CROOKES BROTHERS

Audited Financial Statements

for the year ended 31 March 2023

Contents

Approval of the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

The preparation of the consolidated and separate Financial Statements that fairly represent the results of the Group in accordance with the Companies Act, No 71 of 2008 (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 also ensures an independent audit of the Financial Statements by the external auditors. 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 2023 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 2024, 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 2023, the board of directors approved the Financial Statements and further authorised Mr Larry Riddle and Mr Kennett Sinclair in their respective capacities as Chair and Chief Executive Officer to sign off the Financial Statements. The Financial Statements which appear on pages 14 to 92, are therefore signed on its behalf by:

Larry Riddle
Chairman

Kennett Sinclair
Chief Executive Officer

Durban
22 June 2023

CEO and CFO responsibility statement

FOR THE YEAR ENDED 31 MARCH 2023

Each of the directors, whose names are stated below, hereby confirm that:

(a) The Annual Financial Statements set out on pages 14 to 92, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) To the best of our knowledge and belief, 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;

(d) The internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) 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 financial controls and have taken steps to remedy the deficiencies; and

(f) We are not aware of any fraud involving directors.

Kennett Sinclair
Chief Executive Officer

Nigel Naidoo
Chief Financial Officer

Durban
22 June 2023

Compliance statement by the Company Secretary

FOR THE YEAR ENDED 31 MARCH 2023

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 2023.

Ziyanda Ngwenya
Company Secretary

Durban
22 June 2023

Preparation of the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

The consolidated and separate Financial Statements, which appear on pages 14 to 92 have been prepared under the supervision of Nigel Naidoo, CA (SA) and were approved by the Board of directors on 22 June 2023.

Nigel Naidoo
Chief Financial Officer

Durban
22 June 2023

Audit Committee report

FOR THE YEAR ENDED 31 MARCH 2023

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 Chair 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 Chair.

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

Regulatory compliance

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

Audit Committee report continued

FOR THE YEAR ENDED 31 MARCH 2023

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 2022;

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 2023

Directors' report

FOR THE YEAR ENDED 31 MARCH 2023

The Directors have pleasure in presenting the financial statements of the Group and Company for the year ended 31 March 2023.

The Board confirms that Crookes Brothers is in compliance with the provisions of the Companies Act relating to its incorporation and that it is operating in conformity with its Memorandum of Incorporation.

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 2023 consisted of 16 000 000 shares of 25 cents each (2022: 16 000 000). The Company has no unlisted securities.

The number of issued shares is 15 264 317 at 31 March 2023 (2022: 15 264 317).

The Company holds treasury shares and has repurchased 130 865 (2022: 44 314) of its own shares during the year under review, for the purposes of the Deferred Bonus Scheme ("DBS").

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

Financial results

Group loss for the year ended 31 March 2023 amounted to R199.6 million (2022: attributable profit R78.9 million), resulting in a loss per share of 1 284.9 cents (2022: earnings per share 410.2 cents). Headline loss per share amounted to 708.8 cents (2022: headline earnings 229.6 cents).

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

Dividends

The Board of Directors did not declare an interim or final dividend for the year ended 31 March 2023.

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 37 and 40 of the financial statements.

Farzanah Mall was elected as chair of the Audit Committee on 1 April 2022 and a member of the Social and Ethics Committee on 1 September 2022.

In terms of the company's memorandum of incorporation, Tim Crookes, Tim Denton and Gary Vaughan-Smith, retire at the AGM and, being eligible, offer themselves for re-election.

Interests of directors in share capital

At 31 March 2023, the directors of the company held beneficial interests in 1 016 280 of the company's issued ordinary shares (2022: 243 940). 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 2023, are listed below.

Director	2023 Direct	2023 Indirect	2022 Direct	2022 Indirect
Richard Chance	800	100 000	800	100 000
Tim Crookes	–	916 280	–	143 140
	800	1 016 280	800	243 140

In addition, at 31 March 2023, managers of the company held 20 000 shares (2022: 24 566 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 (2022: 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.

Director's report continued

FOR THE YEAR ENDED 31 MARCH 2023

Directors' remuneration

At the forthcoming annual general meeting, shareholders will be requested to pass a non-binding advisory vote approving the group's remuneration policy and a special resolution to approve director's fees payable to non-executive directors with effect from 1 April 2023.

The proposed director's fees for 2024 as approved by the Human Capital committee remain unchanged from 2023 and are as follows:

Rands per annum	Current 2023	Proposed 2024
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 23 of the financial statements.

Special resolutions adopted by the company and its subsidiary companies

Apart from special resolutions approved at the company's annual general meeting, no other special resolutions were approved.

Major shareholders

Shareholders holding beneficially, directly or indirectly, in excess of 5% of the issued share capital of the company are disclosed in note 40 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, 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.

Going concern

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

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 14 to 92, which comprise the consolidated and separate statements of financial position as at 31 March 2023, 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 2023, 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 for Auditors' Code of *Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the 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.*	

Independent Auditor's Report continued

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Standing cane (applicable to the consolidated financial statements only)</td></tr>
<tr><td>The value of standing sugar cane is based on the current estimated cane price for the following season and sucrose content, less the estimated costs of harvesting and transport. Significant judgement is required in estimating the expected cane yield, the maturity of the cane, the estimated sucrose content and the forecast sucrose price for 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 25 to the consolidated financial statements for the relevant disclosure.</td><td>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;
• 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;
• The crop age and factors used to discount the valuation were evaluated against industry norms 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 5 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; and
• Evaluated the adequacy of the disclosures against the requirements of IAS 41 and IFRS 13.</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
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 25 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; • 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 2023; • 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; and • Evaluated the adequacy of the disclosures against the requirements of IAS 41 and IFRS 13.
Macadamia nuts (applicable to the consolidated financial statements only)	
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 25 to the consolidated financial statements for the relevant disclosure.	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; • 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's 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 disclosures against the requirements of IAS 41 and IFRS 13.

Independent Auditor's Report continued

Key audit matter	How our audit addressed the key audit matter
Banana bunches (applicable to the consolidated financial statements only)	
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 25 to the consolidated financial statements for the relevant disclosure.	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; • 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 disclosures against the requirements of IAS 41 and IFRS 13.
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 5 year period for price and volume variance to assess the accuracy of management's estimates; • Final volume for the prior year was used to perform an assessment regarding the reasonability of the accrual as at 31 March 2023; and • Evaluated the adequacy of the disclosure against the requirements of IFRS 15.

Independent Auditor's Report continued

Key audit matter	How our audit addressed the key audit matter
Recoverability of investments in subsidiaries and loans to related parties (separate financial statements only)	
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 23 to the separate financial statements for the relevant disclosure.	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; • Assessed the Net Asset Value for each investment (based on the investee trial balances at year end) to determine if the investment value was below the Net Asset Value; • For those investments with Net Asset Values below the investment value, assess management's calculation of an adjusted Net asset Value based on valuations reports provided by management's expert valuer, Knight Frank. • For those investments that still had impairment indicators, we utilised our internal valuation expertise and 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 management's 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 relevant company's 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 relevant company's 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 by the expert in calculating the Probability of Default and Loss Given Default using their 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.

Independent Auditor's Report continued

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 2023", 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.

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 three years.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

Ahmed Timol
Director
Registered Auditor

29 June 2023

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 2023

	Notes	Group 2023 R'000	Group 2022* R'000	Company 2023 R'000	Company 2022 R'000
Continuing operations					
Revenue	6	615 730	576 654	60 922	45 633
Trading profit/(loss) before expected credit losses, depreciation and impairments	7	19 535	86 251	11 201	(2 286)
Depreciation and impairments	8	(155 801)	(55 717)	(183 257)	(378)
Expected credit losses	9	(938)	(373)	(16 727)	–
Operating (loss)/profit before biological assets		(137 204)	30 161	(188 783)	(2 664)
Change in fair value of biological assets	10	(11 356)	12 583	–	–
Operating (loss)/profit after biological assets		(148 560)	42 744	(188 783)	(2 664)
Non-trading items	11	(5 200)	35 427	5 189	(22)
Operating (loss)/profit after non-trading items		(153 760)	78 171	(183 594)	(2 686)
Share of profit of joint venture and associate companies	24	1 993	16 739	–	–
Investment income	12	5 544	6 582	–	–
Finance costs	13	(44 553)	(25 987)	(8 100)	(3 897)
(Loss)/profit before tax		(190 776)	75 505	(191 694)	(6 583)
Tax expense	14	13 348	(9 138)	(1 423)	278
(Loss)/profit for the year from continuing operations		(177 428)	66 367	(193 117)	(6 305)
Discontinued operations					
(Loss)/profit for the year from discontinued operations	5	(22 147)	12 619	–	–
(Loss)/profit for the year		(199 575)	78 986	(193 117)	(6 305)
Attributable to:					
Owners of the company		(196 134)	62 610	(193 117)	(6 305)
From continuing operations		(174 677)	51 380	(193 117)	(6 305)
From discontinued operations		(21 457)	11 230	–	–
Non-controlling interests	29.6	(3 441)	16 376	–	–
From continuing operations		(2 751)	14 987	–	–
From discontinued operations		(690)	1 389	–	–
		(199 575)	78 986	(193 117)	(6 305)
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of post-employment medical aid obligation	34.1	61	(328)	61	(328)
Fair value loss arising on equity investments designated as FVTOCI	29.2	(3 811)	–	–	–
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	29.3	69 227	(15 086)	–	–
Other comprehensive income/(loss) for the year, net of tax		65 477	(15 414)	61	(328)
Total comprehensive (loss)/income for the year		(134 098)	63 572	(193 056)	(6 633)
Attributable to:					
Owners of the company		(130 657)	47 196	–	–
From continuing operations		(109 200)	35 966	–	–
From discontinued operations		(21 457)	11 230	–	–
Non-controlling interests	29.6	(3 441)	16 376	–	–
From continuing operations		(2 751)	14 987	–	–
From discontinued operations		(690)	1 389	–	–
		(134 098)	63 572	–	–
(Loss)/earnings per share					
From continuing and discontinued operations					
Basic (cents)	15.1	(1 284.9)	410.2	–	–
Diluted (cents)	15.2	(1 284.9)	410.2	–	–
(Loss)/earnings per share					
From continuing operations					
Basic (cents)	15.1	(1 144.3)	336.6	–	–
Diluted (cents)	15.2	(1 144.3)	336.6	–	–

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

Statement of financial position

AS AT 31 MARCH 2023

	Notes	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
ASSETS					
Non-current assets		**1 062 101**	1 204 623	**566 700**	738 502
Property, plant and equipment	17	**618 969**	773 561	**3 620**	2 652
Right-of-use assets	18	**150 229**	148 787	**4 610**	–
Investment property	19	**114 118**	113 637	**–**	–
Deferred tax assets	20	**56 764**	29 356	**3 179**	3 975
Financial assets	22	**14 482**	26 687	**45**	5 853
Investments in subsidiaries	23	**–**	–	**513 991**	685 218
Investment in joint venture and associates	24	**107 539**	112 595	**41 255**	40 804
Current assets		**828 538**	629 947	**305 083**	262 008
Biological assets	25	**303 358**	306 088	**–**	–
Inventories	26	**140 705**	118 870	**–**	–
Trade and other receivables	27	**159 383**	140 409	**6 835**	24 920
Current tax assets	21	**13 846**	10 373	**–**	345
Financial assets	22	**2 210**	9 420	**–**	–
Loans to subsidiaries	23	**–**	–	**294 842**	233 026
Retirement benefit surplus	34.2	**1 838**	1 961	**1 838**	1 961
Cash and bank balances	28	**55 231**	42 826	**1 568**	1 756
		676 571	629 947	**305 083**	262 008
Assets classified as held for sale	5	**151 967**	–	**–**	–
Total assets		**1 890 639**	1 834 570	**871 783**	1 000 510
EQUITY AND LIABILITIES					
Capital and reserves		**1 008 644**	1 144 963	**576 106**	771 383
Share capital	29.1	**3 816**	3 816	**3 816**	3 816
Share premium	29.1	**222 455**	222 455	**222 455**	222 455
Investment revaluation reserve	29.2	**(2 860)**	951	**–**	–
Foreign currency translation reserve	29.3	**(2 577)**	(71 804)	**–**	–
Treasury shares	29.4	**(7 032)**	(1 779)	**(7 032)**	(1 779)
Share-based payment reserve	29.5	**8 154**	5 556	**8 154**	5 556
Retained earnings		**725 566**	921 205	**348 713**	541 335
Equity attributable to owners of the Company		**947 522**	1 080 400	**576 106**	771 383
Non-controlling interests	29.6	**61 122**	64 563	**–**	–
Non-current liabilities		**502 252**	514 986	**6 760**	2 902
Deferred tax liabilities	20	**119 753**	115 320	**–**	–
Borrowings – interest-bearing	30.1	**102 918**	130 825	**–**	–
Other financial liabilities	19	**68 915**	70 464	**–**	–
Obligations to return leased farmland	31	**44 290**	37 586	**–**	–
Lease liabilities	32	**163 587**	157 889	**3 971**	–
Post-employment medical aid obligation	34.1	**2 789**	2 902	**2 789**	2 902
Current liabilities		**379 743**	174 621	**288 917**	226 225
Trade and other payables	35	**82 229**	52 528	**7 905**	7 315
Provisions	36	**14 049**	14 374	**1 713**	1 873
Current tax liabilities	21	**188**	370	**188**	–
Loans from subsidiaries	23	**–**	–	**155 142**	137 037
Borrowings – interest-bearing	30.1	**270 793**	96 672	**123 000**	80 000
Other financial liabilities	19	**4 360**	4 427	**–**	–
Lease liabilities	32	**8 124**	6 250	**969**	–
Total equity and liabilities		**1 890 639**	1 834 570	**871 783**	**1 000 510**

Statement of cash flows

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Operating activities					
Cash (utilised in)/generated from operations	28.2	**(12 461)**	58 460	**7 287**	(18 108)
Interest received		**7 098**	1 353	**25 051**	15 562
Interest paid	13.1	**(38 904)**	(25 607)	**(8 100)**	(3 897)
Taxes (paid)/received	14.1	**(1 778)**	(19 690)	**4**	25
Net cash (utilised in)/generated by operating activities		**(46 045)**	14 516	**24 242**	(6 418)
Investing activities					
Investment in financial assets		**–**	(1 359)	**–**	–
Proceeds on redemption of financial assets		**1**	–	**–**	–
Unsecured loans advanced		**–**	(5 000)	**–**	–
Receipts from unsecured loans		**5 000**	–	**–**	–
Receipts from secured loans		**2 038**	–	**–**	–
Proceeds on disposal of property, plant and equipment		**1 723**	39 750	**5 277**	–
Investment in property, plant and equipment	17.3	**(77 346)**	(94 410)	**(1 506)**	(672)
Proceeds on disposal of investment property	19	**2 139**	–	**–**	–
Investment in investment property	19	**(298)**	(5 639)	**–**	–
Capital contributions to subsidiary		**–**	–	**(10 543)**	(9 724)
Advances of loans to subsidiaries		**–**	–	**(72 351)**	–
Repayments of loans to subsidiaries		**–**	–	**–**	22 635
Investment in associate companies		**–**	(3 359)	**–**	–
Funds advanced to joint venture and associate companies	24	**(518)**	(859)	**(451)**	(2 647)
Funds repaid by joint venture and associate companies	24	**2 926**	3 360	**–**	–
Dividend received from associate	24	**3 538**	–	**–**	–
Dividends received from unlisted investments		**22**	67	**–**	–
Net cash (utilised in)/generated by investing activities		**(60 775)**	(67 449)	**(79 574)**	9 592
Financing activities					
Proceeds from loans and borrowings	30.10	**103 305**	22 484	**–**	–
Repayment of loans and borrowings	30.10	**(16 500)**	(16 008)	**–**	–
Proceeds from general banking facilities	30.10	**227 500**	193 000	**227 500**	193 000
Repayment of general banking facilities	30.10	**(184 500)**	(188 000)	**(184 500)**	(188 000)
Advances from loans from subsidiary		**–**	–	**76 623**	58 656
Repayment of loans from subsidiary		**–**	–	**(58 520)**	(56 106)
Receipts from other financial liabilities		**3 744**	31 464	**–**	–
Repayment of other financial liabilities	19	**(1 761)**	–	**–**	–
Payment of lease liability	32.1	**(7 310)**	(5 767)	**(706)**	–
Purchase of treasury shares	29.4	**(5 253)**	(1 779)	**(5 253)**	(1 779)
Dividends paid – community partners	29.6	**–**	(2 040)	**–**	–
Dividends paid – ordinary shareholders		**–**	(7 632)	**–**	(7 632)
Net cash generated by/(utilised in) financing activities		**119 225**	25 722	**55 144**	(1 861)
Net increase/(decrease) in cash and cash equivalents		**12 405**	(27 211)	**(188)**	1 313
Cash and cash equivalents at beginning of the year		**42 826**	70 037	**1 756**	443
Cash and cash equivalents at end of the year	28.1	**55 231**	42 826	**1 568**	1 756

