THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 9 of this Circular apply to the entire Circular, including this cover.

ACTION REQUIRED:

1. This entire Circular is important and should be read with particular attention to the section entitled "*Action required by Capespan Shareholders in relation to the Scheme*", which commences on page 4.
2. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
3. If you have disposed of all your Capespan Shares, please forward this Circular and the attached form of proxy in respect of the General Meeting of Capespan Shareholders (*yellow*) and form of surrender, transfer and acceptance (*blue*) to the purchaser to whom, or the Broker, CSDP, banker or other agent through whom, the disposal was effected.

Capespan and Zeder do not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Capespan Shares to notify such beneficial owner of the Scheme set out in this Circular.

CAPESPAN GROUP LIMITED

ZEDER INVESTMENTS LIMITED

CAPESPAN GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2008/016971/06)
("**Capespan**")

ZEDER INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
Share code: ZED ISIN code: ZAE000088431
("**Zeder**")

COMBINED CIRCULAR TO CAPESPAN SHAREHOLDERS

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relating to:

- the scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the Capespan Board between Capespan and Capespan Shareholders (excluding the Capespan Management Shareholders), in terms of which, if implemented, Zeder will acquire all of the Scheme Shares from Scheme Participants for the Scheme Consideration of 85 (eighty five) Zeder Shares for every 100 (one hundred) Scheme Shares disposed of in terms of the Scheme;

and incorporating:

- a report prepared by the Independent Expert in terms of sections 114(2) and 114(3) of the Companies Act;
- extracts of section 115 of the Companies Act dealing with the approval requirements for the Scheme and section 164 of the Companies Act dealing with Dissenting Shareholders' Appraisal Rights;
- the Notice of General Meeting of Capespan Shareholders;
- a form of proxy in respect of the General Meeting of Capespan Shareholders (*yellow*) for use by Capespan Shareholders; and
- a form of surrender, transfer and acceptance in respect of the Scheme (*blue*) for use by Capespan Shareholders.

Transaction Advisor and Sponsor to Zeder

PSG CAPITAL

Independent Reporting Accountants to Zeder and Capespan

pwc

Independent Expert to Capespan

EY Building a better working world

Legal Advisor to Zeder and Capespan

DLA CLIFFE DEKKER HOFMEYR

Date of issue: Monday, 25 May 2015

This Circular is only available in English. Copies of this Circular may be obtained during normal business hours from the registered office of Capespan, the registered office of Zeder, the offices of PSG Capital Proprietary Limited and the Transfer Secretaries at their respective addresses set out in the "Corporate Information and Advisors" section of this Circular, and on the websites www.zeder.co.za and www.capespangroup.com, from the date of issue hereof until the date of the General Meeting.

IMPORTANT LEGAL NOTES

The definitions and interpretations commencing on page 9 of this Circular apply to this section on Important Legal Notes.

FORWARD-LOOKING STATEMENTS

This Circular contains statements about Capespan and Zeder that are or may be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Capespan and Zeder caution that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industries in which Capespan and Zeder operate may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions, as regards Capespan, made by Capespan or, as regards Zeder, made by Zeder, as communicated in publicly available documents by the respective companies, all of which estimates and assumptions, although Capespan and Zeder believe them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Capespan or Zeder or not currently considered material by Capespan or Zeder.

Capespan Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of either Capespan or Zeder not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. Capespan and Zeder have no duty to, and do not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

FOREIGN CAPESPAN SHAREHOLDERS

This Circular has been prepared for the purposes of complying with the laws of South Africa and is subject to applicable laws and regulations, including but not limited to the Companies Act and the Companies Regulations and the information disclosed may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

This Circular is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction other than South Africa. This Circular does not constitute a prospectus or a prospectus equivalent document. Capespan Shareholders are advised to read this Circular, which contains the full terms and conditions of the Scheme, with care. Any decision to approve the Scheme or any other response to the proposals should be made only on the basis of the information in this Circular.

Any Capespan Shareholder who is in doubt as to his position, including, without limitation, his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

CORPORATE INFORMATION AND ADVISORS

The definitions and interpretations commencing on page 9 of this Circular apply *mutatis mutandis* to this Corporate Information and Advisors section.

Directors of Capespan
N Celliers (*Chairman*) *
JJ Dique (*Managing Director*)
AJ de Haast (*Financial Director*)
J de V du Toit *
CA Otto *
AZ Farr *#
FA Jacobs *#
JA le Roux *#
* non-executive # independent

Independent Expert to Capespan
Ernst & Young Advisory Services Proprietary Limited
(Registration number 2006/018260/07)
La Gratitude, 1st Floor
95 – 97 Dorp Street
Stellenbosch, 7599
(PO Box 656, Cape Town, 8000)

Capespan Company Secretary
PB Fourie
Vineyards Square North
Vineyards Office Estate
99 Jip de Jager Road
Bellville, 7530
(PO Box 6133, Tyger Valley, 7536)

Registered office of Capespan
Vineyards Square North
Vineyards Office Estate
99 Jip de Jager Road
Bellville, 7530
(PO Box 6133, Tyger Valley, 7536)

Date and place of incorporation of Capespan
14 July 2008, South Africa

Transfer Secretaries
Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61763, Marshalltown, 2107)

Directors of Zeder
JF Mouton (*Chairman*) *
N Celliers (*Chief Executive Officer*)
WL Greeff (*Financial Director*)
AE Jacobs *
PJ Mouton *
GD Eksteen *#
WA Hanekom *#
CA Otto *#
* non-executive # independent

Transaction Advisor and Sponsor to Zeder
PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7599
(PO Box 7403, Stellenbosch, 7599)
and at
1st Floor, Building 8
Inanda Greens Business Park
54 Wierda Road West
Wierda Valley
Sandton, 2196
(PO Box 650957, Benmore, 2010)

Independent Reporting Accountants of Zeder and Capespan
PricewaterhouseCoopers Incorporated
(Registration number 1998/012055/21)
Capital Place
15 – 21 Neutron Avenue
Technopark, Stellenbosch, 7600
(PO Box 57, Stellenbosch, 7599)

Legal Advisor to Zeder and Capespan
Cliffe Dekker Hofmeyr Incorporated
(Registration number 2008/018923/21)
11 Buitengracht Street
Cape Town, 8001
(PO Box 695, Cape Town, 8000)

Zeder Company Secretary
PSG Corporate Services Proprietary Limited
(Registration number 1996/004840/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Registered Office of Zeder
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

Date and place of incorporation of Zeder
21 June 2006, South Africa

TABLE OF CONTENTS

ACTION REQUIRED BY CAPESPAN SHAREHOLDERS IN RELATION TO THE SCHEME

The definitions and interpretations commencing on page 9 of the Circular apply to this section on the action required by Capespan Shareholders in relation to the Scheme.

This Circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant, attorney or other advisor. If you have disposed of all of your Capespan Shares, this Circular should be handed to the purchaser to whom, or the Broker, CSDP or other agent through whom, the disposal was effected.

A General Meeting of Capespan Shareholders will be held at 11:00 on Wednesday, 24 June 2015 at Spier Wine Estate, Baden Powell Drive, Stellenbosch, to consider and, if deemed fit, to pass the Scheme Resolution required to approve the Scheme, in terms of which Zeder will acquire all the issued Capespan Shares (save for the Treasury Shares and the Capespan Shares held by the Zeder Group, the Capespan Management Shareholders and by Dissenting Shareholders who do not withdraw their respective demands made in terms of sections 164(5) to 164(8) of the Companies Act or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse). A notice convening such General Meeting is attached to, and forms part of, this Circular.

ACTION REQUIRED BY CAPESPAN SHAREHOLDERS IN RELATION TO THE SCHEME

WHERE IT IS INDICATED BELOW THAT CAPESPAN SHAREHOLDERS SHOULD RETURN THE ATTACHED FORM OF PROXY IN RESPECT OF THE GENERAL MEETING OF CAPESPAN SHAREHOLDERS (YELLOW) OR THE ATTACHED FORM OF SURRENDER, TRANSFER AND ACCEPTANCE (BLUE) OR THEIR DOCUMENTS OF TITLE TO THE TRANSFER SECRETARIES, CAPESPAN SHAREHOLDERS MAY INSTEAD RETURN SUCH DOCUMENTS TO CAPESPAN'S COMPANY SECRETARY (MR PB FOURIE) AT VINEYARDS SQUARE NORTH, VINEYARDS OFFICE ESTATE, 99 JIP DE JAGER ROAD, BELLVILLE, 7530 (P O BOX 6133, TYGER VALLEY, 7536), SHOULD THIS BE MORE CONVENIENT FOR CAPESPAN SHAREHOLDERS.

1. **VOTING, ATTENDANCE AND REPRESENTATION AT THE GENERAL MEETING**

   You may attend, speak and vote at the General Meeting in person (or, if you are a company or other body corporate, be represented by a duly authorised natural person). Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy in respect of the General Meeting of Capespan Shareholders (*yellow*) in accordance with its instructions and returning it to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107), to be received by them no later than 11:00 on Monday, 22 June 2015, alternatively, such completed forms of proxy may be handed to the chairman of the General Meeting prior to the holding of the vote in respect of the Scheme Resolution.

2. **SURRENDER OF DOCUMENTS OF TITLE**

   2.1 Should you wish to vote in favour of the Scheme at the General Meeting (whether in person or by proxy), or should you wish to surrender your Documents of Title in anticipation of the Scheme becoming operative, kindly also complete the attached form of surrender, transfer and acceptance (*blue*) in accordance with its instructions and return it, together with the Documents of Title representing all your Capespan Shares, to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107), to be received by them by no later than 12:00 on the Scheme Consideration Record Date.

   2.2 Documents of Title surrendered prior to 12:00 on the Scheme Consideration Record Date in anticipation of the Scheme becoming operative will be held in trust by the Transfer Secretaries, at the risk of the Capespan Shareholder, pending the Scheme becoming operative.

   2.3 Should the Scheme Conditions be fulfilled and the Scheme become operative, Documents of Title held by Capespan Shareholders in respect of their Capespan Shares will cease to be of any value, and shall not be good for delivery, from the Operative Date onwards, other than for surrender in terms of the Scheme and/or the Appraisal Rights.

2.4 Should the Scheme not become operative, any Documents of Title surrendered to and held by the Transfer Secretaries will be returned to you by the Transfer Secretaries, at your own risk, by registered post within five Business Days from the date of receipt of the Documents of Title or the date on which it becomes known that the Scheme will not become operative, whichever is the later.

3. **SETTLEMENT OF SCHEME CONSIDERATION**

3.1 In order to comply with recent legislative changes, the Scheme Consideration Shares may only be issued in Dematerialised form. In this regard, should the Scheme become operative:

3.1.1 Capespan Shareholders who wish to receive the Scheme Consideration in Dematerialised form and who already have an account with a Broker or CSDP, will have their accounts at their Brokers or CSDPs credited with the Scheme Consideration;

3.1.2 Capespan Shareholders who wish to receive the Scheme Consideration in Dematerialised form, but who do not have an account with a Broker or CSDP, will be issued with statements of allocation and will be required to appoint a Broker or CSDP so that Dematerialised Scheme Consideration Shares can be made available to them following implementation of the Scheme; and

3.1.3 Capespan Shareholders who do not wish to hold their Scheme Consideration Shares in Dematerialised form and prefer to hold their Scheme Consideration Shares in certificated form, will be afforded the option to "withdraw" their Dematerialised Scheme Consideration Shares and replace these with a physical Document of Title (please see paragraph 3.5 below).

3.2 If the Scheme becomes operative and you have surrendered your Documents of Title to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) on or before 12:00 on the Scheme Consideration Record Date, then:

3.2.1 should you be a Capespan Shareholder referred to in paragraph 3.1.1 above, your accounts at your Broker or CSDP will be credited with the Scheme Consideration on the Operative Date;

3.2.2 should you be a Capespan Shareholder referred to in paragraph 3.1.2 above, your statement of allocation in respect of the Scheme Consideration will be posted to you, at your risk, within five Business Days of the Operative Date; and

3.2.3 should you be a Capespan Shareholder referred to in paragraph 3.1.3 above, the share certificates in respect of your Scheme Consideration Shares will be posted to you, at your risk, within five Business Days of the Operative Date.

3.3 If the Scheme becomes operative and you surrender your Documents of Title to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) after 12:00 on the Scheme Consideration Record Date, then:

3.3.1 should you be a Capespan Shareholder referred to in paragraph 3.1.1 or 3.1.2 above, as applicable, a statement of allocation in respect of the Scheme Consideration will be posted to you, at your risk, within five Business Days of receipt of your Documents of Title and completed form of surrender, transfer and acceptance; and

3.3.2 should you be a Capespan Shareholder referred to in paragraph 3.1.3 above, the share certificates in respect of your Scheme Consideration Shares will be posted to you, at your risk, within five Business Days of receipt of your Documents of Title and completed form of surrender, transfer and acceptance,

provided that should you:

3.3.3 be a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.7.1 of this Circular, you will still need to surrender your Documents of Title, together with a completed form of surrender, transfer and acceptance (*blue*), to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) and:

3.3.3.1 your Broker or CSDP account will only be credited with your Scheme Consideration Shares; or

3.3.3.2 your statement of allocation in respect of your Scheme Consideration Shares will only be posted to you, at your risk; or

3.3.3.3 the share certificates in respect of your Scheme Consideration Shares will only be posted to you, at your risk,

(as the case may be) on the date set out in paragraph 4.7.1 of this Circular.

3.4 If the Scheme becomes operative and you fail to surrender your Documents of Title and completed form of surrender, transfer and acceptance (*blue*) to the Transfer Secretaries within three years after the Operative Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 4.7.1 of this Circular, within three years after the date on which you subsequently became a Scheme Participant pursuant to paragraph 4.7.1 of this Circular, the Scheme Consideration due to you will be disposed of at the ruling market price and the disposal consideration, less the costs incurred in disposing of the Scheme Consideration, will be paid to the benefit of the Guardian's Fund of the Master of the High Court, from which it may be claimed by you, subject to the requirements imposed by the Master of the High Court. In this regard, such Scheme Participants irrevocably authorise and appoint Zeder, *in rem suam*, with full power of substitution, to act as agent in the name, place and stead of such Scheme Participants to dispose of the Scheme Consideration and to pay the proceeds to the benefit of the Guardian's Fund in the aforesaid manner.

3.5 In the case of the Capespan Shareholders who wish to "withdraw" their Dematerialised Scheme Consideration Shares as provided for above and whose registered addresses in the Register are outside of the Common Monetary Area, or where the relevant Capespan Shares certificates are restrictively endorsed in terms of the Exchange Control Regulations, the following will apply:

3.5.1 for non-residents who are emigrants, the replacement Documents of Title will be sent to the Capespan Shareholder's authorised dealer in foreign exchange in South Africa controlling their blocked assets; and

3.5.2 for all other non-residents, the replacement Documents of Title will be restrictively endorsed "non-resident" in terms of the Exchange Control Regulations.

Should you have any questions regarding the above, please contact your broker or CSDP or telephone the Transfer Secretaries on 086 110 0634 (or +27 11 370 5000 if phoning from outside South Africa) on every Business Day between 08:30 and 16:00, and they will be able to assist and advise you on what you need to do.

IMPORTANT DATES AND TIMES RELATING TO THE SCHEME

The definitions and interpretations commencing on page 9 of this Circular shall apply to this section.

	2015
Last Practicable Date	Friday, 15 May
Record date for Capespan Shareholders to be recorded in the Register in order to receive this Circular	Friday, 15 May
Circular posted to Capespan Shareholders and notice convening the General Meeting released on SENS on	Monday, 25 May
Notice of General Meeting published in the South African press on	Tuesday, 26 May
Scheme Voting Record Date being 17:00 on	Friday, 19 June
Proxy forms to be lodged at the Transfer Secretaries or Capespan's company secretary by 11:00 on	Monday, 22 June
Last date and time for Capespan Shareholders to give notice to Capespan objecting, in terms of section 164(3) of the Companies Act, to the special resolution approving the Scheme for purposes of the Appraisal Rights by 11:00 on	Wednesday, 24 June
Proxy forms not lodged with the Transfer Secretaries or Capespan's company secretary to be handed to the chairman of the General Meeting before 11:00	Wednesday, 24 June
General Meeting of Capespan Shareholders to be held at 11:00 on	Wednesday, 24 June
Results of General Meeting released on SENS on	Wednesday, 24 June
Results of General Meeting published in the South African press on	Thursday, 25 June
If the Scheme is approved by Capespan Shareholders at the General Meeting:	
Last date for Capespan Shareholders who voted against the Scheme to require Capespan to seek court approval for the Scheme in terms of section 115(3)(a) of the Companies Act (where applicable) on	Wednesday, 1 July
Last date for Capespan Shareholders who voted against the Scheme to be granted leave by the court to apply for a review of the Scheme in terms of section 115(3)(b) of the Companies Act on	Wednesday, 8 July
Last date for Capespan to send objecting Capespan Shareholders notices of the adoption of the special resolution approving the Scheme, in accordance with section 164(4) of the Companies Act, on	Wednesday, 8 July

Action	2015
The following dates assume that neither court approvals nor the review of the Scheme is required and all other Scheme Conditions are fulfilled and will be confirmed in the finalisation announcement if the Scheme becomes unconditional:	
Finalisation Date expected to be on	Thursday, 9 July
Finalisation Date announcement expected to be released on SENS on	Thursday, 9 July
Finalisation Date announcement expected to be published in the South African press on	Friday, 10 July
Scheme LDT expected on	Friday, 17 July
Scheme Consideration Record Date to be recorded in the Register in order to receive the Scheme Consideration expected to be on or about	Friday, 24 July
Expected Operative Date of the Scheme on	Monday, 27 July
Issue of Scheme Consideration Shares expected to take place on and trading in the Scheme Consideration Shares expected to commence on	Monday, 27 July

Notes:

1. The above dates and times are subject to such changes as may be agreed to by Capespan and Zeder and approved by the JSE and/or the Takeover Panel, if required. If the Scheme Conditions are not met by 31 August 2015, an updated timetable will be released on SENS and published in the South African press.
2. Capespan Shareholders who wish to exercise their Appraisal Rights are referred to **Annexure 9** to this Circular for purposes of determining the relevant timing for the exercise of their Appraisal Rights.
3. If the General Meeting is adjourned or postponed, forms of proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
4. Although the salient dates and times are stated to be subject to change, such statement may not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Companies Regulations, where applicable, and any such consents or dispensations must be specifically applied for and granted.
5. All times referred to in this Circular are references to South African time.

DEFINITIONS AND INTERPRETATION

In this Circular, unless the context indicates a contrary intention, a word or an expression which denotes any gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

"Appraisal Rights"	the rights afforded to Capespan Shareholders in terms of section 164 of the Companies Act as set out in **Annexure 9** to this Circular;
"Broker"	any person registered as a "*broking member (equities)*" in terms of the Rules of the JSE and in accordance with the provisions of the Financial Markets Act;
"Business Day"	a day which is not a Saturday, Sunday or official public holiday in South Africa;
"Capespan" or "the Company"	Capespan Group Limited (Registration number 2008/016971/06), a public company duly registered and incorporated with limited liability in South Africa;
"Capespan Board" or "Capespan Directors"	the directors of Capespan as at the Last Practicable Date, whose names are set out in the "*Corporate Information and Advisors*" section of this Circular;
"Capespan Management Shareholders"	collectively Messrs JJ Dique, AJ de Haast, DI Ferreira, AF Fuchs, L van Biljon and AG Peterson, being members of Capespan's management who hold a direct and/or indirect beneficial interest in Capespan Shares;
"Capespan Shareholders"	means the holders of Capespan Shares;
"Capespan Shares"	ordinary shares of no par value in the share capital of Capespan;
"cents"	South African cents, in the official currency of South Africa;
"Certificated"	in relation to a share of a company, such share as evidenced by a Document of Title;
"Circular"	this circular to Capespan Shareholders, dated Monday, 25 May 2015, together with the annexures hereto, and including the Notice of General Meeting, the form of proxy (*yellow*) in relation to the General Meeting and the form of surrender, transfer and acceptance (*blue*);
"Common Monetary Area"	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
"Companies Act"	the Companies Act, No. 71 of 2008, as amended from time to time;
"Companies Regulations"	the Companies Regulations, 2011, promulgated under the Companies Act, as amended from time to time;
"Consideration Shares"	the Zeder Shares to be issued to the Scheme Participants in terms of the Scheme;
"CPL"	Capespan Proprietary Limited (Registration number 1998/022574/07), a private company duly registered and incorporated with limited liability in South Africa, being a wholly-owned subsidiary of Capespan;
"CPL Treasury Shares"	32 231 189 Capespan Shares held by CPL, constituting 9.1% of the issued share capital of Capespan;
"CSDP"	Central Securities Depository Participant as defined in the Financial Markets Act;

"Dematerialise" or "Dematerialised" or "Dematerialisation"	the process by which Certificated shares are converted into an electronic format as Dematerialised shares and recorded in a company's uncertificated securities register administered by a CSDP;
"Dissenting Shareholders"	Capespan Shareholders who validly exercise their Appraisal Rights by demanding, in terms of sections 164(5) to 164(8) of the Companies Act, that the Company pay them the fair value of all of their Capespan Shares;
"Document of Title"	share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Capespan Shares in question acceptable to the Capespan Board;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended from time to time, issued in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended from time to time;
"Finalisation Date"	the date on which all the Scheme Conditions shall have been fulfilled or waived, as the case may be, as set out in paragraph 4.4 of this Circular;
"Financial Markets Act"	the Financial Markets Act, No. 19 of 2012, as amended from time to time;
"Firm Intention Offer Letter"	the letter from Zeder to the Capespan Board, dated Tuesday, 7 April 2015, confirming Zeder's conditional firm intention to make an offer to acquire all Capespan Shares (excluding the Treasury Shares) not held by the Zeder Group and the Capespan Management Shareholders by way of the Scheme, the terms of which letter were accepted by the Capespan Board (and upon the subsequent fulfilment and waiver of certain preconditions, the Firm Intention Offer Letter became unconditional);
"Foreign Capespan Shareholder"	a Capespan Shareholder who is a non-resident of South Africa, as contemplated in the Exchange Control Regulations;
"FSB"	Financial Services Board;
"General Meeting"	the general meeting of Capespan Shareholders to be held at 11:00 on Wednesday, 24 June 2015 at Spier Wine Estate, Baden Powell Drive, Stellenbosch, to consider and, if deemed fit, approve the Scheme Resolution;
"Independent Board"	collectively, Messrs AZ Farr, JA le Roux and FA Jacobs, being the Capespan Directors that the Company has indicated are independent directors in relation to the Scheme for purposes of the Companies Regulations;
"Independent Expert"	Ernst & Young Advisory Services Proprietary Limited (Registration number 2006/018260/07), a private company duly registered and incorporated with limited liability in South Africa;
"Independent Reporting Accountants"	PricewaterhouseCoopers Incorporated (Registration number 1998/012055/21), a personal liability company incorporated under the laws of South Africa;
"JSE"	the exchange, licensed under the Financial Markets Act, operated by JSE Limited (Registration number 2005/022939/06), a public company incorporated under the laws of South Africa;
"JSE Listings Requirements"	the Listings Requirements of the JSE in force as at the Last Practicable Date;
"Last Practicable Date"	the last practicable date prior to the finalisation of this Circular, being Friday, 15 May 2015;

"Notice of General Meeting"	the notice of the General Meeting of Capespan Shareholders forming part of this Circular;
"Operative Date"	the date on which the Scheme becomes operative, being the first Business Day immediately following the Scheme Consideration Record Date, which operative date is expected to be Monday, 27 July 2015;
"Proposed Transaction"	the transaction pursuant to which Zeder intends to acquire all of the issued Capespan Shares, excluding the Treasury Shares and the Capespan Shares already owned by the Zeder Group and by the Capespan Management Shareholders, pursuant to the Scheme;
"Rand" or "R"	South African Rand, in the official currency of South Africa;
"Register"	Capespan's securities register;
"Scheme"	the scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the Capespan Board between Capespan and the Capespan Shareholders (excluding the Zeder Group and Capespan Management Shareholders), as more fully described in paragraph 4 of this Circular, in terms of which Zeder will, if the Scheme becomes operative, acquire all Scheme Shares held by Scheme Participants for the Scheme Consideration, subject to any modification or amendment to the scheme of arrangement agreed to in writing by Zeder and Capespan and, if necessary, the Takeover Panel, which modification or amendment may not be detrimental to Scheme Participants;
"Scheme Conditions"	the conditions precedent to which the Scheme is subject, as set out in paragraph 4.4 of this Circular;
"Scheme Consideration"	the scheme consideration of 85 (eighty five) Zeder Shares for every 100 (one hundred) Scheme Shares disposed of by Scheme Participants in terms of the Scheme, rounded to the nearest whole number and credited as fully paid (the Scheme Consideration will not have a cash alternative);
"Scheme Consideration Record Date"	the latest time and date for holders of Capespan Shares to be registered as such in the Register in order to receive the Scheme Consideration, being 17:00 on Friday, 24 July 2015;
"Scheme Consideration Shares"	the Zeder Shares to be issued by Zeder as the Scheme Consideration, with a maximum of 69 557 940 Zeder Shares to be issued to Scheme Participants as consideration for their Capespan Shares;
"Scheme LDT"	the last day to trade Capespan Shares in order to be registered in the Register on the Scheme Consideration Record Date, which is expected to be at 17:00 on Friday, 17 July 2015;
"Scheme Participants"	Capespan Shareholders who are entitled to receive the Scheme Consideration, being those Capespan Shareholders who are registered as such in the Register on the Scheme Consideration Record Date, except for the Zeder Group, Capespan Management Shareholders, the holders of the Treasury Shares and Dissenting Shareholders who have not withdrawn their demands made in terms of sections 164(5) to 164(8) of the Companies Act or allowed any offers made to them in terms of section 164(11) of the Companies Act to lapse;
"Scheme Resolution"	means the special resolution by Capespan Shareholders, as contemplated in section 115(2) of the Companies Act, required for the approval of the Scheme, as detailed in the Notice of General Meeting;
"Scheme Shares"	all Capespan Shares, excluding the Treasury Shares, held by Scheme Participants on the Scheme Consideration Record Date;

“Scheme Voting Record Date”	the last time and date for Capespan Shareholders to be recorded in the Register in order to be eligible to attend, speak and vote at the General Meeting (or any adjournment thereof), being 17:00 on Friday, 19 June 2015;
“SENS”	the Stock Exchange News Service of the JSE;
“Share Incentive Scheme”	the Capespan Group Share Incentive Scheme implemented in terms of the Trust Deed in order to enable participants to obtain and exercise options and pursuant thereto to acquire Capespan Shares upon the exercise of such options, the full details of which are set out in the Trust Deed;
“South Africa”	the Republic of South Africa;
“Strate”	the settlement and clearing system used by the JSE, managed by Strate Proprietary Limited (Registration number 1998/022242/07), a limited liability private company duly incorporated in South Africa;
“Takeover Panel”	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;
“Transfer Secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company incorporated under the company laws of South Africa;
“Treasury Shares”	the CPL Treasury Shares and the Trust Treasury Shares;
“Trust”	the trustees for the time being of the Capespan Group Share Incentive Trust (Master’s reference number IT020273/2014), established in terms of the Trust Deed to facilitate and govern the implementation of the Share Incentive Scheme;
“Trust Deed”	the written trust deed entered into between Capespan, Messrs CA Otto, N Celliers and A Rossouw (as the first trustees) on or about 13 May 2014, pursuant to which, *inter alia*, the Trust was established, all on the terms and conditions contained therein;
“Trust Treasury Shares”	653 651 Capespan Shares held by the Trust, constituting 0.2% of the issued share capital of Capespan;
“VWAP”	volume weighted average price;
“Zeder”	Zeder Investments Limited (Registration number 2006/019240/06), a public company incorporated under the laws of South Africa, the shares of which are listed on the JSE;
“Zeder Board” or “Zeder Directors”	the directors of Zeder as at the Last Practicable Date, whose names are set in the “*Corporate Information and Advisors*” section of this Circular;
“Zeder Group”	Zeder and its subsidiaries; and
“Zeder Shares”	ordinary no par value shares in the issued share capital of Zeder.

CAPESPAN GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2008/016971/06)
("**Capespan**")

ZEDER INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2006/019240/06)
Share code: ZED ISIN code: ZAE000088431
("**Zeder**")

COMBINED CIRCULAR TO CAPESPAN SHAREHOLDERS

Directors of Capespan
N Celliers (*Chairman*) *
JJ Dique (*Managing Director*)
AJ de Haast (*Financial Director*)
J de V du Toit *
CA Otto *
AZ Farr *#
FA Jacobs *#
JA le Roux *#
** non-executive # independent*

Directors of Zeder
JF Mouton (*Chairman*) *
N Celliers (*Chief Executive Officer*)
WL Greeff (*Financial Director*)
AE Jacobs *
PJ Mouton *
GD Eksteen *#
WA Hanekom *#
CA Otto *#

1. **INTRODUCTION**

1.1 Capespan Shareholders are referred to the joint announcement published by Zeder and Capespan on SENS and on their respective websites (www.zeder.co.za and www.capespangroup.com) on 8 April 2015 and in the press on 9 April 2015, advising of the firm intention of Zeder to make an offer to acquire all the Capespan Shares (excluding the Treasury Shares) not already held by the Zeder Group and the Capespan Management Shareholders by way of a scheme of arrangement in terms of section 114 of the Companies Act, on the terms set out in paragraph 4 of this Circular.

1.2 Should the Scheme be implemented:

1.2.1 Zeder will become the registered and beneficial owner of all the issued Capespan Shares (other than the Treasury Shares and the Capespan Shares held by the Capespan Management Shareholders and Dissenting Shareholders that do not withdraw their respective demands made in terms of sections 164(5) to 164(8) of the Companies Act or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse, as more fully described in paragraph 4.7 below);

1.2.2 Scheme Participants will receive 85 (eighty five) Zeder Shares for every 100 (one hundred) Capespan Shares held by them on the Scheme Consideration Record Date (the Scheme Consideration will not have a cash alternative); and

1.2.3 pursuant to an exemption granted by the Takeover Panel in terms of section 119(6) of the Companies Act, the Share Incentive Scheme will run its course.

2. **PURPOSE OF THIS CIRCULAR**

The purpose of this Circular is to:

2.1 provide Capespan Shareholders with information regarding the Scheme;

2.2 provide Capespan Shareholders with the Independent Expert's report in respect of the Scheme, prepared in terms of section 114(3) of the Companies Act;

2.3 advise Capespan Shareholders of the Independent Board's opinion in respect of the Scheme (as supported by the Independent Expert's report); and

2.4 convene the General Meeting to consider and, if deemed fit, approve the Scheme Resolution as set out in the Notice of General Meeting.

3. **INFORMATION ON ZEDER**

3.1 Zeder is a long-term value investor with a primary focus on agribusinesses, specifically in the food and beverages sectors, and is listed on the JSE's main board.

3.2 Zeder's portfolio of investments has been refined in recent years by moving from several smaller investments to fewer, larger commitments. This is in line with Zeder's value creation strategy, which relies heavily on focusing efforts and resources on specific investments, and influencing strategy, operations, structures and financing.

3.3 Zeder's current core investments provide an ideal platform for Zeder to pursue its growth strategy and provide Zeder with a strong presence across the agribusiness industry. Zeder will continue to look actively at adding specific investments to their portfolio in strategic and sizable businesses, with proven track records and sound leadership.

3.4 Zeder's portfolio includes the following investments:

3.4.1 Zeder holds a 31.7% economic interest and a 27.3% voting interest in Pioneer Food Group Limited ("**Pioneer Foods**"). Pioneer Foods is a leading food and beverage producer and distributor in Southern Africa, with annual revenue in excess of R20 billion. It boasts an impressive leadership team, intent on optimising current operations and growing into new and international markets by leveraging its broad consumer product basket and state-of–the-art infrastructure. Supplying over 80 countries, Pioneer Foods' product portfolio spans bread, pasta and biscuits to fruit juices, fresh produce and some of the best-known cereal brands;

3.4.2 Zeder holds a 26.4% direct interest in Quantum Foods Holdings Limited ("**Quantum Foods**") following its unbundling from Pioneer Foods. Quantum Foods is a diversified feeds and poultry business providing quality animal protein to selected South African and African markets. After weathering a volatile industry cycle the past couple of years, Quantum Foods released encouraging results for the year ended 30 September 2014 reporting headline earnings per share of 11 cents compared to a 34 cents per share headline loss in the previous year. Although Quantum Foods will remain exposed to a highly cyclical industry, it has restructured its business and embarked on a clearly defined growth strategy to generate sustainable profits and cash flows from its established South African operations, while growing its footprint in the rest of Africa;

3.4.3 Zeder has a 71.2% shareholding in Capespan (net of the Treasury Shares). Capespan is involved in global fruit production, procurement, marketing, logistics, warehousing and distribution. Over the past 70 years, Capespan has developed its portfolio into three complementary divisions, namely Fruit, Farming and Logistics, which are increasingly less interdependent and individually more profitable. Capespan has an annual turnover in excess of R7 billion and has operations in 12 countries, providing services and produce to more than 60 countries across four continents;

3.4.4 Zeder has a 37.9% voting interest in Kaap Agri Limited ("**Kaap Agri**"). Kaap Agri is predominantly a retail, trade and services group which supplies a wide variety of products and services to the agricultural sector and general public, with a market reach that spans over 183 operating points in Southern Africa. Retail trading represents approximately 80% of group operating profits, while group revenue is in excess of R4.8 billion;

3.4.5 Zeder holds 92% of Zaad Holdings Limited ("**Zaad**"), which acts as the holding company for Zeder's investments in two seed companies – Agricol Proprietary Limited and Klein Karoo Seed Marketing Proprietary Limited. With over half a century of expertise and trusted heritage to support them, the two companies are well-established producers, marketers and distributors of a wide variety of agricultural seeds across several countries in Africa. Zaad delivered over R900 million in turnover in its most recent financial year and is driving an aggressive growth strategy in Southern Africa; and

3.4.6 Zeder holds 76.5% of Agrivision Africa (previously Chayton Africa) ("**Agrivision**"), a Mauritian-based investment company focusing on the grain value chain. It currently has three main investments: Chobe Agrivision Company Limited and Somawhe Estates Limited, being companies focused on the acquisition, development and management of large-scale commercial grain operations, and Mpongwe Milling (2009) Limited, a staple foods manufacturer located in the Zambian copperbelt. Despite the high entry cost and challenges associated with farming development in the region, Agrivision is in a prime industry position to maximise opportunities in the local and global primary food market. The total irrigated land capacity in the past 18 months of ownership has increased to over 4 100 hectares and continues to grow.

3.5 For further information regarding Zeder, Capespan Shareholders are referred to Zeder's website, www.zeder.co.za.

4. THE SCHEME

4.1 Rationale for Zeder

4.1.1 Zeder wishes to acquire all the Capespan Shares (excluding the Treasury Shares) not already held by the Zeder Group and the Capespan Management Shareholders, for the following reasons:

4.1.1.1 Zeder and the Capespan Management Shareholders collectively hold nearly 75% of the issued share capital of Capespan and basically control Capespan;

4.1.1.2 Zeder has no intention to list Capespan in the short to medium term; and

4.1.1.3 Zeder can improve cash management and various operational initiatives throughout the larger group for the benefit of all shareholders if it owned all of the shares in Capespan.

4.1.2 Accordingly, Zeder wishes to implement the Scheme in order to be fair to minority shareholders, reduce the administrative and corporate burden of Capespan, while at the same time maximising the financial returns to all current Capespan and Zeder shareholders.

4.2 Rationale for Capespan

4.2.1 The Capespan Board wishes to propose the Scheme for the following reasons:

4.2.1.1 Capespan is basically controlled by Zeder and the Capespan Management Shareholders who together hold nearly 75% of the issued share capital of Capespan (net of the Treasury Shares);

4.2.1.2 the administrative costs and corporate burden associated with a very large group of fragmented minority shareholders, who jointly do not exert influence over Capespan, are not ideal or sustainable;

4.2.1.3 Capespan Shares historically traded through Capespan's over-the-counter ("**OTC**") platform;

4.2.1.4 following the publication of the final directive issued by the FSB on 11 July 2014 regarding the facilitation by companies of trading in their shares, Capespan initially decided to suspend its OTC platform as well as all "over-the-counter" trading in Capespan Shares with effect from 31 July 2014 and has thereafter allowed trading on an amended basis that complies with FSB regulations, but with very little liquidity; and

4.2.1.5 Capespan wishes to find an attractive liquidity mechanism or alternative for its minority shareholders.

4.2.2 Accordingly, the Scheme will provide Capespan Shareholders with:

4.2.2.1 an opportunity to align themselves fully with Zeder shareholders and benefit from group synergies that may be derived;

4.2.2.2 an opportunity to convert their illiquid investment in Capespan, at a substantial premium, to a more liquid instrument in a listed entity, Zeder; and

4.2.2.3 an opportunity to diversify their investment in Capespan into a more diversified agri, food and beverage portfolio.

