in these key assumptions.
• Assessed the adequacy of the expected credit loss calculation performed by the management expert, by performing the following procedures:
– Assessed the objectivity, competence and capabilities of the management expert by evaluating their qualifications and skillset;
– Assessed the completeness and accuracy of data used in calculating the Probability of Default and Loss Given Default by comparing to industry standards;
– Assessed the key assumptions used in calculating the Probability of Default and Loss Given Default by comparing to industry standards; and
– Re-performed the calculation to assess the mathematical accuracy.
• Assessed the adequacy of the disclosure of these assumptions in accordance with International Financial Reporting Standards.</td></tr>
</table>

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled “Crookes Brothers Limited Annual Financial Statements for the year ended 31 March 2022”, which includes the Directors’ Report, the Audit Committee’s Report and the Company Secretary’s Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the Consolidated and Separate Financial Statements and our Auditor’s Report thereon.

Our opinion on the Consolidated and Separate Financial Statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the Consolidated and Separate Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the Directors determine is necessary to enable the preparation of Consolidated and Separate Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated and Separate Financial Statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

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

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

Independent Auditor's Report

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 BDO South Africa Incorporated has been the auditor of Crookes Brothers Limited for two years.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

Ahmed Timol
Director
Registered Auditor

30 June 2022

5A Rydall Vale Office Park
38 Douglas Saunders Drive
La Lucia, 4051

Statement of profit or loss and other comprehensive income

for the year ended 31 March 2022

		Notes	Group 2022 R'000	Group 2021* R'000	Company 2022 R'000	Company 2021* R'000
Revenue		5	678 602	635 583	45 633	51 995
Trading profit/(loss) before expected credit losses and depreciation and impairments		6	112 894	105 378	(2 286)	8 045
Depreciation and impairments		7	(66 293)	(65 502)	(378)	(391)
Expected credit losses		8	(257)	(532)	—	—
Operating profit/(loss) before biological assets			46 344	39 344	(2 664)	7 654
Change in fair value of biological assets		23.1	13 005	58 515	—	—
Operating profit/(loss) after biological assets			59 349	97 859	(2 664)	7 654
Non-trading items		9	35 427	(34 085)	(22)	—
Operating profit/(loss) after non-trading items			94 776	63 774	(2 686)	7 654
Share of profit of joint venture and associate companies		22	16 739	13 628	—	—
Investment income		10	6 586	3 757	—	—
Finance costs		11	(25 995)	(35 185)	(3 897)	(9 225)
Profit/(loss) before tax			92 106	45 974	(6 583)	(1 571)
Tax expense		12	(13 120)	(3 167)	278	684
Profit/(loss) for the year			78 986	42 807	(6 305)	(887)
Attributable to:						
Owners of the Company			62 610	23 235	(6 305)	(887)
Non-controlling interests		28.6	16 376	19 572	—	—
			78 986	42 807	(6 305)	(887)
Items that will not be reclassified subsequently to profit or loss:						
Remeasurement of post-employment medical aid obligation		33.1	(328)	(127)	(328)	(127)
Items that will be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations		28.3	(15 086)	(16 911)	—	—
Other comprehensive loss for the year, net of tax			(15 414)	(17 038)	(328)	(127)
Total comprehensive income/(loss) for the year			63 572	25 769	(6 633)	(1 014)
Attributable to:						
Owners of the Company			47 196	6 197	—	—
Non-controlling interests		28.6	16 376	19 572	—	—
			63 572	25 769	—	—
Earnings per share						
Basic	(cents)	13.1	410.2	152.2	—	—
Diluted	(cents)	13.2	410.2	152.2	—	—

* *Restated per note 41.*

Statement of financial position

as at 31 March 2022

	Notes	Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
Assets					
Non-current assets		1 204 623	1 115 865	738 502	724 877
Property, plant and equipment	15	773 561	751 297	2 652	2 380
Right-of-use assets	16	148 787	154 656	—	—
Investment property	17	113 637	67 152	—	—
Deferred tax assets	18	29 356	27 138	3 975	3 279
Financial assets	20	26 687	24 075	5 853	5 617
Investments in subsidiaries	21	—	—	685 218	675 494
Investments in joint venture and associates	22	112 595	91 547	40 804	38 107
Current assets		629 947	637 045	262 008	278 905
Biological assets	23	306 088	286 509	—	—
Inventories	24	118 870	124 606	—	—
Trade and other receivables	25	140 409	137 278	24 920	20 525
Current tax assets	19	10 373	6 232	345	532
Financial assets	20	9 420	2 340	—	50
Loans to subsidiaries	21	—	—	233 026	255 662
Retirement benefit surplus	33.2	1 961	1 693	1 961	1 693
Cash and bank balances	26	42 826	73 614	1 756	443
		629 947	632 272	262 008	278 905
Assets classified as held for sale	27	—	4 773	—	—
Total assets		1 834 570	1 752 910	1 000 510	1 003 782
Equity and liabilities					
Capital and reserves		1 144 963	1 089 667	771 383	784 252
Share capital	28.1	3 816	3 816	3 816	3 816
Share premium	28.1	222 455	222 455	222 455	222 455
Investment revaluation reserve	28.2	951	951	—	—
Foreign currency translation reserve	28.3	(71 804)	(56 718)	—	—
Treasury shares	28.4	(1 779)	—	(1 779)	—
Share-based payment reserve	28.5	5 556	4 234	5 556	4 234
Retained earnings		921 205	864 702	541 335	553 747
Equity attributable to owners of the Company		1 080 400	1 039 440	771 383	784 252
Non-controlling interests	28.6	64 563	50 227	—	—
Non-current liabilities		514 986	481 057	2 902	2 506
Deferred tax liabilities	18	115 320	114 050	—	—
Borrowings – interest-bearing	29.1	130 825	124 619	—	—
Other financial liabilities	17	70 464	44 752	—	—
Obligations to return leased farmland	30	37 586	35 810	—	—
Lease liabilities	31	157 889	159 320	—	—
Post-employment medical aid obligation	33.1	2 902	2 506	2 902	2 506
Current liabilities		174 621	182 186	226 225	217 024
Trade and other payables	34	52 528	59 207	7 315	2 649
Provisions	35	14 374	21 581	1 873	4 887
Current tax liabilities	19	370	1 373	—	—
Loans from subsidiaries	21	—	—	137 037	134 488
Borrowings – interest-bearing	29.1	96 672	90 849	80 000	75 000
Other financial liabilities	17	4 427	—	—	—
Obligations to return leased farmland	30	—	—	—	—
Lease liabilities	31	6 250	5 599	—	—
Bank overdraft	29.2	—	3 577	—	—
Total equity and liabilities		1 834 570	1 752 910	1 000 510	1 003 782

Statement of cash flows

for the year ended 31 March 2022

	Notes	Group 2022 R'000	Group 2021* R'000	Company 2022 R'000	Company 2021* R'000
Operating activities					
Cash generated from/(utilised in) operations	26.2	58 460	102 282	(18 108)	(23 588)
Interest received	10	1 353	1 452	15 562	22 761
Interest paid	11	(25 607)	(31 252)	(3 897)	(9 225)
Taxes (paid)/received	12	(19 690)	(19 902)	25	(708)
Net cash generated by/(utilised in) operating activities		14 516	52 580	(6 418)	(10 760)
Investing activities					
Investment in financial assets		(1 359)	—	—	—
Proceeds on redemption of financial assets		—	—	—	2 931
Unsecured loans advanced		(5 000)	—	—	—
Proceeds on disposal of property, plant and equipment		39 750	117 647	—	—
Investment in property, plant and equipment		(94 410)	(57 304)	(672)	(386)
Investment in investment property		(5 639)	(869)	—	—
Capital contributions to subsidiary		—	—	(9 724)	(19 118)
Repayments of loans to subsidiaries		—	—	22 635	107 139
Investment in associate companies		(3 359)	—	—	—
Funds advanced to joint venture and associate companies		(859)	(6 561)	(2 647)	(4 038)
Funds repaid by joint venture and associate companies		3 360	—	—	—
Dividends received		67	15	—	3 000
Net cash (utilised in)/generated by investing activities		(67 449)	52 928	9 592	89 528
Financing activities					
Proceeds from loans and borrowings		22 484	63 965	—	—
Repayment of loans and borrowings		(16 008)	(10 726)	—	—
Proceeds from general banking facilities		193 000	128 000	193 000	108 000
Repayment of general banking facilities		(188 000)	(230 000)	(188 000)	(175 000)
Advances from loans from subsidiary		—	—	58 656	—
Repayment of loans from subsidiary		—	—	(56 106)	(11 502)
Receipts from other financial liabilities		31 464	18 173	—	—
Payment of lease liability		(5 767)	(5 166)	—	—
Purchase of treasury shares	28.4	(1 779)	—	(1 779)	—
Dividends paid – community partners	28.6	(2 040)	(2 040)	—	—
Dividends paid – ordinary shareholders		(7 632)	—	(7 632)	—
Net cash generated by/(utilised in) financing activities		25 722	(37 794)	(1 861)	(78 502)
Net (decrease)/increase in cash and cash equivalents		(27 211)	67 714	1 313	266
Cash and cash equivalents at beginning of the year		70 037	2 323	443	177
Cash and cash equivalents at end of the year	26.1	42 826	70 037	1 756	443

* *Re-presented per note 41.*

Statement of changes in equity

for the year ended 31 March 2022

	Group								
	Share capital and premium R'000	Investment revaluation reserve R'000	Foreign currency translation reserve R'000	Treasury shares 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 2020	226 271	951	(39 807)	—	5 898	839 930	1 033 243	32 695	1 065 938
Profit for the year	—	—	—	—	—	23 235	23 235	19 572	42 807
Other comprehensive loss	—	—	(16 911)	—	—	(127)	(17 038)	—	(17 038)
Total comprehensive income for the year	—	—	(16 911)	—	—	23 108	6 197	19 572	25 769
Dividends declared and paid (see note 14 and 28.6)	—	—	—	—	—	—	—	(2 040)	(2 040)
Share-based payment transfer (see note 28.5)	—	—	—	—	(1 664)	1 664	—	—	—
Balance at 31 March 2021	226 271	951	(56 718)	—	4 234	864 702	1 039 440	50 227	1 089 667
Profit for the year	—	—	—	—	—	62 610	62 610	16 376	78 986
Other comprehensive loss	—	—	(15 086)	—	—	(328)	(15 414)	—	(15 414)
Total comprehensive income for the year	—	—	(15 086)	—	—	62 282	47 196	16 376	63 572
Dividends declared and paid (see note 14 and 28.6)	—	—	—	—	—	(7 632)	(7 632)	(2 040)	(9 672)
Treasury shares purchased (see note 28.4)	—	—	—	(1 779)	—	—	(1 779)	—	(1 779)
Share-based payment expense (see note 28.5)	—	—	—	—	3 175	—	3 175	—	3 175
Share-based payment transfer (see note 28.5)	—	—	—	—	(1 853)	1 853	—	—	—
Balance at 31 March 2022	226 271	951	(71 804)	(1 779)	5 556	921 205	1 080 400	64 563	1 144 963
Note	28.1	28.2	28.3	28.4	28.5			28.6	

	Company								
	Share capital and premium R'000	Investment revaluation reserve R'000	Foreign currency translation reserve R'000	Treasury shares 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 2020	226 271	—	—	—	5 898	553 097	785 266	—	785 266
Profit for the year	—	—	—	—	—	(887)	(887)	—	(887)
Other comprehensive loss	—	—	—	—	—	(127)	(127)	—	(127)
Total comprehensive income for the year	—	—	—	—	—	(1 014)	(1 014)	—	(1 014)
Share-based payment transfer (see note 28.5)	—	—	—	—	(1 664)	1 664	—	—	—
Balance at 31 March 2021	226 271	—	—	—	4 234	553 747	784 252	—	784 252
Loss for the year	—	—	—	—	—	(6 305)	(6 305)	—	(6 305)
Other comprehensive loss	—	—	—	—	—	(328)	(328)	—	(328)
Total comprehensive loss for the year	—	—	—	—	—	(6 633)	(6 633)	—	(6 633)
Dividends declared and paid (see note 14)	—	—	—	—	—	(7 632)	(7 632)	—	(7 632)
Treasury shares purchased (see note 28.4)	—	—	—	(1 779)	—	—	(1 779)	—	(1 779)
Share-based payment expense (see note 28.5)	—	—	—	—	3 175	—	3 175	—	3 175
Share-based payment transfer (see note 28.5)	—	—	—	—	(1 853)	1 853	—	—	—
Balance at 31 March 2022	226 271	—	—	(1 779)	5 556	541 335	771 383	—	771 383
Note	28.1	28.2	28.3	28.4	28.5			28.6	

Consolidated segmental analysis

for the year ended 31 March 2022

Products and services from which reportable segments derive their revenues

Information reported to the Chief Executive Officer (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 Chief Executive Officer of the Company has 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”, which is disaggregated in note 5. “Unallocated” refers to specific income or expense transactions, as well as assets and liabilities that cannot be readily allocated to one or more of the Group’s reportable segments above. Unallocated therefore refers to “head office” corporate income and expenses, as well as pure head office-related assets or liabilities. Tax expense is an unallocated corporate expense.

Information about reportable segments

Year to 31 March 2022	Sugar cane R’000	Deciduous fruit R’000	Bananas R’000	Macadamias R’000	Property R’000	Other operations R’000	Head office R’000	Total R’000
Revenue	374 906	101 918	103 007	44 432	33 355	20 984	—	678 602
Operating profit before unallocated overheads	68 017	16 095	9 866	(9 675)	17 800	1 655	—	103 758
Corporate expenses	—	—	—	—	—	—	(57 414)	(57 414)
Operating profit before biological assets	68 017	16 095	9 866	(9 675)	17 800	1 655	(57 414)	46 344
Change in fair value of biological assets	1 298	422	5 555	5 730	—	—	—	13 005
Operating profit after biological assets	69 315	16 517	15 421	(3 945)	17 800	1 655	(57 414)	59 349
Gain on disposal of property, plant and equipment and associate	176	—	49	—	25	35 182	(5)	35 427
Share of profit of joint venture and associates	—	—	16 739	—	—	—	—	16 739
Investment income	—	—	—	—	—	—	6 586	6 586
Finance costs	—	—	—	—	—	—	(25 995)	(25 995)
Profit before tax	69 491	16 517	32 209	(3 945)	17 825	36 837	(76 828)	92 106
Tax expense	—	—	—	—	—	—	(13 120)	(13 120)
Profit after tax	69 491	16 517	32 209	(3 945)	17 825	36 837	(89 948)	78 986
Segmental assets	611 740	252 023	237 583	383 656	268 690	21 124	59 754	1 834 570
Segmental liabilities	(250 401)	(24 621)	(88 812)	(55 338)	(159 261)	(955)	(110 219)	(689 607)
Other information								
Capital expenditure on property, plant and equipment	36 256	9 759	18 026	43 359	64	202	696	108 362
Depreciation and impairments	33 671	9 955	4 767	13 940	2 010	1 602	348	66 293
Change in fair value of investment property	—	—	—	—	20 620	—	—	20 620

Year to 31 March 2021	Sugar cane R'000	Deciduous fruit R'000	Bananas R'000	Macadamias R'000	Property R'000	Other operations R'000	Head office R'000	Total R'000
Revenue	391 082	93 094	82 633	25 913	24 172	18 689	—	635 583
Operating profit before unallocated overheads	105 178	(8 673)	4 366	(14 748)	4 788	2 612	—	93 523
Corporate expenses	—	—	—	—	—	—	(54 179)	(54 179)
Operating profit before biological assets	105 178	(8 673)	4 366	(14 748)	4 788	2 612	(54 179)	39 344
Change in fair value of biological assets	23 390	12 398	(144)	22 871	—	—	—	58 515
Operating profit after biological assets	128 568	3 725	4 222	8 123	4 788	2 612	(54 179)	97 859
Loss on disposal of property, plant and equipment	6 642	(54 819)	31	(2 173)	(37)	16 271	—	(34 085)
Share of profit of joint venture and associates	—	—	13 628	—	—	—	—	13 628
Investment income	—	—	—	—	—	—	3 757	3 757
Finance costs	—	—	—	—	—	—	(35 185)	(35 185)
Profit before tax	135 210	(51 094)	17 881	5 950	4 751	18 883	(85 607)	45 974
Tax expense	—	—	—	—	—	—	(3 167)	(3 167)
Profit after tax	135 210	(51 094)	17 881	5 950	4 751	18 883	(88 774)	42 807
Segmental assets	582 932	249 774	193 383	357 860	240 587	46 147	82 227	1 752 910
Segmental liabilities	(256 349)	(21 375)	(81 757)	(49 740)	(128 992)	(1 286)	(123 744)	(663 243)
Other information								
Capital expenditure on property, plant and equipment	21 408	8 258	7 496	20 706	1 360	2 383	386	61 997
Depreciation	33 643	10 450	4 497	12 557	2 103	1 902	350	65 502

Information about geographical areas and customers

Refer to note 5 for information about the geographical areas where the Group operates in, as well as an analysis of revenue by customer.

Notes to the Financial Statements
for the year ended 31 March 2022

1. General information
Crookes Brothers Limited (the Company) is incorporated in the Republic of South Africa. The addresses of its registered office and principal place of business are disclosed in the inside back cover. The principal activities of the Company and its subsidiaries are described in the Directors' Report.

2. Adoption of new and revised standards
New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs have been adopted in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years and are mandatorily effective.

