ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2016

REGISTRATION NUMBER: 2006/019240/06

These annual financial statements were compiled under the supervision of Mr WL Greeff, financial director of the group and Chartered Accountant (SA), and audited as set out in the audit report on page 6.

Company information

Directors	**Appointment date**
Executive	
N Celliers (Chief executive officer)	23 July 2012
WL Greeff (Financial director)	21 May 2009
Non-executive	
JF Mouton (Chairman)	21 August 2006
GD Eksteen*	1 September 2009
WA Hanekom**	7 October 2013
AE Jacobs	8 April 2013
PJ Mouton	30 April 2012
CA Otto**	21 August 2006
ASM Karaan**	6 April 2016

** Lead independent non-executive director as from 7 October 2014*
*** Independent*

Registration number	2006/019240/06
Registered address	1st Floor Ou Kollege Building 35 Kerk Street Stellenbosch 7600
Postal address	PO Box 7403 Stellenbosch 7599
Auditor	PricewaterhouseCoopers Inc. Stellenbosch
Company secretary	PSG Corporate Services (Pty) Ltd

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ZEDER INVESTMENTS LIMITED
REPORT OF THE AUDIT AND RISK COMMITTEE
FOR THE YEAR ENDED 29 FEBRUARY 2016

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

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

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

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

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

The committee has evaluated the annual financial statements of the company and group for the year ended 29 February 2016 and, based on the information provided to the committee, considers that these comply, in all material respects, with the requirements of International Financial Reporting Standards; the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee; the Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council; the requirements of the Companies Act of South Africa; and the JSE Listings Requirements.

CA Otto
Chairman

11 April 2016
Stellenbosch

ZEDER INVESTMENTS LIMITED
APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016

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

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

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

The annual financial statements set out on pages 3 to 5 and 7 to 68 were approved by the board of directors of Zeder Investments Ltd and are signed on its behalf by:

JF Mouton	**N Celliers**	**WL Greeff**
Chairman	*Chief executive officer*	*Financial director*

11 April 2016
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.

PSG Corporate Services (Pty) Ltd
Per A Rossouw
Company secretary

11 April 2016
Stellenbosch

OVERVIEW

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

OPERATING RESULTS

The operating results and state of affairs of the company and group 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.

Earnings performance

- Recurring headline earnings per share increased by 20% to 42.4 cents due to improved earnings contributions from the majority of Zeder's underlying investments.
- Headline earnings per share increased by 66% to 36.5 cents as a result of the aforesaid and no performance fee being payable in respect of the year under review.
- Profit for the year amounted to R788.1m (2015: R283.7m), while earnings attributable to equity holders of the group amounted to R781.9m (2015: R241.8m).

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

- Zeder's SOTP value per share, calculated using the quoted market prices for all JSE-listed investments, and market-related valuations for unlisted investments, decreased by 13% during the reporting period to R8.03 as at 29 February 2016 following predominantly a 21% decline in Pioneer Foods' share price.
- At the close of business on Thursday, 31 March 2016, Zeder's SOTP value per share was R8.37.

Corporate actions

- During the year under review, Zeder made an offer to acquire all the shares in Capespan Group Ltd ("Capespan") not already held by Zeder or Capespan management, whereby Capespan shareholders were offered 85 Zeder shares for every 100 Capespan shares held. This transaction was approved by Capespan shareholders on 24 June 2015 and implemented on 27 July 2015. Following completion of same, Zeder now owns an interest of 96.6% in Capespan. As purchase consideration, 69,557,939 Zeder shares were issued to Capespan shareholders.
- Furthermore, the group invested R143.1m in cash in Zaad Holdings Ltd and Agrivision Africa, both companies forming part of Zeder's existing core investments.
- In addition Zeder issued 4,433,103 ordinary shares to acquire an additional 1.5% interest in Kaap Agri Ltd and 5,017,863 ordinary shares to acquire a 19.4% interest in Gebroeders Bakker Zaadteelt en Zaadhander B.V. ("Bakker"). Subsequently, the company swapped the Bakker shares for a 0.3% additional interest in Zaad Holdings Ltd.

STATED CAPITAL

During the year under review, the company issued 79,008,905 (2015: 463,655,674) ordinary shares as part of asset-for-share transactions (mostly notably the aforementioned Capespan transaction) and thereby increased its total number of ordinary shares in issue to 1,522,852,890 (2015: 1,443,843,985). Details regarding the authorised and issued share capital are disclosed in note 16 to the annual financial statements.

DIVIDENDS

On 11 April 2016, the company declared a final dividend of 9 cents (2015: 5.5 cents) per share in respect of the year ended 29 February 2016, which is payable on 9 May 2016.

DIRECTORS

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

Executive	**Non-executive**
N Celliers (Chief executive officer)	JF Mouton (Chairman)
WL Greeff (Financial director)	GD Eksteen*
	WA Hanekom*
	AE Jacobs
	PJ Mouton
	CA Otto*
	ASM Karaan*
	** Independent*

DIRECTORS' EMOLUMENTS

Directors' emoluments (excluding Mr AE Jacobs' emoluments) are paid by PSG Corporate Services (Pty) Ltd ("PSGCS") (an indirect wholly-owned subsidiary of PSG Group Ltd) in terms of the management agreement (refer note 27.1 to the annual financial statements). Directors' emoluments include the following cash-based remuneration:

Audited	**Basic salary R'000**	**Company contributions and allowances R'000**	**Performance -related R'000**	**Fees R'000**	**Total 2016 R'000**	Total 2015 R'000
Executive						
N Celliers[1]	**2 569**	**31**	**3 300**		**5 900**	5 500
WL Greeff[3]					-	
Non-executive						
GD Eksteen				**123**	**123**	115
WA Hanekom				**123**	**123**	100
AE Jacobs[2]	**1 549**	**297**			**1 846**	1 733
JF Mouton[3]					-	
PJ Mouton[3]					-	
CA Otto[3]					-	
MS du Pré le Roux[4]					-	55
LP Retief[4]					-	80
	4 118	**328**	**3 300**	**246**	**7 992**	7 583

1. *Performance-related emoluments were paid in respect of the 2016 financial year.*
2. *The basic salary and company contributions received by AE Jacobs relates to his employment as chief executive officer of Zaad Holdings Ltd, a subsidiary.*
3. *These directors do not receive any emoluments for services rendered to Zeder Investments Ltd, as the the Zeder Investments Ltd group is managed by PSGCS in terms of a management agreement. These directors only receive emoluments from PSGCS for services rendered to PSG Group Ltd and its investee companies (including the Zeder Investments Ltd group).*
4. *Resigned during the previous year.*

The company's prescribed officers include members of the PSG Group Ltd Executive Committee, which manages the group (as further discussed in the corporate governance section of the company and group's annual report), and whose remuneration is disclosed in PSG Group Ltd's annual report.

In addition to the cash-based remuneration above, share options have been awarded to Mr N Celliers, the cost of which is borne by PSGCS in terms of the aforementioned management agreement. The cost (determined using an option pricing model) of the share options awarded amounted to R2.9m (2015: R2.7m) for the year.

During the year, Mr N Celliers exercised 2,024,057 (2015: 775,581) Zeder Investments Ltd and 16,039 (2015: 21,924) PSG Group Ltd share options at weighted average strike prices of R3.64 (2015: R2.90) and R57.29 (2015: R51.31), respectively. The weighted average market price across the respective vesting dates during the year was R6.14 (2015: R5.73) for the Zeder Investments Ltd share options and R174.97 (2015: R126.40) for the PSG Group Ltd share options.

DIRECTORS' EMOLUMENTS (continued)

Share options awarded to Mr N Celliers will vest as follows:

	Number of shares	
Audited	**Zeder**	**PSG Group**
FY17	**2 155 380**	**18 506**
FY18	**2 352 878**	**12 426**
FY19	**1 577 295**	**6 328**
FY20	**328 821**	**4 300**
FY21	**197 496**	**1 836**
Total	**6 611 870**	**43 396**

The weighted average strike price per share for the aforementioned Zeder Investments Ltd and PSG Group Ltd share options is R4.21 and R98.86, respectively.

DIRECTORS' SHAREHOLDING

	Beneficial		**Non-beneficial**	**Total shareholding 2016**		Total shareholding 2015	
Audited	**Direct**	**Indirect**	**Indirect**	**Number**	**%**	Number	%
N Celliers		**4 659 990**		**4 659 990**	**0.306**	3 411 514	0.236
GD Eksteen		**6 683 585**	**250 000**	**6 933 585**	**0.455**	6 933 585	0.480
WL Greeff	**80 000**			**80 000**	**0.005**	80 000	0.006
AE Jacobs		**70 000**		**70 000**	**0.005**	70 000	0.005
JF Mouton			**80 000**	**80 000**	**0.005**	80 000	0.006
CA Otto			**80 000**	**80 000**	**0.005**	80 000	0.006
	80 000	**11 413 575**	**410 000**	**11 903 575**	**0.781**	10 655 099	0.739

Also refer to the shareholder analysis in note 36 to the annual financial statements.

SECRETARY

The secretary of the company is PSG Corporate Services (Pty) Ltd. Please refer to the company information section for its business and postal addresses.

AUDITOR

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

INDEPENDENT AUDITOR'S REPORT
to the shareholders of Zeder Investments Ltd

Report on the Financial Statements
We have audited the consolidated and separate financial statements of Zeder Investments Limited set out on pages 7 to 68, which comprise the statements of financial position as at 29 February 2016, income statement and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements
The company's directors are responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Zeder Investments Limited as at 29 February 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act
As part of our audit of the consolidated and separate financial statements for the year ended 29 February 2016, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Report on Other Legal and Regulatory Requirements
In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Zeder Investments Limited for 10 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc
Director: D de Jager
Registered auditor

11 April 2016
Stellenbosch

ZEDER INVESTMENTS LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2016

		GROUP		COMPANY	
		2016	2015	**2016**	2015
	Notes	**R'000**	R'000	**R'000**	R'000
ASSETS					
Non-current assets		**9 180 814**	7 951 068	**6 823 922**	6 214 060
Property, plant and equipment	1	**1 561 748**	1 223 209		
Intangible assets	2	**656 555**	600 729		
Biological assets (bearer plants)	10	**278 636**	181 524		
Investment in subsidiary	3			**6 823 922**	6 214 060
Investment in ordinary shares of associates	4.1	**6 455 232**	5 703 989		
Loans to associates	4.2		30 030		
Investment in ordinary shares of joint ventures	5.1	**576**	39		
Loans to joint ventures	5.2		81		
Equity securities	6	**50 192**	51 008		
Loans and advances	8	**64 673**	62 128		
Deferred income tax assets	18	**69 862**	63 869		
Employee benefits	9	**43 340**	34 462		
Current assets		**3 722 544**	3 184 404	**-**	-
Biological assets (agricultural produce)	10	**126 940**	92 808		
Inventories	11	**1 291 297**	988 105		
Debt securities	7	**22 854**			
Trade and other receivables	12	**1 575 351**	1 259 979		
Loans and advances	8	**1 644**	52 281		
Derivative financial assets	13	**42**	24		
Current income tax assets		**20 138**	21 208		
Cash, money market investments and other cash equivalents	14	**684 278**	769 999		
Non-current assets held for sale	15		30 378		
Total assets		**12 903 358**	11 165 850	**6 823 922**	6 214 060
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Stated capital	16	**5 704 822**	5 095 256	**5 704 822**	5 095 256
Other reserves	17	**31 708**	54 067		
Retained earnings		**2 514 064**	1 983 375	**334 497**	413 893
		8 250 594	7 132 698	**6 039 319**	5 509 149
Non-controlling interests		**441 833**	607 845		
Total equity		**8 692 427**	7 740 543	**6 039 319**	5 509 149
Non-current liabilities		**1 473 877**	1 273 712	**-**	-
Deferred income tax liabilities	18	**101 664**	105 627		
Borrowings	19	**1 165 916**	969 938		
Derivative financial liabilities	20	**65 424**	63 644		
Employee benefits	9	**140 873**	134 503		
Current liabilities		**2 737 054**	2 151 595	**784 603**	704 911
Borrowings	19	**1 275 970**	902 373	**783 975**	701 911
Trade and other payables	21	**1 328 052**	1 153 236	**628**	
Derivative financial liabilities	20		417		
Current income tax liabilities		**61 753**	30 928		3 000
Employee benefits	9	**71 279**	64 641		
Total liabilities		**4 210 931**	3 425 307	**784 603**	704 911
Total equity and liabilities		**12 903 358**	11 165 850	**6 823 922**	6 214 060

ZEDER INVESTMENTS LIMITED
INCOME STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016

		GROUP		COMPANY	
		2016	2015	**2016**	2015
	Notes	**R'000**	R'000	**R'000**	R'000
Revenue	22	**9 317 747**	8 691 968		
Cost of sales	23	**(7 758 904)**	(7 423 794)		
Gross profit		**1 558 843**	1 268 174		
Income					
Change in fair value of biological assets	10	**243 556**	144 019		
Investment income	24	**46 803**	74 848	**21**	151 380
Net fair value (losses)/gains	25	**(53 246)**	37 717		
Other operating income	26	**51 097**	44 714		
Total income		**288 210**	301 298	**21**	151 380
Expenses					
Management fees	27.1	**(154 643)**	(235 514)		
Marketing, administration and other expenses	27.2	**(1 429 812)**	(1 129 819)		
Total expenses		**(1 584 455)**	(1 365 333)	**-**	-
Net income from associates and joint ventures					
Share of profits of associates and joint ventures	4 & 5	**569 411**	299 892		
Impairment of associates and joint ventures	4 & 5		(132)		
Net profit on dilution of interest in associate	4 & 5	**258 298**			
Net income from associates and joint ventures		**827 709**	299 760	**-**	-
Profit before finance costs and taxation		**1 090 307**	503 899	**21**	151 380
Finance costs	28	**(180 123)**	(142 864)		
Profit before taxation		**910 184**	361 035	**21**	151 380
Taxation	29	**(122 103)**	(77 289)	**(6)**	(3 000)
Profit for the year		**788 081**	283 746	**15**	148 380
Profit attributable to:					
Owners of the parent		**781 909**	241 816	**15**	148 380
Non-controlling interests		**6 172**	41 930		
		788 081	283 746	**15**	148 380
Earnings per share (cents)	33				
Attributable - basic		**52.5**	20.6		
Attributable - diluted		**49.4**	20.6		

ZEDER INVESTMENTS LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 FEBRUARY 2016