Statement of changes in equity

FOR THE YEAR ENDED 31 MARCH 2023

	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 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 16 and 29.6)	–	–	–	–	–	(7 632)	(7 632)	(2 040)	(9 672)
Treasury shares purchased (see note 29.4)	–	–	–	(1 779)	–	–	(1 779)	–	(1 779)
Share-based payment expense (see note 29.5)	–	–	–	–	3 175	–	3 175	–	3 175
Share-based payment transfer (see note 29.5)	–	–	–	–	(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
Loss for the year	–	–	–	–	–	(196 134)	(196 134)	(3 441)	(199 575)
Other comprehensive loss	–	(3 811)	69 227	–	–	61	65 477	–	65 477
Total comprehensive loss for the year	–	(3 811)	69 227	–	–	(196 073)	(130 657)	(3 441)	(134 098)
Treasury shares purchased (see note 29.4)	–	–	–	(5 253)	–	–	(5 253)	–	(5 253)
Share-based payment expense (see note 29.5)	–	–	–	–	3 032	–	3 032	–	3 032
Share-based payment transfer (see note 29.5)	–	–	–	–	(434)	434	–	–	–
Balance at 31 March 2023	226 271	(2 860)	(2 577)	(7 032)	8 154	725 566	947 522	61 122	1 008 644
Note	29.1	29.2	29.3	29.4	29.5			29.6	

Statement of changes in equity continued

FOR THE YEAR ENDED 31 MARCH 2023

	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 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 16)	–	–	–	–	–	(7 632)	(7 632)	–	(7 632)
Treasury shares purchased (see note 29.4)	–	–	–	(1 779)	–	–	(1 779)	–	(1 779)
Share-based payment expense (see note 29.5)	–	–	–	–	3 175	–	3 175	–	3 175
Share-based payment transfer (see note 29.5)	–	–	–	–	(1 853)	1 853	–	–	–
Balance at 31 March 2022	226 271	–	–	(1 779)	5 556	541 335	771 383	–	771 383
Loss for the year	–	–	–	–	–	(193 117)	(193 117)	–	(193 117)
Other comprehensive income	–	–	–	–	–	61	61	–	61
Total comprehensive loss for the year	–	–	–	–	–	(193 056)	(193 056)	–	(193 056)
Treasury shares purchased (see note 29.4)	–	–	–	(5 253)	–	–	(5 253)	–	(5 253)
Share-based payment expense (see note 29.5)	–	–	–	–	3 032	–	3 032	–	3 032
Share-based payment transfer (see note 29.5)	–	–	–	–	(434)	434	–	–	–
Balance at 31 March 2023	226 271	–	–	(7 032)	8 154	348 713	576 106	–	576 106
Note	29.1	29.2	29.3	29.4	29.5			29.6	

Consolidated segmental analysis

FOR THE YEAR ENDED 31 MARCH 2023

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 combined under “other operations”, which is disaggregated in note 6. “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 2023	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 continuing operations R’000	Total discontinued operations R’000	Total R’000
Revenue – External	404 584	–	121 176	35 521	31 741	22 708	–	615 730	65 617	681 347
Operating loss before unallocated overheads	56 597	–	(9 243)	(125 923)	1 784	(1 400)	–	(78 185)	(24 923)	(103 108)
Corporate expenses	–	–	–	–	–	–	(59 019)	(59 019)	–	(59 019)
Operating loss before biological assets	56 597	–	(9 243)	(125 923)	1 784	(1 400)	(59 019)	(137 204)	(24 923)	(162 127)
Change in fair value of biological assets	32 246	–	(2 970)	(40 632)	–	–	–	(11 356)	(71)	(11 427)
Operating loss after biological assets	88 843	–	(12 213)	(166 555)	1 784	(1 400)	(59 019)	(148 560)	(24 994)	(173 554)
Profit on disposal of property, plant and equipment	1 009	–	67	(2)	–	(31)	(52)	991	1	992
Provision for employee relocations and land rehabilitation	–	–	–	–	–	–	–	–	(6 050)	(6 050)
Expected credit losses on financial assets	–	–	–	–	–	–	(6 191)	(6 191)	–	(6 191)
Share of loss of joint venture and associates	–	–	1 993	–	–	–	–	1 993	–	1 993
Investment income	–	–	–	–	–	–	5 544	5 544	12	5 556
Finance costs	–	–	–	–	–	–	(44 553)	(44 553)	–	(44 553)
Loss before tax	89 852	–	(10 153)	(166 557)	1 784	(1 431)	(104 271)	(190 776)	(31 031)	(221 807)
Tax expense	–	–	–	–	–	–	13 348	13 348	8 884	22 232
Loss after tax	89 852	–	(10 153)	(166 557)	1 784	(1 431)	(90 923)	(177 428)	(22 147)	(199 575)

Consolidated segmental analysis continued

FOR THE YEAR ENDED 31 MARCH 2023

Year to 31 March 2023	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 continuing operations R'000	Total discontinued operations R'000	Total R'000
Segmental assets	637 519	72 410	270 906	341 701	319 832	21 771	74 533	1 738 672	151 967	1 890 639
Property, plant and equipment	229 514	–	42 431	279 745	48 239	15 769	3 271	618 969	151 881	770 850
Right-of-use assets	95 211	–	50 408	–	–	–	4 610	150 229	–	150 229
Investment property	–	–	–	–	114 118	–	–	114 118	–	114 118
Deferred tax assets	–	52	63	9 310	41 564	2 596	3 179	56 764	–	56 764
Financial assets	13 610	808	–	345	1 925	4	–	16 692	86	16 778
Investments in joint venture and associates	–	–	107 539	–	–	–	–	107 539	–	107 539
Biological assets	245 572	18 077	21 984	17 725	–	–	–	303 358	–	303 358
Inventories	17 647	5 086	10 118	7 785	98 039	2 030	–	140 705	–	140 705
Trade and other receivables	26 828	46 781	37 339	24 874	15 947	1 372	6 242	159 383	–	159 383
Current tax assets	9 137	1 606	1 024	1 917	–	–	162	13 846	–	13 846
Retirement benefit surplus	–	–	–	–	–	–	1 838	1 838	–	1 838
Cash and bank balances	–	–	–	–	–	–	55 231	55 231	–	55 231
Segmental liabilities	(286 269)	(23 428)	(143 578)	(94 040)	(189 641)	(2 038)	(143 001)	(881 995)	–	(881 995)
Deferred tax liabilities	(87 453)	(11 382)	(12 626)	–	(8 200)	(315)	223	(119 753)	–	(119 753)
Borrowings – interest-bearing	(28 199)	–	(27 274)	(90 741)	(104 497)	–	(123 000)	(373 711)	–	(373 711)
Other financial liabilities	–	–	–	–	(73 275)	–	–	(73 275)	–	(73 275)
Obligations to restore leased farmland	(29 947)	–	(14 343)	–	–	–	–	(44 290)	–	(44 290)
Lease liabilities	(108 984)	–	(57 787)	–	–	–	(4 940)	(171 711)	–	(171 711)
Post-employment medical aid obligation	–	–	–	–	–	–	(2 789)	(2 789)	–	(2 789)
Trade, other payables and provisions	(31 686)	(12 046)	(31 548)	(3 299)	(3 669)	(1 723)	(12 307)	(96 278)	–	(96 278)
Current tax liabilities	–	–	–	–	–	–	(188)	(188)	–	(188)
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Other information										
Capital expenditure on property, plant and equipment	36 063	–	18 737	22 695	37	573	1 994	80 099	11 665	91 764
Depreciation and impairments	32 271	–	6 525	112 259	2 043	1 579	1 366	156 043	8 082	164 125
Change in fair value of investment property	–	–	–	–	1 192	–	–	1 192	–	1 192

Consolidated segmental analysis continued

FOR THE YEAR ENDED 31 MARCH 2023

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 continuing operations R'000	Total discontinued operations R'000	Total R'000
Revenue – External	374 906	–	103 007	44 432	33 355	20 954	–	576 654	101 948	678 602
Operating profit before unallocated overheads	68 017	–	9 866	(9 675)	17 800	1 567	–	87 575	16 183	103 758
Corporate expenses	–	–	–	–	–	–	(57 414)	(57 414)	–	(57 414)
Operating profit before biological assets	68 017	–	9 866	(9 675)	17 800	1 567	(57 414)	30 161	16 183	46 344
Change in fair value of biological assets	1 298	–	5 555	5 730	–	–	–	12 583	422	13 005
Operating profit after biological assets	69 315	–	15 421	(3 945)	17 800	1 567	(57 414)	42 744	16 605	59 349
Gain on disposal of property, plant and equipment and associate	176	–	49	–	25	35 182	(5)	35 427	–	35 427
Share of profit of joint venture and associates	–	–	16 739	–	–	–	–	16 739	–	16 739
Investment income	–	–	–	–	–	–	6 582	6 582	4	6 586
Finance costs	–	–	–	–	–	–	(25 987)	(25 987)	(8)	(25 995)
Profit before tax	69 491	–	32 209	(3 945)	17 825	36 749	(76 824)	75 505	16 601	92 106
Tax expense	–	–	–	–	–	–	(9 138)	(9 138)	(3 982)	(13 120)
Profit after tax	69 491	–	32 209	(3 945)	17 825	36 749	(85 962)	66 367	12 619	78 986
Segmental assets	611 740	252 023	237 583	383 656	268 690	21 124	59 754	1 834 570	–	1 834 570
Property, plant and equipment	223 899	148 711	26 194	305 187	50 246	17 043	2 281	773 561	–	773 561
Right-of-use assets	101 868	–	46 919	–	–	–	–	148 787	–	148 787
Investment property	–	–	–	–	113 637	–	–	113 637	–	113 637
Deferred tax assets	–	–	–	535	24 867	–	3 954	29 356	–	29 356
Financial assets	25 677	6 063	2 100	333	1 925	9	–	36 107	–	36 107
Investments in joint venture and associates	–	–	112 595	–	–	–	–	112 595	–	112 595
Biological assets	213 628	18 147	24 955	49 358	–	–	–	306 088	–	306 088
Inventories	16 079	5 522	9 862	9 536	75 390	2 481	–	118 870	–	118 870
Trade and other receivables	24 588	71 725	14 119	17 373	2 625	1 591	8 388	140 409	–	140 409
Current tax assets	6 001	1 855	839	1 334	–	–	344	10 373	–	10 373
Retirement benefit surplus	–	–	–	–	–	–	1 961	1 961	–	1 961
Cash and bank balances	–	–	–	–	–	–	42 826	42 826	–	42 826

** Prior year re-presented to account for discontinued operations. Refer to note 5.*

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Consolidated segmental analysis continued

FOR THE YEAR ENDED 31 MARCH 2023

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 continuing operations R'000	Total discontinued operations R'000	Total R'000
Segmental liabilities	(250 401)	(24 621)	(88 812)	(55 338)	(159 261)	(955)	(110 219)	(689 607)	–	(689 607)
Deferred tax liabilities	(81 173)	(21 968)	(11 868)	–	–	(311)	–	(115 320)	–	(115 320)
Borrowings – interest-bearing	(8 923)	–	(6 731)	(51 925)	(79 918)	–	(80 000)	(227 497)	–	(227 497)
Other financial liabilities	–	–	–	–	(74 891)	–	–	(74 891)	–	(74 891)
Obligations to restore leased farmland	(24 043)	–	(13 543)	–	–	–	–	(37 586)	–	(37 586)
Lease liabilities	(112 189)	–	(51 950)	–	–	–	–	(164 139)	–	(164 139)
Post-employment medical aid obligation	–	–	–	–	–	–	(2 902)	(2 902)	–	(2 902)
Trade, other payables and provisions	(24 073)	(2 283)	(4 720)	(3 413)	(4 452)	(644)	(27 317)	(66 902)	–	(66 902)
Current tax liabilities	–	(370)	–	–	–	–	–	(370)	–	(370)
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Other information										
Capital expenditure on property, plant and equipment	36 256	9 759	18 026	43 359	64	202	696	108 362	–	108 362
Depreciation and impairments	33 671	9 955	4 767	13 940	2 010	1 602	348	66 293	–	66 293
Change in fair value of investment property	–	–	–	–	20 620	–	–	20 620	–	20 620

Information about geographical areas and customers

Refer to note 6 for information about the geographical areas where the Group operates in, as well as an analysis of revenue by customer.

Inter-segment revenue

	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 continuing operations R'000	Total discontinued operations R'000	Adjustments R'000	Total R'000
Year to 31 March 2023											
Revenue – Internal	–	–	–	–	–	–	59 475	59 475	–	(59 475)	–
Year to 31 March 2022											
Revenue – Internal	–	–	–	–	–	–	45 633	45 633	–	(45 633)	–

All segment revenue, expenses, assets and liabilities are all directly attributable to the segments. Internal segment revenue between Group segments are at arm's length. All intersegment transactions are eliminated on consolidation.

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Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

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
IAS 37 Provisions, contingent liabilities and contingent assets (Amendment: Onerous contracts – cost of fulfilling a contract)	1 January 2022
IAS 16 Property, plant and equipment (Amendment: Proceeds before intended use)	1 January 2022
Conceptual framework for financial reporting (Amendments to IFRS 3)	1 January 2022
2018 to 2020 Annual Improvements Cycle – Amendments to IFRS 1, IFRS 9 and IFRS 16	1 January 2022
Interest rate benchmark reform (Amendments to IFRS 9, IAS 39 and IFRS 7) issued*	1 January 2020

* *The IBOR reform will impact the loans receivable with JIBAR linked rates. No impact can be assessed at year end as no replacement rate has been formally announced.*

New and revised IFRS standards in issue but not yet effective

Standard/Interpretation	Effective date: Years beginning on or after	Expected impact:
IAS 1 Presentation of financial statements (Amendment: Classification of liabilities as current or non-current, disclosure of accounting policies and non-current liabilities with covenants)	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

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 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. The historical cost basis is used except for investment property (see note 19), biological assets (see note 25) and certain financial instruments (see note 22) 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.

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. The Statement of profit or loss and other comprehensive income has been re-presented to account for discontinued operations. Refer to note 5 for further details.

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 15 investees as controlled subsidiaries (see note 23). All subsidiaries have the same financial reporting period of 31 March.

Of these 15 investees, the Group held the majority share capital and voting rights in 12 of them, thus giving the Group majority voting power to affect the operating and financial returns of these 12 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.

Investments in subsidiaries in the Company financial statements are recognised at cost less impairments.

3.2 Investments in joint venture and associates

See note 24 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 24), the group has acquired a joint venture, via a joint arrangement whereby the Group shares joint control of the arrangement and has rights to the net assets of SMHL through this joint arrangement. The Group has a contractually agreed sharing of control over the arrangement of SMHL's operations with SilverStreet Private Equity Strategies ("SilverStreet"), a subsidiary of the Group's majority shareholder Silverlands (SA) Plantations Sarl a company incorporated in the United Kingdom. Any decisions regarding the relevant activities of SMHL require the unanimous consent of both the group and SilverStreet.

The results and assets and liabilities of the Group's joint venture and associates are incorporated in these consolidated financial statements using the equity method of accounting. Under this equity method, the Group's investment in its joint venture and associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income.

The Group transacts with all the investees' disclosed in note 24 on an arm's-length basis.

Investments in joint venture and associates in the Company financial statements are recognised at cost less impairments.

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

Deciduous revenue has been accounted for as a discontinued operation as per note 5.

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 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 arms-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 12 are earned from the Group's range of financial assets and positive bank balances respectively. Due to the Ccompany 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 (non-controlling interest) are charged against reserves in the period declared, and raised as an outstanding payable until settled. Refer to note 16 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 "and bearer assets", 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 to 50 years
- Capital work-in progress — not depreciated until brought into use
- Plant and other assets — 3 to 25 years
- Sugar cane roots — 7 to 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 13 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 19 for disclosure relating to investment property.

3.10 Impairment of non-financial assets

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 8 for details of impairment, to these bearer assets.

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 22.1 and 22.2. 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 22.3 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 (excluding 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 (excluding VAT) received and the RTO obligation raised. This prepaid lease income is then amortised over the mortality period of the purchaser or his/her spouse, with the current year portion of lease income recognised in profit or loss, and the carrying amount of prepaid lease income subsequently measured at amortised cost.

Refer to notes 19, 23, 30, 32, 35 and 38 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.

Impairment of financial assets

Regarding its financial assets the Group assess the expected credit losses associated with its debt instruments carried at amortised cost on a forward-looking basis. The amount of expected credit losses (ECLs) is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial instrument. The Group assesses loans at amortised cost, trade receivables, other receivables and cash and cash equivalents for impairment.

Regarding its financial assets held at amortised cost, the Group recognises lifetime expected credit losses (ECL).

Refer to note 9, 11 and 38.3 for a detailed analysis.

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 (excluding property) 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. The specific identification method is used to allocate costs to the individual units.

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 34.2.

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 36 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 34.1 for the actuarial valuation of the liability.

3.15 Non-current assets held for sale and Discontinued operations (NCAHFS)

The Group presents the results of a separate major line of business, separately, in the statement of profit or loss when it is classified as a discontinued operation. In addition, assets, and liabilities, are classified as NCAHFS in the statement of financial position. NCAHFS 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 5 for management's assessment in classifying the related assets of the deciduous operations, 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 22.1 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 the share based payment reserve accounting policy 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 29.4 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 37 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 ("DBS")
A portion of an employee's bonus is settled in forfeitable shares in the Company under the DBS. The DBS runs parallel to the group's existing share option scheme. Under the DBS, qualifying management are granted shares, which enjoy all shareholder rights, including dividends and voting rights.

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 notes 29.5 and 37 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 31.

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 32.

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 18.

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 Company lease is depreciated over 5 years.

Long term leases with lease terms of 100 years have been classified in note 17 as leasehold land/land rights.

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 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 operating and administrative expenses. The Group has applied the practical expedient for short term leases with a term of 12 months or less and low-value leases with assets with a cost of R75 000 or less, which mainly comprise of office equipment. Refer to note 33 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 compliance 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 stands surety for the subsidiary's revolving credit and 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 stands surety for the subsidiary's revolving credit loan 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.