Standard/Interpretation	Effective date: Years beginning on or after
IFRS 9, IAS 39 and IFRS 7 – Phase 2 amendments (Interest Rate Benchmark Reform and its effects on Financial Reporting)	1 January 2021

New and revised IFRS standards in issue but not yet effective

Standard/Interpretation	Effective date: Years beginning on or after	Expected impact:
2018 – 2020 Annual Improvements Cycle – Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	1 January 2022	Low/no impact
IAS 37 – Provisions, contingent liabilities and contingent assets (Amendment: Onerous contracts – cost of fulfilling a contract)	1 January 2022	Low/no impact
IAS 16 – Property, plant and equipment (Amendment: Proceeds before intended use)	1 January 2022	Low/no impact
Conceptual framework for financial reporting (Amendments to IFRS 3)	1 January 2022	Low/no impact
IAS 1 – Presentation of Financial Statements (Amendment: Classification of liabilities as current or non-current)	1 January 2023	Low/no impact
IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2 (Amendment – Disclosure of Accounting Policies)	1 January 2023	Low/no impact
IAS 8 – Accounting policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Accounting Estimates)	1 January 2023	Low/no impact
IAS 12 – Income Taxes (Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	1 January 2023	Low/no impact
IFRS 17 – Insurance Contracts	1 January 2023	Low/no impact

At the date of authorisation of these financial statements, the Group has not applied the above new and revised IFRS Standards that have been issued but are not yet effective. The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company or Group in future periods.

3. Significant accounting policies

BASIS OF PREPARATION
The financial statements have been consistently prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act 2008 of South Africa and the JSE Listings Requirements. Further these financial statements have been prepared in compliance with the Company's Memorandum of Incorporation. The historical cost basis is used except for investment property (see note 17), biological assets (see note 23) and certain financial instruments (see note 20) that are reported 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 current 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 Rands (ZAR) to Meticais (MZN).

Transactions in currencies other than in the entity's functional currency relate to the Group's Mozambique and Zambia operations. The results 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 prevailing on the statement of financial position date;
- Income and expense items at the average exchange rates for the period; and
- Equity items at the exchange rate prevailing on the date they arose.

Exchange differences on translating foreign operations are 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 when required by IFRS or where restatement results in a more meaningful comparison to current year figures.

BASIS OF CONSOLIDATION

3.1 Investments in subsidiaries

At each reporting date, 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 14 investees as controlled subsidiaries (see note 21). All subsidiaries have the same financial reporting period of 31 March.

Of these 14 investees, the Group held the majority share capital and voting rights in 11 of them, thus giving the Group majority voting power to affect the operating and financial returns of these 11 investees.

With regards to the other three subsidiaries, Bellcro Farming (Pty) Ltd ("Bellcro"), Libcro Farming (Pty) Ltd ("Libcro") 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.

3.2 Investments in joint venture and associates

See note 22 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 Silverlands Mozambique Holdings Limited ("SMHL") (see note 22), 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 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 22 on an arm's-length basis.

Notes to the Financial Statements continued

for the year ended 31 March 2022

STATEMENT OF PROFIT OR LOSS TRANSACTIONS AND EVENTS

3.3 Revenue

The Group 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 5 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 and property revenue through the development and sale of residential units.

Sugar cane

Revenue is recognised at a point in time when the cane is delivered to the sugar mills.

Deciduous fruit

Revenue is recognised at a point in time on delivery to Two-A-Day Group ("TAD") and Western Cape Fruit Processors.

IFRS 15 gives specific guidance on dealing with variable considerations associated with price risk and requires an estimate of the expected transaction price to be made. Refer to note 4.5. Since the Group has sufficient data to estimate variable pricing considerations, the Directors have applied these estimates based on this data. The Group recognises revenue for fruit still in bins but not yet packed, on delivery to TAD.

Bananas

Revenue is recognised at a point in time on delivery of packed banana cartons to Lebombo Growers (Pty) Ltd ("Lebombo").

Macadamias

Revenue from the sale of macadamias is recognised at a point in time when the Group's various customers take delivery.

Property

Revenue from the sale of completed residential units is recognised at a point in time on transfer of ownership to buyers through occupation of a completed unit.

Other operations

Other operations revenue comprises revenue from rental income from leased buildings, tourism revenue and utility services related to the property development. The majority of sales proceeds are received over a 30-day period (in the case of rental income and utility services) and in cash with regards to the tourism segment.

Company revenue

The Company being a purely investment holding Company, derives its revenue in the form of interest income, dividend income, management fees, consulting fees and surety fees from related parties. Company interest income is mainly charged to fellow subsidiaries at prime and Jibar linked rates, and measurement is in accordance with IFRS 9. Dividend income earned is from fellow subsidiaries. Surety fees are charged at 2% of the average loan balance outstanding at each period end. Management and consulting fees are charged based on actual hours worked with an added arm's-length mark-up. Performance obligation is satisfied once the management or consulting service has been rendered.

3.4 Investment income

Dividend and interest income disclosed in note 10 are earned from the Group's range of financial assets and positive bank balances respectively. Due to the Company being an investment holding Company (see note 3.3 above), investment income constitutes revenue in the Company's statement of profit or loss.

3.5 Taxation

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 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 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 recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

3.6 Dividends

Dividends declared by the Group and Company to its shareholders and community partners are charged against reserves in the period declared, and raised as an outstanding payable until settled. Refer to note 14 for details of dividends declared by the Group and Company.

STATEMENT OF FINANCIAL POSITION LINE ITEMS

3.7 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 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 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 and equipment was depreciated on the straight-line basis using the rates set out below:

- Land – owned — not depreciated
- Leased land in Mozambique — 100 years
- Leased land in Zambia — 100 years
- Buildings and housing — 30 – 50 years
- Capital work-in progress — not depreciated until brought into use
- Plant and other assets — 3 – 25 years
- Sugar cane roots — 7 – 9 years
- Banana palms — 9 years
- Deciduous fruit trees — apples – 26 years, pears – 24 years
- Macadamia trees — 25 years

Depreciation is recognised directly in profit or loss. Management reviews the residual values, useful lives and depreciation methods annually.

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

3.8 Borrowing costs

Finance costs incurred as a consequence of raising development finance for the Murrimo macadamia expansion, have been capitalised to the associated "qualifying bearer assets", as borrowing costs.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Refer to note 11 for disclosure relating to borrowing costs.

3.9 Investment property

Residential units occupied by customers under reversionary sale and transfer obligation ("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. Refer to note 17 for disclosure relating to investment property.

3.10 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.

Sugar cane roots and deciduous fruit trees that do not provide acceptable yields, are routinely grubbed out, and in some cases prior to the end of their expected useful lives. Refer to note 7 for details of impairment, to these bearer assets.

Regarding its financial assets held at amortised cost, the Group recognises lifetime expected credit losses (ECL). Refer to note 37.3 for a detailed analysis.

3.11 Financial instruments

On initial recognition, the Group measures its financial assets and financial liabilities at fair value.

Financial assets

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 20.1 and 20.2. These financial assets are classified as either fair value through other comprehensive income ("FVTOCI") or amortised cost.

Subsequent measurement

The investment in Elgin is held at fair value, with changes in fair value being recognised in other comprehensive income (FVTOCI) and accumulated in the 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. The investment in these companies is based on signed agreements, whereby the value of the shares to the Group in these companies, is limited to their cost. Therefore the Directors have measured these investments at cost, which they assess to be the closest approximation of fair value. Refer to note 20.3 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 using the effective interest method.

Cash and cash equivalents which include cash on hand and in banks, are measured at amortised cost using the effective interest method.

Financial liabilities

The Group has financial liabilities, in the form of a bank overdraft, interest-bearing borrowings, RTO obligations, prepaid lease income and trade and other payables. These financial liabilities are classified as financial liabilities at amortised cost.

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

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.

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.

Refer to notes 17, 21, 29, 31, 34 and 37 for disclosures related to financial liabilities.

Subsequent measurement

The financial liabilities are measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expires.

3.12 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 on initial recognition and at the end of each reporting date at fair value. Fair value is based on current estimated market prices for the following season, less the estimated costs of harvesting, transport, packing and point-of-sale costs.

3.13 Inventories

Inventories which include consumable stores (fertiliser, chemicals, fuel, spare parts etc), merchandise, livestock, property (development and sale) and grown nursery plants are valued 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.

Property for development and sale relates to the Renishaw Hills development and includes the cost of land and development.

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

3.14 Employee benefits

Retirement funds

In South Africa, the Company 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 Company 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.

Retirement benefit surplus

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 Company 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 has been created, and this surplus has been utilised to cover these costs as disclosed in note 33.2.

In other geographical locations in which the Group operates – Eswatini, 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 recognised as a provision. See note 35 for disclosure pertaining to severance allowance.

Post-employment medical aid obligation

Historically, qualifying employees have been granted certain post-retirement medical benefits. The post-retirement medical benefit option is now closed and the Company's obligation in respect of post-employment medical aid relate solely to past employees of the Company referred to as Continuation and Widow(er) Members ("CAWMs"). See note 33.1 for the actuarial valuation of the liability.

3.15 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 note 27 for management's assessment in classifying the property, plant and equipment of Riversbend, as held for sale.

3.16 Investment revaluation reserve

The investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of financial assets referred to in note 20.1 that have been recognised in other comprehensive income. For equity instruments designated at FVTOCI the reserve is transferred to retained earnings when sold. This transfer is made within the statement of changes in equity.

3.17 Foreign currency translation reserve

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

3.18 Treasury shares

The Group and Company has purchased some of its own shares for the purpose of the Deferred Bonus Scheme (DBS). These are deemed treasury shares as they are conditionally returnable. Refer to note 3.19 for an explanation of the DBS. The costs relating to the acquisition of treasury shares as well as gains or losses on disposal or cancellation of treasury shares are recognised directly in equity.

Refer to note 28.4 for details on the treasury shares purchased.

3.19 Share-based payment reserve

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

Equity-settled share-based payments are measured at fair value at the grant date. 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 Company 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. Refer to note 36 for disclosure relating to the employee share incentive scheme.

Share option scheme

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, subject to Remuneration Committee approval. 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.

Deferred bonus scheme

The Deferred Bonus Scheme ("DBS") was introduced in 2020, whereby a portion of a qualifying employee's bonus is settled in forfeitable shares of the Company. The shares enjoy all shareholder rights, including dividends and voting rights. The DBS runs parallel to the Group's existing share option scheme.

No more than 5% of the Company's total shares can be awarded, and no single employee will be permitted to hold more than 1% of the Company's shares. The shares purchased by the Group under the DBS are held as treasury shares by the Group until vesting date.

The vesting of the shares is subject to continued employment for a period of three years or the employee will forfeit the shares.

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. The transaction is measured at the fair value of the equity instrument at the grant date.

Refer to note 28.5 and 36 for disclosure relating to the DBS.

3.20 Obligations to return 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 was opposite but equal to the carrying amount of the associated bearer asset sugar cane roots and banana palms. Refer to note 30.

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.

3.21 Leases

The Group – as lessee

The Group recognises right-of-use assets and lease liabilities in its statement of financial position.

For leases of a short-term (12 months or less) or low value assets of R100 000 or less (printers and copiers), the Group recognises the lease payments on a straight-line basis over the term of the lease.

Lease liabilities

The Group's lease liabilities are disclosed in note 31.

Lease payments included in the measurement of the lease liabilities comprise lease payments that depend on year-on-year CPI rates.

Lease payments are initially measured using the index rates at lease inception and subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease payments change due to changes in the CPI rate or a change in expected payment, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate.

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets

The Group's right-of-use assets are disclosed in note 16.

The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, and any lease payments made. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The Group's right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. In the case of the Mawecro and Libcro leases, these are depreciated over the lease terms of 20 and 30 years respectively.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, Plant and Equipment" and "Impairment" policy per 3.7 and 3.10 above.

Other lease arrangements

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss. Refer to note 32 for a disclosure of the Group's lease payments recognised as an expense in profit or loss.

The Group – as lessor

Leases for which the Group is a lessor are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

3.22 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. Leave is forfeited if not used in the following leave cycle or when it reaches the leave cap.

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 been achieved.

The provision for severance allowances is based on terms included in the collective agreements between the labour unions and the Group's Eswatini and Zambia subsidiaries. The severance allowance is calculated based on number of years' service, age of employee and the applicable daily pay-rate.

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

Preparing 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 Libcro Farming (Pty) Ltd – acquired October 2008

Libcro Farming (Pty) Ltd ("Libcro") is a subsidiary of the Group although the Group only owns a 45% equity share of Libcro. 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 Libcro 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 Libcro and ultimately affect its returns. Therefore, the Directors concluded that the Group has control over Libcro and accordingly the entity has been recognised as a subsidiary as part of the consolidated financial statements.

4.2 Control over Mawecro Farming (Pty) Ltd – acquired April 2016

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 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 as part of the consolidated financial statements.

Notes to the Financial Statements continued

for the year ended 31 March 2022

4.3 Control over Bellcro Farming (Pty) Ltd – acquired June 2017

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 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 as part of the consolidated financial statements.

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

Note 22 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.

4.5 Variable pricing considerations over the recognition of revenue

The Group recognises revenue under IFRS 15. 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 regulatory sugar 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, however, final settlement is usually by 12 months after the Group's financial year end. 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/weakening 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. Refer to note 37.3 for further disclosure relating to forward-looking assumptions and calculations relating to the Group's deciduous fruit revenue receivables.
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

The Group's property division enters 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 has an option to repurchase these properties at the original discounted selling price at a later stage, the Directors assessed that the Group would be exposed to changes in the capital 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 Directors review the appropriateness of the functional currency on an annual basis, and concluded MZN as being the functional currency of the Murrimo operations for the current reporting period, due to a significant portion of revenue, operating expenditure and capital expenditure no longer being ZAR denominated. Therefore the functional currency of the Group's Murrimo Mozambique operations has been reviewed and assessed as Meticais (MZN).

4.8 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.

4.9 Post-retirement medical obligations

Post-retirement medical obligations are provided for certain existing and former employees. See note 33.1. 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.

4.10 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 Chief Financial Officer, 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.

In estimating the fair value of the biological assets, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages suitable leaders 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 macadamia customers, to establish the appropriate valuation techniques and prices.

Refer to note 23.2 for the valuation inputs applied in determining the fair value of biological assets at the end of the reporting period and note 38 for the fair value hierarchy of the Group's biological assets.

4.11 Non-producing macadamia trees

The Group's macadamia orchards are accounted for under IAS 16. In addition to direct and agricultural costs capitalised, non-producing orchards also get a proportionate share of overhead costs allocated to them. Management considered a fair proportion of these admin costs to be directly attributable and necessarily incurred, to build up the bearer asset to get it from a state of non-producing, to a state that is producing.

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. In terms of classification, the obligation is presented as non-current on the statement of financial position. In the event of the death of an occupant and surviving spouse, it would take the master of the court longer than 12 months to wind up the estate, upon which, only then can legal title to the unit be transferred to the Group, thereby extinguishing the obligation.

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 18.

4.14 Discount rate applied to IFRS 16 lease liabilities

The Directors utilised the incremental borrowing rate as allowed in the standard, based on:

- Security offered by the respective companies, to acquire loan finance should it purchase the respective farms – which would typically include offering the farm itself as security.
- The credit ratings of Mawecro and Libcro to secure the most competitive borrowing rate.
- Annual and term-loans presently secured by Mawecro and Libcro, and the associated average applicable borrowing rates on these loans.

In assessment of the criteria above, both Mawecro and Libcro have secured revolving credit and long-term loan finance at between prime less 1.5% and prime plus 2% from Akwandze Agricultural Finance.

The Directors therefore concluded that the most appropriate discount rate is the prevailing borrowing rate based on the average financing rate granted to these companies from Akwandze or similar financial institutions like the Land Bank.

For the current and prior reporting period, the incremental borrowing rate was calculated to be 8.33%.

4.15 Recoverability of investments in subsidiaries

In assessing the recoverability of the Company's investments in its subsidiaries, the Directors consider all forward-looking information in the form of discounted cash-flows (DCFs), project internal rates of return (IRR), as well as feasibility studies. The Company employs the use of independent external valuators to perform valuations of all its land (owned or leased), including all related immovable properties, dams, irrigation equipment and water-installations situated thereon.

	Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
5. Revenue				
The following is an analysis of revenue for the year:				
By reportable segment				
Sugar cane	374 906	391 082	–	–
Deciduous fruit	101 918	93 094	–	–
Bananas	103 007	82 633	–	–
Macadamias	44 432	25 913	–	–
Property	33 355	24 172	–	–
Other operations				
Lease rental	8 206	10 326	–	–
Utility services related to property development	5 893	4 517	–	–
Tourism	6 885	3 846	–	–
Management and consulting fees	–	–	28 000	24 239
Surety fees	–	–	1 828	1 765
Investment income	–	–	15 805	25 991
	678 602	635 583	45 633	51 995
By geographic segment				
South Africa	468 603	448 522	45 633	51 995
Foreign countries				
Eswatini	137 139	133 281	–	–
Zambia	28 428	27 867	–	–
Mozambique	44 432	25 913	–	–
	678 602	635 583	45 633	51 995
By customer percentage				
Sugar cane				
– RCL Foods, Sugar and Milling	30%	34%	–	–
– Illovo Sugar	26%	28%	–	–
Deciduous fruit				
– Two-A-Day	13%	13%	–	–
– Western Cape Fruit Processors*	2%	1%	–	–
Bananas				
– Lebombo Growers	15%	13%	–	–
Macadamias				
– Various	7%	4%	–	–
Property				
– Various	5%	4%	–	–
Other operations				
– Various	2%	3%	–	–
Management and consulting fees				
– Related parties	–	–	60%	46%
– External customers	–	–	2%	1%
Surety fees				
– Related parties	–	–	4%	3%
Investment income				
– Related parties	–	–	33%	49%
– External customers	–	–	1%	1%
	100%	100%	100%	100%

* *Formerly known as Elgin Fruit Juices Proprietary Limited.*

	Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
5. Revenue continued				
By customer revenue				
Sugar cane				
– RCL Foods, Sugar and Milling	200 808	215 677	–	–
– Illovo Sugar	174 098	175 405	–	–
Deciduous fruit				
– Two-A-Day	86 847	84 284	–	–
– Western Cape Fruit Processors*	15 071	8 810	–	–
Bananas				
– Lebombo Growers	103 007	82 633	–	–
Macadamias				
– Various	44 432	25 913	–	–
Property				
– Various	33 355	24 172	–	–
Other operations				
– Various	20 984	18 689	–	–
Management and consulting fees				
– Related parties	–	–	27 089	23 303
– External customers	–	–	911	936
Surety fees				
– Related parties	–	–	1 828	1 765
Investment income				
– Related parties	–	–	15 557	25 747
– External customers	–	–	248	244
	678 602	635 583	45 633	51 995

* *Formerly known as Elgin Fruit Juices Proprietary Limited.*

	Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
6. Trading profit/(loss) before expected credit losses and depreciation and impairments				
Trading profit/(loss) before expected credit losses and depreciation and impairments includes the following:				
Other operating gains/(losses):				
Net unrealised foreign exchange (losses)/gains	(1 690)	1 894	—	—
Gain arising on changes in fair value of investment property (see note 17)	20 620	8 644	—	—
Income from the sale of sand and stone	585	480	—	—
Consultancy fee income	2 717	2 980	—	—
Sundry income[1]	5 637	5 060	63	414
Disclosable expenses:				
Direct costs[2]	78 824	69 472	—	—
Agricultural costs[2]	232 828	204 109	—	—
Haulage and transport expenses[2]	35 151	31 728	—	—
Cost of property developed and sold	25 737	17 830	—	—
Auditors' remuneration				
Audit fees – current year provision	2 361	2 340	247	220
Audit fees – prior year	101	34	146	82
Audit fees – travel and disbursements	84	35	—	13
Fees for other services	378	1 276	152	523
Legal fees	2 532	2 842	429	582
Consulting and professional fees	6 512	5 728	1 261	1 463
Employee costs	238 481	248 138	29 588	32 410
Post-employment medical aid credit (see note 33.1)	(59)	(72)	(59)	(72)
Share based payment expense (see note 28.5)	3 175	—	2 126	—
Lease payments for short-term and low value assets (see note 32.1)	6 019	2 791	1 482	1 428

[1] *Sundry income includes proceeds from the sale of beans for R4.3 million (2021: R3 million) in Mpumalanga, which is a break-crop to the estate's sugar cane replant season.*

[2] *Employee costs directly related to these categories has been disclosed under employee costs.*

	Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
7. Depreciation and impairments				
Leasehold land rights	510	142	—	—
Buildings and housing	1 583	1 500	25	30
Plant and other assets	32 820	33 052	353	361
Bearer assets[1]	20 524	20 464	—	—
Right-of-use assets	10 856	10 344	—	—
	66 293	65 502	378	391

[1] *Includes an amount of R3.4 million relating to the impairment of sugar cane and deciduous fruit bearer assets.*

	Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
8. Expected credit losses (ECL)				
Trade and other receivables (see note 25)	(257)	(532)	—	—

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000

9. Non-trading items

Non-trading items cover those amounts that are not considered to be of a trading nature. During the current and prior year, the Group and Company disposed of various forms of property, plant and equipment through the sale of farms and on an item-by-item basis.

The gains/(losses) realised on these sales are considered to be non-trading, and are reconciled as follows:

	Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
Loss on disposal – High Noon farm[1]	—	(54 875)	—	—
Gain on disposal – Riversbend farms[2]	35 953	14 319	—	—
Gain on disposal – Strathmore farm[3]	—	6 628	—	—
Gain on disposal – Mpambanyoni Sands investment[4]	17	—	—	—
Net losses on disposal – general items	(543)	(157)	(22)	—
	35 427	(34 085)	(22)	—

[1] *The High Noon farm and related immovable and movable assets were sold in the prior year for a consideration of R95 million. Of the R95 million selling price, R5 million was allocated to the sale of consumable inventory and deciduous trees, R6.5 million to movable fixed assets and R83.5 million to the property and other immovable fixed assets. Of the R83.5 million allocated to the property, R75.15 million was paid to the Group in cash, with the balance of R8.35 million held in Escrow.*

R5.35 million of the Escrow amount was paid to the Group in April 2021, with the balance of R3 million received shortly after conclusion of the 2022 financial year.

There has been no increase in the risk of default on the balance of the Escrow payment due, as the Group has satisfied the remaining conditions necessary to trigger the remaining Escrow release. The Group therefore in accordance with IFRS 9, recognises 12-month ECL for this debtor, which during the year was assessed as immaterial.

[2] *Remaining portions of the Farm Riversbend and Nkwalini Valley were sold for R30.1 million and R8.5 million respectively. The proceeds which was paid by three buyers, was received in cash. In the prior year three portions were sold for R30 million and R2.5 million respectively.*

The assets disposed of included the land as well as associated buildings, housing, irrigation equipment and other immovable fixtures and fittings.

[3] *The Strathmore sugar cane farm in Malelane was disposed of in the prior year for a purchase price of R16.5 million. R2 million was paid to the Group as a cash deposit upfront, with the balance of the purchase price of R14.5 million together with interest thereon at 8.5%, payable via an instalment sale agreement over 10 years. Refer to note 20.3 for the ECL assessment considerations performed by management with regards to the instalment sale portion of the purchase price owing.*

[4] *The investment in the associate Mpambanyoni Sands Proprietary Limited was disposed of to the remaining shareholders.*

	Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
10. Investment income				
Interest received on loans and bank deposits	6 519	3 699	—	—
Dividends received from unlisted equity investments	67	58	—	—
	6 586	3 757	—	—
11. Finance costs				
Interest on bank overdrafts and loans (see note 29)	15 175	19 730	3 897	9 225
Interest on loan from Two-A-Day Group	—	1 000	—	—
Interest on obligations under instalment sale agreements (see note 29)	32	110	—	—
Interest on reversionary sale and transfer obligations (see note 17)	2 470	1 270	—	—
Interest on lease liabilities (see note 16.2)	12 894	12 946	—	—
Other interest expense	48	129	—	—
	30 619	35 185	3 897	9 225
Less: Borrowing costs capitalised to qualifying asset*	(4 624)	—	—	—
	25 995	35 185	3 897	9 225

* *Borrowing costs directly attributable to the expansion of the Mozambique macadamia farm.*

		Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
12. Tax expense					
Current tax					
South Africa	– current year	10 408	8 642	291	232
	– prior year	(180)	(165)	—	(143)
Eswatini	– current year	3 937	9 628	—	—
	– prior year	—	2	—	—
Zambia	– current year	326	1 101	—	—
Deferred tax					
South Africa	– current year	1 499	(18 741)	(770)	(888)
	– prior year	(541)	(381)	(73)	65
	– effect of change in tax rate	(1 770)	—	147	—
Eswatini	– current year	(1 352)	136	—	—
Zambia	– current year	841	620	—	—
Mozambique	– current year	(245)	2 181	—	—
	– prior year	70	94	—	—
		12 993	3 117	(405)	(734)
Recognised in:					
Profit or loss		13 120	3 167	(278)	(684)
Other comprehensive income (OCI) – see note 33.1		(127)	(50)	(127)	(50)
		12 993	3 117	(405)	(734)
Reconciliation of rate of tax					
Standard rate of tax	(%)	28.0	28.0	28.0	28.0
Tax expense for the year can be reconciled to the accounting profit as follows:					
Profit/(loss) before tax		92 106	45 974	(6 583)	(1 571)
Tax calculated at 28% (2021: 28%)*		25 790	12 873	(1 843)	(439)
Exempt equity accounted income from associate		(4 687)	(3 816)	—	—
Employment tax incentives exempt from tax		(1 243)	(1 550)	—	—
Gain on disposal of property, plant and equipment		(10 097)	(8 313)	—	—
Loss on disposal of property, plant and equipment		30	2 873	—	—
Exempt dividend income		(47)	(16)	—	(840)
Exempt interest income		(792)	(14)	(20)	(14)
Unrealised foreign exchange differences		512	815	—	—
Learnership allowances		(517)	(495)	(76)	(34)
Other aggregated exempt income – individually immaterial		(209)	(225)	—	—
Legal fees of a capital nature		309	371	30	84
Non-deductible fines, penalties and interest		3	41	—	—
Non-deductible donations		27	85	2	—
Transfer pricing adjustments		239	291	239	291
Initiation fees paid to financial institutions of a capital nature		—	630	—	—
Consulting fees of a capital nature		60	93	17	56
Commission paid on sale of land		—	953	—	—
Commission paid on sale of aircraft		—	165	—	165
Other aggregated permanent disallowables – individually immaterial		1 530	594	1 009	14
Withholding tax		312	861	291	111
Adjustment for income recognised in OCI		(128)	(50)	(128)	(50)
Unused tax losses not recognised as deferred tax assets		32	58	—	—
Effect of different tax rates of subsidiaries operating in other jurisdictions		(1 156)	(4 268)	—	—
Effect of capital gains tax at an inclusion rate of 80.0% (2021: 80.0%)		5 446	1 611	—	—
Effect of change in tax rate		(1 770)	—	147	—
		13 644	3 567	(332)	(656)
Prior year overprovision		(651)	(450)	(73)	(78)
Tax expense		12 993	3 117	(405)	(734)
Effective rate of tax	(%)	14.1	6.8	0.0	0.0

* *The tax rate used for the 2022 and 2021 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.*

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
12. Tax expense continued				
Reconciliation of tax paid				
Amount refundable/(payable) at the beginning of the year	4 859	4 606	532	(200)
Current year	(14 491)	(19 208)	(291)	(89)
Exchange differences arising on translation	277	(554)	—	—
Withholding tax expensed	(461)	—	—	—
Withholding tax written off	129	113	129	113
Amount refundable at the end of the year	(10 003)	(4 859)	(345)	(532)
Tax (paid)/received	**(19 690)**	(19 902)	**25**	(708)

13. Earnings per share

	Group	
	2022 cents	2021 cents
13.1 Basic earnings per share		
Total basic earnings per share	410.2	152.2
13.2 Diluted earnings per share		
Total diluted earnings per share	410.2	152.2

Diluted earnings per share is capped at the basic earnings per share, as the current share based payment rewards are anti-dilutive.

	2022 R'000	2021 R'000
The earnings used in the calculation of basic and diluted earnings per share are as follows:		
Profit for the year	78 986	42 807
Adjusted for non-controlling interest	(16 376)	(19 572)
Earnings used in the calculation of basic and diluted earnings per share	**62 610**	23 235

	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	270 753	363 808
Adjusted weighting based on average market price of options and average Company share price for the year	(307 837)	(396 413)
Weighted average shares used in the calculation of diluted earnings per share	**15 227 233**	15 231 712

Notes to the Financial Statements continued

for the year ended 31 March 2022

13. Earnings per share continued

13.3 Headline earnings per share

	Group		
	Gross R'000	Tax R'000	Net R'000
Reconciliation of headline earnings			
2022			
Profit for the year attributable to owners of the Company			62 610
Adjusted for:			
Gain on disposal – Riversbend farms	(35 953)	10 067	(25 886)
Net losses on disposal – general items	589	(165)	424
Gain on disposal of investment in associate	(17)	5	(12)
Loss arising on impairment of property, plant and equipment	3 404	(930)	2 474
Gain arising on changes in fair value of investment property	(6 034)	1 466	(4 568)
Headline earnings	(38 011)	10 443	35 042
2021			
Profit for the year attributable to owners of the Company			23 235
Adjusted for:			
Loss on disposal – High Noon farm	54 875	(15 365)	39 510
Gain on disposal – Riversbend farms	(14 319)	4 009	(10 310)
Gain on disposal – Strathmore farm	(6 628)	1 856	(4 772)
Net losses on disposal – general items	157	(44)	113
Gain arising on changes in fair value of investment property	(8 644)	2 420	(6 224)
Headline earnings	25 441	(7 124)	41 552

	Group	
	2022 cents	2021 cents
Headline earnings per share	229.6	272.2

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

13.4 Diluted headline earnings per share

	Group	
	2022 cents	2021 cents
Headline earnings per share (diluted)	229.6	272.2

Headline earnings per share (diluted) is derived from headline earnings, 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 earnings per share, as the current share based payment rewards are anti-dilutive.

14. Dividends

In respect of the current year, the Directors have resolved to not declare a final dividend for the current financial year (2021: 50.0 cents per ordinary share).

15. Property, plant and equipment

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Cost				
Freehold land	50 107	52 796	1 144	1 144
Leasehold land/land rights	21 573	22 518	—	—
Buildings	68 349	75 500	826	2 901
Property development infrastructure	55 552	55 549	—	—
Bearer assets	497 898	463 348	—	—
Plant and other assets[1]	362 379	449 767	2 189	11 629
Plant and other assets under instalment sale agreements	—	2 696	—	—
Capital work in progress	34 329	27 021	145	29
	1 090 187	1 149 195	4 304	15 703

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
15. Property, plant and equipment continued				
Accumulated depreciation				
Leasehold land/land rights	1 408	1 163	—	—
Buildings	14 717	25 805	467	2 517
Property development infrastructure	7 295	5 451	—	—
Bearer assets	144 540	116 320	—	—
Plant and other assets[1]	148 666	242 209	1 185	10 806
Plant and other assets under instalment sale agreements	—	2 177	—	—
	316 626	393 125	1 652	13 323
Net book value	773 561	756 070	2 652	2 380
Reconciliation of net book value				
Net book value at beginning of year	756 070	937 985	2 380	2 385
Additions:				
– Buildings	7 252	1 727	—	—
– Property development infrastructure	64	36	—	—
– Bearer assets	43 998	35 032	—	—
– Plant and other assets	50 789	16 853	556	397
– Capital work in progress	32 698	23 175	145	29
– *Less:* transfer from capital work in progress to completed assets	(26 439)	(14 826)	(29)	(40)
Depreciation and impairments (see note 7 for details by asset category)[2]	(55 437)	(55 158)	(378)	(391)
Adjustment to leased bearer assets	(7 363)	(8 291)	—	—
Disposals:				
– Freehold land	(2 689)	(98 239)	—	—
– Buildings	—	(5 213)	—	—
– Bearer assets	—	(45 239)	—	—
– Plant and other assets	(1 651)	(23 492)	(22)	—
Effect of foreign currency exchange differences	(23 731)	(8 280)	—	—
Net book value at end of year	773 561	756 070	2 652	2 380
Included in the financial statements as:				
Non-current	773 561	751 297	2 652	2 380
Current – held for sale (see note 27)	—	4 773	—	—
	773 561	756 070	2 652	2 380
By geographic segment				
South Africa	318 034	315 906	2 652	2 380
Foreign countries				
Eswatini	120 378	117 504	—	—
Zambia	28 378	17 548	—	—
Mozambique	306 771	305 112	—	—
	773 561	756 070	2 652	2 380

[1] *Included in this category are intangible assets with a cost and accumulated depreciation of R1.5 million (2021: R5.9 million), which relate to EIA approvals, water rights and ERP software.*

[2] *Useful lives of assets were re-assessed during the current year resulting in a change in estimate of R1.6 million.*

The Group applies the depreciated historic cost model, in that property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is not depreciated, however leasehold land and land rights are amortised over the remaining period of the Group's leases in the jurisdictions they operate in.

The leasehold land/land rights disclosed above relate to the purchase of 100 year leases in Mozambique and Zambia. The remaining lease terms are 90 years and 53 years, respectively. Refer to note 16 for other leased farmland disclosed as right-of-use assets.

The net book value/depreciated historic cost of the Group's freehold and land rights during the current reporting period totalled R70.2 million. A valuation conducted over the Group's land during the financial year by an independent valuator determined the market value of the Group's land to be R1.67 billion.

15.1 Details of encumbrances and assets pledged as security

Refer to note 29.8 for details of assets encumbered.

	Group 2022 R'000	Group 2021 R'000
16. Right-of-use assets		
16.1 Leased farmland		
Cost	179 648	174 661
Accumulated depreciation	(30 861)	(20 005)
Net book value	148 787	154 656
Reconciliation of net book value		
Net book value at beginning of year	154 656	160 145
Additions – remeasurement of CPI linked lease payments	4 987	4 855
Depreciation	(10 856)	(10 344)
Net book value at end of year	148 787	154 656

Refer to note 3.21 of the accounting policies for details of the Group's right-of-use assets in its capacity as a lessee.

At the end of the current reporting period, the remaining lease terms were as follows:

– Mawecro farmland lease: 14 years
– Libcro farmland lease: 17 years

All right-of-use assets are situated in South Africa.

The Group does not have any options to purchase any of the above assets at the end of their associated lease terms. The Group's obligations are secured by the respective lessors' title to these leased assets.

Refer to lease liabilities in note 31.

	Group 2022 R'000	Group 2021 R'000
16.2 Amounts recognised in profit or loss		
Depreciation expense on right-of-use assets (see note 7)	10 856	10 344
Interest on lease liabilities (see note 11)	12 894	12 946
Expenses relating to short-term leases (see note 32.1)	1 363	1 539
Expenses relating to leases of low value assets (see note 32.1)	387	423
Expenses relating to variable lease payments not included in the measurement of the lease liability (see note 32.1)	4 269	829
	29 769	26 081

As at year end, the Group is committed to R1.2 million (2021: R1.06 million) for short-term leases.

The variable lease payments above include variable lease terms that are linked to tonnages generated by farms upon which the Group's subsidiaries farm. The calculated lease rental is based on the actual tons achieved, which is inherently variable.