4.2.3 Given the aforementioned factors, the Independent Board believes that it is in the interests of Capespan and Capespan Shareholders that they be given the opportunity to consider the Proposed Transaction.

4.3 **Terms and conditions of the Scheme**

4.3.1 In terms of section 114(1) of the Companies Act, the Capespan Board proposes the Scheme as set out in this paragraph 4 between the Company and the Capespan Shareholders (other than the Zeder Group and the Capespan Management Shareholders). The Scheme will constitute an "affected transaction" as defined in section 117(1)(c) of the Companies Act and will be regulated by the Companies Act, the Companies Regulations and the Takeover Panel.

4.3.2 In terms of the Scheme, Zeder will acquire the Scheme Shares from the Scheme Participants for the Scheme Consideration, resulting in Zeder holding all of the issued Capespan Shares, other than the Treasury Shares and the Capespan Shares held by the Capespan Management Shareholders.

4.3.3 If the Scheme takes effect and becomes operative:

4.3.3.1 the Scheme Participants (whether they voted in favour of the Scheme or not, or failed to vote) shall be deemed to have disposed of their Scheme Shares, free of encumbrances, to Zeder on the Operative Date in exchange for the Scheme Consideration and Zeder shall be deemed to have acquired registered and beneficial ownership of all the Scheme Shares as of the Operative Date;

4.3.3.2 the disposal and transfer by each Scheme Participant of the Scheme Shares held by such Scheme Participant to Zeder and the acquisition of ownership of these Scheme Shares by Zeder pursuant to the provisions of the Scheme, shall be effected on the Operative Date;

4.3.3.3 each Scheme Participant shall be deemed to have transferred to Zeder, on the Operative Date, all of the Scheme Shares held by such Scheme Participant, without any further act or instrument being required; and

4.3.3.4 Scheme Participants shall be entitled to receive the Scheme Consideration, subject to the remaining provisions of this paragraph 4.

4.3.4 Each Scheme Participant irrevocably and *in rem suam* authorises Capespan, as principal, with full power of substitution, to cause the Scheme Shares disposed of by the Scheme Participants in terms of the Scheme to be transferred to, and registered in the name of, Zeder on or at any time after the Operative Date, and to do all such things and take all such steps (including the signing of any transfer form) as Capespan in its discretion considers necessary in order to effect that transfer and registration.

4.3.5 The Scheme Consideration shall be settled, in full, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Zeder may otherwise be, or claim to be, entitled against any Scheme Participant.

4.3.6 Capespan, as principal, shall procure that Zeder complies with its obligations under the Scheme, and Capespan alone shall have the right to enforce those obligations (if necessary) against Zeder.

4.3.7 The rights of the Scheme Participants to receive the Scheme Consideration will be rights enforceable by Scheme Participants against Capespan only. Scheme Participants will be entitled to require Capespan to enforce its rights in terms of the Scheme against Zeder.

4.3.8 The effect of the Scheme, *inter alia*, will be that Zeder will, with effect from the Operative Date, become the registered and beneficial owner of all the Scheme Shares.

4.3.9 Zeder and Capespan agreed that, upon the Scheme becoming operative, they will give effect to the terms and conditions of the Scheme and will take all actions and sign all necessary documents to give effect to the Scheme.

4.3.10 The Scheme shall be governed by the laws of South Africa only. Every Scheme Participant shall be deemed to have irrevocably submitted to the non-exclusive jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the Scheme.

4.4 **Scheme Conditions**

4.4.1 The Scheme will be subject to (and will become operative on the Operative Date upon) the fulfilment of the following Scheme Conditions on or before 31 August 2015:

4.4.1.1 that the Scheme be approved by the requisite majority of Capespan Shareholders, as contemplated in section 115(2)(a) of the Companies Act, and, to the extent required, by a High Court in terms of section 115(2)(c) of the Companies Act, and, if applicable, that Capespan does not treat the Scheme Resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act;

4.4.1.2 that, in relation to any objections to the Scheme by Capespan Shareholders:

4.4.1.2.1 no Capespan Shareholders give notice objecting to the Scheme, as contemplated in section 164(3) of the Companies Act and vote against the Scheme Resolution proposed at the General Meeting to approve the Scheme; or

4.4.1.2.2 if Capespan Shareholders give notice objecting to the Scheme, as contemplated in section 164(3) of the Companies Act, and vote against the Scheme Resolution proposed at the General Meeting, Capespan Shareholders holding no more than 5% of all Capespan Shares eligible to be voted at the General Meeting give such notice and vote against the resolutions proposed at the General Meeting; or

4.4.1.2.3 if Capespan Shareholders holding more than 5% of all Capespan Shares eligible to vote at the General Meeting give notice objecting to the Scheme, as contemplated in section 164(3) of the Companies Act, and vote against the resolution proposed at the General Meeting, the relevant Capespan Shareholders do not exercise their appraisal rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act within 30 Business Days following the General Meeting, in respect of more than 5% of the Capespan Shares eligible to be voted at the General Meeting; and

4.4.1.3 that, in respect of the implementation of the Scheme and only to the extent that same may be applicable, the approval of the Takeover Panel and any other relevant regulatory authorities (either unconditionally or subject to conditions acceptable to Zeder) be obtained.

4.4.2 The Scheme Conditions in paragraphs 4.4.1.1 and 4.4.1.3 cannot be waived.

4.4.3 The Scheme Condition in paragraph 4.4.1.2 may be waived by Zeder upon written notice to Capespan, prior to the date for fulfilment of the relevant Scheme Condition.

4.4.4 Zeder will be entitled to extend the date for the fulfilment of any of the Scheme Conditions, by up to 60 days, in its own discretion, upon written notice to Capespan, but shall not be entitled to extend the date to a date later than the aforesaid 60 day period without the prior written consent of Capespan.

4.5 **Scheme Consideration**

4.5.1 Subject to paragraph 4.6, if the Scheme becomes unconditional and is implemented, each Scheme Participant will receive the Scheme Consideration for each Scheme Share held by such Scheme Participant as at the Scheme Consideration Record Date.

4.5.2 Zeder's 30-day VWAP as at 31 March 2015 was R7.64, thereby implying an offer value of R6.50 per Capespan Share, representing a 64% premium to Capespan's 30-day VWAP price of R3.97 per share as at the same date.

4.5.3 On 31 March 2015, the share price of Zeder was R8.34 per share, valuing the offer for the Scheme Shares at R7.09 per share or a premium of 79% to the 30-day VWAP of Capespan of R3.97 per share, as at 31 March 2015.

4.5.4 No fraction of a Scheme Consideration Share will be issued and any fraction of a Scheme Consideration Share to which any Scheme Participant is entitled in terms of the Scheme will, if it comprises 0.5 or more of a Scheme Consideration Share, be rounded up, otherwise it will be rounded down, to the nearest whole Scheme Consideration Share, as set out in the table of entitlements provided in **Annexure 10**.

4.6 **Settlement of the Scheme Consideration**

Capespan Shareholders are referred to the section entitled "Action required by Capespan Shareholders in relation to the Scheme", commencing on page 4 of the Circular, for further information regarding the steps to be taken by Capespan Shareholders in relation to the settlement of the Scheme Consideration.

4.6.1 Capespan or its agents will administer and effect settlement of the Scheme Consideration to Scheme Participants.

4.6.2 In order to comply with recent legislative changes, the Scheme Consideration Shares may only be issued in Dematerialised form.

4.6.3 Should the Scheme become operative:

4.6.3.1 Scheme Participants who wish to receive the Scheme Consideration in Dematerialised form and who already have an account with a Broker or CSDP, will have their accounts at their Brokers or CSDPs credited with the Scheme Consideration;

4.6.3.2 Scheme Participants who wish to receive the Scheme Consideration in Dematerialised form, but who do not have an account with a Broker or CSDP, will be issued with statements of allocation and will be required to appoint a Broker or CSDP so that Dematerialised Scheme Consideration Shares can be made available to them following implementation of the Scheme; and

4.6.3.3 Scheme Participants who do not wish to hold their Scheme Consideration Shares in Dematerialised form and prefer to hold their Scheme Consideration Shares in certificated form, will be afforded the option to "withdraw" their Dematerialised Scheme Consideration Shares and replace these with a physical Document of Title (please see paragraph 4.6.7 below).

4.6.4 Should the Scheme become operative and should Scheme Participants have surrendered their Documents of Title to the Transfer Secretaries (or Capespan's company secretary) on or before 12:00 on the Scheme Consideration Record Date, then:

4.6.4.1 those Scheme Participants referred to in paragraph 4.6.3.1 above will have their accounts at their Brokers or CSDPs credited with the Scheme Consideration on the Operative Date;

4.6.4.2 those Scheme Participants referred to in paragraph 4.6.3.2 above will have their statements of allocation in respect of the Scheme Consideration posted to them, at their risk, within five Business Days of the Operative Date; and

4.6.4.3 those Scheme Participants referred to in paragraph 4.6.3.3 above will have the share certificates in respect of their Scheme Consideration Shares posted to them, at their risk, within five Business Days of the Operative Date.

4.6.5 Should the Scheme become operative and should Scheme Participants surrender their Documents of Title to the Transfer Secretaries (or Capespan's company secretary) after 12:00 on the Scheme Consideration Record Date, then:

4.6.5.1 those Scheme Participants referred to in paragraph 4.6.3.1 or 4.6.3.2 above, as applicable, will have statements of allocation in respect of the Scheme Consideration posted to them, at their risk, within five Business Days of receipt of their Documents of Title and completed form of surrender, transfer and acceptance;

4.6.5.2 those Scheme Participants referred to in paragraph 4.6.3.3 above will have the share certificates in respect of their Scheme Consideration Shares posted to them, at their risk, within five Business Days of receipt of their Documents of Title and completed form of surrender, transfer and acceptance,

provided that Dissenting Shareholders who subsequently become Scheme Participants pursuant to paragraph 4.7.1 will still need to surrender their Documents of Title, together with a completed form of surrender, transfer and acceptance, to the Transfer Secretaries (or Capespan's company secretary) and:

(i) their Broker or CSDP accounts will only be credited with their Scheme Consideration Shares; or

(ii) their statements of allocation in respect of their Scheme Consideration Shares will only be posted to them, at their risk; or

(iii) the share certificates in respect of their Scheme Consideration Shares will only be posted to them, at their risk,

(as the case may be) on the date set out in paragraph 4.7.1 of this Circular.

4.6.6 Should the Scheme become operative and any Scheme Participant fail to surrender their Documents of Title and completed forms of surrender, transfer and acceptance to the Transfer Secretaries (or Capespan's company secretary) within three years after the Operative Date or, if they are Dissenting Shareholders who subsequently become Scheme Participants pursuant to paragraph 4.7.1, within three years after the date on which they subsequently became Scheme Participants pursuant to paragraph 4.7.1, the Scheme Consideration due to those Scheme Participants will be disposed of at the ruling market price and the disposal consideration, less the costs incurred in disposing of the Scheme Consideration, will be paid to the benefit of the Guardian's Fund of the Master of the High Court, from which it may be claimed by such Scheme Participant, subject to the requirements imposed by the Master of the High Court. In this regard such Scheme Participants irrevocably authorise and appoint Zeder, *in rem suam*, with full power of substitution, to act as agent in the name, place and stead of such Scheme Participants to dispose of the Scheme Consideration and to pay the proceeds to the benefit of the Guardian's Fund in the aforesaid manner.

4.6.7 In the case of the Scheme Participants who wish to "withdraw" their Dematerialised Scheme Consideration Shares as provided for above and whose registered addresses in the Register are outside of the Common Monetary Area, or where the relevant Capespan Shares certificates are restrictively endorsed in terms of the Exchange Control Regulations, the following will apply:

4.6.7.1 for non-residents who are emigrants, the replacement Documents of Title will be sent to the Scheme Participant's authorised dealer in foreign exchange in South Africa controlling their blocked assets; and

4.6.7.2 for all other non-residents, the replacement Documents of Title will be restrictively endorsed "non-resident" in terms of the Exchange Control Regulations.

4.7 **Dissenting Shareholders**

4.7.1 Any Dissenting Shareholder that withdraws its demand made in terms of sections 164(5) to 164(8) of the Companies Act, either voluntarily or pursuant to an order of Court, or that allows an offer by the Company in terms of section 164(11) of the Companies Act to lapse without exercising its rights in terms of section 164(14) of the Companies Act, shall, if that Dissenting Shareholder withdrew its demand or allowed the offer to lapse:

4.7.1.1 on or prior to the Scheme LDT, be deemed to be a Scheme Participant and be subject to the provisions of the Scheme; and

4.7.1.2 after the Scheme LDT, be deemed to have been a Scheme Participant as at the Operative Date of the Scheme, provided that settlement of the Scheme Consideration due to such Dissenting Shareholder shall take place on the later of (i) the Operative Date, (ii) the date which is five Business Days after that Dissenting Shareholder so withdrew its demand or allowed the Company's offer to lapse, as the case may be, and (iii) the date which is five Business Days after that Dissenting Shareholder shall have surrendered its Documents of Title and completed form of surrender, transfer and acceptance (*blue*) to the Transfer Secretaries (or Capespan's company secretary).

4.7.2 The wording of section 164 of the Companies Act (which sets out the Appraisal Rights) is included in **Annexure 9** to this Circular.

4.8 **Foreign Capespan Shareholders and Exchange Control Regulations**

Annexure 8 to this Circular contains a summary of the Exchange Control Regulations as they apply to Scheme Participants. Scheme Participants who are not resident in, or who have a registered address outside of South Africa, must satisfy themselves as to the full observance of the laws of any relevant territory concerning the receipt of the Scheme Consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory.

4.9 **Sufficient securities**

4.9.1 Should the Scheme be implemented and assuming there are no Dissenting Shareholders, a maximum of 69 557 940 Zeder Shares will be issued to Scheme Participants in consideration for all the Capespan Shares held by them (being a total of 81 832 865 Capespan Shares).

4.9.2 Zeder has sufficient authorised but unissued share capital available from which to issue the abovementioned maximum of 69 557 940 Zeder Shares.

4.10 **Restricted jurisdictions**

4.10.1 To the extent that the distribution of this Circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such foreign jurisdiction then this Circular is deemed to have been provided for information purposes only and neither the Capespan Board nor the Zeder Board accepts any responsibility for any failure by Capespan Shareholders to inform themselves about, and to observe, any applicable legal requirements in any relevant foreign jurisdiction.

4.10.2 Capespan Shareholders who are in doubt as to their position should consult their professional advisors.

5. **INTERESTS OF ZEDER AND ZEDER DIRECTORS IN CAPESPAN SECURITIES**

5.1 As at the Last Practicable Date, Zeder held 229 955 324 Capespan Shares, equal to 71.2% of the issued Capespan Shares (net of the Treasury Shares).

5.2 Zeder had no dealings in Capespan Shares during the six-month period prior to 8 April 2015 and during the period from 8 April 2015 up to the Last Practicable Date.

5.3 As at the Last Practicable Date, no Zeder Director held any Capespan Shares and no Zeder Director had any dealings in Capespan Shares during the six month period prior to 8 April 2015 and the period from 8 April 2015 up to the Last Practicable Date.

6. INTERESTS OF ZEDER DIRECTORS IN ZEDER SECURITIES

6.1 As at the Last Practicable Date, the following Zeder Directors held an interest in Zeder Shares:

	Beneficial		Non-beneficial		Total	
Zeder Director	**Direct**	**Indirect**	**Direct**	**Indirect**	**Number**	**%**
N Celliers	–	3 073 676	–	–	3 073 676	0.2
GD Eksteen	–	6 683 585	–	250 000	6 933 585	0.5
WL Greeff	80 000	–	–	–	80 000	–
AE Jacobs	–	70 000	–	–	70 000	–
JF Mouton	–	–	–	80 000	80 000	–
CA Otto	–	–	–	80 000	80 000	–
Total	**80 000**	**9 827 261**	**–**	**410 000**	**10 317 261**	**0.7**

6.2 Save as set out in paragraph 6.3, the Zeder Directors had no dealings in Zeder Shares during the six month period prior to 8 April 2015 and the period from 8 April 2015 up to the Last Practicable Date.

6.3 The following Zeder Directors had dealings in Zeder Shares during the six month period prior to 8 April 2015 and the period from 8 April 2015 up to the Last Practicable Date:

6.3.1 on 23 April 2015, Mr N Celliers, through his associate, Namron Investments Proprietary Limited, disposed of 61 615 Zeder Shares at an average price of R8.91 per share;

6.3.2 on 22 April 2015, Mr N Celliers, through his associate, Namron Investments Proprietary Limited, disposed of 677 385 Zeder Shares at an average price of R8.92 per share;

6.3.3 on 21 April 2015, Mr N Celliers, through his associate, Namron Investments Proprietary Limited, disposed of 36 581 Zeder Shares at an average price of R8.97 per share;

6.3.4 on 20 April 2015, Mr N Celliers, through his associate, Namron Investments Proprietary Limited, acquired 437 743 Zeder Shares at R2.57 per share pursuant to the exercise of options awarded to him;

6.3.5 on 27 February 2015, Mr N Celliers, through his associate, Namron Investments Proprietary Limited, acquired 337 838 Zeder Shares at R3.33 per share pursuant to the exercise of options awarded to him; and

6.3.6 on 17 February 2015, Mr CA Otto disposed of 39 123 Zeder Shares at R7.56 per share.

7. INTERESTS OF CAPESPAN AND CAPESPAN DIRECTORS IN ZEDER SECURITIES

7.1 As at the Last Practicable Date, Capespan held no direct or indirect interest in Zeder. Capespan had no dealings in Zeder Shares during the six month period prior to 8 April 2015 and during the period from 8 April 2015 and ending on the Last Practicable Date.

7.2 Save as set out in paragraph 6.1 above, no Capespan Director held any interest in issued Zeder Shares.

7.3 Save as set out in paragraph 6.3 above, the Capespan Directors had no dealings in Zeder Shares during the six month period prior to 8 April 2015 and the period from 8 April 2015 up to the Last Practicable Date.

8. INTERESTS OF CAPESPAN DIRECTORS IN CAPESPAN SECURITIES

8.1 As at the Last Practicable Date, the following Capespan Directors held a beneficial interest in issued Capespan Shares:

Capespan Director	Direct	Indirect	% of Capespan issued share capital
JJ Dique	6 600 000	–	1.9
AJ de Haast	1 028 610	–	0.3
Total	**7 628 610**	**–**	**2.2**

8.2 The Capespan Directors had no dealings in Capespan Shares during the six month period prior to 8 April 2015 and the period from 8 April 2015 up to the Last Practicable Date.

9. IRREVOCABLE UNDERTAKINGS

Details regarding the Capespan Shareholders who have provided irrevocable undertakings to vote in favour of all Capespan shareholder resolutions necessary to approve and implement the Scheme are set out in **Annexure 11A**.

10. DEALINGS BY PROVIDERS OF IRREVOCABLE UNDERTAKINGS

Details regarding dealings by the Capespan Shareholders referred to in paragraph 9 above, during the six month period prior to 8 April 2015 and during the period from 8 April 2015 up to the Last Practicable Date, are set out in **Annexure 11B**.

11. REMUNERATION OF CAPESPAN DIRECTORS

The remuneration of the Capespan Directors will not be affected by the Scheme.

12. AGREEMENTS IN RELATION TO THE SCHEME

12.1 Save for:

12.1.1 the Firm Intention Offer Letter;

12.1.2 the irrevocable undertakings referred to in this Circular; and

12.1.3 the waivers provided by the participants in the Share Incentive Scheme, pursuant to which they waived their rights to participate in the Scheme in relation to the Share Incentive Scheme,

no agreements have been entered into between Zeder, Zeder Directors (or persons who were directors of Zeder in the past 12 months) and/or Zeder Shareholders (or persons who were Zeder Shareholders in the past 12 months) and any of Capespan, the Capespan Directors (or persons who were directors of Capespan in the past 12 months) or Capespan Shareholders (or persons who were Capespan Shareholders in the past 12 months) in relation to the Scheme.

12.2 Zeder confirms that it is the ultimate prospective purchaser of the Scheme Shares and, save for the Capespan Management Shareholders, it is acting alone and not in concert with any party. However, in terms of Regulation 84 of the Companies Regulations a presumption automatically exists that Zeder Directors are acting in concert with Zeder in respect of the Scheme. Accordingly, any Zeder Directors and any persons who were Zeder Directors at the time the Zeder Board resolved to make the offer to Capespan Shareholders pursuant to the Scheme and who hold Capespan Shares on the Scheme Voting Record Date, will not be able to vote on the Scheme Resolution at the General Meeting.

13. **FINANCIAL INFORMATION OF CAPESPAN AND ZEDER**

13.1 Financial information of Zeder

13.1.1 The audited historical financial information of Zeder for the last three financial years ended 28 February 2013, 28 February 2014 and 28 February 2015 is annexed hereto as **Annexure 3**.

13.1.2 The *pro forma* financial effects of the Proposed Transaction on Zeder are annexed hereto at **Annexure 4**, while the Independent Reporting Accountants' report thereon is annexed hereto as **Annexure 5**.

13.2 Financial information of Capespan

13.2.1 The audited historical financial information of Capespan for the last three financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 is annexed hereto as **Annexure 2**.

13.2.2 The *pro forma* financial effects of the Proposed Transaction on a Capespan Shareholder are annexed hereto at **Annexure 6**, while the Independent Reporting Accountants' report thereon is annexed hereto as **Annexure 7**.

14. **INTENTIONS REGARDING THE CONTINUATION OF CAPESPAN'S BUSINESS AND THE CAPESPAN BOARD**

Should the Scheme be implemented, Zeder will hold all of the issued Capespan Shares (save for the Treasury Shares and the Capespan Shares held by the Capespan Management Shareholders), following which the future size and composition of the Capespan Board will be considered.

15. **REPORT OF THE INDEPENDENT EXPERT**

15.1 The report of the Independent Expert prepared in accordance with section 114(3) of the Companies Act and regulation 90 of the Companies Regulations is provided in **Annexure 1** to this Circular.

15.2 Having considered the terms and conditions of the Scheme and based on the conditions set out in its report, the Independent Expert has concluded that the terms and conditions of the Scheme are both fair and reasonable to Capespan Shareholders, as each of these terms is defined in the Companies Regulations.

16. **THE VIEWS OF THE INDEPENDENT BOARD AND THE ZEDER BOARD ON THE SCHEME**

16.1 In accordance with the Companies Regulations, the Capespan Board has appointed the Independent Board comprising Messrs AZ Farr, JA le Roux and FA Jacobs. The Independent Board has appointed the Independent Expert to compile a report on the Scheme. The Zeder Board and the Capespan Board have provided all relevant information on Zeder and Capespan, respectively, requested by the Independent Expert in order to compile the report.

16.2 The Independent Board, after due consideration of the report of the Independent Expert, has determined that it will place reliance on the valuation performed by the Independent Expert for the purposes of reaching its own opinion regarding the Scheme and the Scheme Consideration as contemplated in Companies Regulation 110(3)(b). The Independent Board has formed a view of the range of the swap ratio of Zeder Shares for Capespan Shares, which accords with the range contained in the Independent Expert's report, in considering its opinion and recommendation. The Independent Board is not aware of any factors which are difficult to quantify or are unquantifiable (as contemplated in Companies Regulation 110(6)) and has not taken any such factors into account, in forming its opinion.

16.3 The Independent Board, taking into account the report of the Independent Expert, has considered the terms and conditions of the Scheme and the members of the Independent Board are unanimously of the opinion that the terms and conditions thereof are fair and reasonable to Capespan Shareholders and, accordingly, recommend that Capespan Shareholders vote in favour of the Scheme Resolution at the General Meeting.

16.4 The Zeder Directors are also unanimously of the opinion that the terms and conditions of the Scheme are fair and reasonable to Capespan Shareholders.

16.5 The Capespan Board has not received any offers, other than the Scheme.

17. CAPESPAN DIRECTORS' SERVICE CONTRACTS

Service contracts have been concluded between CPL and each of Capespan's executive Directors on terms and conditions that are standard for such appointments. There are no service contracts between Capespan and any of its non-executive Directors.

18. OTHER SERVICE CONTRACTS

No service contracts have been entered into or amended by Capespan within the six month period prior to the Last Practicable Date.

19. INTENDED ACTION OF CAPESPAN DIRECTORS

Since the only Capespan Directors who hold Capespan Shares in their own beneficial capacity are also Capespan Management Shareholders, no Capespan Director shall be eligible to vote at the General Meeting.

20. FOREIGN CAPESPAN SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

Information regarding Foreign Capespan Shareholders and Exchange Control Regulations is set out in **Annexure 8** to this Circular.

21. TAX IMPLICATIONS FOR CAPESPAN SHAREHOLDERS

Scheme Participants will not incur an immediate tax obligation upon the Scheme being implemented, as a result of the section 42 roll-over relief provisions in the Income Tax Act, 1962. However, the deferred tax obligation may arise in future, should Scheme Participants dispose of the Scheme Consideration Shares issued to them under the Scheme. The tax position of a Capespan Shareholder under the Scheme is dependent on such shareholder's individual circumstances, including but not limited to whether they hold the shares as capital assets or as trading stock, whether the shares are held by a Collective Investment Scheme or Pension Fund and on the tax jurisdiction in which the shareholder is resident. It is recommended that the Scheme Participants seek appropriate advice in this regard.

22. INDEPENDENT BOARD RESPONSIBILITY STATEMENT

The Independent Board accepts responsibility for the information contained in this Circular which relates to Capespan and confirms that, to the best of its knowledge and belief, such information which relates to Capespan is true and the Circular does not omit anything likely to affect the importance of such information.

23. ZEDER RESPONSIBILITY STATEMENT

The Zeder Board accepts responsibility for the information contained in this Circular which relates to Zeder and confirms that, to the best of its knowledge and belief, such information which relates to Zeder is true and the Circular does not omit anything likely to affect the importance of such information.

24. ADVISORS' CONSENTS

The parties referred to in the "*Corporate Information and Advisors*" section of this Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, reports, in this Circular in the form and context in which they appear and have not withdrawn their consent prior to the publication of this Circular.

25. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection by the Capespan Shareholders at Capespan's registered office and at Zeder's registered office from the date of posting of this Circular until the end of the Operative Date:

25.1 the audited annual financial statements of Capespan for the three financial years ended 31 December 2012, 31 December 2013 and 31 December 2014;

25.2 the audited annual financial statements of Zeder for the three financial years ended 28 February 2013, 28 February 2014 and 28 February 2015;

25.3 the reports of the Independent Reporting Accountants, as reproduced at **Annexures 5** and **7** to this Circular;

25.4 the consent letter of the Independent Reporting Accountants and all other consent letters referred to in paragraph 24 of this Circular;

25.5 irrevocable commitments received by Zeder from Capespan Shareholders;

25.6 a signed copy of this Circular;

25.7 the signed report of the Independent Expert;

25.8 the approval letter of the Takeover Panel;

25.9 the memorandum of incorporation of Capespan;

25.10 the memorandum of incorporation of Zeder; and

25.11 the exemption granted by the Takeover Panel as contemplated in paragraph 1.2.3 above.

SIGNED AT BELLVILLE ON THURSDAY, 21 MAY 2015 ON BEHALF OF THE CAPESPAN BOARD

AZ FARR
Director

SIGNED AT STELLENBOSCH ON THURSDAY, 21 MAY 2015 ON BEHALF OF THE ZEDER BOARD

WL GREEFF
Financial Director

REPORT OF THE INDEPENDENT EXPERT REGARDING THE SCHEME

The Independent Board of Directors
Capespan Group Limited ("Capespan")
Vineyards Square North
Vineyards Office Estate
99 Jip de Jager Road
Bellville
7530

19 May 2015

Dear Sirs

Independent Expert Opinion on the firm intention of Zeder Investments Limited ("Zeder") to make an offer to acquire all the ordinary shares in Capespan, not already held by Zeder and members of Capespan's management, excluding treasury shares, by way of a scheme of arrangement ("Scheme").

Introduction

Zeder, a company listed on the main board of the JSE, has submitted a firm intention to make an offer for the shares in Capespan that are not already held by Zeder and by Capespan's management (the "Proposed Transaction"). Zeder and Capespan management hold nearly 75% of the issued share capital of Capespan and have control of Capespan.

In terms of the Scheme, Capespan shareholders will receive 85 Zeder shares in exchange for every 100 Capespan shares (the "Scheme Ratio").

The Scheme will constitute an "affected transaction" as defined in Section 117(1)(c) of the Companies Act, No 71 of 2008 ("the Companies Act") and will be regulated by the Companies Act, the Companies Regulations and the Takeover Regulation Panel ("TRP"). The Scheme will be implemented in terms of section 114 of the Companies Act.

Scope

An Independent Expert's opinion is required to be obtained by the Independent Board in terms of Section 114 of the Companies Act. Section 114 of the Companies Act provides that the company must retain an Independent Expert who meets the requirements of section 114(2) and 114(3) to compile a report to the Independent Board concerning the proposed scheme of arrangement.

Ernst & Young Advisory Services Proprietary Limited ("EY") has been appointed by the Independent Board as the Independent Expert to advise on whether the terms and conditions of the Proposed Transaction are fair and reasonable to the shareholders of Capespan.

Responsibility

The compliance with the Companies Act is the responsibility of the Independent Board. Our responsibility is to report on the terms and conditions of the Proposed Transaction in compliance with the related provisions of the Companies Act.

We confirm that our fair and reasonable opinion has been provided to the Independent Board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of Capespan shareholders.

Definition of the terms “fair” and “reasonable”

An offer is generally considered to be fair; if the consideration received in terms of that offer is above the fair value range of the shares which form the subject matter of the offer.

An offer is generally considered to be reasonable; if the consideration received in terms of that offer is above the regulated price of the shares – at the time the offer was announced or at some other more appropriate identifiable time – which form the subject matter of the offer.

Our approach in considering the Proposed Transaction

In considering the Proposed Transaction, we have independently calculated the fair value of the shares of Zeder and Capespan.

Information utilised

In the course of our analysis, we relied upon financial and other information, including prospective financial information, obtained from Zeder (including its underlying investments) and Capespan’s management teams, together with industry-related and other information in the public domain. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in formulating our opinion regarding the terms and conditions of the Proposed Transaction include:

- Zeder and Capespan’s initial joint SENS announcement dated 8 April 2015;
- Zeder’s firm intention offer letter dated 7 April 2015;
- Representations and assumptions made available by, and discussions held with, the management of Capespan and Zeder (that include the relevant underlying investments);
- Representations and assumptions made available by, and discussions held with, the Independent Board;
- S&P Capital IQ;
- Published market data on Capespan and Zeder (including its underlying investments);
- Audited annual financial statements of Zeder, Pioneer Group Limited, and Quantum Foods Limited;
- Audited and unaudited financial statements/management accounts of Capespan, Zaad Holdings, Agrivision Africa and Kaap Agri; and
- Management forecasts for Capespan, Zaad Holdings and Agrivision Africa.

Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained through discussions with the respective management teams.

Procedures performed

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness and reasonableness of the Proposed Transaction:

- Supplemented our knowledge and understanding of Zeder and Capespan as well as the industries in which they operate.
- Held discussions with management on the prospects of the underlying investments/divisions/assets within Zeder and Capespan.
- Reviewed and analysed the historical financial information of Capespan and Zeder (including its underlying investments).
- For the underlying investments in Zeder, Zaad Holdings and Agrivision Africa, we assessed the budgets/forecasts as prepared by the relevant management team and challenged certain assumptions. In the case of Zeder’s investment in Pioneer and Quantum Foods, we were not provided with any budget/forecasts as prepared by its management team. We reviewed and analysed publicly available company information, multiples, analyst reports and market multiples of comparable companies.
- Prepared a sum-of-the-parts valuation of Zeder from the underlying discounted cash flow and market multiple valuations.

- Assessed the budget/forecasts of Capespan as prepared by its management team and challenged certain assumptions.
- Prepared a discounted cash flow valuation of Capespan.
- Corroborated the above values using market multiples of comparable companies. Corroborated the value of Zeder's investment in Pioneer using the 30 – and 90 day VWAP of Pioneer shares.
- Used the price of recent transactions where applicable.
- Reviewed Capespan's and Zeder's historic traded share prices and trading volumes.
- Examined the scheme circular considering the terms and conditions contained in the scheme circular as well as the commercial issues relating to the Proposed Transaction. Specifically, we considered the rights of the minority Capespan shareholders pre and post the implementation of the Scheme.
- Considered any other/qualitative aspects which we believe are of importance.
- Determined the fairness and the reasonableness of the transaction.

We have not interviewed any of the minority shareholders of Capespan to obtain their views on the Proposed Transaction.

Based on the results of the procedures mentioned above, we determined the fairness and reasonableness of the Proposed Transaction to Capespan minority shareholders. We believe that the above considerations justify the conclusion outlined below.

We have further assumed that, as at the Last Practicable Date:

- Capespan and Zeder are not involved in any legal proceedings that would have a material adverse effect on either of their share values.
- Capespan and Zeder (including its underlying investments) have no material outstanding disputes with the South African Revenue Service.
- There are no other contingencies that could affect the value of Capespan's or Zeder's shares.

Valuation

Zeder

We valued Zeder on the sum-of-the parts basis as follows:

- For the underlying investments in Zeder, Zaad Holdings and Agrivision Africa, we performed a discounted cash flow valuation.
- For the underlying investments in Zeder, Pioneer and Quantum Foods, we performed valuations with reference to publicly available company information, multiples, analyst reports and market multiples of comparable companies.
- Corroborated the above values using market multiples of comparable companies and VWAP's/share prices' of the relevant entities.
- Incorporated an appropriate discount to Zeder's calculated Equity Value for the performance and management fees paid.

The business of Zeder (including its underlying investments) is highly dependent upon:

- Commodity prices such as maize, wheat and soya;
- Weather conditions;
- Consumer behaviour; and
- Global exchange rates.

The valuation was performed taking cognisance of risk and other market and industry factors affecting Zeder (including its underlying investments). Additionally, sensitivity analyses were performed considering key assumptions. Prevailing market and industry conditions were also considered in assessing the risk profile of Zeder (including its underlying investments).

Capespan

We performed a valuation based on the discounted cash flow analysis of operations owned by the company. We corroborated this value using market multiples of comparable companies.

The business of Capespan is highly dependent upon:

- Fruit volumes to be procured from farmers;
- Global exchange rates; and
- Agricultural yields which are reliant on weather conditions and global fruit prices.

The valuation was performed taking cognisance of risk and other market and industry factors affecting Capespan. Additionally, sensitivity analyses were performed considering key assumptions. Prevailing market and industry conditions were also considered in assessing the risk profile of Capespan.

Shareholder rights

There would be no material changes in the rights of the Capespan minority shareholders as a result of the Scheme.

Opinion

Fairness

In undertaking the valuation exercise above, we determined a valuation range of Zeder of R6.97 to R8.52 per ordinary share (average R7.75) and a valuation range of Capespan between R4.45 and R5.40 per ordinary share (average R4.90). These valuation ranges imply an average value of R6.58 per Scheme Share (R7.75 x 85 shares/100 shares) which equates to a premium of 34% to the average EY determined Capespan value of R4.90 per share. These value ranges further imply a share swap ratio of 52 Zeder shares per 100 Capespan shares to 77 Zeder shares per 100 Capespan shares. These ratios and values compare favourably to the Scheme ratio of 85 Zeder shares per 100 Capespan shares.

Reasonableness

On 31 March 2015, the share price of Zeder was R8.34 per share valuing the offer for the Scheme Shares at R7.09 per share or a premium of 79% to the 30-day VWAP of Capespan of R3.97 per share, at 31 March 2015. Given that the consideration received in terms of the offer is above the regulated price of the shares at the time the offer was announced and no restrictions are placed on the Capespan shareholders, we consider the offer to be reasonable.

Conclusion

Based on the results of our procedures performed, our detailed valuation work and other considerations, subject to the foregoing assumptions, we are of the opinion that the Proposed Transaction is fair and reasonable to Capespan minority shareholders.

Limiting conditions

The valuation above is provided solely in respect of this Independent Expert opinion and should not be used for any other purposes.

Our opinion is necessarily based upon the information available to us up to 15 May 2015, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the Proposed Transaction have been or will be timeously fulfilled and/or obtained. Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

This opinion does not purport to cater for each individual shareholder's circumstances and/or risk profile, but rather that of the general body of Shareholders taken as a whole. Each shareholder's decision will be influenced by such shareholder's particular circumstances and, accordingly, Shareholders should consult with an independent adviser if they are in any doubt as to the merits or otherwise of the Proposed Transaction.

This opinion is provided solely for the use of the Independent Board and Capespan Shareholders for the sole purpose of assisting the Independent Board in forming and expressing an opinion on the Proposed Transaction for the benefit of the Shareholders. Unless as stipulated in this letter, this opinion shall not, in whole or in part, be disclosed, reproduced, disseminated, quoted, summarised or referred to at any time, in any manner or for any purpose, nor shall any public references to EY or Ernst & Young Advisory Services (Pty) Limited be made by Capespan or any of its affiliates, without the prior consent of Ernst & Young Advisory Services (Pty) Limited.

