ZEDER INVESTMENTS LIMITED

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2018

REGISTRATION NUMBER: 2006/019240/06

These annual financial statements were compiled under the supervision of JH le Roux, financial director of the group and Chartered Accountant (SA), and audited as set out in the audit report on pages 6 to 11.

Company information

Directors

Executive

N Celliers (Chief executive officer)	(Appointed 23 July 2012)
JH le Roux (Financial director)	(Appointed 8 September 2016)

Non-executive

JF Mouton (Chairman)	(Appointed 21 August 2006)
GD Eksteen[1]	(Appointed 1 September 2009)
PJ Mouton	(Appointed 30 April 2012)
WL Greeff	(Appointed 21 May 2009)
CA Otto[2]	(Appointed 21 August 2006)
ASM Karaan[2]	(Appointed 6 April 2016)
N Mjoli-Mncube[2]	(Appointed 1 June 2016)

[1] *Lead independent non-executive director as from 7 October 2014*

[2] *Independent*

Registration number	2006/019240/06
Registered address	2nd Floor Ou Kollege 35 Kerk Street Stellenbosch 7600
Postal address	PO Box 7403 Stellenbosch 7599
Auditor	PricewaterhouseCoopers Inc. Stellenbosch
Company secretary	Zeder Corporate Services Proprietary Limited

CONTENTS **PAGE**

ZEDER INVESTMENTS LIMITED
REPORT OF THE AUDIT AND RISK COMMITTEE
FOR THE YEAR ENDED 28 FEBRUARY 2018

The audit and risk committee ("the committee") reports that it has considered the matters set out in the Companies Act of South Africa and is satisfied with the independence and objectivity of the external auditor, PricewaterhouseCoopers Inc. The committee has considered and recommended the fees payable to the external auditor and is satisfied with the extent of non-audit related services performed.

This committee also acted as the statutory audit committee of those public company subsidiaries that are legally required to have such a committee.

The committee has satisfied itself that the financial function, including the financial director, has the appropriate expertise, experience and resources, and is satisfied that the internal financial controls of the company are working effectively.

A board-approved audit and risk committee charter stipulating, inter alia, the committee's composition, duties and responsibilities, has been adopted. The committee is satisfied that it complied with the responsibilities as set out in the audit and risk committee charter as well as relevant legal and regulatory responsibilities.

Based on the information and explanations given by management and discussions with the independent external auditor regarding the results of their audit, the committee is satisfied that there was no material breakdown in the internal financial controls during the financial year under review.

The committee has evaluated the annual financial statements of the company and group for the year ended 28 February 2018 and, based on the information provided to the committee, considers that these comply, in all material respects, with the requirements of International Financial Reporting Standards; the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the requirements of the Companies Act of South Africa; and the JSE Listings Requirements.

Chris Otto
Chairman

17 April 2018
Stellenbosch

ZEDER INVESTMENTS LIMITED
APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

The directors are responsible for the maintenance of adequate accounting records and to prepare annual financial statements that fairly represent the state of affairs and the results of the company and group. The external auditor is responsible for independently auditing and reporting on the fair presentation of these annual financial statements. Management fulfils this responsibility primarily by establishing and maintaining accounting systems and practices adequately supported by internal financial controls. Such controls provide assurance that the company and group's assets are safeguarded, that transactions are executed in accordance with management's authorisations and that the financial records are reliable. The annual financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards; the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the requirements of the Companies Act of South Africa; and the JSE Listings Requirements, and incorporate full and reasonable disclosure. Appropriate and recognised accounting policies are consistently applied.

The audit and risk committee meets regularly with the external auditor, as well as senior management, to evaluate matters concerning accounting policies, internal control, auditing and financial reporting. The external auditor has unrestricted access to all records, assets and personnel as well as to the audit and risk committee.

The annual financial statements are prepared on the going concern basis, since the directors have every reason to believe that the company and group have adequate resources to continue for the foreseeable future.

The annual financial statements set out on pages 3 to 5 and 12 to 76 were approved by the board of directors of Zeder Investments Limited and are signed on its behalf by:

JF Mouton	**N Celliers**	**JH le Roux**
Chairman	*Chief executive officer*	*Financial director*

17 April 2018
Stellenbosch

DECLARATION BY THE COMPANY SECRETARY

We declare that, to the best of our knowledge, the company has lodged with the Registrar all such returns as are required of a public company in terms of the Companies Act of South Africa and that all such returns are true, correct and up to date.

Zeder Corporate Services Proprietary Limited
Per L van der Merwe
Company secretary

17 April 2018
Stellenbosch

OVERVIEW

Zeder Investments Limited ("Zeder") is an investor in the broad agribusiness industry with a specific focus on the food and beverage sectors.

OPERATING RESULTS

The operating results and state of affairs of the group and company are set out in the attached income statements and statements of financial position, comprehensive income, changes in equity and cash flows, as well as the segment report and the notes to the aforementioned.

Sum-of-the-Parts ("SOTP")

- Zeder's *SOTP value* per share, calculated using the quoted market prices for all JSE-listed investments, and market-related valuations for unlisted investments, decreased by 8.0% during the year to R7.85 per share compared to a like-for-like R8.53 per share as at 28 February 2017.

Earnings performance

- Zeder's *recurring headline earnings* per share was 27.6 cents for the year ended 28 February 2018, reflecting a decrease of 35.2% compared to the 42.6 cents reported for the prior year. This result is due to a combination of decreases reported by Pioneer Foods, Capespan, Zaad and Agrivision Africa, increases reported by Kaap Agri and Quantum Foods and the positive effects of the internalisation of the base management fee.
- Following the once-off management fee internalisation charge of R1,45bn to the income statement in the prior year, *headline earnings* per share increased from a loss of 47.5 cents in the prior year, to a profit of 24.8 cents in the current year. The *recurring headline earnings* was offset by net *non-recurring* losses of R49m (2017: R1,46bn), which consists mainly of the adverse accounting effect of Pioneer Foods' historical BEE transaction given the increase in its share price.
- *Attributable earnings* per share increased from a loss of 49.1 cents in the prior year to a profit of 14.8 cents in the current year as a result of the aforesaid, offset by net *non-headline* losses of R171m (2017: R26m), which consists mainly of the recognition of deferred tax on the transfer of the Golden Wing Mau associate to equity securities and goodwill impairments at investee level.
- Profit for the year amounted to R208.4m (2017: loss of R741.7m), while the earnings attributable to equity holders of the group amounted to a profit of R253.9m (2017: loss of R795.9m).

STATED CAPITAL

During the year, the company purchased 15,335,527 (2017: nil) ordinary shares in the open market, at an average price of R6.13 per share, in accordance with the general authority obtained from its shareholders at the Annual General Meeting on 23 June 2017 and cancelled these shares with JSE obtained approval. Details regarding the authorised and issued share capital are disclosed in note 14 to the annual financial statements.

No ordinary shares were issued during the year under review. During the prior year, the company issued 207,661,758 ordinary shares as part of an asset-for-share transaction (mostly notably the internalisation of the management fee transaction).

During the year under review, treasury shares, allocated to executive directors in terms of a share incentive scheme, were recognised on loans granted on or prior to 28 February 2018. In terms of the accounting standard, the loans receivable has been accounted for in terms of IFRS 2 *Share-based Payment* . Details regarding the treasury shares are disclosed in note 14 to the annual financial statements.

During the prior year, Zeder constituted the Zeder Group Share Incentive Trust. Zeder acquired 7,892,310 Zeder ordinary shares (treasury shares) in order to enable the Zeder Group Share Incentive Trust to fulfil any obligations to participants in terms of the initial share options that were awarded to and accepted by the participants, prior to 28 February 2017 when the participants were still employees of PSG Corporate Services Proprietary Limited under the aforementioned management agreement.

DIVIDENDS

On 17 April 2018, the company declared a final dividend of 11 cents (2017: 11 cents) per share from income resources in respect of the year ended 28 February 2018, which is payable on 14 May 2018.

EVENTS SUBSEQUENT TO THE REPORTING DATE

The directors are unaware of any matter or event which is material to the financial affairs of the group that have occurred between the reporting date and the date of approval of these annual financial statements.

DIRECTORS

The directors of the company at the date of this report were:

Executive
N Celliers (Chief executive officer)
JH le Roux (Financial director)

Non-executive
JF Mouton (Chairman)
GD Eksteen[1]
PJ Mouton
WL Greeff
CA Otto[2]
ASM Karaan[2]
N Mjoli-Mncube[2]

[1] *Lead independent non-executive director*

[2] *Independent*

DIRECTORS' EMOLUMENTS

Directors' remuneration:

	Short term incentives			Long term incentives			
	Basic salary			Non-cash gains from			
Audited	**Total approved R'000**	**Less 30% deferred R'000**	**Total paid R'000**	**exercise of share options R'000**	**Fees R'000**	**Total 2018 R'000**	Total 2017[8] R'000
Executive							
N Celliers[1,2]	**6,800**	**(2,040)**	**4,760**	**1,957**		**6,717**	6,249
JH le Roux[1,2,3,6]	**3,750**	**(1,125)**	**2,625**	**855**		**3,480**	2,086
Non-executive							
GD Eksteen[4]					**268**	**268**	131
ASM Karaan[3,4]					**200**	**200**	50
N Mjoli-Mncube[3,4]					**258**	**258**	68
CA Otto[4,5]					**328**	**328**	25
JF Mouton[5]						**-**	
PJ Mouton[5]						**-**	
WL Greeff[5]						**-**	
WA Hanekom[3]						**-**	63
AE Jacobs[3,7]						**-**	1,416
	10,550	**(3,165)**	**7,385**	**2,812**	**1,054**	**11,251**	10,088

1 *During the year under review, 30% of the basic salary of the executive director's annual base salary was deferred for a period of 12 months, and is payable in monthly contributions in the ensuing year. The deferred payments carries interest at the SARS official rate to compensate for loss in time value of money and include reference to the fact that it is subject to malus/clawback provisions which could lead to the repayment by the executive director of the deferred component of the salary amount received during the preceding 12 months. Included in the total cost-to-company, are minor deductions made to group life cover, membership to a retirement fund and membership to a medical aid scheme (where applicable).*

2 *To help drive a long-term focus and decision-making with the ultimate objective of sustainable shareholder wealth creation, thereby better aligning the interests of management with those of shareholders and other stakeholders, the executives no longer qualify for short-term discretionary bonuses.*

3 *Messrs JH le Roux, ASM Karaan and Mrs N Mjoli-Mncube were appointed during the previous year and Messrs WA Hanekom and AE Jacobs resigned during the previous year.*

4 *During the year under review, effective 1 March 2017, the method of paying directors' fees changed subsequent to the approval of the directors' emoluments at the annual general meeting of Zeder. Directors' fees were always paid during October and the following April and are now payable in August and February. Based on the aforementioned change a payment of R254,000 paid during the year under review, relates to the 2017 financial year.*

5 *These directors do not receive any emoluments for services rendered to the company, as the Zeder group were previously managed by PSGCS in terms of a management agreement. These directors only receive emoluments from PSGCS for services rendered to PSG Group Limited and its investee companies (including the Zeder group). Effective from 1 September 2016, when the aforementioned management agreement was internalised, the Zeder group pays a strategic fee to PSGCS for services rendered to the company and a non-executive directors fee to Mr CA Otto from September 2016.*

6 *The basic salary and company contributions received by Mr JH le Roux, during the previous year, relates only to the period during which he served as an executive director.*

7 *The cash-based remunerations received by Mr AE Jacobs, during the previous year, relates to his employment as chief executive officer of Zaad Holdings Limited, a subsidiary, only for the period which he served as a non-executive director.*

8 *2017 reflect total basic salary paid during the previous year and exclude the non-cash gains of share options not previously reported. For comparative purposes, the non-cash gains of share options for Messrs N Celliers and JH le Roux were R10.9m and R1m, respectively.*

Members of the Zeder Executive Committee ("Exco") are regarded as being the prescribed officers of the company. The Exco comprises Messrs PJ Mouton (Chairman), N Celliers (Chief executive officer), JH le Roux (Financial director), WL Greeff and JF Mouton. N Celliers and JH le Roux's remuneration are included above and the other Exco members' remuneration is disclosed in PSG Group Limited's annual report available at *www.psggroup.co.za* .

DIRECTORS' EMOLUMENTS (continued)

Equity-based remuneration:

Audited	Number of share options as at 28 Feb 2017	Number of share options during the year Granted	Vested	Market price per share on vesting date R	Vesting price per share R	Date granted	Number of share options as at 28 Feb 2018	Cost to participant at vesting price R'000	Market value to participant as at 28 Feb 2018 R'000	Unrealised gains to participant as at 28 Feb 2018 R'000
Zeder Investments Limited share options granted by the Zeder Group Share Incentive Scheme Trust										
N Celliers	437,744		(437,744)	7.04	2.57	20/04/2012				
	337,837				3.33	28/02/2013	**337,837**	**1,124,997**	**2,179,049**	**1,054,052**
	2,496,950				4.10	28/02/2014[9]	**2,496,950**	**10,237,495**	**16,105,328**	**5,867,833**
	393,969				7.71	28/02/2015	**393,969**			
	789,990				4.97	29/02/2016	**789,990**	**3,926,250**	**5,095,436**	**1,169,186**
	1,792,402				7.29	28/02/2017	**1,792,402**			
		4,016,442			6.41	28/02/2018	**4,016,442**	**25,745,393**	**25,906,051**	**160,658**
	6,248,892	4,016,442	(437,744)				**9,827,590**	**41,034,135**	**49,285,864**	**8,251,729**
JH le Roux	609,756		(304,878)	6.45	4.10	28/02/2014	**304,878**	**1,250,000**	**1,966,463**	**716,463**
	97,276				7.71	28/02/2015	**97,276**			
	373,113		(93,278)	6.45	4.97	29/02/2016	**279,835**	**1,390,780**	**1,804,936**	**414,156**
	1,787,037				7.29	28/02/2017	**1,787,037**			
		2,319,528			6.41	28/02/2018	**2,319,528**	**14,868,174**	**14,960,956**	**92,782**
	2,867,182	2,319,528	(398,156)				**4,788,554**	**17,508,954**	**18,732,355**	**1,223,401**
Total	9,116,074	6,335,970	(835,900)				**14,616,144**	**58,543,089**	**68,018,219**	**9,475,130**
PSG Group Limited share options granted by the PSG Group Limited Supplementary Share Incentive Trust										
N Celliers	6,096				61.50	28/02/2013	**6,096**	**374,904**	**1,325,880**	**950,976**
	4,054				83.23	28/02/2014	**4,054**	**337,414**	**881,745**	**544,331**
	7,399				136.84	28/02/2015	**7,399**	**1,012,479**	**1,609,283**	**596,804**
	7,341				178.29	29/02/2016	**7,341**	**1,308,827**	**1,596,668**	**287,841**
	24,890	-	-				**24,890**	**3,033,624**	**5,413,576**	**2,379,952**
JH le Roux	3,467				178.29	29/02/2016	**3,467**	**618,131**	**754,073**	**135,942**
Total	28,357	-	-				**28,357**	**3,651,755**	**6,167,649**	**2,515,894**

9 *Included in the 28 February 2014 share option allocation is a once-off allocation of 4,500,000 Zeder Investments Limited share options, which was made to appropriately incentivise the aforementioned director. Retention of the director's services are considered key to Zeder Investments Limited's continued success. During the year under review, 0% (2017: 25%) of these share options vested.*

DIRECTORS' SHAREHOLDING

Audited	Beneficial Direct	Beneficial Indirect	Non-beneficial Indirect	Total shareholding 2018 Number	%	Total shareholding 2017 Number	%
N Celliers		**7,253,114**		**7,253,114**	**0.424**	6,815,370	0.394
JH le Roux		**1,045,838**		**1,045,838**	**0.061**	647,682	0.037
GD Eksteen		**6,683,585**	**250,000**	**6,933,585**	**0.405**	6,933,585	0.401
N Mjoli-Mncube		**48,983**		**48,983**	**0.003**	48,983	0.003
CA Otto			**80,000**	**80,000**	**0.005**	80,000	0.005
JF Mouton[10]				**-**	**-**	80,000	0.005
WL Greeff		**80,000**		**80,000**	**0.005**	80,000	0.005
	-	**15,111,520**	**330,000**	**15,441,520**	**0.903**	14,685,620	0.850

10 *During the year under review, Mr Mouton donated his ordinary shares to the Jannie Mouton Stigting. These shares were still held by the Foundation at the reporting date.*

All or part of the above shares, held by the executive directors, serve as security for loans granted to them with regards to the share options allocated to executive directors, in terms of a share incentive scheme, on or before 28 February 2018 (refer to note 28).

Also refer to Annexure A to the annual financial statements detailing the shareholder analysis.

There has been no changes in the shareholding of directors between year-end and the date of this report.

SECRETARY

The secretary of the company is Zeder Corporate Services Proprietary Limited. Please refer to the company information section for its business and postal addresses.

AUDITOR

At the date of this report, PricewaterhouseCoopers Inc. held office in accordance with the Companies Act of South Africa.

Independent auditor's report

To the Shareholders of Zeder Investments Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Zeder Investments Limited (the "Company") and its subsidiaries (together the "Group") as at 28 February 2018, and its consolidated and separate financial performance and its 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.

What we have audited

Zeder Investments Limited's consolidated and separate financial statements set out on pages 12 to 68 comprise:

- the consolidated and separate statements of financial position as at 28 February 2018;
- the consolidated and separate income statements for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

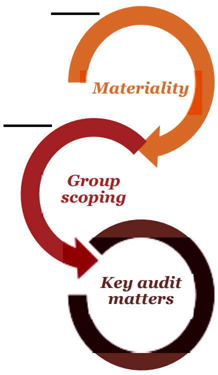
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the *Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (Parts A and B).*

Our audit approach

Overview



Overall Group materiality

- *R25.7 million, which represents 5% of consolidated profit before tax, adjusted for once-off Agrivision Africa goodwill impairment.*

Group audit scope

- *We conducted an audit of the three significant reporting units in the Group and parent company.*
- *Specified audit procedures were further performed at two reporting units.*

Key audit matters

- *Impairment assessment of investment in associates and goodwill relating to subsidiaries with unobservable inputs*

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall Group materiality	*R25.7 million*
How we determined it	*5% of consolidated profit before tax, adjusted for once-off Agrivision Africa goodwill impairment.*
Rationale for the materiality benchmark applied	*We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.*

pwc

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group financial statements are a consolidation of 8 reporting units which comprise the parent company, the Group's holding company structure and sub-consolidations of the operating entities within the Group, Zaad Holdings Limited, Capespan Group Limited and Agrivision Africa. A full scope audit was conducted for Zaad Holdings Limited, Capespan Group Limited, Pioneer Food Group Limited and Kaap Agri Limited due to their financial significance to the Group financial statements. A full scope audit was also performed on the financial information of the parent company as it is subject to a statutory audit in South Africa. The Group audit team centrally performed audit procedures over the Group consolidation and analytical review procedures over financially inconsequential balances in order to gain sufficient comfort over the consolidated numbers.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at the reporting units by us, as the Group engagement team, or by component auditors from other PwC network firms or non-PwC firms operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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.

Consolidated financial statements

Key audit matter	***How our audit addressed the key audit matter***
Impairment assessment of investment in associates and goodwill relating to subsidiaries with unobservable inputs	
The investment in associates and goodwill relating to subsidiaries represents a substantial portion of the Group's total assets (51%). The goodwill is tested annually by management and overseen by the audit committee as described in accounting policy note 7.1 and 8. The audit committee and management also considered whether there was any objective evidence that the investment in the associates is impaired. Refer to note 2, 4, annexure B and annexure C for the disclosure regarding the audit committee and management's assessment. The investment portfolio of the Group includes actively traded investments (listed) and non-actively traded investments (unlisted). The impairment	• To assess the control environment in which the impairment reviews are performed we obtained audit evidence that the final impairment calculations, including the final assumptions used, were approved by the appropriate personnel. • We obtained management's impairment calculations and tested the reasonableness of the key assumptions as detailed below for the two different techniques. • We substantively tested the integrity of supporting calculations and corroborated certain information with third party sources.

assessment of the investment in associates (R500 million) and goodwill (R243 million) with unobservable inputs (unlisted) was considered to be a matter of most significance to our current year audit as the audit committee and management utilise two different valuation techniques that requires management to apply significant judgement. Within the current year management's assessment indicated an impairment to be recognised on its goodwill allocated to its indirect subsidiary, Agrivision Africa, to the amount of R109 million. Management's assessment indicated that no further impairments were required. **Price/earnings (P/E) Ratio** The key judgements and estimates in determining the inputs are: ● Forecast recurring headline earnings per share; ● P/E multiple ranges and the reasonability of the P/E multiple range compared to similar entities; and previous transactions **Discounted cash flow model ("DCF")** This involves a number of key judgements and estimates in determining the input including: ● Revenue and earnings growth; ● Operating margins; ● Working capital requirements; and ● Discount rate. The impairment testing of the investment in associates and goodwill is contingent on various inputs and there is a risk that the investment may be impaired if these inputs are not appropriate.	**Price/earnings (P/E) Ratio** ● We agreed current recurring headline earnings per share to the financial results of investments. ● We assessed and considered the PE multiples applied by management and compared them to multiples of similar entities. We found the PE multiples that management applied to be comparable with third-party and independently established rates. ● In order to test the robustness of management's forecasts, we compared actual results for the 2018 financial year to the forecasted information included in the prior year forecast. We determined that the actual results were within an acceptable range when compared to the forecasted information, after allowing for changes in economic assumptions and other relevant variables. **Discounted cash flow model ("DCF")** ● We assessed the projected future cash flows, operating margins, working capital and requirements used in the models by understanding the process followed by management to determine these forecasts and agreeing the forecasted information to management approved budgets and business plans. In order to test the robustness of management's projections and estimates, we compared actual results for 2018 to the 2018 forecasted information included in the prior year forecast. We determined that the actual results were within an acceptable range when compared to the forecasted information, after allowing for changes in economic assumptions and other relevant variables. ● We compared the discount rate used by management in their calculation to our internally developed benchmarks. Our internal benchmarks were determined using our view of various economic indicators. We found that the discount rate applied by management was comparable with our internally developed benchmarks.

Separate financial statements

We have determined that there are no key audit matters in respect of the separate financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the *Zeder Investments Limited Annual Financial Statements for the year ended 28 February 2018*, which includes the Directors' Report, the Audit Committee's Report and the Declaration by the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the sections of the *Zeder Investments Limited Annual Report 2018*, which is expected to be made available to us after that date. 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 identified above 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 that we 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 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 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, related safeguards.

