ZEDER

INVESTMENTS LIMITED

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

REGISTRATION NUMBER: 2006/019240/06

JSE SHARE CODE: ZED

ISIN CODE: ZAE000088431

LEI CODE: 37890022AF5FD117D649

CONTENTS

CONSOLIDATED AND STANDALONE ANNUAL FINANCIAL STATEMENTS

These annual financial statements were compiled under the supervision of JH le Roux, CEO and financial director of the group and Chartered Accountant SA), and audited by the group's external auditor Deloitte & Touche.

REPORT OF THE AUDIT AND RISK COMMITTEE

The Zeder Investments Limited ("Zeder") Audit and Risk Committee ("the committee") is an independent statutory committee appointed by the board of directors in terms of section 94 of the Companies Act of South Africa, 71 of 2008 (as amended) ("the Companies Act"). The committee also acts as the statutory audit committee of public company wholly-owned subsidiaries that are legally required to have such a committee.

The committee consists of three independent non-executive directors, namely Mrs S Cassiem, Messrs RM Jansen (passed away 4 September 2021), CA Otto and Mrs NS Mjoli-Mncube, who served as members for the committee for one and half, two and half, eight and five and half years, respectively.

The committee met twice during the past financial year on 13 April 2021 and 5 October 2021, as well as after financial year-end on 12 April 2022, with all members being present with the exception of Mr RM Jansen who had passed away prior to the 5 October 2021 meeting.

The audit and risk committee operate in accordance with a board-approved charter. The audit and risk committee conducted its affairs in compliance with, and discharged its responsibilities in terms of, its charter for the year ended 28 February 2022.

The committee performed the following duties in respect of the year under review:

- Satisfied itself that the external auditor is independent of Zeder, as set out in section 94(8) of the Companies Act, and suitable for reappointment by considering, *inter alia*, paragraph 3.84(g)(iii) and the information stated in paragraph 22.15(h) of the JSE Limited Listings Requirements ("JSE Listings Requirements");
- Ensured that the appointment of the external auditor complied with the Companies Act and any other legislation relating to the appointment of an auditor;
- In consultation with management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2022 financial year;
- Approved the nature and extent of non-audit services that the external auditor may provide;
- Nominated for re-election at the annual general meeting, Deloitte & Touche as the external audit firm;
- Satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the independent external auditor, that the risk management processes and systems of internal financial controls, within the combined assurance model, are effective and forms a basis for the preparation of reliable financial statements;
- Satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the external auditor, that Zeder be regarded as a going concern;
- Reviewed the formal policy and calculation for the ordinary dividend and special dividend and recommended a special dividend, but no ordinary dividend, for approval by the board;
- Reviewed the accounting policies and financial statements for the year ended 28 February 2022 and, based on the information provided to the committee, considers that the company and group complies, in all material respects, with the requirements of International Financial Reporting Standards ("IFRS"); the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the manner required by the Companies Act and the JSE Listings Requirements;
- The committee considered the methodologies, assumptions and judgements applied by management in determining the internal valuations for unlisted investments, as well as the conclusion of Zeder meeting the definition of an Investment Entity and is satisfied that the valuation approach taken and Investment Entity consideration was appropriate;
- Considered the JSE Limited's ("JSE") latest report on the proactive monitoring of financial statements for compliance with IFRS;
- Ensured that the appropriate financial reporting procedures exist and are operating as required by the JSE Listing Requirements paragraph 3.84(g)(ii);
- Satisfied itself in terms of paragraph 3.84(g)(i) of the JSE Listings Requirements that the Zeder financial director, as well as the group finance function, has the appropriate expertise and experience; and
- Undertook the prescribed functions in terms of section 94(7) of the Companies Act, on behalf of the subsidiary companies of the group.

Deloitte & Touche, as well as the designated external audit partner, Mr JHW de Kock, has served as external auditor of Zeder for the first year. The committee remains satisfied with the quality of the external audit performed by Deloitte & Touche.

S Cassiem
Chairman

26 May 2022
Stellenbosch

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

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 IFRS; 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 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 5 to 54 were approved by the board of directors of Zeder and are signed on its behalf by:

Chris Otto	**JH le Roux**
Chairman	*CEO and Financial director*

26 May 2022
Stellenbosch

DIRECTOR'S RESPONSIBILITY STATEMENT

The director, whose name is stated below, hereby confirms that:

- the annual financial statements set out on pages 5 to 54, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where I am not satisfied, I have disclosed to the audit and risk committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

JH le Roux
CEO and Financial director

26 May 2022
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

26 May 2022
Stellenbosch

DIRECTORS' REPORT

OVERVIEW

Zeder is an investor in the broad agribusiness and related industries, with a historical focus on the food and beverage sectors. Its underlying investment portfolio was valued at R6.43bn on 28 February 2022.

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.

Zeder concluded that it continues to meet the definition of an Investment Entity, as its focus on wealth creation for its shareholders has not changed, and the performance of its investments are measured with reference to the fair value of each investment in Zeder's drive to meet its objective of maximising wealth through capital appreciation, investment income or both.

Noteworthy transactions

- Zeder, through its wholly-owned subsidiary, Zeder Financial Services Limited ("ZFS"), entered into an agreement with, *inter alia*, TLG Midco Proprietary Limited and TLG Acquisition Holdings Proprietary Limited, in terms of which ZFS will sell all of its shares in the issued share capital of The Logistics Group Proprietary Limited ("The Logistics Group"), comprising 98.22% of The Logistics Group's shares in issue for a disposal consideration of up to R1.57bn.
- On 28 February 2022, the Zeder board resolved to unbundle 31 286 956 Kaap Agri Limited ("Kaap Agri") shares, comprising approximately 42.2% of the total issued share capital of Kaap Agri, to Zeder shareholders by way of a *pro rata* distribution *in specie*, in the ratio of 1 Kaap Agri share for every 49.22692 Zeder shares held.

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

- Zeder's *SOTP value* per share, calculated using the quoted market prices for all JSE-listed investments and internal valuations for unlisted investments, increased by 7.6% during the year to R4.66 as at 28 February 2022. The increase is mainly due to the increased valuations of The Logistics Group and Kaap Agri, countered by the payment of the 20 cents per share special dividend on 10 May 2021 out of cash reserves.

Earnings performance

- As at 28 February 2022, the net asset value per share (Zeder's trading statement measure) was 466.1 cents, representing an increase of 7.6% when compared to the 433.2 cents as at 28 February 2021, mainly as a result of the increased valuations of The Logistics Group and Kaap Agri, countered by the payment of the 20 cents per share special dividend on 10 May 2021 out of cash reserves.
- Attributable earnings per share decreased by 65.9% from 152.8 cents to 52.1 cents mainly as a result of the non-recurrence of the significant non-headline gain on deemed disposal and reacquisition of investments in the previous year, as a result of the change in Investment Entity status on 1 March 2020.
- Headline earnings per share increased by 31.2% from 39.7 cents to 52.1 cents mainly as a result of the increased valuations of The Logistics Group and Kaap Agri.
- Profit before finance costs and taxation from continued operations, decreased by 98.8% from R823m to R10m.

STATED CAPITAL

No ordinary shares were issued during the year under review or prior year. No ordinary shares were purchased and cancelled during the year under review. During the previous year, Zeder invested R426m in the repurchase of shares at an average price of R2.48 per share. The 171 918 767 ordinary shares repurchased were delisted and cancelled.

Details regarding the authorised and issued share capital, as well as the treasury shares, are disclosed in note 6 to the annual financial statements.

DIVIDENDS

No ordinary dividend was declared to the ordinary shareholder during the year under review or prior year. However, the company declared on 14 April 2021, a special gross dividend of 20 cents per share (R307m) to shareholders from income resources, which was paid on 10 May 2021.

EVENTS SUBSEQUENT TO THE REPORTING DATE

Subsequent to year-end, the condition precedent regarding the unbundling of the Kaap Agri shareholding, was met and the Kaap Agri shareholding was unbundled, effective on 4 April 2022. In addition, Zeder shareholders approved the disposal of the investment in The Logistics Group at a general meeting held on 15 March 2022, with the remaining suspensive conditions being fulfilled thereafter and The Logistics Group disposal being implemented on 31 March 2022.

Subsequent to year-end, Zeder declared a gross special dividend of 92.5 cents per share (paid on 9 May 2022). Zeder converted the outstanding loan of R330m, as at 30 April 2022, to Zaad into equity via a rights issue.

Apart from the above, the directors are unaware of any matter or event which is material to the financial affairs of the group that have occurred between the end of the reporting year and the date of approval of the consolidated annual financial statements.

DIRECTORS' REPORT

(CONTINUED)

SECRETARY

The secretary of the company is Zeder Corporate Services Proprietary Limited. The business and postal addresses are 2nd Floor, Ou Kollege, 35 Kerk Street, Stellenbosch, 7600 and PO Box 7403, Stellenbosch, 7599 respectively.

AUDITOR

At the date of this report, Deloitte & Touche held office in accordance with the Companies Act of South Africa.

TRANSFER SECRETARY

The transfer secretary of the company is Computershare Investor Services Proprietary Limited and its business and postal addresses are Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 and PO Box 61051, Marshalltown, 2107 respectively.

SPONSOR

The sponsor of the company is PSG Capital Proprietary Limited.

INDEPENDENT JOINT SPONSOR

The independent joint sponsor of the company is Tamela Holdings Proprietary Limited.

DIRECTORS

The directors of the company during the year and at the date of this report were:

Executive	
JH le Roux (CEO and Financial director)	(Appointed 8 September 2016)
Non-executive	
WL Greeff	(Appointed 21 May 2009)
PJ Mouton	(Appointed 30 April 2012)
Independent non-executive	
CA Otto (Chairman)	(Appointed 21 August 2006)
S Cassiem	(Appointed 12 February 2021)
GD Eksteen	(Appointed 1 September 2009; Retired 8 April 2021)
RM Jansen	(Appointed 29 January 2019; Deceased 4 September 2021)
NS Mjoli-Mncube	(Appointed 1 June 2016)

DIRECTORS' SHAREHOLDING

	Beneficial		Non-beneficial	Total shareholding 2022		Total shareholding 2021	
Audited	**Direct**	**Indirect**	**Indirect**	**Number**	**%**	**Number**	**%**
N Celliers[1]				–		1 187 987	0.077
JH le Roux		**1 045 838**		**1 045 838**	**0.068**	1 045 838	0.068
GD Eksteen[1]				–		6 933 585	0.451
WL Greeff		**80 000**		**80 000**	**0.005**	80 000	0.005
NS Mjoli-Mncube	**48 983**			**48 983**	**0.003**	48 983	0.003
CA Otto			**80 000**	**80 000**	**0.005**	80 000	0.005
	48 983	**1 125 838**	**80 000**	**1 254 821**	**0.081**	9 376 393	0.609

1 *Mr N Celliers resigned as Chief Executive Officer with effect from 1 October 2020. During the current year, Mr GD Eksteen retired due to ill health, effective 8 April 2021 and subsequently passed away on 19 April 2021.*

All or part of the above shares, held by Mr JH le Roux, serve as security for loans granted to him with regards to the share options allocated to executive directors, in terms of a share incentive scheme or other loan funding, on or before 28 February 2018 (refer to note 2 to the annual financial statements).

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

Also refer to page 54 in the annual financial statements detailing the shareholder analysis.

DIRECTORS' REPORT

(CONTINUED)

DIRECTORS' EMOLUMENTS

Directors' remuneration:

The table below provides information on the total remuneration of Zeder's executive directors:

Audited	Short-term remuneration				Long-term remuneration	
		Base salary				
	Approved R'000	Deferred for 12 months[2] R'000	Prior year deferred paid R'000	Paid during the year[3] R'000	Non-cash gains from exercise of share options[4] R'000	Total remuneration R'000
28 February 2022						
JH le Roux	**5 435**	**(1 631)**	**1 622**	**5 426**	**51**	**5 477**
28 February 2021						
N Celliers[5]	8 289	(2 487)	2 642	8 444	89	8 533
JH le Roux	5 175	(1 553)	1 649	5 271		5 271
	13 464	(4 040)	4 291	13 715	89	13 804

[2] *30% 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 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).*

[3] *To help drive a long-term focus and decision-making with the ultimate objective to maximise shareholder wealth, thereby better aligning the interests of management with those of shareholders and other stakeholders, the executives do not qualify for short-term discretionary bonuses.*

[4] *Share options exercised during the year represented the PSG Group Limited ("PSG Group") share options that became exercisable on 28 February 2021 and that were exercised within the approved exercise window. These PSG Group share options granted to participants, relate to the period prior to the Management Fee Internalisation transaction. None of the Zeder share options that became exercisable on 28 February 2021 were exercised, nor forfeited during the year, due to Zeder trading under a cautionary and the participants were not able to exercise the share options.*

[5] *Mr N Celliers resigned as Chief Executive Officer with effect from 1 October 2020.*

The table below provides information on the total remuneration of Zeder's non-executive directors:

Audited	Total remuneration 2022 R'000	Total remuneration 2021 R'000
GD Eksteen[6]		495
S Cassiem[6]	**476**	
WL Greeff[7]		
RM Jansen[6]	**274**	468
ASM Karaan[6]		330
NS Mjoli-Mncube	**491**	440
PJ Mouton[7]		
CA Otto	**785**	747
	2 026	2 480

[6] *During the current year, Mr GD Eksteen retired due to ill health, effective 8 April 2021 and Mr RM Jansen passed away on 4 September 2021. During the previous year Mr ASM Karaan passed away on 13 January 2021 and Mrs S Cassiem was appointed on 12 February 2021.*

[7] *These directors do not receive any emoluments for services rendered to the company and only receive emoluments from PSG Corporate Services Proprietary Limited ("PSGCS") for services rendered to PSG Group and its investee companies (including the Zeder group). The Zeder group pays a strategic fee to PSGCS for services rendered to the company, refer to note 17 to the consolidated annual financial statements.*

Members of the Zeder Executive Committee ("Exco") are regarded as being the prescribed officers of the company. The Exco comprises Messrs JH le Roux (Chairman), WL Greeff and PJ Mouton. Mr JH le Roux's remuneration is included above and the other Exco members' remuneration is disclosed in PSG Group's annual report.