We have relied upon the accuracy of the information used by us in deriving our opinion albeit that, where practicable, we have corroborated the reasonableness of such information through, amongst other things, reference to work performed by independent third party/ies, historic precedent or our own knowledge and understanding. While our work has involved an analysis of the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy of any information provided to us in respect of Capespan and Zeder (including its underlying investments).

Forecasts relate to uncertain future events and are based on assumptions, which may not remain valid for the whole of the forecast period. Consequently, forecast financial information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting purposes. We express no opinion as to how closely actual results will correspond to projections made by the management of Capespan and Zeder (including its underlying investments) and made available to us during the course of our review.

Independence, competence and fees

We confirm that we have no direct or indirect interest in Capespan and Zeder (including its underlying investments) shares or the Proposed Transaction. We also confirm that we have the necessary qualifications and competence to provide the independent opinion on the Proposed Transaction.

Furthermore, we confirm that our professional fees are not contingent upon the success of the Proposed Transaction.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the Circular to be issued to the shareholders of Capespan in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours faithfully

Steve Alt
Director
Ernst & Young Advisory Services Proprietary Limited

THREE-YEAR AUDITED HISTORICAL FINANCIAL INFORMATION OF CAPESPAN

BASIS OF PREPARATION

The consolidated income statements, statements of financial position, comprehensive income, changes in equity, cash flows and notes thereto, of Capespan for the financial years ended 31 December 2012 (restated), 31 December 2013 (restated) and 31 December 2014, have been extracted and compiled from the audited consolidated annual financial statements of Capespan, which are available on Capespan's website. The aforementioned consolidated annual financial statements were compiled under the supervision of the group financial director, AJ de Haast, CA(SA), and were approved by the Capespan Directors on 16 April 2013, 14 April 2014 and 30 March 2015, respectively. The financial statements for 2012 and 2013 years have been restated taking into account the changes in the accounting policies of the Capespan group implemented in 2014. The 2013 restated financial statements formed part of the Capespan 2014 annual financial statements and the 2012 restatements have been audited by KPMG. The preparation of this **Annexure 2** is the responsibility of the Capespan Directors.

The historical financial information of Capespan has previously been audited by KPMG and reported on without qualification for all of the aforementioned financial periods.

NATURE OF BUSINESS

Capespan Group Limited, incorporated in South Africa, is the holding company for a number of businesses that focuses on businesses of the Capespan group including the international marketing of fruit, logistical services, the operation of depot, storage and port facilities and farming.

OPERATING RESULTS

The operating results and state of affairs of the group are set out in th attached income statements and balance sheets, comprehensive income, changes in equity and cash flows. For the year under review, the group's recurring headline earnings amounted to R159 million (2013: R139 million), headline earnings amounted to R97 million (2013: R127 million) and earnings attributable to owners of the parent amounted to R108 million (2013: R120 million; 2012: R140 million).

COMMENTARY

Detailed commentary on the historical financial information of Capespan is provided in the selected consolidated financial information of Capespan, included in this Circular.

HISTORICAL FINANCIAL INFORMATION

No material change in the nature of the business of Capespan and its subsidiaries occurred, and no material fact or circumstance has occurred between the end of the latest financial year of Capespan and the date of this Circular, in so far as not already dealt with in historical financial information outlined in this Annexure.

BALANCE SHEETS

at 31 December 2014

	Notes	Group 2014 R'000	Group Restated 2013 R'000	Group Restated 2012 R'000	Company 2014 R'000	Company 2013 R'000	Company 2012 R'000
Assets							
Non-current assets		**1 393 568**	1 123 506	1 012 639	**646 893**	645 757	645 757
Property, plant and equipment	8	**434 900**	321 482	296 418	**–**	–	–
Bearer plants	9	**181 523**	117 122	128 484	**–**	–	–
Intangible assets	10	**27 672**	36 673	41 090	**–**	–	–
Goodwill	11	**294 913**	274 996	241 250	**–**	–	–
Investment in subsidiary	12	**–**	–	–	**646 893**	645 757	645 757
Investments in associates	13	**325 081**	240 828	163 645	**–**	–	–
Other financial assets	14	**33 294**	41 633	62 530	**–**	–	–
Employee benefits	25.3	**34 462**	33 090	25 184	**–**	–	–
Deferred tax assets	15	**61 723**	57 682	54 038	**–**	–	–
Current assets		**1 594 519**	1 581 495	1 515 881	**1 464**	1 296	2 186
Biological assets	16	**43 877**	43 484	48 847	**–**	–	–
Inventories	17	**241 256**	312 658	205 994	**–**	–	–
Income tax receivables		**20 710**	21 723	18 362	**198**	–	–
Trade and other receivables	18	**931 569**	777 508	801 223	**57**	–	32
Cash and cash equivalents	19	**357 107**	426 122	441 455	**1 209**	1 296	2 154
Non-current assets held for sale	20	**30 378**	–	3 000	**–**	–	–
Total assets		**3 018 465**	2 705 001	2 531 520	**648 357**	647 053	647 943
Equity and liabilities							
Equity							
Share capital and premium	21	**476 919**	462 024	462 024	**476 919**	462 024	462 024
Treasury shares		**(20 130)**	(25 012)	(28 251)	**–**	–	–
Other reserves		**291 178**	245 105	101 751	**1 136**	–	–
Retained earnings		**747 657**	701 645	620 676	**25 646**	29 466	30 861
Total equity attributable to equity holders of the parent		**1 495 624**	1 383 762	1 156 200	**503 701**	491 490	492 885
Non-controlling interest		**61 769**	31 394	20 929	**–**	–	–
Total equity		**1 557 393**	1 415 156	1 177 129	**503 701**	491 490	492 885
Non-current liabilities		**403 317**	306 509	431 978	**135 679**	148 302	149 064
Interest-bearing borrowings	23	**237 311**	121 804	172 372	**–**	–	–
Non-interest-bearing borrowings	24	**–**	18 617	106 795	**113 976**	127 842	127 936
Deferred taxation	15	**34 028**	41 949	42 958	**–**	–	–
Employee benefits	25	**131 978**	124 139	109 853	**21 703**	20 460	21 128
Current liabilities		**1 057 755**	983 336	922 413	**8 977**	7 261	5 994
Bank overdraft and short-term borrowings	26	**316 873**	120 611	246 755	**–**	–	–
Interest-bearing borrowings	23	**33 706**	25 581	10 882	**–**	–	–
Non-interest-bearing borrowings	24	**19 837**	113 342	–	**–**	–	–
Income tax payables		**24 556**	14 168	9 520	**–**	–	–
Trade and other payables	27	**587 698**	632 351	601 629	**8 977**	7 261	5 994
Employee benefits	25	**52 195**	60 902	32 720	**–**	–	–
Provisions	28	**22 890**	16 381	20 907	**–**	–	–
Total equity and liabilities		**3 018 465**	2 705 001	2 531 520	**648 357**	647 053	647 943

INCOME STATEMENTS

for the year ended 31 December 2014

		Group			Company		
			Restated	Restated			
	Notes	**2014 R'000**	2013 R'000	2012 R'000	**2014 R'000**	2013 R'000	2012 R'000
Revenue		**7 392 421**	7 149 021	5 632 286	**848**	806	1 045
Cost of sales, distribution and selling expenses	2	**(6 486 298)**	(6 251 814)	(4 879 859)	**–**	–	–
Gross profit		**906 123**	897 207	752 427	**848**	806	1 045
Operating expenses	2	**(737 055)**	(706 429)	(626 911)	**(1 349)**	(1 109)	(1 725)
Operating profit/(loss)		**169 068**	190 778	125 516	**(501)**	(303)	(680)
Financial income	3	**45 605**	38 256	38 209	**51 037**	35 236	70 052
Financial expenses	4	**(48 582)**	(47 134)	(37 448)	**(1 217)**	(1 414)	(1 409)
Share of profits of associates	13	**60 651**	28 810	26 048	**–**	–	–
Fair value adjustment on non-current biological assets		**–**	–	12 570	**–**	–	–
Profit before non-recurring items		**226 742**	210 710	164 895	**49 319**	33 519	67 963
Other income:	5						
Deemed profit on sale of associate		**–**	–	67 004	**–**	–	–
Recoveries		**16 103**	–	–	**–**	–	–
Profit on disposal of investments, property, plant and equipment		**6 252**	154	35 143	**–**	–	–
Reversal of impairment of assets		**11 893**	–	–	**–**	–	–
Other expenses:	6						–
Contingent consideration		**(65 657)**	–	–	**–**	–	–
Restructuring costs		**(502)**	(7 138)	–	**–**	–	–
Impairment of long-term loans		**(54)**	(3 310)	–	**–**	–	–
Impairment of assets, goodwill and investments		**(9 368)**	(10 627)	(46 138)	**–**	–	–
Profit before taxation		**185 409**	189 789	220 904	**49 319**	33 519	67 963
Taxation	7	**(67 981)**	(57 315)	(74 032)	**(198)**	–	–
Profit for the year		**117 428**	132 474	146 872	**49 121**	33 519	67 963
Profit attributable to:							
Owners of the company		**108 356**	120 098	139 417	**49 121**	33 519	67 963
Non-controlling interest		**9 072**	12 376	7 455	**–**	–	–
Profit for the year		**117 428**	132 474	146 872	**49 121**	33 519	67 963
Earnings per share (cents)							
Basic	22	**33.7**	37.7	44.2			
Headline	22	**30.3**	39.7	27.5			
Diluted	22	**33.1**	37.7	44.2			

STATEMENTS OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2014

		Group			Company		
			Restated	Restated			
		2014	2013	2012	**2014**	2013	2012
	Note	**R'000**	R'000	R'000	**R'000**	R'000	R'000
Profit for the year		**117 428**	132 474	146 872	**49 121**	33 519	67 963
Other comprehensive income/(loss)							
Items that will never be reclassified to profit and loss							
Defined benefit plan actuarial (losses)/gains		**(20 705)**	328	(13 736)	**(2 014)**	208	(473)
Taxation on other comprehensive income	7	**6 506**	193	4 803	**–**	–	–
		(14 199)	521	(8 933)	**(2 014)**	208	(473)
Items that are or may be reclassified to profit and loss							
Foreign currency translation differences on foreign operations		**33 642**	145 489	23 760	**–**	–	–
Cash flow hedge effective portion of changes in fair value		**4 495**	(1 861)	–	**–**	–	–
Change in fair value of available-for-sale financial assets		**16**	56	(682)	**–**	–	–
		38 153	143 684	23 078	**–**	–	–
Other comprehensive income/(loss) for the year		**23 954**	144 205	14 145	**(2 014)**	208	(473)
Total comprehensive income for the year		**141 382**	276 679	161 017	**47 107**	33 727	67 490
Total comprehensive income attributable to:							
Owners of the company		**132 070**	261 902	154 037	**47 107**	33 727	67 490
Non-controlling interest		**9 312**	14 777	6 980		–	–
Total comprehensive income for the year		**141 382**	276 679	161 017	**47 107**	33 727	67 490

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2014

	Attributable to equity holders of the parent									
Group – 2014	Share capital R'000	Share premium R'000	Translation reserves R'000	Other reserves R'000	Share-based payment reserves R'000	Retained earnings R'000	Treasury shares R'000	Total R'000	Non-controlling interest R'000	Total equity R'000
Restated balance 1 January 2014	**3 512**	**458 512**	**238 517**	**6 588**	**–**	**701 645**	**(25 012)**	**1 383 762**	**31 394**	**1 415 156**
Total comprehensive income for the year										
Profit for the year	–	–	–	–	–	108 356	–	108 356	9 072	117 428
Other comprehensive income/(loss)										
FCTR – foreign operations, net of tax	–	–	30 461	–	–	–	–	30 461	240	30 701
FCTR – associates recognised in equity, net of tax	–	–	2 941	–	–	–	–	2 941	–	2 941
Cash flow hedge effective portion of changes in fair value	–	–	–	4 495	–	–	–	4 495	–	4 495
Change in fair value of available-for-sale financial assets, net of tax	–	–	–	16	–	–	–	16	–	16
Defined benefit plan actuarial losses, net of tax	–	–	–	–	–	(14 199)	–	(14 199)	–	(14 199)
Total other comprehensive income	–	–	33 402	4 511	–	(14 199)	–	23 714	240	23 954
Total comprehensive income for the year	**–**	**–**	**33 402**	**4 511**	**–**	**94 157**	**–**	**132 070**	**9 312**	**141 382**
Transfer (from)/to reserves	**–**	**–**	**–**	**(2 405)**	**–**	**2 405**	**–**	**–**	**–**	**–**
Transactions with owners recorded directly in equity										
Share issue	45	14 850	–	–	–	–	–	14 895	–	14 895
Treasury shares purchased and sold	–	–	–	–	–	–	185	185	–	185
Share-based payment reserve	–	–	–	–	10 565	–	–	10 565	–	10 565
Non-controlling interest disposed	–	–	–	–	–	5 567	–	5 567	13 048	18 615
Non-controlling interest acquired	–	–	–	–	–	(5 190)	–	(5 190)	10 257	5 067
Dividends paid	–	–	–	–	–	(50 927)	4 697	(46 230)	(2 242)	(48 472)
Total transactions with owners recorded directly in equity	**45**	**14 850**	**–**	**–**	**10 565**	**(50 550)**	**4 882**	**(20 208)**	**21 063**	**855**
Restated balance 31 December 2014	**3 557**	**473 362**	**271 919**	**8 694**	**10 565**	**747 657**	**(20 130)**	**1 495 624**	**61 769**	**1 557 393**

STATEMENTS OF CHANGES IN EQUITY (continued)

for the year ended 31 December 2014

	Attributable to equity holders of the parent								
Restated Group – 2013	**Share capital R'000**	**Share premium R'000**	**Translation reserves R'000**	**Other reserves R'000**	**Retained earnings R'000**	**Treasury shares R'000**	**Total R'000**	**Non-controlling interest R'000**	**Total equity R'000**
Opening balance 1 January 2013	**3 512**	**458 512**	**96 234**	**5 517**	**620 676**	**(28 251)**	**1 156 200**	**20 929**	**1 177 129**
Total comprehensive income for the year									
Profit for the year as previously reported	–	–	–	–	108 974	–	108 974	8 611	117 585
Period adjustment (refer note 40)	–	–	–	–	11 124	–	11 124	3 765	14 889
Restated profit for the year	–	–	–	–	**120 098**		**120 098**	**12 376**	**132 474**
Other comprehensive income/(loss)									
FCTR – foreign operations, net of tax	–	–	120 822	–	–	–	120 822	2 401	123 223
FCTR – associates recognised in equity, net of tax	–	–	22 266	–	–	–	22 266	–	22 266
Cash flow hedge effective portion of changes in fair value	–	–	–	–	(1 861)	–	(1 861)	–	(1 861)
Change in fair value of available-for-sale financial assets, net of tax	–	–	(15)	71	–	–	56	–	56
Defined benefit plan actuarial losses, net of tax	–	–	–	–	521	–	521	–	521
Total other comprehensive income	–	–	143 073	71	(1 340)	–	141 804	2 401	144 205
Total comprehensive income for the year	**–**	**–**	**143 073**	**71**	**118 758**	**–**	**261 902**	**14 777**	**276 679**
Transfer (from)/to reserves	**–**	**–**	**(790)**	**1 000**	**(210)**	**–**	**–**	**–**	**–**
Transactions with owners recorded directly in equity									
Non-controlling interest acquired	–	–	–	–	(2 457)	–	(2 457)	(2 591)	(5 048)
Dividend paid	–	–	–	–	(35 122)	3 239	(31 883)	(1 721)	(33 604)
Total transactions with owners recorded directly in equity	**–**	**–**	**–**	**–**	**(37 579)**	**3 239**	**(34 340)**	**(4 312)**	**(38 652)**
Restated balance 31 December 2013	**3 512**	**458 512**	**238 517**	**6 588**	**701 645**	**(25 012)**	**1 383 762**	**31 394**	**1 415 156**

STATEMENTS OF CHANGES IN EQUITY (continued)

for the year ended 31 December 2014

	Attributable to equity holders of the parent								
Restated Group – 2012	**Share capital R'000**	**Share premium R'000**	**Translation reserves R'000**	**Other reserves R'000**	**Retained earnings R'000**	**Treasury shares R'000**	**Total R'000**	**Non-controlling interest R'000**	**Total equity R'000**
Balance 1 January 2012 as previously reported	**3 312**	**410 712**	**71 999**	**9 072**	**512 795**	**(31 167)**	**976 723**	**13 865**	**990 588**
Prior period adjustment	–	–	–	–	6 133		6 133	2 044	8 177
Restated opening balance 1 January 2012	3 312	410 712	71 999	9 072	518 928	(31 167)	982 856	15 909	998 765
Total comprehensive income for the year									
Profit for the year	–	–	–	–	139 417	–	139 417	7 455	146 872
Other comprehensive income/(loss)				–					
FCTR – foreign operations, net of tax	–	–	19 052	–	–	–	19 052	(475)	18 577
FCTR – associates recognised in equity, net of tax	–	–	5 183	–	–	–	5 183	–	5 183
Change in fair value of available-for-sale financial assets, net of tax	–	–	–	14	(696)	–	(682)	–	(682)
Defined benefit plan actuarial losses, net of tax	–	–	–	–	(8 933)	–	(8 933)	–	(8 933)
Total other comprehensive income	–	–	24 235	14	(9 629)	–	14 620	(475)	14 145
Total comprehensive income for the year	**–**	**–**	**24 235**	**14**	**129 788**	**–**	**154 037**	**6 980**	**161 017**
Transfer (from)/to reserves	**–**	**–**	**–**	**(3 569)**	**3 569**	**–**	**–**	**–**	**–**
Transactions with owners recorded directly in equity									
Share and share premium issued	200	47 800	–	–	–	–	48 000	–	48 000
Non-controlling interest	–	–	–	–	–	–	–	1 478	1 478
Dividend paid	–	–	–	–	(31 609)	2 916	(28 693)	(3 438)	(32 131)
Total transactions with owners recorded directly in equity	**200**	**47 800**	**–**	**–**	**(31 609)**	**2 916**	**19 307**	**(1 960)**	**17 347**
Balance 31 December 2012	**3 512**	**458 512**	**96 234**	**5 517**	**620 676**	**(28 251)**	**1 156 200**	**20 929**	**1 177 129**

STATEMENTS OF CHANGES IN EQUITY (continued)

for the year ended 31 December 2014

Company	Share capital R'000	Share premium R'000	Share-based payment reserve R'000	Retained earnings R'000	Total equity R'000
Balance 1 January 2014	**3 512**	**458 512**	**–**	**29 466**	**491 490**
Total comprehensive income for the year					
Profit for the year	–	–	–	49 121	49 121
Other comprehensive income	–	–	–	(2 014)	(2 014)
Total comprehensive income for the year	–	–	–	47 107	47 107
Transactions with owners recorded directly in equity					
Share and share premium issue	45	14 850	–	–	14 895
Equity-settled share-based payment	–	–	1 136	–	1 136
Dividend paid	–	–	–	(50 927)	(50 927)
Total transactions with owners recognised in equity	**45**	**14 850**	**1 136**	**(50 927)**	**(34 896)**
Balance 31 December 2014	**3 557**	**473 362**	**1 136**	**25 646**	**503 701**
Balance 1 January 2013	**3 512**	**458 512**	**–**	**30 861**	**492 885**
Total comprehensive income for the year					
Profit for the year	–	–	–	33 519	33 519
Other comprehensive loss	–	–		208	208
Total comprehensive income for the year	–	–	–	33 727	33 727
Transactions with owners recorded directly in equity					
Dividend paid	–	–	–	(35 122)	(35 122)
Total transactions with owners recognised in equity	**–**	**–**	**–**	**(35 122)**	**(35 122)**
Balance 31 December 2013	**3 512**	**458 512**	**–**	**29 466**	**491 490**
Balance 1 January 2012	**3 312**	**410 712**	**–**	**(5 020)**	**409 004**
Total comprehensive income for the year					
Profit for the year	–	–	–	67 963	67 963
Other comprehensive loss	–	–	–	(473)	(473)
Total comprehensive income for the year	–	–	–	67 490	67 490
Transactions with owners recorded directly in equity					
Share and share premium issue	200	47 800	–	–	48 000
Dividend paid	–	–	–	(31 609)	(31 609)
Total transactions with owners recognised in equity	**200**	**47 800**	**–**	**(31 609)**	**16 391**
Balance 31 December 2012	**3 512**	**458 512**	**–**	**30 861**	**492 885**

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2014

		Group			Company		
			Restated	Restated			
		2014	2013	2012	**2014**	2013	2012
	Notes	**R'000**	R'000	R'000	**R'000**	R'000	R'000
Cash generated by operating activities							
Cash received from customers		**7 273 107**	7 075 096	5 354 369	**848**	806	1 045
Cash paid to suppliers and employees		**(7 147 760)**	(6 837 825)	(5 211 253)	**(461)**	(268)	(948)
Cash generated by operations	29.1	**125 347**	237 271	143 116	**387**	538	97
Investment income received		**2**	126	129	**51 000**	35 200	70 000
Interest received		**45 603**	38 130	38 080	**37**	36	52
Interest paid		**(31 091)**	(30 805)	(37 448)	**(1 217)**	(1 414)	(1 409)
Taxation paid	29.2	**(69 090)**	(56 247)	(55 078)	**(396)**	–	–
Net cash flows from operating activities		**70 771**	188 475	88 799	**49 811**	34 360	68 740
Cash flows from investing activities							
Proceeds from disposal of property, plant and equipment		**5 121**	14 354	53 261	–	–	–
Proceeds from disposal of non-current assets held for sale		**–**	3 000	–	–	–	–
Proceeds from disposal of farms	29.3.2	**21 250**	35 000	–	–	–	–
Net proceeds from the sale of investments		**3 959**	–	5 714	–	–	–
Dividends received from associate		**–**	8 340	–	–	–	–
Contingent consideration paid		**(177 548)**	–	–	–	–	–
Acquisition of property, plant and equipment		**(175 554)**	(84 760)	(33 540)	–	–	–
– to maintain operations		**(153 204)**	(23 810)	(28 112)	–	–	–
– to expand operations		**(22 350)**	(60 950)	(5 428)	–	–	–
Acquisition of subsidiary	29.4	**(7 271)**	–	(88 776)	–	–	(88 776)
Acquisition of intangible assets		**(3 734)**	(1 730)	(3 826)	–	–	–
Acquisition of non-controlling interest	29.4	**–**	(5 007)	–	–	–	–
Investment in bearer plants		**(74 281)**	(22 047)	(6 420)	–	–	–
– to maintain operations		**(10 312)**	(22 047)	6 420	–	–	–
– to expand operations		**(63 969)**	–	–	–	–	–
Investment in associates	29.4	**(28 887)**	(9 202)	–	–	–	–
(Increase)/decrease in other financial assets		**(6 388)**	19 693	11 111	–	–	–
Advances to subsidiary		**–**	–	–	–	–	(343)
Net cash flows from investing activities		**(443 333)**	(42 359)	(62 476)	–	–	(89 119)
Cash flows from financing activities							
Share issue		**–**	–	–	**14 895**	–	–
Interest-bearing borrowings raised		**150 255**	–	104 435	**–**	–	–
Interest-bearing borrowings repaid		**(26 623)**	(35 869)	–	**–**	–	–
Treasury shares acquired		**(6 138)**	–	–	**–**	–	–
Non-interest-bearing borrowings raised/(repaid)		**19 837**	(80)	(1 203)	**(13 866)**	(96)	52 250
Dividends paid		**(47 354)**	(30 778)	(32 131)	**(50 927)**	(35 122)	–
Net cash flows from financing activities		**89 977**	(66 727)	71 101	**(49 898)**	(35 218)	52 250
Net (decrease)/increase in cash and cash equivalents		**(282 585)**	79 389	97 424	**(87)**	(858)	262
Cash and cash equivalents at beginning of year		**305 511**	194 700	33 761	**1 296**	2 154	1 892
Net cash acquired through business combinations/disposals		**–**	–	57 695	**–**	–	–
Effects of exchange fluctuations on cash and cash equivalents		**17 308**	31 422	5 820	**–**	–	–
Cash and cash equivalents at end of year		**40 234**	305 511	194 700	**1 209**	1 296	2 154

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations adopted by the International Accounting Standards Board (IASB) and the requirements of the Companies Act of South Africa.

The consolidated financial statements are presented in South African Rand, rounded to the nearest thousand. They are prepared on the historical cost and going concern bases, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 37.

The accounting policies set out below have been applied consistently to all years presented in these financial statements except for the items as disclosed (refer note 40) for restatement of disclosures and the adoption of certain new accounting standards which became effective during the current year (refer note 41). The Group elected to use the title "Income statements" instead of Statements of comprehensive income and "Balance sheets" instead of Statements of financial position.

Basis of consolidation

The consolidated financial statements of the company consolidate the financial information of the company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Subsidiaries

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries are included in the consolidated financial statements from the date that control commences to the date that control ceases.

Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group. Intra-Group balances and any unrealised gains or losses or income and expenses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements, except to the extent that they provide evidence of impairment.

Investments in subsidiaries are recognised at cost less any impairments.

A listing of the Group's principal subsidiaries is set out in Annexure 1 on page 96 of these financial statements.

Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Expenditure incurred to replace part of an item of property, plant and equipment is capitalised if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other expenditure, including repairs and maintenance, are recognised in profit or loss as an expense as incurred.

Costs associated with the acquisition and installation of off-the-shelf and certain purpose-written software are capitalised. Such assets are depreciated using the amortisation methods and periods applicable to computer equipment, from the date of commissioning.

Financing costs directly associated with the construction or acquisition of qualifying assets are capitalised at interest rates relating to loans specifically raised for that purpose, or at the average borrowing rate where the general pool of Group borrowing was utilised.

Gains and losses on the disposal of property, plant and equipment are taken to profit or loss. Gains and losses on disposals are determined by comparing the net proceeds received with the carrying amount of the item.

Leased assets

Leases involving property, plant and equipment in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases and depreciated over the shorter of the useful life of the asset and the lease term. Items of plant and equipment held under a finance lease are stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. The capital element of future obligations under the lease is included as a liability in the balance sheet. Each lease payment is allocated between the outstanding liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance charge is charged to profit or loss over the lease period.

For a sale and leaseback transaction that results in a finance lease, any excess of sales proceeds over the carrying amount, if any, is not recognised as income.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Depreciation

Depreciation is charged on the straight-line basis over the estimated useful lives of the assets. Freehold land is not depreciated. Leasehold improvements are depreciated over the shorter of the useful lives and term of the lease.

The estimated useful lives of items of property, plant and equipment are:

Buildings	50 years
Leasehold improvements	5 – 20 years
Plant and machinery	5 – 10 years
Motor vehicles	4 – 5 years
Office equipment, furniture and fittings	3 – 10 years
Computer equipment	3 – 7 years

The residual value of assets and useful lives of assets are reassessed annually.

Bearer plants

Background

In June 2014, the International Accounting Standards Board issued changes regarding “IAS 16 Property, plant and equipment” and “IAS 41 Agriculture”, which leads to changes in the accounting for biological assets that meet the definition of bearer plants, such as vineyards and orchards.

The changes comes down to bearing orchards/vineyards be regarded similar to equipment used in a manufacturing process. This has resulted in the International Accounting Standards Board deciding that bearing orchards are accounted in the same way and must be treated as property, plant and equipment within the scope of IAS 16.

Long-term biological assets consist of bearer plants used in the production of agricultural produce and they are expected to bear produce for more than one period. Management's intention is to recover the economic benefit of the assets through use.

Management have chosen to apply the cost model in terms of IAS 16 Property, Plant and Equipment to bearer plants. Therefore, production costs, capital expenditure and borrowing costs are capitalised to the biological asset until Management consider the agricultural transformation to be substantially complete.

Management considered the amendments to provide a more reliable basis of quantifying the value of bearer plants with a commensurate depreciation charge over the remaining useful lives of the vineyards and orchards.

The changes are effective for annual periods beginning on or after 1 January 2016 with early adoption permissible.

Capespan Group decided well in advance of implementing the changes effective for the financial year ended 31 December 2014. In line with the requirements of the relevant standards the following accounting policies have been formulated.

Cost price

Under the amendments to IAS 41 Biological Assets, Management have elected to use the fair value of the long-term biological assets at the earliest period presented, 1 January 2013, as the deemed cost at this date. Management retrospectively applied the amendments to the financial year ended 31 December 2013 by eliminating the fair value adjustments recognised previously in 2013 in terms of the accounting policy at the time (before adopting the amendments to Biological Assets) and by capitalising production and related borrowing costs and depreciation of matured assets.

Lifespan of orchards/vineyards

The lifespan of the orchards/vineyards begins effectively the day the physical tree is planted in the ground. 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	Plums	20 years

Non-bearing, bearing and full bearing

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

Full bearing

Apples	7	Oranges and lemons	7
Pears	7	Grapefruit and soft citrus	7
Grapes	4	Plums	3

Establishment costs in respect of orchards established after 31 December 2012

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

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.

Remove from orchards

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.

Accounting treatment

Orchards/vineyards form effectively part of property, plant and equipment and will be separately disclosed as bearer plants in the balance sheet.

Depreciation on orchards/vineyards forms part of the annual depreciation on property, plant and equipment. The carrying value of the orchards removed during the year is recognised as a charge to the income statement.

Establishment costs in respect of orchards established before 31 December 2012

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

Production costs, capital expenditure and borrowing costs where not capitalised and have been expensed in the income statement. Income that was received related to the orchard/vineyard prior to it becoming full bearing was credited to the income statement.

No depreciation was calculated and the fair value was remeasured in accordance with IAS 41 and credit/debited to the income statement.

Inventories

Cost is determined on a standard cost basis, which approximates actual costs, on the first-in, first-out method. Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Consignment inventory is not recognised in the balance sheet on the basis that the risks and rewards of ownership remain with the supplier until the inventory is sold. Agricultural produce at the point of harvest is classified as inventory and is measured at fair value less cost to sell.

Biological assets

Biological assets representing agricultural produce on vines/orchards are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in profit or loss. Point-of-sale costs include all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to the market.

Business combinations and goodwill

Business combinations from 1 January 2010

Business combinations occurring on or after 1 January 2010 are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income.

Goodwill is initially measured at cost being the excess of the consideration transferred over the Group's net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

In comparison to the abovementioned requirements, the following differences applied:

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Where the Group purchased additional shares in subsidiaries such purchases are reflected as separate acquisition processes and no revised fair valuation was required. The difference between the costs of acquisition and the share of the net assets acquired was capitalised as goodwill.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration affected goodwill.

Transactions and non-controlling interests

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to distributable reserve) in the same manner as would be required if the relevant assets or liabilities were disposed of.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39: Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate.

Intangible assets (other than goodwill)

Intangible assets (other than goodwill) are initially recognised at cost if acquired externally, or at fair value if acquired as part of a business combination. Expenditure on internally generated development activity is capitalised if the product or process is technically and commercially feasible, the Group has sufficient resources to complete development, the Group has intention to complete and use or sell it, it is probable that future economic benefits relating to the asset will flow to the Group and the cost can be measured reliably. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation of intangible assets with a finite useful life is recognised in profit or loss on a straight-line basis over the estimated useful life of intangible assets. Goodwill and intangibles with indefinite useful lives are not amortised and tested for impairment annually.

The estimated useful lives of intangible assets with finite lives are as follows:

Capitalised software development	5 to 10 years
Leasehold rights	5 to 10 years
Customer listing	20 years
Patent and trademarks	on the basis of the anticipated benefits expected to arise from each patent and trademark

Amortisation methods, residual values and remaining useful lives of intangible assets with finite useful lives are reassessed annually.

Research and 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.

Investments in associates

An associate is an entity in which the Group has a long-term interest of between 20% and 50% and over which the Group exercises significant influence or joint control, but not control, over the financial and operating policies. Investments in associate companies are accounted for in the Group financial statements initially at cost and subsequently using the equity method from the date significant influence commences to the date significant influence ceases. Equity accounted income represents the Group's proportionate share of profits or losses of associates and the share of taxation thereon.

Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity.

When the net assets attributable to the Group change due to a dilution of shareholding, the change in net assets is recognised directly in equity.

The Group's interest in associated companies is carried in the balance sheet at an amount that reflects its share of the net assets and the carrying value of goodwill on acquisition. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate. Where necessary the accounting policies of the associates are changed to ensure consistency with the policies adopted by the Group.

A listing of the Group's investments in associates is shown in Annexure 2 on page 97 of these financial statements.

Earnings per share

Earnings per share is based on earnings attributable to shareholders and is calculated on the weighted average number of shares in issue, net of treasury shares, during the financial year.

Impairment of assets

Non-financial assets

The carrying amounts of the Group's non-financial assets other than biological assets (which are stated at fair value less costs to sell), inventories (which are carried lower of cost and net realisable value), except for agricultural produce which is valued at fair value less costs to sell and deferred tax assets (which are recognised based on recoverability), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such an indication exists, the asset's recoverable amount is estimated.

For goodwill, intangible assets with an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date.

Whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

As goodwill is not capable of generating cash flows independently of other assets, in assessing the recoverable amount of goodwill, the goodwill is allocated to cash-generating units on a reasonable and consistent basis. Where appropriate, corporate assets are also allocated to cash-generating units on a reasonable and consistent basis. The recoverable amount of the cash-generating unit (including an allocation of goodwill and corporate assets) is assessed with reference to the future cash flows of the cash-generating unit. Where an impairment is identified for a cash-generating unit, the impairment is applied first to the goodwill allocated to the cash-generating unit and then to other assets on a *pro rata* basis comprising the cash-generating unit provided that each identifiable asset is not reduced to below its recoverable amount.

Recoverable amount

The recoverable amount of an asset is the greater of its fair value less cost to sell and its value in use. Recoverable amounts are estimated for individual assets or, if an asset does not generate largely independent cash flows, for a cash-generating unit. A cash-generating unit is the smallest collection of assets capable of generating cash flows independent of other assets or cash-generating units.

The fair value less cost to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash-generating unit and from its disposal at the end of its useful life. The estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversal of impairment losses

Impairment losses recognised in prior years are assessed at each reporting date for any indicators that the losses have decreased or no longer exist. Reversal of impairment losses recognised in prior years are recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased, either as a result of an event occurring after the impairment loss was recognised or if there has been a change in the estimates used to calculate the recoverable amount.

An impairment loss is reversed only to the extent that the carrying amount of the affected asset is not increased to an amount higher than the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised in prior years. The reversal is recorded in profit or loss. An impairment loss in respect of goodwill is never reversed.

Financial assets

At each reporting date, an assessment is made as to whether objective evidence exists that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity, to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Share capital

Ordinary share capital

Ordinary share capital represents the par value of ordinary shares issued.

Share premium

Share premium represents the excess consideration received by the company over the par value of ordinary shares issued, and is classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

Treasury shares

Ordinary shares in Capespan Group Limited which have been acquired by a subsidiary company are classified as treasury shares. The cost of these shares is deducted from equity and the number of shares is deducted from the weighted average number of shares. Dividends received on treasury shares are eliminated on consolidation.

When treasury shares are sold or reissued, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

Foreign currencies

Functional and presentation currency

All items in the financial statements of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates ("the functional currency"). The Group's consolidated financial statements are presented in Rands, which is the company's functional and the Group's presentation currency.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Group at the rate of exchange ruling at the transaction date. Monetary items denominated in foreign currencies at the reporting date are translated at the rate of exchange ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Foreign operations

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to South African Rand at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to South African Rand at the weighted average exchange rate for the financial period. Foreign exchange differences arising on translation are recognised in other comprehensive income. This component of equity is released to profit or loss upon disposal (in part or in full) of the foreign operation and the related amount in the Foreign Currency Translation Reserve (FCTR) is transferred to profit or loss.

Revenue

Revenue, which excludes value-added tax and sales between Group companies, represents gross sales of fruit, management fees, port charges, shipping and related services.

Revenue from the sale of goods to third parties are recognised when significant risks and rewards of ownership of the goods are transferred to the buyer and is net of rebates.

Revenue arising from services is recognised on an accrual basis in accordance with the substance of the relevant agreements.

No revenue is recognised if there are significant uncertainties regarding recoveries of the consideration due, associated costs or the possible return of goods.

Financial income and dividend income

Financial income comprises interest and dividend income. Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group. Dividends are recognised when the right to receive payment is established. Dividends received in specie are accounted for at fair value.

Financial expenses

Financial expenses comprise interest payable on borrowings calculated using the effective interest method, and unwinding of the discount on provisions and long-term employee benefits.

Borrowing costs are capitalised in line with the accounting policy outlined under property, plant and equipment.

The interest expense component of finance lease payments is recognised in profit or loss using the effective interest method.