The remaining variable lease payments relate to the Group's archiving and storage costs and other immaterial rentals. Variable lease payments constitute up to 2% of the Group's entire lease payments, and are expected to be of a similar proportion in future years.

During the year, the total cash outflow for leases amounted to R24.7 million (2021: R20.9 million).

	Group	
	2022 R'000	2021 R'000

17. Residential units held under reversionary sale and transfer obligations (RTO)

	2022 R'000	2021 R'000
Investment property[1]	113 637	67 152
Other financial liabilities[2]	(74 891)	(44 752)
Net current value of RTO right	**38 746**	**22 400**

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:

	2022 R'000	2021 R'000
Fair value at beginning of year	67 152	41 782
Current year additions	25 865	16 726
Fair value adjustment through profit or loss	20 620	8 644
Fair value at end of year	**113 637**	**67 152**

Refer to note 38 for details of the fair value hierarchy of investment property, all of which is located in Kwazulu-Natal, South Africa.

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

	2022 R'000	2021 R'000
RTO obligations	30 758	17 517
Prepaid lease income	44 133	27 235
	74 891	44 752

Included in lease income is an amount of R3.8 million relating to the prepaid lease income liability. Refer to note 5.

	2022 R'000	2021 R'000
Included in the financial statements as:		
Non-current	70 464	44 752
Current	4 427	—
	74 891	44 752

Refer to note 3.11 of the accounting policies for details of measurement of other financial liabilities.

	Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
18. Deferred tax				
Tax on temporary differences resulting from:				
Agricultural capital development allowances	(47 552)	(49 744)	(42)	(21)
Property capital development allowances	(8 404)	(9 264)	—	—
Investment property	(30 599)	(18 716)	—	—
Reversionary sale and transfer obligations	8 305	4 905	—	—
Prepaid lease income	11 916	7 626	—	—
Consumable stores	(7 779)	(5 128)	—	—
Biological assets	(66 810)	(66 251)	—	—
Right-of-use assets	(40 173)	(43 304)	—	—
Lease liabilities	44 318	46 177	—	—
Other – (provisions)/prepayments	5 544	7 635	2 405	3 042
Tax losses	45 544	39 426	1 612	258
Revaluation of financial assets	(274)	(274)	—	—
	(85 964)	(86 912)	3 975	3 279
The movement on the deferred tax balance for the year was as follows:				
Balance at beginning of year	(86 912)	(103 857)	3 279	2 456
Recognised in profit or loss:				
Current year charge	(743)	15 804	770	888
Agricultural capital development allowances	94	19 956	(3)	(24)
Property capital development allowances	472	323	—	—
Investment property	(13 016)	(7 104)	—	—
Reversionary sale and transfer obligations	4 731	1 894	—	—
Prepaid lease income	3 708	2 990	—	—
Consumable stores	(2 838)	1 152	—	—
Biological assets	(1 999)	(5 400)	—	—
Right-of-use assets	1 643	1 537	—	—
Lease liabilities	(219)	(87)	—	—
Other – (provisions)/prepayments	(1 070)	2 059	(472)	653
Tax losses	7 751	(1 516)	1 245	259
Prior year charge	471	287	73	(65)
Effect of change in tax rate	1 770	—	(147)	—
Effect of foreign currency exchange differences	(550)	854	—	—
	(85 964)	(86 912)	3 975	3 279
Included in the statement of financial position as:				
Deferred tax assets (see 3.5 and 4.13)	29 356	27 138	3 975	3 279
Deferred tax liabilities	(115 320)	(114 050)	—	—
	(85 964)	(86 912)	3 975	3 279

On 23 February 2022, the Finance Minister announced that there will be a reduction in the corporate income tax rate from 28% to 27% for years of assessment ending on or after 31 March 2023. As the tax rate change had been enacted before the Company's financial year end, the deferred tax for South African Group companies has been calculated using the new rate of 27%.

Deferred taxation assets have been recognised on assessed losses and timing differences in the relevant entities which the Group believes it is probable that they will generate a taxable profit in the foreseeable future. The assessments are performed on a continuous basis.

	Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
19. Current tax				
Current tax assets	10 373	6 232	345	532
Current tax liabilities	(370)	(1 373)	–	–
	10 003	4 859	345	532

	Note	2022 Number of shares held	2021 Number of shares held	Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
20. Financial assets							
20.1 Equity investments: at FVTOCI							
Elgin Co-operative Fruitgrowers	20.3.1	1 660 081	1 660 081	166	166	—	—
Villiersdorp Co-operative	20.3.2	304 918	281 940	610	564	—	—
Other farming co-operatives and agribusinesses	20.3.2	—	—	9	9	—	—
Two-A-Day Group	20.3.3	3 111 000	2 966 000	68	67	—	—
Two-A-Day Vacation Station	20.3.4	—	—	5 220	3 820	—	—
		5 075 999	4 908 021	6 073	4 626	—	—
20.2 Loans receivable: at amortised cost							
Libuyile Community Trust	20.3.5	—	—	5 808	5 572	5 808	5 572
Mawewe Communal Property Association	20.3.6	—	—	5 000	—	—	—
Komati Kortpad (Pty) Ltd	20.3.7	—	—	86	86	—	—
Mayo Macs SA	20.3.7	—	—	142	142	45	45
Delta Sieira Limitada	20.3.7	—	—	191	257	—	—
Imvelo Kraal (Pty) Ltd and other	20.3.8	—	—	16 882	15 732	—	50
Renishaw Hills Homeowners Association	20.3.9	—	—	1 925	—	—	—
		—	—	30 034	21 789	5 853	5 667
Total financial assets							
Non-current portion of equity investments: at FVTOCI				6 073	4 626	—	—
Non-current portion of loans receivable: at amortised cost				20 614	19 449	5 853	5 617
Current portion of loans receivable: at amortised cost				9 420	2 340	—	50
				36 107	26 415	5 853	5 667
Included in the financial statements as:							
Non-current				26 687	24 075	5 853	5 617
Current				9 420	2 340	—	50
				36 107	26 415	5 853	5 667

Refer to accounting policies note 3.11 for the recognition and measurement principles applicable to these financial assets.

There were no fair value gains or losses through OCI in the current or prior years. Fair value movements arose purely on additional Villiersdorp Co-op and Two-A-Day investments.

20.3 Management judgements

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 38 for details of the fair value hierarchy of this investment.
2. These investments which are linked to the Group's deciduous farms, are required to be sold back to the co-op's at cost should the Group exit its shareholding. Given that the exit price of the shares in the co-op is at cost, the Directors assessment of fair value is R618 808.
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.

   TAD has a net asset value of R473 million (2021: R484 million). The Group has a 15.81% shareholding in TAD (2021: 16.51%) by being the recipient of "Class A ordinary shares" in TAD.

   These shares do not carry any right to dividends, and have to be sold back to TAD at cost should the Group exit its shareholding in TAD.

   Given that the exit price of the share in the co-op is at cost, the Directors assessment of fair value in TAD is R67 509 (2021: R67 000). See note 1 above for the same judgements applied by the Directors in the valuation of this investment.

20. Financial assets continued

20.3 Management judgements continued

4. The Group holds shares in an unlisted investment for purposes of an employee benefit scheme, in partnership with TAD. Additional shares and participation rights were purchased in the current year at a cost of R1.4 million.

   The Directors assessed that fair value has not changed year on year. See note 1 above for the same judgements applied by the Directors in the valuation of this investment.

5. In 2017 a R4.3 million loan was advanced to the Libuyile Community Trust, an indirect non-controlling shareholder of the Group's subsidiary Libcro Farming (Pty) Ltd.

   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 Libcro 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. During the current reporting period, interest of R0.2 million was charged, however the Directors of the Group agreed by written consent to roll over the annual repayments due, to be deducted against the lease rental owing for the 2022/23 financial year. The Directors consider the loan fully recoverable and have recourse to deduct the capitalised interest-bearing balance against future lease payments. At the end of the current reporting period, there are 17 years remaining on the lease, which the Group may use to deduct the outstanding balance.

   This loan is held at amortised cost in accordance with IFRS 9. The Group recognises lifetime ECL on these loans.

   In terms of the judgement applied, the Directors have assessed that any further ECL is immaterial, due to the fact that the loan is fully recoverable against future lease rentals payable to the LCT. The rental paid for the 2022 financial year was R3.9 million. Refer to note 31 for further details on the lease.

6. The Group advanced an unsecured loan of R5 million to the Mawewe Communal Property Association ("MCPA"), an indirect non-controlling shareholder of the Group's subsidiary Mawecro Farming (Pty) Ltd.

   Per the signed resolution the Group has recourse to deduct the loan off the Mawecro Farm lease payment due in April 2022.

   This loan is held at amortised cost in accordance with IFRS 9. The Group recognises lifetime ECL on these loans.

   In terms of the judgement applied, the Directors have assessed that any further ECL is immaterial, due to the fact that the loan is fully recoverable against the lease rental payable to the MCPA of R15.6 million. Refer to note 31 for further details on the lease.

7. Based on the contractual cash flows and business model associated with these receivables, of which repayments are annual, the Directors are satisfied that these are measured at amortised cost, and that any further ECL is immaterial.

8. On 1 April 2020, the Strathmore sugar cane farm in Malelane was disposed of to Imvelo Kraal (Pty) Ltd ("Imvelo"), at a purchase price of R16.5 million. R2 million was paid to the Group as a cash deposit upfront, with the balance of the purchase price of R14.5 million together with interest thereon, payable via an instalment sale agreement over 10 years.

   A minimum annual repayment of R2.2 million inclusive of interest at 8.5% is due each year.

   This loan is held at amortised cost in accordance with IFRS 9.

   In terms of the judgement applied, the Directors have assessed that any ECL is immaterial, due to the fact that the balance of the R14.5 million purchase price is fully secured against the title deed to the farm, which the Group still holds. The Group accordingly has recourse to take back the farm in the event of default by Imvelo.

9. An amount of R1.9 million has been advanced to Renishaw Hills Homeowners Association ("RHOA") to finance security costs at the Renishaw Hills estate.

   The loan is unsecured, interest free and repayable at the later of the date of completion of the development, cancellation of developer rights or 1 January 2027.

   In terms of the judgement applied, the Directors have assessed that any ECL is immaterial, due to the fact that the loan is fully recoverable based on the strength of the RHOA balance sheet.

20.4 Assessment of significant changes in credit risk

The Group regards "significant changes in credit risk" as factors (default, change in collateral, acts of insolvency and changes in business and economic conditions) arising that materially impact the likelihood of a counter-party defaulting on its payment obligations to the Group. Refer to note 37.3 for the Group's credit risk policy.

There has been no significant increase in the risk of default on the underlying balances since initial recognition.

The Group therefore in accordance with IFRS 9, recognises 12-month expected credit losses ("ECL") for these contracts, which during the year was assessed as immaterial.

21. Investments in subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group 2022 %	2021 %	Shares and loans owing by/(to) subsidiaries 2022 R'000	2021 R'000
Crookes Brothers South Africa (Pty) Ltd ("CBSA")	Farming	South Africa	100	100	283 327	307 737
Mawecro Farming (Pty) Ltd ("MAW")[2]	Farming	South Africa	49	49	30 365	30 006
Libcro Farming (Pty) Ltd ("LIB")[2]	Farming	South Africa	45	45	30 325	24 062
Bellcro Farming (Pty) Ltd ("BEL")[2]	Farming	South Africa	45	45	1 631	3 054
QBV South Africa (Pty) Ltd ("QBV SA")	Farming	South Africa	100	100	3	1
Renishaw Property Developments (Pty) Ltd ("RPD")	Property development and sale	South Africa	85	85	185 668	199 327
Renserv (Pty) Ltd ("REN")[1]	Property services	South Africa	85	—	16 412	—
Mozambique Farms (Pty) Ltd ("MOZ")	Agricultural holding Company	South Africa	100	100	686	686
CBL Agri International (Pty) Ltd ("AGR")	Agricultural holding Company	South Africa	100	100	—	—
CBL Agri Zambia Limited ("ZAM")[2]	Farming	Zambia	100	100	111	1 093
Crookes Plantations Limited ("CPL")	Farming	Eswatini	100	100	(136 110)	(133 561)
Bar J Limited ("BAR J")[2]	Agricultural land holding Company	Eswatini	100	100	1 781	1 781
Murrimo Macadamias Lda ("MML")	Farming	Mozambique	100	100	412 032	402 307
Murrimo Farming Lda ("MFL")	Agricultural land holding Company	Mozambique	100	100	19 733	19 732
					845 964	856 225
Less: Indirectly owned investments					(64 757)	(59 557)
Company's investment in subsidiaries					781 207	796 668

[1] *A new Company was formed during the current year.*

[2] *Indirectly owned.*

Reconciliation of: Company's investment in subsidiaries	Company 2022 R'000	2021 R'000
Shares at cost	254 012	254 012
Capital contributions[1]	431 206	421 482
Loans to subsidiaries[2]	233 026	255 662
Loans from subsidiaries[3]	(137 037)	(134 488)
	781 207	796 668

[1] *These capital contributions are to MML and MFL, and are equity in nature.*

[2] *These loans include unsecured working capital loans to CBSA, ZAM, REN and RPD, bear interest at prime and JIBAR linked rates, and are repayable on demand.*

[3] *These loans are unsecured loans from CPL and Bar J, are interest-free and are repayable on demand.*

Disclosure in the financial statements of: Company's investment in subsidiaries	2022 R'000	2021 R'000
Non-current assets	685 218	675 494
Current assets^	233 026	255 662
Current liabilities^	(137 037)	(134 488)
	781 207	796 668

^ *The Directors consider the amortised costs of the loans to and from subsidiaries to approximate their fair value. Refer to note 37 for ECL considerations.*

Notes to the Financial Statements continued

for the year ended 31 March 2022

21. Investments in subsidiaries continued

21.1 Details of non-wholly owned subsidiaries that have material non-controlling interests

Summarised financial information of the Group's subsidiaries that have a material non-controlling interest is set out in the table below.

These amounts disclosed are eliminated intra-Group in the "Group" sections of these Financial statements.

		Bellcro Farming (Pty) Ltd		Libcro Farming (Pty) Ltd		Mawecro Farming (Pty) Ltd	
Summarised financial information		**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000
Statement of financial position							
Current assets		**8 863**	7 826	**45 480**	38 290	**160 450**	139 615
Non-current assets		**16**	16	**56 112**	57 884	**188 897**	185 524
Current liabilities		**(4 029)**	(5 573)	**(34 268)**	(32 938)	**(32 238)**	(35 600)
Non-current liabilities		**(454)**	(398)	**(52 097)**	(51 381)	**(191 551)**	(187 919)
Equity attributable to owners of the Company		**(1 978)**	(842)	**(6 852)**	(5 335)	**(61 523)**	(49 794)
Non-controlling interests		**(2 418)**	(1 029)	**(8 375)**	(6 520)	**(64 035)**	(51 826)
Statement of profit or loss							
Revenue		**10 430**	7 244	**66 080**	69 896	**228 442**	190 045
Net expenses		**(7 026)**	(6 373)	**(62 124)**	(57 326)	**(191 762)**	(145 618)
Profit before tax		**3 404**	871	**3 956**	12 570	**36 680**	44 427
Tax expense		**(879)**	(207)	**(584)**	(3 504)	**(8 742)**	(12 000)
Profit for the year		**2 525**	664	**3 372**	9 066	**27 938**	32 427
Proportion of non-controlling interests	%	**55**	55	**55**	55	**51**	51
Profit attributable to owners of the Company		**1 136**	299	**1 517**	4 080	**13 690**	15 889
Profit attributable to non-controlling interests		**1 389**	365	**1 855**	4 986	**14 248**	16 538
		2 525	664	**3 372**	9 066	**27 938**	32 427
Statement of cash flows							
Net cash generated from operating activities		**1 253**	2 090	**903**	19 596	**24 790**	19 732
Net cash utilised in investing activities		**—**	—	**(2 611)**	(480)	**(12 823)**	(8 733)
Net cash (utilised in)/generated from financing activities		**(1 484)**	(2 062)	**1 956**	(19 170)	**(10 265)**	(3 600)
Net increase/(decrease) in cash and cash equivalents		**(231)**	28	**248**	(54)	**1 702**	7 399
Dividends paid to non-controlling interests							
Mawewe Communal Property Association		**—**	—	**—**	—	**2 040**	2 040

21.2 Control over subsidiaries

Refer to note 3.1 for the control assessment criteria and to notes 4.1, 4.2 and 4.3 for the significant judgements made by management in assessing control over the subsidiaries listed in 21.1.

21.3 Significant restrictions

During the current reporting period, there were no restrictions on the Group or its subsidiaries ability to access or use the assets and settle the liabilities of the Group.

21.4 Financial support

During the current reporting period, the Group provided letters of continued financial support to subsidiary companies whose liabilities, exceeded its assets, fairly valued. These subsidiaries included Renishaw Property Developments (Pty) Ltd, Renserv (Pty) Ltd, QBV SA (Pty) Ltd and Mozambique Farms (Pty) Ltd.

22. 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.

There is no quoted market value for the investments in the joint venture and associate.

There was a dividend received during the year from the investee, Lebombo Growers (Pty) Ltd of R2.9 million (2021: RNil). There are no restrictions on the ability of the 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 2022	2021
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[1]	Associate	Banana marketing and distribution	South Africa	Co-operative partner and main banana customer	**32.16%**	29.9%
Mpambanyoni Sand (Pty) Ltd[2]	Associate	Dormant	South Africa	Dormant	**—**	28%

[1] *Group purchased additional shares in Lebombo Growers (Pty) Ltd for R3.4 million, increasing shareholding to 32.16%.*

[2] *Group disposed of its 28% shareholding in Mpambanyoni Sand (Pty) Ltd.*

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. The effect of interest income and interest expense is immaterial in these entities.