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R'000	R'000	**R'000**	R'000
Profit for the year	**788 081**	283 746	**15**	148 380
Other comprehensive loss for the year, net of taxation	**(131 699)**	(30 963)	**-**	-
Items that may be reclassified to profit or loss				
Currency translation adjustments	**(130 723)**	(19 012)		
Reclassification of foreign exchange gains on long-term loan forming part of net foreign investment		(1 015)		
Fair value gains on available-for-sale investments		792		
Share of other comprehensive loss of associates	**(7 553)**	(12 725)		
Cash flow hedges	**(2 637)**	(5 709)		
Reclassification of cash flow hedges		25 010		
Items that may not be reclassified to profit or loss				
Gains/(losses) from changes in financial and demographic assumptions of post-employment benefit obligations	**9 214**	(18 304)		
Total comprehensive income for the year	**656 382**	252 783	**15**	148 380
Attributable to:				
Owners of the parent	**765 138**	217 522	**15**	148 380
Non-controlling interests	**(108 756)**	35 261		
	656 382	252 783	**15**	148 380

ZEDER INVESTMENTS LIMITED
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 FEBRUARY 2016

	Stated capital R'000	Other reserves R'000	Retained earnings R'000	Non-controlling interests R'000	Total R'000
GROUP					
Balance at 1 March 2014	1 748 061	76 121	1 796 330	544 679	4 165 191
Total comprehensive (losses)/income	-	(10 095)	227 617	35 261	252 783
Profit for the year			241 816	41 930	283 746
Other comprehensive losses		(10 095)	(14 199)	(6 669)	(30 963)
Transactions with owners	3 347 195	(11 959)	(40 572)	27 905	3 322 569
Shares issued	3 347 195			10 890	3 358 085
Share-based payment costs - employees		10 709			10 709
Transactions with non-controlling interests		(20 263)	1 130	32 141	13 008
Transfer between reserves		(2 405)	2 405		
Dividends paid			(44 107)	(15 126)	(59 233)
Balance at 28 February 2015	5 095 256	54 067	1 983 375	607 845	7 740 543
Total comprehensive (losses)/income	**-**	**(25 679)**	**790 817**	**(108 756)**	**656 382**
Profit for the year			**781 909**	**6 172**	**788 081**
Other comprehensive (losses)/income		**(25 679)**	**8 908**	**(114 928)**	**(131 699)**
Transactions with owners	**609 566**	**3 320**	**(260 128)**	**(57 256)**	**295 502**
Shares issued	**609 566**			**364 752**	**974 318**
Share-based payment costs - employees		**3 265**		**6 020**	**9 285**
Transactions with non-controlling interests			**(180 662)**	**(413 464)**	**(594 126)**
Subsidiaries acquired				**4 952**	**4 952**
Transfer between reserves		**55**	**(55)**		**-**
Dividends paid			**(79 411)**	**(19 516)**	**(98 927)**
Balance at 29 February 2016	**5 704 822**	**31 708**	**2 514 064**	**441 833**	**8 692 427**

COMPANY	Stated capital R'000	Retained earnings R'000	Total R'000
Balance at 1 March 2014	1 748 061	309 620	2 057 681
Shares issued	3 347 195		3 347 195
Total comprehensive income		148 380	148 380
Dividends paid		(44 107)	(44 107)
Balance at 28 February 2015	5 095 256	413 893	5 509 149
Shares issued	**609 566**		**609 566**
Total comprehensive income		**15**	**15**
Dividends paid		**(79 411)**	**(79 411)**
Balance at 29 February 2016	**5 704 822**	**334 497**	**6 039 319**

Final dividends per share

- 2014: 4.5 cents (declared on 7 April 2014 and paid on 5 May 2014)
- 2015: 5.5 cents (declared on 7 April 2015 and paid on 4 May 2015)
- 2016: 9 cents (declared on 11 April 2016 and payable on 9 May 2016)

ZEDER INVESTMENTS LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2016

		GROUP	
		2016	2015
	Notes	**R'000**	R'000
Cash flow from operating activities		**120 486**	(108 584)
Cash generated from/(utilised by) operations	32.1	**107 389**	(75 699)
Interest received		**41 793**	68 675
Dividends received		**225 029**	132 817
Interest paid		**(158 268)**	(125 373)
Taxation paid	32.2	**(95 457)**	(109 004)
Cash flow from investment activities		**(741 801)**	(741 132)
Acquisition of subsidiaries	32.3	**(274 338)**	(300 233)
Acquisition of associates and joint ventures	4 & 5	**(58 136)**	(264 849)
Acquisition of equity securities	6	**(6 709)**	
Additions to property, plant and equipment	1	**(359 109)**	(256 475)
Additions to intangible assets	2	**(95 183)**	(75 828)
Proceeds from disposal of non-current assets held for sale		**13 086**	193 458
Proceeds from disposal of property, plant and equipment		**48 072**	8 953
Proceeds from disposal of intangible assets			41
Increase in loans and advances		**(9 484)**	(46 199)
Cash flow from financing activities		**557 621**	579 514
Capital contributions by non-controlling interests		**364 752**	6 400
Transactions with non-controlling interests		**(6 310)**	(9 052)
Dividends paid to shareholders of the parent		**(79 411)**	(44 107)
Dividends paid to non-controlling interests		**(19 516)**	(15 126)
Borrowings repaid		**(395 786)**	(79 386)
Borrowings drawn		**693 892**	720 785
Net decrease in cash and cash equivalents		**(63 694)**	(270 202)
Cash and cash equivalents at beginning of year		**769 999**	1 014 768
Exchange (losses)/gains on cash and cash equivalents		**(22 027)**	25 433
Cash and cash equivalents at end of year	14	**684 278**	769 999

The company has no cash, money market investments and other cash equivalents, therefore no cash flow was presented.

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

1. BASIS OF PREPARATION

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and standalone financial statements are disclosed in accounting policy note 26 below.

2. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

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

No new standards, interpretations or amendments, which are relevant to the group's operations, were adopted during the year.

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

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

- Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions (effective 1 July 2014)
- Annual improvements to IFRSs 2012 and 2013

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

The following new standards, interpretations and amendments have been published and are mandatory for the group's accounting periods beginning on or after 1 March 2016 or later periods and have not been early adopted by the group:

- IFRS 9 Financial Instruments (effective 1 January 2018) ^

  New standard to replace IAS 39 Financial Instruments: Recognition and Measurement. The standard, inter alia, replaces the multiple classification and measurement models in IAS 39 with a single model that has only two categories: amortised cost and fair value.
- Amendments to IFRS 10, IFRS 11, IFRS 12 and IAS 28 – Investment Entities (effective 1 January 2016) *
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution to Assets between an Investor and its Associate or Joint Venture (effective 1 January 2016) *
- Amendments to IFRS 11 Joint Arrangements (effective 1 January 2016) *
- IFRS 14 Regulatory Deferral Accounts (effective 1 January 2016) *
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2017) ^

  New standard that specifies how and when an entity will recognise revenue, as well as requiring more informative and relevant disclosures. The standard provides a single, five-step principles-based model to be applied to all contracts with customers.
- IFRS 16 Leases (effective 1 January 2019) ^
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative (effective 1 January 2016) [+]

  Amendments designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements.
- Amendments to IAS 16 and IAS 38 – Acceptable Methods of Depreciation and Amortisation (effective 1 January 2016) *
- Amendments to IAS 27 Consolidated and Separate Financial Statements – Equity Method in Separate Financial Statements (effective 1 January 2016) *

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

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

- Annual improvements to IFRSs 2014 +

^ *Management is in the process of assessing the impact of these standards, interpretations and amendments on the reported results of the group and company.*

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

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

3. CONSOLIDATION

3.1 Subsidiaries

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

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

3.2 Changes in ownership interests in subsidiaries without change of control

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

3. CONSOLIDATION (continued)

3.3 Disposal of subsidiaries

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

3.4 Associates

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

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

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

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

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

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

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

3.5 Joint arrangements

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

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

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

4. SEGMENT REPORTING

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

5. FOREIGN CURRENCY TRANSLATION

5.1 Functional and presentation currency

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

5.2 Transactions and balances

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

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

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

5.3 Group companies

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

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

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

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

	2016		2015	
	Average rand per foreign currency unit	**Closing rand per foreign currency unit**	Average rand per foreign currency unit	Closing rand per foreign currency unit
British pound	19.52	23.01	17.83	17.99
Canadian dollar	9.97	11.19	9.84	9.96
Chilean peso	0.02	0.02	0.02	0.02
Egyptian pound	1.66	1.98	1.53	1.62
Euro	14.17	16.97	14.14	14.05
Hong Kong dollar	1.64	2.00	1.40	1.49
Japanese yen	0.11	0.13	0.10	0.10
Mozambique new metical	0.31	0.35	0.35	0.34
United States dollar	12.76	15.53	10.84	11.60
Zambian kwacha	1.49	1.41	1.77	1.84

6. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

7. INTANGIBLE ASSETS

7.1 Goodwill

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

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

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

7.2 Trademarks

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

7.3 Customer lists

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

7. INTANGIBLE ASSETS (continued)

7.4 Computer software

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

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

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

7.5 Capitalised product development costs

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

7.6. Amortisation of intangible assets

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

Capitalised product development costs	3 - 10 years
Customer lists	4 - 5 years
Trademarks	25 - 75 years
Computer software	5 - 15 years

8. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

9. FINANCIAL INSTRUMENTS

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

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

10. OFFSETTING FINANCIAL INSTRUMENTS

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

11. FINANCIAL ASSETS

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

11.1 Classification

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

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

(b) Loans and receivables

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

(c) Available-for-sale financial assets

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

11.2 Recognition and measurement of financial assets

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

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

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

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

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

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

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

11. FINANCIAL ASSETS (continued)

11.3 Impairment of financial assets

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

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

12. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

12.1 Non-controlling interest put option liabilities

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

12.2 Derivative financial instruments and hedging activities

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

12.3 Cash flow hedges

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

12. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

12.3 Cash flow hedges (continued)

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

13. BIOLOGICAL ASSETS

13.1 Agricultural produce

Agricultural produce are measured on initial recognition and at the end of each reporting period at fair value less cost to sell. Changes in the measurement of fair value less cost to sell are included in profit or loss for the period in which they arise. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs and incremental selling costs, including auctioneers' fees and commission paid to brokers and dealers. All costs incurred in maintaining the assets are included in profit or loss for the period in which they arise. Refer note 10 for further details regarding the valuation of biological assets.

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

13.2 Bearer plants

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

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

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

Apples	36 years	Oranges and lemons	30 years
Pears	36 years	Grapefruit and soft citrus	20 years
Grapes	18 years		

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

Apples	7 years	Oranges and lemons	7 years
Pears	7 years	Grapefruit and soft citrus	7 years
Grapes	4 years	Sugar cane	9 years

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

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

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

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

14. INVENTORY

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

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

15. TRADE AND OTHER RECEIVABLES

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

16. CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS

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

17. STATED CAPITAL

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

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.

18. FINANCIAL LIABILITIES

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

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

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

18. FINANCIAL LIABILITIES (continued)

18.1 Borrowings

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

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

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

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

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

18.2 Trade and other payables

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

19. TAXATION

19.1 Current and deferred income tax

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

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

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

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

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

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

19.2 Dividend withholding tax

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

20. EMPLOYEE BENEFITS

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

20.1 Post-retirement pension and medical plans

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

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

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

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

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

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

20.2 Share-based compensation

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

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

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

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

20.3 Termination benefits

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

20.4 Annual leave

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

20. EMPLOYEE BENEFITS (continued)

20.5 Profit sharing and bonus plans

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

20.6 Other short-term employee benefits

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

21. PROVISIONS AND CONTINGENT LIABILITIES

21.1 Provisions

Provisions are recognised when:

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

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

21.2 Contingent assets and liabilities

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

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

22. LEASES

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

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

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

23. DIVIDEND DISTRIBUTIONS

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

24. REVENUE RECOGNITION

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

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

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

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

24.1 Sale of goods

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

24.2 Services rendered

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

24.3 Interest income

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

24.4 Dividend income

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

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

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

26. 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.

26.1 Estimated impairment of goodwill

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

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

26.2 Impairment of investment in associates

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

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

26.3 Acquisition of associates

Details regarding significant new investments in associates are disclosed in note 4. Furthermore, the group's interest in certain already existing associates were also increased. In accounting for these transactions management had to apply judgement in allocating the purchase price to the identifiable assets and liabilities of the associates acquired, or the portion acquired when an additional interest was acquired.

26.4 Recognition of intangible assets

With a business combination all identifiable assets are recognised at their respective fair values in the consolidated financial statements. The fair values of intangible assets acquired through business combinations are determined by using a discounted cash flow valuation method. The discount rate is based on the long-term risk-free rate with risk premiums added for market and other company and asset specific risks. Intangible assets acquired through business combinations were valued using a discount rates ranging between 5% and 8% (2015: ranging between 4% and 17%).

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

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

The main assumptions used in the valuation of key customer lists are the useful lives of these assets and the future profitability and cancellation rate of the underlying revenue streams. The useful life of a key customer list is estimated based on the cancellation experience of the existing business and the useful life of customer lists of other players in the market. For the key customer lists recognised during the year, useful lives ranging between 2 and 5 years were assumed and average cancellation rates ranging between 15% and 85% (2015: ranging between 15% and 85%) were assumed.

If useful lives were increased/decreased by 10%, the intangible assets recognised would have been approximately R3.1m (2015: approximately R2.5m) higher/lower. Future profit margins used in determining customer contracts and relationships values were consistent with the margins applied in determining the fair value of the related investment.

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

26.5 Useful lives of property, plant and equipment

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

26.6 Fair value of biological assets

The fair value of these biological assets were determined using a discounted cash flow model, which incorporates significant variable inputs i.e. discount rate and useful life of the biological assets. Where an insignificant level of biological transformation had taken place since planting, the biological assets are valued at cost (refer note 10 for further details).

26.7 Money market funds

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

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

26.8 Recoverability of trade and other receivables

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

26.9 Deferred tax

Each group entity determines the recoverability of deferred tax assets and the recognition of estimated tax losses. The recognition is based on the entities' ability to utilise these losses based on expected future taxable earnings. Deferred tax assets in respect of tax losses set out in note 18.

1. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land R'000	Buildings R'000	Vehicles and plant R'000	Office equipment R'000	Total R'000
At 29 February 2016					
Cost	**409 647**	**858 081**	**861 305**	**148 193**	**2 277 226**
Accumulated depreciation and impairment	**(21 967)**	**(216 021)**	**(380 119)**	**(97 371)**	**(715 478)**
	387 680	**642 060**	**481 186**	**50 822**	**1 561 748**
Reconciliation					
Balance at beginning of year	**376 078**	**373 503**	**433 901**	**39 727**	**1 223 209**
Additions	**20 930**	**191 882**	**123 648**	**22 649**	**359 109**
Disposals	**(298)**	**(4 286)**	**(13 953)**	**(4 046)**	**(22 583)**
Depreciation	**(6 895)**	**(26 031)**	**(80 342)**	**(11 551)**	**(124 819)**
Impairment		**(12 704)**	**(1 103)**	**(364)**	**(14 171)**
Exchange rate movements	**(41 788)**	**(2 852)**	**(44 973)**	**3 097**	**(86 516)**
Subsidiaries acquired	**39 653**	**122 548**	**64 008**	**1 310**	**227 519**
Balance at end of year	**387 680**	**642 060**	**481 186**	**50 822**	**1 561 748**
At 28 February 2015					
Cost	390 981	389 391	552 464	56 006	1 388 842
Accumulated depreciation and impairment	(14 903)	(15 888)	(118 563)	(16 279)	(165 633)
	376 078	373 503	433 901	39 727	1 223 209
Reconciliation					
Balance at beginning of year	289 270	312 395	304 745	18 565	924 975
Additions	47 691	44 841	133 090	30 853	256 475
Disposals	(121)	(140)	(4 250)	(111)	(4 622)
Depreciation	(6 935)	(15 016)	(65 189)	(9 788)	(96 928)
Reversal of impairment		8 277	3 616		11 893
Transfer to held-for-sale		(20 454)	(9 533)	(11)	(29 998)
Exchange rate movements	(2 127)	(9 948)	193	(175)	(12 057)
Subsidiaries acquired	48 300	53 548	71 229	394	173 471
Balance at end of year	376 078	373 503	433 901	39 727	1 223 209

Details of land and buildings are available at the registered offices of the relevant group companies. Refer note 19 for details regarding property, plant and equipment that serve as security for borrowings.

The current year impairment relates to the assets of a logistical mineral terminal situated in Mozambique, having experienced lower volumes due to the decline in the commodity cycle.

The prior year reversal of impairment relates to the property, plant and equipment of a subsidiary of Capespan Group Ltd, which was subsequently reclassified as a non-current asset held-for-sale and disposed of (refer note 15).

2. INTANGIBLE ASSETS

GROUP	Capitalised product development costs* R'000	Customer lists R'000	Trademarks, computer software and other R'000	Goodwill R'000	Total R'000
At 29 February 2016					
Cost	**258 281**	**39 965**	**109 826**	**375 644**	**783 716**
Accumulated amortisation and impairment	**(58 837)**	**(29 553)**	**(38 771)**		**(127 161)**
Balance at end of year	**199 444**	**10 412**	**71 055**	**375 644**	**656 555**
Reconciliation					
Balance at beginning of year	**127 560**	**19 681**	**37 378**	**416 110**	**600 729**
Additions	**59 493**		**35 690**		**95 183**
Amortisation	**(14 259)**	**(10 020)**	**(6 371)**		**(30 650)**
Impairment	**(2 926)**			**(5 024)**	**(7 950)**
Exchange rate movement	**28 597**	**(573)**	**2 499**	**(56 551)**	**(26 028)**
Subsidiaries acquired	**979**	**1 324**	**1 859**	**21 109**	**25 271**
Balance at end of year	**199 444**	**10 412**	**71 055**	**375 644**	**656 555**
At 28 February 2015					
Cost	144 884	36 999	67 907	416 110	665 900
Accumulated amortisation and impairment	(17 324)	(17 318)	(30 529)		(65 171)
Balance at end of year	127 560	19 681	37 378	416 110	600 729
Reconciliation					
Balance at beginning of year	74 471	22 329	46 058	232 937	375 795
Additions	71 598		4 230		75 828
Disposals			(41)		(41)
Amortisation	(9 272)	(6 386)	(9 671)		(25 329)
Impairment	(3 894)		(9 166)	(5 953)	(19 013)
Exchange rate movement	(5 743)	133	250	27 985	22 625
Subsidiaries acquired	400	3 605	5 718	161 141	170 864
Balance at end of year	127 560	19 681	37 378	416 110	600 729

* *Only capitalised product development costs are internally generated.*

Intangible assets other than goodwill

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

	Remaining amortisation period		Carrying value	
	2016	2015	**2016** R'000	2015 R'000
Zaad				
- Capitalised product development costs	**< 7 years**	< 8 years	**199 444**	127 560
Capespan				
- Metspan Hong Kong customer lists	**15 years**	16 years	**10 412**	13 372
- Software development	**5 - 9 years**		**41 410**	4 679
			251 266	145 611

2. INTANGIBLE ASSETS (continued)

Goodwill allocation

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

	2016 R'000	2015 R'000
Zaad		
- Agricol	**51 722**	51 722
- Klein Karoo Seed Marketing	**69 065**	69 065
- Agriseeds	**6 228**	
Agrivision Africa		
- Chobe Agrivision	**34 672**	42 883
- Somawhe	**63 441**	78 467
- Mpongwe Milling	**140 659**	173 973
Capespan		
- Contour Logistics (acquired as Aspen Logistics)	**9 857**	
	375 644	416 110

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

Zaad - Agricol and Klein Karoo Seed Marketing

The fair value less cost to sell of Agricol and Klein Karoo Seed Marketing (including Klein Karoo Seed Marketing Zimbabwe and Agriseeds in the current year) is determined using unobservable inputs (level 3), by applying a price/earnings ratio of 12 (2015: 12). The price/earnings ratio applied was determined with reference to similar listed companies, adjusted for entity specific considerations. Had the price/earnings ratio been decreased by 10%, the recoverable amount would still exceed the carrying value.

Zaad - Agriseeds

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

Discount rate	16.7%
Terminal growth rate	5.5%
Tax rate	25.8%

Agrivision Africa

The fair value less cost to sell of Agrivision Africa, which consists of three CGUs, namely Chobe Agrivision, Somawhe and Mpongwe Milling, is determined based on the net realisable value of the underlying assets, with reference to the fair value of land, buildings and other tangible assets (level 3 unobservable inputs). This was based mainly on an average selling price of US$13,000 (2015: US$11,840) per irrigated hectare of land. Had the price per irrigated hectare been adjusted downward by 10%, the recoverable amount would still exceed the carrying value. Mpongwe Milling's fair value less cost to sell was determined using a price/earnings ratio of 10 - 15 (2015: 10 - 15).

Capespan - Contour Logistics

The value-in-use of Contour Logistics is determined using a discounted cash flow model, management-approved budgets and a discount rate equal to the entity’s weighted average cost of capital.

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

	COMPANY 2016 R'000	COMPANY 2015 R'000
3. INVESTMENT IN SUBSIDIARY		
Unlisted shares at cost	**6 823 922**	6 214 060

The company holds 100% (2015: 100%) of the issued share capital of Zeder Financial Services Ltd. Refer to Annexure A.

The company's investment increased during the year following the asset-for-share transactions set out in note 16.

		GROUP 2016 R'000	GROUP 2015 R'000
4.	**INVESTMENT IN ASSOCIATES**		
4.1	**Investment in ordinary shares of associates**		
	- Listed	**5 133 863**	4 916 986
	- Unlisted but quoted	**550 838**	461 922
	- Unlisted	**770 531**	325 081
		6 455 232	5 703 989
4.2	**Loans to associates**		
	- Klein Karoo Akademie (Pty) Ltd		2 305
	- Klein Karoo Seed Marketing Zimbabwe		27 725
		-	30 030
	These loans are unsecured, interest-free with no repayment terms.		
	Reconciliation of ordinary share investments:		
	Balance at beginning of year	**5 703 989**	1 821 814
	Acquisitions		
	- Cash[1]	**57 399**	87 301
	- Shares issued[2, 3]	**36 354**	3 335 322
	- Other		50 079
	Equity accounting		
	- Share of profits of associates[4]	**569 611**	300 743
	- Dividends received	**(223 242)**	(126 644)
	- Other comprehensive income	**(7 554)**	(12 725)
	Impairment of associates[5]		(65)
	Profit on dilution[6]	**277 336**	
	Loss on dilution[7]	**(19 038)**	
	Transfer from equity securities[3]		254 387
	Transfer to subsidiaries	**(197)**	(7 946)
	Fair value gain on step-up acquisition of an associate to a subsidiary	**3 731**	
	Transfer from loan to associates	**2 361**	
	Exchange rate movement	**54 482**	1 723
	Balance at end of year	**6 455 232**	5 703 989
	Market value of listed investments	**7 741 374**	9 763 816
	Market value of unlisted investments (based on a rolling PE basis per associate)	**1 677 413**	962 923

1 During the current year, the group, through Capespan Group Ltd, acquired a 25% interest in Fruchimport van Wylick, a fruit marketing company in Germany, for R53.2m.

2 During the current year, the company issued 4,433,103 ordinary shares for an additional 1.5% interest in Kaap Agri Ltd ("Kaap Agri"). Subsequently, the company transferred the Kaap Agri shares to Zeder Financial Services Ltd (wholly-owned subsidiary), through an asset-for-share transaction.

3 During the previous year, the company made an offer to acquire all the shares in Agri Voedsel Ltd ("Agri Voedsel") (which in turn held an interest of 26% and 23.8% in Pioneer Food Group Ltd and Quantum Foods Holdings Ltd, respectively) not already held by Zeder, whereby Agri Voedsel shareholders were offered 16.2 Zeder shares for every one Agri Voedsel share. This transaction was approved on 15 September 2014 and implemented on 20 October 2014. Following the completion of same, Zeder held a direct interest of 27.3% in Pioneer Food Group Ltd and 25% in Quantum Foods Holdings Ltd. Subsequently, the direct interest in Quantum Foods Holdings Ltd was increased to 26.4%. The company issued 463,655,654 shares, valued at R3.3bn, to the Agri Voedsel shareholders through the aforementioned scheme of arrangement to effectively increase its interest in Pioneer Food Group Ltd and Quantum Foods Holdings Ltd. The group's existing direct interest (previously classified as equity securities) was transferred to investment in associates at fair value (refer note 6).

4 Equity accounted earnings as per the income statement of R569.4m (2015: R299.9m) includes the equity accounted loss from the investment in joint ventures of R0.2m (2015: R0.9m) (refer note 5).

5 The prior year impairment relates to Blue Green Oceans (Pty) Ltd, an aqua culture operation.

4. INVESTMENT IN ASSOCIATES (continued)

Reconciliation of ordinary share investments (continued)

[6] During the year, Golden Wing Mau, an associate of Capespan Group Ltd, merged as equals with Joyvio. Both companies are leading players in China's fresh fruit business and the merger resulted in the group's interest in Golden Wing Mau diluting from 25% to 11.3%. The group continues to exercise significant influence through, inter alia, board representation. The dilution gain of R277,336,000 consequently recognised by the group was determined with reference to the fair value at which the merger was concluded being above the carrying value of the investment. The fair value was determined by the appointed appraiser using the discounted cash flow method and price-to-sales ratios. The most significant inputs to the fair value determination were the discount rate applied ranging between 10.5% and 11.9% and the price-to-sale ratio ranging between 1.0257 to 3.9626, depending on the nature of the operations.

[7] The group's interest in Pioneer Food Group Ltd diluted.

Further information

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

		GROUP	
		2016 R'000	2015 R'000
5.	**INVESTMENT IN JOINT VENTURES**		
5.1	**Investment in ordinary shares of joint ventures**	**576**	39
	Reconciliation of ordinary share investment:		
	Balance at beginning of year	**39**	67
	Additions	**737**	
	Impairment		(67)
	Equity accounted losses	**(200)**	(851)
	Other movements		890
	Balance at end of year	**576**	39
5.2	**Loans to joint ventures**		81
6.	**EQUITY SECURITIES**		
	Available-for-sale	**7 033**	4 729
	- Unlisted but quoted	**1 321**	1 321
	- Unquoted	**5 712**	3 408
	At fair value through profit or loss		
	- Unquoted	**43 159**	46 279
		50 192	51 008

The unquoted equity securities include advances which are linked to equity instruments. In terms of these agreements, the group is entitled to the majority of the increase in the market value of the underlying equity securities and the dividends received on these securities. The advances are impaired to the value of the underlying instruments should the market value of the instruments fall below the current carrying value of the advances (refer to note 35 for fair value disclosures).

GROUP	**Available-for-sale R'000**	**At fair value through profit or loss R'000**	**Total R'000**
Reconciliation			
Balance at 1 March 2014	3 756	202 772	206 528
Net fair value gains	973	97 894	98 867
Transfer to associates		(254 387)	(254 387)
Balance at 28 February 2015	4 729	46 279	51 008
Additions	**2 304**	**4 405**	**6 709**
Net fair value losses		**(7 525)**	**(7 525)**
Balance at 29 February 2016	**7 033**	**43 159**	**50 192**

	GROUP 2016 R'000	GROUP 2015 R'000
7. DEBT SECURITIES		
At fair value through profit or loss (current)		
- Unquoted	**22 854**	

The unquoted debt securities comprise Zimbabwean Government treasury bills with a fixed interest rate of 5% and maturing between 2017 and 2019. The debt securities were acquired during the year as part of the repayment by a debtor and were disposed of subsequent to year-end at an amount higher than the carrying value.

	GROUP 2016 R'000	GROUP 2015 R'000
8. LOANS AND ADVANCES		
Secured loans	**60 446**	104 191
Unsecured loans	**5 871**	10 218
	66 317	114 409
Current	**1 644**	52 281
Non-current	**64 673**	62 128
	66 317	114 409

Secured loans include, inter alia, loans to Capespan Group Ltd ("Capespan") staff of R21.6m (2015: R21.2m), loans to non-controlling shareholders of Zaad Holdings Ltd amounting to R32.3m (2015: R29.7m) and a production loan of Rnil (2015: R48.7m) by Capespan to a supplier. The Capespan staff loans carry interest at the SARS official interest rate, has fixed repayment terms and Capespan ordinary shares serve as security for the loans. The loans to the non-controlling shareholders carry interest at rates ranging between prime and prime less 2%, are repayable between July 2017 and November 2018, and are secured by the non-controlling shareholders' ordinary shares in Zaad Holdings Ltd. The loan to a supplier of Capespan carried interest at a rate of prime plus 1% had fixed repayment terms and the supplier's fruit produced served as security.

9. EMPLOYEE BENEFITS

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

GROUP	2016 Assets R'000	2016 Liabilities R'000	2016 Net R'000	2015 Assets R'000	2015 Liabilities R'000	2015 Net R'000
Short-term employee benefits						
Performance-based remuneration		**(41 514)**	**(41 514)**		(45 096)	(45 096)
Leave pay		**(27 578)**	**(27 578)**		(18 705)	(18 705)
Post-employment defined benefit plans	**43 340**	**(137 457)**	**(94 117)**	34 462	(132 818)	(98 356)
Termination employee benefits		**(5 603)**	**(5 603)**		(2 525)	(2 525)
	43 340	**(212 152)**	**(168 812)**	34 462	(199 144)	(164 682)
Non-current portion	**43 340**	**(140 873)**	**(97 533)**	34 462	(134 503)	(100 041)
Current portion		**(71 279)**	**(71 279)**		(64 641)	(64 641)

9. EMPLOYEE BENEFITS (continued)

Short-term employment benefits

These benefits comprise bonus and leave pay accruals.