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 24 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 38.3 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 34.1. 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 25.2 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 20.

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.

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%.

In the current year, the Company entered into a lease agreement for office space. The incremental borrowing rate was calculated to be 7.75%.

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 (DCF's), 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.

4.16 Assets classified as held for sale and discontinued operations

During the current year, the directors resolved to dispose of the Group's deciduous farms, as well as related moveable assets and financial assets. Due to management's intention to now recover the carrying amounts of these assets through sale, rather than continuing use, these assets have been classified as assets held for sale and were measured at the lower of carrying amount and fair value less costs to sell. See note 5.1. The disposal of these assets is expected to be concluded within the next 12 months.

The disposal constitutes a significant reportable segment of the Group and has therefore been accounted for as a "discontinued operation". Management has therefore analysed on a "line by line" basis, all income and expenditure transactions directly attributable to the discontinued deciduous operation.

4.17 Provision for expected credit loss on loans and trade and other receivables

When measuring ECLs, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, considering cash flows from collateral and integral credit enhancements. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Details of the key assumptions and inputs used are disclosed in notes 22, 23, 27, 39 and 40.

5. Discontinued operations

During the current reporting period, the directors resolved to dispose of the Group's remaining deciduous farms in the Western Cape. The disposal will include the sale of all related property, plant and equipment, as well as the shares held in the Two-A-Day Group.

Additionally, the Group's shareholding in the deciduous operation Bellcro Farming will be disposed of to the outside shareholders.

The proceeds on the disposals are expected to exceed the carrying amounts of the associated assets, and accordingly no impairment loss has been recognised on the classification of these assets as held for sale.

The above disposals constitute the disposal of a material reportable segment of the Group, therefore the results have been disclosed as a discontinued operation in the statement of profit or loss and cash flows for the year.

The comparative statement of profit or loss and cash flows from discontinued operations have been restated to disaggregate those operations classified as discontinued.

	Group	
	2023 R'000	2022 R'000
Statement of profit or loss		
Revenue	65 617	101 948
Trading (loss)/profit before expected credit losses and depreciation and impairments	(16 598)	26 643
Depreciation and impairments	(8 324)	(10 576)
Expected credit losses	(1)	116
Operating (loss)/profit before biological assets	(24 923)	16 183
Change in fair value of biological assets	(71)	422
Operating (loss)/profit after biological assets	(24 994)	16 605
Non-trading items	(6 049)	–
Operating (loss)/profit after non-trading items	(31 043)	16 605
Investment income	12	4
Finance costs	–	(8)
(Loss)/profit before tax	(31 031)	16 601
Tax expense	8 884	(3 982)
(Loss)/profit for the year from discontinued operations	(22 147)	12 619
Statement of cash flows		
Net cash used in operating activities	17 977	34 027
Net cash used in investing activities	(11 637)	(9 963)
Net decrease in cash and cash equivalents	6 340	24 064

5.1 Assets classified as held for sale

	2023 R'000	2022 R'000
Statement of financial position		
Property, plant and equipment	151 881	–
Financial assets: Equity investments	86	–
	151 967	–

	Group		Company	
	2023 R'000	2022* R'000	2023 R'000	2022 R'000

6. Revenue

The following is an analysis of revenue for the year:

	Group 2023 R'000	Group 2022* R'000	Company 2023 R'000	Company 2022 R'000
By reportable segment				
Continuing operations				
Sugar cane	404 584	374 906	–	–
Bananas	121 176	103 007	–	–
Macadamias	35 521	44 432	–	–
Property	31 741	33 355	–	–
Other operations	22 708	20 954	–	–
Lease rental	8 798	8 176	–	–
Utility services related to property development	6 929	5 893	–	–
Tourism	6 981	6 885	–	–
Management and consulting fees	–	–	33 395	28 000
Surety fees	–	–	2 093	1 828
Investment income	–	–	25 434	15 805
	615 730	576 654	60 922	45 633
Discontinued operations				
Deciduous fruit	65 594	101 918	–	–
Other operations			–	–
Lease rental	23	30	–	–
	65 617	101 948	–	–
Total revenue	681 347	678 602	60 922	45 633
Timing of revenue recognition^				
At a point in time	665 597	664 503	–	–
Over time	6 929	5 893	35 488	29 828
	672 526	670 396	35 488	29 828

^ Revenue relating to lease rental and investment income have been excluded as they are not recognised in terms of IFRS 15 but rather IFRS 16 and IFRS 9, respectively.

	Group 2023 R'000	Group 2022* R'000	Company 2023 R'000	Company 2022 R'000
By geographic segment				
South Africa	464 418	468 603	60 922	45 633
Foreign countries				
Eswatini	143 601	137 139	–	–
Zambia	37 807	28 428	–	–
Mozambique	35 521	44 432	–	–
	681 347	678 602	60 922	45 633
By customer percentage				
Continuing operations				
Sugar cane				
– RCL Foods, Sugar and Milling	33%	30%	–	–
– Illovo Sugar	27%	26%	–	–
Bananas				
– Lebombo Growers	18%	15%	–	–
Macadamias				
– Various	5%	7%	–	–
Property				
– Various	5%	5%	–	–
Other operations				
– Various	3%	2%	–	–

6. Revenue continued

	Group 2023 R'000	Group 2022* R'000	Company 2023 R'000	Company 2022 R'000
By customer percentage continued				
Continuing operations continued				
Management and consulting fees				
– Related parties	–	–	53%	60%
– External customers	–	–	2%	2%
Surety fees				
– Related parties	–	–	3%	4%
Investment income				
– Related parties	–	–	41%	33%
– External customers	–	–	1%	1%
Discontinued operations				
Deciduous fruit				
– Two-A-Day	7%	13%	–	–
– Western Cape Fruit Processors	2%	2%	–	–
Other operations				
– Various	–	–	–	–
	100%	100%	100%	100%
By customer revenue				
Continuing operations				
Sugar cane				
– RCL Foods, Sugar and Milling	220 157	200 808	–	–
– Illovo Sugar	184 427	174 098	–	–
Bananas				
– Lebombo Growers	121 176	103 007	–	–
Macadamias				
– Various	35 521	44 432	–	–
Property				
– Various	31 741	33 355	–	–
Other operations				
– Various	22 708	20 954	–	–
Management and consulting fees				
– Related parties	–	–	32 372	27 089
– External customers	–	–	1 023	911
Surety fees				
– Related parties	–	–	2 093	1 828
Investment income				
– Related parties	–	–	25 011	15 557
– External customers	–	–	423	248
Discontinued operations				
Deciduous fruit				
– Two-A-Day	49 899	86 847	–	–
– Western Cape Fruit Processors	15 695	15 071	–	–
Other operations				
– Various	23	30	–	–
	681 347	678 602	60 922	45 633

* *Prior year re-presented to account for discounted operations.*

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
7. Trading profit/(loss) before expected credit losses and depreciation and impairments				
Includes the following significant categories of income and expenses:				
Other operating gains/(losses):				
Net unrealised foreign exchange losses	(4 416)	(1 690)	–	–
Gain arising on changes in fair value of investment property (see note 19)	1 358	20 620	–	–
Income from the sale of quarry stone	556	585	–	–
Consultancy fee income	2 616	2 717	–	–
Sundry income[1]	6 458	5 637	82	63
Post-employment medical aid credit (see note 34.1)	30	59	30	59
Disclosable expenses:				
Direct costs[2]	77 438	78 824	–	–
Agricultural costs[2]	233 954	232 828	–	–
Haulage and transport expenses[2]	39 633	35 151	–	–
Cost of property developed and sold	19 131	25 737	–	–
Auditors' remuneration				
Audit fees – current year provision	2 809	2 361	259	247
Audit fees – prior year	222	101	58	146
Audit fees – travel and disbursements	75	84	–	–
Fees for other services	217	378	177	152
Legal fees	4 478	2 532	268	429
Consulting and professional fees	6 459	6 512	972	1 261
Employee costs	253 038	238 481	32 267	29 588
Foreign exchange loss on forward exchange contract	668	–	668	–
Share-based payment expense (see note 29.5)	3 032	3 175	2 126	2 126
Lease payments for short-term and low value assets (see note 33.1)	5 617	6 019	96	1 482

1 *Sundry income includes proceeds from the sale of beans for R5.5 million (2022: R4.3 million) in Mpumalanga, which is a "break-crop" related to the estate's sugar cane replant season.*

2 *Employee costs directly related to these categories have been disclosed separately in employee costs.*

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
8. Depreciation and impairments				
Depreciation	70 752	62 889	1 486	378
Leasehold land rights (see note 17)	372	510	–	–
Buildings and housing (see note 17)	1 909	1 583	1	25
Plant and other assets (see note 17)	35 109	32 820	449	353
Bearer assets (see note 17)	19 922	17 120	–	–
Right-of-use assets (see note 18)	13 440	10 856	1 036	–
Impairments	93 373	3 404	181 771	–
Bearer assets: deciduous fruit (see note 17.1)	–	2 248	–	–
Bearer assets: sugar cane (see note 17.1)	363	1 156	–	–
Bearer assets: macadamias (see note 17.1)	79 951	–	–	–
Buildings: macadamias (see note 17.1)	12 498	–	–	–
Plant and other assets: macadamias (see note 17.1)	561	–	–	–
Investments in subsidiaries (see note 23)	–	–	181 771	–
	164 125	66 293	183 257	378
Attributable to:				
Continuing operations	155 801	55 717	183 257	378
Discontinued operations	8 324	10 576	–	–
	164 125	66 293	183 257	378
9. Expected credit losses (ECL)				
Trade and other receivables (see note 27)	(939)	(257)	–	–
Loans to subsidiaries (see note 23)	–	–	(10 536)	–
Financial assets (see note 22)	–	–	(6 191)	–
	(939)	(257)	(16 727)	–
Attributable to:				
Continuing operations	(938)	(373)	(16 727)	–
Discontinued operations	(1)	116	–	–
	(939)	(257)	(16 727)	–
10. Change in fair value of biological assets				
Sugar cane	32 246	1 298	–	–
Deciduous fruit	(71)	422	–	–
Bananas	(2 970)	5 555	–	–
Macadamias	(40 632)	5 730	–	–
	(11 427)	13 005	–	–
Attributable to:				
Continuing operations	(11 356)	12 583	–	–
Discontinued operations	(71)	422	–	–
	(11 427)	13 005	–	–

Refer to note 25 for the key assumptions that have been used in determining the fair value.

11. Non-trading items

Non-trading items cover those amounts that are not considered to be of an operating/trading nature.

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Gains/(losses) on disposals of property, plant and equipment	992	35 427	5 189	(22)
Gain on disposal – Riversbend farms[1]	–	35 953	–	–
Gain on disposal – Mpambanyoni Sands investment[2]	–	17	–	–
Gain on disposal – Renishaw Property Developments[3]	–	–	5 276	–
Net gains/(losses) on disposal – general items	992	(543)	(87)	(22)
Provisions				
Provision for employee relocations and land restoration[4]	(6 050)	–	–	–
Expected credit losses (ECL)				
Financial assets (see note 22)	(6 191)	–	–	–
	(11 249)	35 427	5 189	(22)
Attributable to:				
Continuing operations	(5 200)	35 427	5 189	(22)
Discontinued operations	(6 049)	–	–	–
	(11 249)	35 427	5 189	(22)

1 *Remaining portions of the Farm Riversbend and Nkwalini Valley were sold in the prior year for R30.1 million and R8.5 million respectively. The assets disposed of included the land as well as associated buildings, housing, irrigation equipment and other immovable fixtures and fittings.*

2 *The investment in the associate Mpambanyoni Sands (Pty) Ltd was disposed of to the remaining shareholders. The proceeds were received in full.*

3 *A portion of the Renishaw farm earmarked for the precinct development was disposed of by the Company to its subsidiary Renishaw Property Developments. The property was then subsequently sold to an external buyer and recognised as property revenue.*

4 *Costs relating to the relocation of employees and restoration of the farm boundary have been provided for. The Group will be required to incur these prior to disposing of the deciduous farms in the Western Cape.*

12. Investment income

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Interest received on bank deposits	2 820	4 212	–	–
Interest received on loans	2 666	2 307	–	–
Dividends received from unlisted equity investments	70	67	–	–
	5 556	6 586	–	–
Attributable to:				
Continuing operations	5 544	6 582	–	–
Discontinued operations	12	4	–	–
	5 556	6 586	–	–

Notes to the Financial Statements continued

FOR THE YEAR ENDED 31 MARCH 2023

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
13. Finance costs				
Interest on bank overdrafts and loans (see note 30)	27 364	15 175	7 756	3 897
Interest on obligations under instalment sale agreements (see note 30)	–	32	–	–
Interest on reversionary sale and transfer obligations (see note 19)	3 531	2 470	–	–
Interest on lease liabilities (see note 18.2)	13 452	12 894	344	–
Other interest expense	206	48	–	–
	44 553	30 619	8 100	3 897
Less: Borrowing costs capitalised to qualifying asset^	–	(4 624)	–	–
	44 553	25 995	8 100	3 897
^ *Borrowing costs directly attributable to the expansion of the Mozambique macadamia farm.*				
Attributable to:				
Continuing operations	44 553	25 987	8 100	3 897
Discontinued operations	–	8	–	–
	44 553	25 995	8 100	3 897
13.1 Reconciliation of finance costs per statement of cash flows				
Per statement of profit or loss and other comprehensive income	44 553	25 995	8 100	3 897
Less non-cash portion				
Interest on reversionary sale and transfer obligations	(3 531)	(2 470)	–	–
Interest accrued on borrowings	(3 971)	(693)	–	–
Interest previously accrued on borrowings and now settled in cash	1 853	2 775	–	–
	38 904	25 607	8 100	3 897

		Group 2023 R'000	Group 2022* R'000	Company 2023 R'000	Company 2022* R'000
14. Tax expense					
Current tax					
South Africa	– current year	1 338	10 288	529	171
	– prior year	(401)	(180)	–	–
	– withholding	120	120	120	120
Eswatini	– current year	623	3 937	–	–
	– prior year	(3 923)	–	–	–
Zambia	– current year	1 138	326	–	–
	– prior year	(75)	–	–	–
Deferred tax					
South Africa	– current year	(25 702)	1 499	820	(770)
	– prior year	(170)	(541)	(24)	(73)
	– effect of change in tax rate	–	(1 770)	–	147
Eswatini	– current year	6 937	(1 352)	–	–
	– prior year	3 923	–	–	–
Zambia	– current year	841	841	–	–
	– prior year	(20)	–	–	–
Mozambique	– current year	(8 574)	(245)	–	–
	– prior year	(164)	70	–	–
	– effect of change in tax rate	490	–	–	–
		(23 619)	12 993	1 445	(405)
Recognised in:					
Profit or loss relating to continuing operations		(13 348)	9 138	1 423	(278)
Profit or loss relating to discontinued operations		(8 884)	3 982	–	–
Other comprehensive income (OCI)		(1 387)	(127)	22	(127)
		(23 619)	12 993	1 445	(405)

* *Prior year re-presented to disclose withholding tax separately.*

The Group has elected to present a reconciliation between the product of the accounting (loss)/profit multiplied by the South African tax rate and the total taxation charge/(relief) for the year, as well as a reconciliation between the South African statutory tax rate and the Group's effective tax rate

14. Tax expense continued

	Group				Company			
	2023		2022*		2023		2022*	
	%	R'000	%	R'000	%	R'000	%	R'000
(Loss)/profit before tax – continuing and discontinued operations		(221 807)		92 106		(191 694)		(6 583)
Tax using the South African statutory tax rate[1]	27.0	(59 888)	28.0	25 790	27.0	(51 757)	28.0	(1 843)
Effect of different tax rates of subsidiaries operating in other jurisdictions[2]:								
Eswatini	(0.1)	130	–	(46)	–	–	–	–
Mozambique[3]	(17.4)	38 521	0.6	572	–	–	–	–
Zambia	1.3	(2 864)	(1.8)	(1 682)	–	–	–	–
Aggregate statutory base tax rate	10.9	(24 101)	26.7	24 634	27.0	(51 757)	28.0	(1 843)
Adjusted for:								
Exempt equity accounted income from associate	0.2	(538)	(5.1)	(4 687)	–	–	–	–
Employment tax incentives exempt from tax	0.5	(1 000)	(1.3)	(1 243)	–	–	–	–
Gain on disposal of property, plant and equipment	0.7	(1 446)	(11.0)	(10 097)	0.7	(1 402)	–	–
Loss on disposal of property, plant and equipment	–	–	–	30	–	–	–	–
Exempt dividend income	–	(19)	(0.1)	(47)	–	–	–	–
Exempt interest income	–	(10)	(0.9)	(792)	–	(10)	–	(20)
Unrealised foreign exchange differences	–	43	0.6	512	–	–	–	–
Learnership allowances	0.2	(505)	(0.6)	(517)	–	–	–	(76)
Other aggregated exempt income – individually immaterial	–	(48)	(0.2)	(209)	–	(25)	–	–
Legal fees of a capital nature	(0.3)	761	0.3	309	–	47	–	30
Non-deductible fines, penalties and interest	–	4	–	3	–	–	–	–
Non-deductible donations	–	17	–	27	–	8	–	2
Transfer pricing adjustments	(0.2)	345	0.3	239	(0.2)	345	–	239
Initiation fees paid to financial institutions of a capital nature	(0.1)	254	–	–	–	–	–	–
Consulting fees of a capital nature	–	37	0.1	60	–	2	–	17
Other aggregated permanent disallowables – individually immaterial	(0.4)	787	1.7	1 530	(0.1)	130	(0.2)	1 009
ECL provision on financial assets and loans	(0.7)	1 527	–	–	(2.4)	4 516	–	–
Impairment of investment in subsidiaries	–	–	–	–	(25.6)	49 078	–	–
Impairment of financial assets	(0.6)	1 409	–	–	–	–	–	–
Withholding tax	(0.1)	286	0.3	312	(0.1)	286	–	291
Adjustment for income recognised in OCI	0.6	(1 387)	(0.1)	(128)	–	22	–	(128)
Unused tax losses not recognised as deferred tax assets	–	35	–	32	–	–	–	–
Effect of capital gains tax at an inclusion rate of 80.0% (2022: 80.0%)	(0.1)	270	5.9	5 446	(0.1)	229	–	–
Effect of change in tax rate	(0.2)	490	(1.9)	(1 770)	–	–	–	147
	10.3	(22 789)	14.8	13 644	(0.8)	1 469	27.8	(332)
Prior year overprovision	0.4	(830)	(0.7)	(651)	–	(24)	–	(73)
Tax using the effective rate of taxation	10.6	(23 619)	14.1	12 993	(0.8)	1 445	27.8	(405)