Equity-based remuneration:

The table below provides information on Zeder's executive directors' unvested share options:

Audited	Number of share options as at 28 Feb 2021	Number of share options during the year: Granted	Exercised[8]	Forfeited - lapsed	Market price per share on vesting date R	Original strike price per share R	Adjusted strike price per share[9] R	Date granted	Number of share options as at 28 Feb 2022	Cost to participant at vesting price R	Market value to participant as at 28 Feb 2022 R	Unrealised gains to participant as at 28 Feb 2022 R
Zeder Investments Limited share options granted by the Zeder Group Share Incentive Trust												
JH le Roux	93 279					4.97	2.10	29/02/2016	**93 279**	**195 886**	**333 006**	**137 120**
	893 519					7.29	3.80 - 4.13	28/02/2017	**893 519**			
	1 739 646					6.41	2.65 - 3.22	28/02/2018	**1 739 646**	**5 108 760**	**6 210 537**	**1 101 777**
	3 503 451					4.36	0.86 - 1.52	28/02/2019	**3 503 451**	**4 204 141**	**12 507 320**	**8 303 179**
	2 192 937					4.52	0.70 - 1.44	29/02/2020	**2 192 937**	**2 379 336**	**7 828 784**	**5 449 448**
	15 000 000					2.66	2.34 - 2.43	18/01/2021	**15 000 000**	**35 775 000**	**53 550 000**	**17 775 000**
Total	23 422 832	–	–	–					**23 422 832**	**47 663 123**	**80 429 647**	**32 766 524**

Audited	Number of share options as at 28 Feb 2021	Number of share options during the year: Granted	Exercised[10]	Forfeited - lapsed	Market price per share on vesting date R	Strike price per share R	Date granted	Number of share options as at 28 Feb 2022	Cost to participant at vesting price R	Market value to participant as at 28 Feb 2022 R	Unrealised gains to participant as at 28 Feb 2022 R
PSG Group Limited share options granted by the PSG Group Limited Supplementary Share Incentive Trust[11]											
JH le Roux	866		(866)		79.74	21.39	29/02/2016	**–**			

8 The participants have not yet elected to exercise their right in terms of the provisions of the share incentive schemes to exercise their share options that became exercisable on 28 February 2022. If possible, such right will be exercised within the 180-day exercise window. In addition, none of the Zeder share options that became exercisable on 28 February 2021 were exercised, nor forfeited during the year, due to Zeder trading under a cautionary and the participants were not able to exercise the share options.

9 The approved Zeder Group Share Incentive Trust ("SIT") deed ("Trust Deed"), entitles Zeder board (acting through its remuneration committee) ("Remcom") to instruct the SIT's trustees to effect such adjustments to the Strike Prices (as defined in the Trust Deed) of awarded but unexercised share options as the Remcom "shall consider fair and reasonable in the circumstances …" and to take account of special dividends and various other corporate actions listed in that clause. On 10 May 2021 Zeder distributed a gross dividend of 20 cents per share to Zeder ordinary shareholders as a special dividend from income reserves and in accordance with the JSE Listings Requirements and the Trust Deed, the SIT's trustees adjusted the Strike Prices of the awarded but unexercised share options. The external auditors, Deloitte & Touche, reviewed, and the JSE approved, the adjusted strike prices, accordingly.

10 Share options exercised during the year represented the PSG Group share options that became exercisable on 28 February 2021 and that were exercised within the approved exercise window.

11 PSG Group share options granted to participants, relate to the period prior to the Management Fee Internalisation transaction.

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Zeder Investments Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Zeder Investments Limited (the Group and Company) set out on pages 6 to 8 and 14 to 51 which comprise the consolidated and separate statements of financial position as at 28 February 2022, and the consolidated and separate income statements and statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Zeder Investments Limited and its subsidiaries as at 28 February 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards)

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

Key Audit Matters

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

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><th colspan="2">Valuation of unlisted investments in portfolio companies</th></tr>
<tr><td>The key audit matter relates to the consolidated and separate financial statements.

Refer to the following notes to the consolidated and separate annual financial statements:
• Notes 3.2 and 20.2 of the Accounting Policies; and
• Note 1 to the consolidated financial statements.

The Group holds unlisted investments, which are measured at fair value through profit or loss in accordance with IFRS 9: Financial Instruments. This is as a result of the Group being classified as an investment entity, in accordance with IFRS 10: Consolidated Financial Statements.

The fair value of these unlisted investments at 28 February 2022 is R4.8 billion.

The Group applies various methodologies to determine the fair value of the investments in accordance with IFRS 13: Fair Value Measurement. These are:
• Earnings multiples which are applied to related recurring earnings. The multiple may include enterprise value (“EV”)/earnings before interest, tax, depreciation and amortisation (“EBITDA”) or price/earnings multiples; or
• Market-related net asset value supported by third party valuations; or
• Recent transaction prices for the disposal of investments that has been concluded.

The key assumption applied in the determination of the enterprise value is the earnings multiple. This is</td><td>In evaluating the valuation of unlisted investments in portfolio companies, we assessed the reasonability of judgements, estimates and inputs used in the respective valuations.

Our audit procedures included, amongst others, the following:
• Tested the design, implementation and operating effectiveness of the key controls operating in the valuation process. This included assessing the approval by the Board of Directors and Audit and Risk Committee who consider the final valuations of unlisted investments and related inputs used in such valuations;
• Engaged our valuation specialists who tested the principles, methodology and integrity of the models used for alignment with appropriate industry practise;
• Assessed, tested and challenged management’s estimates and assumptions and considered relevant contradictory evidence in determining multiples used;
• Agreed the EBITDA included in the calculations to audited financial information where possible, or to more recent management accounts which were discussed with the unlisted investment’s management where appropriate;
• Performed an independent analysis of inputs used in the EV/EBITDA or price-earnings multiple determined for each unlisted investment. This included considering appropriate peer companies and recent comparable transactions</td></tr>
</table>

Key Audit Matter	How the matter was addressed in the audit
derived from comparable listed companies, companies in the same industry and geography and, where possible, those with a similar business model and profile. These multiples are adjusted, to the extent deemed appropriate, for factors such as liquidity risk, marketability risk, growth potential, relative performance and minority discounts/controlling premiums. The resultant earnings multiples are applied to recurring EBITDA or earnings of each investment to determine the EV. Where management valued unlisted investments with reference to its net asset value, such net asset value was largely supported by independent third-party property valuations. Where an investment has been sold subsequent to the financial year end, that value is considered to be the investment carrying value at reporting date. We considered the fair value of the underlying unlisted investments in portfolio companies to be a matter of most significance to the current year audit due to: • The magnitude of the unlisted investments in portfolio companies in relation to the consolidated and separate financial statements; and • The degree of judgement and estimation applied in determining the fair value of the underlying unlisted investments in portfolio companies.	relevant to the specific investments based on our own research. We benchmarked the comparative peer EBITDA margins derived against independent third-party sources, and considered the reasonableness of sustainable earnings. This was a focus area given that the models are highly sensitive to the inputs and are judgemental in nature; • We independently considered any further adjustments made to multiples (such as discounts for minority/controlling stake and marketability); • Inspected the signed agreements supporting the disposal of the Group's investment in The Logistics Group and obtained an understanding of the suspensive conditions to be fulfilled. We inspected shareholder approval obtained for the disposal at the general meeting held on 15 March 2022 and agreed the disposal proceeds to the signed agreement; • Tested the mathematical accuracy and logic of the calculations; • Assessed the competency, independence, objectivity and capability of the independent third-party valuators who determine the market-related net asset value for certain investments; • Independently recalculated the fair value of the material properties; • Performed a sensitivity analysis considering the impact of changes to key inputs; and • Considered the appropriateness of the disclosures made. Based on the procedures above we found the fair values of unlisted investments determined by management to be reasonable and the underlying assumptions, estimations and uncertainties to be appropriately disclosed.

Key Audit Matter	How the matter was addressed in the audit
Reassessment for the classification of an investment entity in terms of IFRS 10	
As disclosed in the following notes and annexures to the consolidated and separate financial statements: • Notes 3 and 20.1 of the Accounting Policies, and • Note 1 to the consolidated financial statements. With effect from 1 March 2020, the Company qualified as an Investment Entity in accordance with IFRS 10: Consolidated Financial Statements. From this date onwards the Company ceased to consolidate its subsidiaries (other than those subsidiaries that are not, themselves investment entities that provide investment related services to the Company's investment activities) and to instead measure its investments at fair value through profit or loss, with any resultant gain or loss recognised in fair value gains/losses on investments at fair value through profit or loss. An investment entity is typically an entity that: • Obtains funds from one or more investors for the purpose of providing such investor(s) with investment management services; • Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; • Measures and evaluates the performance of substantially all of its investments on a fair value basis; • Considered additional guidance including whether the entity has more than one investment, has more than one investor who are not related and has ownership interests in the form of equity or similar interests. IFRS 10 requires a parent to perform a reassessment of its investment entity status if facts and circumstances indicate that there are changes to one or more of the three elements that make up the definition of an investment entity, as described, or the typical	We assessed whether the Company meets the criteria of an investment entity, in terms of IFRS 10. Our procedures included the following: • Tested the Company's controls relating to the investment entity status, including assessing the design and implementation of key controls that monitored this key judgement; • Considered management's assessment of the criteria and their conclusion as to investment entity status; and • Performed an independent assessment on whether the Company meets the investment entity criteria. Criteria we specifically reviewed included: • Inspected evidence supporting that the Group undertakes investment related activities and identifies itself as an investment entity; • Inspected evidence that the Group monitors performance of the underlying investments on a fair value basis; and • Inspected evidence that the Board continuously considers possible exit strategies, continuously monitors the fair value of investments and their performance on a fair value basis and ensuring the tabling and discussion of the fair value of investments at each Board meeting. Considered additional guidance performing the following procedures,: • Verified that the Company holds more than one investment, being listed and unlisted entities; • Inspected the Company's share register to identify the number of shareholders and whether they are related; and Confirmed the nature of the Company's investments in its investee companies. Considered the appropriateness of the disclosures made.

Key Audit Matter	How the matter was addressed in the audit
characteristics of an investment entity, as described above. The reassessment and classification to that of an investment entity classification in terms of IFRS 10 is considered a key audit matter for our year end audit due to the complexity involved in the determination of the status and classification as an investment entity; and the potential significance of the impact changes to this classification would have on the consolidated and separate financial statements of the Company.	Based on the procedures listed above we found it reasonable for the Company to be classified as an investment entity in terms of IFRS 10 and deemed the relevant disclosure to be appropriate.

Other Matter

The consolidated and separate financial statements of the Group and Company for the year ended 28 February 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 26 May 2021.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Zeder Investments Limited Annual Financial Statements for the year ended 28 February 2022”, which includes the Directors’ Report, the Audit Committee’s Report and the Company Secretary’s Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

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

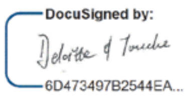
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte has been the auditor of Zeder Investments Limited for one year.