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 PricewaterhouseCoopers Inc. has been the auditor of Zeder Investments Limited for 12 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: D de Jager
Registered Auditor
Stellenbosch
Date: 17 April 2018

ZEDER INVESTMENTS LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2018

		GROUP		COMPANY	
		2018	2017	**2018**	2017
	Notes	**R'000**	R'000	**R'000**	R'000
ASSETS					
Non-current assets		**10,297,678**	9,834,678	**8,281,696**	8,277,090
Property, plant and equipment	1	**1,626,240**	1,640,265		
Intangible assets	2	**606,449**	666,134		
Biological assets (bearer plants)	9.1	**405,516**	363,924		
Investment in subsidiary	3			**8,281,696**	8,277,090
Investment in ordinary shares of associates	4.1	**6,619,137**	6,824,150		
Loans to associates	4.2	**132,089**	76,998		
Investment in ordinary shares of joint ventures	5.1	**17,125**	8,525		
Loans to joint ventures	5.2	**3,592**	3,022		
Equity securities	6	**688,103**	45,774		
Loans and advances	7	**99,529**	110,932		
Deferred income tax assets	16	**61,395**	57,562		
Employee benefits	8	**38,503**	37,392		
Current assets		**3,103,229**	3,335,949	**332**	326
Biological assets (agricultural produce)	9.2	**152,202**	122,325		
Inventories	10	**1,286,093**	1,319,458		
Trade and other receivables	11	**1,273,831**	1,413,603	**332**	324
Loans and advances	7	**38,419**	35,526		
Current income tax assets		**26,820**	22,729		2
Cash, money market investments and other cash equivalents	12	**325,864**	422,308		
Non-current assets held for sale	13	**7,103**			
Total assets		**13,408,010**	13,170,627	**8,282,028**	8,277,416
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Stated capital	14	**7,059,764**	7,153,858	**7,059,764**	7,153,858
Treasury shares		**(72,761)**	(50,260)		
Other reserves	15	**(347,511)**	(372,387)	**3,899**	1,077
Retained earnings		**1,629,103**	1,559,805	**2,692**	194,191
		8,268,595	8,291,016	**7,066,355**	7,349,126
Non-controlling interests		**327,490**	407,330		
Total equity		**8,596,085**	8,698,346	**7,066,355**	7,349,126
Non-current liabilities		**2,275,915**	1,320,269	**-**	-
Deferred income tax liabilities	16	**222,573**	94,181		
Borrowings	17	**1,938,568**	1,015,416		
Derivative financial liabilities	18	**23,802**	94,004		
Employee benefits	8	**90,972**	116,668		
Current liabilities		**2,536,010**	3,152,012	**1,215,673**	928,290
Borrowings	17	**1,427,739**	1,957,511	**1,212,043**	926,249
Trade and other payables	19	**994,114**	1,091,687	**3,630**	2,041
Derivative financial liabilities	18	**15,220**	128		
Current income tax liabilities		**33,672**	36,808		
Employee benefits	8	**65,265**	65,878		
Total liabilities		**4,811,925**	4,472,281	**1,215,673**	928,290
Total equity and liabilities		**13,408,010**	13,170,627	**8,282,028**	8,277,416

ZEDER INVESTMENTS LIMITED
INCOME STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

		GROUP		COMPANY	
		2018	2017	**2018**	2017
	Notes	**R'000**	R'000	**R'000**	R'000
Revenue	20	**8,485,428**	10,209,139		
Cost of sales	21	**(6,996,438)**	(8,545,655)		
Gross profit		**1,488,990**	1,663,484	**-**	-
Income					
Change in fair value of biological assets	9.2	**195,211**	224,293		
Investment income	22	**76,856**	66,528	**194**	60
Net fair value gains/(losses)	23	**45,361**	(7,216)		
Other operating income	24	**115,514**	29,060		
Total income		**432,942**	312,665	**194**	60
Expenses					
Management fees	25.1		(74,883)		
Management fee internalisation charge	25.1		(1,449,479)		
Marketing, administration and other expenses	25.2	**(1,670,076)**	(1,561,499)	**(1,282)**	(3,294)
Total expenses		**(1,670,076)**	(3,085,861)	**(1,282)**	(3,294)
Net income from associates and joint ventures					
Share of profits of associates and joint ventures	4 & 5	**471,934**	628,727		
Impairment of associates and joint ventures	4 & 5	**(931)**			
Net loss on dilution of interest in associates	4.1	**(29,254)**	(7,566)		
Net income from associates and joint ventures		**441,749**	621,161	**-**	-
Profit/(loss) before finance costs and taxation		**693,605**	(488,551)	**(1,088)**	(3,234)
Finance costs	26	**(289,085)**	(232,392)		
Profit/(loss) before taxation		**404,520**	(720,943)	**(1,088)**	(3,234)
Taxation	27	**(196,126)**	(20,718)	**(54)**	(15)
Profit/(loss) for the year		**208,394**	(741,661)	**(1,142)**	(3,249)
Profit/(loss) attributable to:					
Owners of the parent		**253,997**	(795,962)	**(1,142)**	(3,249)
Non-controlling interests		**(45,603)**	54,301		
		208,394	(741,661)	**(1,142)**	(3,249)
Earnings/(loss) per share (cents)	31				
Attributable - basic		**14.8**	(49.1)		
Attributable - diluted		**14.0**	(51.3)		

ZEDER INVESTMENTS LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2018

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	R'000	R'000	**R'000**	R'000
Profit/(loss) for the year	**208,394**	(741,661)	**(1,142)**	(3,249)
Other comprehensive income for the year, net of taxation	**(15,941)**	(469,243)	**-**	-
Items that may be reclassified to profit or loss				
Currency translation adjustments	**(100,439)**	(422,811)		
Share of other comprehensive income of associates and joint ventures	**64,453**	(42,545)		
Items that may not be reclassified to profit or loss				
Gains/(losses) from changes in financial and demographic assumptions of post-employment benefit obligations	**20,045**	(3,887)		
Total comprehensive income for the year	**192,453**	(1,210,904)	**(1,142)**	(3,249)
Attributable to:				
Owners of the parent	**256,731**	(1,192,964)	**(1,142)**	(3,249)
Non-controlling interests	**(64,278)**	(17,940)		
	192,453	(1,210,904)	**(1,142)**	(3,249)

ZEDER INVESTMENTS LIMITED
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2018

GROUP	Stated capital R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Non-controlling interests R'000	Total R'000
Balance at 01 March 2016	5,704,822	-	31,708	2,514,064	441,833	8,692,427
Total comprehensive income	-	-	(393,189)	(799,775)	(17,940)	(1,210,904)
Loss for the year				(795,962)	54,301	(741,661)
Other comprehensive income			(393,189)	(3,813)	(72,241)	(469,243)
Transactions with owners	1,449,036	(50,260)	(10,906)	(154,484)	(16,563)	1,216,823
Shares issued	1,449,036				25,485	1,474,521
Treasury shares purchased		(61,624)				(61,624)
Treasury shares sold		11,364				11,364
Share-based payment costs - employees			8,675		2,426	11,101
Transactions with non-controlling interests			(18,577)	(18,431)	(31,172)	(68,180)
Transfer between reserves			(1,004)	1,004		-
Dividends paid				(137,057)	(13,302)	(150,359)
Balance at 28 February 2017	7,153,858	(50,260)	(372,387)	1,559,805	407,330	8,698,346
Total comprehensive income	**-**	**-**	**(16,808)**	**273,539**	**(64,278)**	**192,453**
Profit for the year				**253,997**	**(45,603)**	**208,394**
Other comprehensive income			**(16,808)**	**19,542**	**(18,675)**	**(15,941)**
Transactions with owners	**(94,094)**	**(22,501)**	**41,684**	**(204,241)**	**(15,562)**	**(294,714)**
Shares issued					**8,443**	**8,443**
Shares purchased and cancelled	**(94,094)**					**(94,094)**
Treasury shares purchased		**(27,123)**				**(27,123)**
Treasury shares sold		**4,622**				**4,622**
Share-based payment costs - employees			**9,834**		**2,137**	**11,971**
Transactions with non-controlling interests			**38,482**	**(21,281)**	**(6,616)**	**10,585**
Transfer between reserves			**(6,632)**	**6,632**		**-**
Dividends paid				**(189,592)**	**(19,526)**	**(209,118)**
Balance at 28 February 2018	**7,059,764**	**(72,761)**	**(347,511)**	**1,629,103**	**327,490**	**8,596,085**

COMPANY	Stated capital R'000	Retained earnings R'000	Other reserve[1] R'000	Total R'000
Balance at 01 March 2016	5,704,822	334,497		6,039,319
Shares issued (refer note 14)	1,449,036			1,449,036
Profit and total comprehensive income for the year		(3,249)		(3,249)
Dividend paid		(137,057)		(137,057)
Share-based payment costs - employees			1,077	1,077
Balance at 28 February 2017	7,153,858	194,191	1,077	7,349,126
Loss and total comprehensive income for the year		**(1,142)**		**(1,142)**
Dividend paid		**(190,357)**		**(190,357)**
Shares purchased and cancelled (refer note 14)	**(94,094)**			**(94,094)**
Share-based payment costs - employees			**2,822**	**2,822**
Balance at 28 February 2018	**7,059,764**	**2,692**	**3,899**	**7,066,355**

Final dividends per share[2]

- 2017: 11 cents (declared on 10 April 2017 and paid on 8 May 2017)
- 2018: 11 cents (declared on 17 April 2018 and payable on 14 May 2018)

1 *Comprise fully of share-based payment reserve*

2 *Dividends are not accounted for until they have been approved by the company's board of directors.*

ZEDER INVESTMENTS LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2018

		GROUP		COMPANY	
		2018	2017	**2018**	2017
	Notes	**R'000**	R'000	**R'000**	R'000
Cash flow from operating activities		**311,708**	175,836	**441**	(2,162)
Cash generated from/(utilised by) operations	30.1	**266,794**	96,695	**299**	(2,205)
Interest received		**66,303**	64,900	**194**	60
Dividends received		**275,561**	249,555		
Interest paid		**(232,612)**	(188,770)		
Taxation paid	30.2	**(64,338)**	(46,544)	**(52)**	(17)
Cash flow from investment activities		**(413,237)**	(725,421)	**-**	-
Acquisition of subsidiaries	30.3		(114,311)		
Cash acquired from acquisition of subsidiary	30.3	**810**			
Proceeds from sale of subsidiaries	30.4	**27,318**			
Acquisition of associates and joint ventures		**(182,704)**	(108,562)		
Loans granted to associates and joint ventures		**(52,223)**	(69,142)		
Additions to property, plant and equipment		**(212,039)**	(310,501)		
Proceeds from disposal of property, plant and equipment		**24,850**	34,903		
Additions to intangible assets		**(96,501)**	(89,316)		
Proceeds from disposal of intangible assets		**17**			
Acquisition of equity securities		**(6,375)**	(439)		
Proceeds from sale of equity securities		**8,604**			
Loans and advances granted		**(4,385)**	(91,205)		
Repayment of loans and advances		**79,391**	23,152		
Cash flow from financing activities		**(5,286)**	348,669	**(441)**	2,162
Capital contributions by non-controlling interests		**4,088**	25,485		
Transactions with non-controlling interests		**(10,834)**	(52,433)		
Shares purchased and cancelled		**(94,094)**		**(94,094)**	
Purchase of treasury shares		**(27,123)**	(61,624)		
Treasury shares sold		**4,622**	11,364		
Dividends paid to shareholders of the parent		**(189,592)**	(137,057)	**(190,357)**	(137,057)
Dividends paid to non-controlling interests		**(19,526)**	(13,302)		
Borrowings repaid		**(1,332,955)**	(289,381)	**(7,812)**	(1,540)
Borrowings drawn		**1,660,128**	865,617	**291,822**	140,759
Net decrease in cash and cash equivalents		**(106,815)**	(200,916)	**-**	-
Cash and cash equivalents at beginning of year		**422,308**	684,278		
Exchange gains/(losses) on cash and cash equivalents		**10,371**	(61,054)		
Cash and cash equivalents at end of year	12	**325,864**	422,308	**-**	-

The principal accounting policies applied in the preparation of these consolidated and standalone financial statements are set out below. The accounting policies applied in the preparation of these financial statements are consistent in all material respects with those used in the prior financial year.

1. BASIS OF PREPARATION

The consolidated and standalone financial statements have been prepared on the going concern basis and in accordance with International Financial Reporting Standards ("IFRS"); the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the manner required by the Companies Act of South Africa and the Listings Requirements of the JSE Ltd. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets classified as "available-for-sale", financial assets and liabilities (including derivative financial instruments) classified as "at fair value through profit or loss", employee defined benefit assets and liabilities, and biological assets, as well as investments in associates and joint ventures being accounted for according to the equity method of accounting.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and standalone financial statements are disclosed in accounting policy note 28 below.

2. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

2.1 New standards, interpretations and amendments adopted by the group during the year

The following new standards, interpretations or amendments, which are relevant to the group's operations, became effective during the year:

- Annual improvements 2014-2016 cycle:

  Amendments to IFRS 1 - *First-time Adoption of International Financial Reporting Standards* – Deletion of short-term exceptions that are no longer applicable.

  IFRS 12 - *Disclosure in interest in other entities* - The amendment seeks to clarify the scope of IFRS 12 with respect to interest in entities classified as held for sale in accordance with IFRS 5 Non-current assets held for sale.

  IAS 28 - *Investments in Associated and Joint Ventures* - This amendment seeks to clarify that a venture capital organisation, mutual fund, unit trust or similar entities may elect to measure investments in associates and joint ventures at fair value through profit and loss, separately for each investment.

- Amendment to IAS 12 - *Income taxes* – Recognition of deferred tax assets for unrealised losses (effective 1 January 2017)

  The amendment was issued to clarify the requirements for recognising deferred tax assets on unrealised losses. The amendment clarifies the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. It also clarifies certain other aspects of accounting for deferred tax assets.

- Amendment to IAS 7 - *Statement of cash flows* – Disclosure initiative (effective 1 January 2017)

  The amendment introduces additional disclosure that will assist users of financial statements to evaluate changes in liabilities arising from financing activities, including whether the changes are from cash flows or non-cash items.

2.2 New standards, interpretations and amendments not currently relevant to the group's operations

The following new standards, interpretations and amendments had no impact on the measurement of amounts or disclosures in the current or prior year:

- IFRS 4 - *Insurance contracts* - Regarding the implementation of IFRS 9 Financial instruments

  These amendments introduce two approaches: an overlay approach and a deferral approach. The amended standard will: a) Give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and b) Give companies whose activities are predominantly connected with insurance an optional exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard – IAS 39.

2.3 New standards, interpretations and amendments that are not yet effective

The following new standards, interpretations and amendments have been published and are mandatory for the group's accounting periods beginning on or after 1 March 2018 or later periods and have not been early adopted by the group:

- Amendments to IFRS 2 – *Share-based payments* - Clarifying how to account for certain types of share-based payment transactions. (effective 1 January 2018)[1]

  This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

2. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS (continued)

2.3 New standards, interpretations and amendments that are not yet effective (continued)

- IFRS 9 - *Financial Instruments* (effective 1 January 2018)[4]

  New standard to replace IAS 39 Financial Instruments: Recognition and Measurement. The standard, inter alia, encompasses requirements in the following areas: Classification and measurement (replaces the multiple classification and measurement models with a single model that has only two categories: amortised cost and fair value); Impairment (introduces an 'expected credit loss' model for the measurement of the impairment of financial assets); Hedge accounting (introduces a new hedge accounting model); Derecognition (carried forward from IAS 39).

- Amendment to IFRS 9 - *Financial instruments* - On general hedge accounting (effective 1 January 2018)[4]

  The IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

- IFRS 4 - *Insurance contracts* - Regarding the implementation of IFRS 9 *Financial instruments* [3]

  These amendments introduce two approaches: an overlay approach and a deferral approach. The amended standard will: a) Give all companies that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued; and b) Give companies whose activities are predominantly connected with insurance an optional exemption from applying IFRS 9 until 2021. The entities that defer the application of IFRS 9 will continue to apply the existing financial instruments standard – IAS 39.

- IFRS 15 - *Revenue from Contracts with Customers* (effective 1 January 2018)[5]

  The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer.

- Amendment to IFRS 15 - *Revenue from Contracts with Customers* (effective 1 January 2018)[5]

  The IASB has amended IFRS 15 to clarify the guidance, but there were no major changes to the standard itself. The amendments comprise clarifications of the guidance on identifying performance obligations, accounting for licenses of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). New and amended illustrative examples have been added for each of these areas of guidance. The IASB has also included additional practical expedients related to transition to the new revenue standard.

- IFRIC 22 – *Foreign currency transactions and advance consideration* (effective 1 January 2018)[1]

  This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payment/receipts are made. The guidance aims to reduce diversity in practice.

- Amendments to IAS 40 – *Investment property* – Transfers of investment property (effective 1 January 2018)[2]

  These amendments clarify that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence.

- IFRS 16 - *Leases* (effective 1 January 2019)[6]

  The new lease standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

- IFRIC 23 - *Uncertainty over Income Tax Treatments* (effective 1 January 2019)[2]

  IFRIC 23 provides a framework to consider, recognise and measure the accounting impact of tax uncertainties. The Interpretation provides specific guidance in several areas where previously IAS 12 was silent. The Interpretation also explains when to reconsider the accounting for a tax uncertainty. Most entities will have developed a model to account for tax uncertainties in the absence of specific guidance in IAS 12. These models might, in some circumstances, be inconsistent with IFRIC 23 and the impact on tax accounting could be material. Management should assess the existing models against the specific guidance in the Interpretation and consider the impact on income tax accounting.

- IAS 28 - *Investments in associates and joint ventures* (effective 1 January 2019)[1]

  The amendments clarified that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9.

2. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS (continued)

2.3 New standards, interpretations and amendments that are not yet effective (continued)

- IFRS 17 - *Insurance contracts* (effective 1 January 2021)[3]

  This standard replaced IFRS 4 - *Insurance contracts*. IFRS 17 created one accounting model for all insurance contracts in the jurisdictions that apply IFRS. The framework requires an entity to measure insurance contracts using estimated and updates that reflects the timing of cash flows.

  Insurance contracts are required to recognise profits as services are delivered as opposed to on receipt of premiums.

- Annual improvements cycle 2015-2017 (1 January 2019)[2]

  IFRS 3 - *Business combination* - a company remeasures its previously held interest in a joint operation when it obtains control of the business.

  IFRS 11 - *Joint arrangements* - a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

  IAS 12 - *Income taxes* - The amendment clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

  IAS 23 - *Borrowing costs* - a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

2.4 Effect of new standards, interpretations and amendments that are not yet effective

[1] *Management has assessed the impact of these standards, interpretations and amendments on the reported results of the group and company and do not foresee any significant impact.*

[2] *Management has assessed the impact of these amendments on the reported results of the group and company and foresee only minor disclosure changes.*

[3] *Management has assessed the impact of these amendments on the reported results of the group and company and foresee no impact on the measurement of amounts or disclosure.*

[4] *As at 28 February 2018, the financial instruments of the group comprise loans to associates, loans to joint ventures, equity securities, loans and advances, trade and other receivables, cash, money market instruments and other cash equivalents, borrowings, derivative financial liabilities and trade and other payables. All, except for equity securities and derivative financial liabilities, are classified as at amortised cost. Equity securities and derivative financial liabilities is at fair value through profit and loss. Hence, there will be no change to the accounting for these assets under IFRS 9 -* Financial Instruments*.*

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) and the group believes that impairment losses are likely to become more volatile for financial assets in terms of the ECL model. The group's preliminary assessment indicated that the application of IFRS 9's impairment requirements to trade and other receivables, as at 28 February 2018, would not have a material impact.

The new hedge accounting rules will align the accounting for hedging instruments more closely with the group's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. The group intends to designate the intrinsic value of foreign currency option contracts as hedging instruments going forward.

[5] *For the sale of goods revenue is currently recognised when the related risks and rewards of ownership have transferred based on the contractual terms. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.*

Under IFRS 15 - Revenue from contracts with customers*, revenue will be recognised when the customer obtains control of the goods. The group have made an assessment that there will be no contracts that will be recognised over time under the new standard. Therefore, the group does not expect the application of IRFS 15 to result in significant differences in the timing of revenue recognition.*

[6] *The standard will affect primarily the accounting for the group's operating leases. As at the reporting date, the group has non-cancellable operating lease commitments of R1.08bn (refer note 29). The group estimates that approximately 10% of these relate to payments for short-term and low value leases which will be recognised on a straight-line basis as an expense in profit or loss.*

However, the group has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term, the different treatment of variable lease payments and extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the group's profit or loss and classification of cash flows going forward.

Further than above, management is in the process of assessing the full impact of IFRS 16 - Leases *on the reported results of the group and company.*

3. CONSOLIDATION

3.1 Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method of accounting for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in the income statement.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Investments in subsidiaries are accounted for at cost less impairment in the separate financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of investment, being the incremental costs relating to acquire the investment such as professional fees for legal services, transfer taxes and other transaction costs.

3.2 Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3.3 Disposal of subsidiaries

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

3. CONSOLIDATION (continued)

3.4 Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss, where appropriate.

The group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income and other equity movements are recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount as an impairment in the income statement.

Profits and losses resulting from upstream and downstream transactions between the group and its associates are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising from investments in associates are recognised in the income statement.

Loans to associates, not forming part of the group's investment in same, is classified as loans and receivables and carried at amortised cost on the basis set out under the financial instruments accounting policy below.

3.5 Joint arrangements

In terms of IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method of accounting.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses, movements in other comprehensive income and other equity movements. When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

4. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (refer segment report). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

5. FOREIGN CURRENCY TRANSLATION

5.1 Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which those entities operate ("functional currency"). The consolidated and separate financial statements are presented in South African rand, being the company’s functional and presentation currency.

5.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses are presented in the income statement within "fair value gains and losses".

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities, such as equity securities classified as at fair value through profit or loss, are recognised in the income statement as part of "fair value gains and losses". Translation differences on non-monetary financial assets, such as equity securities classified as available-for-sale, are included in other comprehensive income.

5.3 Group companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position; and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Group entities with functional currencies other than the presentation currency, mainly have the following functional currencies:

	2018		2017	
	Average rand per foreign currency unit	**Closing rand per foreign currency unit**	Average rand per foreign currency unit	Closing rand per foreign currency unit
British pound	**17.16**	**16.25**	18.94	16.28
Chinese yuan renminbi	**1.96**	**2.17**	2.13	1.91
Euro	**15.12**	**17.02**	15.73	13.91
Hong Kong dollar	**1.68**	**1.51**	1.84	1.69
Japanese yen	**0.12**	**0.11**	0.13	0.12
Mozambique new metical	**0.21**	**0.19**	0.21	0.19
United States dollar	**13.09**	**11.79**	14.27	13.11
Zambian kwacha	**1.34**	**1.22**	1.47	1.35

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item of property, plant and equipment.

Subsequent costs are included in the asset’s carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the period in which it is incurred.

Depreciation is calculated on the straight-line method at rates considered appropriate to reduce carrying values to estimated residual values over the useful lives of the assets, as follows:

Land and buildings	25 - 75 years
Motor vehicles	4 - 5 years
Plant	5 - 15 years
Office equipment (includes computer equipment)	3 - 10 years

Land is not depreciated, except for land held under leasehold rights, which is depreciated over the relevant leasehold term.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset’s carrying value is written down immediately to its recoverable amount if the asset’s carrying value exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Gains and losses on disposals of property, plant and equipment are determined by comparing the asset's proceeds with its carrying value and are included in the income statement.

7. INTANGIBLE ASSETS

7.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group’s share of the net identifiable assets of the acquired subsidiary, joint venture or associate at the date of acquisition. Goodwill on the acquisition of a subsidiary is reported in the statement of financial position as an intangible asset. Goodwill on the acquisition of a joint venture or associate is included in the respective investment's carrying amount. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The groups of cash-generating units are not larger than operating segments.

An excess of the acquirer’s interest in the net fair value of acquiree’s identifiable assets, liabilities and contingent liabilities arises where the net assets of a subsidiary, joint venture or associate at the date of acquisition, fairly valued, exceed the cost of the acquisition. This excess arising on acquisition is recognised as a gain on bargain purchase in profit or loss.

7.2 Trademarks

Acquired patents, trademarks and licences are shown at cost less accumulated amortisation and impairment. The carrying amount of each cash-generating unit is reviewed for impairment when an impairment indicator is identified.

7.3 Customer lists

Acquired customer lists are shown at cost less accumulated amortisation and impairment. The carrying amount of each cash-generating unit is reviewed for impairment when an impairment indicator is identified.

7.4 Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when all of the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use.
- Management intends to complete the software product and use or sell it.
- There is an ability to use or sell the software product.
- It can be demonstrated how the software product will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available.
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

7. INTANGIBLE ASSETS (continued)

7.5 Capitalised product development costs

Research costs undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as an expense as incurred. Development costs are expensed when incurred, unless they result in projects that are technically and commercially feasible and the group has sufficient resources to complete development, in which event these development costs are capitalised and amortised over the estimated useful life of the project. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses.