Post-employment defined benefit plans (Capespan medical benefits)

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

Post-employment defined benefit plans (Capespan pension benefits)

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

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

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

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

	2016			2015		
	Capespan medical benefits			Capespan medical benefits		
	Assets R'000	**Liabilities R'000**	**Net R'000**	Asset R'000	Liabilities R'000	Net R'000
Present value of funded obligations		**(25 700)**	**(25 700)**		(23 823)	(23 823)
Opening balance		**(23 823)**	**(23 823)**		(21 260)	(21 260)
Interest expense		**(1 922)**	**(1 922)**		(1 264)	(1 264)
Losses from changes in financial and demographic assumptions		**(2 384)**	**(2 384)**		(3 367)	(3 367)
Employer contributions		**2 429**	**2 429**		2 068	2 068
Balance at end of year	**-**	**(25 700)**	**(25 700)**	-	(23 823)	(23 823)

	2016			2015		
	Capespan pension benefits			Capespan pension benefits		
	Assets R'000	**Liabilities R'000**	**Net R'000**	Asset R'000	Liabilities R'000	Net R'000
Fair value of plan assets	**43 340**		**43 340**	34 462		34 462
Present value of funded obligations		**(109 570)**	**(109 570)**		(108 155)	(108 155)
	43 340	**(109 570)**	**(66 230)**	34 462	(108 155)	(73 693)
Balance at beginning of year	**34 462**	**(108 155)**	**(73 693)**	33 090	(89 786)	(56 696)
Interest expense		**(14 661)**	**(14 661)**		(16 227)	(16 227)
Return on plan assets	**14 191**		**14 191**	12 081		12 081
Gains/(losses) from changes in financial and demographic assumptions		**14 190**	**14 190**		(17 338)	(17 338)
Benefits paid			**-**	(10 709)	12 517	1 808
Employer contributions		**10 255**	**10 255**		3 472	3 472
Exchange differences	**(5 313)**	**(11 199)**	**(16 512)**		(793)	(793)
Balance at end of year	**43 340**	**(109 570)**	**(66 230)**	34 462	(108 155)	(73 693)

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

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

9. EMPLOYEE BENEFITS (continued)

	Capespan medical benefits	Capespan pension benefits SACCE	CCNV	CGG
29 February 2016				
Discount rate	**0.4%**	**3.7%**	**1.4%**	**2.0%**
Future salary increases	**1.0%**		**3.0%**	**3.5%**
Inflation	**9.0%**	**2.2%**	**2.0%**	**2.2%**
28 February 2015				
Discount rate	0.5%	4.4%	1.2%	1.2%
Future salary increases	1.0%		3.0%	3.5%
Inflation	7.0%	2.8%	2.0%	2.2%

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

	Capespan medical benefits			Capespan pension benefits		
	Change in assumption	Increase	Decrease	Change in assumption	Increase	Decrease
29 February 2016						
Discount rate	**0.5%**	**976**	**(913)**	**0.5%**	**30 220**	**(30 005)**
Inflation	**1.0%**	**(1 665)**	**1 860**	**1.0%**	**(17 020)**	**16 130**
Mortality	**1 year**	**(618)**	**647**	**1 year**	**(21 192)**	**20 804**
28 February 2015						
Discount rate	0.5%	899	(842)	0.5%	6 645	(6 630)
Inflation	1.0%	(1 549)	1 726	1.0%	(1 569)	3 970
Mortality	1 year	(1 173)	1 217	1 year	(22 298)	21 726

	GROUP 2016 R'000	GROUP 2015 R'000
10. BIOLOGICAL ASSETS		
Balance at beginning of year	**274 332**	200 568
Subsidiaries acquired	**62 485**	
Exchange rate movement	**(10 191)**	(1 335)
Additions	**175 651**	172 577
Harvests	**(328 803)**	(231 617)
Depreciation	**(11 454)**	(9 880)
Change in fair value of biological assets	**243 556**	144 019
Balance at end of year	**405 576**	274 332
Biological assets (bearer plants)[1]	**278 636**	181 524
Orchards	**122 686**	57 062
Vineyards	**155 950**	124 462
Biological assets (agricultural produce)	**126 940**	92 808
Maize[2]	**16 519**	24 127
Soya[2]	**32 275**	24 797
Orchards[3]	**39 820**	17 220
Vineyards[3]	**13 238**	12 395
Sugar cane[3]	**14 414**	14 269
Timber[4]	**10 674**	
	405 576	274 332

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

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

3 These current biological assets, which comprise the fruit on the orchards, grapes on the vineyards and sugar cane have been valued using the following assumptions:

- expected sales realisation at free on board value for export fruit and net value for local fruit sales;
- budgeted costs to harvest and sell the fruit as per management-approved budgets;
- packing and cooling costs as per the management-approved budgets; and
- overheads directly attributable to the operations for the year.

4 This current biological asset is valued using the discounted cash flow valuation model to consider the present value of the net cash flows expected to be generated.

The abovementioned fair value of biological assets has been calculated using unobservable inputs (level 3). The table below summarises the sensitivity of the group's post-tax net profit for the year as a result of fair value assumption fluctuations. The analysis is based on the assumption that the fair value increase/decrease by 10% (2015: 10%) at the reporting date:

GROUP	**2016 10% increase R'000**	2015 10% increase R'000	**2016 10% decrease R'000**	2015 10% decrease R'000
Impact on post-tax profit	**91 397**	66 822	**(91 397)**	(66 822)

As at 29 February 2016, biological assets comprised plantings of 395 hectares (2015: 168 hectares) of apples, 95 hectares (2015: 32 hectares) of pears, 477 hectares (2015: 475 hectares) of grapes, 440 hectares (2015: 156 hectares) of citrus, 955 hectares (2015: nil hectares) of sugar cane and 800 hectares (2015: nil hectares) of timber plantations, 5,170 hectares (2015: 3,345 hectares) of soya and 1,299 hectares (2015: 2,922 hectares) of maize.

	GROUP 2016 R'000	GROUP 2015 R'000
11. INVENTORIES		
Raw materials	**135 707**	169 699
Work in progress	**17 646**	8 148
Finished goods	**1 137 944**	810 258
	1 291 297	988 105

11. INVENTORIES (continued)

Inventory to the value of R32m (2015: R8m) was written off during the year.

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

	GROUP	
	2016	2015
	R'000	R'000
12. TRADE AND OTHER RECEIVABLES		
Trade receivables	**1 260 912**	1 044 407
Provision for impairment of trade receivables	**(49 047)**	(18 967)
Value added tax	**56 707**	42 031
Prepayments and sundry receivables*	**306 779**	192 508
	1 575 351	1 259 979
* Includes non-financial assets of R296m (2015: R174m).		
13. DERIVATIVE FINANCIAL ASSETS		
Forward currency exchange contracts (refer note 35)	**42**	24
14. CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS		
Bank balances	**566 843**	347 478
Money market fund	**117 435**	422 521
	684 278	769 999

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, and the majority of the balance was withdrawn subsequent to year-end.

	2016	2015
15. NON-CURRENT ASSETS HELD FOR SALE		
Carrying value at beginning of year	**30 378**	177 570
Transfer from subsidiaries		30 378
Net fair value gains		15 888
Disposals	**(30 378)**	(193 458)
Carrying value at end of year	**-**	30 378

At 1 March 2014, non-current assets held for sale consisted mainly of JSE-listed Capevin Holdings Ltd shares, which was disposed of during the prior year.

At 28 February 2015, non-current assets held for sale comprised Addo Cold Storage (Pty) Ltd (previously a subsidiary of Capespan Group Ltd) which was transferred from investment in subsidiaries. The disposal was concluded during the year under review for cash proceeds of R13m; with non-controlling interests of R17m being derecognised. Statement of financial position information is as follows:

	2016	2015
Property, plant and equipment		**29 998**
Cash and cash equivalents		**106**
Net receivables		**274**
		30 378

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R'000	R'000	**R'000**	R'000
16. STATED CAPITAL				
Ordinary shares				
Authorised				
2,000,000,000 (2015: 2,000,000,000) ordinary shares with no par value				
Issued				
1,522,852,890 (2015: 1,443,843,985) ordinary shares with no par value	**5 704 822**	5 095 256	**5 704 822**	5 095 256

During the current year, the company issued 69,557,939 ordinary shares to Capespan Group Ltd ("Capespan") shareholders through a scheme of arrangement to effectively increase its interest in Capespan to 96.6%. The company also issued 4,433,103 and 5,017,863 ordinary shares for an additional interest in Kaap Agri Ltd ("Kaap Agri") and in Gebroeders Bakker Zaadteelt en Zaadhander B.V. ("Bakker"), respectively. Subsequently, the company transferred the Capespan, Kaap Agri and Bakker shares to Zeder Financial Services Ltd (wholly-owned subsidiary) through an asset-for-share transaction (refer notes 3 & 4).

Cumulative, non-redeemable, non-participating preference shares

Authorised

250,000,000 (2015: 250,000,000) shares with no par value

Share incentive schemes of subsidiaries

Agrivision Africa

During the current and previous years, Agrivision Africa operated an equity-settled share incentive scheme. In terms of the scheme, share options were granted to executive directors and senior management. The total equity-settled share-based payment charge recognised in profit or loss amounted to R6.8m (2015: R0.1m). This charge was credited to other reserves and non-controlling interests.

Reconciliation of outstanding share options:	**2016**	2015
	Number	Number
Balance at beginning of year	**49 273**	46 213
Number of share options granted during the year	**97 638**	3 060
Number of share options forfeited during the year	**(9 853)**	
Balance at end of year	**137 058**	49 273

Analysis of outstanding scheme shares by financial year of maturity:	**2016** Weighted average strike price (R)	**2016** Number	2015 Weighted average strike price (R)	2015 Number
2015/16			722	9 855
2016/17	**831**	**36 616**	782	9 855
2017/18	**848**	**38 593**	847	9 855
2018/19	**864**	**42 401**	918	9 855
2019/20	**940**	**15 640**	994	9 853
2020/21	**848**	**3 808**		
		137 058		49 273

16. STATED CAPITAL (continued)

Share incentive schemes of subsidiaries (continued)

Agrivision Africa (continued)

Outstanding share options per trance allocated:	Number of shares	Price R	Volatility %	Dividend yield %	Risk-free rate %	Fair value R
11 April 2012	**753**	728.20	32.5	-	6.1	34.22
20 April 2012	**2 781**	788.65	32.5	-	6.7	34.64
19 June 2012	**5 035**	854.15	32.5	-	7.1	37.68
3 August 2012	**17 722**	924.99	32.5	-	7.5	41.46
14 September 2012	**10 069**	1 001.72	32.5	-	7.8	43.77
8 April 2014	**3 060**	716.69	30.7	-	7.5	45.04
1 January 2015	**97 638**	632.07	26.8	-	7.9	180.92
	137 058					

The value of the options was calculated using the Black-Scholes-Merton model.

Capespan Group Ltd

During the previous year, Capespan Group Ltd replaced its long-term bonus scheme with a share option scheme. In terms of the share option scheme, share options are granted to executive directors and senior management on grant date at a strike price equal to fair value. The settlement of the purchase consideration payable by the participant in terms of the share options granted occurs on vesting. Vesting of share options occurs in tranches of 25% each after 2, 3, 4 and 5 years from grant date, respectively.

Participants with 'in the money' entitlements in terms of the long-term bonus scheme were awarded their first tranche of share options at a reduced strike price. Accordingly, the previously recognised liability of R9.4m (net of tax) was reclassified to the share-based payment reserve and the remainder of the equity-settled share-based payment charge (calculated making use of a Black-Scholes valuation model and the inputs set out below) is recognised over the specified service periods. The equity-settled share-based payment charge recognised in the income statement amounted to R2.4m (2015: R1.1m). This charge, net of the related tax effect, was credited to the share-based payment reserve.

During the year under review, 11,838,683 (2015: 14,745,337) share options were granted to participants at a total consideration of R66.6m (2015: R37.5m). Each share option awarded entitles the participant to acquire one ordinary share in the issued share capital of Capespan Group Ltd. The maximum number of shares which may be offered to participants is 38,818,693. During the year under review, the Capespan Group Share Incentive Trust acquired nil (2015: 654,000) ordinary shares in Capespan Group Ltd in order to assist in meeting its obligations in terms of the share options granted.