Deloitte & Touche
Registered Auditor

Per: JHW de Kock
Partner
26 May 2022

The Ridge Building
6 Marina Road
Portswood District
V&A Waterfront
Cape Town
8000

STATEMENTS OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2022

		GROUP		COMPANY	
	Notes	**2022 Rm**	**2021 Rm**	**2022 Rm**	**2021 Rm**
ASSETS					
Investments	1	**3 257**	5 724	**7 241**	7 121
Current income tax assets		**5**	2		
Loans and advances	2	**329**	129	**11**	
Trade and other receivables	3	**6**	15		1
Cash, money market investments and other cash equivalents	4	**508**	876		
Assets held for sale	5.1	**3 174**			
Total assets		**7 279**	6 746	**7 252**	7 122
EQUITY AND LIABILITIES					
Stated capital	6	**6 634**	6 634	**6 634**	6 634
Treasury shares		**(36)**	(36)		
Other reserves	7	**10**	(2)	**10**	(2)
Retained earnings		**560**	66	**524**	30
Total equity		**7 168**	6 662	**7 168**	6 662
Liabilities					
Deferred income tax liabilities	8	**1**	1		
Borrowings	9			**6**	387
Employee benefits	10	**2**	4		
Trade and other payables	11	**108**	79	**78**	73
Total liabilities		**111**	84	**84**	460
Total equity and liabilities		**7 279**	6 746	**7 252**	7 122
Net asset value per share (cents)		**466.1**	433.2		
Tangible asset value per share (cents)		**466.1**	433.2		

INCOME STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

		GROUP		COMPANY	
	Notes	2022 Rm	2021[1] Rm	2022 Rm	2021 Rm
Net fair value (loss)/gain on investments	1	**(40)**	119	**120**	(4 680)
Investment income					
Interest income					
Interest income earned using effective interest rate	12	**36**	56		
Interest income earned on fair value through profit or loss	12	**4**	9		
Dividend income	12	**46**	1	**684**	5 518
Income					
Gain on deemed disposal and reacquisition of investments	1		660		3 499
Other operating income	13	**4**	5		
Expenses					
Marketing, administration and other expenses	14	**(40)**	(27)	**(2)**	(2)
Profit before finance costs and taxation		**10**	823	**802**	4 335
Finance costs	15		(49)		
Profit before taxation		**10**	774	**802**	4 335
Taxation	16	**(12)**	(19)		
(Loss)/profit for the year from continued operations		**(2)**	755	**802**	4 335
Profit for the year from discontinued operations	5.2	**803**	1 720		
Profit for the year		**801**	2 475	**802**	4 335
Attributable to:					
Continued operations		**(2)**	755	**802**	4 335
Discontinued operations		**803**	1 720		
		801	2 475	**802**	4 335
Earnings per share (refer note 20)					
Attributable – basic (cents)		**52.1**	152.8		
Attributable – diluted (cents)		**45.3**	146.8		

[1] *Represented for discontinued operations detailed in note 1.*

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2022

	GROUP		COMPANY	
	2022 Rm	2021[1] Rm	2022 Rm	2021 Rm
Profit for the year	**801**	2 475	**802**	4 335
Continued operations	**(2)**	755	**802**	4 335
Discontinued operations	**803**	1 720		
Other comprehensive income for the year, net of taxation	**–**	536	**–**	–
Items reclassified to profit and loss				
Reclassification of foreign currency translation reserves		536		
Total comprehensive income for the year	**801**	3 011	**802**	4 335
Attributable to:				
Continued operations	**(2)**	1 283	**802**	4 335
Discontinued operations	**803**	1 728		
Owners of the parent	**801**	3 011	**802**	4 335

[1] *Represented for discontinued operations detailed in note 1.*

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2022

GROUP	Stated capital Rm	Treasury shares Rm	Other reserves Rm	Retained earnings Rm	Non-controlling interests Rm	Total Rm
Balance at 1 March 2020	7 060	(71)	(737)	1 722	344	8 318
Total comprehensive income	–	–	536	2 475	–	3 011
Profit for the year				2 475		2 475
Other comprehensive income			536			536
Transactions with owners	(426)	35	199	(4 131)	(344)	(4 667)
Deemed disposal and reacquisition of investments (notes 1 and 19.4)			45	(41)	(344)	(340)
Share buy-back	(426)					(426)
Treasury shares sold		35				35
Transactions with non-controlling shareholders			(15)			(15)
Share-based payment costs - employees			(2)			(2)
Transfer between reserves			171	(171)		–
Dividends paid *(net of treasury share dividends)*				(3 919)		(3 919)
Balance at 28 February 2021	**6 634**	**(36)**	**(2)**	**66**	**–**	**6 662**
Total comprehensive income	**–**	**–**	**–**	**801**	**–**	**801**
Profit for the year				**801**		**801**
Other comprehensive income						**–**
Transactions with owners	**–**	**–**	**12**	**(307)**	**–**	**(295)**
Share-based payment costs - employees			**12**			**12**
Dividends paid *(net of treasury share dividends)*				**(307)**		**(307)**
Balance at 28 February 2022	**6 634**	**(36)**	**10**	**560**	**–**	**7 168**

COMPANY	Stated capital Rm	Other reserve[1] Rm	Retained earnings Rm	Total Rm
Balance at 1 March 2020	7 060	23	(378)	6 705
Profit and total comprehensive income for the year			4 335	4 335
Share buy-back	(426)			(426)
Share-based payment costs – employees		(2)		(2)
Transactions with non-controlling shareholders		(15)		(15)
Transfer between reserves		(8)	8	–
Dividend paid			(3 935)	(3 935)
Balance at 28 February 2021	**6 634**	**(2)**	**30**	**6 662**
Profit and total comprehensive income for the year			**802**	**802**
Share-based payment costs – employees		**12**		**12**
Dividend paid			**(308)**	**(308)**
Balance at 28 February 2022	**6 634**	**10**	**524**	**7 168**

Final dividends per share (refer note 20)

- 2021: no ordinary dividend declared; 20 cents special dividend (declared on 13 April 2021 and paid on 10 May 2021)
- 2022: no ordinary dividend declared; 92.5 cents special dividend (declared on 12 April 2022 and paid on 9 May 2022)

[1] *Comprise mainly of provision for share buy-back from a dissenting shareholder, in terms of section 166 of the Companies Act, subsequent to the Pioneer Foods disposal in FY2021, countered by the share-based payment reserve.*

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2022

		GROUP		COMPANY	
	Notes	2022 Rm	2021[1] Rm	2022 Rm	2021 Rm
Cash flow from operating activities		**119**	36	**688**	5 564
Cash (utilised by)/generated from operations	19.1	**(14)**	24	**4**	46
Interest received		**20**	58		
Dividends received		**128**	17	**684**	5 518
Interest paid			(47)		
Taxation paid	19.2	**(15)**	(16)		
Cash flow from investment activities		**(180)**	6 242	**(11)**	–
Proceeds from disposal of investments	19.3		6 716		
Additions to investments			(25)		
Cash and cash equivalents on deemed disposal of investments	19.4		(328)		
Loans and advances granted		**(180)**	(124)	**(11)**	
Repayment of loans and advances			3		
Cash flow from financing activities		**(307)**	(5 813)	**(677)**	(5 564)
Share buy-back			(426)		(426)
Treasury shares sold			32		
Dividends paid to shareholders of the parent		**(307)**	(3 919)	**(308)**	(3 935)
Borrowings repaid	19.5		(1 500)	**(689)**	(5 879)
Borrowings drawn	19.5			**320**	4 676
Net (decrease)/increase in cash and cash equivalents		**(368)**	465	**–**	–
Cash and cash equivalents at beginning of year		**876**	411		
Cash and cash equivalents at end of year	4	**508**	876	**–**	–

[1] *Represented for discontinued operations detailed in note 1.*

ACCOUNTING POLICIES

FOR THE YEAR ENDED 28 FEBRUARY 2022

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. However, the group adopted the various revisions to IFRS, refer accounting policies note 2, which were effective for its financial year ended 28 February 2022, but, these revisions have not resulted in material changes to the group's reported results or disclosures in these financial statements.

1. BASIS OF PREPARATION

The consolidated and standalone financial statements have been prepared on the going concern basis and in compliance with International Financial Reporting Standards; the IFRS Interpretations Committee interpretations; 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. The financial statements have been prepared under the historical cost convention, as modified for the effects of the revaluation of financial assets and liabilities.

The preparation of financial statements 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. Changes in assumptions might have a significant impact on the financial statements in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the consolidated and standalone financial statements are fairly presented. 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, and in particular, determining the fair value of investments, are disclosed in accounting policy note 20 below.

2. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

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

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

- Amendments to IFRS 4 *Insurance contracts*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 9 *Financial Instruments*, IFRS 16 *Leases* and IAS 39 *Financial Instruments: Recognition and Measurement* (effective 1 January 2021)[2]

  Interest Rate Benchmark Reform Phase 2: The amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.

2.2 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 2021 or later periods and have not been early adopted by the group:

- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* – Annual Improvements to IFRS Standards 2018–2020 (effective 1 January 2022)[2]

  Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture.

- Amendments to IFRS 3 *Business Combinations* – Reference to the Conceptual Framework (effective 1 January 2022)[2]

  The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

- Amendments to IFRS 9 *Financial Instruments* – Annual Improvements to IFRS Standards 2018–2020 (effective 1 January 2022)[2]

  The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

- IFRS 17 *Insurance contracts* (effective 1 January 2023)[2]

  This standard replaces 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 updated estimates and assumptions 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.

- Amendments to IAS 1 *Presentation of Financial Statements* – Classification of Liabilities as Current or Non-current (effective 1 January 2023)[1]

  Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

- Amendments to IAS 1 *Presentation of Financial Statements* – Disclosure of Accounting Policies (effective 1 January 2023)[1]

  The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* – Definition of Accounting Estimates (effective 1 January 2023)[1]

  The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

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

2.2 New standards, interpretations and amendments that are not yet effective continued

- Amendments to IAS 12 *Income Taxes* – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)[2]

  The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

- Amendments to IAS 16 *Property, Plant and Equipment* – Property, Plant and Equipment: Proceeds before Intended Use (effective 1 January 2022)[2]

  The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit and loss.

- Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* – Onerous Contracts—Cost of Fulfilling a Contract (effective 1 January 2022)[2]

  The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making.

- Amendment to IAS 41 *Agriculture* – Annual Improvements to IFRS Standards 2018–2020 (effective 1 January 2022)[2]

  The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

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

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

3. INVESTMENT ENTITY AND CONSOLIDATION

3.1 Basis of consolidation

In accordance with IFRS 10, Zeder concluded that it continues to meet the definition of an Investment Entity and therefore is required to recognise its investments at fair value through profit or loss. Therefore, it does not consolidate the subsidiaries ("investments") it controls. However, wholly-owned subsidiaries that provide investment related services, such as management or employment services, (i.e. those wholly-owned subsidiaries comprising Zeder's head office operations), as well as the share incentive trust, are not accounted for at fair value through profit or loss and continue to be consolidated.

3.2 Accounting for investment portfolio companies

The underlying investments will be measured at fair value through profit or loss in accordance with IFRS 9 and IFRS 13, irrespective of whether they are subsidiaries, as explained below.

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 usually fully consolidated from the date on which control is transferred to the group and are deconsolidated from the date that control ceases.

The group is required to determine the degree of control or influence the group exercises and the form of any control to ensure that the financial treatment is accurate.

Where the group does have control in accordance with IFRS 10, investments that are held by investment entities are to be recognised and measured as at fair value through profit or loss and accounted for in accordance with IFRS 9 and IFRS 13, with changes in fair value recognised in profit or loss in the period of the change.

3.3 Consolidation of wholly-owned subsidiaries comprising Zeder's head office operations, as well as the share incentive trust

Zeder head office operations provide investment-related services through the provision of investment management or advice. These entities, as well as the share incentive trust, are not part of the investment portfolio and continue to be consolidated.

On acquisition date, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values. Acquisition-related costs are expensed as incurred.

Any excess of acquisition cost over fair value of the identifiable net assets acquired is recognised as goodwill. Any shortfall in the acquisition cost below the fair value of the identifiable net assets acquired (i.e. discount) is credited to profit and loss in the period of acquisition. Minority shareholders are stated at their proportion of the fair value of the assets and liabilities recognised.

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.

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 and 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 and loss.

3. INVESTMENT ENTITY AND CONSOLIDATION continued

3.4 Investment in subsidiary (Company)

IAS27.11A requires an Investment Entity to similarly account for its investment in subsidiaries at fair value in its separate financial statements, therefore the underlying investment in subsidiary will be measured at fair value through profit or loss in accordance with IFRS 9 and IFRS 13 in the separate financial statements.

4. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (refer to segment report in note 22). 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. FINANCIAL INSTRUMENTS

Financial instruments recognised on the statement of financial position include financial assets, consisting of investments (held at fair value through profit or loss), loans and advances, trade and other receivables, cash, money market investments and other cash equivalents, as well as financial liabilities, consisting of borrowings and trade and other payables.

6. 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.

7. FINANCIAL ASSETS

The group classifies its financial assets in the following measurement categories: those to be measured at fair value through profit or loss and those to be measured at amortised cost. Management determines the classification of its financial assets at initial recognition. The classification of financial assets are on the basis of the business model for managing the financial assets with the objective to hold financial assets in order to collect contractual cash flow or hold to collect contractual cash flow and selling financial assets.

For assets measured at fair value, gains and losses will be recorded in profit and loss.

7.1 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group unconditionally commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired and the group has transferred substantially all the risks and rewards of ownership.

7.2 Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss.

(a) *At fair value through profit or loss*

- *Investments at fair value through profit or loss*

  The group classifies its financial assets as fair value through profit or loss if the financial assets are either held for trading or designated as at fair value through profit or loss.

  The group subsequently measures all investments as at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gains/(losses) in the income statement as applicable. Dividends from such investments continue to be recognised in profit and loss as other income when the group's right to receive payment is established.

- *Money market investments at fair value through profit or loss*

  The group classifies its investments in money market funds as at fair value through profit or loss, due to the underlying investments held by the money market funds that are periodically sold and thus the net asset value of the money market fund includes gains/losses from the sale of the underlying investments.

  The group subsequently measures all investments in money market funds at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gains/(losses) in the income statement as applicable. Interest earned from such investments continue to be recognised as part of investment income in profit and loss.

7. FINANCIAL ASSETS continued

7.2 Measurement continued

(b) *At amortised cost*

- *Trade receivables*

  Trade receivables, measured in accordance with IFRS 9, are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The group and company applies the IFRS 9 simplified approach to measuring expected credit losses that uses a lifetime expected loss allowance for trade receivables.

- *Other financial assets at amortised cost*

  The group classifies its financial assets as at amortised cost only if both of the following criteria is met: the asset is held within a business model whose objective is to collect the contractual cash flows; and the contractual terms give rise to cash flows that are solely payments of principal and interest.

  Other financial assets at amortised cost include loans and advances and cash and other cash equivalents.

  Other financial assets are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, then they are recognised at fair value. All other financial assets, those classified as at amortised cost, are carried at amortised cost using the effective-interest method.

  For cash and other cash equivalents, interest is based on prevailing market rates of the respective bank accounts in which the cash and other cash equivalents are domiciled.