Taxation

Taxation on profit or loss for the year comprises current and deferred tax. Taxation is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the related tax is recognised in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the income tax for the year, using tax rates and laws that have been enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on all temporary differences between the taxation base of an asset or liability and its balance sheet carrying amount. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates and laws that have been enacted or substantially enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilised in the foreseeable future. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Provision for taxes, which could arise on the remittance of retained earnings, principally relating to subsidiaries, is only made where there is a current intention to remit such earnings. Provision for tax that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Dividends withholding tax is a tax on shareholders and is applicable on all dividends declared on or after 1 April 2012.

The Company withholds dividends tax on behalf of its shareholders at a rate of 15% on dividends declared where shareholders are subject to this tax. Amounts withheld are not recognised as part of the Company's tax charge but as part of the dividend paid recognised directly in equity.

Employee benefits

Short-term employee benefits

The cost of all 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, bonuses and annual leave 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.

Other long-term employee benefits

Liabilities for long-term employee benefits, other than pension plans, which are not due to be settled within twelve months, are discounted to present value using the market yields at the reporting date on high-quality bonds with maturity dates that most closely match the terms of maturity of the Group's related liabilities.

Defined contribution plans

The Group provides defined contribution funds for employees. Current contributions to these funds are charged against income when incurred. Retirement surpluses of defined contribution funds are not recognised in profit or loss.

Medical funds

Medical aid costs are recognised as an expense in the period during which the employees render services to the Group.

Defined benefit plans

Pension plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the reporting date on risk free government credit rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

When the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Post-retirement medical aid benefits

The Group provides for post-retirement medical costs of certain retired employees. Current contributions to these funds are charged against the provision for post-retirement medical costs when incurred. The unwinding of interest and current service costs are recognised in profit or loss. The calculation is performed by a qualified actuary every year using the projected unit credit method. Actuarial gains and losses on defined benefit plans are recognised in other comprehensive income.

Equity-settled share-based payments

The Company and Group operate an equity-settled share incentive scheme. For the share incentive schemes, the fair value of the employee services received in exchange for the grant of the schemes shares/share options, less the amount paid by the employee, is recognised as an expense. The total amount to be expensed over the vesting period, which is between one and five years, is determined by reference to the fair value of the scheme shares/share options granted, excluding the impact of any non-market vesting conditions.

At each reporting date, the Group revises its estimates of the number of scheme shares/share options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period.

If the Group cancels or settles a grant of equity instruments during the vesting period, the company 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 costs are recognised in profit or loss and a share-based payment reserve is recognised as part of equity and represents the fair value at grant date of the shares/share options that will be delivered on vesting.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Financial instruments

Non-derivative financial instruments are initially recognised at fair value plus directly attributable transaction costs except for financial instruments that are classified as being carried at fair value through profit or loss. Subsequent to initial recognition, these instruments are classified according to their nature.

Financial instruments are classified at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

The Group has the following financial instruments and the subsequent measurement of each financial instrument is explained in more detail below.

Trade and other receivables and loans receivable

Trade and other receivables and loans receivable are categorised as loans and receivables. These financial assets originate by the Group providing goods, services or money directly to a debtor and are subsequent to initial recognition measured at amortised cost using the effective interest method less any accumulated impairment losses.

Cash and cash equivalents

Cash and cash equivalents are categorised in the balance sheet as loans and receivables and subsequent to initial recognition are measured at amortised cost.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts, all of which are available for use by the Group unless otherwise stated.

Available-for-sale financial assets

The Group's investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss. If fair values cannot be reliably determined, the investments are shown at cost less impairment losses.

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 monetary asset or liability, hedge accounting may be applied. These derivatives are designated as cash flow hedges.

Cash flow hedges

Hedge accounting was applied for the first time in 2013 in respect of derivatives (i.e. FEC) that were designated as hedging instruments. The impact of the effective portion of the hedge is disclosed on the face of the income statement under "other comprehensive income".

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.

Fruit sales hedged by means of a FEC would fall into the definition above. IAS 39 allows the application of hedge accounting:

If the hedging instrument is a derivative, then the hedging instrument is measured at fair value, with the effective portion of changes in its fair value recognised in other comprehensive income and presented within equity, normally in a hedging reserve.

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in profit or loss.

The change in fair value of the hedging instrument that is recognised in other comprehensive income is reclassified to profit or loss when the hedged item affects profit or loss.

Hedge relationships are formally documented at inception. The documentation includes identification of the hedged item and the hedging instrument, details 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 hedge forecast cash flow/ hedged item affects profit or loss. Otherwise the cumulative gain or loss is removed from other comprehensive income and recognised in profit or loss at the same time as the hedge transaction.

When the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or property, plant and equipment) the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. 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 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.

Derivatives not qualifying for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Such derivatives are classified at fair value through profit or loss and changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in profit or loss. The fair value of forward exchange contracts is the quoted market price at the reporting date.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are financial liabilities with fixed or determinable payments. Subsequent to initial recognition these financial instruments are measured at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

Trade and other payables

Subsequent to initial recognition, trade and other payables are measured at amortised cost.

Derecognition

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offset

Financial assets and financial liabilities are off-set and the net amount reported in the balance sheet when the Group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Hedge of monetary assets and liabilities

Where a derivative financial instrument is used to hedge the foreign exchange exposure of a recognised monetary asset or liability, no hedge accounting is applied and gains or losses on the hedging instrument is recognised in profit or loss.

Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Guarantees

A financial guarantee is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. These financial guarantees are classified as insurance contracts as defined in IFRS 4: "Insurance Contracts". A liability is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle the contract and a reliable estimate can be made of the amount of the obligation. The amount recognised is the best estimate of the expenditure required to settle the contract at the reporting date. Where the effect of discounting is material, the liability is discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The Group performs liability adequacy tests on financial guarantee contract liabilities to ensure that the carrying amount of the liability is sufficient in view of estimated future cash flows. When performing the liability adequacy test, the Group discounts all expected contractual cash flows and compares this amount to the carrying value of the liability. Where a shortfall is identified, an additional provision is made.

Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. This condition is regarded as met only when the sale is highly probable and expected to be completed within one year from classification and the asset is available for immediate sale in its present condition. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter assets classified as held for sale are measured at the lower of carrying value and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Discontinued operations

Disposal groups are classified as discontinued operations where they represent a major line of business or geographical area of operations that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the executive team (who has been identified as the chief operating decision-maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

	Group			Company		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
2. COST OF SALES, DISTRIBUTION AND ADMINISTRATION EXPENSES						
Cost of sales, distribution and selling expenses	**6 486 298**	6 251 814	4 879 859	**–**	–	–
Operating expenses	**737 055**	706 429	626 911	**1 349**	1 109	1 725
	7 223 353	6 958 243	5 06 770	**1 349**	1 109	1 725
The above costs are stated after:						
Depreciation of property, plant and equipment	**46 164**	37 300	35 516	–	–	–
Buildings	**2 183**	1 756	2 472	–	–	–
Leasehold improvements	**8 502**	7 682	7 443	–	–	–
Plant and machinery	**20 812**	15 797	13 942	–	–	–
Motor vehicles	**6 284**	5 480	5 917	–	–	–
Office equipment, furniture and fittings	**1 195**	1 317	984	–	–	–
Computer equipment	**7 188**	5 268	4 758	–	–	–
Depreciation of bearer plants	**7 721**	8 581	–	–	–	–
Amortisation of intangible assets	**3 563**	6 147	5 194	–	–	–
Impairment loss raised/(reversed) on trade receivables	**948**	(2 945)	405	–	–	–
Fair value – realised through harvest	**(43 484)**	(48 847)	(19 141)	–	–	–
Change in fair value	**43 877**	43 484	48 847	–	–	–
Fair value adjustment biological assets	**(2 259)**	156	(24 467)	–	–	–
Employee costs	**437 176**	418 298	433 022	–	–	–
Retrenchment and restructuring costs	**502**	7 138	1 999	–	–	–
Operating lease charges	**104 773**	87 153	94 808	–	–	–
Property	**78 989**	60 231	62 682	–	–	–
Equipment	**17 971**	19 037	25 136	–	–	–
Other	**7 813**	7 885	6 990	–	–	–
Auditors' remuneration	**9 593**	11 983	9 138	–	–	–
Audit fees – current year	**7 930**	8 316	7 418	–	–	–
Audit fees – prior year	**445**	3 213	1 368	–	–	–
Other services	**1 140**	390	328	–	–	–
Expenses	**78**	64	24	–	–	–
Foreign exchange gains	**(10 029)**	(10 902)	(13 768)	–	–	–
Realised gain	**(8 075)**	(10 643)	(12 561)	–	–	–
Unrealised gain	**(1 954)**	(259)	(1 207)	–	–	–
Equity-settled share-based payment	**1 136**	–	–	–	–	–
3. FINANCIAL INCOME						
Interest income	**45 603**	38 130	38 080	**37**	36	52
Dividend income	**2**	126	129	**–**	–	–
Income from subsidiaries						
– Dividends	**–**	–	–	**51 000**	35 200	70 000
	45 605	38 256	38 209	**51 037**	35 236	70 052

		Group			Company		
			Restated	Restated			
		2014	2013	2012	**2014**	2013	2012
		R'000	R'000	R'000	**R'000**	R'000	R'000
4.	**FINANCIAL EXPENSES**						
	Interest expense – financial institutions	**31 091**	30 805	34 681	**–**	–	–
	Interest expense – employee benefits	**17 491**	16 329	2 767	**1 217**	1 414	1 409
		48 582	47 134	37 448	**1 217**	1 414	1 409

– During 2014 the Group capitalised R3,0 million for bearer plants (2013: R1,5 million and 2012: Rnil).

		Group			Company		
			Restated	Restated			
		2014	2013	2012	**2014**	2013	2012
		R'000	R'000	R'000	**R'000**	R'000	R'000
5.	**OTHER INCOME**						
	Deemed profit on disposal of associate	**16 103**	–	67 004	**–**	–	–
	Profit on disposal of investments	**3 559**	–	1 508	**–**	–	–
	Profit on disposal of property, plant and equipment	**2 693**	154	33 635	**–**	–	–
	Reversal of impairment in property, plant and equipment	**11 893**	–	–	**–**	–	–
		34 248	154	102 417	**–**	–	–

– During 2014 the Group recovered a liquidation settlement in Capespan International Limited together with backdated rates recoveries in FPT Group (Pty) Ltd.

– During 2014 the Group generated a profit on disposal of its investment in Stellenbosch Vineyards (Pty) Ltd.

– The reversal of impairment in property, plant and equipment relates to the assets previously impaired in Addo Cold Store (Pty) Ltd.

– During 2013 the Group disposed of the farming operations at Queen Anne, Warmzand and Vaalhoek.

– The deemed profit on disposal of the associate arose from the conversion of Capespan International Holdings Limited from an associate to a subsidiary.

– During 2012 the Group disposed of of Altius Trading 237 (Pty) Ltd and Genetwister Africa (Pty) Ltd.

– During 2012 the fair value adjustment relates to the revaluation of fruit and vines classified as non-current Biological assets.

– During 2012 the majority of the profit on disposal of property, plant and equipment relates to the sale of the previous Capespan owned sectional title building, Parc du Cap, situated in Bellville, Cape Town.

	Group			Company		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
6. **OTHER EXPENSES**						
Contingent consideration	**65 657**	–	–	**–**	–	–
Restructuring costs	**502**	7 138	–	**–**	–	–
Impairment of loans	**54**	3 310	–	**–**	–	–
Impairment of intangible assets	**9 166**	–	6 500	**–**	–	–
Impairment of plant, property and equipment	**–**	205	16 350	**–**	–	–
Impairment of other assets	**–**	590	–	**–**	–	–
Impairment of investments	**–**	1 204	22 004	**–**	–	–
Impairment of goodwill (refer note 11)	**202**	4 795	1 284	**–**	–	–
Disposal of Queen Anne goodwill	**–**	3 833	–	**–**	–	–
	75 581	21 075	46 138	**–**	–	–

- The contingent consideration relates to the remeasurement of the contingent liability for the associate Golden Wing Mau.
- During 2014 the Group impaired the Prophet System R8,3 million and certain marketing rights R0,8 million in Capespan South Africa (Pty) Ltd.
- During 2013 the Group impaired R0,8m, property, plant and equipment in various subsidiaries together with a R1,2 million impairment in investments in unlisted companies.
- The impairment of goodwill in 2013 relates to the impairment of Addo Cold Store (Pty) Ltd.
- The disposal of Queen Anne goodwill arose following the sale of the farm in the 2013 year.
- The impairment of investment in associate in 2012 relates to the full impairment of the carrying value in Stellenbosch Vineyards Group Limited.
- The impairment of property, plant and equipment in 2012 includes the impairment of Addo Cold Store (Pty) Limited plant, machinery and buildings (R13,5 million).

	Group			Company		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
7. **TAXATION**						
Income tax expense – profit or loss						
Current taxation	**78 720**	56 760	40 415	**198**	–	–
Current year	**77 866**	55 873	39 760	**–**	–	–
Prior years	**854**	887	655	**198**	–	–
Deferred taxation	**(12 510)**	(219)	26 016	**–**	–	–
Current year	**(15 119)**	(2 434)	24 041	**–**	–	–
Prior years	**2 239**	2 221	1 975	**–**	–	–
Rate change	**370**	(6)	–	**–**	–	–
Withholding taxes	**1 771**	774	3 503	**–**	–	–
Secondary tax on companies	**–**	–	4 098	**–**	–	–
Total income tax expense	**67 981**	57 315	74 032	**198**	–	–
Comprising:						
Local taxation	**7 719**	5 779	33 674	**198**	–	–
Foreign taxes	**50 991**	50 762	32 757	**–**	–	–
Foreign withholding taxes	**9 271**	774	3 503	**–**	–	–
Secondary tax on companies	**–**	–	4 098	**–**	–	–
	67 981	57 315	74 032	**198**	–	–

Income tax expense – other comprehensive income

				Restated			Restated		
	2014			2013			2012		
	Gross	**Tax**	**Net**	Gross	Tax	Net	Gross	Tax	Net
Group	**R'000**	**R'000**	**R'000**	R'000	R'000	R'000	R'000	R'000	R'000
Defined benefit plan actuarial (gains)/ losses	**20 705**	**(6 506)**	**14 199**	(328)	(193)	(521)	13 736	(4 803)	8 933
Company									
Defined benefit plan actuarial (gains)/ losses	**2 014**	**–**	**2 014**	(208)	–	(208)	473	–	473

	Group			**Company**		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
Reconciliation of taxation rates	**R'000**	R'000	R'000	**R'000**	R'000	R'000
Taxation as a percentage of profit before taxation and share of profits of associates	**54.5**	35.9	38.0	**–**	–	–
Tax effect of						
– Effect of tax losses utilised	**2.1**	6.4	1.4	**–**	–	–
– Exempt income	**1.2**	0.6	9.5	**29.0**	29.4	28.8
– Deferred tax assets reversed	**(7.4)**	(2.3)	(8.8)	**–**	–	–
– Deferred purchase consideration	**(14.7)**	–	–	**–**	–	–
– Disallowed expenditure	**(3.7)**	(8.9)	(8.1)	**(0.9)**	(0.3)	(0.1)
– Prior period adjustment	**(2.5)**	(2.1)	(0.6)	**(0.4)**	–	–
– Rate adjustment	**(0.3)**	–	–	**–**	–	
– Other	**0.2**	(1.0)	1.0	**0.3**	(1.1)	(0.7)
– STC on dividends	**–**	–	(2.4)	**–**	–	–
– Withholding taxes	**(1.4)**	(0.6)	(2.0)	**–**	–	–
Standard tax rate	**28.0**	28.0	28.0	**28.0**	28.0	28.0
Estimated Group tax losses available for set-off against future taxable income (gross)	**383 453**	311 802	277 058	**–**	–	–

Of the tax losses available R53 758 000 (2013: R48 634 000; 2012: R54 285 000) has been recognised as a deferred tax asset (refer note 15). Of the tax losses available, R53 500 000 has not been recognised as a deferred tax asset as there is no certainty whether these assets will be utilised in future years.

	Land and buildings R'000	Leasehold improvements R'000	Plant and machinery R'000	Motor vehicles R'000	Office equipment furniture and fittings R'000	Computer equipment R'000	Total R'000
8. PROPERTY, PLANT AND EQUIPMENT							
At 31 December 2014							
Cost	140 509	220 094	244 140	65 414	19 566	97 882	787 605
Accumulated depreciation and impairment	(21 205)	(85 899)	(129 077)	(33 618)	(15 421)	(67 485)	(352 705)
Carrying amount	**119 304**	**134 195**	**115 063**	**31 796**	**4 145**	**30 397**	**434 900**
Reconciliation							
Carrying amount value at the beginning of year	129 321	62 452	100 001	14 645	4 204	10 859	321 482
Additions	5 897	78 446	38 964	24 324	1 149	26 774	175 554
Disposals	(237)	–	(1 119)	(996)	(40)	(36)	(2 428)
Depreciation	(2 183)	(8 502)	(20 812)	(6 284)	(1 195)	(7 188)	(46 164)
Reversal of impairment of assets	8 277	–	3 616	–	–	–	11 893
Transferred to held for sale (refer note 21)	(20 454)	–	(9 533)	–	(11)	–	(29 998)
Exchange rate movements	(1 317)	(545)	3 946	107	38	(12)	2 217
Carrying amount	**119 304**	**134 195**	**115 063**	**31 796**	**4 145**	**30 397**	**434 900**
At 31 December 2013							
Cost	178 484	146 529	227 296	43 073	18 827	74 059	688 268
Accumulated depreciation and impairment	(49 163)	(84 077)	(127 295)	(28 428)	(14 623)	(63 200)	(366 786)
Carrying amount	**129 321**	**62 452**	**100 001**	**14 645**	**4 204**	**10 859**	**321 482**
Reconciliation							
Carrying amount value at the beginning of year	128 169	62 975	76 922	14 654	4 059	9 639	296 418
Additions	22 384	6 938	43 945	4 572	1 125	5 796	84 760
Disposals	(20 501)	–	(6 876)	(613)	–	–	(27 990)
Depreciation	(1 756)	(7 682)	(15 797)	(5 480)	(1 317)	(5 268)	(37 300)
Impairments	–	–	(203)	–	(2)	–	(205)
Exchange rate movements	1 025	221	2 010	1 512	339	692	5 799
Carrying amount	**129 321**	**62 452**	**100 001**	**14 645**	**4 204**	**10 859**	**321 482**
At 31 December 2012							
Cost	171 009	139 777	233 612	40 509	15 321	80 151	680 379
Accumulated depreciation and impairment	(42 840)	(76 802)	(156 690)	(25 855)	(11 262)	(70 512)	(383 961)
Carrying amount	**128 169**	**62 975**	**76 922**	**14 654**	**4 059**	**9 639**	**296 418**
Reconciliation							
Carrying amount value at the beginning of year	137 153	66 295	85 465	13 653	3 131	9 837	315 534
Additions	5 472	3 076	9 798	7 903	2 327	4 964	33 540
Disposals	–	–	(1 402)	(710)	(245)	(174)	(2 531)
Depreciation	(2 472)	(7 443)	(13 942)	(5 917)	(984)	(4 758)	(35 516)
Impairments	(9 000)	–	(7 228)	(3)	(30)	(89)	(16 350)
Exchange rate movements	(2 018)	1 047	470	(428)	(140)	(128)	(1 197)
Carrying amount	**128 169**	**66 731**	**73 492**	**14 328**	**4 059**	**9 639**	**296 418**

Continuing general notarial bond to the value of R3 000 000 (2013: R3 000 000; 2012: R3 000 000) over equipment. Property, plant and equipment with a carrying amount of R27 800 000 (2013: R58 800 000; 2012: R90 800 000) have been encumbered in terms of liens given as security for loans (refer note 23).

Group	2014 R'000	Restated 2013 R'000	Restated 2012 R'000
9. **BEARER PLANTS**			
Bearer plants			
Carrying value at the beginning of the year	**–**	128 484	119 132
Change in accounting policy	**–**	943	–
Restated carrying value	**117 122**	129 427	119 132
Additions	**49 145**	22 047	6 420
Production cost and borrowing cost capitalised	**25 136**	6 780	–
Disposals of farms	**–**	(32 551)	(2 557)
Transferred to held for sale	**–**	–	(1 842)
Change in fair value less estimated point-of-sale costs	**–**	–	7 331
Removals/impairment	**(2 159)**	–	–
Depreciation	**(7 721)**	(8 581)	–
Restated carrying value at the end of the year	**181 523**	117 122	128 484
Comprising:			
Cost	**197 825**	125 703	128 484
Accumulated depreciation	**(16 302)**	(8 581)	–
	181 523	117 122	128 484
Comprising:			
Grapes	**129 217**	69 195	64 833
Apples and pears	**39 841**	32 703	46 838
Citrus	**12 465**	15 224	16 813
	181 523	117 122	128 484

Group – 2014	Software development R'000	Patents and trademarks R'000	Leasehold rights R'000	Cultivar/ marketing rights R'000	Customer listing R'000	Total R'000
10. **INTANGIBLE ASSETS**						
Comprising:						
Cost	**24 417**	**2 811**	**19 686**	**5 358**	**16 716**	**68 988**
Accumulated amortisation	**(19 738)**	**–**	**(16 346)**	**(1 888)**	**(3 344)**	**(41 316)**
	4 679	**2 811**	**3 340**	**3 470**	**13 372**	**27 672**
Carrying amount at beginning of year	**11 023**	**2 811**	**3 809**	**4 822**	**14 208**	**36 673**
Additions	**3 734**	**–**	**–**	**–**	**–**	**3 734**
Amortisation	**(1 748)**	**–**	**(469)**	**(510)**	**(836)**	**(3 563)**
Impairment	**(8 324)**	**–**	**–**	**(842)**	**–**	**(9 166)**
Movement in foreign exchange	**(6)**	**–**	**–**	**–**	**–**	**(6)**
	4 679	**2 811**	**3 340**	**3 470**	**13 372**	**27 672**

Group – 2013	Software development R'000	Patents, trademarks and other R'000	Leasehold rights R'000	Cultivar/ marketing rights R'000	Customer lsting R'000	Total R'000
Comprising:						
Cost	20 692	2 811	19 686	5 358	16 716	65 263
Accumulated amortisation	(9 669)	–	(15 877)	(536)	(2 508)	(28 590)
	11 023	2 811	3 809	4 822	14 208	36 673
Carrying amount at beginning of year	12 832	2 811	5 045	5 358	15 044	41 090
Additions	730	–	1 000	–	–	1 730
Amortisation	(2 539)	–	(2 236)	(536)	(836)	(6 147)
	11 023	2 811	3 809	4 822	14 208	36 673
Group – 2012						
Comprising:						
Cost	19 962	2 811	18 686	5 358	16 716	63 533
Accumulated amortisation	(630)	–	(13 641)	–	(1 672)	(15 943)
Impairment	(6 500)	–	–	–	–	(6 500)
	12 832	2 811	5 045	5 358	15 044	41 090
Carrying amount at beginning of year	16 132	2 811	8 777	5 358	15 880	48 958
Additions	3 826	–	–	–	–	3 826
Amortisation	(626)	–	(3 732)	–	(836)	(5 194)
Impairment	(6 500)	–	–	–	–	(6 500)
	12 832	2 811	5 045	5 358	15 044	41 090

- Software development is amortised over an expected useful life of six to eight years. In accordance with the Group's accounting policy, an impairment test was performed on the carrying value of intangible assets with finite useful lives.
- During 2014, the Group implemented as new software system in Capespan South Africa (Pty) Ltd, resulting in the impairment charge on the previously capitalised software system of R8,3 million in 2014 and R6,5 million had been impaired in 2012.
- The marketing rights impairment calculation indicated an impairment of R0,8 million in the 2014 year.
- Trademarks are considered to have indefinite useful lives. There is no apparent legal or other restriction to the use of the trademarks or risk of technical or other obsolescence. Given the strategic importance of the trademarks to the future sustainability of the Group, the Group's intention is to continue to use the trademarks indefinitely. In accordance with the Group's accounting policy, an impairment test was performed on the carrying value of intangible assets with indefinite useful lives. Impairment calculations indicated that the trademarks are not impaired.
- Leasehold rights are amortised over their expected useful lives with the balance tested for impairment where indicators of impairment exist.

	Group			Company		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
11. **GOODWILL**						
Comprising:						
Cost	**323 895**	303 777	265 236	**–**	–	–
Accumulated impairment	**(28 982)**	(28 781)	(23 986)	**–**	–	–
	294 913	274 996	241 250	**–**	–	–
Carrying amount at beginning of year	**274 996**	241 250	72 524	**–**	–	–
Additions	**–**	–	154 926	**–**	–	–
Impairment of goodwill	**(202)**	(4 795)	(1 284)	**–**	–	–
Disposal	**–**	(3 833)	–	**–**	–	–
Effects of movement in foreign exchange	**20 119**	42 374	15 084	**–**	–	–
Carrying amount at end of year	**294 913**	274 996	241 250	**–**	–	–
Goodwill composition:						
Capespan North America	**19 970**	19 970	19 970	**–**	–	–
Metspan – Hong Kong	**31 361**	22 213	22 213	**–**	–	–
Capespan International Holdings Limited	**223 299**	212 328	169 956	**–**	–	–
Other subsidiary companies	**20 283**	20 485	29 111	**–**	–	–
	294 913	274 996	241 250	**–**	–	–

In 2014, in accordance with the Group's accounting policy of testing goodwill annually, R0,2 million relating to foreign subsidiary's goodwill was impaired.

In 2013, the tests performed indicated R4,8 million relating to Addo Cold Store (Pty) Ltd was impaired while R3,8 million of goodwill was realised as part of the Queen Anne farm disposal.

In 2012, the tests performed indicated R1,3 million relating to Chris Ida Boerdery (Pty) Limited was impaired.

A standard methodology of testing of goodwill ie "discounted cash flow model" to each applicable entity was performed which includes:

- cash flow projections for a five-year forecast horizon including a terminal value;
- cash flows were discounted at an appropriate rate, being the entity's weighted average cost of capital;
- growth in perpetuity of cash flows beyond the five-year horizon was estimated between 0 and 2%;
- the present value of the cash flows was translated to the reporting currency at the exchange rate prevailing at the reporting date; and

	2014	**2013**	**2012**
Discount rates used for major goodwill carrying values	**%**	**%**	**%**
Capespan North America	3.9	6.3	6.1
Metspan – Hong Kong	7.7	12.2	12.4
Capespan International Holdings Limited	7.9	6.0	6.3

	R'000	R'000	R'000
12. **INVESTMENT IN SUBSIDIARY**			
Capespan Group Holdings Limited – Indebtedness	**508 980**	508 980	508 980
Capespan International Holdings Limited – Shares	**136 777**	136 777	136 777
Investment in subsidiaries	**1 136**	–	–
	646 893	645 757	645 757

The loan to Capespan Group Holdings Limited is unsecured and interest free with no fixed payment terms.

Details of the direct and indirect subsidiary companies and the nature of their operations are disclosed in Annexure 1 on page 96 of these financial statements.

The increase in investment in subsidiaries relates to capital contributions made by the holding company in respect of the Group share option scheme.

Group	2014 R'000	Restated 2013 R'000	Restated 2012 R'000
13. **INVESTMENTS IN ASSOCIATES**			
Associate companies (unlisted)			
Cost	**174 721**	154 056	119 609
Opening balance	**154 056**	119 609	162 921
Associate converted to subsidiary	**(8 222)**	–	(34 354)
Impairment of cost of associate	**–**	–	(8 335)
Additions*	**28 887**	9 202	–
Foreign currency translation movement	**–**	25 245	–
Disposal of associate	**–**	–	(623)
Post-acquisition reserves	**150 360**	86 772	44 036
– Opening balance	**86 772**	44 036	39 803
– Current year share of profits	**60 651**	28 810	26 048
– Dividends received	**–**	(8 340)	–
– Disposal of associate	**–**	–	1 163
– Foreign currency translation gains	**2 937**	22 266	5 244
– Impairment of post-acquisition reserves of associate	**–**	–	(13 669)
– Associate converted to subsidiary	**–**	–	(14 553)
Total	**325 081**	240 828	163 645

Summarised financial position of associates – 100%

	Assets R'000	**Liabilities R'000**	**Equity R'000**	**Revenue R'000**
2014	**1 448 427**	**625 973**	**822 454**	**5 307 453**
2013	1 504 185	954 143	550 042	3 632 697
2012	1 389 066	1 053 750	335 316	2 780 950

Details of associated companies and the nature of their operations are disclosed in Annexure 2 on page 97 of these financial statements.

* During 2014 the Group formed a 50% associate Mayfresh (Turkey) and acquired a 25.1% shareholding in Goodview (Hong Kong).

During 2013 the Group formed Capespan Capital and holds a 49% stake in the company and acquired 405 shares in Gestão de Terminais.

During 2012 the Group impaired the investment in Stellenbosch Vineyards (Pty) Ltd.

	Group			Company		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
14. **OTHER FINANCIAL ASSETS**						
Employee loans	**21 218**	–	–	**–**	–	–
Receivables	**56 065**	51 104	72 236	**–**	–	–
Other investments	**4 729**	3 756	6 190	**–**	–	–
	82 012	54 860	78 426	**–**	–	
Current portion of receivables (refer note 18)	**(48 718)**	(13 227)	(15 896)	**–**	–	–
	33 294	41 633	62 530	**–**	–	–
Other investments						
Investments in unlisted companies						
Members' share funds and unlisted shares	**3 408**	2 749	5 272	**–**	–	–
Other investments						
3.5% United Kingdom Government War Loan Stock at valuation	**1 321**	1 007	918	**–**	–	–
Total	**4 729**	3 756	6 190	**–**	–	–
Directors' valuation	**4 729**	3 756	6 190	**–**	–	–

During the year management reviewed the carrying value of the investment in unlisted companies and impaired Rnil (2013: R1,2 million; 2012: Rnil).

15. **DEFERRED TAXATION**

Deferred taxation is calculated on all temporary differences using the applicable statutory tax rate.

	Group			Company		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
The movement on the deferred tax account is as follows:						
Opening balance (as previously stated)	**15 733**	11 080	25 350	**–**	–	–
Prior period adjustment	**–**	–	(8 267)	**–**	–	–
Restated opening balance	**–**	–	17 083	**–**	–	–
Temporary differences in profit or loss	**12 880**	213	(26 016)	**–**	–	–
Change in tax rate	**(370)**	6	–	**–**	–	–
Items recognised in other comprehensive income	**6 506**	193	3 702	**–**	–	–
Disposal/acquisition of subsidiaries	**–**	–	15 452	**–**	–	–
Effects of movement in foreign exchange	**(7 054)**	4 241	859	**–**	–	–
Balance at end of year	**27 695**	15 733	11 080	**–**	–	–

Deferred tax assets and liabilities

	Assets			Liabilities			Net		
	2014	2013	2012	**2014**	2013	2012	**2014**	2013	2012
		Restated	Restated		Restated	Restated		Restated	Restated
Group	**R'000**	R'000	R'000	**R'000**	R'000	R'000	**R'000**	R'000	R'000
The balance on the deferred tax account comprises:									
Property, plant and equipment	**21 126**	17 607	10 446	**(23 027)**	(19 424)	(30 493)	**(1 901)**	(1 817)	(20 047)
Bearer plants	**–**	–	–	**(45 034)**	(56 242)	(39 356)	**(45 034)**	(56 242)	(39 356)
Intangibles	**–**	–	–	**(432)**	(4 287)	(5 052)	**(432)**	(4 287)	(5 052)
Other financial assets	**181**	1 152	1 331	**(370)**	(275)	–	**(189)**	877	1 331
Trade and other receivables	**3 175**	3 334	5 475	**(876)**	(650)	(344)	**2 299**	2 684	5 131
Trade and other payables	**1 375**	4 627	5 712	**–**	–	–	**1 375**	4 627	5 712
Provisions	**10 557**	12 072	7 213	**(12 027)**	(12 077)	(13 996)	**(1 470)**	(5)	(6 783)
Post-retirement fund obligations	**27 500**	22 659	16 251	**–**	–	–	**27 500**	22 659	16 251
Other	**1 967**	1 209	1 392	**(2 705)**	(2 606)	(1 784)	**(738)**	(1 397)	(392)
Withholding taxes	**–**	–	–	**(7 500)**	–	–	**(7 500)**	–	–
Recognised tax losses	**53 785**	48 634	54 285	**–**	–	–	**53 785**	48 634	54 285
Total assets/(liabilities)	**119 666**	111 294	102 105	**(91 971)**	(95 561)	(91 025)	**27 695**	15 733	11 080
Set-off of tax	**(57 943)**	(53 612)	(48 067)	**57 943**	53 612	48 067	**–**	–	–
Net assets/(liabilities)	**61 723**	57 682	54 038	**(34 028)**	(41 949)	(42 958)	**27 695**	15 733	11 080

		Restated	Restated
	2014	2013	2012
Group	**R'000**	R'000	R'000
16. **BIOLOGICAL ASSETS**			
Biological assets			
Carrying amount at the beginning of the year	**43 484**	48 847	19 141
Realised harvest and sales	**(43 484)**	(48 847)	(19 141)
Change in fair value of estimated point of sale costs	**43 877**	43 484	48 847
Carrying amount at the end of the year	**43 877**	43 484	48 847
Comprising:			
Agricultural produce unharvested	**43 877**	43 484	48 847

Measurement of fair values

- The fair value measurement of the current biological assets below, which comprises grapes, pome, citrus and sugar cane at year-end, was valued at R43,9 million (2013: R43,5 million; 2012: R48,9 million).
- These fair value assets have been categorised as a level 3 fair value, based on the inputs to the valuation techniques used.

Biological assets comprise grapes on the vineyards and fruit in the orchards, have been valued using the following assumptions:

- expected sales realisation of all grapes, citrus and pome at free on board value for export fruit and net value for local sales;
- budgeted costs to harvest and sell per the approved budget for the following financial years (2015, 2014 and 2013);
- packing and cooling costs as per the approved budget; and
- overheads directly attributable to the operation for the year.

Risk management strategy related to agricultural activities

The Group is exposed to the following risks relating to its vineyards, orchards and cane fields:

Laws and regulations

The Group is subject to laws and regulations in various countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with local and environmental and other laws.

Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of grapes, citrus and pome fruit. The Group exports all export fruit through a fellow Group subsidiary, Capespan South Africa, who manages the supply and demand risk as part of its marketing agreement with the farm.

Inherent risk factors

The Group's vineyards, orchards and cane fields are exposed to risk of damage from climate change and diseases as well as other natural forces. The Group follows extensive fertiliser and spray programmes to mitigate these risk, in line with global accepted practices. Comprehensive crop insurance is also taken out against climate conditions such as extreme winds, rain and hail.

	Group			Company		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
17. **INVENTORIES**						
Packaging	**8 280**	6 445	6 250	**–**	–	–
Fresh produce	**219 058**	290 567	190 124	**–**	–	–
Consumables	**13 918**	15 646	9 620	**–**	–	–
	241 256	312 658	205 994	**–**	–	–
18. **TRADE AND OTHER RECEIVABLES**						
Trade receivables – external (net of impairment)	**708 586**	693 609	606 572	**–**	–	–
Other receivables and prepayments	**174 265**	70 672	178 755	**57**	–	32
Current portion of other financial assets (refer note 14)	**48 718**	13 227	15 896	**–**	–	–
	931 569	777 508	801 223	**57**	–	32

Of the total trade receivables, Capespan North America trade receivables amounting to R30,9 million (2013: R28,7 million; 2012: R18,9 million) are provided as security for their business banking facility.

	Group			Company		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
19. **CASH AND CASH EQUIVALENTS**						
Bank balances	**273 076**	418 604	433 385	**1 209**	1 296	2 154
Call deposits	**84 031**	7 518	8 070	**–**	–	–
Cash and cash equivalents	**357 107**	426 122	441 455	**1 209**	1 296	2 154

Group	**2014** **R'000**	2013 R'000	2012 R'000
20. **NON-CURRENT ASSETS HELD FOR SALE**			
Property, plant and equipment (carrying value) (refer note 8)	**29 998**	–	1 144
Biological assets	**–**	–	1 842
Other	**380**	–	14
	30 378	–	3 000

Addo Cold Store (Pty) Ltd has been presented as a non-current asset held for sale following the successful negotiations to sell the company with an effective date in 2015.

In 2012, farm Uizip in the Northern Cape has been presented as a non-current asset held for sale following the conclusion of the sale of the farm on 16 October 2012. Proceeds of R3 million were received in 2013 upon disposal of the farm.