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

	Silverlands Mozambique Holdings Limited		Lebombo Growers (Pty) Ltd*		Total equity accounted income from joint venture and associate	
Statement of profit or loss and other comprehensive income	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000
Revenue	**41 728**	39 829	**349 588**	336 036	**391 316**	375 865
Expenses	**(26 229)**	(28 031)	**(304 560)**	(297 660)	**(330 789)**	(325 691)
Profit before tax	**15 499**	11 798	**45 028**	38 376	**60 527**	50 174
Tax expense	**(2 743)**	(946)	**(12 608)**	(10 745)	**(15 351)**	(11 691)
Profit for the year	**12 756**	10 852	**32 420**	27 631	**45 176**	38 483
Other comprehensive income for the year	**—**	—	**—**	—	**—**	—
Total comprehensive income for the year	**12 756**	10 852	**32 420**	27 631	**45 176**	38 483
Equity accounted share of profit	**6 314**	5 372	**10 425**	8 256	**16 739**	13 628

* *With regards to Lembonbo, the latest available financial information is as at 2021, hence the Group's share of net assets for reconciliation purposes to the carrying value of the investment, is the same year.*

Notes to the Financial Statements continued

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22. 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:

	Silverlands Mozambique Holdings Limited		Lebombo Growers (Pty) Ltd*		Mpambanyoni Sand (Pty) Ltd		Total investment in joint venture and associates	
Details of investment	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000
Unlisted shares and loans	53 124	49 838	5 228	4 173	–	50	58 352	54 061
Share of retained earnings	5 340	(974)	48 903	38 477	–	(17)	54 243	37 486
Carrying value of investment	58 464	48 864	54 131	42 650	–	33	112 595	91 547

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

					Total investment in joint venture	
Name of investee	**Type**	**Principal activity**	**Place of incorporation and principal place of business**	**Other relationship to Group**	**2022 R'000**	2021 R'000
Silverlands Mozambique Holdings Limited	Joint venture	Banana farming	Mozambique	Fellow subsidiary of Group's majority shareholder SilverStreet	40 804	38 107

Summarised assets and liabilities of the Group's material joint venture, associate companies together with their subsidiaries are as per the following financial information extracted from their latest available financial statements. The Mpambanyoni Sand (Pty) Ltd associate is immaterial.

	Silverlands Mozambique Holdings Limited		Lebombo Growers (Pty) Ltd	
Statement of financial position	**2022 R'000**	2021 R'000	2021* R'000	2020* R'000
Non-current assets	180 783	161 570	104 949	127 754
Current assets	50 754	71 157	100 901	79 179
Total assets	231 537	232 727	205 850	206 933
Non-current liabilities	(109 635)	(129 414)	(12 644)	(37 260)
Current liabilities	(3 793)	(4 598)	(50 468)	(43 957)
Net assets	118 109	98 715	142 738	125 716
Group share of net assets*	58 464	48 864	42 650	37 564

* *With regards to Lebombo, the latest available financial information is as at 2021, hence the Group's share of net assets for reconciliation purposes to the carrying value of the investment, is the same year. The 2020 financial information disclosed has been restated.*

	Group	
	2022 R'000	2021 R'000

23. Biological assets

23.1 Growing crops

	2022 R'000	2021 R'000
Fair value		
Sugar cane	213 628	209 352
Deciduous fruit	18 147	17 725
Bananas	24 955	19 400
Macadamias	49 358	40 032
Fair value at end of year	306 088	286 509
Analysis of fair values of growing crops:		
Fair value at beginning of year	286 509	245 511
Gains arising from changes attributable to volume and price:	13 005	58 515
Sugar cane		
– Loss arising from physical growth/yield	(4 725)	(7 545)
– Loss arising from area under crop to be harvested	(9 972)	(5 049)
– Gain arising from price changes	15 995	35 984
Deciduous fruit		
– Gain/(loss) arising from physical growth/yield	1 338	(1 057)
– Gain arising from area under crop to be harvested	866	14 513
– Loss arising from price changes	(1 782)	(1 058)
Bananas		
– Gain/(loss) arising from physical growth/yield	398	(1 029)
– Gain arising from area under crop to be harvested	552	815
– Gain arising from price changes	4 605	70
Macadamias		
– Gain arising from physical growth/yield	17 540	19 605
– (Loss)/gain arising from price changes	(11 810)	3 266
Disposals:		
Sugar cane		
– Strathmore farm	–	(1 595)
Deciduous fruit		
– High Noon farm	–	(10 352)
Effect of foreign currency exchange differences	6 574	(5 570)
Fair value at end of year	306 088	286 509

In terms of IAS 41: Agriculture, growing crops, comprising sugar cane, deciduous fruit (apples and pears), bananas and macadamias are accounted for as 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. Refer to note 38 for details of the fair value hierarchy of biological assets.

Refer to note 37 for financial risk management strategies

Notes to the Financial Statements continued

for the year ended 31 March 2022

23. Biological assets continued

23.2 Biological asset valuations

The following key assumptions have been used in determining the fair value of biological assets:

		Group 2022 R'000	Group 2021 R'000
Sugar cane			
Expected area to harvest after 31 March			
– South Africa	(ha)	3 496	3 517
– Eswatini	(ha)	2 060	2 375
– Zambia	(ha)	380	393
Total area	(ha)	5 936	6 285
Estimated yields			
– South Africa	(tons/ha)	98.6	98.3
– Eswatini	(tons/ha)	100.0	105.4
– Zambia	(tons/ha)	131.1	135.5
Weighted average		101.2	103.3
Average maturity of cane at 31 March			
– South Africa	(%)	64	64
– Eswatini	(%)	64	64
– Zambia	(%)	64	64
Estimated RV price/ton – South Africa	(Rands)	5 654	5 119
Estimated sucrose price/ton – Eswatini	(Rands)	4 676	4 400
Estimated ERC price/ton – Zambia	(Rands)	5 492	4 093
Deciduous fruit			
Expected area to harvest after 31 March	(ha)	181	121
Estimated yields	(tons/ha)	59.3	55.8
Average maturity of crop at 31 March	(%)	85.7	84.9
Estimated net price per kg – apples and pears	(Rands)	3.65	3.86
Estimated packout			
– Class 1	(%)	35.7	35.4
– Class 2	(%)	20.2	17.8
– Class 3	(%)	18	21.7
– Juice	(%)	26.1	25.1
Bananas			
Expected area to harvest after 31 March			
– South Africa	(ha)	476.8	476
– Eswatini	(ha)	35	23
Estimated yields			
– South Africa	(tons/ha)	56.7	56.6
– Eswatini	(tons/ha)	58.1	47.8
Average maturity of crop at 31 March			
– South Africa	(%)	50.0	50.0
– Eswatini	(%)	50.0	50.0
Estimated net price per carton			
– South Africa	(Rands)	119.26	99.15
– Eswatini	(Rands)	106.07	99.15
Macadamias			
Expected area to harvest after 31 March	(ha)	559.9	463
Estimated yields	(tons/ha)	1.61	1.40
Average maturity of crop at 31 March	(%)	95	95
Estimated net price per ton	(Rands)	67 779	75 683

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
24. Inventories				
Consumable stores	40 999	26 058	—	—
Merchandise	496	524	—	—
Livestock	867	879	—	—
Property for development and sale	75 293	95 602	—	—
Nursery plants	1 215	1 543	—	—
	118 870	124 606	—	—

During the current year, the cost of inventories recognised as an expense in profit or loss was R100.3 million (2021: R101 million).

The cost of inventories written-down to net-realisable value in the current year was R0.4 million (2021: R1.9 million).

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
25. Trade and other receivables				
Sugar cane revenue receivables	6 399	1 035	—	—
Deciduous fruit revenue receivables	67 329	64 927	—	—
Banana revenue receivables	8 426	4 965	—	—
Macadamia revenue receivables	39	574	—	—
Trade and rental debtors	17 487	18 499	22 614	16 889
Other receivables[1]	12 311	15 494	1 615	3 004
Gross trade receivables	111 991	105 494	24 229	19 893
Less: loss allowance (see below reconciliation)	(1 936)	(1 679)	—	—
Net trade receivables	110 055	103 815	24 229	19 893
VAT refunds due	26 316	21 779	—	—
Prepayments	4 038	11 684	691	632
Total trade and other receivables	140 409	137 278	24 920	20 525

[1] *Included in other receivables is an amount of R3 million (2021: R8.35 million) relating to an Escrow debtor, which was received shortly after year end. Refer to note 9 for details regarding this receivable and the related ECL assessment.*

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Reconciliation of loss allowance:				
Balance at beginning of the year	(1 679)	(1 147)	—	—
Impairment losses recognised on receivables	(373)	(532)	—	—
Impairment losses reversed on receivables	116	—	—	—
Balance at end of the year	(1 936)	(1 679)	—	—

The Directors consider the amortised costs of trade and other receivables to approximate their fair value. In terms of IFRS 9, the Group applies the simplified approach and recognises lifetime ECL for trade receivables. Other receivables have been assessed for ECL using the general approach in accordance with IFRS 9.

Disclosures concerning the management of credit risk relating to all of the above categories of gross trade receivables have been provided in note 37.3.

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
26. Cash and cash equivalents				
26.1 Cash and cash equivalents made up of:				
Cash and bank balances	42 826	73 614	1 756	443
Bank overdraft (see note 29.2)	—	(3 577)	—	—
	42 826	70 037	1 756	443

All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions.

See note 37.3 for the credit risk associated with cash and cash equivalents.

26. Cash and cash equivalents continued

26.2 Reconciliation of profit/(loss) before tax to cash generated from/(utilised in) operations

	Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
Profit/(loss) before tax	92 106	45 974	(6 583)	(1 571)
Adjustments for non-cash items:				
Depreciation and impairments	66 293	65 502	378	391
Change in fair value of biological assets	(13 005)	(58 515)	—	—
(Decrease)/increase in provisions	(7 207)	10 947	(3 014)	3 807
Share based payments	3 175	—	3 175	—
Unrealised foreign exchange losses/(gains)	1 690	(1 894)	—	—
Foreign currency translation differences	(151)	(2 577)	—	—
Change in fair value of investment property	(20 620)	(8 644)	—	—
RTO prepaid lease income	(3 795)	(2 004)	—	—
Medical aid defined benefit costs recognised in profit or loss	(59)	(72)	(59)	(72)
Non-trading items	(35 427)	34 085	22	—
Share of profit of joint venture and associate companies	(16 739)	(13 628)	—	—
Investment Income	(6 586)	(3 757)	(15 805)	(25 991)
Finance costs	25 995	35 185	3 897	9 225
Other non-cash items	(66)	(1 152)	1 275	(1 664)
Operating cash flows before movements in working capital	85 604	99 450	(16 714)	(15 875)
Increase in inventories	(15 895)	(1 060)	—	—
(Increase)/decrease in trade and other receivables	(4 018)	1 385	(4 396)	(7 756)
(Decrease)/increase in trade and other payables	(7 231)	2 507	3 002	43
Cash generated from/(utilised in) operations	58 460	102 282	(18 108)	(23 588)

27. Assets classified as held for sale

The remaining Riversbend farms in the Nkwalini region of northern KwaZulu-Natal, South Africa were disposed off during the current reporting period. Refer to note 9 for details on the profits realised on the sale of these farms.

The major classes of assets that were held for sale are as follows:

Statement of financial position	Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
Property, plant and equipment	—	4 773	—	—
Bearer assets	—	—	—	—
	—	4 773	—	—

28. Capital, reserves and shareholding interests

28.1 Share capital and share premium

	Group and Company 2022 R'000	Group and Company 2021 R'000
Authorised		
16 000 000 (2021:16 000 000) ordinary shares of 25 cents (2021: 25 cents) each	4 000	4 000
Issued		
15 264 317 (2021:15 264 317) ordinary shares of 25 cents (2021: 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

28. Capital, reserves and shareholding interests continued

29.1 Share capital and share premium continued

	Group and Company 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 the Directors

For the purposes of the employee share option scheme: 430 000 shares (2021: 430 000 shares) and deferred bonus scheme: 44 314 shares (2021: nil).

	Group 2022 R'000	2021 R'000
28.2 Investment revaluation reserve		
Balance at beginning of year	951	951
Net gain/(loss) arising on revaluation of financial assets	—	—
Balance at end of year	951	951
28.3 Foreign currency translation reserve		
Balance at beginning of year	(56 718)	(39 807)
Exchange differences on translation of subsidiaries	(15 086)	(16 911)
Balance at end of year	(71 804)	(56 718)

	Group and Company 2022 R'000	2021 R'000
28.4 Treasury shares		
Balance at beginning of year	—	—
Shares purchased during the period	(1 779)	—
Balance at end of year	(1 779)	—

The Group purchased 44 314 shares for the Deferred Bonus Scheme from the public at face value. The weighted average price of the shares purchased is 4 000 cents. Refer to note 36 for further details.

	Group and Company 2022 R'000	2021 R'000
28.5 Share-based payment reserve		
Balance at beginning of year	4 234	5 898
Share-based payment transfer	(1 853)	(1 664)
Share-based payment expense	3 175	—
Balance at end of year	5 556	4 234

	Group 2022 R'000	2021 R'000
28.6 Non-controlling interests		
Balance at beginning of year	50 227	32 695
Share of profit for the year	16 376	19 572
Dividend to Mawewe Communal Property Association	(2 040)	(2 040)
Balance at end of year	64 563	50 227

	Security	Note	Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
29. Borrowings – interest-bearing						
29.1 Loans and demand facilities: amortised cost						
Demand facility – Rand Merchant Bank	Secured	29.8 (A)	80 000	75 000	80 000	75 000
Revolving credit loan – Akwandze Agricultural Finance	Unsecured	29.8 (C)	—	10 918	—	—
Revolving credit loan – Akwandze Agricultural Finance	Secured	29.8 (C)	15 654	—	—	—
Term-loans – Akwandze Agricultural Finance	Secured	29.8 (D)	—	3 347	—	—
Term-loan – Grindrod Bank Limited	Secured	29.8 (E)	79 918	79 918	—	—
Term-loan – AgDevCo Limited	Secured	29.8 (F)	51 925	45 494	—	—
Instalment sale agreements	Secured	29.8 (G)	—	791	—	—
			227 497	215 468	80 000	75 000
Included in the financial statements as:						
Non-current			130 825	124 619	—	—
Current			96 672	90 849	80 000	75 000
			227 497	215 468	80 000	75 000
29.2 Bank overdraft at amortised cost						
Bank overdraft - FNB Eswatini	Secured	29.8 (B)	—	3 577	—	—
29.3 Total interest-bearing borrowings at amortised cost						
Loans, bank overdrafts and facilities (See note 29.1 and 29.2)			227 497	219 045	80 000	75 000
29.4 Total short-term banking facilities	**Type**	**Interest rate**				
Rand Merchant Bank	Demand	Prime	100 000	100 000	100 000	100 000
First National Bank Eswatini	Overdraft	Prime	25 000	25 000	—	—
			125 000	125 000	100 000	100 000
29.5 Total long-term banking facilities	**Type**	**Interest rate**				
Grindrod Bank Limited	Term	Prime	80 000	80 000	—	—
AgDevCo Limited (USD denominated)	Term	8%	116 483	118 679	—	—
			196 483	198 679	—	—
29.6 Net undrawn short-term banking facilities	**Type**	**Interest rate**				
Rand Merchant Bank	Demand	Prime	20 000	25 000	20 000	25 000
First National Bank Eswatini	Overdraft	Prime	25 000	21 423	—	—
			45 000	46 423	20 000	25 000
29.7 Net undrawn long-term banking facilities	**Type**	**Interest rate**				
Grindrod Bank Limited	Term	Prime	82	82	—	—
AgDevCo Limited	Term	8%	64 558	73 185	—	—
			64 640	73 267	—	—

29.8 Summary of borrowing arrangements

A. At 31 March 2022, the Group had a demand facility with Rand Merchant Bank ("RMB") to the value of R100 million.

The facility is repayable on demand and bears interest at prime.

In addition to the demand facility, the following short-term direct facilities are also available to the Group and Company:

Type	Term	Utilisation	2022 R'000	2021 R'000
Short-term direct temporary general banking facility	Demand facility	General banking	15 000	15 000
Short-term direct	Demand facility	Corporate card	600	600
Short-term contingent	Demand facility	Guarantees	30	30
Settlement	Demand facility	Settlement	230	230
			15 860	15 860

29. Borrowings – interest-bearing continued

29.8 Summary of borrowing arrangements continued

A. At 31 March 2022, the Group had a demand facility with Rand Merchant Bank ("RMB") to the value of R100 million. (continued)

The RMB facility is secured by way of:

1. An unlimited cession of debtors executed in favour of the bank by Crookes Brothers South Africa Pty Ltd.
2. An unlimited cession of credit balances (including bank accounts held) in favour of the bank by Crookes Brothers South Africa Pty Ltd.
3. A suretyship for the amount of R200 million by Crookes Brothers South Africa (Pty) Ltd in favour of the bank for the obligations of the Group.
4. 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 for costs, charges and disbursements.

B. The FNB Eswatini ("FNB") overdraft facility is a secured by way of:

1. An unlimited general deed of suretyship by the Group's wholly owned Eswatini subsidiary Bar J Ltd, in favour of FNB for the obligations of Crookes Plantations Limited.
2. A cession of credit balances held with FNB.
3. A negative pledge of assets from Bar J Limited.

C. The revolving credit loan with Akwandze Agricultural Finance ("Akwandze"), relates to a secured working capital loan for the Group's Mawecro estate. The loan is current, bears fixed interest at prime plus 1% and is fully repayable in September 2022. The revolving credit loan is refinanced annually at the discretion of the Directors of the Company.