7.3 Valuation techniques used to determine fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For detail on the critical judgement applied on fair values, refer to accounting policy note 20.2, and for more detail with regards to the valuation techniques used to fair value of investments, refer to note 1.

7.4 Impairment

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due criterion. The expected credit loss rates for trade receivables are mainly determined using a provision matrix. The provision matrix used is based on each individual company within the group's historical default rates observed over the expected life of the receivables, an equivalent credit rating and adjusted as appropriate for current observable data and forward-looking estimates relating to the individual company within the group.

For all other financial assets at amortised cost, the group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition, which is determined by: (a) a review of overdue amounts; (b) comparing the risk of default at the reporting date and at the date of initial recognition; and (c) an assessment of relevant historical and forward-looking quantitative and qualitative information. If the credit risk on the financial asset has not increased significantly since initial recognition, the group measures the loss allowance for that financial asset at an amount equal to 12-months expected credit loss, which comprises the expected lifetime loss from the instrument if a default was to occur within 12 months of the reporting date.

The group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. The group considers an event of default has materialised, and the financial asset is credit impaired, when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay the group without taking into account any collateral held by the group or if the financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Impairment losses on financial assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

8. 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. For further information on the recognition of cash and cash equivalents, refer to accounting policy note 20.5.

9. 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.

9.1 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.

9.2 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.

10. 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, classified as financial liabilities at amortised cost, include borrowings 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. 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.

Financial liabilities, or a portion thereof, are derecognised when the obligation specified in the contract is discharged, cancelled or expired. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and settlement amounts paid are included in the income statement.

10.1 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit and loss 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 profit and loss as finance cost.

It is noteworthy to mention that as a result of the Pioneer Foods disposal, during the 2021 financial year, Zeder settled all its debt.

10.2 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 and loss over the period using the effective interest method.

11. TAXATION

11.1 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit and loss, 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. 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.

11. TAXATION continued

11.2 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 and loss. However, the group's share incentive trust (not being exempt from dividend withholding tax) may incur a dividend withholding tax expense on treasury shares held.

12. EMPLOYEE BENEFITS

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

12.1 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 four and five 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 profit and loss, 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 profit and loss 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.

12.2 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.

12.3 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.

13. PROVISIONS AND CONTINGENT LIABILITIES

13.1 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.

13.2 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.

14. 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.

15. REVENUE RECOGNITION

15.1 Dividend income

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

15.2 Interest income

Interest income for financial assets that are not classified as at fair value through profit or loss is recognised using the effective interest method and is included as part of investment income in profit and loss. When a receivable is impaired, the company 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.

16. OTHER INCOME

16.1 Management fee income and directors' fees

Management fee income and directors' fees comprises the fair value of the consideration received or receivable for services rendered in the ordinary course of the group's activities. Management fee income and directors' fees are shown net of value-added tax. The fair value of the consideration is the amount that is allocated to that performance obligation. Management fee income and directors' fees are recognised when (or as) the entity satisfies a performance obligation by transferring a promised service to the investment portfolio entity. A service is delivered when (or as) the investment portfolio entity obtains the benefit of that service.

It is the group's policy to recognise management fee income and directors' fees when it has been approved by both parties, rights have been clearly identified, payment terms have been defined, the service has commercial substance, and collectability has been ascertained as probable.

17. ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS

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 measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset (or disposal group) is recognised at the date of derecognition.

Assets (including those that are part of a disposal group) classified as held for sale are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Assets (including those that are part of a disposal group) classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major investment, line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

18. EARNINGS PER SHARE AND NET ASSET VALUE PER SHARE

18.1 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent 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.

18.2 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 fair value gains/losses from the investments due to the additional ordinary shares of those investments that would have been outstanding assuming the conversion of all dilutive potential ordinary shares of that investments by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

18.3 Headline and diluted headline earnings per share

Headline and diluted headline earnings per share are calculated on the same basis set out above and in accordance with The South African Institute of Chartered Accountants (SAICA) Circular 1/2019.

18.4 Net asset value per share ("NAVPS")

NAVPS is calculated by dividing the net asset value by the total number of ordinary shares in issue at the financial year-end, excluding treasury shares. Net asset value is the value of the total assets (non-current assets plus current assets) minus total liabilities (non-current liabilities plus current liabilities).

Zeder adopted NAVPS as the applicable criteria for trading statement purposes.

18.5 Tangible asset value per share

Tangible asset value per share is calculated by dividing the tangible asset value by the total number of ordinary shares in issue at the financial year-end, excluding treasury shares. Tangible asset value is the net asset value less the value of goodwill and other intangible assets.

19. ROUNDING OF AMOUNTS

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million currency units unless otherwise stated.

20. 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.

20.1 Assessment as an Investment Entity

Zeder concluded that it continues to meet the definition of an Investment Entity, as its focus on wealth creation for its shareholders has not changed, and the performance of its investments are measured with reference to the fair value of each investment in Zeder's drive to meet its objective of maximising wealth through capital appreciation, investment income or both.

20.2 Fair valuation of investments

The investment portfolio, a material asset of the group, is held at fair value through profit or loss.

The group applies a number of methodologies to determine and assess the reasonableness of the investments' fair value, which may include the following:

- Earnings multiple, including EV/EBITDA and price/earnings (P/E) multiples;
- Market-related net asset value supported by third party valuations; and
- Recent transaction prices, including closing quoted listed share prices.

The primary valuation models utilised for valuing unlisted investments are the earnings multiple model, as well as the market-related net asset value of the investments, or a combination of both.

The earnings multiple is the main assumption applied to an earnings-based valuation. The multiple is derived from comparable listed companies. Companies in the same industry and geography and, where possible, with a similar business model and profile are selected and multiples are then adjusted for factors including, *inter alia*, liquidity risk, marketability risk, growth potential, relative performance and a minority/controlling discount/premium is applied. This continues to be an important exercise given the market volatility we have seen as a result of the Covid pandemic, as well as the Russian-Ukraine conflict, in the past two years. EV/EBITDA multiples are applied to the *recurring* earnings, before interest, tax, depreciation and amortisation ("EBITDA"), of an investment to determine the enterprise value ("EV"). Earnings are usually obtained from the management accounts of the investments and where necessary, are adjusted for non-recurring items such as restructuring expenses or significant corporate actions. In a small number of assets we used *recurring* headline earnings. Net debt and cash are deducted from/added to the EV to determine the fair value of the equity of the investments.

Independent third party valuations were obtained to determine the market-related net asset value for certain investments, and where there are extreme volatility in earnings and resultant market multiples of the investments and comparable companies. Certain agricultural companies trade at a discount to their underlying asset values and this can be attributed to the appetite for primary farming assets and the ability of the company to realise these assets at market-related net asset values. These discounts were referenced by considering the traded discounts of comparable companies, adjusting the discount for entity specific factors, which include, but not limited to, liquidity and marketability factors.

For additional details in respect of the investments, per IFRS 13, as well as post-tax profit sensitivity analysis, refer to note 1.

20.3 Classification as subsidiaries

Management concluded that the group controls and therefore fair value certain entities in which it holds an interest of less than 50%, most notably Kaap Agri (refer note 1). Judgement is required in the assessment of whether the group has control over the entity in terms of the variability of returns from the group's involvement in the entity, the ability to use power to affect the returns and the significance of the group's investment in the entity.

Zeder concluded Kaap Agri to be a subsidiary in terms of IFRS 10, in light of its shareholding, board representation and ongoing strategic input being provided by the Zeder management team. Critical to management's assessment that Zeder obtained *de facto* control of Kaap Agri due to the recent increase in shareholding and increased involvement by Zeder management in the various sub committees of Kaap Agri.

20.4 Deferred tax

Zeder applied judgement in assessing the quantum of capital gains tax payable on the future exit of its investments, as a result of being an Investment Entity, and considering the impact of the different exit strategies available. Management has estimated the deferred tax liability, as well as the deferred tax asset, considering the capital losses available for future set off against capital gains on exit of its investments. Refer to note 8 to the consolidated financial statement which includes, the best estimate of the deferred tax asset and liability for the year.

20.5 Money market funds

Cash and cash equivalents disclosed on the statement of financial position, and in note 4, 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 on the statement of financial position.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

1. INVESTMENTS

It was previously concluded that, with effect from 1 March 2020, Zeder had qualified as an Investment Entity per the IFRS 10 criteria. As a result, on such date, the group's existing subsidiaries (other than direct or indirect wholly-owned head office subsidiaries providing investment activities to Zeder) were deemed to be disposed of and re-acquired at fair value, with the resultant gain or loss being recognised as a non-headline item in the income statement (refer note 19.4). As required by IFRS 9, in accordance with IFRS 10, Zeder measures and classifies the majority of its financial assets as at fair value through profit or loss, with any resultant gain or loss recognised in investment valuation gains/losses. Fair value is determined in accordance with IFRS 13.

Zeder concluded that it continues to meet the definition of an Investment Entity, as its focus on wealth creation for its shareholders has not changed, and the performance of its investments is measured with reference to the fair value of each investment in Zeder's drive to meet its objective of maximising wealth through capital appreciation, investment income or both.

GROUP	2022 Rm	2021 Rm
Zaad	**2 037**	2 010
The Logistics Group		1 325
Capespan	**1 053**	1 117
Kaap Agri		1 102
Agrivision Africa	**146**	146
Other	**21**	24
Total investments	**3 257**	5 724

Reconciliation

GROUP	Fair value 1 Mar 21[1] Rm	Fair value gain/(loss) Rm	Fair value 28 Feb 22 Rm	Investment (dividend) income Rm
28 February 2022				
Continued Operations				
Zaad	**2 010**	**27**	**2 037**	
Capespan	**1 117**	**(64)**	**1 053**	**44**
Agrivision Africa	**146**		**146**	
Other	**24**	**(3)**	**21**	**2**
Total investments	**3 297**	**(40)**	**3 257**	**46**
Discontinued operations				
The Logistics Group[1]	**1 325**	**246**	**1 571**	**35**
Kaap Agri[1]	**1 102**	**501**	**1 603**	**47**
Total assets held for sale	**2 427**	**747**	**3 174**	**82**
Total	**5 724**	**707**	**6 431**	**128**

1. INVESTMENTS continued

GROUP	Carrying value 29 Feb 20 Rm	Gain/(loss) upon deemed disposal and reacquisition of investments on 1 Mar 20[2] Rm	Fair value 1 Mar 20[3] Rm	Fair value gain/(loss) Rm	(Disposals)/ additions Rm	Fair value 28 Feb 21 Rm	Investment (dividend) income Rm
28 February 2021							
Continued operations							
Zaad	1 882	152	2 034	(24)		2 010	
Capespan	417	582	999	118		1 117	
Agrivision Africa	316	(74)	242	(96)		146	
Quantum Foods[5]	188		188	120	(308)	–	
Other[4]	19		19	1	4	24	1
Total investments	2 822	660	3 482	119	(304)	3 297	1
Discontinued operations							
Pioneer Foods[5]	5 051	1 297	6 348	60	(6 408)	–	
The Logistics Group[1]	1 333	(305)	1 028	297		1 325	
Kaap Agri[1, 4]	723		723	355	24	1 102	16
Total assets held for sale	7 107	992	8 099	712	(6 384)	2 427	16
Total	9 929	1 652	11 581	831	(6 688)	5 724	17

[1] *The Logistics Group and Kaap Agri classified as a discontinued operation and an asset held for sale during current year. Previous year represented as discontinued operations.*

[2] *Gain on deemed disposal and reacquisition of investments due to change in Investment Entity status. As a result, the foreign currency translation reserves accounted for by subsidiaries were recycled to the profit or loss and included in the gain on deemed disposal and reacquisition of investments as well (refer to note 19.4).*

[3] *Fair value on 1 March 2020, equate to the reported SOTP value on 29 February 2020.*

[4] *During the previous year, Zeder purchased Kaap Agri shares on the open market and converted a loan to CAN-Agri into equity. Refer to note 19.3 for disposals during the prior year.*

[5] *Fair value gain represents fair value gain on disposal of assets held for sale and discontinued operations (refer note 19.3).*

Statement of financial position items carried at fair value include investments in equity instruments. The group applies a number of methodologies to determine and assess the reasonableness of the investments' fair value, which may include the following:

- Earnings multiple, including EV/EBITDA and P/E multiples;
- Market-related net asset value supported by third party valuations; and
- Recent transaction prices, including closing quoted listed share prices.

The primary valuation models utilised for valuing unlisted portfolio investments are the EV/EBITDA multiple model and the market-related net asset value of investments, or a combination of both. The applicable EV/EBITDA multiple used is determined by considering the multiples of comparable listed companies and adjusting the multiple for company specific factors. The market-related net asset value used is dependent on independent third party valuations, using comparable sales within the area, less a cost to sell.