* *Prior year re-presented to provide more meaningful information.*

[1] *The tax rate used for the 2023 and 2022 reconciliations above is the corporate tax rate of 27% and 28%, respectively, payable by corporate entities in the Republic of South Africa.*

[2] *The statutory tax rates of the other jurisdictions in which the Group's operations are located include Mozambique 5%, Eswatini 27.5% and Zambia 10%. In total, these operations reduced the Group's effective tax rate by 11.5%. The movement year-on-year is dependent on the contribution of each entities' profits or losses to the overall Group.*

[3] *The corporate tax rate in Mozambique was reduced for farming entities from 32% to 10% during the current financial year. The company benefits from investment incentives which discounts the corporate income tax rate by a further 50% up until 31 December 2025.*

	Group 2023 R'000	Group 2022* R'000	Company 2023 R'000	Company 2022* R'000
14. Tax expense continued				
14.1 Reconciliation of taxes (paid)/received				
Balance at the beginning of the year	**10 003**	4 859	**345**	532
Current year	**1 300**	(14 371)	**(529)**	(171)
Exchange differences arising on translation	**336**	277	**–**	–
Withholding tax credits (interest and rental income)	**239**	327	**–**	–
Withholding tax expensed	**–**	(788)	**–**	–
Interest income	**2**	9	**–**	9
Net balance at the end of the year	**(13 658)**	(10 003)	**188**	(345)
Taxes (paid)/received	**(1 778)**	(19 690)	**4**	25

* *Prior year re-presented.*

	Group 2023 cents	Group 2022* cents
15. Earnings per share		
15.1 Basic (loss)/earnings per share		
From continuing operations	**(1 144.3)**	336.6
From discontinued operations	**(140.6)**	73.6
Total basic (loss)/earnings per share	**(1 284.9)**	410.2
15.2 Diluted (loss)/earnings per share		
From continuing operations	**(1 144.3)**	336.6
From discontinued operations	**(140.6)**	73.6
Total diluted (loss)/earnings per share	**(1 284.9)**	410.2

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

	2023 R'000	2022* R'000
The earnings used in the calculation of basic and diluted earnings per share are as follows:		
(Loss)/profit for the year	**(199 575)**	78 986
Adjusted for non-controlling interest	**3 441**	(16 376)
Total (loss)/profit for the year attributable to owners of the company	**(196 134)**	62 610
Adjusted for loss/(profit) for the year from discontinued operations	**21 457**	(11 230)
(Loss)/earnings used in the calculation of basic and diluted earnings per share from continuing operations	**(174 677)**	51 380

	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	**222 197**	270 753
Adjusted weighting based on average market price of options and average company share price for the year	**(222 810)**	(307 837)
Weighted average shares used in the calculation of diluted earnings per share	**15 263 704**	15 227 233

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

The diluted number of shares are less than the shares in issue, as the current share-based payment rewards are anti-dilutive. Therefore the earnings per share is not diluted.

15. Earnings per share continued

15.3 Headline (loss)/earnings per share

Reconciliation of headline earnings

	Group Gross R'000	Group Tax R'000	Group Net R'000
2023			
Loss for the year attributable to owners of the company			(196 134)
From continuing operations			(174 677)
From discontinued operations			(21 457)
Adjusted for:			
Net gain on disposal – general items^	(599)	162	(437)
Loss arising on impairment of property, plant and equipment	93 373	(4 748)	88 625
Loss arising on impairment of financial assets	–	–	–
Loss arising on changes in fair value of investment property^	8	(2)	6
Gains arising on disposal of associate and joint venture property, plant and equipment	(358)	97	(261)
Headline loss	92 424	(4 491)	(108 201)
Attributable to:			
Continuing operations			(86 744)
Discontinued operations			(21 457)
			(108 201)
2022			
Profit for the year attributable to owners of the company			62 610
From continuing operations			51 380
From discontinued operations			11 230
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
Attributable to:			
Continuing operations			22 193
Discontinued operations			12 849
			35 042

^ *Adjusted for non-controlling interest.*

	Group 2023 cents	Group 2022 cents
Headline (loss)/earnings per share	(708.8)	229.6

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

15.4 Diluted headline earnings per share

	Group 2023 cents	Group 2022 cents
Headline (loss)/earnings per share (diluted)	(708.8)	229.6

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

16. Dividends

The directors have resolved to not declare a final dividend for the current financial year (2022: Nil cents per ordinary share).

17. Property, plant and equipment

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Cost				
Freehold land	50 025	50 107	1 062	1 144
Leasehold land/land rights	24 158	21 573	–	–
Buildings	79 513	68 349	826	826
Property development infrastructure	56 650	55 552	–	–
Bearer assets	610 606	497 898	–	–
Plant and other assets[1]	413 433	362 379	3 191	2 189
Capital work in progress	23 299	34 329	612	145
	1 257 684	1 090 187	5 691	4 304
Accumulated depreciation and impairment				
Leasehold land/land rights	1 982	1 408	–	–
Buildings	30 921	14 717	499	467
Property development infrastructure	9 138	7 295	–	–
Bearer assets	260 853	144 540	–	–
Plant and other assets[1]	183 940	148 666	1 572	1 185
	486 834	316 626	2 071	1 652
Net book value	770 850	773 561	3 620	2 652
Reconciliation of net book value				
Net book value at beginning of year	773 561	756 070	2 652	2 380
Additions:				
– Buildings	2 923	4 289	–	–
– Property development infrastructure	–	64	–	–
– Bearer assets	57 020	41 475	–	–
– Plant and other assets	18 145	29 836	894	527
– Capital work in progress	13 676	32 698	612	145
Depreciation (see note 8 for details by asset category)[2]	(57 312)	(52 033)	(450)	(378)
Impairments (see note 8 for details by asset category)	(93 373)	(3 404)	–	–
Adjustment to leased bearer assets	(7 713)	(7 363)	–	–
Disposals:				
– Freehold land	(82)	(2 689)	(82)	–
– Buildings	–	–	–	–
– Bearer assets	–	–	–	–
– Plant and other assets	(650)	(1 651)	(6)	(22)
Effect of foreign currency exchange differences	64 655	(23 731)	–	–
Net book value at end of year	770 850	773 561	3 620	2 652
Included in the financial statements as:				
Non-current	618 969	773 561	3 620	2 652
Current – held for sale (see note 5.1)	151 881	–	–	–
	770 850	773 561	3 620	2 652
By geographic segment				
South Africa	330 598	318 034	3 620	2 652
Foreign countries				
Eswatini	128 349	120 378	–	–
Zambia	30 750	28 378	–	–
Mozambique	281 153	306 771	–	–
	770 850	773 561	3 620	2 652

[1] *Included in this category are intangible assets with a cost and accumulated depreciation of R2.8 million (2022: R1.5 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 R1.4 million (2022: R1.6 million).*

17. Property, plant and equipment continued

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 89 years and 52 years, respectively. Refer to note 18 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 R72.2 million (2022: R70.2 million). A valuation conducted over the Group's land during the financial year determined the market value of the Group's land (including buildings and bearer assets) to be R1.74 billion (2022: R1.67 billion). The market value has been determined by a suitably qualified independent third party in accordance with the RICS Valuation – Global Standards which incorporate the International Valuation Standards (the "Red Book").

Market value is defined within RICS Valuation – Global as: "The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion." The independent third party valuation was performed in line with the market approach, which is based on comparing the subject properties with appropriate comparable transactions, together with evidence of demand within the vicinity of the subject properties, taking into account the size, location, aspect and other material factors. Refer to note 39 for details of the fair value hierarchy.

17.1 Impairments

In testing for impairment, the Group tests assets on an individual basis, unless thay cannot generate cash inflows independently of other assets. Therefore the Group has identified cash generating units (CGU's) across its segments to which it has allocated its assets for impairment testing. The Group recognised impairments in respect of the following CGU, which was determined based on business operations:

			Group	
Cash-generating unit (CGU)	**Segment**		**2023 R'000**	2022 R'000
Mozambique macadamia operation[1]	Macadamias		93 010	–
Impairment of individual assets[2]			363	3 404
Total net impairment loss			93 373	3 404

[1] *The current year macadamia harvest experienced quality issues largely due to above average rainfall as a result of three cyclones. This impacted negatively on the prices when the nuts were sold during the year. Additionally, marketing reports have indicated that Chinas years of heavy investment in its own macadamia plantations have reduced their dependence on imports from other countries. The fallout from this has resulted in the decrease in demand from the Chinese dry-nut-in-shell ("DNIS") market for imports from Southern Africa, which in the past has fetched extremely attractive hard currency prices. The switch to alternative customers in an oversupplied market has seen a significant downward price correction. As a result of these impairment indicators, the macadamias operation was written down to its calculated recoverable value.*

The recoverable amount was determined based on the macadamia segments value in use (VIU). The calculation used cash flow projections for a 13 year period, based on financial budgets approved by management, taking into account the downward price projection. Management have used 13 years as the trees reach peak producing capacity in March 2036.

		2023 R'000	2022 R'000
Basis of determining recoverable value		VIU	
Recoverable value per DCF – VIU		260 000	–
Group's share of net asset value		353 010	–
Impairment allocated to property, plant and equipment		93 010	–
Bearer assets		79 951	–
Buildings		12 498	–
Plant and other assets		561	–
Fair value hierarchy		Level 3	–
Key assumptions			
Discount rate (pre-tax nominal)	(%)	16.74	–
Perpetuity growth rate	(%)	3	–
Period	(years)	13	–
Key assumption sensitivities (R'000)			
Impact on calculation of recoverable amount:			
Decrease in discount rate by 1% (increase in value)		43 465	–
Increase in discount rate by 1% (decrease in value)		(36 743)	–
Decrease in terminal growth rate by 0.5% (decrease in value)		(5 322)	–
Increase in terminal growth rate by 0.5% (increase in value)		5 724	–

[2] *This impairment includes R0.4 million (2022: R3.4 million) relating to the "grubbing" or removal of underperforming trees or roots before the bearer assets have reached their useful life. A bearer asset is considered to be underperforming if the yields are not in line with the expected standards.*

Refer to note 8 for details by asset category.

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
17. Property, plant and equipment continued				
17.2 Details of encumbrances and assets pledged as security				
Refer to note 30.8 for details of assets encumbered.				
17.3 Property, plant and equipment acquired				
Additions – property, plant and equipment	(91 764)	(108 362)	(1 506)	(672)
Borrowing costs capitalised to property, plant and equipment	–	4 624	–	–
Adjusted for non-cash additions				
Leased bearer additions	14 418	9 139	–	–
Other	–	189	–	–
Cash flow on acquisition of property, plant and equipment	(77 346)	(94 410)	(1 506)	(672)
18. Right-of-use assets				
18.1 Leased farmland				
Cost	194 530	179 648	–	–
Accumulated depreciation	(44 301)	(30 861)	–	–
Net book value	150 229	148 787	–	–
Head office lease				
Cost	–	–	5 646	–
Accumulated depreciation	–	–	(1 036)	–
Net book value	–	–	4 610	–
Reconciliation of net book value				
Net book value at beginning of year	148 787	154 656	–	–
Additions – new leases	5 646	–	5 646	–
Additions – remeasurement of CPI linked lease payments	9 236	4 987	–	–
Depreciation	(13 440)	(10 856)	(1 036)	–
Net book value at end of year	150 229	148 787	4 610	–

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: 13 years
– Libcro farmland lease: 16 years
– Headoffice lease: 4.2 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 32.

18.2 Amounts recognised in profit or loss

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Depreciation expense on right-of-use assets (see note 8)	13 440	10 856	1 036	–
Interest on lease liabilities (see note 13)	13 452	12 894	344	–
Expenses relating to short-term leases (see note 33.1)	–	1 363	–	1 363
Expenses relating to leases of low value assets (see note 33.1)	440	387	53	93
Expenses relating to variable lease payments not included in the measurement of the lease liability (see note 33.1)	5 177	4 269	43	26
	32 509	29 769	1 476	1 482

The Group has no short-term lease commitments at year end.

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 R25.3 million (2022: R24.7 million).

	Group	
	2023 R'000	2022 R'000
19. Residential units held under reversionary sale and transfer obligations (RTO)		
Investment property[1]	114 118	113 637
Other financial liabilities[2]	(73 275)	(74 891)
Net current value of RTO right	40 843	38 746

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").*

	2023 R'000	2022 R'000
Fair value at beginning of year	113 637	67 152
Current year additions	3 539	25 865
Current year disposals	(2 454)	–
Conversion to normal sale	(1 796)	–
Fair value adjustment through profit or loss	1 192	20 620
Fair value at end of year	114 118	113 637

Refer to note 39 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 other financial liabilities, and comprises the following two components:*

	2023 R'000	2022 R'000
RTO obligations	32 566	30 758
Prepaid lease income	40 709	44 133
	73 275	74 891
Included in the financial statements as:		
Non-current	68 915	70 464
Current	4 360	4 427
	73 275	74 891

Included in lease income is an amount of R4.8 million (2022: R3.8 million) relating to the prepaid lease income liability. Refer to note 6.

	2023 R'000	2022 R'000
Reconciliation of RTO obligations:		
Opening balance	30 758	17 517
Current year additions	1 175	10 771
Interest	3 531	2 470
Settlement of liability	(1 761)	–
Conversion to normal sale	(1 137)	–
Closing balance	32 566	30 758

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

20. Deferred tax

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Tax on temporary differences resulting from:				
Agricultural capital development allowances	(46 907)	(47 552)	(101)	(42)
Property capital development allowances	(10 044)	(8 404)	–	–
Investment property	(28 779)	(30 599)	–	–
Reversionary sale and transfer obligations	8 880	8 305	–	–
Prepaid lease income	10 991	11 916	–	–
Consumable stores	(8 089)	(7 779)	–	–
Biological assets	(73 706)	(66 810)	–	–
Right-of-use assets	(40 562)	(40 173)	(1 245)	–
Lease liabilities	46 362	44 318	1 334	–
Provisions	8 682	6 137	3 101	2 320
Other timing differences	(410)	(593)	90	85
Tax losses	70 867	45 544	–	1 612
Revaluation of financial assets	(274)	(274)	–	–
	(62 989)	(85 964)	3 179	3 975
The movement on the deferred tax balance for the year was as follows:				
Balance at beginning of year	(85 964)	(86 912)	3 975	3 279
Recognised in profit or loss:				
Current year charge	26 498	(743)	(820)	770
Agricultural capital development allowances	4 084	94	64	(3)
Property capital development allowances	312	472	–	–
Investment property	(292)	(13 016)	–	–
Reversionary sale and transfer obligations	488	4 731	–	–
Prepaid lease income	(924)	3 708	–	–
Consumable stores	(389)	(2 838)	–	–
Biological assets	(6 547)	(1 999)	–	–
Right-of-use assets	4 594	1 643	1 245	–
Lease liabilities	(3 116)	(219)	(1 334)	–
Provisions	2 623	(1 640)	799	(473)
Other timing differences	223	570	51	1
Tax losses	25 442	7 751	(1 645)	1 245
Prior year charge	(3 569)	471	24	73
Effect of change in tax rate	(490)	1 770	–	(147)
Effect of foreign currency exchange differences	536	(550)	–	–
	(62 989)	(85 964)	3 179	3 975
Included in the statement of financial position as:				
Deferred tax assets (see 3.5 and 4.13)	56 764	29 356	3 179	3 975
Deferred tax liabilities	(119 753)	(115 320)	–	–
	(62 989)	(85 964)	3 179	3 975

On 23 February 2022, the Finance Minister announced 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 prior financial year end, the deferred tax for South African group companies was calculated using the new rate of 27%.

Additionally on 30 December 2022, the Mozambique tax authorities announced a reduction in the corporate income tax rate for agricultural companies from 32% to 10% for years of assessment ending on or after 31 December 2023. The deferred tax for the Mozambican Group companies has been calculated using the new rate of 10%, discounted further by the dispensation.

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.

The Group has assessed losses of R1.2 million that have not been recognised as a deferred tax asset. These losses which relate to the Groups subsidiary MFL have not been raised as it not envisaged that there will be future taxable profits in the foreseeable future against which the deferred tax asset can be utilised. Additionally, in Mozambique tax losses expire after five years with R0.2 million due to expire at the end of 31 March 2024.