	Group			**Company**		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
21. **SHARE CAPITAL AND PREMIUM**						
Share capital at par value						
Authorised						
600 000 000 ordinary shares of one cent each	**6 000**	6 000	6 000	**6 000**	6 000	6 000
Issued						
Issued share capital 355 720 294 (2013: 351 220 294) of one cent each	**3 557**	3 512	3 512	**3 557**	3 512	3 512
Opening balance (351 220 294 of one cent each)	**3 512**	3 512	3 312	**3 512**	3 512	3 312
Shares issued during the year (4 500 000 of one cent each)	**45**	–	200	**45**	–	200
Share premium	**473 362**	458 512	458 512	**473 362**	458 512	458 512
Opening balance	**458 512**	458 512	410 712	**458 512**	458 512	410 712
Issued during the year	**14 850**	–	47 800	**14 850**	–	47 800
Total	**476 919**	462 024	462 024	**476 919**	462 024	462 024

During the year the company issued 4 500 000 shares in terms of the funded subscription scheme approved at the general meeting on 15 May 2014.

On 31 December 2014 the joint direct and indirect beneficial interests of all directors in the shares of the company totalled 7 628 610 (2013: 5 028 610; 2012: 5 028 610) shares.

A subsidiary company, Capespan (Pty) Limited, holds 32 231 189 (2013: 32 395 997; 2012: 32 395 997) treasury shares in Capespan Group Limited.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share (excluding the treasury shares owned by Capespan (Pty) Limited) at meetings of the company.

21.1 **Equity-settled share-based payment reserve**

Share option scheme

During the year under review, Capespan Group Ltd replaced its long-term bonus scheme (refer note 25.4) with a share option scheme. In terms of the share option scheme, share options are granted to participants (being executive directors and senior management) on grant date at market price. 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 two, three, four and five 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 exercise price. Accordingly, the previously recognised liability of R9,4 million (net at 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) will be recognised over the specified service periods. The equity-settled share-based payment charge recognised in the income statement amounted to R1,1 million. This charge, net of the related tax effect, was credited to the share-based payment reserve (refer statement of changes in equity).

During the year under review, 14 745 737 share options were granted to participants at a total consideration of R35 717 000. 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 403 111 ordinary shares in Capespan Group Ltd in order to assist in meeting its obligations in terms of the share options granted.

	2014 Number of share options
Number of share options allocated during the year	**14 745 737**
Number of share options forfeited during the year	**(906 344)**
Number of share options outstanding at end of the year	**13 839 393**

Granting of share options occurred as follows:	**Number of share options**	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	**7 619 876**	3,31	31.2	4.4	6.1 – 7.3	0,73
	13 839 393					

Analysis of outstanding share options by financial year of maturity:	**2014 Weighted average strike price R**	**2014 Number of share options**
31 December 2016	**2,36**	**3 459 848**
31 December 2017	**2,36**	**3 459 848**
31 December 2018	**2,36**	**3 459 848**
31 December 2019	**2,36**	**3 459 849**
		13 839 393

22. EARNINGS AND DIVIDENDS PER SHARE

Basic attributable earnings per share is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares issued during the year:

	Group			Company		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
Basic earnings per share						
Profit attributable to owners of the company (R'000)	**108 356**	120 098	139 417	**49 121**	33 519	67 963
Weighted average number of ordinary shares in issue ('000)	**321 189**	318 824	315 537	**353 710**	351 220	347 933
Basic earnings per share (cents)	**33.7**	37.7	44.2	**13.9**	9.5	19.5

	Group						Company		
	2014		Restated 2013		Restated 2012		**2014**	2013	2012
	Gross	**Net of tax**	Gross	Net of tax	Gross	Net of tax			
Headline earnings									
Profit attributable to owners of the parent (R'000)		**108 356**	–	120 098	–	139 417	**49 121**	33 519	67 963
Adjusted for: (R'000)									
– Profit on disposal of investments	**(3 559)**	**(3 559)**	–	–	(1 508)	(1 208)	**–**	–	–
– Profit on disposal of property, plant and equipment	**(2 693)**	**(2 295)**	3 679	(165)	(33 635)	(30 702)	**–**	–	–
– Impairment of goodwill	**202**	**202**	4 795	4 795	1 284	1 284	**–**	–	–
– Impairment of intangible asset	**9 166**	**6 599**	–	–	6 500	6 500	**–**	–	–
– (Reversal)/impairment of property, plant and equipment in subsidiary	**(11 893)**	**(11 893)**	795	795	22 004	22 004	**–**	–	–
– Impairment of investments	**–**	**–**	1 204	1 017	(67 004)	(67 004)	**–**	–	–
– Impairment of property, plant and equipment in subsidiary	**–**	**–**	**–**	–	16 350	16 350	**–**	–	–
Headline earnings (R'000)		**97 410**		126 540		86 641	**49 121**	33 519	67 963
Headline earnings per share (cents)		**30.3**		39.7		27.5	**13.9**	9.5	19.5

	Group						Company		
	2014		Restated 2013		Restated 2012		2014	2013	2012
Recurring earnings	**Gross**	**Net of tax**	Gross	Net of tax	Gross	Net of tax			
Headline earnings (R'000)		**97 410**		126 540		86 641	**49 121**	33 519	67 963
Duplicate grape income	**–**	**–**	–	–	(21 587)	(14 633)	**–**	–	–
Recoveries	**(16 103)**	**(12 315)**	–	–	–	–	**–**	–	–
Contingent consideration	**65 657**	**65 657**	–	–	–	–	**–**	–	–
Restructuring costs	**502**	**361**	7138	5 018	–	–	**–**	–	–
Impairment of long-term loans	**54**	**54**	3 310	2 383	–	–	**–**	–	–
Deferred taxation reversals	**7 588**	**7 588**	4 987	4 987	16 400	16 400	**–**	–	–
Recurring earnings (R'000)		**158 755**		138 928		88 408	**49 121**	33 519	67 963
Recurring earnings per share (cents)		**49.4**		43.6		28.0	**13.9**	9.5	13.9

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares (arising from the share incentive set out in note 20.1).

	Group			Company		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
Diluted earnings per share						
Profit attributable to owners of the company (R'000)	**108 356**	120 098	139 417	**49 121**	33 519	67 963
Weighted average number of ordinary shares in issue ('000)	**321 189**	318 824	315 537	**353 710**	351 220	347 933
Number dilutive shares under the option at nil consideration ('000)	**6 404**	–	–	**6 404**	–	–
	327 593	318 824	315 537	**360 114**	351 220	347 933
Diluted earnings per share (cents)	**33.1**	37.7	44.2	**13.6**	9.5	19.5
Diluted headline earnings per share (cents)	**29.7**	39.7	27.5	**13.6**	9.5	19.5
Dividend per share						
Dividend paid to ordinary shareholders (R'000)	**46 230**	31 883	28 693	**50 927**	35 122	31 609
Ordinary shares in issue ('000)	**318 824**	318 824	318 824	**351 220**	351 220	351 220
Dividend per share (cents)	**14.5**	10.0	9.0	**14.5**	10.0	9.0

23. INTEREST-BEARING BORROWINGS

Secured						
Loans secured by *lien* on certain property, plant and equipment (refer note 8)	**271 017**	147 385	183 254	**–**	–	–
	271 017	147 385	183 254	**–**	–	–
Current portion of borrowings	**(33 706)**	(25 581)	(10 882)	**–**	–	–
	237 311	121 804	172 372	**–**	–	–

	Group			Company		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
Schedule of repayment:						
Within 1 year	**33 706**	25 581	10 882	**–**	–	–
From 2 to 5 years	**229 907**	121 436	131 963	**–**	–	–
Over 5 years	**7 404**	368	40 409	**–**	–	–
	271 017	147 385	183 254	**–**	–	–

Interest rates are variable and range between 2.0% and 9.25% per annum (2013: 6.5% and 9.5%; 2012: 6.5% and 9.5%).

2014 Interest rates vary per region:

Hong Kong – 2.8%
Japan – 2.0%
South Africa – 7.4% – 9.25%

	Group			Company		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
24. **NON-INTEREST-BEARING BORROWINGS**						
Non-interest-bearing shareholder loans	**19 837**	18 617	18 698	**113 976**	127 842	127 936
Deferred purchase consideration	**–**	113 342	88 097	**–**	–	–
	19 837	131 959	106 795	**113 976**	127 842	127 936
Current portion of borrowing	**19 837**	113 342	–	**–**	–	–
	–	18 617	106 795	**113 976**	127 842	127 936

		Group			Company		
			Restated	Restated			
		2014	2013	2012	**2014**	2013	2012
	Note	**R'000**	R'000	R'000	**R'000**	R'000	R'000
25. **EMPLOYEE BENEFITS**							
Long-term employee benefits							
Post-retirement medical aid benefits	25.1	**23 823**	21 260	22 243	**21 703**	20 460	21 128
Retirement funds – Capespan Japan	25.2	**3 751**	4 257	5 209	–	–	–
Pension schemes – Europe and UK	25.3	**104 404**	85 529	66 930	–	–	–
Long-term employee benefits	25.4	**–**	26 183	15 471	–	–	–
		131 978	137 229	109 853	**21 703**	20 460	21 128
Current portion of long-term employee benefits		**–**	(13 090)	–	**–**	–	–
		131 978	124 139	109 853	**21 703**	20 460	21 128

25.1 **Post-retirement medical aid benefits**

The Group 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 (Proprietary) Limited, Outspan International Limited and Unifruco Limited 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 as at 31 December 2014, 2013 and 2012.

	Group			**Company**		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
Present value of funded obligations	**23 823**	21 260	22 243	**21 703**	20 460	21 128
Fair value of plan assets	**–**	–	–	**–**	–	–
Net liability provided at reporting date	**23 823**	21 260	22 243	**21 703**	20 460	21 128
Amounts in the balance sheet:						
Liabilities	**23 823**	21 260	22 243	**21 703**	20 460	21 128
Assets	**–**	–	–	**–**	–	–
Net liability at reporting date	**23 823**	21 260	22 243	**21 703**	20 460	21 128
The amounts recognised in profit or loss and other comprehensive income are as follows:						
Interest on obligation in profit or loss	**1 264**	1 481	1 988	**1 217**	1 414	1 409
Actuarial losses/(gains) recognised in other comprehensive income	**3 367**	(515)	433	**2 014**	(208)	473
Impact on comprehensive income before taxation	**4 631**	966	2 421	**231**	1 206	1 882
Movements in net liability recognised in the balance sheet are as follows:						
Net liability at beginning of year	**(21 260)**	(22 243)	(30 233)	**(20 460)**	(21 128)	(21 005)
Expense recognised in profit or loss	**(1 264)**	(1 481)	(1 988)	**(1 217)**	(1 414)	(1 409)
Actuarial (losses)/gains recognised in other comprehensive income	**(3 367)**	515	(433)	**(2 014)**	208	(473)
Settlement of liabilities	**–**	–	–	**–**	–	8 080
Contributions	**2 068**	1 949	2 331	**1 988**	1 874	1 759
Net liability at end of year	**(23 823)**	(21 260)	(22 243)	**(21 703)**	(20 460)	(21 128)
Principal actuarial assumptions at the reporting date (expressed as weighted averages):						
Discount rate at 31 December 2014 (source: GOVI bonds at 31 December 2014)	**8.50%**	6.25%	6.25%	**8.50%**	6.25%	6.25%

Sensitivity analysis

	2014		2013	
	Increase	**Decrease**	Increase	Decrease
	R'000	**R'000**	R'000	R'000
Discount rate (0.5%) movement	**899**	(842)	765	(817)
Medical cost trends (1%) movement	**(1 549)**	1 726	(1 779)	1 587
Future mortality (1 year) movement	**(1 173)**	1 217	(1 105)	1 064

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

25.2 **Retirement funds**

South African permanent employees belong to the Capespan Provident Fund, a defined contribution fund. This fund is administered independently of the Group and is subject to the Pension Funds Act of South Africa.

The employer's contribution of between 12% and 19% is expensed as incurred.

Non-South African employees contribute towards different defined contribution schemes at variable rates of contributions with the exception of certain employees who still belong to defined benefit schemes in Germany and Belgium. These schemes are all closed to new employees.

No account is taken of surpluses which may arise in the fund as the Group does not consider itself entitled to the benefits of such surpluses.

RETIREMENT FUNDS – Capespan Japan

Group	**2014 R'000**	2013 R'000	2012 R'000
Present value of funded obligations	**3 751**	4 257	5 209
Fair value of plan assets	**–**	–	–
Net liability provided at reporting date	**3 751**	4 257	5 209
Amounts in the balance sheet:			
Liabilities	**3 751**	4 257	5 209
Assets	**–**	–	–
Net liability at reporting date	**3 751**	4 257	5 209
The amounts recognised are as follows:			
Interest on obligation in profit or loss	**26**	42	55
Actuarial gain recognised in other comprehensive income	**(177)**	(719)	(143)
Impact on comprehensive income before taxation	**(151)**	(677)	(88)
Movements in net liability recognised in the balance sheet are as follows:			
Net liability at beginning of year	**(4 257)**	(5 209)	(5 207)
Expense recognised in profit or loss	**(26)**	(42)	88
Actuarial gain recognised in other comprehensive income	**177**	719	–
Effects of movement in foreign exchange	**103**	(27)	(90)
Settlements	**252**	302	–
Net liability at end of year	**(3 751)**	(4 257)	(5 209)
Principal actuarial assumptions at the reporting date (expressed as weighted averages): Discount rates 31 December 2014.	**0.5%**	0.8%	0.8%
% rates of salary increases	**1.0%**	1.0%	1.0%
Provision has been made for early disability retirements.			

No account is taken of surpluses which may arise in the fund as the Group does not consider itself entitled to the benefits of such surpluses.

25.3 **Pension schemes – Europe and UK**

The Group operates a number of externally funded defined benefit and defined contribution pension schemes across Europe. 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 all of the Group's defined benefit retirement schemes in the UK and Continental Europe: The South African Co-operative Citrus Exchange Limited pension and life assurance schemes (SACCE), and the Capespan Continent NV and Fresh Fruit Services CV plan (CCNV). In addition, the Group has a pension scheme in Germany called the Capespan Germany GmbH pension scheme (Germany). Actuarial valuations of these schemes, for the purposes of these disclosures, were completed for the year ended 31 December 2014. The SACCE scheme has a full valuation done on a triannual basis and the next valuation date is 1 February 2015 and will be available in May 2015. All calculations were carried out by independent actuaries using the projected unit credit method. The scheme assets do not include any shareholdings in the Group.

PENSION SCHEME – EUROPE AND UK

Group	**2014 R'000**	2013 R'000	2012 R'000
Present value of funded obligations	**104 404**	85 529	66 930
Fair value of plan assets	**(34 462)**	(33 090)	(25 184)
Net liability provided at reporting date	**69 942**	52 439	41 746
Amounts in the balance sheet:			
Liabilities	**104 404**	85 529	66 930
Assets*	**(34 462)**	(33 090)	(25 184)
Net liability at reporting date	**69 942**	52 439	41 746
The amounts recognised are as follows:			
Interest on obligation in profit or loss	**16 201**	14 806	724
Actuarial loss recognised in other comprehensive income	**17 515**	906	13 446
Impact on comprehensive income before taxation	**33 716**	15 712	14 170
Movements in net liability recognised in the balance sheet are as follows:			
Net liability at beginning of year	**(52 439)**	(41 746)	–
Additional net liability – business combinations	**–**	–	(25 261)
Effect of movement in foreign exchange	**(896)**	(10 005)	(3 846)
Expense recognised in profit or loss	**(16 201)**	(14 806)	(724)
Expected return on plan assets	**13 889**	12 003	692
Actuarial losses recognised in other comprehensive income	**(17 515)**	(906)	(13 446)
Contributions	**3 220**	3 021	839
Net liability at end of year	**(69 942)**	(52 439)	(41 746)

Principal actuarial assumptions at 31 December 2014:

	Discount rates	Salary increase	Inflation rate
SACCE	4.4%	–	2.75%
CCNV	1.2%	3.0%	2.0%
Germany	1.2%	3.5%	2.2%

Principal actuarial assumptions at 31 December 2013:

	Discount rates	Salary increase	Inflation rate
SACCE	4.4%	–	2.75%
CCNV	3.25%	3.0%	2.0%
Germany	3.4%	3.5%	2.2%

Principal actuarial assumptions at 31 December 2012:

	Discount rates	Salary increase	Inflation rate
SACCE	4.1%	–	2.0%
CCNV	3.25%	3.0%	2.0%
Germany	3.5%	3.5%	2.0%

Sensitivity analysis

Reasonably possible changes at the reporting date of one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2014		2013	
	Defined benefit obligation		Defined benefit obligation	
	Increase	**Decrease**	Increase	Decrease
	R'000	**R'000**	R'000	R'000
Discount rate (0.5%) movement	**6 645**	**(6 630)**	5 150	(5 275)
Medical cost trends (1%) movement	**(1 569)**	**3 970**	(1 329)	3 502
Future mortality (1 year) movement	**(22 298)**	**21 729**	(14 645)	14 105

** The assets are represented by a reinsurance policy and are disclosed separately in employee post-retirement benefits under non-current assets on the Group balance sheet as there is no right for set-off.*

25.4 **Long-term employee benefits – Capespan Group Limited**

		Restated	Restated
	2014	2013	2012
Group	**R'000**	R'000	R'000
Long-term incentive scheme			
Balance at beginning of year	**13 093**	15 471	–
Current service cost	**–**	10 712	15 471
Transferred to share-based payment reserve (refer note 20.1)	**(13 093)**	–	–
Current portion of long-term employee benefits (refer note 25.5)	**–**	(13 090)	–
Balance at 31 December 2014	**–**	13 093	15 471

The long-term employee benefit scheme has been cancelled and replaced by the share option scheme for executive and senior management, with the accrued benefit being transferred net of tax to a share-based payment reserve.

25.5 **Short-term employee benefits**

Group 2014	**Short-term incentives R'000**	**Leave pay and other R'000**	**Total R'000**
Balance 1 January 2014	**49 134**	**11 768**	**60 902**
Provisions utilised during the year	**(49 432)**	**(7 106)**	**(56 538)**
Provisions made during the year	**39 790**	**8 041**	**47 831**
Balance as at 31 December 2014	**39 492**	**12 703**	**52 195**

Group 2013	Short-term incentives R’000	Leave pay and other R’000	Total R’000
Balance 1 January 2013	20 209	12 511	32 720
Provisions utilised during the year	(10 580)	(8 203)	(18 783)
Provisions made during the year	26 415	7 460	33 875
Current portion of long-term employee benefits (refer note 25.4)	13 090	–	13 090
Balance as at 31 December 2013	49 134	11 768	60 902

Group 2012	Short-term incentives R’000	Leave pay and other R’000	Total R’000
Balance 1 January 2013	24 192	11 307	35 499
Provisions utilised during the year	(17 607)	(4 577)	(22 184)
Provisions made during the year	13 324	5 781	19 405
Current portion of long-term employee benefits (refer note 25.4)	–	–	–
Balance as at 31 December 2013	20 209	12 511	32 720

	Group			**Company**		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R’000	R’000	R’000	**R’000**	R’000	R’000
26. BANK OVERDRAFT AND SHORT-TERM BORROWINGS						
Bank overdraft	**2 394**	8 968	10 823	**–**	–	–
Short-term borrowings	**314 479**	111 643	235 932	**–**	–	–
Bank overdraft and short-term borrowings	**316 873**	120 611	246 755	**–**	–	–
27. TRADE AND OTHER PAYABLES						
Trade payables due to associates	**69**	2 786	412	**–**	–	–
Trade payables	**353 072**	326 726	339 906	**–**	–	–
Non-trade payables and accrued expenses	**203 201**	248 153	261 311	**8 977**	7 261	5 994
Income received in advance	**31 356**	54 686	–	**–**	–	–
	587 698	632 351	601 629	**8 977**	7 261	5 994

	Group		
	2014	2013	2012
	R’000	R’000	R’000
28. PROVISIONS			
Balance 1 January 2014	**16 381**	20 907	30 523
Provisions utilised during the year	**(3 851)**	(8 712)	(20 836)
Provisions made during the year	**10 360**	4 186	11 220
Balance as at 31 December 2014	**22 890**	16 381	20 907

	Group			Company		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
29. NOTES TO THE STATEMENTS OF CASH FLOWS						
29.1 Cash generated by operations						
– Operating profit/(loss)	**169 068**	190 778	125 516	**(501)**	(303)	(680)
Adjusted for						
– Depreciation of property, plant and equipment	**46 164**	37 300	35 516	**–**	–	–
– Depreciation and write off of bearer plants	**9 880**	8 581	–	**–**	–	–
– Gain on settlement of post-retirement medical aid liability	**–**	–	(2 943)	**–**	–	–
– Recoveries	**11 100**	–	–	**–**	–	–
– Fair value adjustment on biological assets	**(43 877)**	(43 328)	(24 467)	**–**	–	–
– Restructuring costs	**(502)**	(7 138)	–	**–**	–	–
– Amortisation of intangible assets	**3 563**	6 147	5 194	**–**	–	–
– Harvest of biological assets	**43 484**	48 847	–	**–**	–	–
– Movements in post-retirement medical aid benefits	**–**	–	2 767	**–**	–	–
– Equity-settled share-based payment	**1 136**	–	–	**–**	–	–
– Translation differences	**(524)**	11 540	1 985	**–**	–	–
– Working capital movements	**(114 145)**	(15 456)	(452)	**888**	841	777
– Decrease in inventory	**72 478**	(239 654)	(137 132)	**–**	–	–
– (Increase)/decrease in trade and other receivables	**(119 314)**	95 889	18 151	**(57)**	32	(28)
– (Decrease)/increase in trade and other payables	**(39 159)**	124 307	120 127	**1 716**	1 267	805
– (Decrease)/increase in provisions and employee benefits	**(28 150)**	4 002	(1 598)	**(771)**	(458)	–
	125 347	237 271	143 116	**387**	538	97
29.2 Taxation paid						
Amount prepaid at beginning of year	**7 555**	8 842	(433)	**–**	–	–
Current tax charged to profit or loss	**(78 720)**	(56 760)	(40 415)	**(198)**	–	–
Withholding tax charged to profit or loss	**(1 771)**	(774)	(3 503)	**–**	–	–
Secondary tax on companies charged to profit or loss	**–**	–	(4 098)	**–**	–	–
Taxation recognised in other comprehensive income	**–**	–	4 803	**–**	–	–
Effect of movement in foreign exchange	**–**	–	302	**–**	–	–
Subsidiary acquired	**–**	–	(2 892)	**–**	–	–
Amount unpaid/(prepaid) at end of year	**3 846**	(7 555)	(8 842)	**(198)**	–	–
	(69 090)	(56 247)	(55 078)	**(396)**	–	–

29.3 Disposal of investments and operations

29.3.1 Disposals – 2014

During the year the Group disposed of its interest in Stellenbosch Vineyards for R4,0 million.

	R'000
Carrying value of associate disposed	–
Profit on disposal	4 000
Proceeds from disposal	**4 000**

29.3.2 Disposals – 2013

During the previous year the company disposed of the farm Queen Anne:

	R'000
Carrying value of property, plant and equipment at date of disposal	42 415
Loss on disposal	(7 415)
Proceeds from disposal	35 000

During the previous year the Group disposed of the farms Warmzand and Vaalhoek:

	R'000
Carrying value of farms at date of disposal	17 585
Profit on disposal	3 665
Proceeds outstanding at 31 December 2013	21 250

29.3.3 Disposals – 2012

During the year the company disposed of its investment in Genetwister Africa (Pty) Ltd:

	R'000
Carrying value of share investment and loan account at date of disposal	2 211
Profit on disposal	1 517
Proceeds from disposal	3 728

During the year the company disposed of its shares in Altius Trading 237 (Pty) Ltd:

	R'000
Carrying value of investment at date of disposal	1 995
Loss on disposal	(9)
Proceeds from disposal	1 986

29.4 Acquisition of business – 2014

29.4.1 Acquisition of subsidiary – 2014

In October 2014, the Group increased the shareholding in the Mozambique customs terminal Gestão de Terminais, SA by 10% from 40% to 50% and have accounted for the investment as a subsidiary.

	R'000
Carrying value of 26% of net assets acquired	2 081
Purchase price paid	(7 271)
Recognised directly in equity	**(5 190)**

29.4.2 **Investment in associates – 2014**

During the year the Group invested in certain associate companies and joint ventures:

	R'000
Mayfresh (Turkey)	501
Goodview (Hong Kong)	28 083
Capespan Capital (South Africa)	303
	28 887

29.4.3 **Increased shareholding in subsidiary – 2013**

The Group acquired the remaining 26% of the shares in FPT Port Leasing (Pty) Limited in 2013.

	R'000
Carrying value of 26% of net assets acquired	2 591
Purchase price paid	(5 007)
Recognised directly in equity	(2 416)

29.4.4 **Investment in associates – 2013**

During the year the Group invested in certain associate companies and joint ventures:

	R'000
Capespan Capital	980
Gestão de Terminais	8 222
	9 202

29.4.5 **Acquisitions – 2012**

The Group acquired the remaining 50% shares in the European business marketing entity Capespan International Holdings Limited with an effective date of 3 January 2012. The shareholding increased from 50% to 100%.

	R'000
Fair value of assets acquired	97 761
Carrying value of associate before conversion to subsidiary	(48 907)
Deemed profit on conversion of associate to subsidiary (refer note 3)	(67 004)
Goodwill on acquisition (refer note 11)	154 926
	136 776
Purchase price paid in cash	88 776
Share issue in Capespan Group Limited	48 000
Total consideration for 50% shareholding in Capespan International Holdings Limited	136 776

30. FINANCIAL INSTRUMENTS

Exposure to currency, interest rate and credit risks arise in the normal course of the Group's business. The risks are managed with policies and guidelines approved by the Board.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

30.1 **Currency management**

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities.

Furthermore, the Group is exposed to currency risk as a result of purchases, sales and borrowings which are accounted for in a functional currency other than the Group's reporting currency. The Group hedges trade debtors and trade creditors denominated in a foreign currency, as well as estimated foreign currency exposure resulting from sales and purchases.

Exposure to currency risk

Based on notional amounts the balance sheet exposure to foreign currency risk at 31 December 2014 is as follows:

	USD	**GBP**	**EUR**	**JPY**	**HKD**	**MZN**
	'000	**'000**	**'000**	**'000**	**'000**	**'000**
Trade receivables	**12 145**	**10 284**	**12 502**	**509 857**	**5 654**	**25 234**
Cash and cash equivalents	**9 288**	**3 714**	**1 464**	**189 702**	**8 412**	**242 310**
Trade payables	**(4 652)**	**(35)**	**(1 799)**	**(325 080)**	**–**	**(835)**
	16 781	**13 963**	**12 167**	**374 479**	**14 066**	**266 709**

Based on notional amounts the balance sheet exposure to foreign currency risk at 31 December 2013 is as follows:

	USD	GBP	EUR	JPY	HKD	MZN
	'000	'000	'000	'000	'000	'000
Trade receivables	12 130	12 270	11 276	577 178	4 673	15 564
Cash and cash equivalents	18 266	2 764	4 218	413 730	3 636	223 060
Trade payables	(7 690)	(3 653)	(3 135)	(93 586)	–	(2 581)
	22 706	11 381	12 359	897 322	8 309	236 043

Based on notional amounts the balance sheet exposure to foreign currency risk at 31 December 2012 is as follows:

	USD	GBP	EUR	JPY	MZN
	'000	'000	'000	'000	'000
Trade receivables	8 524	12 019	15 403	594 313	26 644
Cash and cash equivalents	12 767	3 033	1 888	479 047	176 997
Trade payables	(6 400)	(6 963)	(9 150)	(127 200)	(3 340)
	14 891	8 089	8 141	946 160	200 301

The Group has entered into certain forward exchange contracts which relate to specific foreign commitments not yet due and export earnings of which the proceeds have not yet been received.

Details of the contracts are as follows:

	31 December 2014		31 December 2013		31 December 2012	
Foreign currency	**Foreign amount ('000)**	**Rand value* ('000)**	Foreign amount ('000)	Rand value* ('000)	Foreign amount ('000)	Rand value* ('000)
Exports – FECs						
United States Dollar	**16 534**	**191 196**+	28 562	296 555+	10 800	91 528
Pound Sterling	**3 496**	**62 909**+	5 155	88 190+	4 148	56 802
Euro	**3 298**	**46 347**+	6 038	86 436+	6 588	73 667
Canadian Dollar	**–**	**–**	–	–	74	630
Japanese Yen	**201 432**	**19 454**	149 866	14 817	175 243	8 464
		319 906		485 998		231 091
Imports – FECs						
United States Dollar	–	–	–	–	–	–
Pound Sterling	–	–	–	–	–	–
Euro	160	2 249	690	9 971	350	3 916
Canadian Dollar	–	–	–	–	–	–
Japanese Yen	–	–	–	–	–	–
		2 249		9 971		3 916

**Rand value at contracted rate.*
+Included in the FEC is an amount of R71,3 million (2013: R42,6 million) which is designated as cash flow hedges.

The following were the significant exchange rates applied:

	Average rate			Reporting date spot rate		
	2014	2013	2012	**2014**	2013	2012
	R	R	R	**R**	R	R
United States Dollars	**10,83**	9,62	8,20	**11,56**	10,38	8,48
Pound Sterling	**17,83**	15,05	12,99	**17,99**	17,11	13,70
Euro	**14,38**	12,78	10,53	**14,05**	14,32	11,20
Canadian Dollars	**9,84**	9,38	8,21	**9,96**	9,76	8,51
Japanese Yen	**0,10**	0,10	0,10	**0,10**	0,10	0,10
Mozambique Meticais	**0,35**	0,32	0,29	**0,34**	0,34	0,28
Renminbi	**1,76**	1,56	1,30	**1,72**	1,56	1,36

Sensitivity analysis

The effect of a 10% strengthening of the Rand against the following currencies could result in a decrease/(increase) in other comprehensive income (OCI) and revenue by the amounts shown below. This analysis assumes that all variables, in particular interest rates, remain constant. A 10% weakening of the Rand would show the equal but opposite effect, on the basis that all other variables remain constant. The sensitivity analysis was performed on the same basis for 2013 and 2012.

Effect 2014

	OCI	Revenue
	R'000	R'000
United States Dollars	**19 404**	**179 556**
Pound Sterling	**24 123**	**130 742**
Euro	**17 094**	**218 418**
Japanese Yen	**3 617**	**7 723**
Hong Kong Dollar	**2 097**	**19 430**
Mozambique Meticais	**9 163**	**11 903**

Effect 2013

	OCI	Revenue
	R'000	R'000
United States Dollars	23 576	173 414
Pound Sterling	19 473	116 718
Euro	17 693	218 620
Japanese Yen	8 872	8 981
Hong Kong Dollar	1 113	14 158
Mozambique Meticais	8 086	10 783

Effect 2012

	OCI	Revenue
	R'000	R'000
United States Dollars	12 620	101 363
Pound Sterling	11 078	79 758
Euro	9 103	145 938
Japanese Yen	9 318	8 693
Hong Kong Dollar	1 404	10 178
Mozambique Meticais	5 659	8 913

30.2 **Interest rate management**

The Group is exposed to interest rate risk as it borrows and places funds at both fixed and floating interest rates. The Group adopts a policy of ensuring that its borrowings are at market-related rates to address its interest rate risk.

30.3 **Credit risk management**

Credit risk relates to potential exposure on cash and cash equivalents, trade receivables and hedged positions. The Group limits its counterparty exposure arising from money market and derivative instruments by only dealing with well-established financial institutions of high credit standing. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		2014	2013	2012
	Notes	**R'000**	R'000	R'000
Other financial assets	14	**28 565**	37 877	56 340
Trade and other receivables	18	**931 569**	777 508	801 223
Cash and cash equivalents	19	**357 107**	426 122	441 455
		1 317 241	1 241 507	1 299 018
Trade and other receivables				
– Trade receivables – gross external		**720 999**	707 475	635 045
– Trade receivables – impairment		**(12 413)**	(13 866)	(28 473)
– Other receivables and prepayments		**222 983**	83 899	194 651
	18	**931 569**	777 508	801 223

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.

Credit guarantee insurance cover is limited to R375 million in the annual aggregate, subject to a R3,0 million aggregate excess.

The Group establishes 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 maximum exposure to credit risk for external trade receivables at the reporting date by geographic region was:

	2014	2013	2012
	R'000	R'000	R'000
Geographical area			
Southern Africa	**145 566**	181 920	170 263
UK	**201 755**	218 818	140 351
Europe	**208 733**	165 408	172 642
Far East	**77 575**	74 336	83 438
North America	**32 109**	28 657	18 863
Middle East	**36 079**	22 146	34 529
Russia	**19 182**	16 190	14 959
	720 999	707 475	635 045
Industry			
Wholesale customers	**325 488**	324 998	334 909
Seasonal loans	**11 735**	93 734	108 828
Retail customers	**282 160**	229 694	170 592
End-user customers	**11 203**	9 001	1 135
Other	**90 413**	50 048	19 581
	720 999	707 475	635 045

30.4 Impairment losses

The ageing of trade receivables (external parties) at the reporting date was:

	Gross receivable			Impairment		
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
Not past due	**619 535**	605 446	479 011	**4 486**	7 168	985
Past due 0 – 30 days	**55 411**	58 316	35 799	**8**	22	22
Past due 31 – 120 days	**35 693**	34 705	50 110	**86**	1 646	2 508
More than 120 days	**10 360**	9 008	70 125	**7 833**	5 030	24 958
	720 999	707 475	635 045	**12 413**	13 866	28 473

	2014	2013	2012
	R'000	R'000	R'000
Balance as at 1 January	**13 866**	28 473	34 893
Amounts written off	**(2 401)**	(11 662)	(6 825)
Impairment expenses raised (reversed) (refer note 2)	**948**	(2 945)	405
Balance as at 31 December	**12 413**	13 866	28 473

30.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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 following are the repayment profiles of financial liabilities:

31 December 2014	**Carrying amount R'000**	**Contractual cash flows R'000**	**1 year or less R'000**	**After 1 year R'000**
Non-interest-bearing loans	**19 837**	**19 837**	**19 837**	**–**
Interest-bearing loans	**271 017**	**344 189**	**54 575**	**289 614**
Trade payables	**353 072**	**353 072**	**353 072**	**–**
Accruals	**160 858**	**160 858**	**160 858**	**–**
Other payables	**42 412**	**42 412**	**42 412**	**–**
Bank overdraft and short-term borrowings	**316 873**	**316 873**	**316 873**	**–**
	1 164 069	**1 237 241**	**947 627**	**289 614**

31 December 2013	Carrying amount R'000	Contractual cash flows R'000	1 year or less R'000	After 1 year R'000
Non-interest-bearing loans	131 959	131 959	113 342	18 617
Interest-bearing loans	147 385	168 171	35 831	132 340
Trade payables	326 726	326 726	326 726	–
Accruals	157 897	157 897	157 897	–
Other payables	93 042	93 042	93 042	–
Bank overdraft and short-term borrowings	120 611	120 611	120 611	–
	977 620	998 406	847 449	150 957

31 December 2012	Carrying amount R'000	Contractual cash flows R'000	1 year or less R'000	After 1 year R'000
Non-interest-bearing loans	106 795	106 795	–	106 795
Interest-bearing loans	183 254	183 399	16 048	167 351
Trade payables	301 048	301 048	339 906	–
Accruals	164 911	164 911	245 675	–
Other payables	39 270	39 270	39 270	–
Bank overdraft and short-term borrowings	246 755	246 755	246 755	–
	1 042 033	1 042 178	768 032	274 146

30.6 Fair values

At year-end, the fair values of all financial instruments are substantially identical to carrying values reflected in the balance sheet. The fair value of financial instruments that are interest-free without repayment terms is considered to approximate the carrying value.

Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques for assets and liabilities measured at fair value based on whether the inputs of those techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Group's market assumptions.

No adjustment to the carrying amounts of the Group's financial assets and liabilities was done, as the fair values of these approximate the carrying amounts. Financial instruments that are interest-free with no repayment terms are carried at face value.

The table below provides the valuation method of financial instruments carried at fair value. The different levels have been defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3 – Input for the asset or liability that is not based on observable market data (unobservable inputs).

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

According to these levels, the company's financial instruments carried at fair value (i.e. forward exchange contract derivatives) have all been included as level 2.

According to these levels, the company's biological assets are carried at fair value have all been included as level 3, based on the inputs to the valuation techniques used.

There were no further reclassifications between the level 2 and level 3 fair value hierarchy.

30.7 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of directors monitors both the demographic spread of shareholders, as well as the return on capital, which the Group defines as total shareholders' equity, excluding non-controlling interests, and the level of dividends to ordinary shareholders.

31. RELATED PARTY TRANSACTIONS

The Group has related party relationships with the following:

Shareholders

The ultimate holding company of Capespan Group Limited is PSG Group Limited.

Subsidiaries

Details of all subsidiaries are disclosed in Annexure 1 on page 96 of these financial statements.

– See note 12 for loans with a subsidiary company and note 3 for dividend income from subsidiary company.

Associates

The Group has related party relationships with its associates. Details of all associates are disclosed in Annexure 2 on page 97 of these financial statements.

– See notes 13, 18 and 27 for dividend income from associate companies and trade receivables/payables.