7.6. Amortisation of intangible assets

Amortisation is calculated on the straight-line method at rates considered appropriate to reduce carrying values to estimated residual values over the useful lives of the assets, as follows:

Capitalised product development costs	3 - 10 years
Customer lists	4 - 5 years
Trademarks	3 - 5 years
Computer software	5 - 15 years

8. IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

9. FINANCIAL INSTRUMENTS

Financial instruments recognised on the statement of financial position include financial assets, consisting of equity securities, debt securities, loans and advances, derivative financial assets, trade and other receivables, cash, money market investments and other cash equivalents, as well as financial liabilities, consisting of borrowings, derivative financial liabilities and trade and other payables.

There are group companies that are parties to derivative financial instruments that reduce exposure to financial risks. These instruments mainly comprise forward currency exchange contracts and hedge accounting is applied in some instances. Gains and losses arising from cash flow hedges are recognised through other comprehensive income, while those arising from fair value hedges are recognised in profit or loss in the period in which they arise. Group companies that do not apply hedge accounting, recognise changes in the fair value of these and other derivative instruments in profit or loss in the period in which they arise.

10. OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

11. FINANCIAL ASSETS

The group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

11.1 Classification

(a) Financial assets at fair value through profit or loss

This category has two subcategories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Financial assets designated at fair value through profit or loss at inception are those that are managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the group’s key management personnel. Derivatives are categorised as held for trading.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the group intends to sell in the short term.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

11. FINANCIAL ASSETS (continued)

11.2 Recognition and measurement of financial assets

Purchases and sales of financial assets are recognised on trade date – the date on which the group commits to purchase or sell the asset. Financial assets not carried at fair value through profit or loss, are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses.

Interest on available-for-sale securities calculated using the effective-interest method is recognised in the income statement as part of investment income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of investment income when the group's right to receive payment is established.

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis refined to reflect the issuer's specific circumstances.

Quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Loans and receivables are subsequently carried at amortised cost using the effective-interest method. Specific provisions are made against identified doubtful receivables.

Loans advanced to associated companies, joint ventures and subsidiaries, which are interest free with no repayment terms, are carried at amortised cost using the effective-interest method.

11.3 Impairment of financial assets

The group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Loans and receivables are considered impaired if, and only if, there is objective evidence of impairment as a result of events that occurred after initial asset recognition (known as loss events) and these loss events have an adverse impact on the assets' estimated future cash flows that can be reliably measured. Objective evidence that loans and receivables may be impaired, includes breach of contract, such as a default or delinquency in interest or principal payments. In this regard instalments past due date are considered in breach of contract. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Impairment losses are recognised in and reversed through the income statement.

12. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are classified as at fair value through profit or loss and are measured as set out in accounting policy note 11. Fair values of over-the-counter traded derivatives are obtained using valuation techniques, including discounted cash flow models and option pricing models.

The best evidence of fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only observable market data.

12.1 Non-controlling interest put option liabilities

IFRS requires the group to account for written put options held by non-controlling shareholders of the group's subsidiaries. Such options provide them with the right to require the group to acquire their shareholding in the respective subsidiary. IAS 32 requires that in the circumstances described above, the present value of the future redemption amount be reclassified from equity to financial liabilities and that the financial liability so reclassified subsequently be measured in accordance with IAS 39. In accordance with IAS 39, all subsequent changes in the fair value of the liability together with the related interest charges arising from present valuing the future liability, shall be recognised in profit or loss.

12. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

12.2 Derivative financial instruments and hedging activities

The group uses derivative financial instruments to hedge its exposure to foreign exchange risk arising from operational activities. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading purposes. Subsequent to initial recognition, derivatives are measured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and if so, the nature of the item being hedged. Where a derivative financial instrument is used to hedge the variability in cash flows of the foreign exchange exposure of a recognised asset or liability or a highly probable forecast transaction, hedge accounting may be applied. These derivatives are designated as cash flow hedges.

12.3 Cash flow hedges

Hedge relationships are formally documented at inception. The documentation includes identification of the hedged item and the hedging instrument, details of the risk that is being hedged and the way in which effectiveness will be assessed at inception and during the period of the hedge. If the hedge is not highly effective in off-setting changes in fair value or cash flows attributable to the hedge risk, consistent with the documented risk management strategy, hedge accounting is discontinued. Where a derivative financial instrument is designated as a hedge of the variability in cash flow of a recognised asset or liability or a highly probable forecast transaction, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income. The ineffective portion is recognised in profit or loss. When the forecast transaction results in the recognition of a financial asset or financial liability, the cumulative gain or loss is reclassified from other comprehensive income in the same period in which the hedged forecast cash flow/hedged item affects profit or loss. Otherwise the cumulative gain or loss is removed from other comprehensive income and recognised in profit or loss at the same time as the hedge transaction.

When the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or property, plant and equipment) the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the asset's cost. For example, the deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of property, plant and equipment. Hedge accounting is discontinued if the hedge no longer meets the criteria for hedge accounting; if the hedging instrument expires or is sold, terminated or exercised; if the forecast transaction is no longer expected to occur; or if the hedge designation is revoked. On the discontinuance of hedge accounting (except where a forecast transaction is no longer expected to occur), the cumulative unrealised gain or loss recognised in other comprehensive income is recognised in profit or loss when the forecast transaction occurs and affects profit or loss. Where a forecast transaction is no longer expected to occur, the cumulative gain or loss is recognised immediately in profit or loss.

13. BIOLOGICAL ASSETS

13.1 Agricultural produce

Agricultural produce are measured on initial recognition and at the end of each reporting period at fair value less cost to sell. Changes in the measurement of fair value less cost to sell are included in profit or loss for the period in which they arise. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs and incremental selling costs, including auctioneers' fees and commission paid to brokers and dealers. All costs incurred in maintaining the assets are included in profit or loss for the period in which they arise. Refer note 9.2 for further details regarding the valuation of biological assets.

Agricultural produce is transferred at the prevailing fair value less cost to sell value to inventory upon harvest.

13. BIOLOGICAL ASSETS (continued)

13.2 Bearer plants

Biological assets that meet the definition of bearer plants are measured at cost less accumulated depreciation and impairment losses. Bearer plants are measured at accumulated costs until maturity, similar to the accounting for a self-constructed item of property, plant and equipment.

Subsequent production and borrowing costs are included in the bearer plant's carrying value only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

The lifespan of the bearer plant begins the day same is planted in the ground. Depreciation is calculated on the straight-line method at rates considered appropriate to reduce carrying values to estimated residual values over the useful lives of the assets. The useful life is determined in collaboration with the technical department, and is as follows:

Apples	36 years	Oranges and lemons	30 years
Pears	36 years		
Grapes	18 years		

A distinction is made between non-bearing and partially-bearing bearer plants and when the transformation has been sustainably completed (i.e. full-bearing orchards/vineyards). In collaboration with the technical department, the bearer plants (i.e. orchards/vineyards) are deemed to be full bearing when they reach the following ages:

Apples	6 years	Oranges and lemons	7 years
Pears	6 years		
Grapes	3 years		

All costs relating to the development of an orchard/vineyard are capitalised to the respective orchard/block of vineyard planted. The establishment costs are allocated per orchard/block of vineyard based on establishment costs allocated per hectare.

Production costs, capital expenditure and borrowing costs are capitalised to the bearer plant until the plant has reached the age of full bearing. Income that is received related to the orchard/vineyard prior to it becoming full bearing is credited to the capitalised costs.

Depreciation in respect of orchards/vineyards is calculated from the date the orchard/vineyard reaches the state of full bearing and calculated by taking the cost per orchard/vineyard and dividing by the relevant remaining life.

All orchards/vineyards to be removed during a financial year will be deemed to be removed from the date the last crop was harvested from the orchard/vineyard. No depreciation will be charged from that date for the specific orchard that is to be removed. The value of the orchards/vineyards removed is the book value of the orchard/vineyard at the deemed date of removal.

14. INVENTORY

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and relevant selling expenses.

15. TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially measured at fair value and subsequently recognised at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The movement in the amount of the provision is recognised in the income statement.

16. CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS

Cash and cash equivalents consist of cash held at call with banks and other short-term highly liquid investments with maturities of three months or less. Investments in money market funds are classified as cash equivalents, since these funds are held to meet short-term cash requirements, are highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included within borrowings in the statement of financial position.

17. STATED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

17.1 Treasury shares

The cost of treasury shares acquired are debited to the treasury share reserve, and upon disposal of such shares, the reserve is credited with the weighted average calculated cost attributable to the shares disposed of.

Where any group company purchases the company's equity share capital (i.e. treasury shares), the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects. Any net income in relation to treasury shares (both fair value movements and dividends) is eliminated from group profits for the year. The number of shares in the earnings per share calculation is reduced for treasury shares held during the period on a weighted average basis.

17.2 Share trust

Certain of the group's remuneration schemes are operated through the Zeder Group Share Incentive Trust. The share trust is considered to be a special-purpose entity controlled by the group and is therefore consolidated.

18. FINANCIAL LIABILITIES

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Financial liabilities include borrowings, derivative financial liabilities and trade and other payables.

Financial liabilities are initially recognised at fair value less transaction costs that are directly attributable to the raising of the funds, for all financial liabilities carried at amortised cost. All financial liabilities measured at fair value through profit or loss are initially recognised at fair value. The best evidence of the fair value at initial recognition is the transaction price (i.e. the fair value of the consideration received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

18.1 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as finance cost.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

18.2 Trade and other payables

Trade and other payables are recognised initially at fair value, net of transaction costs incurred. Trade and other payables are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period using the effective interest method.

19. TAXATION

19.1 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies, except where the group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

19.2 Dividend withholding tax

Dividend withholding tax is not levied on the company but on the beneficial owner of the share and accordingly does not require recognition in profit or loss. Dividends tax withheld by the company on dividends paid to its shareholders (who do not qualify for an exemption from dividends tax) and payable at the reporting date to the South African Revenue Services is included in trade and other payables in the statement of financial position.

20. EMPLOYEE BENEFITS

The group operates various post-employment schemes, including both defined benefit and defined contribution pension and medical plans.

20.1 Post-retirement pension and medical plans

A defined contribution plan is a plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension or medical obligations. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

20. EMPLOYEE BENEFITS (continued)

20.2 Share-based compensation

Subsidiaries of the group operates equity-settled share-based payment schemes.

For the share-based payment schemes, the fair value of the employee services received in exchange for the grant of the scheme share options is recognised as an expense. The total amount to be expensed over the vesting periods, which are between 4 and 5 years, is determined by reference to the fair value of the scheme share options granted, excluding the impact of any non-market vesting conditions. For share options granted on or after 28 February 2018, the fair value included assumptions on market performance conditions. Non-market vesting conditions are included in assumptions concerning the number of scheme share options that are expected to become exercisable. Market performance conditions include assumptions with regards to the entity's total shareholder return. At each reporting date, the entity revises its estimates of the number of scheme share options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

If the group cancels or settles a grant of equity instruments during the vesting period, the group accounts for the cancellation or settlement of the grant and recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

The share-based payment expense is recognised in the income statement and a share-based payment reserve is recognised in equity as part of other reserves and represents the fair value at grant date of the share options that will be delivered on vesting.

20.3 Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

20.4 Annual leave

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated annual leave as a result of services rendered by employees up to reporting date.

20.5 Profit sharing and bonus plans

The group recognises a liability and an expense for bonus plans and profit sharing, where contractually obliged, or where there is a past practice that has created a constructive obligation.

20.6 Other short-term employee benefits

The cost of all other short-term employee benefits is recognised as an expense during the period in which the employee renders the related service. Accruals for employee entitlements to wages, salaries and bonuses represent the amount which the group has a present obligation to pay as a result of employees' services provided up to the reporting date. The accruals have been calculated at undiscounted amounts based on current wage and salary rates.

21. PROVISIONS AND CONTINGENT LIABILITIES

21.1 Provisions

Provisions are recognised when:

- the group has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

21.2 Contingent assets and liabilities

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These contingent assets are not recognised in the statement of financial position but are disclosed in the notes to the financial statements if the inflow of financial benefits is probable.

A contingent liability is either a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. These contingent liabilities are not recognised in the statement of financial position but disclosed in the notes to the financial statements.

22. LEASES

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position based on their nature.

23. DIVIDEND DISTRIBUTIONS

Dividend distributions to the company's shareholders are recognised as a liability in the period in which the dividends are approved by the company's board of directors.

24. REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for goods sold or services rendered in the ordinary course of the group's activities. The group's activities comprise the sale of fruit, agricultural seed/produce, management fees, port charges, shipping and related services.

Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

If circumstances arise that may change the original estimates of revenues, costs or the extent of progress toward completion of services, then estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that gave rise to the revision became known by management.

24.1 Sale of goods

Sale of goods are recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

24.2 Services rendered

Revenue arising from services is recognised on an accrual basis in accordance with the substance of the relevant agreements. Revenue from the operation of vessels is recognised on a proportionate basis where voyages have not terminated at year-end.

24.3 Interest income

Interest income is recognised using the effective interest rate method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding discount as interest income. Interest income is included as part of investment income in the income statement.

24.4 Dividend income

Dividend income is recognised when the right to receive payment is established. Dividend income is included as part of investment income in the income statement.

25. NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

26. EARNINGS PER SHARE ACCOUNTING POLICY TO INCLUDE

26.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

26.2 Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the dilutive earnings from the subsidiaries or associates due to the additional ordinary shares of that subsidiary or associates that would have been outstanding assuming the conversion of all dilutive potential ordinary shares of that subsidiary or associate; and
- by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

27. GOVERNMENT GRANTS

Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received and the group will comply with all the attached conditions. Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to profit and loss on a straight-line basis over the expected useful lives of the related assets.

Grants related to income are deducted from the related expense.

28. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities are addressed below.

28.1 Estimated impairment of goodwill

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy on goodwill. The recoverable amounts of cash-generating units have been determined based on value-in-use and fair value less cost to sell calculations. These calculations require the use of estimates (see note 2 for further detail and disclosure of estimates used).

28.2 Impairment of investment in associates

An impairment of associates is considered when the fair value is below its carrying value. In determination of whether there is objective evidence of impairment, the following factors may be considered: normal volatility in share price, the financial health of the investee, sector performance, changes in operational and financing cash flow.

An impairment loss is recognised for the amount by which the investment in associated company’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use.

28.3 Acquisition of associates

Details regarding significant new investments in associates are disclosed in note 4.1. Furthermore, the group's interest in certain already existing associates were also increased. In accounting for these transactions management had to apply judgement in allocating the purchase price to the identifiable assets and liabilities of the associates acquired, or the portion acquired when an additional interest was acquired.

28. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)

28.4 Recognition of intangible assets

With a business combination all identifiable assets are recognised at their respective fair values in the consolidated financial statements. The fair values of intangible assets acquired through business combinations are determined by using a discounted cash flow valuation method. The discount rate is based on the long-term risk-free rate with risk premiums added for market and other company and asset specific risks. During the year under review, no business' were acquired with intangible assets.

Trademarks and customers lists acquired through business combinations or acquisitions are valued on acquisition using discounted cash flow methodology based on assumptions and estimates regarding future revenue growth, weighted cost of capital, marketing costs and other economic factors affecting the value in use of these intangible assets. These assumptions reflect management's best estimates but are subject to inherent uncertainties, which may not be controlled by management.

The cost of the trademarks and customer lists are amortised over their estimated useful lives. The remaining useful lives of intangible assets are re-assessed annually. If the estimate of the remaining useful lives changes, the remaining carrying values are amortised prospectively over that revised remaining useful life.

The main assumptions used in the valuation of key customer lists are the useful lives of these assets and the future profitability and cancellation rate of the underlying revenue streams. The useful life of a key customer list is estimated based on the cancellation experience of the existing business and the useful life of customer lists of other players in the market. For the key customer lists recognised during the year, useful lives ranging between 2 and 5 years were assumed and average cancellation rates ranging between 15% and 85% (2017: ranging between 15% and 85%) were assumed.

Product development costs are capitalised by the group when product projections indicates that the product would be a success and the cost can be reliably determined. The projections is based on the expected margin that would realise on the sale of the products in the future, the expected life cycle of the product, as well as the market share that the company expect to gain with the specific product.

If useful lives were increased/decreased by 10%, the intangible assets recognised would have been approximately R2.6m (2017: approximately R2.9m) higher/lower. Future profit margins used in determining customer contracts and relationships values were consistent with the margins applied in determining the fair value of the related investment.

Refer to the intangible asset accounting policy and note 2 for further detail.

28.5 Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated over their estimated useful lives to their estimated residual values. The remaining useful lives and residual values of property, plant and equipment are re-assessed annually. If the estimates of the remaining useful lives or residual values change, the remaining carrying values are depreciated prospectively, taking into account the revised estimates. Refer to the property, plant and equipment accounting policy and note 1 for further detail.

28.6 Fair value of biological assets

The fair value of these biological assets were determined using a discounted cash flow model, which incorporates significant variable inputs i.e. discount rate and useful life of the biological assets. Where an insignificant level of biological transformation had taken place since planting, the biological assets are valued at cost (refer note 9.2 for further details).

28.7 Money market funds

Cash and cash equivalents disclosed on the statement of financial position includes investments in money market funds, being short-term highly liquid investments with maturities of three months or less. Money market funds are classified as cash equivalents, since these funds are held to meet short-term cash requirements, are highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The classification of money market funds as cash equivalents is only judgemental for purposes of disclosure and judgement applied could not have any impact of disclosed amounts of assets or liabilities.

28.8 Recoverability of trade and other receivables

Each entity in the group makes assumptions on the recoverability of its financial assets. These instruments mainly cover trade and other receivables and production loans. Where the recoverability of these instruments is considered to be doubtful management applies judgement in the calculation of the amount to be impaired. Capespan establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

28.9 Deferred tax

Each group entity determines the recoverability of deferred tax assets and the recognition of estimated tax losses. The recognition is based on the entities' ability to utilise these losses based on expected future taxable earnings. Deferred tax assets in respect of tax losses set out in note 16.

1. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land R'000	Buildings R'000	Vehicles, plant and equipment R'000	Office equipment R'000	Total R'000
At 28 February 2018					
Cost	**388,860**	**998,115**	**945,784**	**128,552**	**2,461,311**
Accumulated depreciation and impairment	**(31,090)**	**(246,941)**	**(462,478)**	**(94,562)**	**(835,071)**
	357,770	**751,174**	**483,306**	**33,990**	**1,626,240**
Reconciliation					
Balance at beginning of year	**380,562**	**718,530**	**501,038**	**40,135**	**1,640,265**
Additions	**322**	**90,539**	**119,428**	**10,082**	**220,371**
Disposals		**(10,003)**	**(10,641)**	**(351)**	**(20,995)**
Transfers to assets held for sale			**(7,103)**		**(7,103)**
Depreciation	**(4,503)**	**(40,791)**	**(96,159)**	**(14,783)**	**(156,236)**
Impairment	**(2,000)**	**(1,887)**	**(9,469)**		**(13,356)**
Exchange rate movements	**(16,611)**	**(3,211)**	**(10,733)**	**(188)**	**(30,743)**
Subsidiaries acquired			**589**	**23**	**612**
Subsidiaries sold		**(2,003)**	**(3,644)**	**(928)**	**(6,575)**
Balance at end of year	**357,770**	**751,174**	**483,306**	**33,990**	**1,626,240**
At 28 February 2017					
Cost	406,375	939,166	922,711	135,548	2,403,800
Accumulated depreciation and impairment	(25,813)	(220,636)	(421,673)	(95,413)	(763,535)
	380,562	718,530	501,038	40,135	1,640,265
Reconciliation					
Balance at beginning of year	387,680	642,060	481,186	50,822	1,561,748
Additions	36,152	137,284	116,789	20,276	310,501
Disposals		(13,137)	(6,883)	(14,146)	(34,166)
Depreciation	(5,714)	(26,878)	(90,674)	(14,424)	(137,690)
Impairment		(64)	(2,717)	(95)	(2,876)
Exchange rate movements	(37,556)	(52,398)	(42,630)	(3,178)	(135,762)
Subsidiaries acquired		31,663	45,967	880	78,510
Balance at end of year	380,562	718,530	501,038	40,135	1,640,265

Details of land and buildings are available at the registered offices of the relevant group companies. Refer note 17 for details regarding property, plant and equipment that serve as security for borrowings.

The current year impairment relates to the restructure of an United Kingdom operation as well as the restructure of port infrastructure in Cape Town harbour that resulted in a change in operational nature.

The prior year impairment relates to the property, plant and equipment of a citrus and cane farm whose operation terminated at the end of the prior year.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Zaad Holdings Limited' general borrowings during the year, in this case 10.35% (2017: 11%).

2. INTANGIBLE ASSETS

GROUP	Capitalised product development costs R'000	Customer lists R'000	Trademarks, computer software and other R'000	Goodwill R'000	Total R'000
At 28 February 2018					
Cost	**392,729**	**32,538**	**111,919**	**242,539**	**779,725**
Accumulated amortisation and impairment	**(88,630)**	**(31,475)**	**(53,171)**		**(173,276)**
Balance at end of year	**304,099**	**1,063**	**58,748**	**242,539**	**606,449**
Reconciliation					
Balance at beginning of year	**233,400**	**4,167**	**71,190**	**357,377**	**666,134**
Additions	**86,467**		**15,801**		**102,268**
Disposals			**(17)**		**(17)**
Amortisation	**(13,784)**	**(1,847)**	**(10,713)**		**(26,344)**
Impairment	**(6,476)**		**(7,273)**	**(108,969)**	**(122,718)**
Exchange rate movement	**4,492**	**(70)**	**325**	**(5,957)**	**(1,210)**
Subsidiaries acquired				**88**	**88**
Subsidiaries sold		**(1,187)**	**(10,565)**		**(11,752)**
Balance at end of year	**304,099**	**1,063**	**58,748**	**242,539**	**606,449**
At 28 February 2017					
Cost	301,800	39,592	107,439	357,377	806,208
Accumulated amortisation and impairment	(68,400)	(35,425)	(36,249)		(140,074)
Balance at end of year	233,400	4,167	71,190	357,377	666,134
Reconciliation					
Balance at beginning of year	199,444	10,412	71,055	375,644	656,555
Additions	71,513		17,803		89,316
Amortisation	(11,376)	(6,074)	(11,185)		(28,635)
Impairment	(1,612)			(3,561)	(5,173)
Exchange rate movement	(24,569)	(171)	(6,483)	(25,248)	(56,471)
Subsidiaries acquired				10,542	10,542
Balance at end of year	233,400	4,167	71,190	357,377	666,134

The current year impairment relates to computer software at a restructured United Kingdom operation, intellectual property at Klein Karoo Seed Marketing, where there is no foreseeable future commercialisation of the specific seed line, and on goodwill at Mpongwe Milling, following two consecutive loss making years.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Zaad Holdings Limited' general borrowings during the year, in this case 10.35% (2017: 11%).

Included in intangible assets other than goodwill are the following significant intangible assets and their remaining amortisation periods:

GROUP	Remaining amortisation 2018	Remaining amortisation 2017	Carrying value 2018 R'000	Carrying value 2017 R'000
Zaad				
- Capitalised product development costs[1]	**<7 years**	< 7 years	**304,099**	233,400
Capespan				
- Metspan Hong Kong customer lists[2]		14 years		11,700
- Software development	**5-7 years**	5 - 8 years	**37,514**	45,688
			341,613	290,788

1 Capitalised product development costs are internally generated and in respect of plant and seed breeding operations within the subsidiaries of Zaad Holdings Limited. Each product needs to go through its normal plant life cycle to generate seed, which can vary between 4 to 8 months. Some plants are seasonal and can only be grown once a year. Line development normally takes up to 7 cycles before a product can be released for commercial testing and future commercialisation. Included in cost under capitalised product development costs are intangibles in use amounting to R141.3m (2017: R132.7m) which are currently being amortised.

2 During the year under review, Capespan Group Limited, sold the business operations of Metspan Hong Kong Limited to JWM Asia (refer note 30.4).