1. INVESTMENTS continued

	GROUP												
	28 Feb 2022						*SOTP value*					Fair value	
Investment	Voting rights[6] %	No. of shares held	Country of incorporation[7]	Nature of business	Listed/ unlisted	Classification at Feb 2022	28 Feb 2021 Rm	Move-ment Rm	28 Feb 2022 Rm	Portion %	Valuation method	Cat-egori-sation	R/share
Continued operations													
Zaad	**96.9**	**33.0**	South Africa[8]	Specialist agricultural seed and agrochemical company	Unlisted	Subsidiary	**2 010**	**27**	**2 037**	**32**	EV/EBITDA multiple (note A)	Level 3	61.67
Capespan	**94.6**	**356.9**	South Africa[9]	Fruit marketing and farming	Unlisted	Subsidiary	**1 117**	**(64)**	**1 053**	**16**	Market-related net asset value underpinned by farming operations including P/E multiple on other operations (note A)	Level 3	2.95
Agrivision Africa	**56.0**	**1.0**	Mauritius[10]	Farming and milling operation	Unlisted	Subsidiary	**146**		**146**	**2**	Market-related net asset value underpinned by farming & milling operations (note A)	Level 3	140.54
Other				Various	Unlisted	Various	**24**	**(3)**	**21**	**1**	Refer note D	Level 3	
Discontinued operations													
The Logistics Group	**98.2**	**362.4**	South Africa[11]	Integrated logistics provider	Unlisted	Subsidiary	**1 325**	**246**	**1 571**	**24**	Recent transaction price (note B)	Level 3	4.34
Kaap Agri	**42.3**	**31.3**	South Africa[11]	Retail and agricultural trade services group	Listed	Subsidiary[12]	**1 102**	**501**	**1 603**	**25**	Closing JSE-listed share price (note C)	Level 1	51.20
Total investments							**5 724**		**6 431**	**100**			
Cash and cash equivalents							**876**		**508**				
Other net assets							**62**		**229**				
Total *SOTP value*							**6 662**		**7 168**				
***SOTP value* per share (rand)**							**4.33**		**4.66**				
Fair value gains/(losses) from investments								**707**					

6 Voting rights equal economic interests, except for Kaap Agri where economic interest amounts to 44.5%.
7 Principle place of business is the country of incorporation, unless otherwise stated.
8 Operating via subsidiaries in Southern Africa, Europe and the Middle East.
9 Operating via various subsidiaries throughout the world.
10 Operating via subsidiaries in Zambia.
11 Operating via subsidiaries in Southern Africa. The Logistics Group and Kaap Agri classified as a discontinued operation and an asset held for sale.
12 Zeder's voting interest in Kaap Agri, together with other considerations indicated de facto control and therefore Kaap Agri is considered a subsidiary of Zeder.

1. INVESTMENTS continued

Other additional information:

	Recurring headline earnings[13] Rm	EBIT Rm	EBITDA Rm	Net asset value Rm	Market-related net asset value[14] Rm
28 February 2022					
Zaad[15]	177	299	379		
Capespan[16]	54	42	110	1 457	1 551
Agrivision (USDm)[16]	7	9	11	67	75

[13] Recurring headline earnings is calculated on a see-through basis. The investment's recurring headline earnings is the sum of its effective interest in the recurring headline earnings of each of its underlying operations and represent its sustainable earnings.

[14] Valuations based on market-related net asset values of underlying assets, determined by reference to the comparable market prices per hectare, adjusted for company specific factors, that include, inter alia, liquidity and marketability discounts as well as a net asset value discount attributed to the appetite for primary farming assets and the ability of the company to realise these assets at market-related net asset values. This excludes the fair value of other operations, in the case of Capespan, that is valued on an EV/EBITDA multiple.

[15] Represents the 12 months ending 30 June 2021, after recent change in year-end. Different year-ends do not have a material impact on the valuation of the investment.

[16] Represents the year ended 31 December 2021. Different year-ends do not have a material impact on the valuation of the investment.

Valuation inputs: additional details in respect of the investments, per IFRS 13:

Note A - unlisted investments:

For an overall description with regards to the valuation methods and judgements applied refer to accounting policy note 20.2.

Level 3 unobservable inputs	EBITDA Rm	EV/EBITDA multiple[17] times	Net debt and cash Rm	Recurring headline earnings[13] Rm	P/E multiple[17] times	Comparable market prices[18] per hectare	Market related net asset value[14] Rm	Net company specific discounts %	Implied P/E multiple times
28 February 2022									
Zaad[19]	379		(1 274)	177					11.0 - 12.0
Seed	240	10.0 - 11.0	(961)	123				2.5	
Chemical	139	6.0 - 7.0	(313)	54				2.5	
Capespan[20]									
Mainly South African farming assets						R0.2m – R1.1m	1 551	30.0	
Other operations				8	5.0				
Agrivision Africa (USDm)[21]						$3 000 – $6 000	75	75.0	

[17] EV/EBITDA and P/E ratio's comparable to other similar companies, adjusted for company specific factors that include a combination of liquidity, marketability, and minority/controlling discount/premiums, where applicable.

[18] Comparable market prices per hectare include pome, citrus, grapes and maize farm land valuations, obtained from an independent third-party valuator, measured against the comparable sales.

[19] Represents the 12 months ending 30 June 2021, after the recent change in year-end. The specific sector which Zaad operates in is generally characterised by valuations that translate into high earnings multiples, due to their unique product offerings developed through its own research and development divisions and their widespread presence in international markets. Zaad is earnings generative and thus valued on a EV/EBITDA multiple, comparable to other similar companies, adjusted for company specific factors that include a combination of, inter alia, liquidity, marketability, and minority/controlling discount/premiums, where applicable. The Zaad group consists of two divisions which operate on a global scale namely a Seed and Chemical business. It should be noted that the EBITDA include the EBITDA of associates. In terms of the valuation of Zaad, the focus in the calculation of the valuation was on the historical audited financial year end 31 January 2021 and 12 months to 30 June 2021 audited results, but also taking into account the interim 31 December 2021 year to date reported results in comparison to the budget and prior year comparative interim 31 December 2020 results. In addition, the 30 June 2022 management forecasts were also considered, but not a driver of the valuation at Zeder's year end.

[20] Represents the year ended 31 December 2021. Capespan is an asset-heavy business with large Southern African fruit farming operations and an international fruit marketing capability. Capespan has an asset value under-pin, given the number of farms that it owns. Given the asset intense investment and inconsistent earnings, it remains appropriate to value Capespan on a market-related net asset value basis (fair value less cost to sell). These valuations are supported by third party valuations and/or comparable sales, adjusted for company specific factors, that include, inter alia, liquidity and marketability discounts as well as a net asset value discount, attributed to the appetite for primary farming assets and the ability of the company to realise these assets at market-related net asset values. Associates of Capespan, which are earnings generative, are valued on a P/E multiple, based on comparable sales of similar associates, adjusted for company specific factors, that include a combination of, inter alia, liquidity, marketability, and minority discount. Not included in above table, based on an independent third-party valuer, a valuation of a fruit packing facility with cold storage based on a discounted cash flow model, with the following inputs: Net profit of R18m, represented by affordable net annual rent; capitalisation rate of 11%; and with a property value of R160m. Sensitivity on the capitalisation rate: A 1% increase would result in a R13m decrease and a 1% decrease would result in a R16m increase in estimated value.

[21] Represents the year ended 31 December 2021. Agrivision Africa is an asset-heavy farming and milling business in Zambia. Given the asset intense investment and lack of consistent earnings, it remains appropriate to value Agrivision Africa on a market related net asset value basis (fair value less cost to sell). These valuations are supported by third party valuations or by comparable sales, adjusted for company specific factors, that include liquidity and marketability discounts as well as a net asset value discount, attributed to the appetite for primary farming assets and the ability of the company to realise these assets at market-related net asset values. As a result of the constrained operating environment and very few comparable farm sales, a significant discount was applied to the market-related net asset value calculation to take into account the distressed asset nature, rather than going concern.

1. INVESTMENTS continued

Note B – unlisted investments – discontinued operation:

Zeder's investment in The Logistics Group was valued at R1.57bn, based on a 100% equity valuation for The Logistics Group of R1.6bn. The total disposal consideration of R1.57bn, comprising of an initial disposal consideration of R1.35bn, which has been received subsequent to year-end, and earn-out payments totalling R218m, payable in cash. The earn-out payments are generally linked to certain extensions and or renewals of agreements and the timing of these extensions cannot be determined upfront even though they are not linked to any profit warranty. Extension/renewal of agreement relating to earn-out payments, amounting to R218m, have been estimated to be concluded in the financial year ending 28 February 2023, but there is no certainty regarding same.

Note C – listed investments:

Kaap Agri is valued using its closing JSE-listed share price.

Note D – other unlisted investments:

Certain equity securities included in other as at the most recent reporting date consisted of the unquoted equity securities. The unquoted equity securities include advances which are linked to equity securities that trade infrequently 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. The rest include a 32.4% interest in Clean Air Nurseries, an associate, valued at the loans converted to equity during the previous year as this is still a start-up enterprise. The investment in Clean Air Nurseries was impaired in full during the year. As at 28 February 2022, based on the assumption that the over-the-counter prices of the traded equity securities were 20% higher/lower for the full year, the fair value would have been R3m higher/lower than the current fair value.

Post-tax profit sensitivity analysis:

GROUP	2022 Increase Rm	 Decrease Rm	2021 Increase Rm	 Decrease Rm
Closing JSE-listed share price (5%)	**80**	**(80)**	55	(55)
EV/EBITDA (1x)	**379**	**(379)**	847	(847)
Multiple discounts (5%)	**15**	**(15)**	6	(6)
Comparable market prices per hectare (10%)	**78**	**(78)**	56	(56)
Net asset value discounts (5%)	**(60)**	**60**	(47)	47

The change in valuation disclosed in the above tables shows the relative increase or decrease in the input variables deemed to be subject to the most judgement and estimate, and respective impact on the fair value presented in the consolidated annual financial statements. An increase in the EBITDA multiple and control premium inputs, would lead to an increase in the estimated value. However an increase in the discount due to the lack of liquidity and market ability and minority discount inputs, would lead to a decrease in the estimated value. An increase in the comparable market prices per hectare, would lead to an increase in the estimated value. However an increase in the net asset value discount, would lead to a decrease in the estimated value.

COMPANY	2022 Rm	2021 Rm
Investment in unlisted subsidiary		
Carrying value as at 29 February 2020		8 302
Gain upon deemed disposal and reacquisition of investment on 1 March 2020		3 499
Fair value as at 1 March 2020[22]		11 801
Net fair value loss on investment		(4 680)
Fair value as at 28 February 2021[23]	**7 121**	7 121
Net fair value gain on investment	**120**	
Fair value as at 28 February 2022[23]	**7 241**	

22 Due to change in investment Entity status, the underlying investment in subsidiary will be measured at fair value through profit or loss in accordance with IFRS 9 and IFRS 13 in the separate financial statements. This resulted into a deemed disposal and reacquisition of the investment in ZFS at fair value, with reference to the fair value of ZFS's underlying investments and other net assets.

23 IAS27.11A requires an Investment Entity to account for its investment in subsidiaries at fair value in its separate financial statements, therefore the underlying investment in subsidiary will be measured at fair value through profit or loss in accordance with IFRS 9 and IFRS 13 in the separate financial statements.

The company holds 100% (2021: 100%) of the issued share capital of ZFS. ZFS is a wholly-owned subsidiary who deliver investment services to the Zeder group and holds the group's investments in the underlying investment portfolio entities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022 (CONTINUED)

1. INVESTMENTS continued

The company fair valued its interest in its sole wholly-owned subsidiary, ZFS, with reference to the SOTP value detailed in note 1 and as reconciled there with below:

COMPANY	2022 Rm	2021 Rm
SOTP value per note 1	**7 168**	6 662
Loans and advances reflected in the company's separate annual financial statements but eliminated as intergroup for purposes of the SOTP value per note 1	**(11)**	
Trade and other receivables at a the company level included in the SOTP value per note 1 and therefore excluded from the fair value of the investment in ZFS		(1)
Borrowings reflected in the company's separate annual financial statements but eliminated as intergroup for purposes of the SOTP value per note 1	**6**	387
Trade and other payables at a company level included in the SOTP value per note 1 and therefore excluded from the fair value of the investment in ZFS	**78**	73
Fair value of investment in ZFS	**7 241**	7 121

2. LOANS AND ADVANCES

	GROUP		COMPANY	
	2022 Rm	2021 Rm	2022 Rm	2021 Rm
Secured loans	**3**	3		
Unsecured loans	**326**	126	**11**	
	329	129	**11**	–
Current	**326**	126	**11**	
Non-current	**3**	3		
	329	129	**11**	–

As at 28 February 2022, the loans and advances have the following terms:

GROUP

Counterparty	secured/unsecured	Interest rate %	Repayment terms	2022 Rm	2021 Rm
Participants of the share incentive scheme	Secured: shares with market value of R4m	SARS fringe benefit rate	Repayable in full within 7 years of such capital amount being advanced to the participant	**3**	3
Zaad	Unsecured	Prime (2021: Prime plus 4%)	Repayable by 30 June 2022	**326**	126
CAN-Agri	Unsecured	Prime plus 1%	Repayable in bi-annual instalments that commenced 15 January 2020	**51**	51
Provision for impairment (CAN-Agri)				**(51)**	(51)
				329	129

Historically, Zeder made loan funding available to the participants of the share incentive scheme to assist them to exercise their share options from a cash flow perspective, accumulate shares in Zeder and remain invested alongside fellow shareholders. This funding was available to cover 90% of the strike value plus the associated section 8C tax obligation. However, the Remuneration Committee has decided that, from 1 March 2018, Zeder will no longer provide such loan funding to participants for exercising their share options. R3m (2021: R3m) relate to Mr JH le Roux (an executive director) during the year.

For the CAN-Agri loan and advance, the first payments defaulted and therefore the loan balance is shown net of a provision for impairment of R51m (2021: R51m). However, during the prior year a payment of R3m was received and impairment of R3m was reversed (refer note 14).