Directors' shareholdings

The details of the direct and indirect interests of directors in the shares of the company are set out below:

Directors' interest in shares:

	2014	2013	2012
JJ Dique	**6 600 000**	5 000 000	5 000 000
AJ de Haast	**1 028 610**	28 610	28 610
	7 628 610	5 028 610	5 028 610

Directors' emoluments

The following directors' emoluments have been paid by the company and its subsidiaries for the year 31 December.

Cash-based remuneration

	Fees R'000	**Salary R'000**	**Company contributions R'000**	**Performance-related* R'000**	**Total 2014 R'000**	Total 2013 R'000	Total 2012 R'000
Executive							
JJ Dique		**3 028**	**497**	**1 746**	**5 271**	10 892	3 385
AJ de Haast		**1 909**	**313**	**750**	**2 972**	6 854	2 059
Non-executive							
N Celliers	**280**				**280**	106	–
J de V du Toit	**170**				**170**	106	96
AZ Farr	**192**				**192**	130	136
FA Jacobs	**156**				**156**	108	106
CA Otto	**215**				**215**	64	–
H Biko [1]						48	99
RP Byrne [2]						45	102
PF De V Cluver [1]						78	181
NJJ Davidson [1]						41	97

	Fees R'000	Salary R'000	Company contributions R'000	Performance-related* R'000	Total 2014 R'000	Total 2013 R'000	Total 2012 R'000
AE Jacobs [1]						44	106
TD van Zyl [1]						47	97
CF Sonn							55
Total	**1 013**	**4 937**	**810**	**2 496**	**9 256**	**18 563**	**6 519**

** Payment related to performance for the year ended 31 December are paid in March the following year. However, these amounts are provided for in the relevant financial year.*
[1] Retired with effect 27 May 2013.
[2] Retired with effect 26 April 2013.

32. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The key management personnel's compensations are as follows:

	Group 2014 R'000	Group 2013 R'000	Group 2012 R'000
Short-term employee benefits (including amounts paid by associates)	**32 772**	28 212	27 194
Short-term incentives	**6 711**	9 975	2 231
Termination benefits	**–**	7 929	411
Total	**39 483**	46 116	29 836

The company considers the executive directors, divisional CEOs and the managing directors of the Group companies to be the only key management personnel. The number of key personnel comprises 12 individuals (2013: 10, 2012: 13).

33. BORROWING POWERS

Borrowing powers, in terms of the articles of association of the company, are unlimited.

34. CONTINGENT LIABILITIES

Contingent liabilities at the reporting date, not otherwise provided for in these financial statements, arising from:

Group

- Various sundry guarantees not exceeding in total R8,8 million (2013: R7,3 million).
- A several suretyship was issued in favour of a financial institution to secure credit facility in an associate company. The Group's exposure is limited to 49% per individual claim and to the maximum of R122,5 million.

Company

- The company has provided various guarantees to lenders of its subsidiary companies.

35. SEGMENT INFORMATION

The Group's segment reporting is by operational business sector. The business sectors consist of farming, fruit, logistics and corporate. The business sector information includes an allocation of corporate costs to each sector on an appropriate basis.

Group – 12 months to Dec 2014	Farming R’000	Fruit R’000	Logistics R’000	Corporate R’000	Inter-Group R’000	Consolidated R’000
Revenue	456 175	6 680 813	507 966	–	(252 533)	7 392 421
Cost of sales, distribution and selling costs	(370 934)	(6 210 946)	(156 951)	–	252 533	(6 486 298)
Gross profit	**85 241**	**469 867**	**351 015**	**–**	**–**	**906 123**
Operating expenses	(39 423)	(430 141)	(229 023)	(38 468)	–	(737 055)
Operating profit/(loss)	**45 818**	**39 726**	**121 992**	**(38 468)**	**–**	**169 068**
Finance income	2 646	8 834	11 602	39 931	(17 408)	45 605
Finance expenses	(9 690)	(24 601)	(2 513)	(29 186)	17 408	(48 582)
Equity profit from associates after tax	–	60 651	–	–	–	60 651
Profit/(loss) before non-recurring items	**38 774**	**84 610**	**131 081**	**(27 723)**	**–**	**226 742**
Contingent consideration	–	(65 657)	–	–	–	(65 657)
Other income	1 110	11 487	18 092	3 559	–	34 248
Other expenses	–	(9 186)	(683)	(55)	–	(9 924)
Profit/(loss) before taxation	**39 884**	**21 254**	**148 490**	**(24 219)**	**–**	**185 409**
Group – 12 months to Dec 2013 Restated						
Revenue	395 167	6 445 163	587 427	56	(278 792)	7 149 021
Cost of sales, distribution and selling costs	(320 778)	(5 949 965)	(259 863)	–	278 792	(6 251 814)
Gross profit	**74 389**	**495 198**	**327 564**	**56**	**–**	**897 207**
Operating costs	(38 855)	(397 313)	(227 175)	(43 086)	–	(706 429)
Operating profit/(loss)	**35 534**	**97 885**	**100 389**	**(43 030)**	**–**	**190 778**
Finance income	2 135	12 381	9 203	32 667	(18 130)	38 256
Finance expenses	(12 298)	(24 908)	(3 824)	(24 234)	18 130	(47 134)
Equity profit from associates after tax	–	28 806	4	–	–	28 810
Profit/(loss) before non-recurring items	**25 371**	**114 164**	**105 772**	**(34 597)**	**–**	**210 710**
Other income	(99)	(131)	383	1	–	154
Other expenses	(7 158)	(590)	(8 042)	(5 285)	–	(21 075)
Profit/(loss) before taxation	**18 114**	**113 443**	**98 113**	**(39 881)**	**–**	**189 789**
Group – 12 months to Dec 2012 Restated						
Revenue	340 701	4 956 505	498 990	**–**	(163 910)	5 632 286
Cost of sales, distribution and selling costs	(260 789)	(4 530 441)	(252 539)	**–**	163 910	(4 877 583)
Gross profit	**79 912**	**426 064**	**246 451**	**–**	–	**754 703**
Operating expenses	(34 281)	(347 542)	(210 581)	(34 507)	–	(692 187)
Operating profit/(loss)	**45 631**	**78 522**	**35 870**	**(34 507)**	–	**125 516**
Finance income	496	17 073	8 078	47 747	(35 185)	38 209
Finance expenses	(24 151)	(17 103)	(4 505)	(26 874)	35 185	(37 448)
Equity profit from associates after tax	–	26 108	–	(60)	–	26 048
Fair value adjustment on long-term biological assets	12 570	–	–	–	–	12 570
Profit/(loss) before non-recurring items	**34 546**	**104 600**	**39 443**	**(13 694)**	–	**164 895**
Other income	288	66 842	490	34 527	–	102 147
Other expenses	(1 283)	(8 501)	(14 350)	(22 004)	–	(46 138)
Profit/(loss) before taxation	**33 551**	**162 941**	**25 583**	**(1 171)**	–	**220 904**

During the year the Group reviewed the composition of its reportable segments and has separated the farming reportable segment from the fruit reportable segment. The comparative information has been restated accordingly.

	Group			Company		
		Restated	Restated			
	2014	2013	2012	**2014**	2013	2012
	R'000	R'000	R'000	**R'000**	R'000	R'000
36. **COMMITMENTS**						
Capital commitments (including Bio-assets)						
– Capital expenditure contracted for property, plant and equipment	**7 143**	31 874	13 254	**–**	–	–
– Capital expenditure authorised for property, plant and equipment but not contracted for	**564 241**	28 435	59 533	**–**	–	–
	571 384	60 309	72 787	**–**	–	–
Operating lease commitments						
– Land and buildings	**961 242**	830 760	713 162	**–**	–	–
– Equipment	**49 644**	39 937	54 340	**–**	–	–
– Other	**14 892**	15 341	18 857	**–**	–	–
	1 025 778	886 038	786 359	**–**	–	–
The above commitments under non-cancellable operating leases are payable as follows:						
Within 1 year	**109 781**	90 366	81 193	**–**	–	–
From 2 to 4 years	**307 784**	252 748	224 896	**–**	–	–
Over 4 years	**608 213**	542 924	480 270	**–**	–	–
	1 025 778	886 038	786 359	**–**	–	–

37. ACCOUNTING ESTIMATES AND JUDGEMENTS

Management lists below the Group's main judgements and estimates used in the preparation of these financial statements.

Goodwill

In determining whether to impair goodwill, assumptions are made on the future performance and growth of the cash-generating unit. In addition, the Group makes assumptions on the operational horizon over which estimated performance is calculated and discounts this performance using a comparable discount rate. Estimates are performed using a range of the key assumptions to obtain a reasonable estimate of the entities recoverable amount (refer note 11).

Deferred tax

In the Group, each 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 estimated losses based on expected future taxable earnings. In note 7 the total unrecognised estimated losses are disclosed while recognised tax losses are disclosed in note 15.

Financial instruments

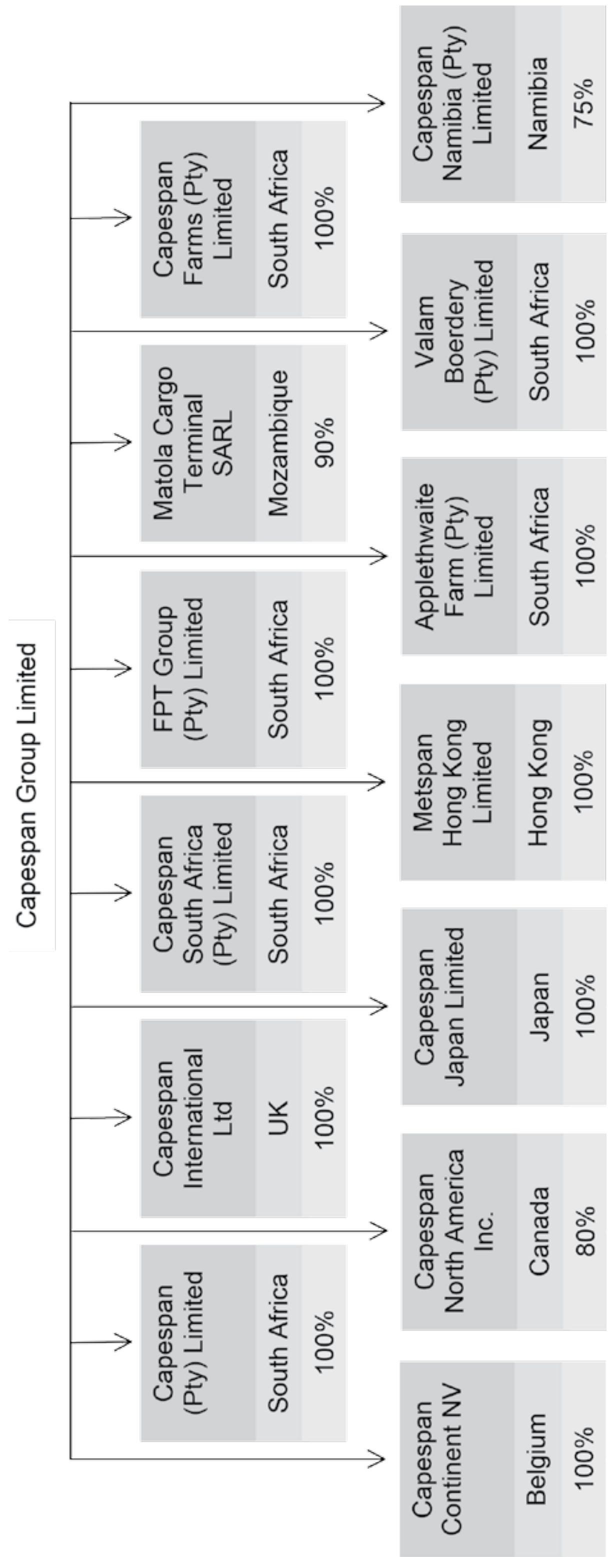
Each entity in the Group makes assumptions on the recoverability of its financial assets. These instruments mainly cover trade and other receivables and production loans. Where the recoverability of these instruments is considered to be doubtful management applies judgement in the calculation of the amount to be impaired.

Biological assets

The fair value of agricultural produce is determined based on market prices. The calculation of the fair value is sensitive to changes in the key variables used. Actual results may differ from these estimates having a direct impact on the value of biological assets.

38. **LIST OF MATERIAL SUBSIDIARIES**

Set out below is a list of material subsidiaries of the Group:



39. NON-CONTROLLING INTEREST (NCI)

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI before any group eliminations:

2014 Non-controlling interest (NCI)	Matola Cargo Terminals SARL R'000	Capespan North America R'000	Capespan Namibia (Pty) Ltd R'000	Gestão de Termianls, SA R'000	Addo Cold Store R'000	Other individually immaterial subsidiaries R'000	Total R'000
NCI percentage	**10%**	**20%**	**25%**	**50%**	**50.1%**		
Non-current assets	**42 003**	**18 046**	**23 073**	**63 396**	**–**		
Current assets	**168 136**	**81 111**	**168 576**	**16 752**	**–**		
Non-current liabilities	**–**	**24 920**	**29 218**	**–**	**–**		
Current liabilities	**17 581**	**50 101**	**107 598**	**60 804**	**–**		
Net assets	**192 558**	**24 136**	**54 833**	**19 344**	**–**		
Non-current asset held for sale	**–**	**–**	**–**	**–**	**30 378**		
Carrying value of NCI	**19 256**	**4 827**	**13 708**	**9 672**	**15 186**	**(880)**	**61 769**
Revenue	**123 263**	**863 869**	**237 623**	**–**	**–**		
Profit	**52 551**	**5 122**	**13 831**	**(1 300)**	**–**		
OCI	**(50)**	**204**	**–**			**6**	**160**
Profit allocated to NCI	**5 255**	**1 024**	**3 458**	**(665)**	**–**	**–**	**9 072**
2013 restated							
Non-controlling interest (NCI)							
NCI percentage	10%	20%	25%				
Non-current assets	38 923	13 092	6 202				
Current assets	118 913	82 533	218 654				
Non-current liabilities	–	24 488	27 906				
Current liabilities	17 331	50 187	149 340				
Net assets	140 505	20 950	47 610				
Carrying value of NCI	14 051	4 190	11 903			1 250	31 394
Revenue	121 762	781 352	134 923				
Profit	42 395	5 387	26 614				
OCI	1 853	197	–				2 050
Profit allocated to NCI	4 240	1 077	6 654			405	12 376

2012	Matola Cargo Terminals SARL R'000	Capespan North America R'000	Capespan Namibia (Pty) Ltd R'000	Other individually immaterially subsidiaries R'000	Total R'000
NCI percentage	10%	20%	25%		
Non-current assets	25 028	13 061	4 783		
Current assets	69 833	64 128	196 240		
Non-current liabilities	–	21 294	22 517		
Current liabilities	15 281	40 306	151 208		
Net assets	79 580	15 589	27 298		
Carrying value of NCI	7 958	3 118	6 824	3 029	20 929
Revenue	90 465	536 869	123 092		
Profit	34 186	1 801	11 945		
OCI	(480)	12	–	(7)	(475)
Profit allocated to NCI	3 419	360	2 986	690	7 455

Acquisition of non-controlling interest: 2014

In October 2014, the Group increased the shareholding in the Mozambique customs terminal Gestão de Terminais, SA by 10% from 40% to 50% and have accounted the investment as a subsidiary. The non-controlling interest at the date of acquisition has been accounted for in equity at R10,3 million.

Acquisition of non-controlling interest: 2013

In November 2013, the Group acquired the remaining 26% portion of the non-controlling interest in FPT Port Leasing (Pty) Limited, increasing the ownership from 74% to 100%. The Group recognised the decrease in NCI of R2,6 million. The carrying value of the FPT Port Leasing (Pty) Limited net assets at 30 November 2013 on the date of acquisition was R7,3 million.

The following summaries the change in the company ownership of FPT Port Leasing (Pty) Limited at acquisition:

	R'000
The Group's ownership interest at 1 January 2013	6 624
Decrease in non-controlling interest	2 591
The Group's ownership interest at 30 November 2013	9 215

40. RESTATEMENT OF COMPARATIVES DISCLOSURE – 2014

(a) Reclassification of production costs within farming entities

During 2014 management reallocated certain production costs from other expenses to cost of sales to correctly disclose the appropriate expenditure. The prior year comparatives have been restated appropriately.

(b) Capespan Namibia (Pty) Ltd allocation of grape income and accounting for the sales and cost of sales of product sold

During the year the management reassessed the agreement it has with the Namibian Grape Company (Pty) Ltd and after consultation with KPMG and PWC it was agreed that the agreement falls within IFRIC 4 and therefore IAS 17 was applied. This has resulted in the fair value being calculated on products harvested prior to year-end and the effect has been to change the accounting of the profits from 10 months in arrears to the current season and is in line with the treatment of our other grape farms owned.

(c) Change in accounting policy: Bearer plants

Background

In June 2014, the International Accounting Standards Board issued changes regarding "IAS 16 Property, plant and equipment" and "IAS 41 Agriculture", which leads to changes in the accounting for biological assets that meet the definition of bearing plants, such as vineyards and orchards.

The changes comes down to bearing orchards/vineyards be regarded similar to equipment used in a manufacturing process. This has resulted in the International Accounting Standards Board deciding that bearing orchards are accounted in the same way and must be treated as property, plant and equipment within the scope of IAS 16.

Long-term biological assets consist of bearer plants used in the production of agricultural produce and they are expected to bear produce for more than one period. Management's intention is to recover the economic benefit of the assets through use.

Management have chosen to apply the cost model in terms of IAS 16 Property, Plant and Equipment to the long-term biological assets. Therefore, production costs, capital expenditure and borrowing costs are capitalised to the biological asset until management consider the agricultural transformation to be substantially complete.

Management considered the amendments to provide a more reliable basis of quantifying the value of long-term biological assets with a commensurate depreciation charge over the remaining useful lives of the vineyards and orchards.

The changes are effective for annual periods beginning on or after 1 January 2016 with early adoption permissible.

Capespan Group decided well in advance of implementing the changes effective for the financial year ended 31 December 2014. In line with the requirements of the relevant standards, the accounting policies have been updated (refer to page 42).

	Income statement effect							Balance Sheet effect							
	Revenue R'000	Cost of sales R'000	Other expenses R'000	Interest R'000	Taxation R'000	Minorities R'000	Effect on profit/ loss R'000	Trade and other receivables R'000	Inventory R'000	Long-term biological assets R'000	Retained earnings R'000	Deferred taxation liability R'000	Bearer plants R'000	Trade payables R'000	Minorities R'000
Change in accounting policy and prior year adjustment 2012 and 2013															
Balance stated at 31 December 2011 (as previously stated)	**3 181 110**	**(3 087 524)**	**–**	**–**	**(44 106)**	**(4 436)**	**–**	**524 440**	**–**	**–**	**512 795**	**20 759**	**–**	**254 663**	**13 865**
Capespan Namibia (Pty) Ltd allocation of seasonal grape income and cost adjustment	28 342	–	(11 898)	–	(8 267)	(2 044)	6 133	28 342	–	–	6 133	8 267	–	11 898	2 044
Balance stated at 31 December 2011 (restated)	**3 209 452**	**(3 087 524)**	**(11 898)**	**–**	**(52 373)**	**(6 480)**	**6 133**	**552 782**	**–**	**–**	**518 928**	**29 026**	**–**	**266 561**	**15 909**
Balance stated at 31 December 2012 (as previously stated)	**5 631 152**	**(4 795 972)**	**(708 523)**	**–**	**(74 409)**	**(7 647)**	**44 601**	**801 223**	**71 070**	**128 484**	**615 116**	**35 068**	**–**	**482 007**	**19 077**
Capespan Namibia (Pty) Ltd allocation of seasonal grape income and cost adjustment															
Adjustment relating to 2012	1 134	–	(2 276)	–	377	192	(573)	–	134 924	–	(573)	(377)	–	119 622	(192)
Adjustment relating to 2011 and prior years	–	–	–	–	–	–	–	–	–	–	6 133	8 267	–	–	2 044
Balance stated at 31 December 2012 (restated)	**5 632 286**	**(4 795 972)**	**(710 799)**	**–**	**(74 032)**	**(7 455)**	**44 028**	**801 223**	**205 994**	**128 484**	**620 676**	**42 958**	**–**	**601 629**	**20 929**
Balance stated at 31 December 2013 (as previously stated)	**7 182 213**	**(6 225 528)**	**(786 854)**	**(10 378)**	**(49 757)**	**(8 611)**	**101 085**	**859 734**	**96 696**	**117 979**	**684 961**	**26 793**		**536 931**	**25 777**
Capespan Namibia (Pty) Ltd allocation of seasonal grape income and cost adjustment															
Net adjustment relating to 2013 (including inter-co. elimination)	(33 192)	48 854	7 351		(7 953)	(3 765)	11 295	(82 226)	215 962	–	11 295	15 842		95 420	5 617
Prior year profit impact											5 560				
Farming entities allocation of costs adjustment															
Adjustment relating to 2013 allocation of costs		(81 655)	81 655												
Farming entities change in accounting policy adjustment:															
Net fair value adjustment 2013										(857)					
Deemed cost of vineyards and orchards transferred to bearer plants										(117 122)			117 122		
Elimination of fair value adjustment previously recognised		943					943				943				
Production costs capitalised in respect of immature vineyards and orchards		5 572					5 572				5 572				
Borrowing costs capitalised in respect of immature vineyards and orchards				1 500			1 500				1 500				
Depreciation			(8 581)				(8 581)				(8 581)				
Taxation					395		395				395	(686)			
Net adjustment relating to 2013	**(33 192)**	**(26 286)**	**80 425**	**(1 500)**	**(7 558)**	**(3 765)**	**11 124**	**(82 226)**	**215 962**	**(117 979)**	**16 684**	**15 156**	**117 122**	**95 420**	**5 617**
Balance stated at 31 December 2013 (restated)	**7 149 021**	**(6 251 814)**	**(706 429)**	**(8 878)**	**(57 315)**	**(12 376)**	**11 124**	**777 508**	**312 658**	**–**	**701 645**	**41 949**	**117 122**	**632 351**	**31 394**

41. NEW ACCOUNTING STANDARDS ADOPTED IN CURRENT YEAR

a. *Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)*
b. *Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)*
c. *Recoverable Amount closures for Non-Financial Assets (Amendments to IAS 36)*
d. *Novation of Derivatives and Continuation of Hedge Accounting (Amendments IAS 39)*
e. *IFRIC 21 Levies*

The adoption and implementation of the above standards have been evaluated by management and does not have a significant impact in the Group.

(a) **Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities**

The amendments to IFRS 10 define an investment entity and introduce an exception from the requirements to consolidate subsidiaries for an investment entity. In terms of the exception, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss. The exception does not apply to subsidiaries of investment entities that provide services that relate to the investment entity's investment activities.

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is an investment entity when it:

- obtains funds from one or more investors for the purpose of providing them with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates performance of substantially all of its investments on a fair value basis.

Consequential amendments to IFRS 12 and IAS 27 have been made to introduce new disclosure requirements for investment entities.

In general, the amendments require retrospective application, with specific transitional provisions.

(b) **Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities**

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement". The amendments require retrospective application.

(c) **Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets**

The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 *Fair Value Measurements*. The amendments require retrospective application.

(d) **Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting**

The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. The amendments require retrospective application.

(e) **IFRIC 21 Levies**

IFRIC 21 addresses the issue of when to recognise a liability to pay a levy. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period. IFRIC 21 requires retrospective application.

42. **STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET ADOPTED**

Standard amendments and interpretations not yet effective and under review as to their effect on the Group:

The International Accounting Standards Board (IASB) and IFRIC issued the following standards, amendments and interpretations, that are applicable to the Group with an effective date after the date of these financial statements, which management believes could impact the Group in future periods.

Below is a list of new and revised IFRSs that are not yet mandatorily effective (but allow early application) for the year ended 31 December 2014:

- IFRS 9 Financial Instruments
- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue from Contracts with Customers
- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants (Adopted 2014 retrospectively) – refer note 40
- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
- Annual Improvements to IFRSs 2010 – 2012 Cycle – various standards
- Annual Improvements to IFRSs 2011 – 2013 Cycle – various standards
- Annual Improvements to IFRSs 2012 – 2014 Cycles – various standards
- Equity Method in Separate Financial Statements (Amendments to IAS 27); and
- Sale or contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 26)

ANNEXURE 1 (SUBSIDIARY COMPANIES)

Company name	Country of incorporation	31 December 2014 %	31 December 2013 %	31 December 2012 %	Nature of operations
Addo Cold Store (Pty) Ltd	RSA	49.9	99.99	99.99	Cold storage facility
Aggrigate Investments (Pty) Ltd	RSA	100	100	100	Farming
AM Valentin Boerdery (Pty) Ltd	RSA	100	100	100	Farming
Amval (Pty) Ltd	RSA	100	100	100	Farming
Applethwaite Farm (Pty) Ltd	RSA	100	100	100	Farming
Attie Valentin (Pty) Ltd	RSA	100	100	100	Farming
Capespan (Pty) Ltd	RSA	100	100	100	Investment and services
Capespan Austria Gmbh	Austria	100	100	100	Fruit marketing
Capespan Canada Investments Inc	Canada	100	100	100	Holding company
Capespan Chile	Chile	100	100	100	Fruit export
Capespan Continent NV	Belgium	100	100	100	Fruit import and distribution
Capespan Egypt Export SA	Egypt	100	100	100	Fruit import and distribution
Capespan Farms (Pty) Ltd	RSA	100	100	100	Primary agriculture
Capespan France SAS	France	100	100	100	Fruit marketing
Capespan Germany Gmbh	Germany	100	100	100	Fruit marketing
Capespan Group Holdings Limited	RSA	100	100	100	Holding company
Capespan International Holdings Limited	UK	100	100	100	Holding company
Capespan International Ltd	UK	100	100	100	Fruit import and distribution
Capespan Japan Limited	Japan	100	100	100	Marketing Japan
Capespan Namibia Farm Management Services Proprietary Limited	Namibia	75	75	75	Farm management
Capespan North America	Canada	80	80	80	Marketing Canada
Capespan North America LLC	USA	80	80	80	Marketing USA
Capespan Schweiz AG	Switzerland	100	100	100	Fruit marketing
Capespan South Africa (Pty) Ltd	RSA	100	100	100	Fruit export
Dormell Properties (Pty) Ltd	RSA	100	100	100	Farming
Fedfa Exports (Pty) Ltd	RSA	100	100	100	Fruit exporter
FPT Empowerment Holdings (Pty) Ltd	RSA	49	–	–	Holding company
FPT Group (Pty) Ltd	RSA	74	100	100	Port terminal operations
FPT Holdings (Pty) Ltd	RSA	100	–	–	Holding company
FPT Mineral Terminal Lda	Mozambique	67	67	67	Inland terminal
FPT Mozambique Lda	Mozambique	100	100	100	Port terminal operations
FPT Port Leasing (Pty) Ltd	RSA	100	100	74	Port terminal operations
Fresh Fruit Services Continent CVBA	Belgium	100	100	100	Fruit distribution
Gestão de Terminais, SA	Mozambique	50	–	–	Customs terminal
Matola Cargo Terminal Sarl	Mozambique	90	90	90	Inland terminal
Metspan Hong Kong Limited	Hong Kong	100	100	100	Marketing Far East
Mulungisi Investments Limited	Isle of Man	100	100	100	Holding company
Oorkant Boerdery (Pty) Ltd	RSA	100	100	100	Farming
Oraculim Investments (Pty) Ltd	RSA	100	100	100	Farming
Pedal Trading 152 (Pty) Ltd	RSA	100	99.99	99.99	Dormant
Penhill Farms (Pty) Ltd	RSA	100	100	100	Farming
Servagro Trading (Pty) Ltd	RSA	–	100	100	Property company
Sikisa Trading Corporation (Pty) Ltd	RSA	100	100	100	Packhouse operations
Universal Reefers Limited	Isle of Man	100	100	100	Shipping
Valam (Pty) Ltd	RSA	100	100	100	Farming

ANNEXURE 2 (ASSOCIATED COMPANIES – 2014)

2014				Post-acquisition reserves					
Company name	Country of incorporation	Nature of operations	Holding at year-end %	Shares at cost R'000	Accumulated reserves R'000	Foreign currency translation R'000	Impaired associate R'000	Carrying value R'000	Profit or (loss) R'000
Capespan Capital	South Africa	Finance	49	1 283	(110)	–	–	1 173	30
Golden Wing Mau	China	Fruit distribution	25	144 854	52 133	37 713	–	295 324	60 621
Mayfresh	Turkey	Fruit marketing	50	501	–	–		501	–
Goodview	Hong Kong	Fruit	25.1	28 083	–	–	–	28 083	–
				174 721	52 023	37 713	–	325 081	60 651

2013				Post-acquisition reserves					
Company name	Country of incorporation	Nature of operations	Holding at year-end %	Shares at cost R'000	Accumulated reserves R'000	Foreign currency translation R'000	Impaired associate R'000	Carrying value R'000	Profit or (loss) R'000
Capespan Capital	South Africa	Finance	49	980	(137)	–	–	843	(137)
Gestão de Terminais, SA	Mozambique	Customs terminal	36	8 222	4	–	–	8 226	4
Golden Wing Mau	China	Fruit distribution	25	144 854	52 133	34 772	–	231 759	28 943
				154 056	52 000	34 772	–	240 828	28 810

2012				Post-acquisition reserves					
Company name	Country of incorporation	Nature of operations	Holding at year-end %	Shares at cost R'000	Accumulated reserves R'000	Foreign currency translation R'000	Impaired associate R'000	Carrying value R'000	Profit or (loss) R'000
Stellenbosch Vineyards Group Limited	South Africa	Wine marketing	27.3	8 335	14 103	(434)	(22 004)	–	–
Genetwister Africa (Pty) Limited	South Africa	Research	nil	–	–	–	–	–	(60)
Golden Wing Mau	China	Fruit distribution	25	119 609	31 528	12 508	–	163 645	26 108
				127 944	45 631	12 074	(22 004)	163 645	26 048

During the year the Group reviewed the composition of its reportable segments and has separated the farming reportable segment from the fruit reportable segment. The comparative information has been restated accordingly.

THREE-YEAR AUDITED HISTORICAL FINANCIAL INFORMATION OF ZEDER

BASIS OF PREPARATION

The consolidated income statements, statements of financial position, comprehensive income, changes in equity, cash flows and notes thereto, of Zeder for the financial years ended 28 February 2013, 28 February 2014 and 28 February 2015, have been extracted and compiled from the audited consolidated annual financial statements of Zeder, which are available on Zeder's website. The aforementioned consolidated annual financial statements were compiled under the supervision of the group financial director, Mr WL Greeff, CA(SA), and were approved by the Zeder Directors on 8 April 2013, 7 April 2014 and 7 April 2015, respectively. The preparation of this Annexure 3 is the responsibility of the Zeder Directors.

The historical financial information of Zeder has previously been audited by PwC and reported on without qualification for all of the aforementioned financial periods.

NATURE OF BUSINESS

Zeder Investments Ltd ("Zeder") is an investor in the broad agribusiness industry with a specific focus on the food and beverage sectors. The activities of the Zeder group of companies are set out in detail in the review of operations section of Zeder's annual reports, being available at www.zeder.co.za or may be requested and obtained in person, at no charge, at the registered office of Zeder during office hours.

OPERATING RESULTS

During the year under review, Zeder made an offer to acquire all the shares in Agri Voedsel Ltd ("Agri Voedsel") (which in turn held an interest of 26,0% in JSE-listed Pioneer Food Group Ltd) 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 completion of same, Zeder now owns a direct interest of 27,3% in Pioneer Food Group Ltd. As purchase consideration, 463,7m Zeder shares were issued to Agri Voedsel shareholders. Furthermore, the group invested R154m in its existing core investments, namely Capespan Group Ltd, Zaad Holdings Ltd, Agrivision Africa (previously Chayton Africa), Pioneer Food Group Ltd, Quantum Foods Holdings Ltd and Kaap Agri Ltd. The group also disposed of its remaining shareholding in Capevin Holdings Ltd for cash proceeds of R193,5m.

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

The earnings attributable to equity holders of the group for the year under review were R241,8m (2014: R306,8m) (2013: R511,7m). During the year under review, recurring headline earnings per share increased by 15,4% to 35,3 cents (2014: 30,6 cents) (2013: 25,7 cents), due to improved earnings contributions from the majority of Zeder's underlying investments.

Headline earnings per share decreased by 17,3% to 22 cents (2014: 26,6 cents) (2013: 20,1 cents), due to the higher non-recurring performance fee payable following Zeder's strong share price growth and the increased number of shares in issue as a consequence of the merger with Agri Voedsel. In addition, Pioneer Food Group Ltd incurred higher BEE share-based payment costs as a result of its strong share price growth, and Capespan Group Ltd made a deferred purchase consideration loss adjustment as a result of Golden Wing Mau, an associate, performing better than originally anticipated.

Attributable earnings per share decreased by 34,2% to 20,6 cents (2014: 31,3 cents) (2013: 52,3 cents), following the aforementioned decrease in headline earnings and a non-headline fair value gain made during the previous financial year following Capespan Group Ltd becoming a subsidiary.

The results of the 28 February 2015 year included the first time full year consolidation of Capespan Group Ltd, which formed part of the group for eight months during the 2014 year. The results for the year ended 28 February 2013 for the first time included the consolidated 11-month results of Zaad and Chayton.

STATED CAPITAL

During the year under review, the company issued 463 655 674 (2014: 2 099 814) (2013: nil) ordinary shares as part of asset-for-share exchanges and thereby increased its total number of ordinary shares in issue to 1 443 843 985 (2014: 980 188 311) (2013: 978 088 517). During the previous year, the company converted its issued ordinary and unissued preference shares to shares with no par value. Details regarding the authorised and issued share capital are disclosed in note 15 to the annual financial statements.

DIVIDENDS

On 7 April 2015, the company declared a final dividend of 5,5 cents (2014: 4,5 cents) (2013: 4 cents) per share in respect of the year ended 28 February 2015, which was paid on 4 May 2015.

SECRETARY

The secretary of the company is PSG Corporate Services (Pty) Ltd. Please refer to the "*Corporate Information and Advisors*" section of this Circular for its business and postal addresses.

AUDITOR

At the date of the financial statements being approved, PricewaterhouseCoopers Inc held office in accordance with the Companies Act of South Africa.

HISTORICAL FINANCIAL INFORMATION

No material change in the nature of the business of Zeder and its subsidiaries occurred, and no material fact or circumstance has occurred between the end of the latest financial year of Zeder and the date of this Circular, in so far as not already dealt with in historical financial information outlined in this Annexure.