Details of Akwandze security is as follows:

1. Akwandze has a cession over the gross sugar cane proceeds paid by the mill to Mawecro.
2. The holding Company, Crookes Brothers Ltd (CBL), provides a deed of surety to Akwandze for the due and punctual performance of all of the Mawecro obligations and the payment on demand of all amounts owing by Mawecro to Akwandze.

The unsecured revolving credit loan with Akwandze Agricultural Finance ("Akwandze"), was fully repaid during the current year.

The loan bore fixed interest at prime plus 1%.

D. In addition to the revolving credit loan with Akwandze, the Group's Mawecro and Libcro estates were the recipients of medium-term funding from Akwandze, in the form of three loans bearing fixed interest at between 4% and 6.75% per annum and repayable at between one and six years. These loans were used to fund capital expenditure as well as to supplement working capital needs.

These loans were repaid in full in June 2021.

E. On 14 July 2020, the Group signed an addendum to its term loan agreement with Grindrod Bank, to increase the loan finance to its Renishaw Property Developments (RPD) subsidiary from R60 million to R80 million. The loan is secured by way of a guarantee from the holding Company ("CBL") to the value of R80 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 R80m 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 R80m, whereby the interest is then repaid in cash. Per the signed agreement, the full loan including capitalised interest is to be repaid on 15 June 2024.

F. On 25 November 2020, the Group signed a term loan agreement with Development Funding Institution AgDevCo Limited based in the United Kingdom.

A US$8 million (eight million US Dollars) facility was granted to the Group's MML subsidiary based in Mozambique, to provide working capital and capital expenditure for the expansion of its macadamia farm.

Interest is accrued at USD 8% per annum and is payable semi-annually in arrears on each interest payment date and on the final repayment date.

The loan from AgDevCo is secured by:

1. Quota pledges granted by CBL and fellow subsidiary Mozambique Farms (Pty) Ltd in favour of AgDevCo over the entire quota holdings in MML and MFL.
2. An assignment by CBL over all loans advanced to MML and MFL.

Capital repayments on the loan are due over five equal portions of US$1.6 million each, with the first capital repayment due on 31 December 2026 and the last capital repayment due on 31 December 2030.

A total of US$3.5 million (2021: US$3 million) had been drawn down at year end.

G. The Group settled all instalment sale agreements with Wesbank and Ford Credit.

	Group 2022 R'000	Group 2021 R'000
30. Obligations to return leased farmland		
Mawecro estate[1]	31 495	29 796
Libcro estate[2]	6 091	6 014
	37 586	35 810
Included in the financial statements as:		
Non-current	37 586	35 810
Current	—	—
	37 586	35 810

[1] *This liability relates to a constructive obligation to return the 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, 14 years of the lease term was left remaining.

During the prior reporting period, the Nicoskamp farm operation was transferred to the Mawecro estate, and so to was the constructive obligation to return this portion of leased farmland. A separate lease agreement totalling 10 years was signed for this Nicoskamp portion of land. At the end of the current reporting period, 8 years of the lease term was remaining on the Nicoskamp lease.

[2] *This liability relates to a contractual obligation to return the leased Libcro Malelane farms in Mpumalanga9 to their original condition, on termination of the lease agreement with Mthayiza Holdings (Pty) Ltd ("MHO"). The lease term runs up to September 2038. At the end of the current reporting period, 17 years of the lease term was left remaining.*

The crop will remain in its current state until the farm is given back to the lessor and therefore the current value of the bearer is the best representation of the obligation to return the leased farmland.

	Group 2022 R'000	Group 2021 R'000
31. Lease liabilities		
Mawecro farm lease[1]	129 473	130 508
Libcro farm lease[2]	34 666	34 411
	164 139	164 919
Included in the financial statements as:		
Non-current	157 889	159 320
Current	6 250	5 599
	164 139	164 919

[1] *The Group through its subsidiary Mawecro Farming, signed a 20-year lease agreement with the Mawewe Communal Property Association, who are the owners of approximately 2 459 hectares of the Komati estate, upon which the Group farms sugar cane and bananas. Lease rentals are payable annually in advance and is based on a fixed Rand rate per hectare under crop, escalated annually by the consumer price index. As at the end of the current reporting period, 14 years remain on the Mawecro lease.*

2 *The Group, through its subsidiary Libcro Farming, leases the Libcro 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. Lease rentals are payable quarterly in arrears. As at the end of the current reporting period, 17 years remain on the Libcro lease.*

Maturity analysis – undiscounted	Group 2022 R'000	Group 2021 R'000
Year one	18 660	18 113
Year two	18 660	18 113
Year three	18 660	18 113
Year four	18 660	18 113
Year five	18 660	18 113
Onwards	177 658	190 513
	270 958	281 078

The Group does not face significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

All lease obligations are denominated in Rands.

The discount rate applied by the Group for the current reporting period was 8.33%. Refer to note 4.14 for the judgements applied by management in calculating this discount rate.

Refer to note 3.21 of the accounting policies for details of the Group's lease liabilities in its capacity as a lessee. Refer to note 16 for details of the right-of-use asset.

	Group 2022 R'000	Group 2021 R'000
32. Other lease arrangements		
32.1 The Group as a lessee		
Office and parking[1]	1 363	1 318
Nicoskamp and Umkomaas farms[2]	3 423	221
Chamotte and Belleview farms[3]	337	226
Leases of low value assets and other[4]	896	1 026
Lease payments recognised as an expense in the year	6 019	2 791

[1] *The Company leased office space in Durban from the South African Sugar Association (SASA), based on a fixed rate per square metre. The lease term was on an annual year to year basis, renewable at the discretion of the Company in its capacity as lessee. Notice was given to the lessor prior to year end and the Company vacated the premises in April 2022.*

[2] *In October 2018, ownership of the Nicoskamp and Umkomaas farms in Mpumalanga, was transferred from the Department of Rural Development and Land Reform ("the Dept") to the MCPA.*

In turn, the Group's remaining lease term was transferred to the MCPA along the exact same terms and conditions as enjoyed under the lease with the Dept. This arrangement expired on 30 June 2020, with the operation of this farm transferred to the MCPA. This operation has since also been absorbed into the Mawecro estate, with a new separate 10-year lease agreement entered into with the MCPA with annual lease rentals contingent on budgeted revenue. Lease scoped out of IFRS 16 as lease payments are variable.

[3] *The Group leases two small farms in Malelane and the Western Cape called Chamotte and Belleview respectively. Sugar cane is farmed at Chamotte, whilst deciduous fruit is farmed at Belleview. These are annual leases renewable at the discretion of the respective lessors, nevertheless contain exclusively variable lease payments, in that the annual lease rentals are linked to the actual tonnages yielded which change year on year.*

[4] *These remaining lease payments relate to rentals paid on behalf of certain current and ex employees, archiving and storage costs and equipment rental of the Group's copiers and printers. These rentals are are over low value assets and are considered immaterial in relation to the Group's total other lease arrangements.*

	Group 2022 R'000	Group 2021 R'000
32.2 The Group's commitments in respect of other non-cancellable leases are as follows:		
Not later than one year^	1 155	1 062
Later than one year and not later than five years^	5 680	—
Later than five years^	128	—
	6 963	1 062

^ *Prior to year end, the Company signed a five-year lease agreement for office space in Umhlanga. The lease commences in May 2022 and is based on a fixed rate per square metre subject to an annual escalation of 5%, and includes a variable contingent component for a share of utilities, rates and levies.*

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	Group and Company	
	2022 R'000	2021 R'000
33. Net post-employment obligation		
Post-employment medical aid obligation (see note 33.1)	2 902	2 506
Retirement benefit surplus (see note 33.2)	(1 961)	(1 693)
Net obligation	941	813
33.1 Post-employment medical aid obligation		
Refer to accounting policy note 3.14. The closing fair value of the obligation to CAWMs is as follows:		
Net liability at beginning of year	2 506	2 401
Components recognised in profit or loss	(59)	(72)
Interest cost	245	219
Benefit payments	(304)	(291)
Components recognised in other comprehensive income ("OCI")	455	177
Actuarial remeasurement loss net of tax	328	127
Tax effect of actuarial remeasurement	127	50
Net liability at end of year	2 902	2 506

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.

	Group and Company	
	2022 R'000	2021 R'000
33.2 Retirement benefit surplus		
Refer to accounting policy note 3.14. The closing fair value of the surplus available to the Group is as follows:		
Opening fair value of plan assets	1 693	1 693
Components recognised in profit or loss	268	—
Closing fair value of plan assets	1 961	1 693

There are no member liabilities and the assets in fund is equal to the Employer Surplus Account. Therefore, the surplus in the fund is equal to the asset ceiling and the effect of the asset ceiling is Rnil. No restrictions apply.

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
34. Trade and other payables				
Trade payables and accruals	48 321	55 038	6 197	1 549
Income received in advance	—	105	—	—
Payroll accruals	4 207	4 064	1 118	1 100
	52 528	59 207	7 315	2 649

The carrying amount of trade and other payables approximate their fair values.

	Group 2022 R'000	Group 2021 R'000	Company 2022 R'000	Company 2021 R'000
35. Provisions				
Leave pay	9 916	8 387	1 873	1 542
Bonuses	847	10 552	—	3 345
Severance allowances	3 611	2 642	—	—
	14 374	21 581	1 873	4 887

Group

Reconciliation of net movements	Leave pay R'000	Bonuses R'000	Severance allowances R'000	Total R'000
Balance at 1 April 2020	7 269	908	2 457	10 634
Payments/reversals	(1 544)	(908)	(181)	(2 633)
Provisions raised	2 717	10 612	603	13 932
Effect of foreign currency exchange differences	(55)	(60)	(237)	(352)
Balance at 31 March 2021	8 387	10 552	2 642	21 581
Payments/reversals	(1 792)	(10 664)	(186)	(12 642)
Provisions raised	3 250	809	1 014	5 073
Effect of foreign currency exchange differences	71	150	141	362
Balance at 31 March 2022	9 916	847	3 611	14 374

Company

Reconciliation of net movements	Leave pay R'000	Bonuses R'000	Severance allowances R'000	Total R'000
Balance at 1 April 2020	1 080	—	—	1 080
Payments/reversals	(350)	—	—	(350)
Provisions raised	812	3 345	—	4 157
Balance at 31 March 2021	1 542	3 345	—	4 887
Payments/reversals	(185)	(3 345)	—	(3 530)
Provisions raised	516	—	—	516
Balance at 31 March 2022	1 873	—	—	1 873

Refer to accounting policies note 3.22 for details of the above provisions, which are all current. The effects of discounting is negligible.

Notes to the Financial Statements continued

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36. Employee share incentive schemes

See accounting policy note 3.19. No options were awarded in the current year.

36.1 Share options granted and unexpired as at 31 March 2022

	Options as at 31 March 2021	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 2022
Executive Directors							
KA Sinclair	35 000	–	4 471	–	–	–	35 000
Management	240 000	–	6 035	(50 000)	–	–	190 000
Total	275 000	–	5 791	(50 000)	–	–	225 000

36.2 Share options available at 31 March 2022

	Number of shares
Shares reserved for the share option scheme	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	(225 000)
Balance available[1]	545 000

[1] *The share options outstanding at the end of the year had a weighted average remaining contractual life of 300 days (2021: 378 days). The existing share options scheme has been replaced by the deferred bonus scheme and no further share options will be awarded to management.*

36.3 Deferred bonus shares granted and unforfeited as at 31 March 2022

	Shares as at 31 March 2021	Shares granted during the year	Weighted average grant price (cents)	Shares forfeited during the year	Shares as at 31 March 2022
Executive Directors					
KA Sinclair	–	43 802	4 407	–	43 802
N Naidoo	–	10 137	4 407	–	10 137
Management	–	121 240	4 407	–	121 240
Total	–	175 179	4 407	–	175 179

36.4 Deferred bonus shares available at 31 March 2022 for further grants

	Number of shares
Shares authorised for the deferred bonus scheme	763 200
Shares granted and unexpired as shown above	(175 179)
Balance available[2]	588 021

[2] *Remaining shares authorised to be utilised, from issued share capital, for settling obligations under the deferred bonus scheme.*

37. Financial instruments

Financial instruments consist primarily of cash deposits with banks and bank overdrafts, 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. The Board is responsible for financial risk management for the Group.

		Group		Company	
Categories of financial instruments:	Notes	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Financial assets					
FVTOCI					
Equity investments	20.1	6 073	4 626	—	—
At amortised cost					
Trade and other receivables	25	111 991	105 494	24 229	19 893
Cash and bank balances	26	42 826	73 614	1 756	443
Loans receivable	20.2	30 034	21 789	5 853	5 667
Loans to subsidiaries	21	—	—	233 026	255 662
Loans to joint venture and associates	39.1	24 502	23 572	12 182	9 536
		215 426	229 095	277 046	291 201
Financial liabilities					
At amortised cost					
Trade and other payables	34	52 528	59 207	7 315	2 649
Bank overdraft	26	—	3 577	—	—
Borrowings: interest-bearing	29.1	227 497	215 468	80 000	75 000
Reversionary sale and transfer obligations	17	30 758	17 517	—	—
Lease liabilities	31	164 139	164 919	—	—
Loans from subsidiaries	21	—	—	137 037	134 488
		474 922	460 688	224 352	212 137

(a) Classification and measurement of financial assets and financial liabilities

The Group 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 has always been consistent with the provisions of IFRS 9.

Refer to notes 17, 21, 29, 31, 34 and 37 for disclosure related to the Group's financial liabilities.

(b) Impairment

Refer to note 37.3 for the Groups ECL assessment.

(c) Hedge Accounting

The Group has not employed the use of Hedge Accounting for IFRS 9 purposes.

Notes to the Financial Statements continued

for the year ended 31 March 2022

37. Financial instruments continued

37.1 Interest rate risk management

Taking cognisance of the seasonality of the Group's cash flows and treasury risk, management positions the Company and Group's interest rate exposures according to expected movements in interest rates in the countries in which the Group operates. Interest rate profiles are as follows:

		Group				
		Variable rate		Fixed rate		
		Less than one year	Greater than one year	Less than one year	Greater than one year	Total borrowings
2022						
Borrowings and other financial liabilities	(R'000)	**95 654**	**110 676**	**7 268**	**208 796**	**422 394**
Total borrowings and other financial liabilities	(%)	**23**	**26**	**2**	**49**	**100**
2021						
Borrowings and other financial liabilities	(R'000)	93 436	17 714	6 588	283 743	401 481
Total borrowings and other financial liabilities	(%)	23	4	2	71	100

		Company				
		Variable rate		Fixed rate		
		Less than one year	Greater than one year	Less than one year	Greater than one year	Total borrowings
2022						
Borrowings	(R'000)	**80 000**	**–**	**–**	**–**	**80 000**
Total borrowings	(%)	**100**	**–**	**–**	**–**	**100**
2021						
Borrowings	(R'000)	75 000	–	–	–	75 000
Total borrowings	(%)	100	–	–	–	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 Company and Group has not entered into any interest rate derivatives during the year.

			Group		Company	
Effective interest rate on borrowings	**Type**		**2022**	2021	**2022**	2021
Amounts due to local bankers	variable	%	**7.75**	7.00	**7.00**	7.00
Amounts due to foreign bankers	variable	%	**8.75**	8.00	**0.00**	0.00
Revolving credit loan – Akwandze	variable	%	**9.00**	9.00	**0.00**	0.00
Revolving credit loan – Akwandze (secured)	variable	%	**8.75**	0.00	**0.00**	0.00
Term loans – Akwandze	variable	%	**5.00**	5.00	**0.00**	0.00
Term loan – AgDevCo	fixed	%	**8.00**	8.00	**0.00**	0.00
Term loan – Grindrod	variable	%	**7.75**	7.00	**0.00**	0.00
Instalment sale agreements	variable	%	**7.00**	7.00	**0.00**	0.00
Call loan – Two-A-Day	fixed	%	**0.00**	10.00	**0.00**	0.00
Lease liabilities	fixed	%	**8.33**	8.33	**0.00**	0.00

Based on year-end exposure to interest-bearing borrowings at variable rates, a 2.00% (200 basis points) change in interest rates will have a R4 million (2021: (200 basis points) R1.1 million) effect on pre-tax profit or loss and a R2.9 million (2021: R0.8 million) impact on equity for the Group. Effect on the Company is immaterial.

Based on year-end exposure to bank balances and cash investments and loans receivable with yields linked to variable interest rates, a 2.00% (200 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. Effect on the Company is immaterial.

37. Financial instruments continued

37.2 Liquidity risk management

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. The Company and Group has access to short-term financing facilities as described in notes 29.4, of which R45 million was undrawn at year end (2021: undrawn: R46.4 million). See note 29.6.

Current borrowings have been disclosed in note 29.1 to the financial statements. Trade and other payables have been disclosed in note 34 to the financial statements. All payables are due within one year and the impact of discounting them is not significant.