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
21. Current tax				
Current tax assets	13 846	10 373	–	345
Current tax liabilities	(188)	(370)	(188)	–
	13 658	10 003	(188)	345

	Note	2023 Number of shares held	2022 Number of shares held	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
22. Financial assets							
22.1 Equity investments: at FVTOCI							
Elgin Co-operative Fruitgrowers	22.3.1	1 660 081	1 660 081	166	166	–	–
Villiersdorp Co-operative	22.3.2	330 311	304 918	661	610	–	–
Other farming co-operatives and agribusinesses	22.3.2	–	–	5	9	–	–
Two-A-Day Group	22.3.3	3 111 000	3 111 000	68	68	–	–
Two-A-Day Vacation Station	22.3.4	–	–	–	5 220	–	–
		5 101 392	5 075 999	900	6 073	–	–
22.2 Loans receivable: at amortised cost							
Libuyile Community Trust	22.3.5			6 191	5 808	6 191	5 808
Mawewe Communal Property Association	22.3.6			–	5 000	–	–
Komati Kortpad (Pty) Ltd	22.3.7			86	86	–	–
Mayo Macs SA	22.3.7			142	142	45	45
Delta Sieira Limitada	22.3.7			204	191	–	–
Imvelo Kraal (Pty) Ltd and other	22.3.8			13 521	16 882	–	–
Renishaw Hills Homeowners Association	22.3.9			1 925	1 925	–	–
				22 069	30 034	6 236	5 853
Expected credit loss allowance							
Libuyile Community Trust	22.3.5			(6 191)	–	(6 191)	–
				(6 191)	–	(6 191)	–
Total financial assets							
Non-current portion of equity investments: at FVTOCI				900	6 073	–	–
Non-current portion of loans receivable: at amortised cost				13 668	20 614	45	5 853
Current portion of loans receivable: at amortised cost				2 210	9 420	–	–
				16 778	36 107	45	5 853
Included in the financial statements as:							
Non-current				14 482	26 687	45	5 853
Current				2 210	9 420	–	–
Current – held for sale (see note 5.1)				86	–	–	–
				16 778	36 107	45	5 853

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 investments.

22. Financial assets continued

22.3 Management judgements

22.3.1 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 39 for details of the fair value hierarchy of this investment.

22.3.2 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 R665 709 (2022: R618 808).

22.3.3 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 fruit growers 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 R519 million (2022: R473 million). The group has a 15.69% shareholding in TAD (2022: 15.81%) 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 (2022: R67 509). See note 1 above for the same judgements applied by the directors in the valuation of this investment.

The investment in TAD has been classified as held for sale as it is directly linked to the deciduous operations.

22.3.4 The Group holds shares in an unlisted investment for purposes of an employee benefit scheme, in partnership with TAD. Due to the deciduous operations being held for sale and no future contributions expected, the directors have made the decision to fully impair this investment.

22.3.5 In 2017 a R4.3 million loan was advanced to the Libuyile Community Trust ("LCT"), 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 R0.4 million (2022 R0.2 million) was charged. The directors of the Group had previously agreed by written consent to roll over the annual repayments due, to be deducted against future lease rental owing. The directors conducted an assessment of the loans recoverability at year end and noted a change in credit risk. The change in credit risk is as a result of the affordability of the LCT to settle the loan from future lease rentals paid to them.

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 a full ECL provision of R6.2 million.

22.3.6 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.

The loan was received in full via a deduction off the Mawecro Farm lease payment paid in April 2022 in accordance with the signed resolution.

22.3.7 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.

22.3.8 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.

22.3.9 The Group advanced an amount of R1.9 million to the 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.

22. Financial assets continued

22.4 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 38.3 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, other than on the LCT loan as noted in note 22.3.5.

The Group therefore in accordance with IFRS 9, recognises 12-month expected credit losses (“ECL”) for the remaining contracts, which during the year was assessed as immaterial and a lifetime ECL on the LCT loan.

23. 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 2023 %	2022 %	Investment cost 2023 R'000	2022 R'000	Amounts owing by/(to) subsidiaries 2023 R'000	2022 R'000
Crookes Brothers South Africa (Pty) Ltd ("CBSA")	Farming	South Africa	100%	100%	253 160	253 160	51 539	30 167
Mawecro Farming (Pty) Ltd ("MAW")[2]	Farming	South Africa	49%	49%	30 365	30 365	–	–
Libcro Farming (Pty) Ltd ("LIB")[2]	Farming	South Africa	45%	45%	–	–	5 536	30 325
Bellcro Farming (Pty) Ltd ("BEL")[2]	Farming	South Africa	45%	45%	–	–	2 104	1 631
QBV South Africa (Pty) Ltd ("QBV SA")	Farming	South Africa	100%	100%	–	–	–	3
Renishaw Property Developments (Pty) Ltd ("RPD")	Property development and sale	South Africa	85%	85%	–	–	231 653	185 668
Renishaw Hills Developments (Pty) Ltd ("RENH")[1&2]	Property development and sale	South Africa	85%	0%	26 389	–	19 697	–
Renserv (Pty) Ltd ("REN")	Property services	South Africa	85%	85%	–	–	21 447	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%	21	21	53	90
Crookes Plantations Limited ("CPL")	Farming	Eswatini	100%	100%	830	830	(155 045)	(136 940)
Bar J Limited ("BAR J")[2]	Agricultural land holding company	Eswatini	100%	100%	1 878	1 878	(97)	(97)
Murrimo Macadamias Lda ("MML")	Farming	Mozambique	100%	100%	422 575	412 032	–	–
Murrimo Farming Lda ("MFL")	Agricultural land holding company	Mozambique	100%	100%	19 733	19 733	–	–
					754 951	718 019	177 573	127 945
Less: Impairments					(181 771)	–	–	–
Less: Expected credit loss allowance					–	–	(10 536)	–
Less: Indirectly owned investments					(59 189)	(32 801)	(27 337)	(31 956)
Company's investment in subsidiaries					513 991	685 218	139 700	95 989

[1] *The Renishaw Hills residential development previously included in RPD was transferred to RENH a new legal entity, during the current financial year using the Group restructure provisions.*

[2] *Indirectly owned.*

	Company 2023 R'000	Company 2022 R'000
23. Investments in subsidiaries continued		
Reconciliation of:		
Company's investment in subsidiaries		
Shares at cost	254 012	254 012
Capital contributions[1]	441 750	431 206
Less: Impairments[2]	(181 771)	–
Loans to subsidiaries[3]	305 378	233 026
Less: Expected credit loss allowance[5]	(10 536)	–
Loans from subsidiaries[4]	(155 142)	(137 037)
	653 691	781 207

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

[2] *In the current year, impairments of R181.8 million have been recognised on investments held in MML and MFL based on the recoverable amount in terms of IAS 36 Impairment of assets. The recoverable amount was based on the value in use ("VIU"), determined on a discounted cash flow. Refer to note 17.1 for the discounted cash flow assumptions and sensitivities.*

	2023 R'000	2022 R'000
Recoverable value per DCF – VIU	260 000	–
Investment carrying amount – initial	441 771	–
Impairment of investment in company	181 771	–
Fair value hierarchy	Level 3	–

[3] *These loans include unsecured working capital loans to CBSA, ZAM, REN and RPD, bear interest at prime and JIBAR linked rates, and are repayable by mutual arrangement at the discretion of the directors, subject to the affordability of the borrowing company.*

[4] *These loans are unsecured loans from CPL and Bar J, are interest-free and are repayable by mutual arrangement at the discretion of the directors, subject to the affordability of the borrowing company.*

[5] *In the current year, an Expected Credit Loss (ECL) allowance was raised on the loans receivable from CBSA, RPD and REN. The loans were value based on the risk of the subsidiary under the general approach. If a loan is in stage 1. Where credit risk increased significantly, a loan was regarded as being in stage 2 and a lifetime ECL was applied. An expert was used to compute the ECL using the Moody's analytics RiskCalc.*

	2023 R'000	2022 R'000
Reconciliation of loss allowance		
Balance at beginning of the year	–	–
Expected credit loss allowance recognised	10 536	–
Balance at end of the year	10 536	–
Disclosure in the financial statements of:		
Company's investment in subsidiaries		
Non-current assets	513 991	685 218
Current assets^	294 842	233 026
Current liabilities^	(155 142)	(137 037)
	653 691	781 207

^ *The directors consider the amortised costs of the loans to and from subsidiaries to approximate their fair value. Refer to note 38 for ECL considerations.*

23. Investments in subsidiaries continued

23.1 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	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Statement of financial position						
Current assets	7 214	8 863	47 837	45 480	167 769	160 450
Non-current assets	71	16	53 898	56 112	196 861	188 897
Current liabilities	(4 145)	(4 029)	(23 505)	(34 268)	(38 035)	(32 238)
Non-current liabilities	–	(454)	(61 611)	(52 097)	(198 520)	(191 551)
Equity attributable to owners of the Company	(1 413)	(1 978)	(7 478)	(6 852)	(62 757)	(61 523)
Non-controlling interests	(1 727)	(2 418)	(9 141)	(8 375)	(65 318)	(64 035)
Statement of profit or loss						
Revenue	5 922	10 430	76 387	66 080	249 497	228 442
Net expenses	(7 684)	(7 026)	(74 646)	(62 124)	(246 751)	(191 762)
Profit before tax	(1 762)	3 404	1 741	3 956	2 746	36 680
Tax expense	506	(879)	(349)	(584)	(229)	(8 742)
Profit for the year	(1 256)	2 525	1 392	3 372	2 517	27 938
Proportion of non-controlling interests %	55	55	55	55	51	51
Profit attributable to owners of the Company	(565)	1 136	626	1 517	1 233	13 690
Profit attributable to non-controlling interests	(691)	1 389	766	1 855	1 284	14 248
	(1 256)	2 525	1 392	3 372	2 517	27 938
Statement of cash flows						
Net cash generated from operating activities	469	1 253	6 356	903	15 835	24 790
Net cash (utilised in) investing activities	1	–	(42)	(2 611)	(5 673)	(12 823)
Net cash generated from/(utilised in) financing activities	472	(1 484)	(5 873)	1 956	(7 020)	(10 265)
Net increase/(decrease) in cash and cash equivalents	942	(231)	441	248	3 142	1 702
Dividends paid to non-controlling interests						
Mawewe Communal Property Association	–	–	–	–	–	2 040

23.2 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 23.1.

23.3 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.

23.4 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.

24. Investment in joint venture and associate

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 R3.5 million (2022: R2.9 million). 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 2023	2022
Silverlands Mozambique Holdings Limited	Joint venture	Banana farming	Mozambique	Fellow subsidiary of Group's majority shareholder SilverStreet	49.5%	49.5%
Lebombo Growers (Pty) Ltd	Associate	Banana marketing and distribution	South Africa	Co-operative partner and main banana customer	32.16%	32.16%

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 ("SMHL"), this is based on unaudited financial statements. The SMHL financial year end is 31 December. In the case of the financial information for Lebombo Growers (Pty) Ltd, this is based on the latest available unaudited financial information as at the date of reporting.

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

	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	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Revenue	44 572	41 728	333 706	349 588	378 278	391 316
Expenses[1]	(55 717)	(26 229)	(303 438)	(304 560)	(359 155)	(330 789)
Profit before tax	(11 145)	15 499	30 268	45 028	19 123	60 527
Tax expense	816	(2 743)	(8 172)	(12 608)	(7 356)	(15 351)
Profit for the year	(10 329)	12 756	22 096	32 420	11 767	45 176
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income for the year	(10 329)	12 756	22 096	32 420	11 767	45 176
Equity accounted share of profit	(5 113)	6 314	7 106	10 425	1 993	16 739

[1] *Included in expenses for SMHL is depreciation of R11.2 million (2022: R4.6 million) and interest expenses of R6 million (2022: R5.3 million).*

24. Investment in joint venture and associate 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*		Total investment in joint venture and associates	
Details of investment	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Unlisted shares and loans	49 614	53 124	5 228	5 228	54 842	58 352
Share of retained earnings	227	5 340	52 470	48 903	52 697	54 243
Carrying value of investment	49 841	58 464	57 698	54 131	107 539	112 595

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**	2023 R'000	2022 R'000
Silverlands Mozambique Holdings Limited	Joint venture	Banana farming	Mozambique	Fellow subsidiary of Group's majority shareholder SilverStreet	41 255	40 804

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.

	Silverlands Mozambique Holdings Limited		Lebombo Growers (Pty) Ltd	
Statement of financial position	2023 R'000	2022 R'000	2022* R'000	2021* R'000
Non-current assets	171 756	180 783	96 461	104 949
Current assets	52 886	50 754	135 928	100 901
Total assets	224 642	231 537	232 389	205 850
Non-current liabilities	(94 338)	(109 635)	(2 827)	(12 644)
Current liabilities	(29 615)	(3 793)	(61 244)	(50 468)
Net assets	100 689	118 109	168 318	142 738
Group share of net assets*	49 841	58 464	54 131	42 650

* *With regards to Lebombo, the latest available financial information is as at 2022, hence the Group's share of net assets for reconciliation purposes to the carrying value of the investment, is the same year.*

	Group 2023 R'000	Group 2022 R'000
25. Biological assets		
25.1 Growing crops		
Fair value		
Sugar cane	245 572	213 628
Deciduous fruit	18 077	18 147
Bananas	21 984	24 955
Macadamias	17 725	49 358
Fair value at end of year	303 358	306 088
Analysis of fair values of growing crops:		
Fair value at beginning of year	306 088	286 509
(Losses)/gains arising from changes attributable to volume and price:	(11 427)	13 005
Sugar cane		
– Gain/(loss) arising from physical growth/yield	2 067	(4 725)
– Gain/(loss) arising from area under crop to be harvested	12 621	(9 972)
– Gain arising from price changes	17 558	15 995
Deciduous fruit		
– Gain arising from physical growth/yield	696	1 338
– Gain arising from area under crop to be harvested	79	866
– Loss arising from price changes	(846)	(1 782)
Bananas		
– Gain arising from physical growth/yield	905	398
– Gain arising from area under crop to be harvested	2 182	552
– (Loss)/gain arising from price changes	(6 057)	4 605
Macadamias		
– (Loss)/gain arising from physical growth/yield	(16 118)	17 540
– Loss arising from price changes	(24 514)	(11 810)
Effect of foreign currency exchange differences	8 697	6 574
Fair value at end of year	303 358	306 088

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 39 for details of the fair value hierarchy of biological assets.

Refer to note 38 for financial risk management strategies.

25. Biological assets continued

25.2 Biological asset valuations

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

		Group 2023 R'000	Group 2022 R'000
Sugar cane			
Expected area to harvest after 31 March			
– South Africa	(ha)	3 509	3 496
– Eswatini	(ha)	2 320	2 060
– Zambia	(ha)	429	380
Total area	(ha)	6 258	5 936
Estimated yields			
– South Africa	(tons/ha)	101.5	98.6
– Eswatini	(tons/ha)	100.4	100.0
– Zambia	(tons/ha)	135.9	131.1
Weighted average		103.5	101.2
Average maturity of cane at 31 March[1]			
– South Africa	(%)	64	64
– Eswatini	(%)	64	64
– Zambia	(%)	64	64
Estimated RV price/ton – South Africa[2]	(Rands)	6 004	5 654
Estimated sucrose price/ton – Eswatini	(Rands)	5 223	4 676
Estimated ERC price/ton – Zambia[3]	(Rands)	6 229	5 492
Deciduous fruit			
Expected area to harvest after 31 March	(ha)	182	181
Estimated yields	(tons/ha)	63.8	59.3
Average maturity of crop at 31 March[1]	(%)	83.1	85.7
Estimated net price per kg – apples and pears	(Rands)	3.58	3.65
Estimated packout			
– Class 1	(%)	43.7	35.7
– Class 2	(%)	15.6	20.2
– Class 3	(%)	13.1	18.0
– Juice	(%)	27.5	26.1
Bananas			
Expected area to harvest after 31 March			
– South Africa	(ha)	485.8	476.8
– Eswatini	(ha)	75	35
Estimated yields			
– South Africa	(tons/ha)	58.6	56.7
– Eswatini	(tons/ha)	60.1	58.1
Average maturity of crop at 31 March[1]			
– South Africa	(%)	50.0	50.0
– Eswatini	(%)	50.0	50.0
Estimated net price per carton			
– South Africa	(Rands)	102.76	119.26
– Eswatini	(Rands)	105.96	106.07
Macadamias			
Expected area to harvest after 31 March	(ha)	585.3	559.9
Estimated yields	(tons/ha)	1.11	1.61
Average maturity of crop at 31 March[1]	(%)	95	95
Estimated net price per ton	(Rands)	39 129	67 779

[1] *Fixed and not subject to change, based on the Group's accounting policy and harvest programme which are not expected to vary from year to year.*

[2] *RV – Recoverable value.*

[3] *ERC – Estimated recoverable crystals.*

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
26. Inventories				
Consumable stores	40 415	40 999	–	–
Merchandise	501	496	–	–
Livestock	867	867	–	–
Property for development and sale	97 967	75 293	–	–
Nursery plants	955	1 215	–	–
	140 705	118 870	–	–

During the current year, the cost of inventories (consumable stores, merchandise and plants) recognised as an expense in profit or loss was R193.8 million (2022: R100.3 million).

The cost of consumable stores written-down to net-realisable value in the current year was R0.4 million (2022: R0.4 million).