STATEMENTS OF FINANCIAL POSITION

at 28 February 2015

		GROUP			COMPANY		
		2015	2014*	2013	**2015**	2014	2013
	Notes	**R'000**	R'000	R'000	**R'000**	R'000	R'000
ASSETS							
Non-current assets		**8 003 349**	3 637 184	2 838 505	**6 214 060**	2 125 732	2 117 521
Property, plant and equipment	1	**1 223 209**	924 975	381 818			
Intangible assets	2	**600 729**	375 795	158 906			
Biological assets	9	**181 524**	117 121				
Investment in subsidiary	3				**6 214 060**	2 125 732	2 117 521
Investment in ordinary shares of associates	4.1	**5 703 989**	1 821 814	2 126 535			
Loans to associates	4.2	**30 030**	18 239	54 470			
Investment in ordinary shares of joint ventures	5.1	**39**	67				
Loans granted to joint ventures	5.2	**81**	1 553				
Equity securities	6	**51 008**	206 528	100 515			
Loans and advances	7	**114 409**	78 614	16 261			
Deferred income tax assets	17	**63 869**	59 388				
Employee benefits	8	**34 462**	33 090				
Current assets		**3 132 123**	3 122 922	1 059 233	**–**	–	–
Biological assets	9	**92 808**	83 447	31 264			
Inventories	10	**988 105**	955 724	174 625			
Trade and other receivables	11	**1 259 979**	1 045 000	100 729			
Derivative financial assets	12	**24**	1 299				
Current income tax receivables		**21 208**	22 684				
Cash, money market investments and other cash equivalents	13	**769 999**	1 014 768	752 615			
Non-current assets held for sale	14	**30 378**	177 570	287 733			
Total assets		**11 165 850**	6 937 676	4 185 471	**6 214 060**	2 125 732	2 117 521
EQUITY AND LIABILITIES							
Equity attributable to owners of the parent							
Stated/share capital	15	**5 095 256**	1 748 061	9 781	**5 095 256**	1 748 061	9 781
Share premium				1 730 071			1 730 071
Other reserves	16	**54 067**	76 121	5 529			
Retained earnings		**1 983 375**	1 796 330	1 538 100	**413 893**	309 620	323 711
		7 132 698	3 620 512	3 283 481	**5 509 149**	2 057 681	2 063 563
Non-controlling interest		**607 845**	544 679	109 109			
Total equity		**7 740 543**	4 165 191	3 392 590	**5 509 149**	2 057 681	2 063 563
Non-current liabilities		**1 273 712**	1 028 346	544 912	**–**	–	–
Deferred income tax liabilities	17	**105 627**	119 768	53 895			
Borrowings	18	**969 938**	738 533	445 351			
Derivative financial liabilities	19	**63 644**	45 666	45 666			
Employee benefits	8	**134 503**	124 379				
Current liabilities		**2 151 595**	1 744 139	247 969	**704 911**	68 051	53 958
Borrowings	18	**902 373**	459 699	59 981	**701 911**	68 051	53 925
Trade and other payables	20	**1 153 236**	1 176 719	184 866			33
Derivative financial liabilities	19	**417**	15 236				
Current income tax payables		**30 928**	19 299	502	**3 000**		
Employee benefits	8	**64 641**	73 186	2 620			
Total equity and liabilities		**11 165 850**	6 937 676	4 185 471	**6 214 060**	2 125 732	2 117 521

** Restated as set out in note 33.*

INCOME STATEMENTS

for the year ended 28 February 2015

		GROUP			COMPANY		
		2015	2014*	2013	**2015**	2014	2013
	Notes	**R'000**	R'000	R'000	**R'000**	R'000	R'000
Revenue	21	**8 691 968**	5 977 508	328 113			
Cost of sales	22	**(7 423 794)**	(5 204 533)	(234 437)			
Gross profit		**1 268 174**	772 975	93 676	**–**	–	–
Income							
Change in fair value of biological assets	9	**144 019**	134 150	28 703			
Investment income	23	**74 848**	65 854	13 102	**151 380**	25 000	50 000
Net fair value gains	24	**37 717**	143 953	32 521			
Other operating income	25	**44 714**	16 342	5 480			
Total income		**301 298**	360 299	79 806	**151 380**	25 000	50 000
Expenses							
Management fees	26.1	**(235 514)**	(118 044)	(58 560)			
Marketing, administration and other expenses	26.2	**(1 129 819)**	(660 828)	(120 105)			
Total expenses		**(1 365 333)**	(778 872)	(178 665)	**–**	–	–
Income from associates and joint ventures							
Share of profits of associates and joint ventures	4 and 5	**299 892**	218 011	300 249			
Impairment of associates and joint ventures	4 and 5	**(132)**	(21 421)				
Loss on dilution of interest in associates	4			(155 276)			
Loss on disposal of investment in associates			(3 836)	502 890			
Net income from associates and joint ventures		**299 760**	192 754	647 863	**–**	–	–
Profit before finance costs and taxation		**503 899**	547 156	642 680	**151 380**	25 000	50 000
Finance costs	27	**(142 864)**	(85 962)	(37 199)			
Profit before taxation		**361 035**	461 194	605 481	**151 380**	25 000	50 000
Taxation	28	**(77 289)**	(104 686)	(95 918)	**(3 000)**		
Profit for the year		**283 746**	356 508	509 563	**148 380**	25 000	50 000
Profit attributable to:							
Owners of the parent		**241 816**	306 753	511 741	**148 380**	25 000	50 000
Non-controlling interest		**41 930**	49 755	(2 178)			
		283 746	356 508	509 563	**148 380**	25 000	50 000
Earnings per share (cents)	32						
Attributable – basic and diluted		**20,6**	31,3	52,3			

** Restated as set out in note 33.*

STATEMENTS OF OTHER COMPREHENSIVE INCOME

for the year ended 28 February 2015

	GROUP			COMPANY		
	2015	2014*	2013	**2015**	2014	2013
	R'000	R'000	R'000	**R'000**	R'000	R'000
Profit for the year	**283 746**	356 508	509 563	**148 380**	25 000	50 000
Other comprehensive (loss)/income for year, net of taxation	**(30 963)**	118 138	44 619	**–**	–	–
Items that will be reclassified to profit or loss						
Currency translation movements	**(19 012)**	157 391	13 351			
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**	391	363			
Reclassification of gains on available-for-sale investments		(678)				
Share of other comprehensive (loss)/income of associates	**(12 725)**	31 200	32 317			
Reclassification of share of associates' other comprehensive income and equity movements upon disposal		(55 887)	(1 225)			
Cash flow hedges	**(5 709)**	(15 428)				
Recycling of cash flow hedges	**25 010**					
Share of other equity movements of associates			(187)			
Items that will not be reclassified to profit or loss						
Actuarial (losses)/gains on employee defined benefit plans	**(18 304)**	1 149				
Total comprehensive income for year	**252 783**	474 646	554 182	**148 380**	25 000	50 000
Attributable to:						
Owners of the parent	**217 522**	383 979	552 594	**148 380**	25 000	50 000
Non-controlling interest	**35 261**	90 667	1 588			
	252 783	474 646	554 182	**148 380**	25 000	50 000

** Restated as set out in note 33.*

STATEMENTS OF CHANGES IN EQUITY

for the year ended 28 February 2015

GROUP	Stated/ share capital R'000	Share premium R'000	Other reserves R'000	Retained earnings* R'000	Non-controlling interest* R'000	Total R'000
Balance at 1 March 2012	9 781	1 730 071	9 856	1 067 318		2 817 026
Total comprehensive income	–	–	40 853	511 741	1 588	554 182
Profit for the year				511 741	(2 178)	509 563
Other comprehensive income			40 853		3 766	44 619
Transactions with owners	–	–	(45 180)	(40 959)	107 521	21 382
Transactions with non-controlling interest			(45 180)	(14 860)	16 341	(43 699)
Capital contributions				13 025	91 180	104 205
Dividends paid				(39 124)		(39 124)
Balance at 28 February 2013	9 781	1 730 071	5 529	1 538 100	109 109	3 392 590
Conversion to no par value shares	1 738 259	(1 738 259)				–
Total comprehensive income	–	–	69 529	307 581	97 536	474 646
Profit for the year				306 753	49 755	356 508
Other comprehensive income			69 529	828	47 781	118 138
Transactions with owners	21	8 188	1 063	(49 351)	338 034	297 955
Shares issued	21	8 188				8 209
Subsidiaries acquired					302 808	302 808
Share-based payment costs – employees			1 339		337	1 676
Transactions with non-controlling interest			(276)	(10 227)	(16 760)	(27 263)
Capital contributions**					64 819	64 819
Dividends paid				(39 124)	(13 170)	(52 294)
Balance at 28 February 2014	1 748 061	–	76 121	1 796 330	544 679	4 165 191
Total comprehensive (loss)/income	**–**	**–**	**(10 095)**	**227 617**	**35 261**	**252 783**
Profit for the year				**241 816**	**41 930**	**283 746**
Other comprehensive loss			**(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**					**3 347 195**
Share-based payment costs – employees			**10 709**			**10 709**
Transactions with non-controlling interest			**(20 263)**	**1 130**	**32 141**	**13 008**
Capital contributions**					**10 890**	**10 890**
Transfer from 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**

** Restated as set out in note 33.*

*** Consist of capital contributions from Agrivision Africa and Zaad's non-controlling interest.*

STATEMENTS OF CHANGES IN EQUITY

for the year ended 28 February 2015

COMPANY	Stated/share capital R'000	Share premium R'000	Retained earnings R'000	Total R'000
Balance at 1 March 2012	9 781	1 730 071	312 835	2 052 687
Profit for the year			50 000	50 000
Dividends paid			(39 124)	(39 124)
Balance at 28 February 2013	9 781	1 730 071	323 711	2 063 563
Shares issued	21	8 188		8 209
Conversion to no par value shares	1 738 259	(1 738 259)		–
Profit for the year			25 000	25 000
Dividends paid			(39 124)	(39 124)
Other			33	33
Balance at 28 February 2014	1 748 061	–	309 620	2 057 681
Shares issued	**3 347 195**			**3 347 195**
Profit for the year			**148 380**	**148 380**
Dividends paid			**(44 107)**	**(44 107)**
Balance at 28 February 2015	**5 095 256**	**–**	**413 893**	**5 509 149**

Final dividends per share

2012: 4 cents (declared on 7 March 2012 and paid on 2 April 2012)
2013: 4 cents (declared on 8 April 2013 and paid on 6 May 2013)
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 payable on 4 May 2015)

STATEMENTS OF CASH FLOWS

for the year ended 28 February 2015

GROUP	Notes	**2015 R'000**	2014 R'000	2013 R'000
Cash flow from operating activities		**(108 584)**	255 058	44 770
Cash (utilised by)/generated from operations	31.1	**(75 699)**	300 642	34 752
Interest received		**68 675**	50 775	7 258
Dividends received		**132 817**	77 128	123 281
Interest paid		**(125 373)**	(89 001)	(28 053)
Taxation paid	31.2	**(109 004)**	(84 486)	(92 468)
Cash flow from investment activities		**(741 132)**	189 397	386 334
Acquisition of subsidiaries	31.3	**(300 233)**	(36 361)	(397 615)
Acquisition of associates	4	**(264 849)**	(242 184)	(124 319)
Acquisition of equity securities	6		(177 797)	(24)
Additions to property, plant and equipment	1	**(256 475)**	(160 646)	(46 826)
Additions to intangible assets	2	**(75 828)**	(16 164)	
Proceeds from disposal of associates			91 707	795 467
Proceeds from disposal of equity securities			124 567	138 627
Proceeds from disposal of non-current assets held for sale		**193 458**	504 524	
Proceeds on redemption of preference share investment				66 101
Proceeds from disposal of property, plant and equipment		**8 953**	53 863	9 393
Proceeds from intangible assets		**41**		
Net (decrease)/increase in the amounts receivable from associates and joint ventures		**(10 319)**	41 505	(54 470)
(Increase)/decrease in loans and advances		**(35 880)**	6 383	
Cash flow from financing activities		**579 514**	(228 389)	242 689
Capital contributions by non-controlling interest		**6 400**	64 819	91 180
Transaction with non-controlling interest		**(9 052)**	(23 241)	
Dividends paid to group shareholders		**(44 107)**	(39 124)	(39 124)
Dividends paid to non-controlling interest		**(15 126)**	(13 170)	
Borrowings repaid		**(79 386)**	(252 058)	
Borrowings drawn		**720 785**	34 385	190 633
Net (decrease)/increase in cash and cash equivalents		**(270 202)**	216 066	673 793
Cash and cash equivalents at beginning of year		**1 014 768**	752 615	77 478
Exchange gains on cash and cash equivalents		**25 433**	46 087	1 344
Cash and cash equivalents at end of year	13	**769 999**	1 014 768	752 615

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 the consolidated financial statements are consistent in all material respects with those used in the prior financial year, taking cognisance of the retrospective early applications as set out below.

1. BASIS OF PREPARATION

The consolidated and separate 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 African 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 separate financial statements are disclosed in accounting policy note 26 below.

2. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS AND AMENDMENTS THAT ARE EFFECTIVE FOR THE FIRST TIME IN 2015

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

- Amendments to IAS 16 *Property, plant and equipment* and IAS 41 *Agriculture: Bearer plants* (effective 1 January 2016)

Biological assets that meet the definition of bearer plants are measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. Accordingly, bearer plants are measured similar to self-constructed items of property, plant and equipment.

- Amendments to IAS 36 *Impairment of assets* (effective 1 January 2014)

The group has adopted the amendments that addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal.

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

The following new standards, interpretations and amendments, which are not currently relevant to the group's operations, had no impact on the measurement of amounts or disclosures in the current or prior year:

- Amendments to IAS 32 *Financial instruments: Presentation* – Offsetting financial assets and financial liabilities (effective 1 January 2014)
- Amendments to IFRS 10 *Consolidated Financial Statements,* IFRS 12 *Disclosure of interest in other entities* and IAS 27 *Separate financial statements* – Investment entities (effective 1 January 2014)
- Amendments to IAS 39 *Financial instruments: Recognition and measurement* – Novation of derivatives and continuation of hedge accounting
- IFRIC 21 *Levies* (effective 1 January 2014)
- Improvements to IFRSs 2012

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 to account 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 either in profit or loss or as a change to other comprehensive income. 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.

3.2 Changes in ownership interests in subsidiaries without change of control

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

3.3 Disposal of subsidiaries

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

3. **CONSOLIDATION (continued)**

3.4 **Associates**

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

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

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

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

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

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

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 standalone 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 the "fair value gain or loss". 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:

	2015		2014		2013	
	Average Rand per foreign currency unit	**Closing Rand per foreign currency unit**	Average Rand per foreign currency unit	Closing Rand per foreign currency unit	Average Rand per foreign currency unit	Closing Rand per foreign currency unit
British pound	**17,83**	**17,99**	15,05	17,11		
Chinese yuan renminbi	**1,76**	**1,86**	1,56	1,72		
Euro	**14,14**	**14,05**	12,78	14,32		
Hong Kong dollar	**1,40**	**1,49**	1,24	1,34		
Japanese yen	**0,10**	**0,10**	0,10	0,10		
Mozambique new metical	**0,35**	**0,34**	0,32	0,34		
United States dollar	**10,84**	**11,60**	9,64	10,50	8,37	8,47
Zambian kwacha	**1,77**	**1,84**	1,79	1,89		

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 licenses 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, 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.

9. **FINANCIAL INSTRUMENTS (continued)**

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, held-to-maturity financial assets, 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) *Held-to-maturity financial assets*

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities – other than those that meet the definition of loans and receivables – that the group's management has the positive intention and ability to hold to maturity.

(c) *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.

(d) *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.

11. **FINANCIAL ASSETS (continued)**

11.2 **Recognition and measurement of financial assets (continued)**

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 in the 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 non-monetary securities 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 from investment activities.

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.

Held-to-maturity investments are measured at amortised cost using the effective-interest method less any impairment, with income recognised on such basis.

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

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

11.3 **Impairment of financial assets**

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

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

Held-to-maturity investments are considered impaired when there is objective evidence that the group will not be able to collect all amounts due according to the original contract terms. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the investment is impaired. The amount of the impairment 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.

12. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are recognised initially at fair value on the date on which a derivative contract is entered into. Subsequent to initial recognition, derivative financial instruments are measured at fair value through profit or loss. 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 liability

IFRS requires the group to account for a written put option held by non-controlling shareholders of the group's subsidiaries, which provides them with the right to require the group to acquire their shareholding at fair value. 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.

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 cost of the asset. 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**

Biological assets are measured on initial recognition and at the end of each reporting period at fair value less cost to sell. Changes in the measurement of fair value less cost to sell are included in profit or loss for the period in which they arise. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs and incremental selling costs, including auctioneers' fees and commission paid to brokers and dealers. All costs incurred in maintaining the assets are included in profit or loss for the period in which they arise. Refer note 9 for further details regarding the valuation fo biological assets.

13.1 **Bearer plants**

Biological assets that meet the definition of bearer plants are measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. Management elected the cost model and bearer plants are carried 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. Agricultural produce growing on bearer plants remain within the scope of IAS 41 *Agriculture* and are measured at fair value less costs to sell with changes recognised in profit or loss as the produce grows. Production and borrowing costs are included in the cost.

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 orchards/vineyards begins the day the tree 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	Plums	20 years

A distinction is made between non-bearing and partially bearing orchards/vineyards and when the transformation has been sustainably completed (i.e. full bearing orchards/vineyards). In collaboration with the technical department the 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	Plums	3 years

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

All direct and related expenses incurred in the production of the current harvest have been capitalised against biological assets at cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and 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 AND SHARE 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 (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, investment contracts, third party liabilities arising on consolidation of mutual funds, accrual for other liabilities and charges, and trade and other payables. The group issues investments contracts without fixed terms (unit-linked) and with fixed and guaranteed terms (fixed interest rate).

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 interest expense.

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. **TAXATION (continued)**

19.2 **Secondary tax on companies and dividend withholding tax**

Secondary tax on companies was abolished with effect from 1 April 2012 and replaced by a dividends tax, which 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 (where applicable) 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 plans and post-employment medical plans.

20.1 **Pension obligations**

A defined contribution plan is a pension 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 pension 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 pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. 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 obligation. 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 equity in 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 **Other post-retirement benefits**

Some group companies provide post-employment healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

20.3 **Share-based compensation**

A subsidiary of the group operates an equity-settled share-based payment scheme.

20. EMPLOYEE BENEFITS (continued)

20.3 Share-based compensation (continued)

For the share-based payment scheme, 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 period, which is between three and seven 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 (other reserves) and represents the fair value at grant date of the share options that will be delivered on vesting.

20.4 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.

20.5 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.

20.6 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.

20.7 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.

21. PROVISIONS AND CONTINGENT LIABILITIES (continued)

21.1 Provisions (continued)

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 an interest expense.

21.2 Contingent liabilities

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.

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.

22. LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

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. **REVENUE RECOGNITION (continued)**

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).

26.2 **Impairment of investment in associates**

An impairment of investment in 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. **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (continued)**

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 4% and 17% (2014: ranging between 17% and 20%) (2013: 20%).

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 two and five years were assumed and average cancellation rates ranging between 15% and 85% (2014: ranging between 15% and 85%) (2013: 50%) were assumed.

If useful lives were increased/decreased by 10%, the intangible assets recognised would have been approximately R2,5m (2014: approximately R2m) (2013: approximately R1m) 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 **Recognition 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 **Recognition of biological assets**

The fair value of these biological assets were determined using a discounted cash flow model, which incorporates significant variable inputs i.e. discount rate and useful life of the biological assets. Where an insignificant level of biological transformation had taken place since planting, the biological assets are valued at cost (refer note 9 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. The recognised and unrecognised assessed tax losses are disclosed in note 28.

26.10 Contingent consideration

The deferred purchase consideration recognised, at the previous reporting date (refer note 20) relates to an earn-out clause paid during 2014. Calculations are based on the estimated average net profit before tax for three years using average forecast exchange rates and discounted.

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 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)**
Balance at end of year	**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**
At 28 February 2014					
Cost	297 238	321 544	361 735	25 056	1 005 573
Accumulated depreciation and impairment	(7 968)	(9 149)	(56 990)	(6 491)	(80 598)
Balance at end of year	289 270	312 395	304 745	18 565	924 975
Reconciliation					
Balance at beginning of year	194 094	62 112	124 329	1 283	381 818
Additions	25 006	32 881	96 087	6 672	160 646
Disposals	(5 470)	(29 117)	(22 766)	(348)	(57 701)
Depreciation	(5 626)	(7 737)	(45 780)	(6 166)	(65 309)
Exchange rate movements	32 852	14 733	26 152	(988)	72 749
Subsidiaries acquired	48 414	239 523	126 723	18 112	432 772
Balance at end of year	289 270	312 395	304 745	18 565	924 975
At 28 February 2013					
Cost	196 436	63 524	135 539	1 608	397 107
Accumulated depreciation and impairment	(2 342)	(1 412)	(11 210)	(325)	(15 289)
Balance at end of year	194 094	62 112	124 329	1 283	381 818
Reconciliation					
Balance at beginning of year					–
Additions	2 727	14 569	28 576	954	46 826
Disposals	(6 882)	(92)	(626)	(5)	(7 605)
Depreciation	(2 342)	(1 412)	(11 210)	(325)	(15 289)
Exchange rate movements	6 703	1 755	4 328	31	12 817
Subsidiaries acquired	193 888	47 292	103 261	628	345 069
Balance at end of year	194 094	62 112	124 329	1 283	381 818

Details of land and buildings are available at the registered offices of the relevant group companies. Refer note 18 for details regarding property, plant and equipment that serve as security for borrowings.

The reversal of impairment relates to the property, plant and equipment of a Capespan Group Ltd subsidiary, which was subsequently classified as a non-current asset held-for-sale.

2. **INTANGIBLE ASSETS**

GROUP	Capitalised product development costs R'000	Customer lists R'000	Trademarks, computer software and other R'000	Goodwill R'000	Total R'000
At 28 February 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**
At 28 February 2014					
Cost	78 629	33 261	57 750	232 937	402 577
Accumulated amortisation	(4 158)	(10 932)	(11 692)		(26 782)
Balance at end of year	74 471	22 329	46 058	232 937	375 795
Reconciliation					
Balance at beginning of year		4 819	11 008	143 079	158 906
Additions	14 433		1 731		16 164
Amortisation	(4 158)	(6 851)	(9 345)		(20 354)
Impairment	(1 155)				(1 155)
Exchange rate movement	4 092		(652)	20 793	24 233
Subsidiaries acquired	61 259	24 361	43 316	69 065	198 001
Balance at end of year	74 471	22 329	46 058	232 937	375 795
At 28 February 2013					
Cost		8 900	13 355	143 079	165 334
Accumulated amortisation		(4 081)	(2 347)		(6 428)
Balance at end of year	–	4 819	11 008	143 079	158 906
Reconciliation					
Balance at beginning of year					–
Amortisation		(4 081)	(2 347)		(6 428)
Exchange rate movement				4 088	4 088
Subsidiaries acquired		8 900	13 355	138 991	161 246
Balance at end of year	–	4 819	11 008	143 079	158 906

2. **INTANGIBLE ASSETS (continued)**

Intangible assets other than goodwill

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

	Remaining amortisation period			Carrying value		
	2015	2014	2013	**2015 R'000**	2014 R'000	2013 R'000
Zaad						
Capitalised product development costs	**< 8 years**	< 9 years		**127 560**	74 471	
Capespan						
Metspan Hong Kong customer lists	**16 years**	17 years		**13 372**	14 209	
				140 932	88 680	–

Goodwill allocation

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

	GROUP		
	2015 R'000	2014 R'000	2013 R'000
Zaad			
Agricol	**51 722**	51 722	51 722
Klein Karoo Seed Marketing	**69 065**	69 065	
Agrivision Africa			
Chobe Agrivision	**42 883**	38 253	29 378
Somawhe	**78 467**	73 897	61 979
Mpongwe Milling	**173 973**		
	416 110	232 937	143 079

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 fair value less cost to sell 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 is determined using unobservable inputs (level 3), by applying a price/earnings ratio of 12 (2014: 12) (2013: 10). 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.

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 value of US$11 840 (2014: US$11 840) (2013: US$10 000) 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 (2014: still exceed the carrying value) (2013: impairment of R13,7m). Mpongwe Milling's fair value less cost to sell were determined using a price/earnings ratio of 10 – 15.

At the reporting date, the directors were satisfied that the carrying value of goodwill is adequately supported.

	COMPANY		
	2015	2014	2013
	R'000	R'000	R'000
3. INVESTMENT IN SUBSIDIARY			
Unlisted shares at cost less provision for impairment	**6 214 060**	2 125 732	2 117 521

The company holds 100% (2014: 100%) (2013: 100%) of the issued share capital of Zeder Financial Services Ltd. Refer to note 4.2 for further details.

	GROUP		
	2015	2014	2013
	R'000	R'000	R'000
4. INVESTMENT IN ASSOCIATES			
4.1 Investment in ordinary shares of associates			
– Listed	**4 916 986**		
– Unlisted but quoted	**787 003**	1 821 814	2 126 535
	5 703 989	1 821 814	2 126 535
4.2 Loans to associates[1]	**30 030**	18 239	54 470
– Klein Karoo Seed Marketing (Pty) Ltd[2]			50 470
– Klein Karoo Akademie (Pty) Ltd[3]	**2 305**	3 472	
– Klein Karoo Seed Zimbabwe[3]	**27 725**	14 767	
– Other[4]			4 000

[1] *Loans in associates approximate fair value.*
[2] *The loan was unsecured, carried interest at a rate of prime less 1% and has been repaid.*
[3] *These loans are unsecured, interest free with no repayment terms.*
[4] *The loan was capitalised during the previous year.*

Reconciliation of ordinary share investments:			
Balance at beginning of year	**1 821 814**	2 126 535	2 567 104
Subsidiaries acquired		181 047	
Acquisitions			
– Cash	**87 301**	242 184	124 319
– Share issue[1]	**3 335 322**	8 209	
– Other	**50 079**	6 881	
Equity accounting			
– Share of profits of associates[2]	**300 743**	164 518	299 024
– Loss on dilution of interest in associate			(155 276)
– Dividends received	**(126 644)**	(63 549)	(117 437)
– Other comprehensive income	**(12 725)**	31 200	32 130
Impairment of associates[3]	**(65)**	(21 421)	
Fair value gain on step-up acquisition		17 205	22 023
Transfer from equity securities	**254 387**		
Transfer to non-current asset held for sale[4]		(311 195)	(159 580)
Transfer to subsidiaries	**(7 946)**	(503 999)	(50 409)
Disposals		(95 543)	(435 363)
Exchange rate movement	**1 723**	39 742	
Balance at end of year	**5 703 989**	1 821 814	2 126 535
Market value of listed investments	**9 763 816**		
Market value of unlisted investments [based on a rolling PE basis per associate (2014: based on published over-the-counter prices) (2013: based on published over-the-counter prices)]	**962 923**	2 513 516	2 475 500

4. **INVESTMENT IN ASSOCIATES (continued)**

[1] *During the current year, Zeder issued 463 655 654 ordinary shares, valued at R3,3bn to the Agri Voedsel shareholders, through a scheme of arrangement to effectively increase its interest in Pioneer Food Group Ltd and Quantum Foods Holdings Ltd. Zeder's existing direct interest (previously classified as equity securities were transferred to associates at fair value (refer note 6)). Please refer below for further detail.*

[2] *Equity accounted earnings as per the income statement of R299,9m (2014: R218m) (2013: R300,2m) includes the reversal of other comprehensive income of associates of Rnil (2014: R55,9m) (2013: R1,2m) as per the statement of comprehensive income, as well as the equity accounted loss from investments in joint ventures of R0,9m (2014: R2,4m) (2013: Rnil) (refer note 5).*

[3] *The impairment of associates for the current year consists of a R0,1m (2014: R7,4m) (2013: Rnil) impairment in respect of Blue Green Oceans (Pty) Ltd while the prior year also included a R14m impairment relating to Suidwes Beleggings Ltd, prior to being reclassified as a non-current asset held for sale and subsequently sold.*

[4] *A Capespan associate, Addo Cold Store (Pty) Ltd, were transferred to non-current asset held for sale, following the successful negotiations to sell the company with an effective date in 2015 (refer note 14).*

2015 acquisitions

Significant acquisitions included Zeder's offer to acquire all the shares in Agri Voedsel, (which in turn held an interest of 26,0% and 23,8% in Pioneer Foods and Quantum Foods 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 owns a direct interest of 27,3% in Pioneer Foods and 25% in Quantum Foods. Subsequently the direct interest in Quantum Foods were increased to 26,4%.

2014 acquisitions and disposals

Significant acquisitions during the prior year included investments in existing associates of R817m, *inter alia*, Agri Voedsel, Kaap Agri, Capespan and Klein Karoo Seed Marketing. The additional shares acquired in Capespan and Klein Karoo Seed Marketing resulted in the group obtaining control of same (refer note 31.3). Furthermore, through Capespan, the group acquired a 36% interest in Gestão de Terminais SA, a company incorporated in Mozambique. The group disposed of its entire shareholding in NWK Ltd, Suidwes Beleggings Ltd, and Thembeka OVB Holdings Ltd.

2013 acquisitions and disposals

Cash acquisitions during the prior year included increasing the group's already existing interest in associates; Kaap Agri, Capevin Holdings, Agri Voedsel and Capespan. During the prior year, the group acquired a 49% interest in Klein Karoo Seed Marketing. At the reporting date the group had a standing public offer for the purchase of Kaap Agri shares. The group disposed of 15% of its shareholding in Capevin Holdings, with the remaining 5% being reclassified as held-for-sale (refer note 14). Furthermore, the group obtained control over Zaad (refer note 31.3).

Further information

Refer Annexure B for further details regarding investments in associates.

		GROUP	
	2015	2014	2013
	R'000	R'000	R'000
5. **INVESTMENT IN JOINT VENTURES**			
5.1 **Ordinary share investment**	**39**	67	
Reconciliation of ordinary share investment:			
Balance at beginning of year	**67**		
Additions		2 461	
Fair value gain on step-up acquisition	**3 295**		
Transfer to subsidiaries	**(124)**		
Impairment	**(67)**		
Equity accounted earnings	**(851)**	(2 394)	
Other movements	**(2 281)**		
	39	67	–
5.2 **Loans granted to joint ventures**	**81**	1 553	

	GROUP		
	2015	2014	2013
	R'000	R'000	R'000
6. EQUITY SECURITIES			
Available-for-sale	**4 729**	3 756	3 031
– Listed			773
– Unlisted but quoted	**1 321**	1 007	2 258
– Unquoted	**3 408**	2 749	
At fair value through profit or loss	**46 279**	202 772	97 484
– Listed		163 792	
– Unlisted but quoted			3
– Unquoted	**46 279**	38 980	97 481
	51 008	206 528	100 515

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 note 36 for fair value disclosure).

GROUP	**Available-for-sale R'000**	**Fair value through profit or loss R'000**	**Total R'000**
Reconciliation			
Balance at 1 March 2012		217 538	217 538
Subsidiaries acquired	2 393		2 393
Additions	24		24
Disposals		(142 314)	(142 314)
Net fair value gains	614	22 260	22 874
Balance at 28 February 2013	3 031	97 484	100 515
Subsidiaries acquired	6 190		6 190
Additions*		177 797	177 797
Disposals	(5 929)	(60 157)	(66 086)
Net fair value gains/(losses)	464	(12 352)	(11 888)
Balance at 28 February 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 relate mainly to the acquisition of Pioneer Foods ordinary shares.*

	GROUP		
	2015	2014	2013
	R'000	R'000	R'000
7. LOANS AND ADVANCES			
Secured loans	**104 191**	72 454	16 261
Unsecured loans	**10 218**	6 160	
	114 409	78 614	16 261

Secured loans include a production loan of R48,7m (2014: R44,9m) (2013: Rnil) from Capespan to Kaspernek Orchards (supplier to Capespan) and loans to non-controlling shareholders of a subsidiary amounting to R29,7m (2014: R16,4m) (2013: R16,3m). The loan to Kaspernek carries interest at rates ranging beween prime plus 1%, has fixed repayment terms and the Kaspernek farm and fruit produces serve as security. The loans to the non-controlling shareholders carry interest at rates ranging between prime and prime less 2%, are repayable during July 2017 and November 2018 and are secured over the non-controlling shareholders' ordinary shares in the subsidiary company.

8. EMPLOYEE BENEFITS

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

		2015			2014			2013	
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net	Assets	Liabilities	Net
GROUP	**R'000**	**R'000**	**R'000**	R'000	R'000	R'000	R'000	R'000	R'000
Short-term employee benefits									
Performance-based remuneration		**(45 096)**	**(45 096)**		(40 800)	(40 800)		(1 110)	(1 110)
Leave pay		**(18 705)**	**(18 705)**		(17 612)	(17 612)		(994)	(994)
Other			**–**		(500)	(500)			–
Long-term incentive scheme			**–**		(27 607)	(27 607)			–
Post-employment defined benefit plans	**34 462**	**(132 818)**	**(98 356)**	33 090	(111 046)	(77 956)		(516)	(516)
Termination employee benefits		**(2 525)**	**(2 525)**			–			–
	34 462	**(199 144)**	**(164 682)**	33 090	(197 565)	(164 475)	–	(2 620)	(2 620)
Non-current portion	**34 462**	**(134 503)**	**(100 041)**	33 090	(124 379)	(91 289)			–
Current portion		**(64 641)**	**(64 641)**		(73 186)	(73 186)		(2 620)	(2 620)

Short-term employment benefit

These benefits comprise mainly bonus and leave pay accruals.

Long-term incentive scheme

The executive management of Capespan was part of a long-term incentive scheme based on the increase in Capespan's headline earnings per share, measured over a three-year rolling period. Amounts provided for in terms of this scheme was recognised through profit or loss. During the current year, the long-term incentive scheme has been replaced by a share option scheme for executive directors and senior management (refer note 15).

Post-retirement medical aid benefits – Capespan Group Ltd

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 and Unifruco Ltd 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.

8. **EMPLOYEE BENEFITS (continued)**

Retirement funds and Pension fund scheme – Capespan Europe

The group, through Capespan, operates a number of externally funded defined benefit and defined contribution pension schemes across Europe and Japan. 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 all of the group's significant defined benefit retirement schemes in the United Kingdom and Continental Europe: The South African Co-operative Citrus Exchange Ltd pension and life assurance schemes ("SACCE"), and the Capespan Continent NV and Fresh Fruit Services CV plan ("CCNV"). In addition, the group has a pension scheme in Germany called the Capespan Germany GmbH pension scheme.

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

GROUP

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

	2015 Capespan Group Ltd			2014 Capespan Group Ltd			2013 Capespan Group Ltd		
	Assets R'000	**Liabilities R'000**	**Net R'000**	Asset R'000	Liabilities R'000	Net R'000	Asset R'000	Liabilities R'000	Net R'000
Present value of funded obligations		**(23 823)**	**(23 823)**		(21 260)	(21 260)			–
Opening balance		**(21 260)**	**(21 260)**			–			–
Subsidiaries acquired			**–**		(22 243)	(22 243)			–
Interest expense		**(1 264)**	**(1 264)**		(1 481)	(1 481)			–
Movement in actuarial (losses)/gains		**(3 367)**	**(3 367)**		515	515			–
Employer contributions		**2 068**	**2 068**		1 949	1 949			–
Balance at end of year	**–**	**(23 823)**	**(23 823)**	–	(21 260)	(21 260)	–	–	–

	2015 Capespan Europe			2014 Capespan Europe			2013 Capespan Europe		
	Assets R'000	**Liabilities R'000**	**Net R'000**	Asset R'000	Liabilities R'000	Net R'000	Asset R'000	Liabilities R'000	Net R'000
Fair value of plan assets	**34 462**		**34 462**	33 090		33 090			–
Present value of funded obligations		**(108 155)**	**(108 155)**		(89 786)	(89 786)			–
	34 462	**(108 155)**	**(73 693)**	33 090	(89 786)	(56 696)	–	–	–
Opening balance	**33 090**	**(89 786)**	**(56 696)**			–			–
Subsidiaries acquired			**–**	25 184	(72 139)	(46 955)			–
Interest expense		**(16 227)**	**(16 227)**		(14 848)	(14 848)			–
Return on plan assets	**12 081**		**12 081**	12 003		12 003			–
Movement in actuarial (losses)/gains		**(17 338)**	**(17 338)**		634	634			–
Benefits paid	**(10 709)**	**12 517**	**1 808**	(4 097)	4 097	–			–
Employer contributions		**3 472**	**3 472**		3 021	3 021			–
Exchange differences		**(793)**	**(793)**		(10 854)	(10 854)			–
Settlements			**–**		303	303			–
Balance at end of year	**34 462**	**(108 155)**	**(73 693)**	33 090	(89 786)	(56 696)	–	–	–

8. **EMPLOYEE BENEFITS (continued)**

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

	Capespan Group Ltd	SACCE	Capespan Europe CCNV	Germany
28 February 2015				
Discount rate	**0,5%**	**4,4%**	**1,2%**	**1,2%**
Future salary increases	**1,0%**		**3,0%**	**3,5%**
Inflation		**2,8%**	**2,0%**	**2,2%**
28 February 2014				
Discount rate	0,8%	4,4%	3,3%	3,4%
Future salary increases	1,0%		3,0%	3,5%
Inflation		2,8%	2,0%	2,2%

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

	Capespan Group Ltd			Capespan Europe		
	Change in assumption	Increase	Decrease	Change in assumption	Increase	Decrease
28 February 2015						
Discount rate	**0,5%**	**899**	**(842)**	**0,5%**	**6 645**	**(6 630)**
Medical cost trends	**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**
28 February 2014						
Discount rate	0,5%	765	(817)	0,1%	5 150	(5 275)
Inflation	1,0%	(1 779)	1 587	0,1%	(1 329)	3 502
Medical cost trends	1,0%	(1 325)	3 502			
Mortality	1 year	(1 105)	1 064	1 year	(14 645)	14 105

		GROUP	
	2015	2014	2013
	R'000	R'000	R'000
9. BIOLOGICAL ASSETS			
Balance at beginning of year	**200 568**	31 264	
Subsidiaries acquired		144 106	69 074
Exchange rate movement	**(1 335)**	5 622	2 528
Additions	**172 577**	135 640	30 879
Harvests	**(231 617)**	(209 082)	(99 920)
Disposals		(32 551)	
Depreciation	**(9 880)**	(8 581)	
Change in fair value due to biological transformation	**144 019**	134 150	28 703
Balance at end of year	**274 332**	200 568	31 264
Non-current biological assets – bearer plants	**181 524**	117 121	–
Orchards[1]	**57 062**	48 564	
Vineyards[1]	**124 462**	68 557	
Current biological assets[4]	**92 808**	83 447	31 264
Maize[2]	**24 127**	6 396	
Soya[2]	**24 797**	33 567	31 264
Orchards[3]	**17 220**	12 885	
Vineyards[3]	**12 395**	14 262	
Sugar cane[3]	**14 269**	16 337	
	274 332	200 568	31 264

[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 grapes on the vineyards, fruit on the orchards and sugar cane have been valued using the following assumptions:*

- *expected sales realisation of all grapes and pome at free on board value for export fruit and net value for local sales;*
- *budgeted costs to harvest and sell per the approved budget;*
- *packing and cooling costs as per the approved budget; and*
- *overheads directly attributable to the operation for the year.*

[4] *The fair value of biological assets have been calculated using unobservable inputs (level 3).*

		GROUP	
	2015	2014	2013
	R'000	R'000	R'000
10. INVENTORIES			
Raw materials	**169 699**	52 270	15 666
Work in progress	**8 148**	3 996	
Finished goods	**810 258**	899 458	158 959
	988 105	955 724	174 625

Inventory to the value of R8m (2014: R11m) (2013: Rnil) was written off during the year.