Reconciliation of outstanding share options:	2016 Number	2015 Number
Balance at beginning of year	**13 839 393**	
Number of share options granted during the year	**11 898 462**	14 745 737
Number of share options forfeited during the year	**(1 812 688)**	(906 344)
Balance at end of year	**23 925 167**	13 839 393

Analysis of outstanding share options by financial year of maturity:	2016 Weighted average strike price (R)	2016 Number	2015 Weighted average strike price (R)	2015 Number
2015/16			2.36	3 459 848
2016/17	**3.20**	**8 462 262**	2.36	3 459 848
2017/18	**3.91**	**5 966 348**	2.36	3 459 848
2018/19	**3.91**	**5 966 348**	2.36	3 459 849
2019/20	**5.63**	**2 959 672**		
2020/21	**5.81**	**570 537**		
		23 925 167		13 839 393

16. STATED CAPITAL (continued)

Share incentive schemes of subsidiaries (continued)

Capespan Group Ltd (continued)

Outstanding share options per tranche allocated:	Number of shares	Price R	Volatility %	Dividend yield %	Risk-free rate %	Fair value R
1 January 2014	**2 256 798**	0.99	31.2	4.4	6.1 - 7.3	2.07
1 January 2014	**1 325 801**	1.08	31.2	4.4	6.1 - 7.3	2.00
1 January 2014	**2 636 918**	1.45	31.2	4.4	6.1 - 7.3	1.72
1 January 2014	**5 807 188**	3.31	31.2	4.4	6.1 - 7.3	0.73
1 January 2015	**1 374 580**	4.00	29.0	6.1	6.8 - 7.3	0.72
1 January 2015	**8 421 053**	5.85	29.0	6.1	6.8 - 7.3	0.32
1 January 2016	**2 102 829**	5.81	32.5	4.5	7.9 - 8.2	1.42
	23 925 167					

17. OTHER RESERVES

GROUP	Available-for-sale R'000	Foreign currency translation R'000	Share-based payment R'000	Other * R'000	Total R'000
Balance at 1 March 2014	56	115 013	1 339	(40 287)	76 121
Currency translation adjustments		(11 977)			(11 977)
Fair value gains on available-for-sale investments	792				792
Share of other comprehensive loss of associates				(12 725)	(12 725)
Share-based payment costs - employees			10 709		10 709
Cash flow hedges				(7 009)	(7 009)
Recycling of cash flow hedges		3 623		18 216	21 839
Transfer between reserves				(2 405)	(2 405)
Recycling of foreign exchange gains on long-term loan classified as part of net foreign investment		(1 015)			(1 015)
Transactions with non-controlling interests				(20 263)	(20 263)
Balance at 28 February 2015	848	105 644	12 048	(64 473)	54 067
Currency translation adjustments		**(15 579)**			**(15 579)**
Share of other comprehensive income of associates				**(7 553)**	**(7 553)**
Share-based payment costs - employees			**3 265**		**3 265**
Cash flow hedges				**(2 547)**	**(2 547)**
Transfer between reserves				**55**	**55**
Balance at 29 February 2016	**848**	**90 065**	**15 313**	**(74 518)**	**31 708**

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

	GROUP 2016 R'000	GROUP 2015 R'000
18. DEFERRED INCOME TAX		
Deferred income tax assets	**69 862**	63 869
Deferred income tax liabilities	**(101 664)**	(105 627)
Net deferred income tax liability	**(31 802)**	(41 758)
Deferred income tax assets		
To be recovered within 12 months	**26 786**	7 523
To be recovered after 12 months	**43 076**	56 346
	69 862	63 869

18. DEFERRED INCOME TAX (continued)

	GROUP 2016 R'000	GROUP 2015 R'000
Deferred income tax liabilities		
To be recovered within 12 months	**(20 432)**	(13 997)
To be recovered after 12 months	**(81 232)**	(91 630)
	(101 664)	(105 627)

GROUP	Tax losses R'000	Provisions R'000	Unrealised profits R'000	Intangible assets and other differences R'000	Total R'000
Balance at 1 March 2014	50 450	5 344	(37 589)	(78 585)	(60 380)
Subsidiaries acquired	1 116	(2 865)		(25 242)	(26 991)
Credited/(charged) to profit and loss	4 794	(601)	32 138	9 505	45 836
Credited to other comprehensive income			1 243	6 506	7 749
Exchange rate movements		76	71	(8 119)	(7 972)
Balance at 28 February 2015	56 360	1 954	(4 137)	(95 935)	(41 758)
Subsidiaries acquired				**(3 891)**	**(3 891)**
Credited/(charged) to profit and loss	**46 485**	**22 590**	**(2 340)**	**(61 486)**	**5 249**
Charged to other comprehensive income				**(2 897)**	**(2 897)**
Exchange rate movements	**(956)**	**6 954**	**317**	**5 180**	**11 495**
Balance at 29 February 2016	**101 889**	**31 498**	**(6 160)**	**(159 029)**	**(31 802)**

Deferred income tax on temporary differences relating to equity securities that are classified as at fair value through profit or loss and available-for-sale, is calculated using South Africa's effective capital gains tax rate of 22.4% (2015: 18.6%). Deferred income tax was otherwise calculated on temporary differences using the applicable tax rate as per the tax jurisdiction it relates to.

19. BORROWINGS

	GROUP 2016 R'000	GROUP 2015 R'000	COMPANY 2016 R'000	COMPANY 2015 R'000
Non-current				
Secured redeemable preference shares	**300 000**	300 000		
Secured loans	**864 011**	665 938		
Unsecured loans	**1 905**	4 000		
	1 165 916	969 938		
Current				
Secured loans	**288 001**	213 684		
Unsecured loans	**35 929**	8 547	**783 975**	701 911
Bank overdrafts	**945 933**	674 035		
Accrued redeemable preference share dividends	**6 107**	6 107		
	1 275 970	902 373	**783 975**	701 911

Secured redeemable preference shares

The preference shares, issued by Zeder Financial Services Ltd, a wholly-owned subsidiary, are secured by investments in associates and subsidiaries with a market value of R5.4bn (2015: R6.2bn), carry a fixed dividend rate of 8.11% nominal annual compounded monthly, and are redeemable during September 2017.

19. BORROWINGS (continued)

Secured loans

The following significant borrowings are included in secured loans:

- Capespan has a guaranteed term loan of R100m (2015: R100m) from ABSA, which carries interest at prime less 1.5% (2015: prime less 1.5%) and is repayable during January 2017;
- Capespan has a guaranteed term loan of R300m (2015: Rnil) from ABSA, which carries interest at JIBAR plus 2.3% and is repayable in quarterly instalments;
- Capespan has a guaranteed term loan of R100m (2015: R100m) from HSBC, which carries interest at JIBAR plus 2.1% (2015: JIBAR plus 2.1%) and is repayable in quarterly instalments;
- Zaad has a term loan of R82.1m (2015: R134m) from FNB, which carries interest at prime less 1.25% (2015: prime less 1.25%), is repayable in annual instalments and is secured by a general covering mortgage bond over immovable property with a carrying value of R51.7m (2015: R59.3m);
- Agrivision has a United States dollar-denominated term loan of R108.7m (2015: R116m) from the African Agriculture and Trade Investment Fund, which carries a fixed interest rate of 5.75% (2015: 5.75%) and an additional charge payable if Agrivision's gross profit exceeds a specified threshold. The loan is repayable during October 2016 and is secured by immovable property with a carrying value of R66m (2015: R75m); and
- Agrivision has a United States dollar-denominated term loan of R267m (2015: R230m) from Stanbic, which carries interest at 7.15% (2015: 7.15%), is repayable in semi-annual instalments and Agrivision's shareholding in two of its operational subsidiaries serve as security.

Unsecured loans

The group's most significant unsecured loan is Zaad's United States dollar-denominated loan of R25m (2015: Rnil) from Royal Crown Pvt Ltd, which carries interest at 16% and is fully repayable in June 2016.

The company's unsecured loan from Zeder Financial Services Ltd (wholly-owned subsidiary) is interest free and has no fixed repayment terms.

Bank overdrafts

Zaad has Euro-denominated bank overdrafts of R78m (2015: R30m) and R187m (2015: R215m) from ABN Amro Bank and FNB, respectively.

Capespan has the following bank overdrafts:

- South African rand-denominated bank overdrafts of R160m (2015: R199m) from Standard Bank; R85m (2015: Rnil) from HSBC; R75m (2015: R3m) from CITI Bank and R25m (2015: R25m) from Investec;
- United States dollar-denominated bank overdraft of R38m (2015: R29m) from HSBC; and
- Euro-denominated bank overdraft of R32m (2015: R30m) from KBC Bank.

Effective interest rates

The effective interest rates applicable to borrowings range between 2% and 12% (2015: 1.5% and 13.3%).

	GROUP	
	2016	2015
	R'000	R'000
20. DERIVATIVE FINANCIAL LIABILITIES		
Non-current		
Non-controlling interests' put option liabilities	**65 424**	63 644
Current		
Forward currency exchange contracts (refer note 35)		417

Previously, the group entered into transactions with non-controlling shareholders of Zaad Holdings Ltd (a subsidiary), which granted them the right to put their entire shareholdings to the group at a fixed price/earnings multiple that was market-related at the date of issue. The options are exercisable in July 2017 and November 2018 and the carrying value at the reporting date represents the present value of the possible exercise price.

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R'000	R'000	**R'000**	R'000
21. TRADE AND OTHER PAYABLES				
Trade payables*	**1 244 250**	915 088	**628**	
Management fee payable (refer note 27.1)	**83 802**	226 277		
Unsettled share trades and sundry payables		11 871		
	1 328 052	1 153 236	**628**	-

* Includes non-financial liabilities of R29m (2015: R39m).

		GROUP		COMPANY	
		2016	2015	**2016**	2015
		R'000	R'000	**R'000**	R'000
22.	**REVENUE**				
	Agricultural inputs and produce	**8 715 798**	8 107 208		
	Logistical services	**601 949**	584 760		
		9 317 747	8 691 968		
23.	**COST OF SALES**				
	Changes in finished goods	**7 422 320**	7 119 669		
	Raw material and consumables used	**325 937**	294 519		
	Transportation expenses	**5 520**	4 427		
	Commission	**5 127**	5 179		
		7 758 904	7 423 794		
24.	**INVESTMENT INCOME**				
	Interest income	**45 016**	68 675	**21**	-
	Loans and advances	**7 825**	7 062		
	Trade and other receivables	**1 317**	19		
	Cash, money market investments and other cash equivalents	**35 874**	61 594	**21**	
	Dividend income	**1 787**	6 173	**-**	151 380
	Equity securities held at fair value through profit or loss	**1 787**	3 788		
	Equity securities held as available-for-sale		26		
	Non-current assets held for sale		2 359		
	Subsidiary company				151 380
		46 803	74 848	**21**	151 380
25.	**NET FAIR VALUE (LOSSES)/GAINS**				
	Unrealised net fair value gains and losses				
	Equity securities - at fair value through profit or loss	**(7 525)**	97 894		
	Fair value gain on step-up acquisition of an associate (2015: joint venture) to a subsidiary	**3 731**	3 295		
	Foreign exchange losses	**(53 051)**	(19 082)		
	Gains on derivative financial instruments	**3 591**	4 777		
	Fair value loss on contingent consideration adjustment		(65 657)		
	Realised net fair value gains				
	Equity securities - at fair value through profit or loss	**8**			
	Non-current assets held for sale		16 490		
		(53 246)	37 717		
26.	**OTHER OPERATING INCOME**				
	Management and other fee income	**1 073**	3 046		
	Profit on sale of property, plant and equipment	**30 481**	4 411		
	Reversal of impairment on property, plant and equipment		11 893		
	Profit on disposal of available-for-sale financial assets		3 559		
	Sundry income	**19 543**	21 805		
		51 097	44 714		

	GROUP	
	2016	2015
	R'000	R'000
27. EXPENSES		
27.1 Management fees		
Base fee expense	**154 643**	117 757
Performance fee expense		117 757
	154 643	235 514

The base and performance fees are payable to PSG Corporate Services (Pty) Ltd ("PSGCS"), a subsidiary of PSG Group, the company's ultimate holding company, in terms of a management agreement. In accordance with the management agreement, PSGCS provides management services, including corporate, secretarial, advisory, investment and financial services and all related aspects thereto to the Zeder group of companies.

The base management fee is calculated at the end of every half-year as 1.5% p.a (exclusive of VAT) of the company's volume weighted average market capitalisation for that half-year. The performance management fee is calculated at the end of the financial year as 20% p.a. of the company's share price outperformance of the GOVI (comprising the most liquid government bonds, being the government bonds within the top 10 of the All Bond Index) yield plus 4%, adjusted for dividends ("hurdle price"). The performance management fee pertaining to a financial year may not exceed that year's base management fee. If the performance management fee exceeds the base management fee, the excess performance management fee is carried forward to the following financial year, by adjusting the starting hurdle price of the following year accordingly. The excess performance management fee at year-end amounted to Rnil (2015: R634m). Consequently, the starting hurdle share price for performance fee determination purposes at 1 March 2016 is R5.65 (2015: R4.95).

	GROUP	
	2016	2015
	R'000	R'000
27.2 Marketing, administration and other expenses		
Depreciation	**136 273**	106 808
- Land	**6 895**	6 935
- Buildings	**26 031**	15 016
- Vehicles and plant	**80 342**	65 189
- Office equipment	**11 551**	9 788
- Biological assets (bearer plants)	**11 454**	9 880
Amortisation of intangible assets	**30 650**	25 329
Operating lease rentals	**141 689**	112 714
- Properties	**92 476**	85 042
- Equipment	**49 213**	27 672
Auditors' remuneration	**15 011**	13 065
- Audit services - current year	**12 459**	11 351
- Audit services - previous year	**584**	445
- Other services	**1 968**	1 269
Employee costs	**665 398**	586 216
- Salaries, wages and allowances	**625 424**	557 139
- Equity-settled share-based payment costs	**9 285**	1 280
- Pension costs - defined contribution and benefit plans	**26 600**	24 427
- Medical costs - defined contribution and benefit plans	**4 089**	3 370
Sub-total	**989 021**	844 132

		GROUP		COMPANY	
		2016	2015	**2016**	2015
		R'000	R'000	**R'000**	R'000
27.	**EXPENSES (continued)**				
27.2	**Marketing, administration and other expenses (continued)**				
	Sub-total	**989 021**	844 132		
	Impairment losses	**22 121**	19 098		
	- Property, plant and equipment	**14 171**			
	- Intangible assets	**7 950**	19 013		
	- Loans and advances		85		
	Loss on sale of property, plant and equipment	**631**	80		
	Loss on sale of non-current assets held for sale	**1 730**			
	Repairs, maintenance and vehicle costs	**96 593**	58 496		
	Marketing and administration costs	**19 910**	17 370		
	- Marketing	**19 666**	17 008		
	- Administration	**244**	362		
	Professional fees	**28 440**	30 754		
	Insurance costs	**31 209**	24 567		
	Communication costs	**16 893**	15 677		
	Commission paid	**23 344**	14 390		
	Other costs	**199 920**	105 255		
		1 429 812	1 129 819		

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

		GROUP 2016 R'000	GROUP 2015 R'000	COMPANY 2016 R'000	COMPANY 2015 R'000
28.	**FINANCE COSTS**				
	Redeemable preference shares	**24 883**	24 676		
	Secured loans	**38 280**	40 157		
	Unsecured loans	**24 190**	20 812		
	Bank overdrafts	**87 398**	49 604		
	Other	**5 372**	7 615		
		180 123	142 864		
29.	**TAXATION**				
	South Africa current taxation				
	- Current year	**51 534**	55 634	**6**	
	- Previous year	**206**	3 402		3 000
	South Africa deferred taxation				
	- Current year	**(14 764)**	(42 231)		
	Foreign current taxation				
	- Current year	**45 761**	64 089		
	- Previous year	**29 851**			
	Foreign deferred taxation				
	- Current year	**9 515**	(3 605)		
		122 103	77 289	**6**	3 000

29. TAXATION (continued)

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R'000	R'000	**R'000**	R'000
Reconciliation of effective tax rate:	**%**	%	**%**	%
South African standard tax rate	**28.0**	28.0	**28.0**	28.0
Adjusted for:				
- Non-taxable income	**(1.2)**	(13.0)		(28.0)
- Capital gains tax rate differential	**(0.5)**	(3.1)		
- Change in capital gains tax inclusion rate	**0.1**			
- Non-deductible charges	**6.2**	22.4	**0.6**	
- Income from associates and joint ventures	**(17.0)**	(23.4)		
- Dilution gains	**(8.5)**			
- Foreign tax rate differential	**2.7**	2.8		
- Special tax allowances		(0.9)		
- Deferred tax purchase consideration		5.1		
- Other	**(0.4)**	0.6		
- Deferred tax assets written off / not recognised	**0.8**	2.6		
- Effect of tax losses utilised		(0.7)		
- Prior period adjustments	**3.2**	1.0		2.0
Effective tax rate	**13.4**	21.4	**28.6**	2.0

	GROUP	
	2016	2015
	R'000	R'000
Tax (credits)/charges relating to components of other comprehensive income		
- Currency translation movements		848
- Reclassification of foreign exchange gains on long-term loan forming part of net foreign investment		395
- (Losses)/gains from change in financial assumptions or change in demographic assumptions on employee defined benefit plans	**(2 897)**	6 506
	(2 897)	7 749

30. 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 Ltd	Ultimate holding company
Zeder Financial Services Ltd	Wholly-owned subsidiary
Zeder Investments Corporate Services (Pty) Ltd	Wholly-owned subsidiary of Zeder Financial Services Ltd
Zeder Africa (Pty) Ltd	Wholly-owned subsidiary of Zeder Financial Services Ltd
Zaad Holdings Ltd	Subsidiary of Zeder Financial Services Ltd
Chayton Corporate Services (Pty) Ltd	Wholly-owned subsidiary of Zeder Investments Corporate Services (Pty) Ltd
Pioneer Food Group Ltd	Associate of Zeder Financial Services Ltd
Kaap Agri Ltd	Associate of Zeder Financial Services Ltd
PSG Corporate Services (Pty) Ltd	Subsidiary of PSG Group Ltd
PSG Online Securities (Pty) Ltd	Subsidiary of PSG Group Ltd
PSG Money Market Fund	Subsidiary of PSG Group Ltd

30. RELATED-PARTY TRANSACTIONS AND BALANCES (continued)

Related-party transactions during the year included dividends received from associates (refer note 4), the management fee expense (refer note 27.1), professional fees, interest income (refer note 24) and interest paid (refer note 28).