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
27. Trade and other receivables				
Sugar cane revenue receivables	7 033	6 399	–	–
Deciduous fruit revenue receivables	46 513	67 329	–	–
Banana revenue receivables	19 835	8 426	–	–
Macadamia revenue receivables	3 617	39	–	–
Trade and rental debtors	22 871	17 487	5 358	22 614
Other receivables	16 212	12 311	863	1 615
Gross trade receivables	116 081	111 991	6 221	24 229
Less: loss allowance (see below reconciliation)	(2 875)	(1 936)	–	–
Net trade receivables	113 206	110 055	6 221	24 229
VAT refunds due	40 248	26 316	–	–
Prepayments	5 929	4 038	614	691
Total trade and other receivables	159 383	140 409	6 835	24 920
Reconciliation of loss allowance:				
Balance at beginning of the year	(1 936)	(1 679)	–	–
Impairment losses recognised on receivables	(1 075)	(373)	–	–
Impairment losses reversed on receivables	136	116	–	–
Balance at end of the year	(2 875)	(1 936)	–	–

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 38.3.

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
28. Cash and cash equivalents				
28.1 Cash and cash equivalents made up of:				
Cash and bank balances	55 231	42 826	1 568	1 756
	55 231	42 826	1 568	1 756
All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable banking institutions. See note 38.3 for the credit risk associated with cash and cash equivalents.				
28.2 Reconciliation of profit/(loss) before tax to cash (utilised in)/generated from operations				
(Loss)/profit before tax from continuing operations	(190 776)	75 505	(191 694)	(6 583)
(Loss)/profit before tax from discontinued operations	(31 031)	16 601	–	–
Adjustments for non-cash items:				
Depreciation and impairments	164 125	66 293	183 257	378
Change in fair value of biological assets	11 427	(13 005)	–	–
Decrease in provisions	(659)	(7 207)	(160)	(3 014)
Share based payments	3 032	3 175	3 032	3 175
Unrealised foreign exchange losses	4 416	1 690	–	–
Change in fair value of investment property	(1 192)	(20 620)	–	–
Loss arising on disposal of investment property	315	–	–	–
RTO prepaid lease income	(4 827)	(3 795)	–	–
Conversion of RTO unit to normal sale	(508)	–	–	–
Consulting and legal costs capitalised to borrowings	1 481	–	–	–
Medical aid defined benefit costs recognised in profit or loss	(30)	(59)	(30)	(59)
Expected credit losses	939	257	16 727	–
Non-trading items (see note 11)	11 249	(35 427)	(5 189)	22
Share of profit of joint venture and associate companies	(1 993)	(16 739)	–	–
Investment Income	(5 556)	(6 586)	(25 434)	(15 805)
Finance costs	44 553	25 995	8 100	3 897
Other non-cash items	(1 282)	(474)	4	1 275
Operating cash flows before working capital changes	3 683	85 604	(11 387)	(16 714)
Working capital changes:				
Increase in inventories	(23 224)	(15 895)	–	–
(Increase)/decrease in trade and other receivables	(16 231)	(4 018)	18 084	(4 396)
Increase/(decrease) in trade and other payables	23 311	(7 231)	590	3 002
Cash (utilised in)/generated from operations	(12 461)	58 460	7 287	(18 108)

	Group and Company	
	2023 R'000	2022 R'000
29. Capital, reserves and shareholding interests		
29.1 Share capital and share premium		
Authorised		
16 000 000 (2022:16 000 000) ordinary shares of 25 cents (2022: 25 cents) each	**4 000**	4 000
Issued		
15 264 317 (2022:15 264 317) ordinary shares of 25 cents (2022: 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

	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 (2022: 430 000 shares) and deferred bonus scheme: 175 179 shares (2022: 44 314 shares).

	Group	
	2023 R'000	2022 R'000
29.2 Investment revaluation reserve		
Balance at beginning of year	**951**	951
Fair value loss arising on equity investments (see note 22)	**(3 811)**	–
Balance at end of year	**(2 860)**	951
29.3 Foreign currency translation reserve		
Balance at beginning of year	**(71 804)**	(56 718)
Exchange differences on translation of subsidiaries	**69 227**	(15 086)
Balance at end of year	**(2 577)**	(71 804)

	Group and Company	
	2023 R'000	2022 R'000
29.4 Treasury shares		
Balance at beginning of year	**(1 779)**	–
Shares purchased during the period	**(5 253)**	(1 779)
Balance at end of year	**(7 032)**	(1 779)

Treasury shares arise from the Deferred Bonus Scheme ("DBS"), whereby a portion of an employees bonus is settled in deferred bonus shares.

Under the DBS, qualifying management receive actual shares, which enjoy all shareholder rights, including dividends and voting rights. The DBS granted are held in escrow by the Escrow agent on behalf of the employees until the end of the three year vesting period.

In the current year, the Group purchased 130 865 shares (2022: 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 37 for further details.

29. Capital, reserves and shareholding interests continued

29.5 Share-based payment reserve

	Group and Company 2023 R'000	Group and Company 2022 R'000
Balance at beginning of year	5 556	4 234
Share-based payment transfer	(434)	(1 853)
Share-based payment expense	3 032	3 175
Balance at end of year	**8 154**	**5 556**

29.6 Non-controlling interests

	Group 2023 R'000	Group 2022 R'000
Balance at beginning of year	64 563	50 227
Share of (loss)/profit for the year – continuing operations	(2 751)	14 987
Share of (loss)/profit for the year – discontinued operations	(690)	1 389
Dividend to Mawewe Communal Property Association	–	(2 040)
Balance at end of year	**61 122**	**64 563**

	Security	Note	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
30. Borrowings – interest-bearing						
30.1 Loans and demand facilities: amortised cost						
Demand facility – Rand Merchant Bank	Secured	30.8 (A)	83 000	80 000	83 000	80 000
Bridging facility – Rand Merchant Bank	Secured	30.8 (A)	40 000	–	40 000	–
Property development facility – Investec Bank	Secured	30.8 (B)	24 579	–	–	–
Revolving credit loan – Akwandze Agricultural Finance	Secured	30.8 (C)	24 517	15 654	–	–
Term-loan – Akwandze Agricultural Finance	Secured	30.8 (D)	10 000	–	–	–
Term-loan – Grindrod Bank Limited	Secured	30.8 (E)	79 918	79 918	–	–
Term-loan – AgDevCo Limited	Secured	30.8 (F)	90 741	51 925	–	–
Term-loan – First National Bank Eswatini	Secured	30.8 (G)	20 956	–	–	–
			373 711	227 497	123 000	80 000
Included in the financial statements as:						
Non-current			102 918	130 825	–	–
Current			270 793	96 672	123 000	80 000
			373 711	227 497	123 000	80 000
30.2 Total interest-bearing borrowings at amortised cost						
Loans, bank overdrafts and facilities (See note 30.1)			373 711	227 497	123 000	80 000
30.3 Net debt						
Loans, bank overdrafts and facilities (See note 30.2)			373 711	227 497	123 000	80 000
Cash and bank balances (see note 28.1)			(55 231)	(42 826)	(1 568)	(1 756)
			318 480	184 671	121 432	78 244
30.4 Total short-term banking facilities	**Type**	**Interest rate**				
Rand Merchant Bank	Demand	Prime minus 0.65%	100 000	100 000	100 000	100 000
Rand Merchant Bank	Bridging	Prime plus 1.15%	40 000	–	40 000	–
Investec Bank	Demand	Prime minus 0.5%	47 352	–	–	–
First National Bank Eswatini	Overdraft	Prime	25 000	25 000	–	–
			212 352	125 000	140 000	100 000
30.5 Total long-term banking facilities	**Type**	**Interest rate**				
Grindrod Bank Limited	Term	Prime	80 000	80 000	–	–
AgDevCo Limited (USD denominated)	Term	8%	142 410	116 483	–	–
First National Bank Eswatini	Term	Prime plus 1.5%	40 000	–	–	–
			262 410	196 483	–	–
30.6 Net undrawn short-term banking facilities	**Type**	**Interest rate**				
Rand Merchant Bank	Demand	Prime minus 0.65%	17 000	20 000	17 000	20 000
Investec Bank	Demand	Prime minus 0.5%	22 773	–	–	–
First National Bank Eswatini	Overdraft	Prime	25 000	25 000	–	–
			64 773	45 000	17 000	20 000
30.7 Net undrawn long-term banking facilities						
Grindrod Bank Limited	Term	Prime	82	82	–	–
AgDevCo Limited	Term	8%	51 669	64 558	–	–
First National Bank Eswatini	Term	Prime plus 1.5%	20 000	–	–	–
			71 751	64 640	–	–

30. Borrowings – interest-bearing continued

30.8 Summary of borrowing arrangements

A. At 31 March 2023, 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 less 0.65% per annum.

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

Type	Term	Utilisation	2023 R'000	2022 R'000
Short-term Uncommitted facility	Demand facility	General banking	–	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
			860	15 860

The RMB demand facility is secured by way of:

- An unlimited cession of debtors executed in favour of the bank by Crookes Brothers South Africa (Pty) Ltd.
- An unlimited cession of credit balances (including bank accounts held) in favour of the bank by Crookes Brothers South Africa (Pty) Ltd.
- 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.
- 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.

An additional bridging facility of R40 million was secured from RMB to be used exclusively for working capital purposes relating to the agricultural business.

The facility bears interest at prime plus 1.15% per annum and is secured by way of:

- A cession of shares in Crookes Plantations Limited.
- A guarantee from CBL Agri Zambia Limited.

The bridging facility is repayable on demand and is uncommitted (refinanceable at RMB's discretion).

B. During the year, the Group's subsidiary Renishaw Hills Developments (Pty) Ltd secured a property development facility from Investec, to fund Phase 6 of its Renishaw Hills residential development.

The facility accrues interest at prime rate less 0.5% per annum, is repayable from 24-months of grant and is secured by way of:

- Registration of a first covering mortgage bond over the Phase 6 units.
- A parent guarantee from Crookes Brothers Limited ("CBL").
- Subordination of the Group company loan from CBL, for the value of the facility.

C. The Group's Mawecro and Libcro estates are the recipients of working capital loans from Akwandze Agricultural Finance ("Akwandze").

These loans are secured by way of a cession over the sugar cane proceeds paid by the mill and are refinanced annually at the discretion of the directors.

- The Mawecro loan of R15 million accrues interest at prime plus 1% per annum and is fully repayable/refinanceable by September 2023.
- The Libcro loan of R10 million accrues interest at prime per annum and is fully repayable/refinanceable by February 2024.

D. In addition to the revolving credit loans with Akwandze, the Group's Libcro estate is the recipient of a five-year term-loan from Akwandze for an amount of R10 million.

The loan bears interest at prime per annum and is secured by way of a cession over the sugar cane proceeds paid by the mill, payable over five equal capital repayments of R2 million each, commencing on 31 July 2023 and concluding on 31 July 2027.

E. During the year, the Grindrod Bank term loan was transferred from the Group's Renishaw Property Developments (RPD) subsidiary to the newly formed subsidiary Renishaw Hills Developments (Pty) Ltd.

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 R80 million in favour of Grindrod. The loan bears interest at the prevailing South African prime rate. Monthly interest is capitalised to the loan, with the exception of when the loan amount reaches or exceeds R80 million, whereby the interest is then serviced in cash. Per the signed agreement, the full loan including capitalised interest is to be repaid on 15 June 2024.

30. Borrowings – interest-bearing continued

F. On 25 November 2020, the Group secured a US$8 million (eight million US Dollars) 10-year term loan from AgDevCo Limited a UK-based Development Finance Institution, to fund the expansion of its macadamia operation in Mozambique.

The Group enjoys a “capital holiday” for the first five years of the loan, with interest accruing at USD 8% per annum, payable semi-annually in arrears.

Capital repayments are then due over five equal portions of US$1.6 million each, commencing on 31 December 2026 and concluding on 31 December 2030.

As at the end of the current reporting period, a total of US$5 million (2022: US$3.5 million) of the available facility had been drawn down.

The loan from AgDevCo is secured by:

- 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.
- An assignment by CBL over all loans advanced to MML and MFL.

Refer to note 30.9 for details relating to financial covenants applicable to this loan.

G. In May 2022, the Group secured a R40 million five-year term loan from FNB Eswatini (“FNB”), to fund a banana expansion at its Eswatini operation.

The loan accrues interest at the quoted Eswatini prime rate plus 1.5%, and is payable quarterly.

No capital repayment is due for the first year, which includes the current reporting period. Capital is repayable in 16 equal quarterly instalments, commencing from the 2023/24 financial year.

The loan is secured by way of:

- 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 (‘CPL’).
- A deed of Hypothecation on the moveable assets of CPL, for an amount of R65 million.
- A continuing mortgage bond over the CPL properties, for an amount of R65 million.
- A cession of credit balances held with FNB.
- A cession of short-term insurance cover on the CPL properties.

As at the end of the current reporting period, a total of R20 million of the available R40 million loan facility had been drawn down.

Refer to note 30.9 for details relating to financial covenants applicable to this loan.

30.9 Financial covenants

The following Group subsidiaries are subject to lender-imposed financial covenants, effective for the current reporting period.

Murrimo Macadamias Lda	Requirement	AgDevCo Target times	31 March 2023 Actual times	Covenant
Interest Coverage Ratio	≥	1.50	(10.25)	Breach
Debt Service Coverage Plus Cash Ratio	≥	1.30	(6.64)	Breach
Net Debt divided by EBITDA	<	4.00	(1.56)	Breach

AgDevCo has issued MML with a proposed Financial Covenant Waiver for the current reporting and measurement period.

Conditions to the proposed waiver include the implementation of a remedial action plan the terms of which, the Group has accepted. These terms include an equity injection by CBL and AgDevCo board representation at a MML board level.

The terms of the loan agreement not withstanding, due to the fact that the loan covenants were breached, the loan has been classified as current. CBL has provided MML with a letter of continued financial support, to ensure that MML is able to meet its obligations as and when they become due and payble, over the next 12 months.

Crookes Plantations Limited	Requirement	FNB Target times	31 March 2023 Actual times	Covenant
Net Interest-Bearing Debt to EBITDA Ratio	≤	2.50	0.80	Pass
EBITDA Interest Cover Ratio	≥	4.00	9.30	Pass
Debt Service Cover Ratio	>	1.30	6.10	Pass

Crookes Plantations Limited has passed all Financial Covenants for the current reporting and measurement period.

30. Borrowings – interest-bearing continued

30.10 Reconciliation of borrowings – interest-bearing

Movements in borrowings for the year ended are as follows:

	Group				
	Opening balance R'000	Cash inflows R'000	Cash outflows R'000	Non-cash flows R'000	Closing balance R'000
2023					
General banking facilities	80 000	227 500	(184 500)	–	123 000
Loans and borrowings	147 497	103 305	(16 500)	16 409	250 711
	227 497	330 805	(201 000)	16 409	373 711
2022					
General banking facilities	75 000	193 000	(188 000)	–	80 000
Loans and borrowings	140 468	22 484	(16 008)	553	147 497
	215 468	215 484	(204 008)	553	227 497

	Company				
	Opening balance R'000	Cash inflows R'000	Cash outflows R'000	Non-cash flows R'000	Closing balance R'000
2023					
General banking facilities	80 000	227 500	(184 500)	–	123 000
	80 000	227 500	(184 500)	–	123 000
2022					
General banking facilities	75 000	193 000	(188 000)	–	80 000
	75 000	193 000	(188 000)	–	80 000

	Group	
	2023 R'000	2022 R'000
31. Obligations to return leased farmland		
Mawecro estate[1]	37 658	31 495
Libcro estate[2]	6 632	6 091
	44 290	37 586
Included in the financial statements as:		
Non-current	44 290	37 586
Current	–	–
	44 290	37 586

[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, 13 years of the lease term was left remaining.
In 2021, 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, seven 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 Mpumalanga 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, 16 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 year end value of the bearer is the best representation of the obligation to return the leased farmland.

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
32. Lease liabilities				
Mawecro farm lease[1]	131 333	129 473	–	–
Libcro farm lease[2]	35 438	34 666	–	–
Headoffice lease[3]	4 940	–	4 940	–
	171 711	164 139	4 940	–
Included in the financial statements as:				
Non-current	163 587	157 889	3 971	–
Current	8 124	6 250	969	–
	171 711	164 139	4 940	–

[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, 13 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, 16 years remain on the Libcro lease.*

[3] *The Company entered into an office floor lease agreement for its head office in Umhlanga for a total term of five years from May 2022. Rent escalates on an annual basis by 5% and is payable monthly.*

Maturity analysis – undiscounted	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Year one	21 034	18 660	1 323	–
Year two	21 100	18 660	1 389	–
Year three	21 169	18 660	1 459	–
Year four	21 242	18 660	1 532	–
Year five	19 711	18 660	–	–
Onwards	167 915	177 658	–	–
	272 171	270 958	5 703	–

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% and 7.75% on the head office lease. 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 18 for details of the right-of-use asset.