2. INTANGIBLE ASSETS (continued)

Goodwill allocation

Goodwill is allocated to cash-generating units ("CGUs"), being each operating subsidiary. A summary of the goodwill allocation is as follows:

GROUP	2018 R'000	2017 R'000
Zaad		
- Agricol	**51,722**	51,722
- Klein Karoo Seed Marketing	**75,673**	75,673
- Agriseeds	**5,366**	6,069
Agrivision Africa		
- Mkushi Estates	**30,790**	30,069
- Somawhe Estates	**56,337**	55,019
- Mpongwe Milling		121,987
Capespan		
- Contour Logistics	**9,857**	9,857
- Port Services	**12,706**	6,981
The Logistic Company	**88**	
	242,539	357,377

Goodwill is tested for impairment annually by comparing the carrying value to the recoverable amount of the CGUs, being the higher of value-in-use and fair value less cost to sell. Therefore, should the recoverable amount exceed the carrying value, goodwill is considered adequately supported.

Zaad - Agricol and Klein Karoo Seed Marketing

A definite value distinction can be made between earnings on own Intellectual Property ("IP") and earnings from the various seed trading operations. The IP operation commands a much higher profit margin and due to significant research and development costs and long development timeframes, also means a considerable higher barrier to entry. Fair value less cost to sell of Agricol and Klein Karoo Seed Marketing is determined using unobservable inputs (level 3), by applying a range of price/earnings ratios to the various parts of the operations, equating to an effective group price/earnings ratio of 17 (2017: 13). The price/earnings ratio applied was determined with reference to similar listed companies, adjusted for entity specific considerations. Had the price/earnings ratio been decreased by 10%, the recoverable amount would still exceed the carrying value.

Zaad - Agriseeds

Fair value less cost to sell of Agriseeds was determined during the year, using unobservable inputs (level 3), by applying a price/earnings ratio of 12 (2017: 12). The price/earnings ratio was determined with reference to similar listed companies, adjusted for entity specific considerations. Had the price/earnings ratio been decreased by 10%, the recoverable amount would still exceed the carrying value.

Agrivision Africa - Farming operations

The fair value less cost to sell of Agrivision Africa's two farming CGUs, namely Mkushi Estates and Somawhe Estates, is determined based on the net realisable value of the underlying assets, with reference to the fair value of land, buildings and other tangible assets (level 3 unobservable inputs). This was based mainly on a market-related valuation of all property, plant and equipment that was performed by an independent valuation specialist during the 2016 financial year, at an average selling price between US$6,178 - US$6,500 per irrigated hectare of land. Had the price per irrigated hectare been adjusted downward by 10%, the recoverable amount would still exceed the carrying value.

Agrivision Africa - Milling operations

Mpongwe Milling's value in use was determined using a discounted cash flow. The current year discounted cash flow model included management-approved budgets and the following key inputs:

Discount rate	19.1%
Terminal growth rate	7.2%

Prior to Mpongwe Milling being acquired, it had reported consecutive years of profits that justified an acquisition premium that gave rise to the creation of goodwill on the balance sheet. Trading conditions over the past three years have been negatively impacted by local and regional political instability, constrained economic activity and volatile commodity pricing. As a result, the previous levels of profitability have not been achieved to date as anticipated and it was thus deemed appropriate to impair the aforementioned goodwill. On 28 February 2018, the goodwill of Mpongwe Milling, amounting to R108m, was impaired.

Capespan - Contour Logistics & Port Services

The value-in-use of Contour Logistics & Port Services is determined using a discounted cash flow model, management-approved budgets and the following key inputs:

Discount rate	13.8%
Terminal growth rate	2.0%

The directors are satisfied that the carrying value of goodwill is adequately supported.

The Logistic Company

Budgets and cash flow forecast of the company were inspected and together with the synergies expected within the group, it considered to be sufficient to support the amount of goodwill.

	GROUP 2018 R'000	GROUP 2017 R'000	COMPANY 2018 R'000	COMPANY 2017 R'000
3. INVESTMENT IN SUBSIDIARIES				
Unlisted shares at cost			**8,281,696**	8,227,090

The company holds 100% (2017: 100%) of the issued share capital of Zeder Financial Services Limited. Refer to Annexure B.

4. INVESTMENT IN ASSOCIATES

4.1 Investment in ordinary shares of associates

	GROUP 2018 R'000	GROUP 2017 R'000
- Listed	**6,125,300**	5,330,445
- Unlisted but quoted		612,417
- Unlisted	**493,837**	881,288
	6,619,137	6,824,150
Reconciliation of ordinary share investments:		
Balance at beginning of year	**6,824,150**	6,455,232
Acquisitions		
- Cash[1,2]	**182,134**	108,724
- Other[1,2]	**26,871**	67,445
Equity accounting		
- Share of profits of associates[3]	**461,574**	620,535
- Dividends received	**(273,252)**	(249,064)
- Other comprehensive income	**64,201**	(42,545)
Impairment of associates[4]	**(931)**	
Profit on dilution[5]	**1,588**	18,607
Loss on dilution[6]	**(30,842)**	(26,173)
Net transfer to equity securities[7]	**(684,902)**	
- Transfer to equity securities	**(699,795)**	
- Fair value gain on transfer of associate to equity security	**14,893**	
Transfer from subsidiaries[8]	**26,071**	
Exchange rate movement	**22,475**	(128,611)
Balance at end of year	**6,619,137**	6,824,150
Market value of listed investments[9]	**9,282,935**	9,730,855
Market value of unlisted but quoted investments[9]		1,320,903

1 During the year under review, the group, through Zaad Holdings Limited ("Zaad"), acquired a 35% interest in May-Agro Tohumculuk Sanayi ve Ticaret Anonim Şirketi ("May Seed"), a Turkish seed company, for R140.8m (including deferred purchase consideration of R26.8m), and through Zeder Financial Services Limited ("ZFS"), a 34.4% interest in Clean Air Nurseries Agri Global Proprietary Limited for R100. The group, through ZFS, also bought additional shares in Kaap Agri Limited to the value of R40m and through Capespan Group Limited ("Capespan"), an additional interest in Golden Wing Mau ("GWM") for R27.7m.

2 During the prior year, the group, through Capespan, acquired a 35% interest in a fruit marketer and distributer, Yupaa Fresh Private Limited, for R40m, 50% interest in a logistical and terminal operator, Tradekor Holdings Proprietary Limited for R60m (including deferred purchase consideration of R37.4m) and 49% interest in a pome farm, Sonkwasdrif Proprietary Limited, for R6.5m, and acquired, through Zaad, 49.68% interest in GAP Chemicals Proprietary Limited, a chemical distributor, for R59.9m (including deferred purchase consideration of R30m). The group, through ZFS, also bought additional shares in Kaap Agri to the value of R9.4m.

3 Equity accounted earnings as per the income statement of R471.9m (2017: R628.7m) includes the equity accounted earnings from the investment in joint ventures of R10.4m (2017: R8.2m) (refer note 5.1).

4 During the year under review, the group, through Capespan impaired the investment in Sonkwasdrif Proprietary Limited.

5 During the year under review, the group, through ZFS, incurred a dilution gain on Quantum Foods Holdings Limited ("Quantum"), due to the share-buy-back process followed by Quantum. During the prior year, the group through Capespan, incurred a further dilution in the interest in GWM to 10.5%, due to the issue of shares to a new shareholder in order to finalise the agreed merger arrangements amounting to a dilution gain of R19m.

6 The group's interest in Pioneer Food Group Limited and GWM diluted due to changes in shareholding in the management and other share incentive schemes.

7 After the reduction in interest in GWM due to the issue of shares to management and together with careful considerations of other factors, it became evident that Capespan no longer has significant influence over GWM and thus the interest in associate were transferred to equity securities carried at fair value.

8 During the year under review, the group, through Capespan merged its Asian operations with GWM to form JWM Asia. Capespan therefore sold 70% of its Japan (Capespan Japan Limited) and Hong Kong (Metspan Hong Kong Limited) business operations to JWM Asia and retained a 30% shareholding in JWM Asia.

9 During the prior year, the market valuation of unlisted but quoted investments included Kaap Agri Limited ("Kaap Agri"). During June 2017, Kaap Agri listed on the JSE and is included under market value of listed investments during the current year. Refer to Annexure C for further details regarding the market values for investment in associates.

Further information

Refer to Annexure C for further details regarding the investment in associates.

		GROUP		COMPANY	
		2018	2017	**2018**	2017
		R'000	R'000	**R'000**	R'000
4.	**INVESTMENT IN ASSOCIATES (continued)**				
4.2	**Loans to associates**				
	- GAP Chemicals Proprietary Limited[1]	**59,943**	59,943		
	- JWM Asia[2]	**25,906**			
	- Sonkwasdrif Proprietary Limited[3]	**18,617**	4,460		
	- Clean Air Nurseries Agri Global Proprietary Limited[4]	**10,674**			
	- Tradekor Holdings Proprietary Limited[1]	**8,940**	5,985		
	- Sorghum Solutions Africa Proprietary Limited[2]	**5,014**	6,610		
	- Klein Karoo Akademie Proprietary Limited[5]	**2,701**			
	- DLF Seeds Proprietary Limited[1]	**294**			
		132,089	76,998		

1 These loans are unsecured, carry interest at prime with no repayment terms, except for Tradekor Holdings Proprietary Limited loan that is repayable in 20 annual instalments.

2 These loans are unsecured, interest-free with no repayment terms.

3 This loan is secured, carries interest at prime plus 2% with no repayment terms.

4 This loan is unsecured, carries interest at prime plus 1% with specified repayment terms: R2.5m and accumulated interest capital by May 2022 and R8m capital and accumulated interest by September 2023.

5 This loan is unsecured, carries interest at prime plus 3% with no repayment terms.

		GROUP 2018 R'000	GROUP 2017 R'000	COMPANY 2018 R'000	COMPANY 2017 R'000
5.	**INVESTMENT IN JOINT VENTURES**				
5.1	**Investment in ordinary shares of joint ventures**	**17,125**	8,525		
	Reconciliation of ordinary share investment:				
	Balance at beginning of year	**8,525**	576		
	Additions		162		
	Equity accounted earnings	**10,360**	8,192		
	Other comprehensive income	**252**			
	Exchange rate movement	**(2,012)**	(405)		
	Balance at end of year	**17,125**	8,525		
5.2	**Loans to joint ventures[1]**	**3,592**	3,022		

1 This loan is with Noord Kaap Saad Verwerking Proprietary Limited and is unsecured, interest-free with no repayment terms.

		GROUP 2018 R'000	GROUP 2017 R'000	COMPANY 2018 R'000	COMPANY 2017 R'000
6.	**EQUITY SECURITIES**				
	Available-for-sale	**-**	6,716		
	- Unlisted but quoted		1,321		
	- Unquoted		5,395		
	At fair value through profit or loss	**688,103**	39,058		
	- Listed	**9,019**			
	- Unquoted	**679,084**	39,058		
		688,103	45,774		

During the year under review, the listed equity securities, PSG Group Limited shares, were recognised on the loans granted on or before 28 February 2018, to an executive director, Mr N Celliers. These shares were obtained through the vesting of PSG Group Limited share options previously allocated to Mr N Celliers. In terms of the accounting standard, the loans receivable has been accounted for in terms of IFRS 2 *Share-based Payment* .

During the year, the investment in Golden Wing Mau (previously accounted for as an investment in associates) were transferred to equity securities (refer note 4.1).

As at 28 February 2018, R25.5m (2017: R34.8m) of the unquoted equity securities include advances which are linked to equity instruments. In terms of these agreements, the group is entitled to the majority of the increase in the market value of the underlying equity securities and the dividends received on these securities. The advances are impaired to the value of the underlying instruments should the market value of the instruments fall below the current carrying value of the advances (refer to note 32 for fair value disclosures).

6. EQUITY SECURITIES (continued)

GROUP	Available-for-sale R'000	At fair value through profit or loss R'000	Total R'000
Reconciliation			
Balance at 01 March 2016	7,033	43,159	50,192
Additions		439	439
Net fair value losses	(317)	(4,009)	(4,326)
Exchange rate movement		(531)	(531)
Balance at 28 February 2017	6,716	39,058	45,774
Net fair value gains		**11,096**	**11,096**
Transfer from loans and advances		**6,375**	**6,375**
Transfer from associate		**699,795**	**699,795**
Disposals	**(1,323)**	**(6,920)**	**(8,243)**
Exchange rate movement	**(5,393)**	**(61,301)**	**(66,694)**
Balance at 28 February 2018	**-**	**688,103**	**688,103**

	GROUP		COMPANY	
	2018 R'000	2017 R'000	**2018 R'000**	2017 R'000
7. LOANS AND ADVANCES				
Secured loans	**122,374**	95,689		
Unsecured loans	**15,574**	50,769		
	137,948	146,458		
Current	**38,419**	35,526		
Non-current	**99,529**	110,932		
	137,948	146,458		

Secured loans include, inter alia, loans to Capespan Group Limited ("Capespan") staff of R32m (2017: R24.8m), loans to non-controlling shareholders of Zaad Holdings Limited ("Zaad") amounting to R34.6m (2017: R50m), loans to Zeder executive directors amounting to Rnil (2017: R25.3m) (refer note 28), an existing loan to Nichebrands Proprietary Limited ("Nichebrands"), a subsidiary that was sold during the year under review, amounting to R32.5m (2017: Rnil) and a loan to Progene Private Limited ("Progene") based in Zimbabwe.

The Capespan staff loans carry interest at the SARS official interest rate, has fixed repayment terms and Capespan ordinary shares serve as security for the loans. The loans to the non-controlling shareholders of Zaad carry interest at prime (2017: ranging between prime less 2% and prime), is repayable between December 2018 and August 2021, and is secured by the non-controlling shareholders' ordinary shares in Zaad. The Zeder executive directors' loans, in the prior year, carried interest at the SARS official interest rate, had fixed repayment terms and Zeder ordinary shares served as security for these loans. During the year under review, treasury shares were recognised on the Zeder executive directors' loans granted on/before 28 February 2018. These shares were obtained by the Zeder executive directors, through the vesting of Zeder ordinary share options, all previously allocated to the Zeder executive directors. In terms of the accounting standard, the loans receivable has been accounted for in terms of IFRS 2 *Share-based Payment*. The Nichebrands loan is interest free, has a fixed repayment schedule and has guarantees and assets pledged as security. The Progene loan is interest free, has no repayment terms and has Zambian treasury bills that serve as security.

Unsecured loans and advances comprise mainly advance payments made for lease, office and other deposits.

8. EMPLOYEE BENEFITS

Assets and liabilities relating to the group's employee benefits can be summarised as follows:

	2018			2017		
GROUP	**Assets R'000**	**Liabilities R'000**	**Net R'000**	Assets R'000	Liabilities R'000	Net R'000
Short-term employee benefits						
Performance-based remuneration		**(22,499)**	**(22,499)**		(24,648)	(24,648)
Leave pay		**(30,124)**	**(30,124)**		(24,438)	(24,438)
Post-employment defined benefit plans	**38,503**	**(90,972)**	**(52,469)**	37,392	(116,668)	(79,276)
Termination employee benefits		**(12,642)**	**(12,642)**		(16,792)	(16,792)
	38,503	**(156,237)**	**(117,734)**	37,392	(182,546)	(145,154)
Non-current portion	**38,503**	**(90,972)**	**(52,469)**	37,392	(116,668)	(79,276)
Current portion		**(65,265)**	**(65,265)**		(65,878)	(65,878)

8. EMPLOYEE BENEFITS (continued)

Short-term employment benefits

These benefits comprise performance-based bonus and leave pay accruals.

Post-employment defined benefit plans (Capespan medical benefits)

The group, through Capespan Group Limited ("Capespan"), provide for post-employment medical aid benefits in respect of certain retired employees. This liability is for a relatively small group of staff and their dependents who were already retired from International Harbour Services Proprietary Limited, Outspan International Limited ("Outspan") and Unifruco Limited ("Unifruco") prior to the merger between Unifruco and Outspan in 1999. To qualify for the scheme they had to be permanently employed, be a member of the company designated scheme at retirement and remain resident in South Africa until their retirement. The obligation was quantified by an independent actuary.

Post-employment defined benefit plans (Capespan pension benefits)

The group, through Capespan, operates a number of externally funded defined benefit pension schemes across various countries. These schemes are set up under trusts and the assets of the schemes are therefore held separately from those of the group.

The Capespan pension benefits can be divided into the following three plans: South African Co-operative Citrus Exchange ("SACCE"), Capespan Continent NV ("CCNV") and Capespan Germany GmbH ("CGG"). These schemes are all closed to new employees.

The accompanying disclosures relate to the group's most significant defined benefit pension schemes across the United Kingdom, continental Europe and South Africa.

Actuarial valuations were carried out by independent actuaries for the various schemes using the projected unit credit method.

The respective employee defined benefit plan deficits can be analysed as follows:

	2018			2017		
	Capespan medical benefits			Capespan medical benefits		
	Assets	**Liabilities**	**Net**	Asset	Liabilities	Net
GROUP	**R'000**	**R'000**	**R'000**	R'000	R'000	R'000
Present value of funded obligations		**(24,784)**	**(24,784)**		(24,784)	(24,784)
Opening balance		**(24,784)**	**(24,784)**		(25,700)	(25,700)
Interest expense		**(2,161)**	**(2,161)**		(2,129)	(2,129)
(Losses)/gains from changes in financial and demographic assumptions		**(176)**	**(176)**		604	604
Employer contributions		**2,337**	**2,337**		2,441	2,441
Balance at end of year	**-**	**(24,784)**	**(24,784)**	-	(24,784)	(24,784)

	2018			2017		
	Capespan pension benefits			Capespan pension benefits		
	Asset[1]	**Liabilities**	**Net**	Asset[1]	Liabilities	Net
	R'000	**R'000**	**R'000**	R'000	R'000	R'000
Fair value of plan assets	**38,503**		**38,503**	37,392		37,392
Present value of funded obligations		**(66,188)**	**(66,188)**		(91,884)	(91,884)
	38,503	**(66,188)**	**(27,685)**	37,392	(91,884)	(54,492)
Balance at beginning of year	**37,392**	**(91,884)**	**(54,492)**	43,340	(109,570)	(66,230)
Interest expense		**(9,735)**	**(9,735)**		(13,848)	(13,848)
Return on plan assets	**8,002**		**8,002**	10,249		10,249
Gains/(losses) from changes in financial and demographic assumptions		**24,243**	**24,243**		(4,918)	(4,918)
Employer contributions			**-**		10,407	10,407
Settlements		**5,318**	**5,318**			-
Exchange differences	**(6,891)**	**5,870**	**(1,021)**	(16,197)	26,045	9,848
Balance at end of year	**38,503**	**(66,188)**	**(27,685)**	37,392	(91,884)	(54,492)

[1] For the CCNV pension benefits, the assets are represented by a reinsurance policy.

Principal actuarial assumptions at the reporting date (expressed as weighted averages) are presented below:

GROUP	**Capespan medical benefits**	**Capespan pension benefits SACCE**	**CCNV**	**CGG**
28 February 2018				
Discount rate	**8.5%**	**2.4%**	**1.3%**	**1.8%**
Future salary increases			**3.0%**	
Future medical costs increases	**9.0%**			
Inflation	**9.0%**	**2.3%**	**2.0%**	**2.2%**
28 February 2017				
Discount rate	8.7%	2.6%	1.0%	1.9%
Future salary increases			3.0%	2.0%
Future medical costs increases	8.0%			
Inflation	8.0%	2.7%	2.0%	2.2%

8. EMPLOYEE BENEFITS (continued)

A sensitivity analysis for each significant actuarial assumption (i.e. what impact would a change in the actuarial assumption have on the net defined benefit obligation):

	Capespan medical benefits			Capespan pension benefits		
GROUP	**Change in assumption**	**Increase**	**Decrease**	**Change in assumption**	**Increase**	**Decrease**
28 February 2018						
Discount rate	**0.1%**	**920**	**(862)**	**0.5%**	**26,507**	**(26,257)**
Future salary increases				**1.0%**	**3,653**	**(3,007)**
Medical costs trend	**1.0%**	**(1,560)**	**1,738**			
Inflation				**1.0%**	**(10,330)**	**13,503**
Future mortality	**1 year**	**(1,197)**	**1,256**	**1 year**	**(22,342)**	**22,227**
28 February 2017						
Discount rate	0.1%	894	(839)	0.5%	29,185	(28,591)
Medical costs trend	1.0%	(1,532)	1,704			
Inflation				1.0%	(15,458)	15,102
Future mortality	1 year	(1,150)	1,198	1 year	(22,503)	22,330

The exposure to the group, through the Capespan medical benefits, is that the life expectancy of the beneficiaries exceeds the life expectancy applied by the actuaries or that the medical inflation exceeds the percentage provided for the valuation.

The group, through Capespan, reviewed the contributions and benefit structures of its medical schemes, to ensure that these are well positioned against steeply rising health care costs and to establish the existence and extent of any future obligations towards current retired employees.

The Capespan pension benefit plans exposes the group, through Capespan, to actuarial risks, such as longevity risks, currency risks, interest rate risks and market (investment) risk.

For the CCNV pension benefits, the pension assets are represented by a reinsurance policy. The insurance contracts in place are intended to fully cover the benefits as they are defined in the pension plans. Due to the nature of the coverage, there is no residing liability or risk, except if the insurer should no longer be able to perform its obligations. As long as Capespan pays the regular premium amount, the insurance will pay its contractual benefit to company.

Biometric risk relates to human life conditions, eg death, disability and longevity. In terms of the active and vested members, premature pensionable events and longevity risks are reinsured. Financial risk exists due to implemented reinsurance contracts and the employer is obliged to finance premiums.

The Group is also exposed to providing the employee with pension capital at retirement based on a predetermined formula. The exposure exists due to the difference between the asset and the liability where investment returns are exposed to market volatility.

	GROUP		COMPANY	
	2018 R'000	2017 R'000	**2018 R'000**	2017 R'000
9. BIOLOGICAL ASSETS				
9.1 Bearer plants[1]				
Orchards	**214,196**	185,100		
Vineyards	**191,320**	178,824		
	405,516	363,924		
Reconciliation:				
Balance at beginning of year	**363,924**	278,636		
Subsidiaries acquired		40,168		
Additions	**61,586**	58,272		
Depreciation	**(19,994)**	(13,152)		
Balance at end of year	**405,516**	363,924		

[1] Bearer plants are carried at cost less accumulated depreciation and impairment losses.

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	R'000	R'000	**R'000**	R'000
9. BIOLOGICAL ASSETS (continued)				
9.2 Biological assets - agricultural produce				
Maize[2]	**7,595**	15,276		
Soya[2]	**28,171**	35,659		
Orchards[3]	**54,706**	49,909		
Vineyards[3]	**50,646**	10,285		
Timber[4]	**10,674**	10,674		
Sorghum and other[3]	**410**	522		
Balance at end of year	**152,202**	122,325		
Reconciliation:				
Balance at beginning of year	**122,325**	126,940		
Exchange rate movement	**(2,797)**	(6,175)		
Additions	**117,267**	94,745		
Harvests	**(279,804)**	(317,478)		
Change in fair value of biological assets	**195,211**	224,293		
Balance at end of year	**152,202**	122,325		

[2] These current biological assets are valued at cost, since an insignificant level of biological transformation has taken place since planting.

[3] These current biological assets, which comprise the fruit on the orchards, grapes on the vineyards, sorghum and other biological assets have been valued using the following assumptions and inputs:
- expected sales realization at free on board value for export fruit and net value for local fruit sales;
- budgeted costs to harvest and sell the fruit as per management-approved budgets;
- packing and cooling costs as per the management-approved budgets; and
- overheads directly attributable to the operations for the year.

[4] This current biological asset is valued using the discounted cash flow valuation model to consider the present value of the net cash flows expected to be generated. The group determined the harvesting cycles and age groups of the current forestry fields using industry standards and historic data. The quantity of timber to be harvested is based on an average of 1050 poles and 350 mature trees per hectare over the lifetime of the plantation. The price per harvesting cycle is determined by using historic data and industry standards. A weighted average cost of capital of 14.20% after tax was used to discount the future cash flows of forestry.