Included in the group's interest income (refer note 24) is R17,000 (2015: R82,000) received from PSG Online Securities (Pty) Ltd and R3,100,000 (2015: R15,756,000) received from PSG Money Market Fund.

Included in the group's marketing, administration and other expenses is professional fees of R617,000 (2015: R5,208,000) paid to PSG Capital (a division of PSG Corporate Services (Pty) Ltd) and R161,000 (2015: R79,000) paid to Grayston Elliot (Pty) Ltd for corporate finance and tax services relating to acquisitions made. Included in transactions with non-controlling interest (2015: investment in ordinary shares of associates) is R2,855,000 (2015: R5,728,000) paid to PSG Capital (a division of PSG Corporate Services (Pty) Ltd) for professional fees, and R56,000 (2015: R111,000) paid to Grayston Elliot (Pty) Ltd for tax services (refer note 4).

Brokerage and administration fees of R1,000 (2015: R15,000) were paid to PSG Online Securities (Pty) Ltd. These fees related to trades that took place via the group's share trading accounts.

The group previously entered into a written put agreement with AE Jacobs, who is a non-executive director of the company and also a non-controlling shareholder in Zaad Holdings Ltd. The agreement grants him the right to sell his non-controlling interest to the group at a fixed market-related multiple in July 2017 (refer note 20).

Included in revenue are R20,522,000 (2015: R18,512,000) goods sold to Kaap Agri Ltd and its subsidiaries and R917,000 (2015: R3,150,000) goods sold to Pioneer Food Group Ltd and its subsidiaries (refer note 22). Included in cost of sales is R12,308,000 (2015: R6,549,000) in respect of purchases from Kaap Agri Ltd and its subsidiaries, and R296,000 from Quantum Foods Holdings and its subsidiaries (refer note 23).

Included in trade and other receivables is an amount of R144,000 due by Kaap Agri Ltd (refer note 12) and included in trade and other payables is an amount payable of R1,496,000 to Kaap Agri Ltd (refer note 21).

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

Related-party balances outstanding at the reporting date included cash invested with the PSG Money Market Fund amounting to R117,435,000 (2015: R337,781,000) (refer note 14) and the management fee payable (refer note 21).

	GROUP	
	2016	2015
	R'000	R'000
31. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES		
Operating lease commitments		
Operating leases - premises		
- Due within 1 year	**85 395**	89 239
- Due within 1 to 5 years	**380 966**	380 776
- Due after more than 5 years	**863 412**	514 418
	1 329 773	984 433
Operating leases - vehicles and plant		
- Due within 1 year	**24 311**	19 827
- Due within 1 to 5 years	**19 240**	30 400
	43 551	50 227
Operating leases - equipment		
- Due within one year	**6 623**	6 633
- Due within 1 to 5 years	**7 812**	9 659
	14 435	16 292
Capital expenditure commitments		
Property, plant and equipment authorised but not yet contracted	**359 774**	580 703
Property, plant and equipment contracted	**89 009**	8 643

31. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Suretyship

A 49% associate of the group has a R250m facility with the Land Bank. The Capespan group has provided surety for the associate's facility in a maximum amount of R122.5m. The associate uses this facility to provide interest-bearing production loans to fruit producers. At year-end, the outstanding balance due by the associate to the Land Bank was R124.2m, while the associate held loan receivable balances of R131.2m against fruit producers. The associate has met all obligations in terms of its facility with the Land Bank and the associate's loan receivable balances are secured by property, plant and equipment and inventory.

Contingent liability

The South African Revenue Service has issued audit findings in respect of value-added tax against a subsidiary of Capespan Group Ltd. The amount at risk (excluding penalties and interest) is R47.3m. Management has obained legal advice that supports the subsidiary's current tax treatment.

	GROUP	
	2016	2015
	R'000	R'000
32. NOTES TO THE STATEMENTS OF CASH FLOWS		
32.1 Cash generated from/(utilised by) operations		
Profit before taxation	**910 184**	361 035
Interest income	**(45 016)**	(68 675)
Dividend income	**(1 787)**	(6 173)
Finance costs	**180 123**	142 864
Depreciation	**136 273**	106 808
Amortisation	**30 650**	25 329
Net profit on sale of property, plant and equipment	**(29 850)**	(4 331)
Net loss on sale of non-current asset held for sale	**1 730**	
Net profit on dilution of interest in associate	**(258 298)**	
Net fair value losses/(gains)	**203**	(122 456)
Change in fair value of biological assets	**(243 556)**	(144 019)
Impairments	**22 121**	7 337
Share of profits of associates and joint ventures	**(569 411)**	(299 892)
Profit on disposal of available-for-sale investments		(3 559)
Equity-settled share based payment costs	**9 285**	1 280
Fair value loss on remeasurement of contingent consideration liability		65 657
Net harvest short-term biological assets	**43 877**	43 484
Non-cash translation movements	**70 381**	19 082
Sub-total	**256 909**	123 771
Changes in working capital	**(149 520)**	(199 470)
Decrease/(increase) in trade and other receivables	**10 080**	(253 779)
Decrease in inventories	**82 435**	180 795
Increase in biological assets	**(175 651)**	(73 764)
Decrease in trade and other payables	**(75 320)**	(52 929)
Increase in employee benefits payable	**8 936**	207
	107 389	(75 699)
32.2 Taxation paid		
Current taxation charged to profit or loss	**(127 352)**	(123 125)
Movement in net taxation liability	**31 895**	14 121
	(95 457)	(109 004)

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

32.3 Subsidiaries acquired

2016 acquisitions

Aspen Logistics (Pty) Ltd ("Aspen Logistics")

During March 2015, the group, through Capespan Group Ltd ("Capespan"), acquired 75% of the issued share capital of Aspen Logistics for a cash consideration of R4.5m. Capespan South Africa's fruit logistical operations were integrated with Aspen Logistics and subsequently rebranded as Contour Logistics. Contour Logistics is a logistical solutions service provider supporting Capespan's operations. Goodwill arose in respect of, inter alia, synergies pertaining to the integration of the logistical activities. Accounting for Contour Logistics' business combination has been finalised.

Novo Packhouse business operations ("Novo Packhouse")

During March 2015, the group, through Capespan, acquired the business operations of Novo Packhouse, including its coldstores, equipment and inventory, for a cash consideration of R120m. Novo Packhouse complements the group's existing coldstore operations in South Africa. No goodwill arose in respect of this business combination. Accounting for Novo Packhouse's business combination has been finalised.

Theewaterskloof farming operations ("Theewaterskloof")

During March 2015, the group, through Capespan, acquired the farming operations of Theewaterskloof, a pome fruit farm, for a cash consideration of R120m. Theewaterskloof complements the group's existing farming operations in South Africa. No goodwill arose in respect of this business combination. Accounting for Theewaterskloof's business combination has been finalised.

Agriseeds Pvt Ltd ("Agriseeds")

During October 2015, the group, through Zaad Holdings Ltd ("Zaad"), acquired 80% of the issued share capital of Agriseeds for a cash consideration of R32.7m. Agriseeds operates in the seed marketing industry and goodwill arose in respect of, inter alia, expected synergies. Accounting for Agriseeds' business combination has been finalised.

Klein Karoo Seed Marketing Zimbabwe Pvt Ltd ("KKSM Zimbabwe")

During October 2015, the group, through Zaad, acquired an additional 25% of the issued share capital of KKSM Zimbabwe, previously an associate, for a cash consideration of R0.2m. KKSM Zimbabwe operates in the seed marketing industry and goodwill arose in respect of, inter alia, expected synergies. The goodwill was subsequently impaired in full following management's reassessment of same. Accounting for KKSM Zimbabwe's business combination has been finalised. The remeasurement of the previously held interest in the associate resulted in a non-headline gain of R3.7m.

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

GROUP	Aspen Logistics R'000	Novo Packhouse R'000	Theewaters-kloof R'000	Agriseeds R'000	KKSM Zimbabwe R'000	Total R'000
Property, plant and equipment	690	118 461	57 515	46 149	4 704	227 519
Intangible assets				2 074	2 088	4 162
Biological assets (bearer plants)			62 485			62 485
Loans and advances	463			19 720		20 183
Inventories	72	770		20 571	35 821	57 234
Trade and other receivables	42 885	4 269		34 656	34 569	116 379
Cash, money market investments and other cash equivalents	1 167			1 599	111	2 877
Borrowings				(68 755)	(45 558)	(114 313)
Deferred income tax liabilities				(3 605)	(286)	(3 891)
Employee benefits	(293)					(293)
Trade and other payables	(52 127)	(3 500)		(19 300)	(36 160)	(111 087)
Total identifiable net (liabilities)/assets	(7 143)	120 000	120 000	33 109	(4 711)	261 255
Non-controlling interests	1 786			(6 622)	(116)	(4 952)
Derecognition of investment in associate					(197)	(197)
Goodwill recognised	9 857			6 228	5 024	21 109
Total consideration	4 500	120 000	120 000	32 715	-	277 215

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

32.3 Subsidiaries acquired (continued)

2016 acquisitions (continued)

GROUP	Aspen Logistics R'000	Novo Packhouse R'000	Theewaters-kloof R'000	Agriseeds R'000	KKSM Zimbabwe R'000	Total R'000
Cash consideration paid	**(4 500)**	**(120 000)**	**(120 000)**	**(32 715)**		**(277 215)**
Cash and cash equivalents acquired	**1 167**			**1 599**	**111**	**2 877**
Net cash outflow from business combination	**(3 333)**	**(120 000)**	**(120 000)**	**(31 116)**	**111**	**(274 338)**

The non-controlling interests of Aspen Logistics was recognised based on the non-controlling interest's proportionate share of the acquired entity's net identifiable assets, while the non-controlling interests of Agriseeds and KKSM Zimbabwe were recognised based on fair value.

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

Had Agriseeds and KKSM Zimbabwe been consolidated with effect from 1 March 2015 instead of their respective acquisition dates, the consolidated income statement would have reflected additional revenue of R133.6m and profit after tax of R15.3m.

2015 acquisitions

Mpongwe Milling (2009) Ltd ("Mpongwe Milling")

During April 2014, the group, through Agrivision Africa (previously Chayton Africa), acquired the entire issued share capital of Mpongwe Milling, a maize and wheat mill operating in the Copperbelt province of Zambia, for a Zambian kwatcha-denominated cash consideration of R307.6m. Mpongwe Milling compliments the group's existing farming operations in Zambia and the acquisition provides the group with an opportunity to expand its product offering across the value chain. Goodwill arose in respect of, inter alia, synergies pertaining to the procurement and marketing functions of the mill and farming operations. Accounting for Mpongwe Milling's business combination has been finalised.

Animalzone (Pty) Ltd ("Animalzone")

During July 2014, the group, through Zaad Holdings Ltd, acquired the remaining 50% shareholding not yet held in Animalzone (name has since been changed to Agricol Niche Brands (Pty) Ltd), previously a joint venture, for a nominal cash consideration of R1. Animalzone manufactures seed-based pet food and goodwill arose in respect of, inter alia, expected synergies and its growth potential. Accounting for Animalzone's business combination has been finalised. The remeasurement of the previously held interest in the joint venture resulted in a non-headline gain of R3.2m. The goodwill was subsequently impaired in full following management's reassessment of same.

Gestao de Terminais SA

During October 2014, the group, through Capespan Group Ltd, increased its shareholding in Gestao de Terminais SA, previously an associate by 10% to 50%, for a cash consideration of R7.3m. Gestao de Terminais SA operates a customs terminal in Mozambique. Accounting for Gestao de Terminais SA's business combination has been finalised.

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

32.3 Subsidiaries acquired (continued)

2015 acquisitions

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

GROUP	Mpongwe Milling R'000	Animalzone R'000	Gestao de Terminais SA R'000	Total R'000
Property, plant and equipment	118 960	1 399	53 112	173 471
Intangible assets	8 653	1 070		9 723
Deferred income tax assets		944		944
Inventories	26 527	571		27 098
Trade and other receivables	23 819	765	14 216	38 800
Current income tax receivable			81	81
Cash, money market investments and other cash equivalents	13 606	2	2 997	16 605
Borrowings	(6 650)	(9 604)	(25 003)	(41 257)
Deferred income tax liabilities	(27 635)	(300)		(27 935)
Trade and other payables	(3 774)	(676)	(24 996)	(29 446)
Current income tax payables	(1 097)			(1 097)
Total identifiable net assets/(liabilities)	152 409	(5 829)	20 407	166 987
Non-controlling interest			(5 190)	(5 190)
Derecognition of investment in associates and joint ventures		(124)	(7 946)	(8 070)
Goodwill recognised	155 188	5 953		161 141
Total consideration	307 597	-	7 271	314 868
Cash consideration paid	(307 597)		(7 271)	(314 868)
Bank overdraft acquired (included in borrowings)		(1 970)		(1 970)
Cash and cash equivalents acquired	13 606	2	2 997	16 605
Net cash outflow from business combination	(293 991)	(1 968)	(4 274)	(300 233)

The aforementioned business combinations do not contain any contingent consideration or indemnification asset arrangements.