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
32. Lease liabilities continued				
32.1 Reconciliation of lease liabilities				
Opening balance	164 139	164 919	–	–
Non-cash movements in lease liabilities:				–
Additions – new leases	5 646	–	5 646	–
Additions – remeasurement of CPI linked lease payments	9 236	4 987	–	–
Interest	13 452	12 894	344	–
Cash movements in lease liabilities:				
Payment of lease liability	(20 762)	(18 661)	(1 050)	–
Rental payment	(7 310)	(5 767)	(706)	–
Portion disclosed as interest paid	(13 452)	(12 894)	(344)	–
	171 711	164 139	4 940	
33. Other lease arrangements				
33.1 The Group as a lessee				
Office and parking[1]	–	1 363	–	1 363
Nicoskamp and Umkomaas farms[2]	4 322	3 423	–	–
Chamotte and Belleview farms[3]	360	337	–	–
Leases of low value assets and other[4]	935	896	96	119
Lease payments recognised as an expense in the year	5 617	6 019	96	1 482

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 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 over low value assets and are considered immaterial in relation to the Group's total other lease arrangements.*

	Group and Company 2023 R'000	Group and Company 2022 R'000
34. Net post-employment obligation		
Post-employment medical aid obligation (see note 34.1)	2 789	2 902
Retirement benefit surplus (see note 34.2)	(1 838)	(1 961)
Net obligation	951	941
34.1 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	2 902	2 506
Components recognised in profit or loss	(30)	(59)
Interest cost	291	245
Benefit payments	(321)	(304)
Components recognised in other comprehensive income ("OCI")	(83)	455
Actuarial remeasurement loss net of tax	(61)	328
Tax effect of actuarial remeasurement	(22)	127
Net liability at end of year	2 789	2 902

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 2023 R'000	Group and Company 2022 R'000
34.2 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	1 961	1 693
Components recognised in profit or loss	(123)	268
Closing fair value of plan assets	1 838	1 961

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	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
35. Trade and other payables				
Trade payables and accruals	77 212	48 321	6 447	6 197
Income received in advance	328	–	–	–
Payroll accruals	4 689	4 207	1 458	1 118
	82 229	52 528	7 905	7 315

The carrying amount of trade and other payables approximates fair value as these are predominantly short-term and non-interest bearing.

36. Provisions

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Leave pay	9 750	9 916	1 713	1 873
Bonuses	980	847	–	–
Severance allowances	3 319	3 611	–	–
	14 049	14 374	1 713	1 873

Reconciliation of net movements	Group			
	Leave pay R'000	Bonuses R'000	Severance allowances R'000	Total R'000
Balance at 1 April 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
Payments/reversals	(5 270)	(848)	(950)	(7 068)
Provisions raised	5 364	981	594	6 939
Effect of foreign currency exchange differences	(260)	–	64	(196)
Balance at 31 March 2023	9 750	980	3 319	14 049

Reconciliation of net movements	Company			
	Leave pay R'000	Bonuses R'000	Severance allowances R'000	Total R'000
Balance at 1 April 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
Payments/reversals	(238)	–	–	(238)
Provisions raised	78	–	–	78
Balance at 31 March 2023	1 713	–	–	1 713

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

37. Employee share incentive schemes

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

37.1 Share options granted and unexpired as at 31 March 2023

	Options as at 31 March 2022	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 2023
Executive Directors							
KA Sinclair	35 000	–	4 471	–	–	–	35 000
Management	190 000	–	6 150	(33 000)	–	–	157 000
Total	225 000	–	5 844	(33 000)	–	–	192 000

37.2 Share options available at 31 March 2023 for further grants

	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	(192 000)
Balance available[1]	578 000

[1] *The share options outstanding at the end of the year had a weighted average remaining contractual life of 181 days (2022: 300 days). The existing share options scheme has been replaced by the deferred bonus scheme and no further share options will be awarded to directors or management.*

37.3 Deferred bonus shares granted and unforfeited as at 31 March 2023

The following table summarises the movements in the forfeitable deferred bonus scheme during the year.

Award date	Date option granted	Vesting date	Number of options granted	Price* (cents)	Number of forfeitable shares vested	Number of forfeitable shares forfeited	Total forfeitable shares**
19 October 2020	2020	Oct 23	74 910	4 360	–	(2 942)	71 968
15 July 2021	2021	Jul 24	100 269	4 420	–	(3 950)	96 319
17 August 2022	2022	Aug 25	20 000	4 034	–	–	20 000
			195 179		–	(6 892)	188 287

* *The price reflects the market price on the date of the awards.*

** *At 31 March 2023, the fair value of these options based on a closing share price of R28.87 was R5.4 million.*

Repurchased shares are held as treasury shares as required by the JSE Listings Requirements.

The table below shows the executive participants in the scheme.

	Shares as at 31 March 2022	Shares granted during the year	Weighted average grant price (cents)	Shares forfeited during the year	Shares as at 31 March 2023
Executive Directors					
KA Sinclair	43 802	20 000	4 034	–	63 802
N Naidoo	10 137	–	–	–	10 137
Management	121 240	–	–	(6 892)	114 348
Total	175 179	20 000		(6 892)	188 287

	Number of shares
37. Employee share incentive schemes continued	
37.4 Deferred bonus shares available at 31 March 2023 for further grants	
Shares authorised for the deferred bonus scheme	763 200
Shares granted and unexpired as shown above	(188 287)
Balance available[1]	**574 913**

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

38. 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	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Financial assets					
FVTOCI					
Equity investments	22.1	900	6 073	–	–
At amortised cost					
Trade and other receivables	27	113 206	111 991	6 221	24 229
Cash and bank balances	28	55 231	42 826	1 568	1 756
Loans receivable	22.2	22 069	30 034	6 236	5 853
Loans to subsidiaries	23	–	–	305 378	233 026
Loans to joint venture and associates	40.1	20 993	24 502	12 634	12 182
		212 399	215 426	332 037	277 046
Financial liabilities					
At amortised cost					
Trade and other payables	35	82 229	52 528	7 905	7 315
Borrowings: interest-bearing	30	373 711	227 497	123 000	80 000
Reversionary sale and transfer obligations	19	32 566	30 758	–	–
Lease liabilities	32	171 711	164 139	–	–
Loans from subsidiaries	23	–	–	155 142	137 037
		660 217	474 922	286 047	224 352

(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 19, 23, 30, 32, 35 and 38 for disclosure related to the Group's financial liabilities.

(b) Impairment
Refer to note 38.3 for the Groups ECL assessment.

(c) Hedge Accounting
The Group employed the use of Hedge Accounting for IFRS 9 purposes. A separate committee has been established to manage the risks and the hedging activities of the Group. The hedging activities of the Group included forward exchange contracts which were entered into to hedge against the foreign exchange impact on macadamia receipts. These contracts were closed before year end with a net loss of R0.7 million.

38. Financial instruments continued

38.1 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
2023						
Borrowings and other financial liabilities	(R'000)	180 052	135 484	98 865	163 587	577 988
Total borrowings and other financial liabilities	(%)	23	26	2	49	100
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

		Company				
		Variable rate		Fixed rate		
		Less than one year	Greater than one year	Less than one year	Greater than one year	Total borrowings
2023						
Borrowings	(R'000)	123 000	–	–	–	123 000
Total borrowings	(%)	100	–	–	–	100
2022						
Borrowings	(R'000)	80 000	–	–	–	80 000
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**		**2023**	2022	**2023**	2022
Amounts due to local bankers	variable	%	11.25	7.75	9.41	7.00
Amounts due to foreign bankers	variable	%	10.25	8.75	0.00	0.00
Revolving credit loan – Akwandze	variable	%	0.00	9.00	0.00	0.00
Revolving credit loan – Akwandze (secured)	variable	%	12.25	8.75	0.00	0.00
Revolving credit loan – Akwandze (secured)	variable	%	11.25	0.00	0.00	0.00
Term loans – Akwandze	variable	%	11.25	5.00	0.00	0.00
Term loan – AgDevCo	fixed		8.00	8.00	0.00	0.00
Term loan – Grindrod	variable	%	11.25	7.75	0.00	0.00
Term loan – Investec	variable	%	10.75	0.00	0.00	0.00
Term loan – FNB Eswatini	variable	%	10.25	0.00	0.00	0.00
Instalment sale agreements	variable	%	0.00	7.00	0.00	0.00
Lease liabilities	fixed	%	8.14	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 R6.3 million (2022: R4 million) effect on pre-tax profit or loss and a R4.6 million (2022: R2.9 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.

38. Financial instruments continued

38.2 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 note 30, of which R64.8 million was undrawn at year end (2022: undrawn: R45 million). See note 30.5. Current borrowings have been disclosed in note 30.1 to the annual financial statements. Trade and other payables have been disclosed in note 35 to the financial statements. All payables are due within one year and the impact of discounting them is not significant.

The board regularly reviews and monitors the liquidity position and covenants of the Group. Refer to note 30.9 for further details on covenants.

The maturities of contractual liabilities are as follows:

	Group				
	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
2023					
Trade and other payables	**82 229**	**82 229**	**–**	**–**	**82 229**
Instalment sale agreements	**–**	**–**	**–**	**–**	**–**
Revolving credit and term-loan arrangements	**226 132**	**178 527**	**99 906**	**9 777**	**288 210**
Reversionary sale and transfer obligations	**32 566**	**–**	**–**	**77 540**	**77 540**
Bank overdraft and facilities	**123 000**	**147 579**	**–**	**–**	**147 579**
Lease liabilities	**171 711**	**21 034**	**42 269**	**208 868**	**272 171**
	635 638	**429 369**	**142 175**	**296 185**	**867 729**
2022					
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

	Company				
	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
2023					
Trade and other payables	**7 905**	**7 905**	**–**	**–**	**7 905**
General banking facilities	**123 000**	**123 000**	**–**	**–**	**123 000**
Loans from subsidiaries	**155 142**	**155 142**	**–**	**–**	**155 142**
Lease liabilities	**4 940**	**1 323**	**2 848**	**1 532**	**5 703**
	290 987	**287 370**	**2 848**	**1 532**	**291 750**
2022					
Trade and other payables	7 315	7 315	–	–	7 315
Term-loan arrangements	–	–	–	–	–
General banking facilities	80 000	80 000	–	–	80 000
Loans from subsidiaries	137 037	137 037	–	–	137 037
Lease liabilities	–	–	–	–	–
	224 352	224 352	–	–	224 352

38. Financial instruments continued

38.3 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.

The Group and Company considers their maximum exposure to credit risk to be:

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Cash and bank balances	55 231	42 826	1 568	1 756
Trade and other receivables	113 206	110 055	6 221	24 229
Loans receivable	22 069	30 034	6 236	5 853
Loans to subsidiaries	–	–	305 378	233 026
Loans to joint venture and associate	20 993	24 502	12 634	12 182
	211 499	207 417	332 037	277 046
The Group and Company expected credit losses:				
Trade and other receivables	2 875	1 936	–	–
Loans receivable	6 191	–	6 191	–
Loans to subsidiaries	–	–	10 536	–
	9 066	1 936	16 727	–

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 22.2.

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 22.3.7 for the ECL assessments for this category.

38. Financial instruments continued

38.3 Credit risk management continued

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

During the current reporting period, the directors reassessed the risk of default on the underlying balance and raised a provision for the full LCT loan outstanding. Refer to note 22.3.5 for the ECL assessment.

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 11 units sold, adding further financial strength.

Based on this underlying information, the directors conclude that any ECL over this debtor will be immaterial. Refer to 22.3.9.

Regarding the instalment sale loan to Imvelo Kraal, the Group has recourse to take back the farm, as disclosed in note 22.3.8, accordingly any ECL on this loan is considered immaterial.

Loans to related party subsidiaries, joint venture and associates
Refer to note 23 for details of working capital loans granted by the Company to its related party subsidiaries, and to note 40 for the ECL considerations relevant to the Group's loans to its subsidiaries, joint venture and associates.

Guarantees
Refer to note 30.8 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. This was based on the current profitability, financial outlook and forward-looking information available.

Additionally, the fair value of the guarantee was measured at the date of issue and amortised to the financial period end date.

This amortised cost was compared to the ECL measured on a one year or lifetime basis depending on the stage and the higher of the two was assessed. The Company concluded the ECL 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 27 for details of the various categories making up the Group's trade and other receivables.

38. Financial instruments continued

38.3 Credit risk management continued

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
2023						
Trade and rental debtors[1&6]	22 871	16 401	1 398	406	484	4 182
Sugar cane revenue receivables[4]	7 033	7 033	–	–	–	–
Deciduous fruit revenue receivables[2]	46 513	3 304	3 663	3 837	6 056	29 653
Banana revenue receivables[3]	19 835	–	19 835	–	–	–
Macadamia revenue receivables[5]	3 617	3 617	–	–	–	–
Other receivables[7]	16 212	16 212	–	–	–	–
	116 081	46 567	24 896	4 243	6 540	33 835
Expected credit loss (ECL)	(2 875)	(19)	(16)	(21)	(380)	(2 439)
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[7]	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)

	Company					
	Total R'000	Current R'000	30 days R'000	60 days R'000	90 days R'000	120+ days R'000
2023						
Trade and rental debtors[1]	5 358	5 115	84	80	6	73
Other receivables[7]	863	863	–	–	–	–
	6 221	5 978	84	80	6	73
Expected credit loss (ECL)	–	–	–	–	–	–
2022						
Trade and rental debtors[1]	22 614	22 592	9	5	4	4
Other receivables[7]	1 615	1 615	–	–	–	–
	24 229	24 207	9	5	4	4
Expected credit loss (ECL)	–	–	–	–	–	–

38. Financial instruments continued

38.3 Credit risk management continued

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Concentration of credit risk by geographic segment				
South Africa	102 158	103 045	6 221	24 229
Foreign countries				
Eswatini	9 755	7 752	–	–
Zambia	86	644	–	–
Mozambique	4 082	550	–	–
	116 081	111 991	6 221	24 229
Concentration of credit risk by reportable segment				
Sugar cane	13 978	17 120	–	–
Deciduous fruit	46 656	71 635	–	–
Bananas	32 161	13 890	–	–
Macadamias	4 776	1 899	–	–
Property	13 971	2 467	–	–
Other operations	2 300	2 280	–	–
Unallocated corporate	2 239	2 700	6 221	24 229
	116 081	111 991	6 221	24 229

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 R2.88 million (2022: R1.94 million). See note 27. 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.

Whilst 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 sale, macadamia sale 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 R0.68 million (2022: R 0.66 million) as the calculated ECL.

38. Financial instruments continued

38.3 Credit risk management continued

Trade debtors

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

- R1.2 million owed by a related party for cartons purchased on their behalf. The directors assessed an immaterial ECL to this debtor.
- 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.
- R0.6 million owed by a service provider that collected prepaid electricity from tenants that has been put under business rescue. The directors therefore applied the full value outstanding as the calculated ECL for this debtor.

Total ECL

A year end ECL of R2.88 million (R0.68 million rental debtors and R2.20 million trade debtors) (2022: R1.94 million, rental debtors R0.66 million and R1.28 million trade debtors) was calculated as the maximum credit risk exposure to the Group. Refer to note 27 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 15.69% (2022: 15.81%) of TAD, which has a net asset value of R519 million (2022: R473 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 39 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 debtor.

38. Financial instruments continued

38.3 Credit risk management continued

5 Macadamia revenue receivables

The macadamia revenue accrual raised relates to the final remittance payment due from Mayo Macs, Green Farms and Marquis.

Historically payment has always been settled with the Group shortly after year end, and these customers have 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 these debtors.

6 Property revenue receivables

Included in trade debtors is R13.4 million relating to property revenue receivables for Renishaw Hills units that have been occupied by the customers and the full proceeds have been received by the Groups lawyers, held in trust, awaiting transfer. At year end, considering the impact of forward looking information, the directors assessed an immaterial ECL for this receivable.

7 Other receivables

Other receivables consists of the following sundry receivables and deposits:

- R3.5 million deposit paid on behalf of QBV to the Group's irrigation specialists for an irrigation project, which was fully installed by year end. The deposit is fully refundable on payment by QBV. The directors assessed an immaterial ECL for this debtor.
- Deposits for macadamia trees of R0.7 million. The companies are reputable and have historically fulfilled orders under the same payment terms. The directors assessed an immaterial ECL for this debtor.
- R6.9 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.

38.4 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. In the current year, exchange rate exposure on macadamia export revenue was hedged through the use of forward exchange contracts. All other exchange rate exposure was 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	2023	2022
ZAR/MZN	**3.6242**	4.4318
USD/MZN	**64.4600**	64.4600
ZAR/ZMW	**1.1981**	1.2382
USD/ZMW	**21.3100**	18.0205
USD/ZAR	**17.8013**	14.5604

The functional currency of the Group's foreign operations, is assessed on an annual basis. There was no change in the functional currency of any of the foreign operations.

38. Financial instruments continued

38.4 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	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Bank accounts (USD)	–	–	831	823
Bank accounts (MZN)	–	–	1 038	1 076
Bank accounts (ZMW)	–	–	20 333	12 477
Trade and other receivables (MZN)	–	–	24 179	13 744
Trade and other receivables (ZMW)	–	–	86	868
Interest-bearing shareholder loan (ZMW)	53	89	–	–
Interest-bearing term loan (USD)	90 741	51 925	–	–
Trade and other payables (MZN)	2 016	2 152	–	–
Trade and other payables (ZMW)	1 812	742	–	–
	94 622	54 908	46 467	28 988

Sensitivity analysis

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

A sensitivity rate of 10% is 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	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Profit or loss and equity*	9 157	5 275	(2 113)	(1 052)	2 211	1 244

* *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 weakened against the ZAR in the current financial year.*

38. Financial instruments continued

38.5 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 24), 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 fifth 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 39 for a price sensitivity analysis performed over the commodities of the Group.

38.6 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 2022. See note 41 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 30 offset by cash and bank balances) and equity (comprising issued share capital, reserves, retained earnings and non-controlling interests as detailed in note 29).

The Group is exposed to externally imposed capital requirements. See note 30 for details of financial institution imposed encumbrances and requirements.