Loans and advances, being measured at amortised cost, are almost entirely fully performing, except for the loans to CAN-Agri. Due to the start-up nature of CAN-Agri's business, its current and projected cash flow requirements and the default on the first few payments, the group impaired the loans in full. The loan to Zaad was capitalised subsequent to year-end (refer note 21) and the loan to participants of the share incentive scheme are secured by shares with a market value of R4m.

COMPANY

The loan is unsecured, interest-free and has no fixed repayment terms. Subsequent to year-end, ZFS declared a special dividend to Zeder, and settled the loan.

	GROUP		COMPANY	
	2022 Rm	**2021 Rm**	**2022 Rm**	**2021 Rm**
3. TRADE AND OTHER RECEIVABLES				
Value added tax[1]	**4**	11		
Prepayments and sundry receivables[1]	**2**	4		1
	6	15	**–**	1

[1] *Total non-financial assets of R4m (2021: R11m) for the group and Rnil (2021: R0.5m) for the company is included in above.*

GROUP	**2022 Rm**	**2021 Rm**
4. CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS		
Bank balances	**442**	605
Money market fund	**66**	271
	508	876

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	**2022 Rm**	**2021 Rm**
5. ASSETS HELD FOR SALE AND DISCONTINUED OPERATION		
5.1 Assets held for sale		
The Logistics Group Proprietary Limited ("The Logistics Group")[1]	**1 571**	
Kaap Agri Limited ("Kaap Agri")	**1 603**	
	3 174	–

[1] *Zeder announced on 12 November 2021 that the company, through its wholly-owned subsidiary, ZFS, entered into an agreement with, inter alias, TLG Midco and TLG Acquisition Holdings, in terms of which ZFS will sell all of its shares in the issued share capital of The Logistics Group, comprising 98.22% of The Logistics Group's shares in issue for a disposal consideration of up to R1.57bn. As a result, The Logistics Group was classified as an asset held for sale and a discontinued operation. Subsequent to year-end, Zeder shareholders approved the disposal of the investment in The Logistics Group at a general meeting held on 15 March 2022, with the remaining suspensive conditions being fulfilled thereafter and The Logistics Group disposal being implemented on 31 March 2022. For additional information on The Logistics Group and the discontinued operations, refer note 1.*

[2] *On 28 February 2022, the Zeder board resolved to unbundle 31 286 956 Kaap Agri shares, comprising approximately 42.2% of the total issued share capital of Kaap Agri, to Zeder shareholders by way of a pro rata distribution in specie, in the ratio of 1 Kaap Agri share for every 49.22692 Zeder shares held, subject to the condition precedent that the Financial Surveillance Department of the South African Reserve Bank approves the unbundling. As a result, Kaap Agri was classified as an asset held for sale and a discontinued operation. Subsequent to year-end the aforementioned condition precedent was met and the Kaap Agri shareholding was unbundled, effective on 4 April 2022. For additional information on Kaap Agri and the discontinued operations, refer note 1.*

5.2 Discontinued operations - Income statement		
Net fair value gain on investments (note 1)	**747**	712
Investment income (dividend income) (note 1)	**82**	16
Gain on deemed disposal and reacquisition of investments (note 1)		992
Transaction costs	**(26)**	
Profit for the year from discontinued operations	**803**	1 720
5.3 Discontinued operations - Statement of cash flow		
Dividends received	**82**	16
	82	16

	GROUP 2022 Rm	GROUP 2021 Rm	COMPANY 2022 Rm	COMPANY 2021 Rm
6. STATED CAPITAL				
6.1 Ordinary shares				
Authorised				
3 000 000 000 (2021: 3 000 000 000) ordinary shares with no par value.				
Issued				
Balance at beginnings and end of year	**6 634**	6 634	**6 634**	6 634
Number of shares in issue ('000)				
In issue (gross of treasury shares)	**1 543 260**	1 543 260	**1 543 260**	1 543 260
Held by share incentive trust	**(5 001)**	(5 001)		
In issue (net of treasury shares)	**1 538 259**	1 538 259	**1 543 260**	1 543 260

No ordinary shares were issued during the year under review and prior year.

The directors are authorised to buy back shares subject to certain limitations and the JSE Listings Requirements. During the year, the company purchased nil (2021: 171 918 767) ordinary shares in the open market, at an average price of Rnil (2021: R2.48) per share, in accordance with the general authority obtained from the shareholders at the Annual General Meetings and cancelled the shares with JSE obtained approval.

Unissued shares, limited to 5% of the company's number of shares in issue as at 28 May 2021 (amounting to 76 912 944 ordinary shares), have been placed under the control of the directors until the next annual general meeting.

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

Authorised

250 000 000 (2021: 250 000 000) shares with no par value

6.3 Share incentive schemes

During the year, the company operated an equity-settled share incentive scheme by means of the Zeder Group Share Incentive Trust ("SIT"). In terms of the scheme, share options are granted to executive directors and other employees ("participants").

In terms of the aforementioned schemes, share options in respect of ordinary shares are allocated to participants on grant date at market prices. The settlement of the purchase consideration payable by the participants in terms of the shares options granted occurs upon exercise.

The total equity-settled share-based payment amounted to a credit of R12m (2021: R2m). This charge, net of the related tax effect, was recognised in profit and loss and credited to other reserves (refer note 7).

The SIT currently holds 5 001 469 (2021: 5 001 469) ordinary shares, with 25 489 086 (2021: 25 489 086) share options having been allocated that are unvested and/or unexercised with a total strike consideration of R55m (2021: R61m).

The weighted average strike price of share options exercised in terms of this equity-settled share scheme during the previous year under review was R2.72 per ordinary share. No share options were exercised during the year.

The maximum number of ordinary shares which may be utilised 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, 6 468 249 (2021: 6 468 249) shares have been exercised by way of the scheme and accordingly a further 166 583 216 (2021: 166 583 216) shares may be exercised in future by way of the scheme. To date, a maximum of 8 227 549 (2021: 8 227 549) shares have been exercised by any single participant and accordingly a maximum 26 382 744 (2021: 26 382 744) shares may be exercised in future by any single participant of the scheme.

Reconciliation of outstanding share options:	2022 Number	2021 Number
Number of share options allocated at beginning of the year	**25 489 086**	26 697 462
Number of share options forfeited during the year		(17 014 548)
Number of share options allocated during the year		15 806 172
Number of share options allocated at end of the year	**25 489 086**	25 489 086

6. STATED CAPITAL continued

6.3 Share incentive schemes continued

Outstanding share options per tranche allocated:	Number of shares	Strike price R	Adjusted price R[1]	Volatility %[2]	Dividend yield %	Risk-free rate %	Fair value R[3]
29 February 2016	**93 279**	4.97	2.10	35.20	2.80	8.20	1.48
28 February 2017	**937 450**	7.29	3.80 - 4.13	27.38	1.48	7.46	1.99
28 February 2018	**1 807 307**	6.41	2.65 - 3.22	29.90	1.70	7.00	2.61
28 February 2019	**4 004 334**	4.36	0.86 - 1.52	30.20	2.55	7.28	1.80
29 February 2020	**2 840 544**	4.52	0.70 - 1.44	33.00		6.34	1.88
18 January 2021	**15 000 000**	2.66	2.34 - 2.43	93.97		4.25	1.69
28 February 2021	**806 172**	2.71	2.38 - 2.47	93.90		5.11	1.74
	25 489 086						

[1] *The approved SIT deed ("Trust Deed"), entitles Zeder's board (acting through its remuneration committee) ("Remcom") to instruct the SIT's trustees to effect such adjustments to the Strike Prices (as defined in the Trust Deed) of awarded but unexercised share options as the Remcom "shall consider fair and reasonable in the circumstances…" and to take account of special dividends and various other corporate actions listed in that clause. The latest adjustment to the Strike Price of the awarded but unexercised share options, was as a result of Zeder that distributed a gross dividend of 20 cents per share to Zeder ordinary shareholders as a special dividend from income reserves and in accordance with the JSE Listings Requirements and the Trust Deed, on 10 May 2021.*

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

[3] *Due to a change in vesting conditions with regards to share options issued on or after 28 February 2018, the value of those options was calculated using a Binominal Model and a Black-Scholes model was used for share options issued before 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.

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:	2022 Weighted average strike price (R)	2022 Number	2021 Weighted average strike price (R)	2021 Number
28 February 2022			2.50	4 947 905
28 February 2023	**2.21**	**11 213 103**	2.32	6 265 198
29 February 2024	**1.95**	**5 662 761**	2.19	5 662 761
28 February 2025	**2.12**	**4 661 679**	2.39	4 661 679
28 February 2026	**2.34**	**3 951 543**	2.66	3 951 543
		25 489 086		25 489 086

7. OTHER RESERVES

GROUP	Foreign currency translation Rm	Share-based payment Rm	Other[1] Rm	Total Rm
Balance at 1 March 2020	(536)	37	(238)	(737)
Deemed disposal and reacquisition of investments		(9)	54	45
Reclassification of foreign currency translation reserves through profit or loss[2]	536			536
Transactions with non-controlling shareholders			(15)	(15)
Share-based payment costs – employees		(2)		(2)
Transfer between reserves		(14)	185	171
Balance at 28 February 2021	**–**	**12**	**(14)**	**(2)**
Share-based payment costs – employees		**12**		**12**
Balance at 28 February 2022	**–**	**24**	**(14)**	**10**

[1] *As at 28 February 2022 and 2021, other reserves comprise mainly of a provision for share buy-back from a dissenting shareholder, in terms of section 166 of the Companies Act, subsequent to the Pioneer Foods disposal. As at 29 February 2020, other reserves mainly related to the group's share of other comprehensive income/(losses) accounted for by associates and the initial remeasurement of written put options held by non-controlling shareholders of a subsidiary. During the previous year, as a result of the change in Investment Entity status, the other reserves relating to the group's share of other comprehensive income/(losses) accounted for by associates were released to Retained Earnings.*

[2] *During the previous year, and as a result of the change in Investment Entity status and the resultant deemed disposal and reacquisition of investments, the foreign currency translation reserves accounted for by subsidiaries were recycled to the profit or loss and included in the gain on deemed disposal and reacquisition of investments.*

As a result of the change in Investment Entity status and the resultant deemed disposal and reacquisition of investments in the previous year, the other reserves was also deemed to be disposed and reacquired. Other reserves that remain in the current year, relate to those of the wholly-owned head office subsidiaries providing investment activities to Zeder.

COMPANY

The company's other reserves comprise mainly of a provision for share buy-back from a dissenting shareholder, in terms of section 166 of the Companies Act, subsequent to the Pioneer Foods disposal.

GROUP	2022 Rm	2021 Rm
8. DEFERRED INCOME TAX		
Deferred income tax assets	**70**	70
Deferred income tax liabilities	**(71)**	(71)
Net deferred income tax liability	**(1)**	(1)
Deferred income tax assets		
To be recovered within 12 months	**50**	
To be recovered after 12 months	**20**	70
	70	70
Deferred income tax liabilities		
To be recovered within 12 months	**(50)**	
To be recovered after 12 months	**(21)**	(71)
	(71)	(71)

8. DEFERRED INCOME TAX continued

The movements in the net deferred tax liability were as follows:

GROUP	Provisions Rm	Lease liabilities Rm	Tax losses Rm	Unrealised profits Rm	Right-of-use assets Rm	Intangible assets and other differences Rm	Total Rm
Balance at 1 March 2020	35	51	99	(2)	(13)	(151)	19
Deemed disposal and reacquisition of investments (note 19.4)	(35)	(51)	(99)	1	13	151	(20)
Credited/(charged) to profit and loss			70	(70)			–
Balance at 28 February 2021 and 28 February 2022	**–**	**–**	**70**	**(71)**	**–**	**–**	**(1)**

Deferred income tax on temporary differences relating to equity securities, that form part of the investment portfolio, that are classified at fair value through profit or loss, is calculated using South Africa's effective capital gains tax rate of 22.4% (2021 : 22.4%).

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.

As a result of the change in Investment Entity status and the resultant deemed disposal and reacquisition of investments in the previous year, the deferred tax liability was also deemed to be disposed and reacquired (refer note 19.4). Deferred tax liability that remains, relate to those of the wholly-owned head office subsidiaries providing investment activities to Zeder and the deferred income tax asset relating to capital losses available for the set off against future capital gains on the disposal of investments.