The abovementioned fair value of biological assets has been calculated using unobservable inputs (level 3). The table below summarises the sensitivity of the group's post-tax net profit for the year as a result of fair value assumption fluctuations, mainly driven by commodity prices. The analysis is based on the assumption that the fair value increase/decrease by 10% (2017: 10%) at the reporting date:

GROUP	**2018 10% increase R'000**	**2018 10% decrease R'000**	2017 10% increase R'000	2017 10% decrease R'000
Impact on post-tax profit	**10,959**	**(10,959)**	8,807	(8,807)

Biological assets comprised of the following:

	Included in carrying value at reporting date		**Harvested crops during the year**	
GROUP	**2018 Hectares**	2017 Hectares	**2018 Cartons/Tons**	2017 Cartons/Tons
Maize	**729**	1,179	**9.4m t**	9.2m t
Soya	**5,806**	5,171	**18.5m t**	18.4m t
Wheat			**27.9 t**	28.3m t
Apples & Pears	**563**	523	**1.2m c**	1.2m c
Citrus	**306**	296	**0.6m c**	0.8m c
Grapes	**948**	475	**3.1m c**	2.6m c
Timber plantations	**720**	720		

	GROUP 2018 R'000	GROUP 2017 R'000	COMPANY 2018 R'000	COMPANY 2017 R'000
10. INVENTORIES				
Raw materials	**112,227**	175,100		
Work in progress	**28,781**	17,916		
Finished goods	**1,145,085**	1,126,442		
	1,286,093	1,319,458	**-**	-

Inventory to the value of R17m (2017: R11m) was written off during the year.

Raw materials consist of packaging material, consumables, fertilizer and seeds held for planting on the farms, wheat and maize held for milling and other inputs. Work in progress consist of seeds in the cleaning process prior to packaging the finished product. Finished goods include fruit produced, packaged seeds ready for sale and milled wheat and maize packaged.

	GROUP 2018 R'000	GROUP 2017 R'000	COMPANY 2018 R'000	COMPANY 2017 R'000
11. TRADE AND OTHER RECEIVABLES				
Trade receivables	**958,483**	1,141,970		
Provision for impairment of trade receivables	**(47,246)**	(31,235)		
Value added tax[1]	**35,258**	79,817		
Prepayments and sundry receivables[1]	**327,336**	223,051	**332**	324
	1,273,831	1,413,603	**332**	324

[1] Total non-financial assets of R187m (2017: R295m) for the group and R0.3m (2017: R0.3m) for the company is included in above.

	GROUP 2018 R'000	GROUP 2017 R'000	COMPANY 2018 R'000	COMPANY 2017 R'000
12. CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS				
Bank balances	**215,696**	254,037		
Money market fund	**110,168**	168,271		
	325,864	422,308	**-**	-

The money market fund earned interest at money market rates during the year under review. Money market funds are invested in highly liquid instruments with a weighted average maturity of less than 90 days.

	GROUP 2018 R'000	GROUP 2017 R'000	COMPANY 2018 R'000	COMPANY 2017 R'000
13. NON-CURRENT ASSETS HELD FOR SALE				
Carrying value at beginning of year				
Additions	**7,103**			
Carrying value at end of year	**7,103**	-	**-**	-

Property, plant and equipment within the Capespan UK operations, through Capespan Group Limited, amounting to R7.1m is presented as non-current assets held for sale in the current year following the adoption of a plan to sell the assets.

14. STATED CAPITAL

14.1 Ordinary shares

Authorised

3,000,000,000 (2017: 3,000,000,000) ordinary shares with no par value

	GROUP 2018 R'000	GROUP 2017 R'000	COMPANY 2018 R'000	COMPANY 2017 R'000
Issued				
Balance at beginning of year	**7,153,858**	5,704,822	**7,153,858**	5,704,822
Shares issued		1,449,036		1,449,036
Shares repurchased and cancelled	**(94,094)**		**(94,094)**	
Balance at end of year	**7,059,764**	7,153,858	**7,059,764**	7,153,858
Number of shares in issue ('000)				
In issue (gross of treasury shares)	**1,715,179**	1,730,515	**1,715,179**	1,730,515
Held by share incentive trust	**(5,001)**	(5,837)	**(5,001)**	(5,837)
Held by executives through loan funding advanced	**(8,299)**	(2,636)	**(8,299)**	(2,636)
In issue (net of treasury shares)	**1,701,879**	1,722,042	**1,701,879**	1,722,042

Unissued shares, limited to 5% of the company's number of shares in issue (amounting to 86,255,751 ordinary shares), are placed under the control of the directors until the next annual general meeting. The directors are authorised to buy back shares subject to certain limitations and the JSE Listings Requirements.

During the year, the company purchased 15,335,527 (2017: nil) ordinary shares in the open market, at an average price of R6.13 per share, in accordance with the general authority obtained from the shareholders at the Annual General Meeting on 23 June 2017 and cancelled the shares with JSE obtained approval.

14. STATED CAPITAL (continued)

14.1 Ordinary shares (continued)

No ordinary shares were issued during the year under review. During the prior year, the company issued 207,661,758 ordinary shares as part of an asset-for-share transaction (mostly notably the internalisation of the management fee transaction).

During the year under review, treasury shares, allocated to executive directors in terms of a share incentive scheme, were recognised on loans granted on or prior to 28 February 2018. In terms of the accounting standard, the loans receivable has been accounted for in terms of IFRS 2 Share-based Payment (refer note 28).

Previously, a loan in the amount of R9.9m was advanced to a company controlled by a director, in order to acquire 2,635,933 JSE-listed Zeder ordinary shares ("the Zeder shares"). During the prior year, after the internalisation of the management fee, the group acquired the loan, amounting to R12.6m, from PSG Corporate Services Proprietary Limited ("PSGCS") (an indirect subsidiary of the ultimate holding company, PSG Group Limited). In terms of accounting standards, the loans receivable were eliminated on consolidation and the Zeder shares accounted for as treasury shares (refer note 28).

During the prior year, Zeder constituted the Zeder Group Share Incentive Trust. Zeder acquired 7,892,310 Zeder ordinary shares (treasury shares) in order to enable the Zeder Group Share Incentive Trust to fulfil any obligations to participants in terms of the initial share options that were awarded to and accepted by the participants, prior to 28 February 2017 when the participants were still employees of PSG Corporate Services Proprietary Limited ("PGSCS") under the aforementioned management agreement.

14.2 Cumulative, non-redeemable, non-participating preference shares

Authorised
250,000,000 (2017: 250,000,000) shares with no par value

14.3 Share incentive schemes

During the year, the company operated a single equity-settled share incentive scheme, being the share option scheme. In terms of the scheme, share options are granted to executive directors and senior management. In the first half of the previous year, the scheme was operated by PSGCS and they accounted for the share-based payment effect in their income statement, but subsequent to the internalisation of the management agreement (effective 1 September 2016), the group founded the Zeder Group Share Incentive Trust ("Zeder SIT"). Other share option schemes operated by subsidiaries include that of Agrivision Africa and Capespan Group Limited.

In terms of the aforementioned schemes, share options are allocated to participants on grant date at market price. The settlement of the purchase consideration payable by the employee in terms of the shares granted occurs on vesting.

The total equity-settled share-based payment amounted to R12m (2017: R11.1m). This charge, net of the related tax effect, was recognised in the income statement and credited to other reserves (refer note 25.2) and only include the second half of the prior year's share-based payment expense.

i) Share option scheme

The Zeder SIT currently holds 5,001,469 (2017: 5,837,369) ordinary shares, with 15,229,241 (2017: 9,449,649) share options having been allocated and unvested at a total consideration of R93m (2017: R53m).

The weighted average strike price of share options exercised in terms of this equity-settled share scheme during the year under review was R3.40 (2017: R3.96) per ordinary share.

The maximum number of ordinary shares which may be offered in terms of the scheme is 173,051,465 shares, while the maximum number of shares that may be offered to any single participant is 34,610,293 shares. To date, 3,328,584 (2017: 2,492,684) shares have been exercised by way of the scheme and accordingly a further 169,722,881 (2017: 170,558,781) shares may be exercised in future by way of the scheme.

Reconciliation of outstanding share options:	**2018 Number**	2017 Number
Number of share options allocated at beginning of the year	**9,449,649**	8,330,053
Number of share options vested during the year[1]	**(835,900)**	(2,492,684)
Number of share options forfeited during the year		(59,339)
Number of share options allocated during the year	**6,615,492**	3,671,619
Number of share options allocated at end of the year	**15,229,241**	9,449,649

[1] Comparative disclosure relates to the incentive scheme operated under PSGCS, before the internalisation of the management agreement (effective 1 September 2016). Consequently, the number of share options vested during the prior year, include the vesting of 437,743 ordinary shares on 20 April 2016 under PSGCS.

Outstanding share options per tranche allocated:	**Number of shares**	Price R	Volatility %[2]	Dividend yield %	Risk-free rate %	Fair value R[3]
20 April 2012		2.57	27.1	0.7	6.5	0.71
28 February 2013	**337,837**	3.33	24.3	1.4	5.9	0.78
28 February 2014	**2,801,828**	4.10	32.7	1.1	7.6	1.29
28 February 2015	**669,260**	7.71	28.6	0.5	6.8	2.27
29 February 2016	**1,133,205**	4.97	35.6	2.8	8.2	1.48
28 February 2017	**3,671,619**	7.29	27.4	1.5	7.5	1.99
28 February 2018	**6,615,492**	6.41	29.9	1.7	7.0	2.61
	15,229,241					

[2] The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

[3] The value of the options was calculated using a Binominal Model during the year under review and a Black-Scholes model during the prior year, due to a change in vesting conditions with regards to share options issued on or after 28 February 2018.

For options granted on or after 28 February 2018, 50% of the amount of options that will vest, depends on Zeder's total shareholder return ("TSR"), that includes share price growth and dividend returns. Once vested, the options remain exercisable for a period of 180 days.

14. STATED CAPITAL (continued)

14.3 Share incentive schemes (continued)

i) Share option scheme (continued)

Vesting of shares occurs as follows:	%
2 years after grant date	25
3 years after grant date	25
4 years after grant date	25
5 years after grant date	25
	100

Analysis of outstanding scheme shares by financial year of maturity:	2018 Weighted average strike price (R)	2018 Number	2017 Weighted average strike price (R)	2017 Number
28 February 2018			4.15	2,858,644
28 February 2019	**5.04**	**5,023,708**	5.43	3,000,966
29 February 2020	**6.62**	**3,101,483**	6.86	1,447,610
28 February 2021	**6.54**	**2,878,402**	6.71	1,224,525
28 February 2022	**6.72**	**2,571,778**	7.29	917,904
28 February 2023	**6.41**	**1,653,870**		
		15,229,241		9,449,649

ii) Material subsidiary share incentive schemes

Agrivision Africa

When the investment was made in the 2013 financial year in Agrivision Africa a management company called Falcon Management was formed by the employees who would benefit from share options. During the prior year, only 3 participants remained and the scheme was cash settled to close it out. In anticipation of the aforementioned a new equity-settled share incentive scheme was implemented on 1 January 2015 and is still in operation.

Reconciliation of outstanding share options:	2018 Number	2017 Number
Number of share options allocated at beginning of the year	**103,772**	137,058
Number of share options vested during the year		(9,154)
Number of share options forfeited during the year	**(44,099)**	(64,484)
Number of share options allocated during the year	**23,799**	40,352
Number of share options allocated during the year	**83,472**	103,772

Analysis of outstanding scheme shares by financial year of maturity:	2018 Weighted average strike price (USD)	2018 Number	2017 Weighted average strike price (USD)	2017 Number
2017/18			54.62	27,463
2018/19	**54.62**	**20,578**	54.62	30,099
2019/20	**54.62**	**15,229**	54.62	17,599
2020/21	**54.62**	**21,184**	54.62	15,623
2021/22	**54.62**	**18,548**	54.62	12,988
2022/23	**54.62**	**7,933**		
		83,472		103,772

Outstanding share options per trance allocated:	Number of shares	Price USD[4]	Volatility %[5]	Risk-free rate %	Fair value USD[4]
1 January 2015	**27,828**	54.62	26.8	7.9	15.63
1 January 2016	**31,845**	54.62	23.6	10.1	15.63
1 January 2017	**23,799**	54.62	27.3	11.1	9.61
	83,472				

[4] The value of the options was calculated in USD, Agrivision's functional currency, using the Black-Scholes-Merton model.

[5] The expected price volatility is based on the historic volatility of averages of companies operating in similar markets with publicly available information.

14. STATED CAPITAL (continued)

14.3 Share incentive schemes (continued)

ii) Material subsidiary share incentive schemes (continued)

Capespan Group Limited

During the year under review, 14,165,636 (2017: 10,523,886) share options were granted to participants at a total consideration of R45m (2017: R61.5m). Each share option awarded entitles the participant to acquire one ordinary share in the issued share capital of Capespan Group Limited. The maximum number of shares which may be offered to participants is 38,818,693. During the year under review, the Capespan Group Share Incentive Trust acquired 1,652,171 (2017: 2,353,023) ordinary shares in Capespan Group Limited in order to assist in meeting its obligations in terms of the share options granted.

Reconciliation of outstanding share options:	**2018 Number**	2017 Number
Number of share options allocated at beginning of the year	**20,845,350**	13,401,285
Number of share options allocated during the year	**14,165,636**	10,523,886
Number of share options vested during the year	**(2,764,572)**	(2,553,505)
Number of share options forfeited during the year	**(9,796,323)**	(526,316)
Number of share options allocated during the year	**22,450,091**	20,845,350

Analysis of outstanding scheme shares by financial year of maturity:	**2018 Weighted average strike price (R)**	**2018 Number**	2017 Weighted average strike price (R)	2017 Number
2017/18			3.10	5,777,176
2018/19	**3.59**	**3,432,407**	3.59	5,849,715
2019/20	**3.59**	**6,973,816**	3.59	5,849,715
2020/21	**5.62**	**4,533,605**	5.62	2,843,038
2021/22	**5.81**	**3,968,853**	5.81	525,706
2022/23	**3.19**	**3,541,410**		
		22,450,091		20,845,350

Outstanding share options per tranche allocated:	**Number of shares**	Price R	Volatility %[6]	Dividend yield %	Risk-free rate %	Fair value R[7]
1 January 2014	**1,128,400**	0.99	29.0	6.1	6.8 - 7.3	2.07
1 January 2014	**662,901**	1.08	29.0	6.1	6.8 - 7.3	2.00
1 January 2014	**1,318,459**	1.45	29.0	6.1	6.8 - 7.3	1.72
1 January 2014	**1,770,662**	3.31	29.0	6.1	6.8 - 7.3	0.73
1 January 2015	**904,782**	4.00	29.0	6.1	6.8 - 7.3	0.72
1 January 2015	**789,474**	5.85	29.0	6.1	6.8 - 7.3	0.32
1 January 2016	**1,709,777**	5.81	32.5	4.5	7.9 - 8.7	1.42
1 January 2017	**14,165,636**	3.19	32.1	4.7	7.4 - 7.8	1.67
	22,450,091					

[6] The expected price volatility is based on the historic volatility of averages of companies operating in similar markets with publicly available information.

[7] The fair value of the options was calculated using the Black-Scholes model.

15. OTHER RESERVES

GROUP	**Available-for-sale R'000**	**Foreign currency translation R'000**	**Share-based payment R'000**	**Other[1] R'000**	**Total R'000**
Balance at 01 March 2016	848	90,065	15,313	(74,518)	31,708
Currency translation adjustments		(351,200)			(351,200)
Share of other comprehensive income of associates				(42,319)	(42,319)
Share-based payment costs - employees			8,675		8,675
Transfer between reserves	(422)		(3,164)	2,582	(1,004)
Transactions with non-controlling interests				(18,247)	(18,247)
Balance at 28 February 2017	426	(261,135)	20,824	(132,502)	(372,387)
Currency translation adjustments		**(81,224)**			**(81,224)**
Share of other comprehensive loss of associates				**64,416**	**64,416**
Share-based payment costs - employees			**9,834**		**9,834**
Transfer between reserves	**(426)**		**(8,243)**	**2,037**	**(6,632)**
Transactions with non-controlling interests				**38,482**	**38,482**
Balance at 28 February 2018	**-**	**(342,359)**	**22,415**	**(27,567)**	**(347,511)**

[1] Relates mainly to other comprehensive income attributable to associates, a cash flow hedge reserve and the initial remeasurement of written put options held by non-controlling shareholders of a subsidiary.

15. OTHER RESERVES (continued)

COMPANY

The company's other reserves comprise fully of share-based payment reserve.

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	R'000	R'000	**R'000**	R'000
16. DEFERRED INCOME TAX				
Deferred income tax assets	**61,395**	57,562		
Deferred income tax liabilities	**(222,573)**	(94,181)		
Net deferred income tax liability	**(161,178)**	(36,619)		
Deferred income tax assets				
To be recovered within 12 months	**8,215**	3,641		
To be recovered after 12 months	**53,180**	53,921		
	61,395	57,562		
Deferred income tax liabilities				
To be recovered within 12 months	**(18,360)**	(24,112)		
To be recovered after 12 months	**(204,213)**	(70,069)		
	(222,573)	(94,181)		

GROUP	**Tax losses R'000**	**Provisions R'000**	**Unrealised profits R'000**	**Intangible assets and other differences R'000**	**Total R'000**
Balance at 01 March 2016	101,889	31,498	(6,160)	(159,029)	(31,802)
Subsidiaries acquired				(929)	(929)
Credited/(charged) to profit and loss	1,549	4,271	(5,898)	(6,529)	(6,607)
Charged to other comprehensive income			8,943	516	9,459
Exchange rate movements	(6,030)	16	251	(977)	(6,740)
Balance at 28 February 2017	97,408	35,785	(2,864)	(166,948)	(36,619)
Credited/(charged) to profit and loss	**52,298**	**(14,214)**	**(149,200)**	**(22,903)**	**(134,019)**
Charged to other comprehensive income			**3,744**	**328**	**4,072**
Subsidiaries sold	**(3,314)**	**(119)**		**(170)**	**(3,603)**
Exchange rate movements	**(1,779)**	**(374)**	**16,520**	**(5,376)**	**8,991**
Balance at 28 February 2018	**144,613**	**21,078**	**(131,800)**	**(195,069)**	**(161,178)**

The deferred tax assets include a total amount of R100.1m (2017: R75.8m), R17.2m (2017: R2m) and R7.3m (2017: R1m) for Capespan Group Limited, Zaad Holdings Limited and Agrivision Africa, respectively, which relates to the carried forward tax losses of the underlying subsidiaries within the group. Deferred tax on tax losses are mainly only recognised on a subsidiaries' tax loss, when the underlying subsidiaries support a profits history of at least 2 years and then only will the group limit the recognition of a deferred tax asset to 3 years. The group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiaries. The subsidiaries are expected to generate taxable income from financial year 2019 onwards which will reduce the tax loss. Most of the losses can be carried forward indefinitely and have no expiry date, except for losses within Agrivision Africa relating to Mpongwe Milling amounting to R4m that will expire from 2020 to 2022.

Deferred income tax on temporary differences relating to equity securities that are classified at fair value through profit or loss and available-for-sale, is calculated using South Africa's effective capital gains tax rate of 22.4% (2017: 22.4%). Deferred income tax was otherwise calculated on temporary differences using the applicable tax rate as per the tax jurisdiction it relates to.

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	R'000	R'000	**R'000**	R'000
17. BORROWINGS				
Non-current	**1,938,568**	1,015,416	**-**	-
Secured redeemable preference shares	**1,000,000**			
Secured loans	**412,545**	614,553		
Unsecured loans	**464,052**	400,863		
Bank overdrafts	**61,971**			
Current	**1,427,739**	1,957,511	**1,212,043**	926,249
Secured redeemable preference shares (including accrued dividends)		306,073		
Secured loans	**179,182**	178,638		
Unsecured loans	**133,873**	531,770	**1,212,043**	926,249
Bank overdrafts	**1,114,684**	941,030		
Total	**3,366,307**	2,972,927	**1,212,043**	926,249

GROUP

Secured redeemable preference shares

The preference shares, issued by Zeder Financial Services Limited, a wholly-owned subsidiary, are secured by investments in associates and subsidiaries with a market value of R4.8bn (2017: R6.5bn), carry a fixed nominal annual dividend rate of 8.11% compounded quarterly (2017: 8.11% nominal annual compounded monthly), and are redeemable during October 2022.

Secured loans

The following significant borrowings are included in secured loans:

- Capespan has a secured loan of R81m (2017: R110m) from Capital Harvest Proprietary Limited, which carries interest at prime less 0.3% (2017: prime less 0.3%), is repayable in 120 monthly instalments, with the first instalment due December 2018. The loan is secured by bonds in total of R110m (2017: R110m) over fixed and moveable assets and Capespan has provided an irrevocable and unconditional demand guarantee of R100m;
- Capespan has a secured loan of R50m (2017: R50m) from Capespan Capital Proprietary Limited, which carries interest at prime less 0.5% (2017: prime less 0.5%), is repayable in 120 monthly instalments, with the first instalment due December 2018. The loan is secured by bonds in total of R60m (2017: R60m) over fixed and moveable assets and Capespan has provided an irrevocable and unconditional demand guarantee of R50m;
- Zaad has a term loan of R110m (2017: R118m) from FNB, which carries interest at prime less 0.25% (2017: prime less 1.25%), is repayable in annual instalments and is secured by a general covering mortgage bond over immovable property with a carrying value equivalent to R80.1m (2017: R58.7m);
- Agrivision has a United States dollar-denominated term loan equivalent to R72.2m (2017: R96.2m) from the African Agriculture and Trade Investment Fund, which carries a variable interest rate of 3M LIBOR plus 7% (2017: 3M LIBOR plus 7%). The loan is repayable within 4 years and is secured by moveable and immovable property with a carrying value equivalent to R45.7m (2017: R51.1m); and
- Agrivision has United States dollar-denominated term loans equivalent to R140.8m (2017: R180.1m) from Standard Bank, which carries interest between 3.2% and 7.2% (2017: between 3.2% and 7.2%), is repayable in semi-annual instalments and Agrivision's operational subsidiaries immovable assets serve as security together with a floating charge over all moveable assets, inventories and debtors.

Unsecured loans

The following significant borrowings are included in unsecured loans:

- Capespan has an unsecured term loan of R97.4m (2017: R97.4m) from HSBC, which carries interest at JIBAR plus 2.8% (2017: JIBAR plus 2.8%) and is repayable in 2020*;
- Capespan has an unsecured term loan of R217.5m (2017: R247.5m) from ABSA, which carries interest at JIBAR plus 2.3% (2017: JIBAR plus 2.3%) and is repayable in quarterly instalments of R7.5m*;
- Capespan has an unsecured term loan of R40m (2017: R60m) from HSBC, which carries interest at JIBAR plus 2.1% (2017: JIBAR plus 2.1%) and is repayable in quarterly instalment of R5m*;
- Capespan has an unsecured term loan of R180m (2017: Rnil) from Investec, which carries interest at JIBAR plus 2.75% (2017: nil) and is repayable in quarterly instalments of R5m*;
- Capespan has an Euro-denominated unsecured term loan equivalent to R39m (2017: R53m) from HSBC, which carries interest at EURIBOR plus 2.2% (2017: EURIBOR plus 2.2%) and is repayable in quarterly instalments*; and
- Zeder had unsecured loans in the prior year with PSG Fundco Proprietary Limited, a subsidiary of PSG Group Limited, the company's ultimate holding company, in total R491.6m. These loans carried interest at prime and were repaid during October 2017.

** On a Capespan group level, these borrowings are secured by a guarantee from Capespan Group Limited.*

17. BORROWINGS (continued)

Bank overdrafts

Zaad has the following bank overdrafts:

- Euro-denominated bank overdrafts equivalent to R49m (2017: R97m) and R407m (2017: R265m) from ABN Amro Bank and FNB, respectively; and
- A revolving credit facility of R62m (2017: nil) from Standard Bank.