Had Mpongwe Milling, Animalzone and Gestao de Terminais SA been consolidated with effect from 1 March 2014 instead of their respective acquisition dates, the consolidated income statement would have reflected additional revenue of R248m and profit after tax of R7m.

33. EARNINGS PER SHARE

The calculation of earnings per share is based on the following:

	GROUP 2016 R'000	GROUP 2015 R'000
Earnings attributable to equity holders of the company	**781 909**	241 816
Non-headline items of associates and joint ventures	**19 844**	20 377
- Gross	**19 844**	20 437
- Non-controlling interests		(60)
Net profit on dilution of interest in associates	**(249 160)**	-
- Gross	**(258 298)**	
- Non-controlling interests	**9 138**	
Loss on disposal of non-current assets held for sale	**1 673**	-
- Gross	**1 730**	
- Non-controlling interests	**(57)**	
Fair value gains on step-up acquisition of associates and joint ventures to subsidiaries	**(3 430)**	(3 031)
- Gross	**(3 731)**	(3 295)
- Non-controlling interests	**301**	264
Reversal of impairment of property, plant and equipment	**-**	(8 456)
- Gross		(11 893)
- Non-controlling interests		3 437
Impairment of investment in associates and joint ventures	**-**	126
- Gross		131
- Non-controlling interests		(5)
Net profit on sale of property, plant and equipment	**(22 778)**	(2 884)
- Gross	**(29 850)**	(4 331)
- Non-controlling interests	**2 644**	689
- Tax effect	**4 428**	758
Impairment of property, plant and equipment	**9 138**	-
- Gross	**14 171**	
- Non-controlling interests	**(314)**	
- Tax effect	**(4 719)**	
Impairment of intangible assets and goodwill	**7 309**	12 822
- Gross	**7 950**	19 013
- Non-controlling interests	**(641)**	(2 678)
- Tax effect		(3 513)
Recycling of foreign exchange gains on long-term loan	**-**	(935)
- Gross		(1 410)
- Non-controlling interests		81
- Tax effect		394
Profit on disposal of available-for-sale financial assets	**-**	(2 530)
- Gross		(3 559)
- Non-controlling interests		1 029
Headline earnings	**544 505**	257 305

	GROUP	
	2016	2015
	R'000	R'000
33. EARNINGS PER SHARE (continued)		
The calculation of the weighted number of shares in issue is as follows:		
- Number of shares in issue at beginning of year ('000)	**1 443 844**	980 188
- Weighted number of shares issued during the year ('000)	**46 584**	191 814
- Weighted number of shares at end of year ('000)	**1 490 428**	1 172 002
Earnings per share (cents)		
- Attributable - basic	**52.5**	20.6
- Attributable - diluted	**49.4**	20.6
- Headline - basic	**36.5**	22.0
- Headline - diluted	**33.8**	22.0

34. CONTINGENT CONSIDERATION PAID

During the prior year deferred purchase consideration of R177,500,000 was paid that related to an earn-out clause pertaining to the acquisition of a foreign associate. The contingent consideration paid was calculated with reference to the average net profit before tax for the past three years.

35. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

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

GROUP	At fair value through profit or loss R'000	Available-for-sale R'000	Loans and receivables R'000	Held for sale R'000	Total R'000
Financial assets at 29 February 2016					
- Equity securities	**43 159**	**7 033**			**50 192**
- Debt securities			**22 854**		**22 854**
- Loans and advances			**66 317**		**66 317**
- Trade and other receivables			**1 222 373**		**1 222 373**
- Derivative financial assets	**42**				**42**
- Cash and cash equivalents			**684 278**		**684 278**
	43 201	**7 033**	**1 995 822**		**2 046 056**
Financial assets at 28 February 2015					
- Loans and preference share investments in associates			30 030		30 030
- Loan granted to joint ventures			81		81
- Equity securities	46 279	4 729			51 008
- Non-current assets held for sale				30 378	30 378
- Loans and advances			114 409		114 409
- Trade and other receivables			1 143 678		1 143 678
- Derivative financial assets	24				24
- Cash and cash equivalents			769 999		769 999
	46 303	4 729	2 058 197	30 378	2 139 607

COMPANY

The company had no financial assets (2015: Rnil) at the reporting date.

	GROUP		COMPANY	
	At amortised cost R'000	Total R'000	At amortised cost R'000	Total R'000
Financial liabilities at 29 February 2016				
- Borrowings	**2 441 886**	**2 441 886**	**783 975**	**783 975**
- Derivative financial liabilities	**65 424**	**65 424**		
- Trade and other payables	**1 299 115**	**1 299 115**	**628**	**628**
	3 806 425	**3 806 425**	**784 603**	**784 603**

35. FINANCIAL RISK MANAGEMENT (continued)

	GROUP At amortised cost R'000	GROUP At fair value through profit or loss R'000	GROUP Total R'000	COMPANY At amortised cost R'000	COMPANY Total R'000
Financial liabilities at 28 February 2015					
- Borrowings	1 872 311		1 872 311	701 911	701 911
- Derivative financial liabilities		64 061	64 061		
- Trade and other payables	1 113 897		1 113 897		
	2 986 208	64 061	3 050 269	701 911	701 911

Market risk

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

Price risk

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

The table below summarises the sensitivity of the group's post-tax net profit for the year as a result of market price fluctuations. The analysis is based on the assumption that marked-to-market prices increase/decrease by 20% (2015: 20%) at the reporting date, with all other variables (e.g. effective tax rate) held constant.

GROUP	**2016 20% increase R'000**	2015 20% increase R'000	**2016 20% decrease R'000**	2015 20% decrease R'000
Impact on post-tax profit	**7 790**	8 299	**(7 790)**	(8 299)

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

35. FINANCIAL RISK MANAGEMENT (continued)

Cash flow and fair value interest rate risk

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

GROUP	2016 R'000	2015 R'000
Loans and preference share investments in associates		
Fixed rate		30 030
Loans to and preference share investments in joint ventures		
Fixed rate		81
Debt securities		
Fixed rate	**22 854**	
Loans and advances		
Floating rate	**60 434**	106 998
Fixed rate	**5 883**	7 411
Trade and other receivables		
Floating rate	**701 204**	733 982
Fixed rate	**521 169**	409 696
Cash, money market investments and other cash equivalents		
Floating rate	**637 493**	769 999
Fixed rate	**46 785**	
Borrowings		
Floating rate	**(1 703 211)**	(1 124 213)
Fixed rate	**(738 675)**	(748 098)
Total	**(446 064)**	185 886
Floating rate	**(304 080)**	486 766
Fixed rate	**(141 984)**	(300 880)

Fixed rate investments, receivables and borrowings include those bearing no interest.

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% (2015: 1%) higher/lower for the full year, with all other variables (e.g. effective tax rate, interest carrying balances) held constant.

GROUP	2016 1% increase R'000	2015 1% increase R'000	2016 1% decrease R'000	2015 1% decrease R'000
Impact on post-tax profit	**(2 189)**	3 505	**2 189**	(3 505)

35. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk

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

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

GROUP	British pound sterling R'000	United States dollar R'000	Euro R'000	Australian dollar R'000	Hong Kong dollar R'000	Sub-total R'000
At 29 February 2016						
Financial assets						
- Equity securities						
- Trade and other receivables	**11 280**	**194 002**	**66 793**		**4 346**	**276 421**
- Cash and cash equivalents	**3 517**	**96 711**	**1 883**		**11 389**	**113 500**
Financial liabilities						
- Trade and other payables	**(3 582)**	**(137 874)**	**(75 502)**	**(2 692)**		**(219 650)**
- Borrowings		**(508 667)**	**(55 623)**			**(564 290)**
Total	**11 215**	**(355 828)**	**(62 449)**	**(2 692)**	**15 735**	**(394 019)**

GROUP	Sub-total R'000	Chinese yuan renminbi R'000	Mozambique new metical R'000	Zambian kwatcha R'000	Total R'000
At 29 February 2016					
Financial assets					
- Equity securities				**4 405**	**4 405**
- Trade and other receivables	**276 421**	**255 888**	**41 301**	**44 987**	**618 597**
- Cash and cash equivalents	**113 500**	**136 621**	**368 402**	**32 700**	**651 223**
Financial liabilities					
- Trade and other payables	**(219 650)**	**(112 174)**	**(4 221)**	**(18 523)**	**(354 568)**
- Borrowings	**(564 290)**			**(135 149)**	**(699 439)**
Total	**(394 019)**	**280 335**	**405 482**	**(71 580)**	**220 218**

	African currencies R'000	British pound sterling R'000	United States dollar R'000	Euro R'000	Asian currencies R'000	Total R'000
At 28 February 2015						
Financial assets						
- Loans and advances			7 411			7 411
- Trade and other receivables	82 306	12 155	79 927	72 832	516 961	764 181
- Cash and cash equivalents	256 427	3 714	28 833	2 247	198 114	489 335
Financial liabilities						
- Trade and other payables	(61 151)	(4 825)	(11 094)	(37 108)	(344 235)	(458 413)
- Borrowings	(10 417)		(461 669)	(119 455)		(591 541)
Total	267 165	11 044	(356 592)	(81 484)	370 840	210 973

35. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk (continued)

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

The group has entered into forward currency exchange contracts (some being designated as hedging instruments), which relate to specific foreign commitments in respect of the aforementioned transactions (hedged items). The carrying value of forward currency exchange contracts are set out in notes 13 and 20. Details of forward currency exchange contracts outstanding at the reporting date are as follows:

GROUP	**2016** Foreign amount '000	**2016** Average exchange rate	**2016** Rand exposure translated at closing rate R'000	2015 Foreign amount '000	2015 Average exchange rate	2015 Rand exposure translated at closing rate R'000
Exports						
United States dollar	**24 603**	**15.53**	**381 958**	16 534	11.56	191 196
British pound sterling	**7 230**	**23.01**	**166 273**	3 496	17.99	62 909
Euro	**11 229**	**16.97**	**190 544**	3 298	14.05	46 347
Japanese yen	**425 216**	**0.13**	**54 816**	201 432	14.05	19 454
			793 591			319 906
Imports						
United States dollar	**27**	**15.53**	**426**	254	10.84	2 834
British pound sterling	**2**	**23.01**	**34**	160	17.83	2 249
Euro	**11**	**16.97**	**193**	663	14.14	9 330
			653			14 413

The table below shows the sensitivity of post-tax profits of the group to a 20% (2015: 20%) appreciation/depreciation in the South African rand exchange rate at year-end, with all other variables (e.g. effective tax rate) held constant.

GROUP	**2016 20% increase R'000**	2015 20% increase R'000	**2016 20% decrease R'000**	2015 20% decrease R'000
Impact on post-tax profit	**28 622**	31 552	**(31 519)**	(31 552)
Impact on post-tax other comprehensive income	**(86 063)**	(121 221)	**73 942**	121 221

Credit risk

Financial assets which potentially subject the group to credit risk, consist of loans to associates (refer note 4), debt securities (refer note 7), loans and advances (refer note 8), trade and other receivables (refer note 12) and cash and cash equivalents (refer note 14). Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions. In the case of loans and advances, management would take or insist on collateral or other form of securitisation as they deem fit.

35. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

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

GROUP	P1 Moody's R'000	P2 Moody's R'000	Baa1 Moody's R'000	Baa2 Moody's R'000	Not rated R'000	Carrying value R'000
29 February 2016						
Equity securities					**50 192**	**50 192**
Debt securities					**22 854**	**22 854**
Loans and advances					**66 317**	**66 317**
Trade and other receivables					**1 222 373**	**1 222 373**
Derivative financial assets					**42**	**42**
Cash and cash equivalents - bank balances	**67 765**	**29 241**	**291 404**	**57 805**	**120 628**	**566 843**
Cash and cash equivalents - money market fund					**117 435**	**117 435**
	67 765	**29 241**	**291 404**	**57 805**	**1 599 841**	**2 046 056**
28 February 2015						
Loans to associates					30 030	30 030
Loans to joint ventures					81	81
Equity securities					51 008	51 008
Non-current asset held for sale					30 378	30 378
Loans and advances					114 409	114 409
Trade and other receivables			11 700		1 131 978	1 143 678
Derivative financial assets	24					24
Cash and cash equivalents - bank balances			190 011	157 467		347 478
Cash and cash equivalents - money market fund					422 521	422 521
	24	-	201 711	157 467	1 780 405	2 139 607

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

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

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

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

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

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

35. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

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

GROUP	0-2 months R'000	2-6 months R'000	6-12 months R'000	Total R'000
At 29 February 2016	**49 961**	**31 669**	**11 257**	**92 887**
At 28 February 2015	31 669	70 110	46 358	148 137

GROUP	2016 R'000	2015 R'000
Reconciliation of allowance for impairment of trade receivables:		
Balance at beginning of year	**18 967**	18 724
Amounts written off		(85)
Impairment provision	**30 080**	328
Balance at end of year	**49 047**	18 967

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 manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash resources are available to meet future cash flow requirements.

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

GROUP	Less than one year R'000	One to five years R'000	Over five years R'000	Total R'000
29 February 2016				
- Borrowings	**1 416 963**	**1 224 085**	**224 668**	**2 865 716**
- Derivative financial liabilities		**65 424**		**65 424**
- Trade and other payables	**1 299 115**			**1 299 115**
	2 716 078	**1 289 509**	**224 668**	**4 230 255**
28 February 2015				
- Borrowings	937 639	1 095 098	28 472	2 061 209
- Derivative financial liabilities	417	85 533		85 950
- Trade and other payables	934 013			934 013
	1 872 069	1 180 631	28 472	3 081 172

COMPANY	No fixed repayment terms R'000	Total R'000
29 February 2016		
- Borrowings	**783 975**	**783 975**
- Trade and other payables	**628**	**628**
	-	-
28 February 2015		
- Borrowings	701 911	701 911

35. FINANCIAL RISK MANAGEMENT (continued)

Fair value estimation

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

Level 1

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

Level 2

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

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

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.

Equity securities included in level 3 of the fair value hierarchy as at the most recent reporting date consisted of the unquoted equity securities set out in note 6. The unquoted equity securities include advances which are linked to equity securities traded in over-the-counter markets. In terms of these agreements, the group is entitled to the majority of the increase in the market value of the underlying over-the-counter traded equity securities and the dividends received on these securities. The advances are carried at the fair value of the underlying over-the-counter traded equity securities.

The debt securities included in level 3 of the fair value hierarchy comprise unquoted debt securities set out in note 7. It include the Zimbabwean Government treasury bills maturing between 2017 and 2019 that were acquired during the year and disposed of subsequent to year-end at an amount higher than the carrying value.