	COMPANY 2022 Rm	COMPANY 2021 Rm
9. BORROWINGS		
Unsecured loans	**6**	387
Current Borrowings	**6**	387

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

	GROUP 2022 Rm	GROUP 2021 Rm
10. EMPLOYEE BENEFITS		
Short-term employee benefits		
Performance-based remuneration		3
Leave pay	**2**	1
	2	4

	GROUP 2022 Rm	GROUP 2021 Rm	COMPANY 2022 Rm	COMPANY 2021 Rm
11. TRADE AND OTHER PAYABLES				
Trade payables[1]			**15**	14
Sundry payables	**45**	20		
Unclaimed dividends payable	**63**	59	**63**	59
	108	79	**78**	73

[1] *Total non-financial liabilities of Rnil (2021: Rnil) for the group and the company is included in above.*

As a result of the change in Investment Entity status and the resultant deemed disposal and reacquisition of investments in the previous year, the trade and other payable was also deemed to be disposed and reacquired (refer note 19.4). Trade and other payable that remain in the current year, relate to those of the wholly-owned head office subsidiaries providing investment activities to Zeder.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022 (CONTINUED)

	GROUP 2022 Rm	GROUP 2021 Rm	COMPANY 2021 Rm	COMPANY 2020 Rm
12. INVESTMENT INCOME				
Interest income earned using effective interest rate	**36**	56	**–**	–
Loans and advances	**20**	6		
Cash and cash equivalents	**16**	50		
Interest income earned on fair value through profit or loss	**4**	9	**–**	–
Cash and cash equivalents – money market fund	**4**	9		
Dividend income	**46**	1	**684**	5 518
Investments (note 1)	**46**	1	**684**	5 518
	86	66	**684**	5 518
13. OTHER OPERATING INCOME				
Management and other fee income	**3**	3		
Directors fees	**1**	2		
	4	5		

	GROUP 2022 Rm	GROUP 2021 Rm	COMPANY 2022 Rm	COMPANY 2021 Rm
14. MARKETING, ADMINISTRATION AND OTHER EXPENSES				
Auditors' remuneration	**1**	2	**–**	–
– Audit services – current year	**1**	2		
Employee costs[1]	**27**	9	**–**	–
– Salaries, wages and allowances	**15**	11		
– Equity-settled share-based payment costs	**12**	(2)		
Impairment losses	**–**	(3)	**–**	–
– Loans and advances		(3)		
Marketing and administration costs	**10**	16	**2**	2
Professional fees	**2**	3		
	40	27	**2**	2

[1] *Employee costs include directors' emoluments. For further information, refer to the directors' report.*

	GROUP 2022 Rm	GROUP 2021 Rm
15. FINANCE COSTS		
Redeemable preference shares		49
	–	49

	GROUP		COMPANY	
	2022 Rm	2021 Rm	2022 Rm	2021 Rm
16. TAXATION				
Current taxation	12	19		
	12	**19**	**–**	**–**

Reconciliation of effective tax rate:	**%**	**%**	**%**	**%**
South African standard tax rate	**28.0**	28.0	**28.0**	28.0
Adjusted for:				
– Non-taxable income	**(28.9)**	(28.1)	**(28.1)**	(28.0)
– Non-deductible charges	**2.4**	0.9	**0.1**	
Effective tax rate for continued and discontinued operations	**1.5**	0.8	**–**	–

Non-taxable income relates mainly to dividend income, while non-deductible charges relate mainly to share-based payment and transaction costs.

17. 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
PSG Financial Services Limited ("PSL")	Wholly-owned subsidiary of PSG Group
Zeder Financial Services Limited ("ZFS")	Wholly-owned subsidiary
Zeder Corporate Services Proprietary Limited	Wholly-owned subsidiary of ZFS
Zeder Africa Proprietary Limited ("ZA")	Wholly-owned subsidiary of ZFS
Zaad Holdings Limited ("Zaad")	Subsidiary of ZFS
Capespan Group Limited ("Capespan")	Subsidiary of ZFS
The Logistics Group Proprietary Limited ("The Logistics Group")	Subsidiary of ZFS
Agrivision Africa	Subsidiary of ZA
Kaap Agri Limited ("Kaap Agri")	Subsidiary of ZFS
Clean Air Nurseries Agri Global Proprietary Limited ("CAN-Agri")	Associate of ZFS
PSG Corporate Services Proprietary Limited ("PSGCS")	Indirect subsidiary of PSL
PSG Securities Proprietary Limited	Indirect subsidiary of PSL
PSG Money Market Fund	Indirect subsidiary of PSL
JH le Roux	Executive director of the company

Related-party transactions during the year under review included dividends received from investments (refer notes 1 and 12) and discontinued operations (refer notes 1 and 5.2), various administration expenses and professional fees (refer notes 5.2 and 14), interest income (refer note 12).

Included in the group's interest income is R4m (2021: R9m) received from PSG Money Market Fund and R20m (2021: R6m) received from Zaad.

Refer to note 1 for dividends received from investments (and those classified as discontinued operation and assets held for sale) during the year.

Included in the group's transaction cost for discontinued operations (refer note 5.2) is professional fees of R24m (2021: R0.1m) paid to PSG Capital (a division of PSGCS) for corporate finance relating to transactions during the year. Also included in the group's marketing, administration and other expenses is R6m (2021: R7m) paid to PSGCS for strategic, IT services and rent.

Included in the group's dividends paid is R150m (2021: R1.7bn) paid to PSL (the major shareholder in the company).

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

As at 28 February 2022, R3m (2021: R3m) relates to loans, including accrued interest, granted to Mr JH le Roux, with regards to shares obtained through the vesting of Zeder ordinary shares previously allocated to Mr JH le Roux, with the security value, based on the closing price as at 28 February 2022, of R4m (2021: R3m). The loan carries interest at the SARS' official interest rate (2021: SARS' official interest rate) and are repayable seven years from the respective date of advance. At the reporting date, 1 040 338 (2021: 1 045 838) Zeder ordinary shares served as security for Mr JH le Roux's loan.

Related-party balances outstanding at the reporting date included cash invested with the PSG Money Market Fund amounting to R66m (2021: R271m) (refer note 4).

18. COMMITMENTS, SURETYSHIPS AND CONTINGENT LIABILITIES

Other contingent liabilities

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

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.

	GROUP		COMPANY	
	2022 Rm	2021 Rm	2022 Rm	2021 Rm
19. NOTES TO THE STATEMENTS OF CASH FLOWS				
19.1 Cash (utilised by)/generated from operations				
Profit/(loss) before taxation			**802**	4 335
Continued operations	**10**	774		
Discontinued operations	**803**	1 720		
Interest income	**(40)**	(65)		
Dividend income			**(684)**	(5 518)
Continued operations	**(46)**	(1)		
Discontinued operations	**(82)**	(16)		
Finance costs		49		
Gain on deemed disposal and reacquisition of investments (note 1)				(3 499)
Continued operations		(660)		
Discontinued operations		(992)		
Net fair value gain on investments (note 1)			**(120)**	4 680
Continued operations	**40**	(119)		
Discontinued operations	**(747)**	(712)		
Reversal of impairments		(3)		
Equity-settled share-based payment costs	**12**	(2)		
Non-cash translation movements		1		
Sub-total	**(50)**	(26)	**(2)**	(2)
Changes in working capital	**36**	50	**6**	48
Decrease/(increase) in trade and other receivables	**9**	(1)		
Decrease in employee benefits	**(2)**			
Increase in trade and other payables	**29**	51	**6**	48
	(14)	24	**4**	46
19.2 Taxation paid				
Charged to profit and loss	**(12)**	(19)		
Movement in net taxation liability	**(3)**	3		
	(15)	(16)	**–**	–

19.3 Disposal of investments

2021 disposals

Pioneer Food Group Limited ("Pioneer Foods")

On 23 March 2020, Zeder disposed of the entire shareholding held by it in Pioneer Foods, representing 28.2% of the total voting interest, to Pepsi Co, for an aggregate sale amount of R6.4bn. The carrying value of the investment in Pioneer Foods prior to disposal was R5.1bn, resulting in a fair value gain of R1.4bn upon disposal of the discontinued operation.

Quantum Foods Holdings Limited ("Quantum Foods")

On 12 June 2020, Zeder disposed of the entire shareholding held by it in Quantum Foods, representing 32.1% of that company's issued share capital, to Country Bird Holdings Proprietary Limited, for an aggregate sale amount of R308m. The carrying value of the investment in Quantum Foods prior to its disposal was R188m, resulting in a fair value gain of R120m upon disposal of the asset held for sale.

19. NOTES TO THE STATEMENTS OF CASH FLOWS continued

19.3 Disposal of investments continued

GROUP	Proceeds Rm	Carrying Value Rm	Fair value gains on disposal[1] Rm
Continued operations			
Quantum Foods	308	188	120
Discontinued operations			
Pioneer Foods	6 408	5 051	1 357
	6 716	5 239	1 477

[1] *This fair value gain on disposal represents an additional fair value gain of R120m on Quantum Foods and R60m on Pioneer Foods over and above the fair value gain for these investments as reflected in note 1 on the date of transition.*

19.4 Cash and cash equivalents on deemed disposal and reacquisition of investments

With effect from 1 March 2020, Zeder had qualified as an Investment Entity per the IFRS 10 criteria. As a result, on such date, the group's existing subsidiaries (other than wholly-owned head office subsidiaries providing investment activities to Zeder) were deemed to be disposed of and re-acquired at fair value. Accordingly, Zeder prospectively changed its accounting treatment in the previous year and now measures investments (other than wholly-owned head office subsidiaries providing investment activities to Zeder) at fair value through profit or loss, irrespective of whether they are subsidiaries, as permitted by IFRS 10. The results for the year ended 29 February 2020 was not been restated (having been prepared in accordance with Zeder's previous accounting policy) and was therefore deconsolidated upon change in status to that of an Investment Entity, giving effect to:

GROUP	Zaad Rm	The Logistics Group Rm	Capespan Rm	Agrivision Africa Rm	Total Rm
Property, plant and equipment	304	376	577	342	1 599
Right-of-use assets	50	302	72		424
Intangible assets	722	30	3	50	805
Biological assets (bearer plants)			413		413
Investment in ordinary shares of associates	142	146	67	4	359
Loans to associates	10		30		40
Investment in ordinary shares of joint ventures	2				2
Equity securities			6	6	12
Employee benefits			42		42
Deferred income tax assets	80	44	16		140
Biological assets (agricultural produce)	5		111	56	172
Loans and advances	60	20	9		89
Trade and other receivables	1 011	204	493	93	1 801
Derivative financial assets	1				1
Inventories	1 098	6	174	135	1 413
Current income tax assets			2	4	6
Cash, money market investments and other cash equivalents	152	52	108	16	328
Assets held for sale	311	1	108		420
Deferred income tax liabilities	(79)	(14)	(4)	(22)	(119)
Borrowings	(1 145)	(218)	(315)	(338)	(2 016)
Lease liabilities	(58)	(435)	(139)		(632)
Derivative financial liabilities	(24)				(24)
Employee benefits	(18)	(23)	(118)	(5)	(164)
Trade and other payables	(875)	(136)	(239)	(48)	(1 298)
Current income tax liabilities	(27)	(4)	(12)		(43)
Non-current liabilities held for sale	(16)				(16)
Total identifiable net assets	1 706	351	1 404	293	3 754
Reclassification of foreign currency translation reserve	325	8	50	153	536
Non-controlling interest	(149)	(36)	(29)	(130)	(344)
Carrying value 29 February 2020	1 882	323	1 425	316	3 946
Gain/(loss) upon deemed disposal and reacquisition of investments on 1 March 2020	152	(305)	582	(74)	355
Fair value 1 March 2020	2 034	18	2 007	242	4 301
Cash and cash equivalents on deemed disposal of investments	(152)	(52)	(108)	(16)	(328)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

19. NOTES TO THE STATEMENTS OF CASH FLOWS continued

19.5 Borrowings reconciliation

GROUP	Opening carrying value Rm	Financing cash flows Deemed disposal of investment (note 19.4) Rm	Financing cash flows Borrowings repaid Rm	Closing carrying value Rm
28 February 2021				
Bank overdrafts	1 185	(1 185)		–
Redeemable preference shares	1 500		(1 500)	–
Unsecured loans	276	(276)		–
Secured loans	555	(555)		–
	3 516	(2 016)	(1 500)	–

COMPANY	2022 Rm	2021 Rm
Opening carrying value	**387**	1 590
Borrowings repaid	**(689)**	(5 879)
Borrowings drawn	**320**	4 676
Non-cash movement (share-based payments)	**(12)**	
Closing carrying value	**6**	387

GROUP	2022 Rm	2021 Rm
20. EARNINGS AND DIVIDEND PER SHARE		
Headline earnings reconciliation		
The calculation of earnings per share is based on the following:		
Attributable earnings	**801**	2 475
Net gain on deemed disposal and reacquisition of investments (note 1)	**–**	(1 652)
Continued operations (gross and net)		(660)
Discontinued operations (gross and net)		(992)
Net fair value gain on disposal of assets held for sale and discontinued operations (note 1)	**–**	(180)
Continued operations (gross and net)		(120)
Discontinued operations (gross and net)		(60)
Headline earnings	**801**	643
The calculation of the weighted number of shares in issue is as follows:		
Weighted number of shares at beginning of year ('000)	**1 538 259**	1 701 879
Weighted number of shares – share buy-back ('000)		(82 621)
Weighted number of shares – disposal of held by executives through loan funding advanced ('000)		39
Weighted number of shares at end of year ('000)	**1 538 259**	1 619 297
Number of bonus element shares to be issued in terms of share incentive scheme ('000)	**8 066**	3 723
Diluted weighted number of shares at end of year ('000)	**1 546 325**	1 623 020

20. EARNINGS AND DIVIDEND PER SHARE continued

GROUP	2022 Rm	2021 Rm
Basic earnings per share		
Attributable earnings	**801**	2 475
Continued operations	**(2)**	755
Discontinued operations	**803**	1 720
Headline earnings	**801**	643
Continued operations	**(2)**	(25)
Discontinued operations	**803**	668
Weighted number of shares at end of year ('000)	**1 538 259**	1 619 297
Attributable/basic earnings per share (cents)	**52.1**	152.8
Continued operations	**(0.1)**	46.6
Discontinued operations	**52.2**	106.2
Headline earnings per share (cents)	**52.1**	39.7
Continued operations	**(0.1)**	(1.6)
Discontinued operations	**52.2**	41.3
Diluted earnings per share		
Diluted earnings and diluted headline earnings per share are calculated by using earnings and headline earnings and 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 note 6). 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.		
Diluted attributable earnings	**700**	2 382
Continued operations	**(44)**	698
Discontinued operations	**744**	1 684
Diluted headline earnings	**700**	550
Continued operations	**(44)**	(82)
Discontinued operations	**744**	632
Diluted weighted number of shares at end of year ('000)	**1 546 325**	1 623 020
Diluted attributable earnings per share (cents)	**45.3**	146.8
Continued operations	**(2.8)**	43.0
Discontinued operations	**48.1**	103.8
Diluted headline earnings per share (cents)	**45.3**	33.8
Continued operations	**(2.8)**	(5.1)
Discontinued operations	**48.1**	38.9

Final dividends per share[1]

2021: no ordinary dividend declared; 20 cents special dividend (declared on 13 April 2021 and paid on 10 May 2021)

2022: no ordinary dividend declared; 92.5 cents special dividend (declared on 12 April 2022 and payable on 9 May 2022)

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

21. FINANCIAL RISK MANAGEMENT

21.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk applicable to trade and other payables. 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 portfolio investment within the group under policies approved by the respective boards of directors. Each major portfolio investments' 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 that is applicable to that major portfolio investments.