Capespan has the following bank overdrafts:

- Bank overdrafts of R108m (2017: R160m) from Standard Bank; R150m (2017: R150m) from HSBC; R100m (2017: R13m) from CITI Bank and R23m (2017: R35m) from Investec; and
- United States dollar-denominated bank overdraft equivalent to R22.1m (2017: R49.2m) from HSBC.

Agrivision has the following bank overdrafts:

- United States dollar-denominated and Zambian kwatcha-denominated overdrafts equivalent in total to R126.2m (2017: R104.3m) from Standard Bank Mauritius and Stanbic Bank (Zambia).

Zeder has a bank overdraft of R175m (2017: R45m) with FNB.

Effective interest rates

The effective interest rates applicable to borrowings range between 2.2% and 35.5% (2017: 2% and 22%).

COMPANY

The loans are unsecured, interest-free and have no fixed repayment terms.

As of 28 February 2018 the loan from Zeder Financial Services Limited ("ZFS") has been subordinated in favour of the creditors of the company. In terms of the subordination agreement ZFS may not demand repayment of the subordinated amount until such time that the company's assets, fairly valued, exceeds its liabilities.

	GROUP		COMPANY	
	2018	**2017**	**2018**	2017
	R'000	R'000	**R'000**	R'000
18. DERIVATIVE FINANCIAL LIABILITIES				
18.1 Derivative financial liabilities				
Current	**(15,220)**	(128)	**-**	-
Forward currency exchange contracts (refer note 32)	**(353)**	(128)		
Non-controlling interests' put option liabilities	**(14,867)**			
Non-current	**(23,802)**	(94,004)	**-**	-
Non-controlling interests' put option liabilities	**(23,802)**	(94,004)		
	(39,022)	(94,132)	**-**	-

Written put options entered into with non-controlling Zaad Holdings Limited shareholders, which granted them the right to put their shareholding to the group at a fixed price/earnings multiple that was market-related at the date of issue. During the year, a put option expired. The other put options become exercisable in November 2018 and in September 2021. The carrying value at the reporting date represents the present value of the possible exercise price.

	GROUP 2018 R'000	GROUP 2017 R'000	COMPANY 2018 R'000	COMPANY 2017 R'000
19. TRADE AND OTHER PAYABLES				
Trade payables[1]	**917,262**	1,007,657	**3,630**	2,041
Purchase consideration payable	**76,852**	84,030		
	994,114	1,091,687	**3,630**	2,041

[1] Includes non-financial liabilities of R17m (2017: R19m) for the group.

For the company, trade payables comprise mainly of unclaimed dividends payable.

	GROUP 2018 R'000	GROUP 2017 R'000	COMPANY 2018 R'000	COMPANY 2017 R'000
20. REVENUE				
Agricultural inputs and produce	**7,878,838**	9,697,931		
Logistical services	**606,590**	511,208		
	8,485,428	10,209,139	**-**	-
21. COST OF SALES				
Changes in finished goods	**6,588,147**	8,040,584		
Raw material and consumables used	**389,011**	491,070		
Transportation expenses	**13,469**	8,094		
Employment cost	**5,811**	5,907		
	6,996,438	8,545,655	**-**	-

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	R'000	R'000	**R'000**	R'000
22. INVESTMENT INCOME				
Interest income	**74,548**	66,047	**194**	60
Loans and advances	**18,850**	14,723		
Trade and other receivables	**170**	107		
Cash, money market investments and other cash equivalents	**55,528**	51,217	**194**	60
Dividend income	**2,308**	481	**-**	-
Equity securities held at fair value through profit or loss	**2,308**	481		
	76,856	66,528	**194**	60
23. NET FAIR VALUE GAINS/(LOSSES)				
Unrealised net fair value gains and losses				
Equity securities - at fair value through profit or loss	**11,096**	(4,009)		
Fair value gain on transfer of associate to equity security	**14,893**			
Foreign exchange gains/(losses)	**4,110**	(6,506)		
Gains on derivative financial instruments	**15,262**	3,299		
	45,361	(7,216)	**-**	-
24. OTHER OPERATING INCOME				
Management and other fee income	**1,625**	1,286		
Profit on sale of property, plant and equipment	**5,430**	1,863		
Profit on sale of subsidiary	**85,355**			
Government grant income	**213**	5,494		
Sundry income	**22,891**	20,417		
	115,514	29,060	**-**	-
25. EXPENSES				
25.1 Management fees and management fee internalisation charge				
Base management fee expense		74,883		
Management fee internalisation charge		1,449,479		

The base and performance management fees were payable during the first half of the prior year to PSG Corporate Services Proprietary Limited ("PSGCS"), a subsidiary of PSG Group Limited, the company's ultimate holding company, in terms of the PSG management agreement. In accordance with the management agreement, PSGCS provided management services, including corporate, secretarial, advisory, investment and financial services and all related aspects thereto, to the Zeder group of companies.

During the prior year and effective 1 September 2016, Zeder internalised the management agreement, and issued 207,661,758 ordinary shares to PSGCS, valued at R1.45bn. The rights to the acquired management agreement, did not meet the recognition criteria for intangible assets in terms of IFRS, and was consequently accounted for in the income statement as a non-recurring headline expense. It should be noted that this was a once-off charge, with no further management fees payable to PSGCS in terms of this agreement.

	GROUP 2018 R'000	GROUP 2017 R'000	COMPANY 2018 R'000	COMPANY 2017 R'000
25. EXPENSES (continued)				
25.2 Marketing, administration and other expenses				
Depreciation	**176,230**	150,842	**-**	-
- Land	**4,503**	5,714		
- Buildings	**40,791**	26,878		
- Vehicles, plant and equipment	**96,159**	90,674		
- Office equipment	**14,783**	14,424		
- Biological assets (bearer plants)	**19,994**	13,152		
Amortisation of intangible assets	**26,344**	28,635		
Operating lease rentals	**141,028**	133,302	**-**	-
- Properties	**111,838**	104,646		
- Equipment	**29,190**	28,656		
Auditors' remuneration	**18,164**	17,404	**-**	-
- Audit services - current year	**14,240**	13,606		
- Audit services - previous year	**449**	707		
- Other services	**3,475**	3,091		
Employee costs[1]	**701,779**	709,817	**-**	-
- Salaries, wages and allowances	**657,263**	666,024		
- Equity-settled share-based payment costs	**11,972**	11,101		
- Cash-settled share-based payment costs[2]		323		
- Pension costs - defined contribution and benefit plans	**27,624**	28,128		
- Medical costs - defined contribution and benefit plans	**4,920**	4,241		
Impairment losses	**136,074**	8,049	**-**	-
- Property, plant and equipment	**13,356**	2,876		
- Intangible assets	**122,718**	5,173		
Loss on sale of property, plant and equipment	**1,575**	1,126		
Repairs, maintenance and vehicle costs	**119,438**	109,663		
Marketing and administration costs	**30,331**	27,101	**1,282**	3,294
- Marketing	**30,116**	25,199		
- Administration	**215**	1,902	**1,282**	3,294
Professional fees	**34,063**	36,129		
Insurance costs	**27,103**	25,882		
Communication costs	**15,003**	17,227		
Commission paid	**23,020**	19,081		
Other costs	**219,924**	277,241		
	1,670,076	1,561,499	**1,282**	3,294

1 Refer to the directors' report for further information with regards to directors' emoluments.

2 Cash-settled share-based payment costs was incurred during the prior year due to a former Agrivision Africa Falcon equity-settled share-based payment scheme that was cash settled to close it out.

	GROUP 2018 R'000	GROUP 2017 R'000	COMPANY 2018 R'000	COMPANY 2017 R'000
26. FINANCE COSTS				
Redeemable preference shares	**43,119**	24,780		
Secured loans	**52,128**	38,987		
Unsecured loans	**112,818**	47,349		
Bank overdrafts	**73,620**	114,085		
Other	**7,400**	7,191		
	289,085	232,392	**-**	-

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	R'000	R'000	**R'000**	R'000
27. TAXATION				
South Africa current taxation				
- Current year	**38,679**	15,679	**54**	17
- Previous year	**(2,591)**	554		(2)
South Africa deferred taxation				
- Current year	**(18,467)**	17,792		
Foreign current taxation				
- Current year	**25,895**	38,646		
- Previous year	**124**	(40,768)		
Foreign deferred taxation				
- Current year	**152,486**	(11,185)		
	196,126	20,718	**54**	15
Reconciliation of effective tax rate:	**%**	%	**%**	%
South African standard tax rate	**28.0**	28.0	**28.0**	28.0
Adjusted for:				
- Non-taxable income	**(7.5)**	2.8		(28.5)
- Non-deductible charges	**13.0**	(63.1)	**(33.0)**	
- Net income from associates and joint ventures	**(31.6)**	24.3		
- Foreign tax rate differential	**2.9**	1.7		
- Special tax allowances	**(0.8)**	1.0		
- Deferred tax assets written off/not recognised	**5.5**	(4.0)		
- Deferred tax liability not previously recognised	**37.2**			
- Effect of tax losses utilised	**(1.1)**	1.1		
- Prior period adjustments	**2.1**	5.6		
- Other	**0.8**	(0.3)		
Effective tax rate	**48.5**	(2.9)	**(5.0)**	(0.5)
Tax charges relating to components of other comprehensive income				
- Currency translation movements	**4,072**	9,032		
- (Losses)/gains from changes in financial and demographic assumptions of post-employment benefit obligations	**(4,022)**	427		
	50	9,459	**-**	-

28. RELATED-PARTY TRANSACTIONS AND BALANCES

The following related parties were identified with which the company and/or group transacted during the year, and/or balances were outstanding at year-end:

Party	**Relationship**
PSG Group Limited ("PSG Group")	Ultimate holding company
Zeder Financial Services Limited ("ZFS")	Wholly-owned subsidiary
Zeder Corporate Services Proprietary Limited	Wholly-owned subsidiary of ZFS
Zeder Management Services Proprietary Limited	Wholly-owned subsidiary of ZFS
Zeder Africa Proprietary Limited	Wholly-owned subsidiary of ZFS
Zaad Holdings Limited	Subsidiary of ZFS
Pioneer Food Group Limited ("Pioneer Foods")	Associate of ZFS
Kaap Agri Limited ("Kaap Agri")	Associate of ZFS
Quantum Foods Holdings Limited ("Quantum Foods")	Associate of ZFS
Clean Air Nurseries Agri Global Proprietary Limited	Associate of ZFS
Capespan Group Limited	Wholly-owned subsidiary
PSG Corporate Services Proprietary Limited ("PSGCS")	Indirect subsidiary of PSG Group
PSG Fundco Proprietary Limited	Indirect subsidiary of PSG Group
PSG Online Securities Proprietary Limited	Indirect subsidiary of PSG Group
PSG Money Market Fund	Indirect subsidiary of PSG Group
Grayston Elliot Proprietary Limited	Indirect subsidiary of PSG Group
N Celliers and JH le Roux	Executive directors of the company

28. RELATED-PARTY TRANSACTIONS AND BALANCES (continued)

Related-party transactions during the year under review included dividends received from associates (refer note 4.1), management fee expense (refer note 25.1), various administration expenses and professional fees (refer note 25.2), interest income (refer note 22) and interest paid (refer note 26).

Included in the group's revenue are R10,534,000 (2017: R16,312,000) goods sold to Kaap Agri and its subsidiaries, R1,539,000 (2017: R825,000) goods sold to Pioneer Foods and its subsidiaries and R1,924,000 (2017: R3,363,000) sold to Quantum Foods and its subsidiaries (refer note 20). Included in cost of sales is R61,040,000 (2017: R3,034,000) in respect of purchases from Kaap Agri and its subsidiaries, Rnil (2017: R825,000) from Pioneer Foods and its subsidiaries and Rnil (2017: R384,000) from Quantum Foods and its subsidiaries (refer note 21).

Included in the group's interest income is R170,000 (2017: R54,000) received from PSG Online Securities Proprietary Limited and R4,144,000 (2017: R1,853,000) received from PSG Money Market Fund.

Dividend income included in the group's investment in ordinary shares of associates consist mainly of the following: R212,615,000 (2017: R212,615,000) received from Pioneer Foods, R33,729,000 (2017: R27,806,000) received from Kaap Agri and R20,951,000 (2017: R3,697,000) received from Quantum Foods.

Included in the group's marketing, administration and other expenses is professional fees of R351,000 (2017: R1,457,000) paid to PSG Capital (a division of PSGCS) and R399,000 (2017: R231,000) paid to Grayston Elliot Proprietary Limited for corporate finance and tax services relating to acquisitions made and tax advice during the year. Also included in the group's marketing, administration and other expenses is R6,493,000 (2017: R3,315,000) paid to PSGCS for strategic, payroll, IT services and rent.

Brokerage and administration fees of R1,000 (2017: R1,000) were paid to PSG Online Securities (Proprietary) Limited. These fees related to trades that took place via the group's share trading accounts.

Included in the group's interest paid is R42,949,000 (2017:R26,365,000) paid to PSG Fundco Proprietary Limited.

Details of the audited directors' emoluments and shareholdings and the prescribed officers' remuneration are included in the directors' report.

As at 28 February 2018, R22,408,000 (2017: R17,684,000) relates to loans, including accrued interest, granted to Mr N Celliers and R4,715,000 (2017: R2,849,000) to Mr JH le Roux, both with regards to shares obtained through the vesting of Zeder ordinary shares previously allocated to Messrs N Celliers and JH le Roux, respectively. The loans carry interest at the SARS' official interest rate (2017: SARS' official interest rate) and are repayable seven years from the respective date of advance. At the reporting date, the market value of the Zeder ordinary shares serving as security amounted to R29,781,000 (2017: R31,095,000) and R6,746,000 (2017: R4,778,000) for Mr N Celliers' loan and Mr JH le Roux's loan respectively. During the year under review, treasury shares were recognised on the loans granted on/before 28 February 2018. These loans were previously included under Loans and advances (refer note 7). In terms of the accounting standard, the loans receivable has been accounted for in terms of IFRS 2 *Share-based Payment* . There were no resultant charges to the group's profit and loss for the year, for the above mentioned loans (2017: Rnil). The future charges are to be calculated using a Binominal valuation model with the following inputs:

Price (R)	6.41
Volatility (%)	29.9
Dividend yield (%)	1.7
Risk-free rate (%)	7.0

As at 28 February 2018, R6,375,000 (2017: R4,785,000) relates to a loan, including accrued interest, granted to Mr N Celliers, with regards to shares obtained through the vesting of PSG Group share options previously allocated to Mr N Celliers. The loan carries interest at the SARS' official interest rate (2017: SARS' official interest rate) and is repayable seven years from the respective date of advance. At the reporting date, the market value of the PSG Group ordinary shares serving as security amounted to R9,020,000 (2017: R10,427,000). During the year under review, equity securities were recognised on the loans granted on/before 28 February 2018. The loan was previously included under Loans and advances (refer note 7). In terms of the accounting standard, the loan receivable have been accounted for in terms of IFRS 2 *Share-based Payment* . There was no resultant charge to the group's profit and loss for the year, for the above mentioned loan (2017: Rnil). The future charge is to be calculated using a Binominal valuation model with the following inputs:

Price (R)	236.13
Volatility (%)	33.8
Dividend yield (%)	2.0
Risk-free rate (%)	7.0

A loan in the amount of R12,570,000 was advanced to Mr N Celliers, with regards to his previous acquisition of 2,635,933 Zeder ordinary shares. The Zeder shares serve as security for the loan receivable, carry interest at prime less 1% (2017: prime less 1%) and is repayable during the financial year ending 28 February 2021. At the reporting date, the loans' carrying value amounted to R14,146,000 (2017: R13,174,000) and the market value of the Zeder ordinary shares serving as security amounted to R17,002,000 (2017: R19,611,000). In terms of the accounting standard, the loans receivable has been accounted for in terms of IFRS 2 *Share-based Payment* , with the resultant charge to the group's profit and loss for the year, amounting to R307,000 (2017: R154,000). The charge was calculated using a Black-Sholes valuation model with the following inputs:

Price (R)	5.76
Volatility (%)	26.2
Dividend yield (%)	1.2
Risk-free rate (%)	6.0

Included in trade and other receivables is an amount of R1,386,000 (2017: R857,000) due by Kaap Agri (refer note 11), Rnil (2017: R249,000) due by Pioneer Foods and R254,000 (2017: R731,000) due by Quantum Foods and included in trade and other payables is an amount payable of R57,854,000 (2017: R571,000) to Kaap Agri and Rnil (2017: R13,000) to Quantum Foods (refer note 19).

Refer to note 4.2 and note 5.2 for related-party balances outstanding at year-end with associates and joint ventures respectively.

Related-party balances outstanding at the reporting date included cash invested with the PSG Money Market Fund amounting to R110,168,000 (2017: R168,271,000) (refer note 12).

	GROUP		COMPANY	
	2018	2017	**2018**	2017
	R'000	R'000	**R'000**	R'000
29. OPERATING LEASE AND CAPITAL COMMITMENTS, SURETYSHIPS AND CONTINGENT LIABILITIES				
Operating lease commitments				
Operating leases - premises				
- Due within 1 year	**96,304**	94,216		
- Due within 1 to 5 years	**441,575**	405,430		
- Due after more than 5 years	**494,732**	618,554		
	1,032,611	1,118,200		
Operating leases - vehicles and plant				
- Due within 1 year	**6,274**	7,334		
- Due within 1 to 5 years	**10,544**	10,797		
	16,818	18,131		
Operating leases - equipment				
- Due within one year	**16,286**	18,895		
- Due within 1 to 5 years	**14,855**	29,121		
	31,141	48,016		
Capital expenditure commitments				
Authorised but not yet contracted				
- Property, plant and equipment	**233,845**	236,566		
- Intangible assets	**59,621**			
	293,466	236,566		
Contracted: Property, plant and equipment	**12,966**	29,430		

Suretyships and other contingent liabilities

Suretyship - Capespan associate

A 49% associate of the group has a R250m facility with the Land Bank. The Capespan group has provided surety for the associate's facility to the maximum amount of R122.5m. The associate uses this facility to provide interest-bearing production loans to fruit producers. At year-end, the outstanding balance due by the associate to the Land Bank was R132.9m (2017:R122.7m), while the associate held loan receivable balances of R140.9m (2017:R128.8m) against fruit producers. The associate has met all obligations in terms of its facility with the Land Bank and the associate's loan receivable balances are secured by property, plant and equipment and inventory.

Other contingent liabilities

The group is subject to litigation in the normal course of its business. Appropriate provisions are made when losses are expected to materialise. There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which the group is aware, which may have a material effect on the financial position of the group.

The group did not have any material contingent liabilities at the reporting date.

30. NOTES TO THE STATEMENTS OF CASH FLOWS

30.1 Cash generated from/(utilised by) operations

	GROUP 2018 R'000	GROUP 2017 R'000	COMPANY 2018 R'000	COMPANY 2017 R'000
Profit/(loss) before taxation	**404,520**	(720,943)	**(1,088)**	(3,234)
Interest income	**(74,548)**	(66,047)	**(194)**	(60)
Dividend income	**(2,308)**	(481)		
Finance costs	**291,100**	232,392		
Depreciation	**176,230**	150,842		
Amortisation	**26,344**	28,635		
Net profit on sale of property, plant and equipment	**(3,855)**	(737)		
Net loss on dilution of interest in associate	**29,254**	7,566		
Net fair value (gains)/losses	**(42,648)**	2,021		
Net profit on sale of interest in subsidiary company	**(85,355)**			
Management fee internalisation charge		1,449,479		
Change in fair value of biological assets	**(195,210)**	(224,293)		
Impairments	**137,005**	8,049		
Share of profits of associates and joint ventures	**(471,934)**	(628,727)		
Equity-settled share-based payment costs	**11,972**	11,101		
Net harvest short-term biological assets	**60,194**	67,472		
Non-cash translation movements	**(18,891)**	(36,363)		
Sub-total	**241,870**	279,966	**(1,282)**	(3,294)
Changes in working capital	**24,924**	(183,271)	**1,581**	1,089
Decrease/(increase) in trade and other receivables	**51,634**	35,178	**(8)**	(324)
Decrease in inventories	**197,734**	188,682		
Increase in biological assets	**(178,854)**	(153,017)		
(Decrease)/increase in trade and other payables	**(34,970)**	(251,456)	**1,589**	1,413
Decrease in employee benefits payable	**(10,620)**	(2,658)		
	266,794	96,695	**299**	(2,205)

30.2 Taxation paid

	GROUP 2018 R'000	GROUP 2017 R'000	COMPANY 2018 R'000	COMPANY 2017 R'000
Current taxation charged to profit or loss	**(62,107)**	(14,111)	**(54)**	(15)
Movement in net taxation liability	**(2,231)**	(32,433)	**2**	(2)
	(64,338)	(46,544)	**(52)**	(17)

30.3 Subsidiaries acquired

2018 acquisitions

The Logistic Company Proprietary Limited

During October 2017, Zeder invested in a start-up company in the technology, transport and logistics industries. The Logistic Company Proprietary Limited ("TLC"), had limited operations prior to investment. Zeder paid R4m for a subscription of newly issued ordinary shares, representing 51% of the issued share capital of TLC. Goodwill (less than R1m) arose in respect of, inter alia, synergies pertaining to the integration of logistical activities within the Zeder group of companies. Accounting for TLC's business combination has been finalised.

The summarised assets and liabilities recognised at the respective acquisition dates were:

GROUP	TLC R'000	Total R'000
Property, plant and equipment	**612**	**612**
Trade and other receivables	**95**	**95**
Cash, money market investments and other cash equivalents	**810**	**810**
Borrowings	**(1,200)**	**(1,200)**
Trade and other payables	**(405)**	**(405)**
Total identifiable net assets	**(88)**	**(88)**
Goodwill recognised	**88**	**88**
Subscription of newly issued ordinary shares	**4,000**	**4,000**
Total consideration transferred	**4,000**	**4,000**
Cash consideration paid with regards to subscription of newly issued shares	**(4,000)**	**(4,000)**
Shares issued	**4,000**	**4,000**
Cash and cash equivalents acquired	**810**	**810**
Net cash inflow from business combination	**810**	**810**

The aforementioned business combination does not contain any contingent consideration or indemnification asset arrangements and the acquisition-related costs expensed were insignificant.

Had TLC been consolidated with effect from 1 March 2017 instead of its acquisition date, the consolidated income statement would have reflected additional revenue of R1.6m and profit after tax of R0.9m.

30. NOTES TO THE STATEMENTS OF CASH FLOWS (continued)

30.3 Subsidiaries acquired (continued)

2017 acquisitions

Incotec laboratory division

During August 2016, the group, through Zaad Holdings Limited ("Zaad"), acquired the laboratory division of Incotec South Africa Proprietary Limited for a cash consideration of R7.8m. The laboratory support the research and development operations of Zaad. No goodwill arose in respect of this business combination. Accounting for Incotec's business combination has been finalised.

Loza Lodge

During October 2016, the group, through Agrivision Africa, acquired the business operations of Loza Lodge, for a cash consideration of R4m. Loza Lodge is a guest house in Mkushi, Zambia, forming part of farming operations previously acquired. Goodwill arose in respect of, inter alia, synergies pertaining to the reputation of the lodge and the current farming operations, but was subsequently impaired. Accounting for Loza Lodge's business combination has been finalised.

Groot Patrysvlei farming operations

During September 2016, the group, through Capespan Group Limited ("Capespan"), acquired the farming operations of Groot Patrysvlei, a citrus fruit farm, for a cash consideration of R72.5m. Groot Patrysvlei complements the group's existing citrus farming operations in South Africa. No goodwill arose in respect of this business combination. Accounting for Groot Patrysvlei's business combination has been finalised.