The maturities of contractual liabilities are as follows:

	Group				
2022	**Carrying value R'000**	**Less than one year R'000**	**One to three years R'000**	**Greater than three years R'000**	**Total R'000**
Trade and other payables	**52 528**	**52 528**	**—**	**—**	**52 528**
Instalment sale agreements	**—**	**—**	**—**	**—**	**—**
Revolving credit and term-loan arrangements	**147 497**	**26 864**	**89 570**	**75 774**	**192 208**
Reversionary sale and transfer obligations	**30 758**	**—**	**—**	**77 861**	**77 861**
Bank overdraft and facilities	**80 000**	**80 000**	**—**	**—**	**80 000**
Lease liabilities	**164 139**	**18 660**	**37 320**	**214 978**	**270 958**
	474 922	**178 052**	**126 890**	**368 613**	**673 555**

2021	Carrying value 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	59 207	59 207	—	—	59 207
Instalment sale agreements	791	172	457	200	829
Revolving credit and term-loan arrangements	139 677	17 841	6 020	169 380	193 241
Reversionary sale and transfer obligations	17 517	—	—	46 396	46 396
Bank overdraft and facilities	78 577	78 577	—	—	78 577
Lease liabilities	164 919	15 298	2 815	262 965	281 078
	460 688	171 095	9 292	478 941	659 328

	Company				
2022	**Carrying value R'000**	**Less than one year R'000**	**One to three years R'000**	**Greater than three years R'000**	**Total R'000**
Trade and other payables	**7 315**	**7 315**	**—**	**—**	**7 315**
General banking facilities	**80 000**	**80 000**	**—**	**—**	**80 000**
Loans from subsidiaries	**137 037**	**137 037**	**—**	**—**	**137 037**
	224 352	**224 352**	**—**	**—**	**224 352**

2021	Carrying value 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	2 649	2 649	—	—	2 649
General banking facilities	75 000	75 000	—	—	75 000
Loans from subsidiaries	134 488	134 488	—	—	134 488
	212 137	212 137	—	—	212 137

Notes to the Financial Statements continued

for the year ended 31 March 2022

37. Financial instruments continued

37.3 Credit risk management

Credit risk primarily relates to short-term cash and bank balances, financial assets in the form of loans receivable and trade and other receivables.

As part of its total investments in subsidiaries and joint venture and associates, the Company has granted loans to certain of these related parties.

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group regards "default" as the failure of a counterparty to honour its financial obligations to the Group.

In order to minimise credit risk, the Group has tasked its Executive Management Committee to develop and maintain the Group's credit risk ratings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Executive Management Committee uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors.

The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises of the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL – stage 1
In default	Amount is past due and evidence indicates that the asset is credit impaired.	Lifetime ECL – stage 3
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

Cash and bank balances

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. Refer to the inside back cover for details of the Group's two bankers. All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions. The Group assesses its respective banks intrinsic creditworthiness before considering external factors, e.g. affiliate or government support. To this end, a standalone credit rating of BBB- is considered “high quality”. During the current reporting period, both of the Group's banks met this credit rating criteria, accordingly the Directors concluded that any possible loss allowance on cash in bank was immaterial.

Loans receivable

Loans receivable measured at amortised cost are disclosed in note 20.2.

The amounts owed from co-ops and suppliers have 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 balances since initial recognition. Refer to note 20.3.7 for the ECL assessments for this category.

The Group recognises 12-months ECL for the unsecured loans advanced to the Libuyile Community Trust ("LCT"), Mawewe Communal Property Association ("MCPA") and Renishaw Hills Homeowners Association ("RHOA").

During the current reporting period, the Directors reaffirmed their conclusion that any ECL on the LCT and MCPA loans would be immaterial, due to the Group's recourse to deduct the full balance owing, against future lease rentals due.

The Directors have considered forward-looking inputs around the RHOA loan, which include:
- RHOA has a strong balance sheet with a significant general and cash reserve, which continues to grow, providing sufficient collateral to the Group.
- The development continues to grow with a further 31 units sold, adding further financial strength.

Based on this underlying information, the Directors conclude that any ECL over this debtor will be immaterial.

Regarding the instalment sale loan to Imvelo Kraal, the Group has recourse to take back the farm, as disclosed in note 20.3.8, accordingly any ECL on this loan is considered immaterial.

Loans to related party subsidiaries, joint venture and associates

Refer to note 21 for details of working capital loans granted by the Company to its related party subsidiaries, and to note 39 for the ECL considerations relevant to the Group's loans to its subsidiaries, joint venture and associates.

37. Financial instruments continued

37.3 Credit risk management continued

Guarantees

Refer to note 29.8 for details regarding borrowings where the Company provides surety or guarantee. The Company has performed an assessment on the subsidiaries ability to settle the borrowings in terms of IFRS 9. Based on the current profitability, financial outlook and forward-looking information available, the Company has performed an expected credit loss (ECL) calculation which has been deemed to be immaterial.

Trade and other receivables

The Group and Company applies the simplified approach and recognises lifetime ECL for trade and rental receivables. Other receivables apply the general ECL model.

Refer to note 25 for details of the various categories making up the Group's trade and other receivables.

Given that the revenue streams of the Group and Company have different risk profiles, the Directors disaggregated gross trade receivables into the following components when considering impairments:

	Group					
	Total R'000	Current R'000	30 days R'000	60 days R'000	90 days R'000	120+ days R'000
2022						
Trade and rental debtors[1]	17 487	8 477	1 898	507	1 022	5 583
Sugar cane revenue receivables[4]	6 399	6 399	—	—	—	—
Deciduous fruit revenue receivables[2]	67 329	4 832	3 878	5 905	4 743	47 971
Banana revenue receivables[3]	8 426	—	8 426	—	—	—
Macadamia revenue receivables[5]	39	39	—	—	—	—
Other receivables[6]	12 311	12 311	—	—	—	—
	111 991	32 058	14 202	6 412	5 765	53 554
Expected credit loss (ECL)	(1 936)	(22)	(20)	(28)	(19)	(1 847)
2021						
Trade and rental debtors[1]	18 499	5 560	4 137	(464)	456	8 810
Sugar cane revenue receivables[4]	1 035	1 035	—	—	—	—
Deciduous fruit revenue receivables[2]	64 927	8 959	7 389	6 560	7 273	34 746
Banana revenue receivables[3]	4 965	—	4 965	—	—	—
Macadamia revenue receivables[5]	574	574	—	—	—	—
Other receivables[6]	15 494	15 494	—	—	—	—
	105 494	31 622	16 491	6 096	7 729	43 556
Expected credit loss (ECL)	(1 679)	(13)	(12)	(12)	(8)	(1 634)

	Company					
	Total R'000	Current R'000	30 days R'000	60 days R'000	90 days R'000	120+ days R'000
2022						
Trade and rental debtors[1]	22 614	22 592	9	5	4	4
Other receivables[6]	1 615	1 615	—	—	—	—
	24 229	24 207	9	5	4	4
Expected credit loss (ECL)	—	—	—	—	—	—
2021						
Trade and rental debtors[1]	16 889	16 120	244	23	401	101
Other receivables[6]	3 004	3 004	—	—	—	—
	19 893	19 124	244	23	401	101
Expected credit loss (ECL)	—	—	—	—	—	—

Notes to the Financial Statements continued

for the year ended 31 March 2022

37. Financial instruments continued

37.3 Credit risk management continued

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Concentration of credit risk by geographic segment				
South Africa	103 045	101 959	24 229	19 893
Foreign countries				
Eswatini	7 752	669	–	–
Zambia	644	1 061	–	–
Mozambique	550	1 805	–	–
	111 991	105 494	24 229	19 893
Concentration of credit risk by reportable segment				
Sugar cane	17 120	8 323	–	–
Deciduous fruit	71 635	73 551	–	–
Bananas	13 890	7 856	–	–
Macadamias	1 899	3 913	–	–
Property	2 467	1 031	–	–
Other operations	2 280	9 872	–	–
Unallocated corporate	2 700	948	24 229	19 893
	111 991	105 494	24 229	19 893

The Directors considered forward looking information in the form of various inputs, assumptions and estimation techniques to calculate the Group's overall ECL allowance of R1.94 million (2021: R1.68 million). See note 25. Detailed discussion relating to loss allowance including forward-looking information is further explained below.

The risk profile associated with the above disaggregated debtors plays a key role in the "estimated credit loss" calculation of each of these categories of debtors.

While historic payment behaviour is pertinent, the Group considers all current and forecast macroeconomic factors as well, including changes in debtor payment intervals, tenant deposit values (in the case of its rental debtors) and the performance of the industry of the debtor, in the case of the sugar milling, banana sales and deciduous fruit segments.

Using the below forward-looking input assumptions and techniques, and taking into consideration the various industry each debtor of significance operates in, the following notes per the above table of categories apply, in calculating the most appropriate ECL.

1. **Trade and rental debtors**

   Rental debtors consist of tenants renting buildings and houses in the various farms that the Group operates in. These tenants include employees, and also external companies and individuals unrelated to the Group.

   Trade debtors comprise customers that procure various goods and services from the Group's farming divisions.

   Expected credit loss ("ECL") allowance

   Rental debtors

   The majority of rental debtors were current and most of these tenants normally settle their outstanding balances, post-31 March each year. The Group calculated an immaterial ECL value for these rental debtors aged current as well as for those aged between 30 to 120 days.

   Tenants with balances owing between 60 to 120 days were usually slow payers, however, deposits available were more than sufficient to cover any risk of short-fall.

   Using the quantum of the deposits available, less the amount outstanding from 60- to 120-day tenants, the calculated ECL was immaterial.

   For renters owing in 120+ days, the Group considered the following for each and every renter:
   - Tenant deposit available
   - Correspondence with renter concerning their business performance

   The Group took the conservative approach by applying the full value of these debtors of R0.66 million (2021: R0.49 million) as the calculated ECL.

37. Financial instruments continued

37.3 Credit risk management continued

Trade debtors

In the current year, included in the balances of debtors aged 120+ days are the following:

- R1.4 million owed by the MCPA for current account charges, fully deducted against the lease rental paid to them on 1 April 2022. The Directors assessed an immaterial ECL to this debtor, due to there always being recourse to deduct current account charges owed against gross rental payments due.
- A customer that purchased seed cane from the Group to the value of R0.70 million which can not be traced. The Directors therefore continue to apply the full outstanding value as the calculated ECL for this debtor.
- A service provider agreed to refund the Group the value of R0.4 million which has still remained outstanding. The Directors therefore apply the full outstanding value as the calculated ECL for this debtor.
- R2 million owed by a Renishaw Hills customer where revenue recognition had been met, but the amount outstanding was held in trust due to a delay in transfer. This was subsequently received in April 2022. The Directors assessed an immaterial ECL at year end.

Total ECL

A year end ECL of R1.94 million (R0.66 million rental debtors and R1.28 million trade debtors) (2021: R1.68 million, rental debtors R0.49 million and R1.19 million trade debtors) was calculated as the maximum credit risk exposure to the Group. Refer to note 25 for a reconciliation of the loss allowance.

2. Deciduous fruit revenue receivables

The Group's maximum credit exposure on this debtor is mainly on the amount sitting in 120+ days.

The deciduous fruit ("DF") revenue receivable is paid to the Group over a period of 12 months from financial year end, as per the ageing in the table provided.

The Directors are therefore satisfied that there are no significant financing components due to the spread of the timing of the receipts, all of which fall within 12 months.

The Group applies the following forward-looking assumptions, historical information and calculations in calculating the ECL associated with this debtor:

- The class (quality) mix of the fruit is assessed, based on the actual bin reports received from TAD.
- Approximately 60% of the Group's fruit delivered to TAD is exported, therefore the Group benefits from a weak rand.
- TAD take forward cover on a proportion of its fruit, and advises the Group this rate, which is used to calculate this portion of delivered DF.

The remainder of fruit is sold on the open and export market at spot.

- Forecast ZAR FX rates to the US $, GBP and Euro are calculated for the balance of fruit to be exported.
- A downward price risk factor of 5% is then applied to all fruit which is not hedged for price.
- TAD in its 20 year history has never defaulted on its payment obligations to the Group.
- The Group owns 15.81% (2021: 16.51%) of TAD, which has a net asset value of R473 million (2021: R484 million).
- The risk of credit loss to the Group given TAD's balance sheet and the liquidity of its trading stock is remote. Trading stock is insured by TAD.
- By 31 March each following year, all DF debtors are fully settled.

The Directors have therefore concluded based on historical information and forward-looking assumptions provided, that the loss allowance is determined to be immaterial to Group earnings.

3. Banana revenue receivables

The banana revenue accrual raised at year end is based on the actual pool deliveries to the Group's banana customer.

Historically the accrual is always settled within one month of financial year end. Nevertheless an immaterial ECL was calculated for this debtor at year end. Refer to note 38 which deals with the sensitivity analysis of the price of a carton of bananas, which is negligible, due to the fact that revenue proceeds from banana deliveries over year end are received within two weeks of the new financial year.

4. Sugar cane revenue receivables

The sugar cane revenue accrual raised at year end relates to the final Illovo Sugar retention due to the Zambia operation and ERC price adjustment, as well as the final Illovo Sugar estimate payable to the Eswatini operation.

Historically payment has always been settled with the Group after year end, and these customers have never defaulted on payment to the Group.

Therefore at year end, and considering the impact of forward-looking information, the Directors assessed an immaterial ECL for these debtors.

Notes to the Financial Statements continued

for the year ended 31 March 2022

37. Financial instruments continued

37.3 Credit risk management continued

5. Macadamia revenue receivables

The macadamia revenue accrual raised relates to the final remittance payment due from Green Farms.

Historically payment has always been settled with the Group shortly after year end, and this customer has never defaulted on payment to the Group.

Therefore at year end, considering the impact of forward-looking information, the Directors assessed an immaterial ECL for this debtor.

6. Other receivables

Other receivables consists of the following sundry receivables and deposits:

- R3 million (2021: R8.35 million) relating to proceeds of the High Noon sale that is held in Escrow. Refer to note 9 for further details regarding the recoverability.
- Deposits for macadamia trees of R1.4 million. The companies are reputable and have historically fulfilled orders under the same payment terms. The Directors assessed an immaterial ECL for this debtor.
- R6.1 million relates to Eskom deposits, which are fully refundable in exchange for electricity insurance guarantees. The Directors assessed an immaterial ECL for this debtor.
- R0.8 million refund due from the Compensation Commissioner as a result of the restructure of payrolls across the Group. The Directors consider the amount recoverable, as the refund will be set off against future submissions.

The balance of other receivables consist of various sundry receivables and refundable deposits which are considered to be individually immaterial.

37.4 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 Eswatini, Zambia and Mozambique, the local currencies being the Emalangeni (E), Kwacha (ZMW) and Metical (MZN) respectively. The Eswatini Emalangeni ranks 1:1 with the South African Rand (ZAR), therefore no foreign currency translation differences arise when translating Eswatini monetary assets and monetary liabilities.

Year end spot rates applied by Group	2022	2021
ZAR/MZN	4.4318	4.6665
USD/MZN	64.4600	69.1611
ZAR/ZMW	1.2382	1.4903
USD/ZMW	18.0205	22.1094
USD/ZAR	14.5604	14.8349

The functional currency of the Group's Mozambican operations changed to MZN in the current year, previously ZAR. The functional currency of the operation, along with other foreign operations, is assessed on an annual basis. Management assessed that the sales mix of the Mozambique operation had shifted to being predominantly USD denominated. Additionally, majority of purchases are made from local suppliers versus importing from South Africa as was done at the early stages of the project.

The shareholder loan accounts owing from these companies are ZAR denominated and considered equity in nature, therefore not subject to foreign currency fluctuations.

37. Financial instruments continued

37.4 Foreign currency risk management continued

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	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Bank accounts (USD)	—	—	823	38 830
Bank accounts (MZN)	—	—	1 076	1 082
Bank accounts (ZMW)	—	—	12 477	5 336
Trade and other receivables (MZN)	—	—	13 744	14 491
Trade and other receivables (ZMW)	—	—	868	3 332
Interest-bearing shareholder loan (ZMW)	89	1 072	—	—
Interest-bearing term loan (USD)	51 925	45 494	—	—
Trade and other payables (MZN)	2 152	2 062	—	—
Trade and other payables (ZMW)	742	1 047	—	—
	54 908	49 675	28 988	63 071

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	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Profit or loss and equity*	5 275	8 432	(1 052)	(1 135)	1 244	412

* *From the above table, it is evident that a 10% change in the value of the Rand against the other currencies, will have a material impact on profit or loss and equity of the Group, particularly in terms of the Group's exposure as a result of the AgDevCo term loan granted to Murrimo, which is USD denominated. The sensitivity analysis is also not a complete representation of the inherent foreign exchange risk in the trading and economic environment of Zambia during the current and prior financial years. This is because the reporting period end ZMW spot rate does not reflect the extreme month-on-month fluctuations in the average ZMW rate during the current and prior financial year. Likewise, the month-on-month average USD and MZN exchange rates remained volatile against the ZAR throughout the current and prior financial year, while the ZMW strengthened against the ZAR in the current financial year.*

37. Financial instruments continued

37.5 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, Eswatini 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 Eswatini is not hedged by the Group and neither are 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 (Pty) Ltd (see note 22), 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 fourth 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, who pays the Group in ZAR. The remaining customers paid in USD for their purchase of macadamia nuts from the Group.

Refer to note 38 for a price sensitivity analysis performed over the commodities of the Group.

37.6 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 2021. See note 40 for the budgeted capital expenditure of the Group.

The capital structure of the Group consists of net debt (bank overdraft, facilities and interest-bearing borrowings as detailed in note 29 offset by cash and bank balances) and equity (comprising issued share capital, reserves, retained earnings and non-controlling interests as detailed in note 28).

The Group is exposed to externally imposed capital requirements. See note 29.8 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, while 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% – 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:

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Debt[1]	227 497	219 045	80 000	75 000
Cash and bank balances[2]	(42 826)	(73 614)	(1 756)	(443)
Net debt	184 671	145 431	78 244	74 557
Equity[3]	1 144 963	1 089 667	771 383	784 252
Net debt to equity ratio	16.13%	13.35%	10.14%	9.51%

[1] *Debt comprises bank overdraft, facilities and interest-bearing debt (non-current and current) as disclosed in note 29. For the purposes of the gearing ratio, the interest-free loan relating to the obligation to return leased farmland (see note 30) is excluded from debt, as this liability is offset by an opposite but equal bearer asset (see note 15).*

[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 28).*

38. Fair value measurements

The Directors are of the opinion that the carrying value of financial assets and liabilities approximates their fair value.