Other derivative liabilities included in level 3 relate to put options held by non-controlling interests against the group. These fair values are calculated by applying the contractually agreed price/earnings multiple to the relevant subsidiary's board-approved budgeted profits and discounting it at a market-related interest rate.

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

The following financial assets are measured at fair value:

GROUP	**Level 1 R'000**	**Level 2 R'000**	**Level 3 R'000**	**Total R'000**
Assets				
29 February 2016				
Financial assets at fair value through profit or loss				
- Derivative financial assets		**42**		**42**
- Equity securities		**1 321**	**48 871**	**50 192**
- Debt securities			**22 854**	**22 854**
	-	**1 363**	**71 725**	**73 088**

35. FINANCIAL RISK MANAGEMENT (continued)

GROUP	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Fair value estimation (continued)				
Assets (continued)				
28 February 2015				
Financial assets at fair value through profit or loss				
- Derivative financial assets		24		24
- Equity securities		1 321	49 687	51 008
- Non-current asset held for sale			30 378	30 378
	-	1 345	80 065	81 410
Liabilities				
29 February 2016				
- Derivative financial liabilities			**65 424**	**65 424**
28 February 2015				
- Derivative financial liabilities		417	63 644	64 061

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

GROUP	Level 3 2016 R'000	Level 3 2015 R'000
Reconciliation of financial assets:		
Opening balance	**80 065**	41 729
Additions	**29 563**	
Transfer from subsidiaries to non-current assets held for sale		30 378
Disposal	**(28 642)**	
Fair value (losses)/gains	**(9 261)**	7 958
Closing balance	**71 725**	80 065
Reconciliation of financial liabilities:		
Opening balance	**63 644**	45 666
Additions		19 487
Fair value gains	**(3 591)**	(4 777)
Interest	**5 372**	3 268
Closing balance	**65 425**	63 644

Capital risk management

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

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

36. SHAREHOLDER ANALYSIS

	Shareholders		Shares held	
	Number	%	Number	%
Range of shareholding				
1 - 20,000	**10 137**	**73.8**	**55 623 849**	**3.7**
20,001 - 50,000	**1 578**	**11.5**	**51 744 960**	**3.4**
50,001 - 100,000	**837**	**6.1**	**60 916 864**	**4.0**
100,001 - 500,000	**922**	**6.7**	**197 240 295**	**13.0**
500,001 - 1,000,000	**129**	**1.0**	**89 490 652**	**5.9**
Over 1,000,000	**127**	**0.9**	**1 067 836 270**	**70.0**
	13 730	**100.0**	**1 522 852 890**	**100.0**
Public and non-public shareholding				
Non-public				
- Directors	**6**	**0.1**	**11 903 575**	**0.8**
- PSG Financial Services Ltd	**1**	**0.0**	**526 156 041**	**34.6**
Public	**13 723**	**99.9**	**984 793 274**	**64.6**
	13 730	**100.0**	**1 522 852 890**	**100.0**
Major shareholders holding 5% or more at 29 February 2016				
PSG Financial Services Ltd (wholly-owned subsidiary of PSG Group Ltd)			**526 156 041**	**34.6**
Public Investment Corporation*			**134 945 035**	**8.9**
Allan Gray*			**111 180 759**	**7.3**
			772 281 835	**50.8**

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

37. EVENTS SUBSEQUENT TO THE REPORTING DATE

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

Subsidiary	Country of incorporation[1]	Nature of business	Economic interest held directly or indirectly[2] 2016 %	2015 %	Profit or loss attributable to non-controlling interests 2016 R'000	2015 R'000	Carrying value of non-controlling interests 2016 R'000	2015 R'000
Zeder Financial Services Ltd	South Africa	Investment holding	100.0	100.0				
Zaad Holdings Ltd	South Africa[3]	Agricultural seed production/marketing	92.3	92.0	**11 668**	10 372	**86 563**	84 358
Capespan Group Ltd	South Africa[4]	Fruit and logistics	96.6	71.1	**25 857**	38 549	**93 325**	396 884
Agrivision Africa	Mauritius[5]	Farming and milling	55.9	76.5	**(31 353)**	(6 991)	**261 945**	126 602
Total					**6 172**	41 930	**441 833**	607 845

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

Subsidiary	Profit/(loss) from continuing operations 2016 R'000	Total comprehensive income/(loss) for the year 2016 R'000	Revenue 2016 R'000	Profit/(loss) from continuing operations 2015 R'000	Total comprehensive income/(loss) for the year 2015 R'000	Revenue 2015 R'000
Zaad Holdings Ltd[1]	**108 344**	**137 346**	**1 226 046**	62 406	44 938	946 573
Capespan Group Ltd[2]	**402 438**	**583 643**	**7 687 522**	117 428	141 382	7 392 421
Agrivision Africa[2]	**(86 927)**	**(363 641)**	**404 179**	(29 515)	(56 154)	352 974

[1] Represents the year ended 29 February 2016 (2015: 28 February 2015).
[2] Represents the year ended 31 December 2015 (2015: 31 December 2014).

Subsidiary	Dividends paid: To non-controlling interests 2016 R'000	To owners of the parent 2016 R'000	Total 2016 R'000	To non-controlling interests 2015 R'000	To owners of the parent 2015 R'000	Total 2015 R'000
Zaad Holdings Ltd			**-**			-
Capespan Group Ltd	**19 516**	**37 943**	**57 459**	15 126	33 346	48 472
Agrivision Africa			**-**			-

Subsidiary	Assets: Non-current 2016 R'000	Current 2016 R'000	Total 2016 R'000	Non-current 2015 R'000	Current 2015 R'000	Total 2015 R'000
Zaad Holdings Ltd	**546 995**	**1 245 701**	**1 792 696**	412 286	865 142	1 277 428
Capespan Group Ltd	**2 372 641**	**1 817 040**	**4 189 681**	1 486 163	1 532 302	3 018 465
Agrivision Africa	**693 709**	**529 404**	**1 223 113**	857 124	291 393	1 148 517

Subsidiary	Liabilities: Non-current 2016 R'000	Current 2016 R'000	Total 2016 R'000	Non-current 2015 R'000	Current 2015 R'000	Total 2015 R'000
Zaad Holdings Ltd	**179 284**	**796 444**	**975 728**	185 822	530 586	716 408
Capespan Group Ltd	**726 489**	**1 379 845**	**2 106 334**	323 534	1 137 538	1 461 072
Agrivision Africa	**244 599**	**437 992**	**682 591**	313 652	345 340	658 992

Consequences of changes in a parent's ownership interest in a subsidiary that do not result in a loss of control

The current year's impact on equity attributable to owners of the parent resulting from transactions with non-controlling interests, as disclosed in the statement of changes in equity, relates mainly to the group's schemes of arrangements with Capespan Group Ltd as more fully set out in notes 3 and 16.

Associate	Country of incorporation[1]	Nature of business	Economic interest held directly or indirectly[2] 2016 %	2015 %	Dividends received during the year 2016 R'000	2015 R'000	Carrying value at year-end 2016 R'000	2015 R'000
Agri Voedsel Ltd[4]	South Africa	Investment company with an interest in Pioneer Food Group Ltd				17 521		
Pioneer Food Group Ltd[4]	South Africa[3]	Food and beverage distributer	31.5	31.7	193 392	90 871	4 976 007	4 774 246
Kaap Agri Ltd	South Africa[3]	Agricultural	41.5	39.9	23 688	18 252	541 782	453 146
Quantum Foods Holdings Ltd	South Africa[3]	Feeds and poultry business	26.4	26.4	6 162		157 856	142 769
Golden Wing Mau	China	Fruit procurement/ distribution	11.3	25.0			650 684	295 324
Other immaterial associated companies (aggregated)							128 903	38 504
Total					223 242	126 644	6 455 232	5 703 989

1 Principle place of business is the country of incorporation, unless otherwise stated.
2 Economic interests equal voting rights, except for Pioneer Food Group Ltd and Kaap Agri Ltd where voting interest amounts to 27.2% and 39.4%, respectively.
3 Operating via various subsidiaries throughout southern Africa.
4 During the prior year, Zeder made an offer to acquire all of the shares in Agri Voedsel Ltd (which in turn held an interest in JSE-listed Pioneer Food Group Ltd) not already held by Zeder, whereby Agri Voedsel Ltd shareholders were offered 16.2 Zeder shares for every one Agri Voedsel Ltd share. Following completion of same, Zeder owned a direct voting interest of 27.3% in Pioneer Food Group Ltd and 24.9% in Quantum Foods Holdings Ltd.

Associate[1]	Profitability (100%) Profit for the year 2016 R'000	Total comprehensive income for the year 2016 R'000	Revenue 2016 R'000	Profit/(loss) for the year 2015 R'000	Total comprehensive income/(loss) for the year 2015 R'000	Revenue 2015 R'000
Pioneer Food Group Ltd	1 130 429	1 199 731	18 748 201	966 300	977 700	17 698 600
Kaap Agri Ltd	189 194	189 177	5 341 402	158 213	158 234	4 874 579
Quantum Foods Holdings Ltd	126 916	52 199	3 468 312	(8 487)	(28 176)	3 560 943

Associate[1]	Profitability (group's interest) Profit for the year 2016 R'000	Total comprehensive income for the year 2016 R'000	Profit for the year 2015 R'000	Total comprehensive income for the year 2015 R'000
Pioneer Food Group Ltd	401 960	413 851	77 407	73 670
Kaap Agri Ltd	75 885	75 878	58 268	58 268
Quantum Foods Holdings Ltd	40 676	21 238	6 999	6 999

Associate[1]	Assets Non-current 2016 R'000	Current 2016 R'000	Total 2016 R'000	Non-current 2015 R'000	Current 2015 R'000	Total 2015 R'000
Pioneer Food Group Ltd	5 784 656	6 298 258	12 082 914	5 422 500	5 420 900	10 843 400
Kaap Agri Ltd	653 954	2 031 724	2 685 678	529 658	1 840 595	2 370 253
Quantum Foods Holdings Ltd	945 625	1 053 062	1 998 687	1 061 357	985 291	2 046 648

Associate[1]	Liabilities Non-current 2016 R'000	Current 2016 R'000	Total 2016 R'000	Non-current 2015 R'000	Current 2015 R'000	Total 2015 R'000
Pioneer Food Group Ltd	2 273 487	2 900 902	5 174 389	2 308 600	3 920 700	6 229 300
Kaap Agri Ltd	31 193	1 399 263	1 430 456	30 875	1 224 010	1 254 885
Quantum Foods Holdings Ltd	220 747	346 772	567 519	195 922	389 502	585 424

1 These figures are the latest published full year results publically available for these companies.

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

	Pioneer Food Group Ltd[1]		Kaap Agri Ltd[1]	
	2016 R'000	2015 R'000	**2016 R'000**	2015 R'000
Total assets reported above	**12 082 914**	10 843 400	**2 685 678**	2 370 253
Total liabilities reported above	**(5 174 389)**	(6 229 300)	**(1 430 456)**	(1 254 885)
Net assets reported above	**6 908 525**	4 614 100	**1 255 222**	1 115 368
Non-controlling interests	**(12 417)**	(10 524)		
Equity attributable to owners of the parent	**6 896 108**	4 603 576	**1 255 222**	1 115 368
Non-current assets and liabilities held for sale[3]		(1 498 718)		
	6 896 108	3 104 858	**1 255 222**	1 115 368
Group's economic interest in the associate (%)	**31.5**	31.7	**41.5**	39.9
Group's interest in equity attributable to owners of the parent	**2 175 032**	983 309	**520 541**	445 032
Deemed goodwill included in associates' carrying value[2]	**2 800 975**	3 790 937	**21 241**	8 114
Associates' carrying value	**4 976 007**	4 774 246	**541 782**	453 146

1 Amounts are most recently reported publicly available results as at 30 September 2015 (2015: 30 September 2014).

2 Also include timing differences emanating from lag period accounting adjustments.

3 Pioneer Food Group Ltd unbundled its shareholding in Quantum Foods Holdings Ltd subsequent to 30 September 2014 (being classified as a disposal group held for sale at such reporting date) and thus the carrying value of Quantum Foods Holdings Ltd was excluded from the prior year reconciliation.

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

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

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

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

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

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

	GROUP	
	2016	2015
	R'000	R'000
Recurring headline earnings		
Segments		
Food, beverages and related services	**661 802**	417 011
Agri-related retail, trade and services	**78 946**	64 130
Agri-inputs	**100 972**	73 728
Agri-production	**(37 073)**	(14 278)
Recurring headline earnings from investments	**804 647**	540 591
Management (base) fee	**(154 643)**	(117 757)
Net interest, taxation and other income and expenses	**(18 219)**	(8 621)
Recurring headline earnings	**631 785**	414 213
Management (performance) fee		(117 757)
Other non-recurring headline earnings	**(87 280)**	(39 150)
Headline earnings	**544 505**	257 306
Non-headline items	**237 404**	(15 491)
Attributable earnings	**781 909**	241 815
Earnings per share (cents)		
Recurring headline earnings from investments per share	**54.0**	46.1
Recurring headline earnings per share	**42.4**	35.3
SOTP segmental analysis		
Segments		
Food, beverages and related services	**9 767 997**	11 226 333
Agri-related retail, trade and services	**801 958**	681 017
Agri-inputs	**1 246 352**	885 284
Agri-production	**614 000**	562 818
Cash and cash equivalents	**117 503**	338 382
Other net liabilities	**(323 507)**	(439 389)
SOTP value	**12 224 303**	13 254 445
SOTP value per share (rand)	**8.03**	9.18

ZEDER INVESTMENTS LIMITED
ANNEXURE C - SEGMENT REPORT
FOR THE YEAR ENDED 29 FEBRUARY 2016

	GROUP	
	2016	2015
	R'000	R'000
Profit before tax segment analysis		
Segments		
Food, beverages and related services	**912 907**	358 891
Agri-related retail, trade and services	**75 885**	58 268
Agri-inputs	**133 658**	70 603
Agri-production	**(46 499)**	(29 768)
Management fees and other income and expenses	**(165 767)**	(96 959)
	910 184	361 035
IFRS revenue (revenue and investment income) segment analysis		
Food, beverages and related services	**7 719 964**	7 438 026
Revenue	**7 687 522**	7 392 421
Investment income	**32 442**	45 605
Agri-inputs	**1 231 430**	951 117
Revenue	**1 226 046**	946 573
Investment income	**5 384**	4 544
Agri-production	**404 196**	352 974
Revenue	**404 179**	352 974
Investment income	**17**	
Unallocated investment income (mainly head office interest income)	**8 960**	24 699
	9 364 550	8 766 816