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 analysis presented below is based on reasonable possible changes in market variables for equity prices and interest rates for the group.

GROUP	At fair value through profit or loss Rm	At amortised cost Rm	Total Rm
28 February 2022			
Financial assets			
Investments	**3 257**		**3 257**
Loans and advances		**329**	**329**
Trade and other receivables		**2**	**2**
Cash, money market investments and other cash equivalents	**66**	**442**	**508**
Assets held for sale	**3 174**		**3 174**
	6 497	**773**	**7 270**
Financial liabilities			
Trade and other payables		**108**	**108**
	–	**108**	**108**
28 February 2021			
Financial assets			
Investments	5 724		5 724
Loans and advances		129	129
Trade and other receivables		4	4
Cash, money market investments and other cash equivalents	271	605	876
	5 995	738	6 733
Financial liabilities			
Trade and other payables		79	79
	–	79	79

21. FINANCIAL RISK MANAGEMENT continued

21.1 Financial risk factors continued

COMPANY	At fair value through profit or loss Rm	At amortised cost Rm	Total Rm
28 February 2022			
Financial assets			
Investments	**7 241**		**7 241**
Loans and advances		**11**	**11**
	7 241	**11**	**7 252**
Financial liabilities			
Borrowings		**6**	**6**
Trade and other payables		**78**	**78**
	–	**84**	**84**
28 February 2021			
Financial assets			
Investments	7 121		7 121
Financial liabilities			
Borrowings		387	387
Trade and other payables		73	73
	–	460	460

21.2 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 and equity prices.

Price risk

Refer to note 1 with regards to the group's exposure 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.

The group manages price risk by investing in a portfolio of investment entities and monitoring equity securities' prices on a regular basis.

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.

21. FINANCIAL RISK MANAGEMENT continued

21.2 Market risk continued

The table below distinguish between i) floating and ii) fixed and non-interest bearing financial assets and liabilities:

GROUP	2022 Rm	2021 Rm
Loans and advances	**329**	129
Floating rate	**329**	129
Fixed rate (including interest-free)		
Trade and other receivables	**2**	4
Floating rate		
Fixed rate (including interest-free)	**2**	4
Cash, money market investments and other cash equivalents	**508**	876
Floating rate	**508**	876
Fixed rate (including interest-free)		
Trade and other payables	**(108)**	(79)
Floating rate		
Fixed rate (including interest-free)	**(108)**	(79)
Total	**731**	930
Floating rate	**837**	1 005
Fixed rate	**(106)**	(75)

The group manages its cash flow interest rate risk by monitoring interest rates on a regular basis.

COMPANY

The company had no exposure to interest rate risk.

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% (2021: 1%) higher/lower for the full year, with all other variables (e.g. effective tax rate, interest carrying balances) held constant.

GROUP	2022 1% increase Rm	2022 1% decrease Rm	2021 1% increase Rm	2021 1% decrease Rm
Impact on post-tax profit	**6**	**(6)**	7	(7)

21. FINANCIAL RISK MANAGEMENT continued

21.3 Credit risk

Financial assets which potentially subject the group to credit risk, consist of loans and advances (refer note 2), other receivables (refer note 3) and cash and cash equivalents (refer note 4). 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.

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

GROUP	Loans and advances Rm	Trade and other receivables Rm	Cash and cash equivalents Rm	Carrying value Rm
28 February 2022				
Ba1 Moody's			**442**	**442**
Not rated	**329**	**2**	**66**	**397**
	329	**2**	**508**	**839**
28 February 2021				
Ba1 Moody's			605	605
Not rated	129	4	271	404
	129	4	876	1 009

The table below reflects the group's maximum exposure to credit risk (being carrying value) by class of asset:

GROUP	Carrying value Rm	Maximum exposure Rm	Collateral fair value Rm	Description of collateral and other credit enhancements held
28 February 2022				
Loans and advances	**329**	**329**	**4**	**Mainly Zeder Investments ordinary shares**
Trade and other receivables	**2**	**2**		
Cash and cash equivalents	**508**	**508**		
	839	**839**	**4**	
28 February 2021				
Loans and advances	129	129	3	Mainly Zeder Investments ordinary shares
Trade and other receivables	4	4		
Cash and cash equivalents	876	876		
	1 009	1 009	3	

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. There were no material impairments during the current or previous year in respect of loans and advances. Management demand collateral or other form of securitisation as they deem fit. Collateral includes mainly shares (refer note 2).

Cash and cash equivalents' counterparties are limited to high-credit quality financial institutions. 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.

Cash and cash equivalents relate mainly to deposits held with the four traditional South African banks and/or their money market funds. Cash and cash equivalents are measured at amortised cost, except for the money market fund, carried at "fair value through profit and loss", fully performing and, considering forward-looking information, deemed fully recoverable. Accordingly, no expected credit losses have been provided for.

COMPANY

Loans and advances consist of unsecured loan to ZFS. Subsequent to year-end, ZFS declared a special dividend to Zeder, and settled the loan. There is no material impairment during the current year in respect of loans and advances. The company had no exposure to credit risk in the previous year.

21. FINANCIAL RISK MANAGEMENT continued

21.4 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 and aims to maintain flexibility in funding by keeping committed credit lines available. During the financial year ended 28 February 2020, the group settled it's preference share debt and therefore have no borrowings.

All financial liability balances, for the group and standalone company respectively, are due within 12 months and therefore the impact of discounting is not significant.

21.5 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. These instruments are included in level 1 and comprise primarily JSE-listed investments classified as fair value through profit or loss.

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 will normally include over-the-counter traded financial instruments. Since level 2 investments normally 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.

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.

For unlisted investments, refer to note 1 for valuation techniques used in determining the fair value of said financial assets.

There have been no significant transfers between level 1, 2 or 3 during the year.

For the group and standalone company respectively, the fair value of financial assets and liabilities carried at amortised cost approximates their fair value, while those measured at fair value in the statement of financial position can be summarised as follows:

GROUP	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
28 February 2022				
Assets				
Investments			**3 257**	**3 257**
Cash and cash equivalents – money market investments	**66**			**66**
Assets held for sale - investments	**1 603**		**1 571**	**3 174**
	1 669	**–**	**4 828**	**6 497**
28 February 2021				
Assets				
Investments	1 102		4 622	5 724
Cash and cash equivalents – money market investments	271			271
	1 373	–	4 622	5 995

The group had no financial liabilities measured at fair value (2021: Rnil).

21. FINANCIAL RISK MANAGEMENT continued

21.5 Fair value estimation continued

GROUP	Level 3 2022 Rm	Level 3 2021 Rm
Reconciliation of financial assets:		
Opening balance	**4 622**	29
Deemed reacquisition of investments (note 1)		4 303
Deemed disposal of investments (note 19.4)		(10)
Additions		4
Fair value gains	**206**	296
Closing balance	**4 828**	4 622

COMPANY	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
28 February 2022				
Assets				
Investments			**7 241**	**7 241**
28 February 2021				
Assets				
Investments			7 121	7 121

COMPANY	Level 3 2021 Rm	Level 3 2020 Rm
Reconciliation of financial assets:		
Opening balance	**7 121**	
Deemed reacquisition of investments (note 1)		11 801
Fair value gain/(loss)	**120**	(4 680)
Closing balance	**7 241**	7 121

The company has no financial liabilities measured at fair value (2021: Rnil).

Capital 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 effectively, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, buy back shares, sell assets or increase/reduce debt.

Zeder's capital management is performed at a group level, giving consideration to, *inter alia*, the group's *SOTP 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.

22. EVENTS SUBSEQUENT TO THE REPORTING DATE

Subsequent to year-end, the condition precedent regarding the unbundling of the Kaap Agri shareholding, was met and the Kaap Agri shareholding was unbundled, effective on 4 April 2022. In addition, Zeder shareholders approved the disposal of the investment in The Logistics Group at a general meeting held on 15 March 2022, with the remaining suspensive conditions being fulfilled thereafter and The Logistics Group disposal being implemented on 31 March 2022.

Subsequent to year-end, Zeder declared a gross special dividend of 92.5 cents per share (paid on 9 May 2022). Zeder converted the outstanding loan of R330m, as at 30 April 2022, to Zaad into equity via a rights issue.

The macro environment in which Zeder and its portfolio companies operate, remained relatively constrained, largely due to supply chain constraints resulting in increased costs and margin pressure as a result of Covid. In addition, the Russia-Ukraine conflict will lead to an increase in certain agri-input and soft commodity prices. We anticipate that the constrained trading conditions will continue in the short to medium term. The recent KZN unrest did not have a material impact on Zeder and its portfolio companies. Zeder remains well positioned, with a stable balance sheet and cash resources.

Apart from the above, the directors are unaware of any matter or event which is material to the financial affairs of the group that have occurred between the end of the reporting year and the date of approval of the consolidated annual financial statements.

23. SEGMENT REPORT

The group is organised in five reportable segments, representing the major investments of the group, mainly Zaad, The Logistics Group, Capespan, Kaap Agri and Agrivision Africa.

All segments operate predominantly in South Africa. However, the group has exposure to operations outside of South Africa through, *inter alia*, Zaad, The Logistics Group, Capespan and Agrivision Africa.

SOTP value remains a key tool used to measure Zeder's performance pursuant to its objective of shareholder wealth creation through, *inter alia*, capital appreciation. In determining the *SOTP value*, JSE-listed investments are valued using quoted market prices, whereas unlisted assets are valued internally using appropriate valuation methods.

The segments' performance can be analysed as set out below and also in note 1:

GROUP	Fair value gains/ (losses) on investments Rm	Investment (dividend) income Rm	Other income and expenses Rm	Headline earnings Rm	SOTP value Rm
28 February 2022					
Continued operations					
Zaad	27		20	47	2 037
Capespan	(64)	44		(20)	1 053
Agrivision Africa				–	146
Other	(3)	2		(1)	21
Discontinued operations					
The Logistics Group	246	35	(26)	255	1 571
Kaap Agri	501	47		548	1 603
Unallocated (mainly head office)			(16)	(16)	
Cash and cash equivalents					508
Other net assets					229
Total				813	7 168
Taxation				(12)	
Profit for the year				801	
Loss for the year from continued operations				(2)	
Profit for the year from discontinued operations				803	
***SOTP value* per share (rand)**					4.66

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

23. SEGMENT REPORT continued

GROUP	Fair value gains/ (losses) on investments Rm	Investment (dividend) income Rm	Other income and expenses Rm	Headline earnings Rm	SOTP value Rm
28 February 2021					
Continued operations					
Zaad	(24)		6	(18)	2 010
Capespan	118			118	1 117
Agrivision Africa	(96)			(96)	146
Other	1	1		2	24
Discontinued operations					
The Logistics Group	297			297	1 325
Kaap Agri	355	16		371	1 102
Unallocated (mainly head office)			(12)	(12)	
Cash and cash equivalents					876
Other net assets					62
Total				662	6 662
Non-headline items (note 20)				1 832	
Taxation				(19)	
Profit for the year				2 475	
Profit for the year from continued operations				755	
Profit for the year from discontinued operations				1 720	
***SOTP value* per share (rand)**					4.33

SHAREHOLDER ANALYSIS

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Shareholders		Shares held	
GROUP (unaudited)	**Number**	**%**	**Number**	**%**
Range of shareholding				
1 – 20 000	10 451	81.3	32 652 094	2.1
20 001 – 50 000	1 039	8.1	34 601 193	2.2
50 001 – 100 000	589	4.6	43 050 528	2.8
100 001 – 500 000	577	4.5	125 412 636	8.2
500 001 – 1 000 000	90	0.7	62 551 131	4.1
Over 1 000 000	101	0.8	1 239 991 303	80.6
	12 847	100.0	1 538 258 885	100.0
Treasury shares				
– Employee share scheme	1		5 001 469	
	12 848		1 543 260 354	
Public and non-public shareholding				
Non-public				
– Directors[1]	4	0.1	1 254 821	0.1
– PSG Financial Services Limited	1		748 354 891	48.6
Public	12 842	99.9	788 649 173	51.3
	12 847	100.0	1 538 258 885	100.0
Major shareholders holding 5% or more of shares in issue *(net of treasury shares)* at 28 February 2022				
PSG Financial Services Limited (wholly-owned subsidiary of ultimate holding company, PSG Group Limited)			748 354 891	48.6
Public Investment Corporation (including Government Employees Pension Fund)[2]			142 320 366	9.3
Coronation Asset Management Proprietary Limited[2]			80 553 241	5.2
			971 228 498	63.1

[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.