Where the carrying amount of each class of financial assets and financial liabilities are a reasonable approximation of the fair value, the respective fair values are not disclosed.

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).

The following table provides an analysis of financial instruments that are measured at fair value:

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
2022				
Investment property	–	113 637	–	113 637
Financial assets: equity investments	–	–	6 073	6 073
Biological assets	–	–	306 088	306 088
	–	113 637	312 161	425 798
2021				
Investment property	–	67 152	–	67 152
Financial assets: equity investments	–	–	4 626	4 626
Biological assets	–	–	286 509	286 509
	–	67 152	291 135	358 287

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

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

The 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.

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

Assets	Fair value as at 2022	Fair value as at 2021	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	113 637	67 152	Level 2	Relevant selling price per square metre with respect to similar residential units or number of bedrooms.	None.	None.
Financial assets: equity investments	6 073	4 626	Level 3	Fair value approximates cost.	None.	None.
Biological assets	306 088	286 509	Level 3	Recoverable value. 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. The higher the estimated market price less the estimated costs, the higher the value of the biological assets.

38. 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.

Changes in the fair value of biological assets are included in profit or loss, with an increase of R13 million (2021: increase of R58.5 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 23.1.

The Group's valuation policy and methodology are fully disclosed in the accounting policies in note 3.12. The assumptions and valuation inputs are disclosed in notes 17, 20 and 23.2.

	Group	
Sensitivity analysis	2022 R'000	2021 R'000
The impact of a 5% change in the price of biological assets up or (down) will have the following positive or (negative) effect on pre-tax profit or loss:		
Sugar cane	12 895	12 586
Deciduous fruit	1 170	1 100
Bananas	1 708	1 370
Macadamias	2 751	2 298
	18 524	17 354
The impact of a 5% change in the yield of biological assets up or (down) will have the following positive or (negative) effect on pre-tax profit or loss:		
Sugar cane	10 681	10 468
Deciduous fruit	908	886
Bananas	1 248	970
Macadamias	2 468	2 079
	15 305	14 403
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	(1 501)	(1 272)
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	(2 217)	(2 039)
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	(3 059)	(2 673)
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	(3 560)	(3 230)

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.

39. Related party transactions

During each year, the Group, in the ordinary course of business, enters into various transactions with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial and operating decisions.

Joint venture and associates

Details of interests in joint venture and associates are set out in note 22 and are equity accounted.

Subsidiaries

Details of interests in subsidiaries are set out in note 21.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation at a Group level. Details of transactions between the Group and other related parties are disclosed below.

39. Related party transactions continued

39.1 Trading transactions

During the current reporting period, the Group entities and Company entered into the following trading transactions with related parties.

	Group					
	Balances owing from/(to)		Sale of goods and services		Purchase of goods and services	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Silverlands Mozambique Holdings Limited						
Management fees[1]	—	—	2 090	1 974	—	—
Current account[5]	(8 600)	(9 257)	—	—	—	—
Loan to joint venture[7]	24 502	21 217	—	—	—	—
Lebombo Growers (Pty) Ltd						
Banana marketing and transport costs paid	—	—	—	—	(38 010)	(27 415)
Dividend income	—	—	2 858	—	—	—
Current account[5]	—	237	—	—	—	—
Banana pool accrual	8 426	4 818	—	—	—	—
Loan to associate[7]	—	2 305	—	—	—	—
Mpambanyoni Sand (Pty) Ltd						
Loan to associate[7]	—	50	—	—	—	—

Related party loans are unsecured, interest-free and shareholder loan accounts that are settled in cash, according to standard credit terms, being 30 days, 60 days or 90 days.

Repayment of the Silverlands/QBV loan takes place over a 60-day to 90-day credit term, subject to exchange control regulations and withholding tax considerations. Lebombo repayments of loans occur annually, the loan was fully repaid during the current year.

	Company					
	Balances owing from/(to)		Sale of goods and services		Purchase of goods and services	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Silverlands Mozambique Holdings Limited						
Management fees[1]	—	—	821	875	—	—
Loan to joint venture[7]	12 182	9 486	—	—	—	—
Mpambanyoni Sand (Pty) Ltd						
Loan to associate[7]	—	50	—	—	—	—
Crookes Brothers South Africa (Pty) Ltd						
Management fees[1]	—	—	16 589	13 045	—	—
Share-based payment	—	—	893	—	—	—
Interest received[3]	—	—	1 835	9 105	—	—
Current account[5]	21 382	14 512	—	—	—	—
Loan to subsidiary[6]	30 167	54 576	—	—	—	—
Libcro Farming (Pty) Ltd						
Directors fees received[2]	—	—	260	241	—	—
Management fees[1]	—	—	3 143	3 036	—	—
Surety fees received[4]	—	—	15	125	—	—
Current account[5]	93	27	—	—	—	—

39. Related party transactions continued

39.1 Trading transactions continued

	Company					
	Balances owing from/(to)		Sale of goods and services		Purchase of goods and services	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Mawecro Farming (Pty) Ltd						
Directors fees received[2]	—	—	1 800	1 800	—	—
Management fees[1]	—	—	2 009	1 924	—	—
Surety fees received[4]	—	—	213	233	—	—
Interest received[3]	—	—	—	99	—	—
Current account[5]	77	(9)	—	—	—	—
Crookes Plantations Limited						
Management fees[1]	—	—	384	362	—	—
Current account[5]	—	308	—	—	—	—
Loan from subsidiary[6]	(136 940)	(134 391)	—	—	—	—
Bar J Limited						
Loan from subsidiary[6]	(97)	(97)	—	—	—	—
CBL Agri International (Pty) Ltd						
Dividend received	—	—	—	3 000	—	—
CBL Agri Zambia Limited						
Management fees[1]	—	—	244	230	—	—
Interest received[3]	—	—	69	49	—	—
Current account[5]	—	184	—	—	—	—
Loan to subsidiary[6]	90	1 072	—	—	—	—
Mozambique Farms (Pty) Ltd						
Loan to subsidiary[6]	686	686	—	—	—	—
Murrimo Macadamias Lda						
Management fees[1]	—	—	1 336	1 408	—	—
Share-based payment	—	—	158	—	—	—
Loan to subsidiary[6]	411 761	402 036	—	—	—	—
Murrimo Farming Lda						
Loan to subsidiary[6]	19 446	19 446	—	—	—	—
QBV South Africa (Pty) Ltd						
Loan to subsidiary[6]	3	1	—	—	—	—
Renserv (Pty) Ltd						
Interest received[3]	—	—	545	—	—	—
Current account[5]	70	—	—	—	—	—
Loan to subsidiary[6]	16 412	—	—	—	—	—
Renishaw Property Developments (Pty) Ltd						
Management fees[1]	—	—	1 321	1 256	—	—
Surety fees received[4]	—	—	1 598	1 407	—	—
Interest received[3]	—	—	13 108	13 494	—	—
Current account[5]	93	1 207	—	—	—	—
Loan to subsidiary[6]	185 668	199 327	—	—	—	—

1 *Management fees are charged to Group companies based on actual time spent by head office employees, multiplied by their hourly salary rates. A 50% mark-up is added to cover additional indirect costs.*

2 *Directors fees are charged to the Group companies, based on the representation on these respective Company Boards by the Company's Directors. There are typically four Board meetings held a year.*

3 *Refer to note 21 for details of interest charged on these unsecured working capital loans.*

4 *Refer to note 3.3 for details of surety fees charged.*

5 *These current accounts are typically settled within 30 days and are interest-free.*

6 *Refer to note 21 for details of the Company's loans to and from its subsidiaries.*

7 *Refer to note 22 for details of the Group's investments in its related party joint venture and associates.*

39. Related party transactions continued

39.1 Trading transactions continued

Expected credit loss (ECL) on loans to subsidiaries

The Group has performed an assessment on loans from subsidiaries in terms of IFRS 9 and has concluded that these loans represent loans at amortised cost, except for loans which are non repayable which are classified as equity.

Based on the current profitability, financial outlook and forward-looking information available, the Company has performed an expected credit loss (ECL) calculation for the loans receivable from its subsidiaries by taking into account their available cash resources, net liquid current assets and non-current assets available for settlement of the loan.

Based on the assessment, the ECL has been deemed to be immaterial.

Expected credit loss (ECL) on loans to joint venture and associates

Silverlands Mozambique Holdings Limited

The loan to Silverlands Mozambique Holdings Limited ("SMHL"), is in relation to the Group's equity accounted share of the QBV banana operation in Mozambique. See note 3.2. SMHL owes the Group R24.5 million (2021: R21.2 million), of which the Company is owed R12.2 million (2021: R9.5 million). In the case of the Company, it's 49.5% share of the net assets of SMHL amounts to R53.1 million (2021: R49.8 million), whilst the overall Group's share is R58.5 million (2021: R48.9 million). See note 22.

In assessing the lifetime ECL for the loan to SMHL, the Directors considered the following forward-looking information:

- The QBV operation has concluded initial phase of planting and is fully operational, harvesting and selling bananas.
- Banana prices are still high, and with QBV exporting these bananas into neighbouring South Africa, the Company benefits from earning hard currency prices.
- The Group and Silverstreet Capital are 100% shareholders in SMHL. The working capital loan in this context is a shareholder loan, which is fully within the control of the Group.
- The SMHL Group is fully capitalised with US$4 million in equity, and a US$2 million OPIC loan. A further US$3 million in DFI funding was introduced in the prior financial year.
- The loan will be settled partly out of proceeds from the US$3 million DFI funding, together with trading profits realised.
- Given that this is effectively a shareholder loan to an associate, DFI funding is available and the Group's EBITDA is in excess of the loan, management's assessment of ECL in this context is remote.

Based on the above-mentioned forward-looking assumptions as well as the fact that the Group's share of the current NAV of SMHL is R58.5 million, the Directors are satisfied that there is sufficient security over this loan as at 31 March 2022, and have therefore deemed ECL to be immaterial.

Lebombo Growers (Pty) Ltd

The loan to Lebombo Growers is settled annually both in the form of producer reserve payments, as well as shareholder loan repayments. The loan was fully settled during the current year. Due to Lebombo being sufficiently capitalised, never having defaulted on payments to the Group as well as consistently repaying the shareholder loan account annually, the Directors assess that there is no credit risk associated with amounts due and therefore concluded that no ECL is required.

39.2 Key management of Crookes Brothers Limited

In terms of IAS24 "Related Party Disclosures", key management are considered to be related parties. Executive management are classified as key management.

The following transactions were carried out with key management individuals within the Group:

	2022 R'000	2021 R'000
– short-term employee benefits	15 870	13 498
– post-employment benefits	1 762	1 779
– share-based payments	1 587	—
	19 219	15 277

39. Related party transactions continued

39.3 Directors' emoluments

	Company						
Executive Directors and prescribed officers	Salary R'000	Take-on and exit bonus and relocation costs 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 2022							
KA Sinclair	3 354	—	1 404	515	—	102	5 375
N Naidoo[1]	1 930	—	336	288	—	59	2 613
GL Veale[2]	586	—	—	37	—	7	630
RF Niven[3]	2 482	—	637	346	—	74	3 539
	8 352	—	2 377	1 186	—	242	12 157
Year to 31 March 2021							
KA Sinclair	3 158	—	750	489	—	97	4 494
GL Veale[2]	2 830	—	197	437	—	86	3 550
RF Niven[3]	2 358	—	145	327	—	70	2 900
	8 346	—	1 092	1 253	—	253	10 944

[1] *Appointed 1 May 2021.*
[2] *Resigned 30 April 2021.*
[3] *Prescribed officer.*

	Company			
	Directors' fees		Committee fees	
Non-executive Directors	2022 R'000	2021 R'000	2022 R'000	2021 R'000
MT Rutherford (Chairperson)[1]	231	528	58	132
RGF Chance	249	237	228	211
TJ Crookes	249	237	90	63
TK Denton	249	237	83	79
P Mnganga[2]	104	237	55	127
LW Riddle (Chairperson)[3]	427	237	186	190
G Vaughan-Smith	249	237	47	55
ST Xaba	249	237	62	32
F Mall[4]	104	—	23	—
	2 111	2 187	832	889

[1] *Resigned 27 August 2021.*
[2] *Resigned 29 August 2021.*
[3] *Appointed as chairperson 21 October 2021.*
[4] *Appointed 5 November 2021.*

See note 36 for details of Directors' and management's share options granted and unexpired as at 31 March 2022.

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.

39.4 Shareholder information

	Group and Company	
Beneficial shareholders with a holding greater than 5% of the shares in issue	Number of shares	Percentage of shares in issue
Silverlands (SA) Plantations Sarl	6 838 444	44.80
Oasis Crescent Management Company	875 053	5.73
Ellingham Estate (Pty) Ltd	840 000	5.50
	8 553 497	56.00

	Group	
	2022 R'000	2021 R'000
40. Budgeted capital expenditure		
Authorised by the Directors but not yet contracted		
– expansion and project development	**29 376**	30 427
– improvement	**25 425**	22 523
– replacement	**6 915**	13 664
– bearer asset planting	**30 612**	30 153
	92 328	96 767

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

- R7.2 million for the expansion of the Mozambique macadamia segment, which includes planting costs of R1 million and R5 million relating to the upgrade of the curing facility.
- R7.9 million relating to investment in further sub-surface drip irrigation to achieve better cane yields.
- R1.7 million relating to upgrade of payroll software, intranet and website.
- R6.9 million relating to replacement of the Group's irrigation infrastructure, farming vehicles, implements and other farming equipment necessary to achieve consistent yields and comply with safety standards.
- R6.9 million relating to the Group's Renishaw Property infrastructure and precinct development.
- R13.1 million relating to capital costs associated with planting of 60 ha of bananas in Eswatini.
- R48.6 million relating to planting and replant costs associated with the Group's cane, deciduous and banana farms.

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

41. Comparative figures

During the current reporting period, comparative information relating to the statement of profit or loss and statement of cash flows was re-presented to provide more meaningful information to users.

These re-presentations do not constitute corrections of prior period errors, nor do they impact profit or loss, earnings per share (EPS), headline earnings per share (HEPS) or operating, investing and financing cash flows.

The related effects on the statements of profit or loss and cash flow are as follows:

41.1 Aggregation of the various components of statement of profit or loss – no change to profit or loss, EPS or HEPS as previously reported

	Group
Statement of profit or loss	2021 R'000
As previously reported	
Revenue	635 583
Direct costs	(69 472)
Agricultural costs	(204 109)
Distribution expenses	(31 728)
Allocated overhead costs	(140 942)
Livestock births/deaths	(26)
Property development cost of sales	(17 830)
Other gains and losses	19 058
Operating and administrative expenses	(85 156)
Restated	
Trading profit/(loss) before expected credit losses and depreciation and impairments	105 378
Net effect on profit or loss	—

Notes to the Financial Statements continued

for the year ended 31 March 2022

41. Comparative figures continued

41.1 Aggregation of the various components of statement of profit or loss – no change to profit or loss, EPS or HEPS as previously reported continued

Statement of profit or loss	Company 2021 R'000
As previously reported	
Revenue	51 995
Other gains and losses	414
Operating and administrative expenses	(44 364)
Restated	
Trading profit/(loss) before expected credit losses and depreciation and impairments	8 045
Net effect on profit or loss	–

41.2 Aggregation of components of the statement of cash flows

Non-cash adjustments previously disclosed on the face of the statement of cash flows are now disclosed in note 26.2.

42. Events after the reporting period

The Group has secured a R40 million term facility from FNB Eswatini to fund its banana expansion at its Eswatini farm. The facility accrues interest at the quoted Eswatini prime rate and is secured by way of a first covering mortgage bond registered over the immovable property, together with a deed of hypothecation to the value of R65 million. An amount of R20 million has since been drawn down from the facility.

The Renishaw Hills property division has secured a R47 million 24-month revolving facility with Investec, to fund Phase 6 of its construction of 30 residential units. The facility accrues interest at the prevailing prime rate less 0.5%, and is secured by way of registration of a first covering mortgage bond over these 30 units and a parent guarantee from Crookes Brothers Limited ("CBL").

The heavy rainfall in KwaZulu-Natal which triggered flooding and mudslides had an immaterial impact on the Scottburgh sugar cane and property operations.

There were no other major changes in the affairs or financial position of the Group or its subsidiary companies since the end of the current reporting period.

43. Impact of COVID-19

As reported in the prior year, the effects of the pandemic were largely felt on the property segment as a result of lockdown restrictions which temporarily shut down the building industry. The property segment is still feeling the effects of COVID-19, but a strong marketing initiative has seen the property division receive an uptick in demand.

The Group has felt the impact of supply chain disruptions caused by COVID-19 on the macadamia segment in the current year. Shipping delays resulted in large shipments of macadamias sitting in containers at port for prolonged periods of time, affecting the moisture content and quality. This has resulted in R13 million of lost revenue and operating profit.

44. Going concern

The Directors believe that the Group and Company has adequate resources to continue in operation for the foreseeable future and the financial statements have therefore been prepared on a going-concern basis. Based on the financial performance of the Group, its cash flow projection to the end of March 2023, secured funding and positive solvency and liquidity tests, the Group will remain operational for the foreseeable future.

Corporate information

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Website:	www.cbl.co.za
Share code:	CKS
Company registration number:	1913/000290/06
Company secretary:	Ziyanda Ngwenya
Business address:	2nd Floor, Ridge 6, 20 Ncondo Place, Umhlanga Ridge, 4319
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Transfer secretaries:	Computershare Investor Services (Pty) Ltd
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