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

Gearing ratio

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

		Group		Company	
		2023 R'000	2022 R'000	2023 R'000	2022 R'000
Debt[1]		373 711	227 497	123 000	80 000
Cash and bank balances[2]		(55 231)	(42 826)	(1 568)	(1 756)
Net debt		318 480	184 671	121 432	78 244
Equity[3]		1 008 644	1 144 963	576 106	771 383
Net debt to equity ratio	(%)	31.58	16.13	21.08	10.14

1 *Debt comprises bank overdraft, facilities and interest-bearing debt (non-current and current) as disclosed in note 30. For the purposes of the gearing ratio, the interest-free loan relating to the obligation to return leased farmland (see note 31) is excluded from debt, as this liability is offset by an opposite but equal bearer asset (see note 17).*

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 29).*

39. 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.

IFRS 13 requires disclosure of fair value measurement by level of the following fair value measurement hierarchy:

- 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
2023				
Investment property	**–**	**114 118**	**–**	**114 118**
Financial assets: equity investments	**–**	**–**	**900**	**900**
Biological assets	**–**	**–**	**303 358**	**303 358**
Property, plant and equipment – market value disclosure	**–**	**–**	**1 742 200**	**1 742 200**
	–	**114 118**	**2 046 458**	**2 160 576**
2022				
Investment property	–	113 637	–	113 637
Financial assets: equity investments	–	–	6 073	6 073
Biological assets	–	–	306 088	306 088
Property, plant and equipment – market value disclosure	–	–	1 670 000	1 670 000
	–	113 637	1 982 161	2 095 798

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

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

The fair values of the 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.

39. Fair value measurements continued

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 2023 R'000	Fair value as at 2022 R'000	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	114 118	113 637	Level 2	Comparable sales method. Relevant selling price per square metre with respect to similar residential units or number of bedrooms	None	None
Financial assets: equity investments	900	6 073	Level 3	Fair value approximates cost	None	None
Biological assets	303 358	306 088	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	Refer to sensitivity analysis below for significant unobservable inputs.	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
Property, plant and equipment – market value disclosure	1 742 200	1 670 000	Level 3	Independent external property valuation	Value per hectare determined per expert valuation	A 10% change in the value per hectare will result in a change to market value disclosed by R174.2 million

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 a decrease of R7.5 million (2022: Increase of R13 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 25.1.

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, 19, 22 and 25.2.

Sensitivity analysis biological assets	Significant unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value %	Sensitivity of the input to fair value R'000
2023 **Sugar cane**				
	Price per ton	**RSA: R6 004** **Eswatini: R5 223** **Zambia: R6 229**	**10%**	**29 458**
	Direct costs per ton	**RSA: R1 040** **Eswatini: R912** **Zambia: R621**	**10%**	**(4 901)**
	Tons per hectare (Yield)	**RSA: 101.50** **Eswatini: 100.40** **Zambia: 135.90**	**10%**	**24 558**
	Extraction rate	**RV %: 13.2%** **Sucrose %: 13.5%** **ERC %: 12%**	**0.5%**	**9 292**

39. Fair value measurements continued

Sensitivity analysis biological assets	Significant unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value %	R'000
Deciduous fruit	**Price per kg**	**R3.58**	**10%**	**2 386**
	Direct costs per kg	**R0.85**	**10%**	**(578)**
	Tons per hectare (Yield)	**63.8**	**10%**	**1 808**
	Packout %:			
	Class 1 to juice	**43.7%**	**10%**	**(2 852)**
	Class 1 to class 3	**43.7%**	**10%**	**(4 400)**
Bananas	**Price per carton**	**RSA: R102.76 Eswatini: R105.96**	**10%**	**3 352**
	Direct costs per carton	**RSA: R35.22 Eswatini: R37.37**	**10%**	**(1 154)**
	Tons per hectare (Yield)	**RSA: 58.6 Eswatini: 60.1**	**10%**	**2 198**
Macadamias	**Price per ton**	**R39 129**	**10%**	**2 286**
	Direct costs per ton	**R8 801**	**10%**	**(514)**
	Tons per hectare (Yield)	**1.11**	**10%**	**1 772**
2022				
Sugar cane	Price per ton	RSA: R5 654 Eswatini: R4 676 Zambia: R5 492	10%	25 790
	Direct costs per ton	RSA: R957 Eswatini: R905 Zambia: R605	10%	(4 426)
	Tons per hectare (Yield)	RSA: 98.6 Eswatini: 100.0 Zambia: 131.1	10%	21 362
	Extraction rate	RV %: 13.3% Sucrose %: 13.5% ERC %: 12.1%	0.5%	8 032
Deciduous fruit	Price per kg	R3.65	10%	2 340
	Direct costs per kg	R0.81	10%	(526)
	Tons per hectare (Yield)	59.3	10%	1 816
	Packout %:			
	Class 1 to juice	35.7%	10%	(3 002)
	Class 1 to class 3	35.7%	10%	(4 434)
Bananas	Price per carton	RSA: R119.26 Eswatini: R106.07	10%	3 416
	Direct costs per carton	RSA: R31.63 Eswatini: R35.02	10%	(918)
	Tons per hectare (Yield)	RSA: 56.7 Eswatini: 58.1	10%	2 496
Macadamias	Price per ton	R67 776	10%	5 502
	Direct costs per ton	R6 985	10%	(567)
	Tons per hectare (Yield)	1.61	10%	4 936

The prior year has been represented to increase the sensitivity % from 5% to 10%. Additionally included the direct cost and extraction rate key unobservable inputs.

39. Fair value measurements continued

A 10% sensitivity rate is used when reporting the fair value of the Groups biological assets in so far as its fluctuations relating to unobservable inputs.

Although a 10% sensitivity is not always reflective of extreme year on year movements in unobservable inputs that occur due to macro economic, geo political and climatic events outside of the Groups control.

The impact of a change in each of the biological asset unobservable inputs up or (down) would give rise to a positive or (negative) effect on pre-tax profit or loss.

Sensitivity analysis – revenue receivables	Significant unobservable inputs	Range of unobservable inputs	Sensitivity of the input to fair value %	R'000
2023				
Deciduous fruit	**Price per ton**	R3.58	10%	(4 958)
	Packout %:			
	Class 1 to class 3	43.7%	10%	(6 014)
2022				
Deciduous fruit	Price per ton	R3.65	10%	(6 118)
	Packout %:			
	Class 1 to class 3	35.7%	10%	(7 120)

The prior year has been represented to increase the impact from 5% to 10%.

The impact of a 10% decrease in the price or change in the packout of deciduous deliveries over year end (revenue receivables) will have the above negative effect on pre-tax profit or loss.

The impact of a 10% 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.

40. 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 associate

Details of interests in joint venture and associates are set out in note 24 and are equity accounted.

Subsidiaries

Details of interests in subsidiaries are set out in note 23.

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.

40. Related party transactions continued

40.1 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	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Silverlands Mozambique Holdings Limited						
Management fees[1]	–	–	2 309	2 090	–	–
Interest received[3]	–	–	1 010	–	–	–
Current account[5]	(17 167)	(8 600)	–	–	–	–
Loan to joint venture[7]	20 993	24 502	–	–	–	–
Lebombo Growers (Pty) Ltd						
Banana marketing and transport costs paid	–	–	–	–	(57 606)	(38 010)
Dividend income	–	–	3 538	2 858	–	–
Current account[5]	(3 000)	–	–	–	–	–
Banana pool accrual	10 923	8 426	–	–	–	–

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 prior year.

	Company					
	Balances owing from/(to)		Sale of goods and services		Purchase of goods and services	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Silverlands Mozambique Holdings Limited						
Management fees[1]	–	–	933	821	–	–
Loan to joint venture[7]	12 634	12 182	–	–	–	–
Crookes Brothers South Africa (Pty) Ltd						
Management fees[1]	–	–	18 706	16 589	–	–
Share-based payment	–	–	778	893	–	–
Interest received[3]	–	–	3 425	1 835	–	–
Current account[5]	1 952	21 382	–	–	–	–
Loan to subsidiary[6]	51 539	30 167	–	–	–	–
Libcro Farming (Pty) Ltd						
Directors fees received[2]	–	–	267	260	–	–
Management fees[1]	–	–	3 300	3 143	–	–
Surety fees received[4]	–	–	180	15	–	–
Current account[5]	74	93	–	–	–	–
Mawecro Farming (Pty) Ltd						
Directors fees received[2]	–	–	1 800	1 800	–	–
Management fees[1]	–	–	2 123	2 009	–	–
Surety fees received[4]	–	–	314	213	–	–
Current account[5]	128	77	–	–	–	–

40. Related party transactions continued

40.1 Trading transactions continued

	Company					
	Balances owing from/(to)		Sale of goods and services		Purchase of goods and services	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Crookes Plantations Limited						
Management fees[1]	–	–	411	384	–	–
Current account[5]	349	–	–	–	–	–
Loan from subsidiary[6]	(155 045)	(136 940)	–	–	–	–
Bar J Limited						
Loan from subsidiary[6]	(97)	(97)	–	–	–	–
CBL Agri Zambia Limited						
Management fees[1]	–	–	261	244	–	–
Interest received[3]	–	–	37	69	–	–
Current account[5]	209	–	–	–	–	–
Loan to subsidiary[6]	53	90	–	–	–	–
Mozambique Farms (Pty) Ltd						
Loan to subsidiary[6]	686	686	–	–	–	–
Murrimo Macadamias Lda						
Management fees[1]	–	–	3 092	1 336	–	–
Share-based payment	–	–	226	158	–	–
Loan to subsidiary[6]	422 304	411 761	–	–	–	–
Murrimo Farming Lda						
Loan to subsidiary[6]	19 446	19 446	–	–	–	–
QBV South Africa (Pty) Ltd						
Current account[5]	420	–	–	–	–	–
Loan to subsidiary[6]	–	3	–	–	–	–
Renserv (Pty) Ltd						
Management fees[1]	–	–	428	–	–	–
Interest received[3]	–	–	1 704	545	–	–
Current account[5]	534	70	–	–	–	–
Loan to subsidiary[6]	21 446	16 412	–	–	–	–
Renishaw Property Developments (Pty) Ltd						
Management fees[1]	–	–	553	1 321	–	–
Surety fees received[4]	–	–	400	1 598	–	–
Interest received[3]	–	–	19 844	13 108	–	–
Purchase of land	–	–	5 276	–	–	–
Current account[5]	858	93	–	–	–	–
Loan to subsidiary[6]	231 653	185 668	–	–	–	–
Renishaw Hills Developments (Pty) Ltd						
Management fees[1]	–	–	428	–	–	–
Surety fees received[4]	–	–	1 199	–	–	–
Current account[5]	647	–	–	–	–	–

1 *Management fees are charged to Group companies based on actual time spent by head office employees.*

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 23 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 23 for details of the Company's loans to and from its subsidiaries.*

7 *Refer to note 24 for details of the Group's investments in its related party joint venture and associate.*

40. Related party transactions continued

40.1 Trading transactions continued

Expected credit loss (ECL) on loans to subsidiaries

The Group has performed an assessment on loans to 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. These loans have thus been assessed for impairment using the lifetime basis. Refer to note 23 for the ECL allowance raised during the current year.

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

The Group has performed an assessment on receivables from joint ventures and associates in terms of IFRS 9 and has concluded that these loans represent loans at amortised cost.

Based on the current profitability, financial outlook and forward-looking information available, the company has performed an expected credit loss (ECL) calculation 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.

40.2 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:

	2023 R'000	2022 R'000
– short-term employee benefits	22 610	15 870
– post-employment benefits	3 219	1 762
– share-based payments	2 026	1 587
	27 855	19 219

General managers have been included as key management in the current year.

40. Related party transactions continued

40.3 Directors' emoluments

Executive Directors and prescribed officers	Company Salary R'000	Bonus R'000	Retirement and medical contributions R'000	Share options exercised R'000	Other benefits R'000	Total R'000
Year to 31 March 2023						
KA Sinclair	3 541	–	549	–	117	4 207
N Naidoo[1]	2 204	–	340	–	73	2 617
RF Niven[2]	2 629	–	371	–	85	3 085
MC Khuzwayo[2]	2 314	–	366	–	74	2 754
LA Pretorius[2]	1 813	–	263		54	2 130
	12 501	–	1 889	–	403	14 793
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[3]	586	–	37	–	7	630
RF Niven[2]	2 482	637	346	–	74	3 539
	8 352	2 377	1 186	–	242	12 157

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

	Company			
	Directors' fees		Committee fees	
Non-executive Directors	2023 R'000	2022 R'000	2023 R'000	2022 R'000
MT Rutherford (Chairperson)[1]	–	231	–	58
LW Riddle (Chairperson)[2]	554	427	122	186
RGF Chance	249	249	188	228
TJ Crookes	249	249	67	90
TK Denton	249	249	83	83
F Mall[3]	249	104	186	23
P Mnganga[4]	–	104	–	55
G Vaughan-Smith	249	249	33	47
ST Xaba	249	249	83	62
	2 048	2 111	762	832

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

See note 37 for details of directors' and management share options granted and unexpired as at 31 March 2023.

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.

40.4 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
Ellingham Estate (Pty) Ltd	840 000	5.50
	7 678 444	50.30

	Group 2023 R'000	Group 2022 R'000
41. Budgeted capital expenditure		
Authorised by the Directors but not yet contracted		
– expansion and project development	**22 603**	29 376
– improvement	**16 923**	25 425
– replacement	**1 131**	6 915
– bearer asset planting	**30 413**	30 612
	71 070	92 328

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

- R1.2 million for the expansion of the Eswatini banana segment, which includes an additional cold room, trailers and sprayers.
- R11.6 million relating to investment in further sub-surface drip irrigation to achieve better yields
- R0.3 million relating to upgrade of the Group's accounting software.
- R7.4 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.
- R20.2 million relating to the Group's Renishaw Property infrastructure and precinct development, conditional on a signed agreement for its shopping centre and petrol station land site.
- R30.4 million relating to land preparation and planting expenditure confined to necessary replanting required at the Groups sugar 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.

42. Events after the reporting period

The Group has signed an agreement for the disposal of its deciduous fruit farms in the Grabouw region of the Western Cape. The sale is subject to Competition Commission and shareholder approval and the fulfilment of certain suspensive conditions. The proceeds of R200 million will be settled by the purchaser on transfer of the properties, which is anticipated to occur during the fourth quarter of the 2023 calendar year.

The RMB bridging facility of R40 million, which was secured during the current financial year has been extended.

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. Going concern

The directors believe that the Group and Company have adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis of accounting in preparing the Group and Company's Annual Financial Statements.

Based on the financial performance of the Group, its cash flow projection to the end of March 2024, secured funding and positive solvency and liquidity tests, the Group will remain operational for the foreseeable future.

Share and shareholders information

FOR THE YEAR ENDED 31 MARCH 2023

	Group and Company			
	Number of shareholdings	Percentage of shareholdings	Number of shares	Percentage of issued capital
Shareholder spread				
1 – 1 000 shares	435	65.02	52 338	0.34
1 001 – 10 000 shares	119	17.79	500 839	3.28
10 001 – 100 000 shares	96	14.35	3 205 968	21.00
100 001 – 1 000 000 shares	18	2.69	4 666 728	30.58
1 000 001 shares and over	1	0.15	6 838 444	44.80
	669	100.00	15 264 317	100.00
Non-public shareholders	9	1.35	7 865 524	51.53
Directors, Associates and Prescribed Officers	8	1.20	1 027 080	6.73
Shareholder (more than 10%)	1	0.15	6 838 444	44.80
Public shareholders	660	98.65	7 398 793	48.47
	669	100.00	15 264 317	100.00
Distribution of shareholders				
Close Corporations	3	0.45	17 100	0.11
Collective Investment Schemes	12	1.79	872 061	5.71
Individuals	539	80.57	1 658 673	10.87
Other Corporations	15	2.24	7 058 748	46.24
Private Companies	21	3.14	1 402 387	9.19
Public Companies	1	0.15	175 179	1.15
Retirement Benefit Funds	23	3.44	1 470 981	9.64
Trusts	55	8.22	2 609 188	17.09
	669	100.00	15 264 317	100.00
Fund managers with a holding greater than 3% of the shares in issue				
Camissa Asset Management			1 614 262	10.58
Oasis Crescent Management Company			875 053	5.73
Total			2 489 315	16.31
Beneficial shareholders with a holding greater than 3% of the shares in issue				
Silverlands (SA) Plantations Sarl			6 838 444	44.80
Ellingham Estate (Pty) Ltd			840 000	5.50
Government Employees Pension Fund			737 584	4.83
T.C.B Crookes Grand Childrens Trust			700 000	4.59
Camissa Asset Management			661 592	4.33
Total			9 777 620	64.05

Corporate information

Company name:	Crookes Brothers Limited
Registered office:	2nd Floor, Ridge 6, 20 Ncondo Place, Umhlanga Ridge, 4319
Telephone:	031 001 5400
Email:	info@cbl.co.za
Website:	www.cbl.co.za
Share code:	CKS
Company registration number:	1913/000290/06
Company secretary:	Ziyanda Ngwenya
Business address:	2nd Floor, Ridge 6, 20 Ncondo Place, Umhlanga Ridge, 4319
Telephone:	031 001 5412
Email:	zngwenya@cbl.co.za
Transfer secretaries:	Computershare Investor Services (Pty) Ltd
Business address:	Rosebank Towers, 15 Biermann Avenue, Rosebank
Postal address:	Private Bag X9000, Saxonwold, 2132
Telephone: **Telefax:**	011 370 5000 011 688 5200
Auditors:	BDO South Africa Inc.
Attorneys:	Livingston Leandy Inc.
Bankers:	FirstRand Bank Limited
Sponsor:	Questco Corporate Advisory (Pty) Ltd

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