Port Services Proprietary Limited ("Port Stevedores")

During January 2017, the group, through Capespan, acquired 100% of the issued share capital of Port Stevedores for a cash consideration of R33.3m and a contingent consideration of R16.7m (paid during 2018 financial year). Port Stevedores operates in the port logistics industry and goodwill arose in respect of, inter alia, expected synergies with Capespan's current logistical operations. Accounting for Port Stevedores's business combination has been finalised.

The summarised assets and liabilities recognised at the respective acquisition dates were:

GROUP	Incotec R'000	Loza Lodge R'000	Groot Patrysvlei R'000	Port Stevedores R'000	Total R'000
Property, plant and equipment	7,730	848	28,610	41,322	78,510
Biological assets (bearer plants)			40,168		40,168
Loans and advances				5	5
Inventories	108		3,722		3,830
Trade and other receivables				9,716	9,716
Cash, money market investments and other cash equivalents				3,390	3,390
Borrowings				(6,265)	(6,265)
Deferred income tax liabilities				(929)	(929)
Trade and other payables				(3,731)	(3,731)
Current income tax liabilities				(489)	(489)
Total identifiable net assets	7,838	848	72,500	43,019	124,205
Goodwill recognised		3,561		6,981	10,542
Total consideration	7,838	4,409	72,500	50,000	134,747
Total consideration	7,838	4,409	72,500	50,000	134,747
Indemnification asset		(366)			(366)
Contingent consideration				(16,680)	(16,680)
Total consideration transferred	7,838	4,043	72,500	33,320	117,701
Cash consideration paid	(7,838)	(4,043)	(72,500)	(33,320)	(117,701)
Cash and cash equivalents acquired				3,390	3,390
Net cash outflow from business combination	(7,838)	(4,043)	(72,500)	(29,930)	(114,311)

The aforementioned business combinations do not contain any contingent consideration (except for Port Stevedores) or indemnification asset arrangements (except for Loza Lodge) and the acquisition-related costs expensed were insignificant.

Had Incotec, Loza Lodge, Groot Patrysvlei and Port Stevedores been consolidated with effect from 1 March 2016 instead of their respective acquisition dates, the consolidated income statement would have reflected additional revenue of R96.8m and profit after tax of R8.2m.

30. NOTES TO THE STATEMENTS OF CASH FLOWS (continued)

30.4 Subsidiaries' operations sold

Capespan Japan Limited and Metspan Hong Kong Limited

During July 2017, the group, through Capespan Group Limited (“Capespan”) merged its Asian operations with Golden Wing Mau to form JWM Asia. Capespan therefore sold 70% of its business operations to JWM Asia and retained a 30% shareholding in JWM Asia.

Capespan sold the business operations of Capespan Japan Limited ("Capespan Japan"), a fruit marketing company situated in Japan, to JWM Asia, for a cash consideration of R3m.

Capespan sold the business operations of Metspan Hong Kong Limited ("Metspan"), a fruit marketing company situated in Hong Kong, to JWM Asia, for a cash consideration of R57m.

Nichebrands Proprietary Limited

During January 2018, the group, through Zaad Holdings Limited, disposed of its 100% interest in Nichebrands Proprietary Limited ("Nichebrands") for R1, resulting in a gain on disposal of R5m due to previously recognised losses.

The summarised assets and liabilities recognised at the respective disposal dates were:

GROUP	Capespan Japan R'000	Metspan R'000	Nichebrands R'000	Total R'000
Property, plant and equipment	880	1,311	4,384	6,575
Intangible assets	467	11,285		11,752
Deferred income tax assets			3,603	3,603
Loans and advances	1,102	666	(34,548)	(32,780)
Inventories	16,126	6,402	20,337	42,865
Trade and other receivables	73,864	81,003	11,132	165,999
Cash, money market investments and other cash equivalents	18,299	14,268	(66)	32,501
Borrowings			(1,401)	(1,401)
Trade and other payables	(34,360)	(63,004)	(8,580)	(105,944)
Current income tax liabilities		(494)		(494)
Total identifiable net assets	76,378	51,437	(5,139)	122,676
Transfer to investment in ordinary shares of associates		(26,071)		(26,071)
Transfer to loans to associates	(73,318)	(48,823)		(122,141)
Profit on sale of subsidiaries' operations		80,216	5,139	85,355
Cash proceeds on sale	3,060	56,759	-	59,819
Cash and cash equivalents given up	(18,299)	(14,268)	66	(32,501)
Net cash flow on disposal of subsidiaries' operations	(15,239)	42,491	66	27,318

30.5 Borrowings reconciliation

GROUP	Opening carrying value R'000	Financing cash flows: Borrowings repaid R'000	Financing cash flows: Borrowings drawn R'000	Business comibation/ disposals R'000	Other changes R'000	Closing carrying value R'000
28 February 2018						
Bank overdrafts	941,030		235,625			1,176,655
Redeemable preference shares	306,073	(349,192)	1,000,000		43,119	1,000,000
Unsecured loans	932,633	(823,992)	355,721	1,200	132,363	597,925
Secured loans	793,191	(159,771)	68,782	(1,401)	(109,074)	591,727
	2,972,927	(1,332,955)	1,660,128	(201)	66,408	3,366,307
28 February 2017						
Bank overdrafts	945,933		(6,970)		2,067	941,030
Redeemable preference shares	306,107		(24,814)		24,780	306,073
Unsecured loans	37,834		515,162	6,265	373,372	932,633
Secured loans	1,152,012	(289,381)	382,239		(451,679)	793,191
	2,441,886	(289,381)	865,617	6,265	(51,460)	2,972,927

GROUP	2018 R'000	2017 R'000
31. EARNINGS/(LOSS) PER SHARE		
The calculation of earnings per share is based on the following:		
Profit/(loss) attributable to equity holders of the company	**253,997**	(795,962)
Net loss on dilution of interest in associates	**29,073**	7,985
- Gross	**29,254**	7,566
- Non-controlling interests	**(181)**	419
Net profit on sale of subsidiary companies	**(84,022)**	-
- Gross	**(85,355)**	
- Non-controlling interests	**1,501**	
- Tax effect	**(168)**	
Impairment of associated companies	**908**	-
- Gross	**931**	
- Non-controlling interests	**(23)**	
Fair value gain resulting from transfer of associate to equity security	**134,057**	-
- Gross	**(14,893)**	
- Non-controlling interests	**(3,452)**	
- Tax effect	**152,402**	
Impairment of intangible assets and goodwill	**72,494**	3,465
- Gross	**122,718**	5,173
- Non-controlling interests	**(48,411)**	(1,708)
- Tax effect	**(1,813)**	
Net loss on sale and impairment of property, plant and equipment	**11,234**	2,431
- Gross	**9,501**	2,139
- Non-controlling interests	**1,082**	126
- Tax effect	**651**	166
Non-headline items of associates and joint ventures	**7,502**	12,165
- Gross	**7,435**	12,442
- Non-controlling interests	**14**	(1,023)
- Tax effect	**53**	746
Headline earnings/(loss)	**425,243**	(769,916)
The calculation of the weighted number of shares in issue is as follows:		
- Number of shares in issue at beginning of year ('000)	**1,722,041**	1,522,853
- Weighted number of shares issued during the year ('000)		102,977
- Weighted number of shares purchased and cancelled during the year ('000)	**(5,320)**	
- Net movement in treasury shares ('000)	**363**	(3,701)
- Weighted number of shares at end of year ('000)	**1,717,084**	1,622,129
- Number of bonus element shares to be issued in terms of share incentive scheme ('000)	**1,671**	2,009
- Diluted weighted number of shares at end of year ('000)	**1,718,755**	1,624,138
Basic		
Profit/(loss) attributable to equity holders of the company	**253,997**	(795,962)
Headline earnings/(loss)	**425,243**	(769,916)
Weighted number of shares at end of year ('000)	**1,717,084**	1,622,129
Attributable/basic earnings/(loss) per share (cents)	**14.8**	(49.1)
Headline earnings/(loss) per share (cents)	**24.8**	(47.5)

Diluted

Diluted earnings and diluted headline earnings per share are calculated using earnings and headline earnings adjusted for the effect of all dilutive potential ordinary shares throughout the group, as well as by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares on a group level (arising from the share-based payment arrangements set out in notes 14). A calculation is performed to determine the number of shares that could have been acquired at fair value (determined using the annual volume weighted average JSE-listed share price of the company's shares) based on the monetary value of the shares/share options granted to participants.

	2018 R'000	2017 R'000
Diluted earnings/(loss) attributable to ordinary shareholders	**239,960**	(833,721)
Diluted headline earnings/(loss)	**407,100**	(807,204)
Diluted weighted number of shares at end of year ('000)	**1,718,755**	1,624,138
Diluted attributable earnings/(loss) per share (cents)	**14.0**	(51.3)
Diluted headline earnings/(loss) per share (cents)	**23.7**	(49.7)

32. FINANCIAL RISK MANAGEMENT

Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including price risk, cash flow and fair value interest rate risk and foreign exchange risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out by each major entity within the group under policies approved by the respective boards of directors. Each entity identifies, evaluates and utilises derivative financial instruments to hedge financial risks as appropriate. Each major entity's board of directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Financial instruments are grouped into the classes set out below in order to facilitate effective financial risk management and disclosure in terms of IFRS 7 *Financial Instruments - Disclosures.* The sensitivity analyses presented below are based on reasonable possible changes in market variables for equity prices, interest rates and foreign exchange rates for the group.

GROUP	At fair value through profit or loss R'000	Available-for-sale R'000	At amortised cost R'000	Total R'000
Financial assets at 28 February 2018				
- Loans to associates			**132,089**	**132,089**
- Loans to joint ventures			**3,592**	**3,592**
- Equity securities	**688,103**			**688,103**
- Loans and advances			**137,948**	**137,948**
- Trade and other receivables			**1,087,246**	**1,087,246**
- Cash, money market investments and other cash equivalents			**325,864**	**325,864**
	688,103	**-**	**1,686,739**	**2,374,842**
Financial assets at 28 February 2017				
- Loans to associates			76,998	76,998
- Loans to joint ventures			3,022	3,022
- Equity securities	39,058	6,716		45,774
- Loans and advances			146,458	146,458
- Trade and other receivables			1,118,595	1,118,595
- Cash, money market investments and other cash equivalents			422,308	422,308
	39,058	6,716	1,767,381	1,813,155

GROUP	At amortised cost R'000	At fair value through profit or loss R'000	Total R'000
Financial liabilities at 28 February 2018			
- Borrowings	**3,366,307**		**3,366,307**
- Derivative financial liabilities		**39,022**	**39,022**
- Trade and other payables	**977,239**		**977,239**
	4,343,546	**39,022**	**4,382,568**
Financial liabilities at 28 February 2017			
- Borrowings	2,972,927		2,972,927
- Derivative financial liabilities	94,132		94,132
- Trade and other payables	1,072,752		1,072,752
	4,139,811	-	4,139,811

COMPANY

The company had no financial assets (2017: Rnil) at the reporting date. Borrowings and trade and other payables are classified as financial liabilities carried at amortised cost. The carrying amounts of financial assets and liabilities carried at amortised cost approximate their fair values.

32. FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

Market risk

Market risk is the risk of adverse financial impact due to changes in fair values or future cash flows of financial instruments from fluctuations in interest rates, equity prices and foreign currency exchange rates.

Price risk

The group is exposed to equity securities price risk because of investments held and classified on the statement of financial position as at fair value through profit or loss, available-for-sale and held for sale. The group manages price risk by investing in a portfolio of investments and monitoring equity securities' prices on a regular basis.

The table below summarises the sensitivity of the group's post-tax net profit for the year as a result of market price fluctuations. The analysis is based on the assumption that marked-to-market prices increase/decrease by 20% (2017: 20%) at the reporting date, with all other variables (e.g. effective tax rate) held constant.

GROUP	**2018 20% increase R'000**	**2018 20% decrease R'000**	2017 20% increase R'000	2017 20% decrease R'000
Impact on post-tax profit	**106,794**	**(106,794)**	7,104	(7,104)

The impact on post-tax other comprehensive income would have been insignificant.

Cash flow and fair value interest rate risk

The group's interest rate risk arises from interest-bearing investments, receivables and borrowings, which expose the group to cash flow interest rate risk if it is a variable rate instrument, or to fair value interest rate risk if it is a fixed rate instrument.

GROUP	**2018 R'000**	2017 R'000
Loans to associates		
Floating rate	**127,076**	70,388
Fixed rate (including interest-free)	**5,014**	6,610
Loans to joint ventures		
Fixed rate (including interest-free)	**3,592**	3,022
Loans and advances		
Floating rate	**66,749**	126,637
Fixed rate (including interest-free)	**71,199**	19,821
Trade and other receivables		
Floating rate	**54,407**	612,298
Fixed rate (including interest-free)	**1,032,839**	506,297
Cash, money market investments and other cash equivalents		
Floating rate	**281,924**	414,881
Fixed rate (including interest-free)	**43,940**	7,427
Borrowings		
Floating rate	**(2,255,816)**	(2,499,269)
Fixed rate (including interest-free)	**(1,110,491)**	(473,658)
Trade and other payables		
Floating rate		
Fixed rate (including interest-free)	**(977,239)**	(1,072,752)
Total	**(2,656,806)**	(2,278,298)
Floating rate	**(1,725,661)**	(1,275,065)
Fixed rate	**(931,145)**	(1,003,233)

The group manages its cash flow interest rate risk by monitoring interest rates on a regular basis. Consideration is given to hedging options which will be utilised if viable.

COMPANY

The company had no exposure to interest rate risk.

32. FINANCIAL RISK MANAGEMENT (continued)

The table below summarises the sensitivity of the group's post-tax net profit for the year to interest rate fluctuations. The analysis is based on the assumption that interest rates were 1% (2017: 1%) higher/lower for the full year, with all other variables (e.g. effective tax rate, interest carrying balances) held constant.

GROUP	**2018 1% increase R'000**	**2018 1% decrease R'000**	2017 1% increase R'000	2017 1% decrease R'000
Impact on post-tax profit	**(17,675)**	**17,675**	(9,180)	9,180

Foreign exchange risk

The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Management monitors this exposure and cover is used where appropriate.

The group's financial assets and liabilities denominated in foreign currency are analysed in the following table:

GROUP	**British pound sterling R'000**	**United States dollar R'000**	**Euro R'000**	**Australian dollar R'000**	**Chinese yuan renminbi R'000**	**Sub-total A R'000**
At 28 February 2018						
Financial assets						
- Loans and advances		**31,992**	**1,774**			**33,766**
- Trade and other receivables	**3,326**	**221,890**	**71,418**		**1,223**	**297,857**
- Cash and cash equivalents	**2,337**	**31,446**	**2,759**			**36,542**
Financial liabilities						
- Trade and other payables	**(677)**	**(147,282)**	**(31,061)**	**(493)**	**(5,296)**	**(184,809)**
- Borrowings		**(158,380)**	**(212,481)**			**(370,861)**
Total	**4,986**	**(20,334)**	**(167,591)**	**(493)**	**(4,073)**	**(187,505)**

	Sub-total A R'000	**Mozambique new metical R'000**	**Zambian kwacha R'000**	**New Zealand dollar R'000**	**Malawi kwacha R'000**	**Sub-total B R'000**
At 28 February 2018						
Financial assets						
- Loans and advances	**33,766**		**26**			**33,792**
- Trade and other receivables	**297,857**	**36,534**	**16,884**		**15**	**351,290**
- Cash and cash equivalents	**36,542**	**206,045**	**2,044**			**244,631**
Financial liabilities						
- Trade and other payables	**(184,809)**	**(520)**	**(5,738)**	**(749)**		**(191,816)**
- Borrowings	**(370,861)**	**(562)**	**(2,946)**			**(374,369)**
Total	**(187,505)**	**241,497**	**10,270**	**(749)**	**15**	**63,528**

	Sub-total B R'000	**Kenyan shilling R'000**	**Total R'000**
At 28 February 2018			
Financial assets			
- Loans and advances	**33,792**		**33,792**
- Trade and other receivables	**351,290**	**12**	**351,302**
- Cash and cash equivalents	**244,631**		**244,631**
Financial liabilities			
- Trade and other payables	**(191,816)**		**(191,816)**
- Borrowings	**(374,369)**		**(374,369)**
Total	**63,528**	**12**	**63,540**

32. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Foreign exchange risk (continued)

GROUP	British pound sterling R'000	United States dollar R'000	Euro R'000	Australian dollar R'000	Hong Kong dollar R'000	Sub-total A R'000
At 28 February 2017						
Financial assets						
- Loans and advances		39,836				39,836
- Trade and other receivables	8,652	233,040	77,833		13,859	333,384
- Cash and cash equivalents	1,563	20,359	2,831		6,057	30,810
Financial liabilities						
- Trade and other payables	(2,560)	(129,560)	(84,369)	(1,072)	(180)	(217,741)
- Borrowings		(108,830)	(75,364)			(184,194)
Total	7,655	54,845	(79,069)	(1,072)	19,736	2,095

	Sub-total A R'000	Chinese yuan renminbi R'000	Japanese yen R'000	Mozambique new metical R'000	Zambian kwacha R'000	Sub-total B R'000
At 28 February 2017						
Financial assets						
- Loans and advances	39,836				139	39,975
- Trade and other receivables	333,384	127,180	525,960	29,205	21,604	1,037,333
- Cash and cash equivalents	30,810		102,354	346,267	2,516	481,947
Financial liabilities						
- Trade and other payables	(217,741)	(14,653)	(194,361)	(2,648)	(3,003)	(432,406)
- Borrowings	(184,194)			(835)	(52,150)	(237,179)
Total	2,095	112,527	433,953	371,989	(30,894)	889,670

	Sub-total B R'000	New Zealand R'000	Etiopian birr R'000	Swiss franc R'000	Malawi kwacha R'000	Total R'000
At 28 February 2017						
Financial assets						
- Loans and advances	39,975					39,975
- Trade and other receivables	1,037,333		28	38	109	1,037,508
- Cash and cash equivalents	481,947					481,947
Financial liabilities						
- Trade and other payables	(432,406)	(5,286)				(437,692)
- Borrowings	(237,179)					(237,179)
Total	889,670	(5,286)	28	38	109	884,559

COMPANY

The company had no exposure to foreign exchange risk.

32. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Foreign exchange risk (continued)

A cash flow hedge is a hedge of the exposure to variability in cash flows associated with a recognised asset or liability or a highly probable forecast transaction that is attributable to a particular risk and could affect profit or loss. Capespan Group Limited and Zaad Holdings Limited entered into forward currency exchange contracts in respect of import/export transactions. These transactions met the definition of a cash flow hedge and have accordingly been accounted for on the basis set forth in accounting policy note 12.3.

The group has entered into forward currency exchange contracts (some being designated as hedging instruments), which relate to specific foreign commitments in respect of the aforementioned transactions (hedged items). The carrying value of forward currency exchange contracts are set out in note 18. Details of forward currency exchange contracts outstanding at the reporting date are as follows:

GROUP	Foreign amount '000	Average exchange rate	Rand exposure translated at R'000
2018			
Exports			
United States dollar	**2,173**	**12.36**	**26,857**
British pound sterling	**932**	**16.72**	**15,582**
Euro	**940**	**14.85**	**13,960**
			56,399
Imports			
United States dollar	**470**	**12.56**	**5,904**
British pound sterling	**11**	**17.27**	**190**
Euro	**516**	**15.13**	**7,805**
			13,899
2017			
Exports			
United States dollar	1,882	14.67	27,609
British pound sterling	1,395	19.96	27,844
Euro	567	16.34	9,265
Japanese yen	346,129	0.14	48,458
			113,176
Imports			
United States dollar	360	13.76	5,040
Euro	455	15.04	6,825
			11,864

32. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Foreign exchange risk (continued)

The table below shows the sensitivity of post-tax profits of the group to a 20% (2017: 20%) appreciation/depreciation in the South African rand exchange rate at year-end, with all other variables (e.g. effective tax rate) held constant.

GROUP	**2018 20% appreciation R'000**	**2018 20% depreciation R'000**	2017 20% appreciation R'000	2017 20% depreciation R'000
Translation of financial assets/liabilities from transaction to functional currency				
Impact on post-tax profit				
British pound			23	(23)
United States dollar	**683**	**(683)**	(5,900)	5,900
Euro	**(2,001)**	**2,001**	12,843	(12,843)
Hong Kong dollar	**(915)**	**915**		
Chinese yuan renminbi	**611**	**(611)**	(16,204)	16,204
Japanese yen				
Mozambique new metical			(707)	707
Zambian kwacha	**(8)**	**8**	4,354	(4,354)
New Zealand dollar	**108**	**(108)**	761	(761)
Australian dollar	**71**	**(71)**	154	(154)
Ethiopian birr			(4)	4
Swiss franc			(5)	5
Malawi kwacha	**(2)**	**2**	(16)	16
Kenyan shilling	**(2)**	**2**		
Translation from functional to presentation currency				
Impact on post-tax profit				
British pound	**(7,567)**	**7,567**	(7,805)	7,805
United States dollar	**5,262**	**(5,262)**	901	(901)
Euro				
Hong Kong dollar	**190**	**(190)**	2,145	(2,145)
Chinese yuan renminbi	**(13,004)**	**13,004**	(13,488)	13,488
Japanese yen	**(3,400)**	**3,400**	2,493	(2,493)
Mozambique new metical	**8,718**	**(8,718)**	8,300	(8,300)
Zambian kwacha	**67**	**(67)**	(14)	14
Impact on post-tax other comprehensive income				
British pound	**16,666**	**(16,666)**	(26,462)	26,462
United States dollar	**14,821**	**(14,821)**	(16,644)	16,644
Euro	**61,888**	**(61,888)**	(29,190)	29,190
Hong Kong dollar			(7,774)	7,774
Japanese yen			(10,170)	10,170
Mozambique new metical	**8,465**	**(8,465)**	(14,052)	14,052
Zambian kwacha	**(1,465)**	**1,465**	(186)	186

Credit risk

Financial assets which potentially subject the group to credit risk, consist of loans to associates (refer note 4.2), loans and advances (refer note 7), trade and other receivables (refer note 11) and cash and cash equivalents (refer note 12). Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions. In the case of loans and advances, management would take or insist on collateral or other form of securitisation as they deem fit.

32. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

The following tables provides information regarding the aggregated credit risk exposure for the financial assets:

GROUP	Aaa Moody's R'000	Aa Moody's R'000	A Moody's R'000	Baa Moody's R'000	Ba Moody's R'000	Sub-total A R'000
28 February 2018						
Trade and other receivables	**23,807**			**45,633**		**69,440**
Cash and cash equivalents - bank balances		**45**	**106,250**	**6,231**	**10,677**	**123,203**
	23,807	**45**	**106,250**	**51,864**	**10,677**	**192,643**

	Sub-total A R'000	B Moody's R'000	Caa Moody's R'000	Not rated R'000	Past due but not impaired assets R'000	Carrying value R'000
28 February 2018						
Loans to associates	**-**			**132,089**		**132,089**
Loans to joint ventures	**-**			**3,592**		**3,592**
Loans and advances	**-**			**137,948**		**137,948**
Trade and other receivables	**69,440**			**806,081**	**211,725**	**1,087,246**
Cash and cash equivalents - bank balances	**123,203**	**89,339**		**3,154**		**215,696**
Cash and cash equivalents - money market fund	**-**			**110,168**		**110,168**
	192,643	**89,339**	**-**	**1,193,032**	**211,725**	**1,686,739**

	Aaa Moody's R'000	Aa Moody's R'000	A Moody's R'000	Baa Moody's R'000	Ba Moody's R'000	Sub-total A R'000
28 February 2017						
Trade and other receivables	36,498			8,059		44,557
Cash and cash equivalents - bank balances	1,950	17,791	63,101	102,632	30	185,504
	38,448	17,791	63,101	110,691	30	230,061

	Sub-total A R'000	B Moody's R'000	Caa Moody's R'000	Not rated R'000	Past due but not impaired assets R'000	Carrying value R'000
28 February 2017						
Loans to associates	-			76,998		76,998
Loans to joint ventures	-			3,022		3,022
Loans and advances	-			146,458		146,458
Trade and other receivables	44,557			912,278	161,760	1,118,595
Cash and cash equivalents - bank balances	185,504	111	64,853	3,569		254,037
Cash and cash equivalents - money market fund	-			168,271		168,271
	230,061	111	64,853	1,310,596	161,760	1,767,381

32. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Loans to associates, loans to joint ventures and loans and advances consist of secured and unsecured assets. There are no significant concentrations of credit risk. The group assesses all counterparties for creditworthiness before transacting, and monitors creditworthiness on a regular basis.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of receivables and, where appropriate, credit guarantee insurance cover is purchased. Capespan, to whom the majority of trade and other receivables relate, established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main component of this allowance is a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The non-rated financial assets comprise mainly trade and other receivables. These balances mainly relate to Capespan trade receivables. Capespan performs ongoing credit evaluations regarding the financial condition of its trade receivables, and where appropriate, purchases credit guarantee insurance. Capespan's credit guarantee insurance is limited to an annual aggregate of R507m (2017: R400m).

The unquoted equity securities are impaired to the value of the underlying instruments should the market value of the instruments fall below the current carrying value.

The unrated cash and cash equivalents relate to the group's investment in money market funds of which the underlying instruments are rated in terms of the Collective Investment Schemes Control Act. The mandate of the fund is to invest in cash deposits and highly liquid, fixed-interest securities with a weighted average maturity of less than 90 days. A spread of investments in top-quality financial instruments and institutions moderates the risk through diversification.

Refer the foreign exchange risk note where the receivables denominated in foreign currencies are disclosed. These receivables are susceptible to credit risk and the currency denominations provide indication of their geographical area.

The table below gives an age analysis of trade and other receivables that are past due but not impaired. The other classes of financial assets do not contain assets that are past due but not impaired.

GROUP	0-2 months R'000	2-6 months R'000	6-12 months R'000	Total R'000
At 28 February 2018	**85,457**	**69,928**	**56,340**	**211,725**
At 28 February 2017	58,854	80,871	22,035	161,760

Reconciliation of allowance for impairment of trade receivables:	**2018 R'000**	2017 R'000
Balance at beginning of year	**31,235**	49,047
Amounts written off	**(25,986)**	(20,183)
Net impairment provision	**41,997**	2,371
Balance at end of year	**47,246**	31,235

COMPANY

The company had no exposure to credit risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The group and standalone company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources are available to meet future cash flow requirements.

All financial liability balances of the company are due within 12 months and thus the impact of discounting is not significant. The tables below analyses the group companies' financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

GROUP	Less than one year R'000	One to five years R'000	Over five years R'000	Carrying value R'000
28 February 2018				
- Borrowings	**1,450,708**	**1,887,108**	**83,513**	**3,366,307**
- Derivative financial liabilities	**15,220**	**23,802**		**39,022**
- Trade and other payables	**977,239**			**977,239**
	2,443,167	**1,910,910**	**83,513**	**4,382,568**
28 February 2017				
- Borrowings	2,119,723	950,135	49,050	2,972,927
- Derivative financial liabilities	55,913	64,330		94,132
- Trade and other payables	1,076,823			1,072,752
	3,252,459	1,014,465	49,050	4,139,811

COMPANY

All financial liability balances are due within 12 months and thus the impact of discounting is not significant.

32. FINANCIAL RISK MANAGEMENT (continued)

Fair value estimation

Financial assets and liabilities carried at fair value are disclosed by level of the following fair value measurement hierarchy:

Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price.

Level 2

Financial instruments that trade in markets that are not considered to be active but are valued (using valuation techniques) based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include over-the-counter traded financial instruments. Since level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. If all significant inputs in determining an instrument's fair value are observable, the instrument is included in level 2.

Instrument	Valuation technique	Main inputs
Derivative financial assets and liabilities	Exit price on recognised over-the-counter platforms	Not applicable - prices available publicly
Equity securities	Closing price on recognised over-the-counter platforms	Not applicable - prices available publicly

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Investments classified within level 3 have significant unobservable inputs, as they trade infrequently.

Certain equity securities included in level 3 of the fair value hierarchy as at the most recent reporting date consisted of the unquoted equity securities set out in note 6. The unquoted equity securities include advances which are linked to equity securities traded in over-the-counter markets. In terms of these agreements, the group is entitled to the majority of the increase in the market value of the underlying over-the-counter traded equity securities and the dividends received on these securities. The advances are carried at the fair value of the underlying over-the-counter traded equity securities. Based on the assumption that the over-the-counter prices of the traded equity securities were 20% (2017: 20%) higher/lower for the full year, the fair value would have been R5.1m (2017: R8.9m) higher/lower than the current fair value.

Other derivative liabilities included in level 3 relate to put options held by non-controlling interests against the group. These fair values are calculated by applying the contractually agreed price/earnings multiple to the relevant subsidiary's board-approved budgeted profits and discounting it at a market-related interest rate. Based on the assumption that the interest rates were 1% (2017: 1%) higher/lower for the full year, with all other variables (e.g. the relevant subsidiary's board-approved budgeted profits) held constant, the fair value would have been R112,000 (2017: R222,000) higher/lower than the current fair value.

The fair value of financial assets and liabilities carried at amortised cost approximates their fair value.

The following financial assets are measured at fair value:

GROUP	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets				
28 February 2018				
Financial assets at fair value through profit or loss				
- Equity securities	**9,019**		**679,084**	**688,103**
28 February 2017				
Financial assets at fair value through profit or loss				
- Equity securities		1,321	44,453	45,774

32. FINANCIAL RISK MANAGEMENT (continued)

Fair value estimation (continued)

GROUP	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Liabilities				
28 February 2018				
- Derivative financial liabilities		**353**	**38,669**	**39,022**
28 February 2017				
- Derivative financial liabilities		128	94,004	94,132

Fair value movements in respect of aforementioned equity securities are considered to be "recurring", as defined by IFRS 13 *Fair Value Measurement* . Please find below the reconciliation in respect of movements in the carrying value of financial assets included in level 3 of the fair value hierarchy.

GROUP	Level 3 **2018 R'000**	2017 R'000
Reconciliation of financial assets:		
Opening balance	**44,453**	71,725
Additions		439
Transfer from subsidiaries to equity securities	**699,795**	
Disposal	**(6,922)**	(22,854)
Fair value (losses)/gains	**8,452**	(4,857)
Exchange differences	**(66,694)**	
Closing balance	**679,084**	44,453
Reconciliation of financial liabilities:		
Opening balance	**94,004**	65,425
Additions		24,751
Disposals	**(47,429)**	
Fair value gains	**(15,262)**	(3,299)
Finance costs	**7,356**	7,127
Closing balance	**38,669**	94,004

COMPANY

At the reporting date the company had no financial assets or liabilities measured at fair value.

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Zeder Investments Limited's capital management is performed at a group level, giving consideration to, inter alia, the group's *sum-of-the-parts value* . When funding is required management will consider the various forms of paper available for issue taking into account current market conditions, anticipated trends in market indicators and the financial position of the group at the time. Management will accordingly consider raising additional capital or utilising debt. The directors have authority to issue ordinary shares up to 5% of the number of shares in issue.

33. EVENTS SUBSEQUENT TO THE REPORTING DATE

The directors are unaware of any matter or event which is material to the financial affairs of the group that have occurred between the reporting date and the date of approval of these annual financial statements.

	Shareholders		Shares held	
GROUP	**Number**	**%**	**Number**	**%**
Range of shareholding				
1 - 20,000	**10,700**	**75.3**	**56,828,117**	**3.3**
20,001 - 50,000	**1,609**	**11.3**	**52,596,983**	**3.1**
50,001 - 100,000	**807**	**5.7**	**58,350,721**	**3.4**
100,001 - 500,000	**843**	**5.9**	**180,960,844**	**10.6**
500,001 - 1,000,000	**123**	**0.9**	**84,484,393**	**4.9**
Over 1,000,000	**125**	**0.9**	**1,276,956,594**	**74.7**
	14,207	**100.0**	**1,710,177,652**	**100.0**
Treasury shares				
- Employee share scheme	**1**		**5,001,469**	
	14,208		**1,715,179,121**	
Public and non-public shareholding				
Non-public				
- Directors[1]	**6**	**0.1**	**15,441,520**	**0.9**
- PSG Financial Services Limited	**1**	**0.0**	**747,715,417**	**43.7**
Public	**14,201**	**99.9**	**947,020,715**	**55.4**
	14,208	**100.0**	**1,710,177,652**	**100.0**

Major shareholders holding 5% or more of shares in issue (net of treasury shares) at 28 February 2018

	Number	%
PSG Financial Services Limited (wholly-owned subsidiary of ultimate holding company, PSG Group Limited)	**747,715,417**	**43.7**
Public Investment Corporation (including Government Employees Pension Fund)[2]	**140,779,498**	**8.2**
	888,494,915	**51.9**

1 *Refer to the directors' report for further details on the directors' shareholdings.*

2 *The shareholding includes shares held directly or indirectly by the entity and/or its clients.*

ZEDER INVESTMENTS LIMITED
ANNEXURE B - SIGNIFICANT SUBSIDIARIES
FOR THE YEAR ENDED 28 FEBRUARY 2018

Subsidiary	Country of incorporation[1]	Nature of business	Economic interest held directly or indirectly[2] 2018 %	2017 %	Profit or loss attributable to non-controlling interests 2018 R'000	2017 R'000	Carrying value of non-controlling interests 2018 R'000	2017 R'000
Zeder Financial Services Limited	South Africa	Investment holding	**100.0**	100.0				
Zaad Holdings Limited	South Africa[3]	Agricultural seed production/marketing	**93.2**	91.4	**8,746**	14,361	**95,387**	100,193
Capespan Group Limited	South Africa[4]	Fruit, farming and logistics	**97.5**	98.1	**17,286**	10,626	**65,800**	48,451
Agrivision Africa	Mauritius[5]	Farming and milling	**56.0**	55.6	**(71,259)**	29,314	**168,637**	258,685
The Logistic Company Proprietary Limited	South Africa		**51.0**	-	**(375)**		**(2,335)**	
Total					**(45,602)**	54,301	**327,489**	407,329

1 Principle place of business is the country of incorporation, unless otherwise stated.
2 Economic interests equal voting rights.
3 Operating via subsidiaries in Southern Africa, Europe and the Middle East.
4 Operating via an associate in China and various subsidiaries throughout the world.
5 Operating via subsidiaries in Zambia.

Subsidiary	Profit from continuing operations 2018 R'000	Total comprehensive income for the year 2018 R'000	Revenue 2018 R'000	Profit/(loss) from continuing operations 2017 R'000	Total comprehensive income for the year 2017 R'000	Revenue 2017 R'000
Zaad Holdings Limited[1]	**119,644**	**89,113**	**1,409,207**	108,734	59,615	1,314,157
Capespan Group Limited[2]	**(27,423)**	**(42,376)**	**6,619,379**	89,137	(278,126)	8,311,292
Agrivision Africa[2]	**(161,286)**	**(192,018)**	**466,276**	66,649	(12,050)	583,690

1 Represents the year ended 31 January 2018 (2017: 31 January 2017)
2 Represents the year ended 31 December 2017 (2017: 31 December 2016)

Subsidiary	Dividends paid: To non-controlling interests 2018 R'000	To owners of the parent 2018 R'000	Total 2018 R'000	To non-controlling interests 2017 R'000	To owners of the parent 2017 R'000	Total 2017 R'000
Zaad Holdings Limited			**-**			-
Capespan Group Limited	**19,526**	**38,062**	**57,588**	13,302	54,996	68,298
Agrivision Africa			**-**			-

ZEDER INVESTMENTS LIMITED
ANNEXURE B - SIGNIFICANT SUBSIDIARIES (continued)
FOR THE YEAR ENDED 28 FEBRUARY 2018

	Assets					
	Non-current	**Current**	**Total**	Non-current	Current	Total
	2018	**2018**	**2018**	2017	2017	2017
Subsidiary	**R'000**	**R'000**	**R'000**	R'000	R'000	R'000
Zaad Holdings Limited	**1,014,020**	**1,472,217**	**2,486,237**	792,799	1,267,144	2,059,943
Capespan Group Limited	**2,659,562**	**1,269,831**	**3,929,393**	2,470,241	1,466,340	3,936,581
Agrivision Africa	**465,343**	**298,986**	**764,329**	615,486	415,900	1,031,386

	Liabilities					
	Non-current	**Current**	**Total**	Non-current	Current	Total
	2018	**2018**	**2018**	2017	2017	2017
Subsidiary	**R'000**	**R'000**	**R'000**	R'000	R'000	R'000
Zaad Holdings Limited	**258,514**	**1,070,877**	**1,329,391**	242,551	888,343	1,130,894
Capespan Group Limited	**857,646**	**1,207,318**	**2,064,964**	708,670	1,277,678	1,986,348
Agrivision Africa	**153,500**	**267,587**	**421,087**	315,866	176,133	491,999

ZEDER INVESTMENTS LIMITED
ANNEXURE C - SIGNIFICANT ASSOCIATES
FOR THE YEAR ENDED 28 FEBRUARY 2018

Associate	Country of incorporation[1]	Nature of business	Economic interest held directly or indirectly[2] 2018 %	2017 %	Dividends received during the year 2018 R'000	2017 R'000	Carrying value at year-end 2018 R'000	2017 R'000	Market value of quoted investments at year-end 2018[6] R'000	2017[7] R'000
Pioneer Food Group Limited[4]	South Africa[3]	Food and beverage distributer	**31.2**	31.4	**212,615**	212,615	**5,203,971**	5,156,910	**7,659,979**	9,537,984
Kaap Agri Limited	South Africa[3]	Agricultural	**43.1**	41.9	**33,729**	27,806	**714,341**	612,417	**1,376,476**	1,320,903
Quantum Foods Holdings Limited	South Africa[3]	Feeds and poultry business	**27.7**	26.7	**20,951**	3,697	**206,988**	173,535	**246,480**	192,871
Golden Wing Mau ("GWM")[5]	China	Fruit procurement/ distributior	**-**	10.5				591,290		
May Seed[6]	Turkey	Agricultural	**35.0**	-			**154,434**			
Other immaterial associated companies (aggregated)					**5,957**	4,946	**339,403**	289,998		
Total					**273,252**	249,064	**6,619,137**	6,824,150	**9,282,935**	11,051,758

1 Principle place of business is the country of incorporation, unless otherwise stated.
2 Economic interests equal voting rights, except for Pioneer Food Group Limited and Kaap Agri Limited where voting interest amounts to 27.0% and 40.9%, respectively.
3 Operating via various subsidiaries throughout southern Africa.
4 After a further reduction in interest in GWM and together with careful considerations of other factors, it became evident that Capespan Group Limited no longer has significant influence over GWM and transferred the interest in the associate to equity securities (refer note 4.1 of the annual financial statements).
5 During the year, Zaad Holdings Limited acquired a 35% interest in May-Agro Tohumculuk Sanayi ve Ticaret Anonim Şirketi ("May Seed"), a Turkish seed company.
6 Include market value of listed investments per note 4.1. During June 2017, Kaap Agri listed on the JSE.
7 Include market value of listed investments (Pioneer Foods and Quantum Foods) and market value of unlisted but quoted investments (Kaap Agri) per note 4.1. The market valuation of unlisted but quoted investments were based on observable inputs (earnings published in market) by applying a rolling price/earnings ratio of 10 for Kaap Agri.

Associate[1]	Profitability (100%) Profit for the year 2018 R'000	Total comprehensive income for the year 2018 R'000	Revenue 2018 R'000	Profit for the year 2017 R'000	Total comprehensive income for the year 2017 R'000	Revenue 2017 R'000
Pioneer Food Group Limited	**726,151**	**871,082**	**19,575,045**	1,690,173	1,487,733	20,599,725
Kaap Agri Limited	**241,417**	**241,801**	**6,415,697**	210,422	209,995	5,652,843
Quantum Foods Holdings Limited	**127,617**	**133,996**	**4,051,890**	91,354	114,097	3,913,078

Associate[1]	Profitability (group's interest) Profit for the year 2018 R'000	Total comprehensive income for the year 2018 R'000	Profit for the year 2017 R'000	Total comprehensive income for the year 2017 R'000
Pioneer Food Group Limited	**234,112**	**223,900**	480,147	433,356
Kaap Agri Limited	**97,977**	**93,366**	93,732	93,554
Quantum Foods Holdings Limited	**49,972**	**49,972**	13,898	18,547

1 These figures are the latest published results publicly available for these companies for the year ended 30 September 2017 (2017: 30 September 2016).

	Other income statement line items (100%)							
Associate[1]	**Interest income 2018 R'000**	**Depreciation and amortisation 2018 R'000**	**Finance cost 2018 R'000**	**Income tax expense 2018 R'000**	**Interest income** 2017 R'000	**Depreciation and amortisation** 2017 R'000	**Finance cost** 2017 R'000	**Income tax expense** 2017 R'000
Pioneer Food Group Limited	**18,968**	**(386,723)**	**(196,805)**	**(258,802)**	42,679	(341,603)	(167,256)	(628,987)
Kaap Agri Limited	**112,780**	**(37,130)**	**(67,001)**	**(91,610)**	96,898	(29,987)	(47,308)	(80,376)
Quantum Foods Holdings Limited	**8,066**	**(62,074)**	**(1,665)**	**(49,994)**	7,736	(54,953)	(922)	(39,991)

	Assets							
Associate[1]	**Cash and cash equivalents 2018 R'000**	**Non-current 2018 R'000**	**Current 2018 R'000**	**Total excluding cash 2018 R'000**	**Cash and cash equivalents** 2017 R'000	**Non-current** 2017 R'000	**Current** 2017 R'000	**Total excluding cash** 2017 R'000
Pioneer Food Group Limited	**430,789**	**7,447,775**	**5,504,651**	**12,521,637**	1,000,791	7,011,690	6,518,816	12,529,715
Kaap Agri Limited	**35,088**	**1,056,193**	**2,329,938**	**3,351,043**	16,983	807,695	2,325,180	3,115,892
Quantum Foods Holdings Limited	**261,469**	**1,076,838**	**1,177,817**	**1,993,186**	79,511	1,071,729	1,194,300	2,186,518

	Liabilities					
Associate[1]	**Non-current 2018 R'000**	**Current 2018 R'000**	**Total 2018 R'000**	Non-current 2017 R'000	Current 2017 R'000	Total 2017 R'000
Pioneer Food Group Limited	**1,645,388**	**3,274,792**	**4,920,180**	2,344,814	3,318,376	5,663,190
Kaap Agri Limited	**34,436**	**1,769,061**	**1,803,497**	29,861	1,697,337	1,727,198
Quantum Foods Holdings Limited	**237,034**	**325,976**	**563,010**	242,372	427,509	669,881

[1] These figures are the latest published results publicly available for these companies for the year ended 30 September 2017 (2017: 30 September 2016).

Reconciliation of summarised financial information to carrying value of most significant investments:

	Pioneer Food Group Limited[1]		**Kaap Agri Limited**[1]	
	2018	**2017**	**2018**	2017
	R'000	R'000	**R'000**	R'000
Total assets reported above	**12,952,426**	13,530,506	**3,386,131**	3,132,875
Total liabilities reported above	**(4,920,180)**	(5,663,190)	**(1,803,497)**	(1,727,198)
Net assets reported above	**8,032,246**	7,867,316	**1,582,634**	1,405,677
Non-controlling interests				
Equity attributable to owners of the parent	**8,032,246**	7,867,316	**1,582,634**	1,405,677
	8,032,246	7,867,316	**1,582,634**	1,405,677
Group's economic interest in the associate (%)	**31.2**	31.4	**43.1**	41.9
Group's interest in equity attributable to owners of the parent	**2,506,864**	2,467,190	**681,482**	588,416
Deemed goodwill included in associates' carrying value[2]	**2,697,107**	2,689,720	**32,859**	24,001
Associates' carrying value	**5,203,971**	5,156,910	**714,341**	612,417

1 Amounts are most recently reported publicly available results as at 30 September 2017 (2017: 30 September 2016).
2 Also include timing differences emanating from lag period accounting adjustments.

The group is organised into four reportable segments, namely i) food, beverages and related services, ii) agri – related retail, trade and services, iii) agri – inputs and iv) agri – production. The segments represent different sectors in the broad agribusiness industry.

Segments operate mainly in the Republic of South Africa, while some associates and subsidiaries operate elsewhere (refer Annexures A and B for further details). Additional geographical information has not been presented since same is not reviewed by the chief operating decision-maker ("CODM"), being the executive committee, nor is the information available and the cost to develop it would be excessive.

Recurring headline earnings (being a measure of segment profit) is calculated on a see-through basis. The group's *recurring headline earnings* is the sum of its effective interest in that of each of its underlying investments. The result is that investments which the group do not equity account or consolidate in terms of accounting standards, are included in the calculation of *recurring headline earnings* .

Non-recurring headline earnings includes the elimination of equity securities' see-through *recurring headline earnings* not equity accounted, the related net fair value gains/losses and investment income (as recognised in the income statement). Associates' and subsidiaries' once-off gains/losses are excluded from *recurring headline earnings* and included in *non-recurring* headline earnings.

Segmental income comprises revenue and investment income, as per the income statement.

Sum-of-the-parts ("SOTP") is a key valuation tool used to measure the group's performance. In determining *SOTP value* , listed assets and liabilities are valued using quoted market prices, whereas unlisted assets and liabilities are valued using appropriate valuation methods. These values will not necessarily correspond with the values per the statement of financial position since the latter are predominantly measured using the relevant accounting standards which include historical cost and the equity accounting method.

GROUP	**2018 R'000**	2017 R'000
Recurring headline earnings		
Segments		
Food, beverages and related services	**393,340**	582,006
Agri-related retail, trade and services	**102,205**	88,624
Agri-inputs	**110,087**	123,866
Agri-production	**(29,978)**	26,162
Recurring headline earnings from investments	**575,654**	820,658
Management (base) fee		(74,883)
Net interest, taxation and other income and expenses	**(102,089)**	(55,023)
Recurring headline earnings	**473,565**	690,752
Management fee internalisation charge		(1,449,479)
Other non-recurring headline earnings	**(48,322)**	(11,189)
Headline earnings/(loss)	**425,243**	(769,916)
Non-headline items	**(171,246)**	(26,046)
Attributable earnings/(loss)	**253,997**	(795,962)
Earnings per share (cents)		
Recurring headline earnings per share	**27.6**	42.6
SOTP segmental analysis		
Segments		
Food, beverages and related services	**10,169,771**	11,705,976
Agri-related retail, trade and services	**1,404,518**	1,359,770
Agri-inputs	**2,043,319**	1,531,477
Agri-production	**590,690**	614,000
Cash and cash equivalents	**110,987**	172,782
Debt funding	**(1,000,000)**	(797,635)
Other net assets	**107,859**	119,936
SOTP value	**13,427,144**	14,706,306
SOTP value per share (rand)	**7.85**	8.53

ZEDER INVESTMENTS LIMITED
ANNEXURE D - SEGMENT REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2018

GROUP	2018 R'000	2017 R'000
Profit before tax segment analysis		
Segments		
Food, beverages and related services	**478,867**	638,296
Agri-related retail, trade and services	**93,366**	89,178
Agri-inputs	**102,275**	123,238
Agri-production	**(156,493)**	28,730
Management fees and other income and expenses	**(113,495)**	(1,600,385)
Profit/(loss) before tax	**404,520**	(720,943)
IFRS revenue (revenue and investment income) segment analysis		
Food, beverages and related services	**6,671,802**	8,359,701
Revenue	**6,620,970**	8,311,292
Investment income	**50,832**	48,409
Agri-inputs	**1,412,559**	1,325,122
Revenue	**1,398,182**	1,314,157
Investment income	**14,377**	10,965
Agri-production	**466,901**	584,468
Revenue	**466,276**	583,690
Investment income	**625**	778
Unallocated investment income (mainly head office interest income)	**11,022**	6,376
IFRS revenue	**8,562,284**	10,275,667