	GROUP		
	2015	2014	2013
	R'000	R'000	R'000
11. TRADE AND OTHER RECEIVABLES			
Trade receivables (Gross)	**1 044 407**	899 131	83 703
Provision for impairment	**(18 967)**	(18 724)	(345)
Value added tax	**42 031**	41 672	3 421
Prepayments and sundry receivables*	**192 508**	122 921	13 950
	1 259 979	1 045 000	100 729

** Includes non-financial assets of R74m (2014: R5,4m) (2013:Rnil).*

12. DERIVATIVE FINANCIAL ASSETS			
Forward currency exchange contracts (refer note 36)	**24**	1 299	

13. CASH, MONEY MARKET INVESTMENTS AND OTHER CASH EQUIVALENTS			
Bank balances	**347 478**	632 261	390 417
Money market fund	**422 521**	382 507	362 198
	769 999	1 014 768	752 615

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

14. NON-CURRENT ASSETS HELD FOR SALE			
Carrying value at beginning of year	**177 570**	287 733	
Subsidiaries acquired		10 113	
Transfer from subsidiaries	**30 378**		
Transfer from investment in associates		311 195	295 063
Net fair value gains	**15 888**	59 049	(7 330)
Disposals	**(193 458)**	(490 520)	
	30 378	177 570	287 733

At 28 February 2014, non-current assets held for sale consisted mainly of JSE-listed Capevin Holdings Ltd shares, which was disposed of during the current year. At 28 February 2015, non-current assets held for sale consisted of a Capespan subsidiary, Addo Cold Storage (Pty) Ltd that were transferred from associates, following the succsesfull negotiations to sell the company with an effective date in 2015. Statement of financial position information are as follows:

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

	GROUP			COMPANY		
	2015 R'000	2014 R'000	2013 R'000	**2015 R'000**	2014 R'000	2013 R'000
15. **STATED/SHARE CAPITAL**						
Ordinary shares						
Authorised						
2 000 000 000 (2014: 2 000 000 000) ordinary shares with no par value (2013: 1 500 000 000 ordinary shares with a par value of 1 cent each)			15 000			15 000
Issued						
1 443 843 985 (2014: 980 188 331) ordinary shares with no par value (2013: 978 088 517 ordinary shares with a par value of 1 cent each)	**5 095 256**	1 748 061	9 781	**5 095 256**	1 748 061	9 781
Cumulative, non-redeemable, non-participating preference shares						
Authorised						
250 000 000 (2014: 250 000 000) shares with no par value (2013: 250 000 000 shares with a par value of 1 cent each)			2 500			2 500

During the 2014 year, the company converted its ordinary and preference shares to shares with no par value.

Share incentive schemes of subsidiaries Agrivision Africa

During the current and prior year, 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 R0,1m (2014: R1,6m) (2013: Rnil). This charge was credited to other reserves and non-controlling interest.

Reconciliation of outstanding share options:

	2015 Number	2014 Number	2013 Number
Opening balance	**46 213**	84 024	
Number of share options granted during the year	**3 060**		84 024
Number of share options forfeited during the year		(37 811)	
Closing balance	**49 273**	46 213	84 024

15. **STATED/SHARE CAPITAL (continued)**

	2015		2014		2013	
	Weighted average strike price (R)	**Number**	Weighted average strike price (R)	Number	Weighted average strike price (R)	Number
Analysis of outstanding scheme shares by financial year of maturity:						
2014/15					728	16 805
2015/16	**722**	**9 855**	789	9 243	789	16 805
2016/17	**782**	**9 855**	854	9 243	854	16 805
2017/18	**847**	**9 855**	925	9 243	925	16 805
2018/19	**918**	**9 855**	1 002	9 242	1 002	16 804
2019/20	**994**	**9 853**	1 002	9 242		
		49 273		46 213		84 024

	Number of shares	**Price R**	**Volatility %**	**Dividend yield %**	**Risk-free rate %**	**Fair value R**
Granting (net of forfeited) of Agrivision Africa ordinary share options occurred as follows:						
11 April 2012	**10 606**	728,20	33	–	6,14	34,22
20 April 2012	**2 781**	788,65	33	–	6,69	34,64
19 June 2012	**5 035**	854,15	33	–	7,08	37,68
3 August 2012	**17 722**	924,99	33	–	7,49	41,46
14 September 2012	**10 069**	1 001,72	33	–	7,80	43,77
8 April 2014	**3 060**	716,69	31	–	7,50	45,04
	49 273					

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

Capespan Group Ltd

During the year under review, 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 participants (being executive directors and senior management) on grant date at market price. 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 exercise price. Accordingly, the previously recognised liability of R9,4m (net at 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) will be recognised over the specified service periods. The equity-settled share-based payment charge recognised in the income statement amounted to R1,1m. This charge, net of the related tax effect, was credited to the share-based payment reserve.

During the year under review, 14 745 737 share options were granted to participants at a total consideration of R35,7m. 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 1 400 000 ordinary shares in Capespan Group Ltd in order to assist in meeting its obligations in terms of the share options granted.

15. **STATED/SHARE CAPITAL (continued)**

	2015 Number
Reconciliation of outstanding share options:	
Number of share options granted during the year	**14 745 737**
Number of share options forfeited during the year	**(906 344)**
Closing balance	**13 839 393**

	2015 Weighted average strike price (R)	2015 Number
Analysis of outstanding scheme shares by financial year of maturity:		
31 December 2016	**2,36**	**3 459 848**
31 December 2017	**2,36**	**3 459 848**
31 December 2018	**2,36**	**3 459 848**
31 December 2019	**2,36**	**3 459 849**
		13 839 393

	Number of shares	Price R	Volatility %	Dividend yield %	Risk-free rate %	Fair value R
Granting (net of forfeited) of Capespan Group Ltd ordinary share options occurred as follows:						
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	**7 619 876**	3,31	31,2	4,4	6,1 – 7,3	0,73
	13 839 393					

16. **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 2012				9 856	9 856
Currency translation adjustments		9 585			9 585
Fair value gains on available-for-sale investments	363				363
Share of other comprehensive income of associates				32 317	32 317
Reclassification of share of associates' other comprehensive income on disposal				(1 412)	(1 412)
Transactions with non-controlling interest				(45 180)	(45 180)
Balance at 28 February 2013	363	9 585	–	(4 419)	5 529
Currency translation adjustments		106 704			106 704
Fair value gains on available-for-sale investments	317				317
Share of other comprehensive income of associates				30 779	30 779
Reclassification of share of associates' other comprehensive income on disposal				(55 466)	(55 466)
Reclassification of gains on available-for-sale investments	(624)				(624)
Share-based payment costs – employees			1 339		1 339
Cash flow hedges				(12 181)	(12 181)
Transactions with non-controlling interest		(1 276)		1 000	(276)
Balance at 28 February 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 interest				**(20 263)**	**(20 263)**
Balance at 28 February 2015	**848**	**105 644**	**12 048**	**(64 473)**	**54 067**

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

	GROUP 2015 R'000	2014 R'000	2013 R'000
17. DEFERRED INCOME TAX			
Deferred income tax assets	**63 869**	59 388	
Deferred income tax liabilities	**(105 627)**	(119 768)	(53 895)
Net deferred income tax liability	**(41 758)**	(60 380)	(53 895)
Deferred income tax assets			
To be recovered after 12 months	**63 869**	59 388	
Deferred income tax liabilities			
To be recovered within 12 months		(17 302)	
To be recovered after 12 months	**(105 627)**	(102 466)	(53 895)
	(105 627)	(119 768)	(53 895)

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 2012			(2 636)		(2 636)
Subsidiaries acquired		1 134	(258)	(27 560)	(26 684)
Reversal of deferred tax on disposal of equity securities			3 830		3 830
(Charged)/credited to profit and loss		(328)	(29 022)	1 841	(27 509)
Charged to other comprehensive income			(251)		(251)
Exchange rate movement				(645)	(645)
Balance at 28 February 2013		806	(28 337)	(26 364)	(53 895)
Subsidiaries acquired	67 823	4 147	(3 519)	(64 627)	3 824
(Charged)/credited to profit and loss	(17 373)	1 917	(4 444)	(517)	(20 417)
(Charged)/credited to other comprehensive income			(1 238)	193	(1 045)
Exchange rate movement		(1 526)	(51)	12 730	11 153
Balance at 28 February 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 movement		**76**	**71**	**(8 119)**	**(7 972)**
Balance at 28 February 2015	**56 360**	**1 954**	**(4 137)**	**(95 935)**	**(41 758)**

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, are calculated using the effective capital gains tax rate of 18,65% (2014: 18,65%) (2013: 18,67%). Deferred income tax was calculated on other temporary differences using the applicable tax rate as per the tax jurisdiction it relates to.

	GROUP			COMPANY		
	2015 R'000	2014 R'000	2013 R'000	**2015 R'000**	2014 R'000	2013 R'000
18. **BORROWINGS**						
Non-current						
Secured redeemable preference shares	**300 000**	300 000	300 000			
Secured loans	**665 938**	414 475	145 351			
Unsecured loans	**4 000**	24 058				
	969 938	738 533	445 351	**–**	–	–
Current						
Secured loans	**213 684**	76 021				
Unsecured loans	**8 547**		50 835	**701 911**	68 051	53 925
Bank overdrafts	**674 035**	377 571				
Accrued preference dividends	**6 107**	6 107	9 146			
	902 373	459 699	59 981	**701 911**	68 051	53 925

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 R6,2bn (2014: R3,0bn) (2013: R2,5bn), carry a fixed dividend rate of 8,11% nominal annual compounded monthly and are redeemable during September 2017.

Secured loans

The following significant borrowings are included in secured loans:

Capespan has a R100m (2014: R100m) (2013: Rnil) term loan from ABSA, which carries interest at prime less 1,5% and has fixed repayment terms.

Capespan has a R16m (2014: Rnil) (2013: Rnil) loan from Afgri Operations Ltd, which carries interest at prime and is secured by anotarial bond over equipment and a covering bond over property.

Zaad has a R134m (2014: R50m) (2013: Rnil) term loan from FNB, which carries interest at prime less 1,25%. The balance will be settled with annual repayments of approximately R10m each, commencing July 2014 and is secured by a general covering mortgage bond of R59,3m over the Zaad fixed properties (refer note 1).

Zaad has a R19m (2014: Rnil) (2013: Rnil) loan from Gro Capital Financial Services (Pty) Ltd. The balance is secured by a continuing covering mortgage bond of R27,4m over the Zaad fixed properties (refer note 1).

Agrivision Africa has an United States dollar-denominated loan from the African Agriculture and Trade Investment Fund of R116m (2014: R107m) (2013: Rnil), which carries a fixed interest rate of 5,75% and an additional charge payable if Agrivision Africa's gross profit exceeds a specified threshold. The loan plus accrued interest will be settled with two repayments in October 2015 and 2016. This loan is secured by farms of Chobe Agrivision, with a carrying value of R75m (refer note 1).

Agrivision Africa also has an United States dollar-denominated loan from Stanbic of R230m (2014: R87m) (2013: Rnil), which amortises over a period of five years with semi-annual repayments. Agrivision Africa's investment in Somawhe Estates and Mpongwe Milling serves as security for the loan.

Unsecured loan

The group's unsecured loan, held through Agrivision Africa, related to a 90-day loan from Stanbic Mauritius, which carried interest at Libor plus 3%. The company's unsecured loan is from Zeder Financial Services Ltd, a wholly-owned subsidiary. The loan is interest-free and repayable on demand. Also included is a unsecured loan, held through Capespan, relating to a R100m term loan and carried interest at JIBAR plus 2,1%.

18. **BORROWINGS (continued)**

Bank overdrafts

Zaad has Euro-denominated bank overdrafts of R30m (2014: R97m) (2013: Rnil) from ABN Amro Bank N.V. and a R215m (2014: R132m) (2013: Rnil) overdraft from FNB.

Effective interest rates

The effective interest rates applicable to borrowings range between 1,5% and 13,3% (2014: 1,5% and 13%) (2013: 5,75% and 8,22%).

	GROUP		
	2015 R'000	2014 R'000	2013 R'000
19. **DERIVATIVE FINANCIAL LIABILITIES**			
Non-current			
Non-controlling interest put option liability*	**63 644**	45 666	45 666
Current			
Forward currency exchange contracts (refer note 36)	**417**	15 236	

** During the current year, the group entered into a transaction with a non-controlling shareholder of a subsidiary company, which grants the party the right to put its entire shareholding to the group at a market-related fixed price/earnings multiple. The option is exercisable in November 2018 and the carrying value at the reporting date represents the present value of the possible exercise price. A similar transaction with a non-controlling shareholder of a subsidiary company was entered into during 2013 and the put option in terms thereof exercisable in July 2017.*

	GROUP			COMPANY		
	2015 R'000	2014 R'000	2013 R'000	**2015 R'000**	2014 R'000	2013 R'000
20. **TRADE AND OTHER PAYABLES**						
Trade payables*	**915 088**	912 323	148 333			
Management fee payable (refer note 26.1)	**226 277**	102 402	34 789			
Deferred purchase consideration – associate		113 342				
Unsettled share trades and other payables	**11 871**	48 652	1 744			33
	1 153 236	1 176 719	184 866	**–**	–	33

** Includes non-financial assets of R39m (2014: Rnil) (2013: Rnil).*

The contingent consideration was settled in full in May 2014 after a final balance sheet review was performed, resulting in a charge of R65m to group profit representing the excess amount (over and above the liability carried by Capespan in the prior year) paid to the other shareholder for its 25% equity interest in Golden Wing Mau. The total payment amounted to R177m representing the full and final settlement for acquiring a 25% equity interest in Golden Wing Mau.

	GROUP			COMPANY		
	2015 R'000	2014 R'000	2013 R'000	**2015 R'000**	2014 R'000	2013 R'000
21. **REVENUE**						
Agricultural produce	**8 107 208**	5 376 678	328 113			
Logistical services	**584 760**	600 830				
	8 691 968	5 977 508	328 113	**–**	–	–
22. **COST OF SALES**						
Changes in finished goods	**7 119 669**	5 052 305	171 440			
Raw material and consumables used	**294 519**	129 543	50 673			
Transportation expenses	**4 427**	16 385	7 896			
Commission	**5 179**	6 300	4 428			
	7 423 794	5 204 533	234 437	**–**	–	–
23. **INVESTMENT INCOME**						
Interest income	**68 675**	52 275	7 258	**–**	–	–
Loans and advances	**7 062**	4 537				
Trade and other receivables	**19**	799	2 121			
Cash and short-term funds	**61 594**	46 939	5 137			
Dividend income	**6 173**	13 579	5 844	**151 380**	25 000	50 000
Equity securities held at fair value through profit or loss	**3 788**	3 496	4 662			
Equity securities held as available-for-sale	**26**	140	52			
Non-current assets held for sale	**2 359**	9 943				
Preference share investment in associate			1 130			
Subsidiary company				**151 380**	25 000	50 000
	74 848	65 854	13 102	**151 380**	25 000	50 000

		GROUP	
	2015	2014	2013
	R'000	R'000	R'000
24. FAIR VALUE GAINS AND LOSSES			
Unrealised net fair value gains/(losses)			
Equity securities – at fair value through profit or loss	**97 894**	(12 352)	18 573
Fair value gain on step-up acquisition of an associate and joint venture to a subsidiary	**3 295**	17 205	22 023
Net foreign exchange (loss)/gains	**(19 082)**	7 566	161
Loss on derivative financial instruments	**4 777**		(906)
Non-current asset held for sale (refer note 14)		59 049	(7 330)
Fair value loss on contingent consideration adjustment	**(65 657)**		
Realised net fair value gains and losses			
Equity securities – at fair value through profit or loss		58 481	
Non-current asset held for sale	**16 490**	14 004	
	37 717	143 953	32 521
25. OTHER OPERATING INCOME			
Management and other fee income	**3 046**	1 818	1 924
Profit on sale of property, plant and equipment	**4 411**	336	1 839
Bad debts recovered	**780**	1 628	
Reversal of impairment on property, plant and equipment	**11 893**		
Gain on bargain purchase		7 414	
Profit on disposal of available-for-sale financial assets	**3 559**		
Recoveries	**16 103**		
Sundry income	**4 922**	5 146	1 717
	44 714	16 342	5 480
26. EXPENSES			
26.1 **Management fees**			
Base fee expense	**117 757**	59 022	58 560
Performance fee expense	**117 757**	59 022	
	235 514	118 044	58 560

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. on 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 hurdle price of the following year accordingly. The excess performance management fee at year-end amounted to R634m (2014: R21m) (2013: Rnil). Consequently, the starting hurdle share price at 1 March 2015 is R4,95 (2014: R3,99) (2013: Rnil)).

26. **EXPENSES (continued)**

		GROUP	
	2015	2014	2013
	R'000	R'000	R'000
26.2 Marketing, administration and other expenses			
Depreciation	**106 808**	73 890	15 289
– Land	**6 935**	5 626	2 342
– Buildings	**15 016**	7 737	1 412
– Vehicles and plant	**65 189**	45 780	11 210
– Office equipment	**9 788**	6 166	325
– Biological assets (bearer plants)*	**9 880**	8 581	
Amortisation of intangible assets	**25 329**	20 354	6 428
Operating lease rentals	**112 714**	44 628	1 260
– Properties	**85 042**	26 887	1 044
– Equipment	**27 672**	17 741	216
Auditors remuneration	**13 065**	9 033	961
– Audit services – current year	**11 351**	7 764	946
– Audit services – prior year	**445**	1 170	
– Other services	**1 269**	99	15
Employee benefit expenses	**586 216**	341 899	31 169
– Salaries, wages and allowances*	**557 139**	323 366	29 511
– Equity-settled share-based payment costs	**1 280**	1 676	
– Pension costs – defined contribution and benefits plans	**24 427**	14 654	1 658
– Medical costs – defined contribution plans	**3 370**	2 203	
Impairments	**19 098**	7 137	–
– Intangible assets	**19 013**	1 155	
– Loans and advances	**85**	5 982	
Loss on sale of property, plant and equipment	**80**	4 174	51
Repairs, maintenance and vehicle costs	**58 496**	54 158	13 702
Marketing and administration costs	**38 244**	27 591	18 898
– Administration fees	**362**	413	9 089
– Marketing	**7 128**	3 797	2 846
– Professional fees	**30 754**	23 381	6 963
Insurance	**24 567**	15 604	1 594
Communication costs	**15 677**	10 713	
Commission paid	**14 390**	12 756	15 727
Other costs*	**115 135**	38 891	15 026
	1 129 819	660 828	120 105

** Restated as set out in note 33.*

Refer to note 29 for further information with regards to the directors' emoluments.

	GROUP			COMPANY		
	2015 R'000	2014 R'000	2013 R'000	**2015 R'000**	2014 R'000	2013 R'000
27. **FINANCE COSTS**						
Redeemable preference shares	**24 676**	24 681	30 992			
Secured loans	**40 157**	18 213				
Unsecured loan	**20 812**	17 042				
Bank overdrafts	**49 604**	25 585				
PSG Corporate Services (Pty) Ltd bridging loan			3 797			
Amortisation of structuring fee			1 192			
Other	**7 615**	441	1 218			
	142 864	85 962	37 199	**–**	–	–

PSG Corporate Services (Pty) Ltd is a fellow subsidiary of the group.

Interest was calculated on outstanding balances at market related rates.

	GROUP			COMPANY		
	2015 R'000	2014 R'000	2013 R'000	**2015 R'000**	2014 R'000	2013 R'000
28. **TAXATION**						
Current taxation						
– Current year	**55 634**	48 824	71 516			
– Prior year	**3 402**	51		**3 000**		
Deferred taxation						
– Current year	**(42 231)**	24 591	23 455			
Foreign current taxation						
– Current year	**64 089**	35 394	723			
Foreign deferred taxation						
– Current year	**(3 605)**	(4 174)	224			
	77 289	104 686	95 918	**3 000**	–	–

28. TAXATION (continued)

	GROUP			COMPANY		
	2015	2014	2013	**2015**	2014	2013
	%	%	%	**%**	%	%
Reconciliation of effective tax rate:						
South African standard tax rate	**28,0**	28,0	28,0	**28,0**	28,0	28,0
Adjusted for:						
– Non-taxable income	**(13,0)**	(1,8)	(0,3)	**(28,0)**		
– Capital gains tax rate differential	**(3,1)**	(4,0)	(3,7)			
– Non-deductible charges	**22,4**	10,9	4,3			
– Income from associates and joint ventures	**(23,4)**	(10,6)	(13,8)			
– Foreign tax rate differential	**2,8**	0,9				
– Special tax allowances	**(0,9)**	(0,4)	(0,1)			
– Deferred tax purchase consideration	**5,1**					
– Other	**0,6**	0,7	0,1			
– Deferred tax assets written off/not recognised	**2,6**	0,9	1,2			
– Effect of tax losses utilised	**(0,7)**	(2,4)				
– Prior period adjustments	**1,0**	0,5		**2,0**		
Effective tax rate	**21,4**	22,7	15,7	**2,0**	28,0	28,0
	R'000	R'000	R'000			
Tax charges relating to components of other comprehensive income:						
– Currency translation movements	**848**	(1 488)				
– Fair value gains on available-for-sale investments		(73)	(251)			
– Reclassification of gains on available-for-sale investments		324				
– Share of other comprehensive income of associates		(1 183)				
– Reclassification of share of associates' other comprehensive income		1 183				
– Reclassification of foreign exchange gains on long-term loan forming part of net foreign investment	**395**					
– Losses from change in financial assumptions or change in demographic assumptions on employee defined benefit plans	**6 506**	193				
	7 749	(1 044)	(251)	**–**	–	–

29. **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
Chayton Corporate Services (Pty) Ltd	Wholly-owned subsidiary of Zeder Investments Corporate Services (Pty) Ltd
PSG Corporate Services (Pty) Ltd	Fellow subsidiary of ultimate holding company
PSG Online Securities (Pty) Ltd	Fellow subsidiary of ultimate holding company
PSG Money Market Fund	Fellow subsidiary of ultimate holding company

Related-party transactions during the year included dividends received from associates (refer note 4), the management fee expense (refer note 26.1), professional fees, interest income (refer note 26.2) and interest paid (refer note 27).

Included in the group's interest income (refer note 23) is R82 000 (2014: R818 000) (2013: R407 000) received from PSG Online Securities and R15 756 000 (2014: R18 681 000) (2013: R955 000) received from PSG Money Market Fund.

Included in the group's marketing, administration and other expenses is professional fees of R786 000 (2014: R5 208 000) (2013: R5 276 000) paid to PSG Corporate Services for corporate finance and tax services relating to acquisitions made during the year.

Brokerage and administration fees of R15 000 (2014: R15 000) (2013: R1 082 000) were incurred with PSG Online Securities during the year. 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, forms part of the group's key management personnel, and is also a non-controlling shareholder in a subsidiary of the group. The agreement grants him the right to sell his non-controlling interest to the group at a market-related fixed multiple in 2017 (refer note 19).

Included in revenue are goods sold by Zaad to Kaap Agri amounting to R18 512 000 (2014: R11 907 000) (2013: Rnil) and to Pioneer Foods amounting to R3 150 000 (2014: Rnil) (2013: Rnil) (refer note 21).

Included in cost of goods sold are consumables purchased by Agrivision Africa from Kaap Agri amounting to R5 491 000 (2014: R3 193 000) (2013: Rnil) and by Zaad from Kaap Agri amounting to R1 006 000 (2014: Rnil) (2013: Rnil) (refer note 22).

Included in investment in ordinary shares of associates is R5 728 000 paid to PSG Capital for professional fees and R111 000 paid to Grayston Elliot for tax services in respect of the group's aformentioned acquisition of the outstanding shares in Agri Voedsel not already held by the group in exchange for Zeder shares (refer note 4).

Related-party balances outstanding at the reporting date included cash invested with PSG Money Market Fund amounting to R337 781 000 (2014: R382 507 000) (2013: R362 198) (refer note 13) and the management fee payable (refer note 20).

29. **RELATED-PARTY TRANSACTIONS AND BALANCES (continued)**

Directors' emoluments

Directors' emoluments are paid by the PSG Group Ltd ("PSG Group") group in terms of the management agreement (refer note 26.1). Directors' emoluments include the following cash-based remuneration:

	Basic salary R'000	Company contributions R'000	Performance-related R'000	Fees R'000	Total R'000
28 February 2015					
Executive					
N Celliers[1]	**2 172**	**28**	**3 300**		**5 500**
WL Greeff[3]					**–**
Non-executive					
GD Eksteen				**115**	**115**
WA Hanekom				**100**	**100**
AE Jacobs[2]	**1 451**	**282**			**1 733**
JF Mouton[3]					**–**
PJ Mouton[3]					**–**
CA Otto[3]					**–**
MS du Pré le Roux[4]				**55**	**55**
LP Retief[4]				**80**	**80**
	3 623	**310**	**3 300**	**350**	**7 583**
28 February 2014					
Executive					
N Celliers[1]	1 975	25	2 000		4 000
WL Greeff[3]					–
Non-executive					
GD Eksteen				108	108
WA Hanekom				20	20
AE Jacobs[2]	1 458	167			1 625
JF Mouton[3]					–
PJ Mouton[3]					–
CA Otto[3]					–
MS du Pré le Roux				108	108
LP Retief				114	114
	3 433	192	2 000	350	5 975
28 February 2013					
Executive					
N Celliers	1 084	16	1 000		2 100
WL Greeff[3]					–
AE Jacobs[2]	249	3			252
Non-executive					
JF Mouton[3]					–
CA Otto[3]					–
PJ Mouton[3]					–
GD Eksteen				99	99
MS du Pré le Roux				99	99
LP Retief				104	104
	1 333	19	1 000	302	2 654

1. *Performance-related emoluments were paid in respect of the 2015, 2014 and 2013 year, respectively.*
2. *The basic salary and company contributions received by AE Jacobs relates to his employment as chief executive officer of Zaad, a subsidiary. During the 2013 year, AE Jacobs resigned as CEO of Zeder and during the 2014 year joined Zeder as non-executive director.*
3. *These directors do not receive any directors emoluments for services rendered to Zeder Investments as the company is managed in terms of a management agreement. These directors only receive directors' emoluments from PSG Group for services rendered to PSG Group and its investee companies.*
4. *Resigned during the year.*

29. **RELATED-PARTY TRANSACTIONS AND BALANCES (continued)**

Directors' emoluments (continued)

The company's prescribed officers include members of PSG Group's executive committee, which manages the group (as further discussed in the corporate governance section of Zeder's annual report), and whose remuneration is disclosed in PSG Group'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 carried by PSG Group in terms of the aforementioned management agreement. The cost (determined using an option pricing model) of the share options awarded amounted to R2,7m (2014: R0,9m) for the year.

During the year under review, Mr N Celliers exercised 775 581 (2014: nil) (2013: nil) Zeder and 21 924 (2014: nil) (2013: nil) PSG Group share options at weighted average strike prices of R2,90 and R51,31, respectively. The average market prices on vesting date were R5,73 for the Zeder share options and R126,40 for the PSG Group share options.

Awarded share options will vest as follows:

	Number of shares	
	Zeder	**PSG Group**
28 February 2015		
FY16	2 024 057	16 039
FY17	2 155 380	18 506
FY18	2 155 380	10 591
FY19	1 379 797	4 493
FY20	131 323	2 465
Total	7 845 937	52 094
28 February 2014		
FY15	775 581	14 011
FY16	882 593	15 768
FY17	882 593	15 768
FY18	882 593	15 768
FY19	107 013	1 756
Total	3 530 373	63 071

The weighted average strike price per share for the aforementioned Zeder and PSG Group share options is R3,99 (2014: R3,05) (2013: R2,90) and R74,86 (2014: R56,84) (2013: R53,53), respectively.

29. RELATED-PARTY TRANSACTIONS AND BALANCES (continued)

Directors' Emoluments (continued)

Shareholding of Directors

	Beneficial		Non-beneficial	Total shareholding	
	Direct	Indirect	Indirect	Number	%
28 February 2015					
N Celliers		3 411 514		**3 411 514**	**0,236**
GD Eksteen		6 683 585	250 000	**6 933 585**	**0,480**
WL Greeff	80 000			**80 000**	**0,006**
AE Jacobs		70 000		**70 000**	**0,005**
JF Mouton			80 000	**80 000**	**0,006**
MS du Pré le Roux*				**–**	
CA Otto			80 000	**80 000**	**0,006**
	80 000	**10 165 099**	**410 000**	**10 655 099**	**0,739**

** Resigned 20 June 2014*

	Beneficial		Non-beneficial	Total shareholding	
	Direct	Indirect	Indirect	Number	%
28 February 2014					
N Celliers			2 635 933	2 635 933	0,269
GD Eksteen			250 000	250 000	0,026
WL Greeff	80 000			80 000	0,008
AE Jacobs		70 000		70 000	0,007
JF Mouton			80 000	80 000	0,008
MS du Pré le Roux			250 000	250 000	0,026
CA Otto			80 000	80 000	0,008
	80 000	70 000	3 295 933	3 445 933	0,352
28 February 2013					
AE Jacobs		70 000		70 000	0,007
WL Greeff	80 000			80 000	0,008
JF Mouton			80 000	80 000	0,008
MS du Pré le Roux			250 000	250 000	0,026
CA Otto			80 000	80 000	0,008
	80 000	70 000	410 000	560 000	0,057

Also refer to the shareholder analysis in note 15.

	GROUP		
	2015	2014	2013
	R'000	R'000	R'000
30. **CAPITAL COMMITMENTS AND CONTINGENCIES**			
Operating lease commitments			
Operating leases – premises			
– Due within 1 year	**89 239**	69 396	837
– Due within 1 to 5 years	**380 776**	313 519	292
– Due after more than 5 years	**514 418**	466 259	
	984 433	849 174	1 129
Operating leases – vehicles and plant			
– Due within 1 year	**19 827**	6 586	
– Due within 1 to 5 years	**30 400**	8 755	
	50 227	15 341	–
Operating leases – equipment			
– Due within one year	**6 633**	17 378	64
– Due within 1 to 5 years	**9 659**	22 761	52
	16 292	40 139	116
Capital expenditure commitments			
Property, plant and equipment authorised but not yet contracted	**580 703**	53 369	
Property, plant and equipment contracted	**8 643**	33 098	

	GROUP		
	2015	2014	2013
	R'000	R'000	R'000

31. NOTES TO THE STATEMENTS OF CASH FLOWS

31.1 Cash (utilised by)/generated from operations

	2015 R'000	2014 R'000	2013 R'000
Profit before taxation	**361 035**	461 194	605 481
Interest income	**(68 675)**	(52 275)	(7 258)
Dividend income	**(6 173)**	(13 579)	(5 844)
Finance costs	**142 864**	85 962	37 199
Depreciation	**106 808**	73 890	15 289
Amortisation	**25 329**	20 354	6 428
Net profit on sale of property, plant and equipment	**(4 331)**	3 838	(1 788)
Net fair value gains	**(122 456)**	(143 953)	(32 521)
Change in fair value of biological assets	**(144 019)**	(134 150)	(28 703)
Impairments	**7 337**	28 558	
Net gain on disposal of investment in associates		3 836	(502 890)
Share of profits of associates	**(299 892)**	(218 011)	(300 249)
Net loss on dilution of interest in associate			155 276
Profit on the sale of Investments	**(3 559)**		
Equity-settled share based payment costs	**1 280**	1 676	
Contingent consideration adjustment	**65 657**		
Net harvest short term biological assets	**43 484**	6 697	
Non-cash translation movements*	**19 082**	(11 431)	8 912
Sub-total	**123 771**	112 606	(50 668)
Changes in working capital	**(199 470)**	188 036	85 420
(Decrease)/increase in trade and other payables	**(52 929)**	165 920	73 071
(Increase)/decrease in trade and other receivables	**(253 779)**	88 863	24 089
Decrease in inventories	**180 795**	24 786	19 139
Increase in biological assets	**(73 764)**	(128 860)	(30 879)
Employee benefits	**207**	37 327	
	(75 699)	300 642	34 752

** Relates mainly to the foreign exchange rate movements on borrowings and working capital.*

31.2 Taxation paid

	2015 R'000	2014 R'000	2013 R'000
Current taxation charged to profit or loss	**(123 125)**	(84 269)	(72 239)
Movement in net taxation liability	**14 121**	(217)	(20 229)
	(109 004)	(84 486)	(92 468)

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

31.3 Subsidiaries acquired

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 now 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 now 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.

31. **NOTES TO THE STATEMENTS OF CASH FLOWS (continued)**

31.3 **Subsidiaries acquired (continued)**

2015 acquisitions (continued)

The summarised assets and liabilities recognised at acquisition date 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 ordinary shares of 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.

2014 acquisitions

Capespan Group Ltd ("Capespan")

During the prior year, the group acquired a further 25,3% shareholding in Capespan and thereby increased its interest to 71,1%. At the prior reporting date, the group held 72,1% in Capespan, which is a global fruit procurement company and South Africa's largest fruit exporter. The remeasurement of the previously held interest in an associated company resulted in a non-headline gain of R16,1m being recognised in net fair value gains in the income statement.

Klein Karoo Seed Marketing (Pty) Ltd ("KKS")

The group, through Zaad, acquired the remaining 51% of KKS on 31 October 2013. The remeasurement of the previously held interest in the associate resulted in a non-headline gain of R1,1m being recognised in net fair value gains in the income statement. KKS is a seed company that develops and distributes vegetable, pasture and agronomic seed in developing countries, mainly throughout Africa and the Middle East. KKS has offices and research stations in, *inter alia*, South Africa, Zambia, Zimbabwe, Jordan and the Netherlands.

31. **NOTES TO THE STATEMENTS OF CASH FLOWS (continued)**

31.3 **Subsidiaries acquired (continued)**

2014 acquisitions (continued)

The summarised assets and liabilities recognised at acquisition date were:

GROUP	Capespan R'000	KKS R'000	Total R'000
Property, plant and equipment	308 295	124 477	432 772
Biological assets	144 106		144 106
Intangible assets	58 112	70 824	128 936
Investment in associates	181 047		181 047
Loans to and preference share investments in associates		9 274	9 274
Equity securities	6 190		6 190
Loans and advances	64 390	4 346	68 736
Derivative financial assets		57	57
Deferred tax assets	59 295	1 114	60 409
Current income tax receivable	19 583		19 583
Inventories	105 734	319 575	425 309
Trade and other receivables	973 284	147 421	1 120 705
Cash and cash equivalents	350 304	1 365	351 669
Non-current assets held for sale	10 113		10 113
Borrowings	(538 666)	(371 907)	(910 573)
Deferred income tax liabilities	(36 195)	(12 792)	(48 987)
Net employee benefits	(122 333)	(4 815)	(127 148)
Current income tax payable	(14 889)	(1 024)	(15 913)
Trade and other payables	(638 823)	(91 690)	(730 513)
Total identifiable net assets	929 547	196 225	1 125 772
Non-controlling interest	(268 563)	(34 245)	(302 808)
Previously held investment at fair value	(403 004)	(100 995)	(503 999)
Goodwill		69 065	69 065
Total consideration	257 980	130 050	388 030
Cash consideration paid	(257 980)	(130 050)	(388 030)
Cash and cash equivalents acquired	350 304	1 365	351 669
Net cash inflow/(outflow) from business combination	92 324	(128 685)	(36 361)

Acquisition costs of R4,2m were incurred with the above business combinations, which are included in marketing, administration and other expenses in the income statement.

Had Capespan and KKS been consolidated with effect from 1 March 2013 instead of their acquisition dates, the group income statement would have reflected additional revenue of R1,9bn and profit of R9m for the prior year.

2013 acquisitions

Agricol Holdings Ltd ("Agricol")

On 28 March 2012, the group acquired the remaining 74,9% of the issued share capital in Agricol (name has since been changed to Zaad Holdings Ltd) for a cash consideration of R150m. Agricol is incorporated in South Africa and its activities include plant breeding, production, international trade, processing and distribution of seed. The identifiable net assets acquired amounted to R149m, with goodwill amounting to R52m. Zeder's initial 25,1% interest in Agricol was remeasured to its fair value of R50m, which resulted in a gain of R22m (refer note 24). In July 2012 the group sold 8% of its stake in Agricol to a non-controlling shareholder, leaving the group with a 92% shareholding at the reporting date.

31. **NOTES TO THE STATEMENTS OF CASH FLOWS (continued)**

31.3 **Subsidiaries acquired 2015 acquisitions (continued)**

2013 acquisitions (continued)

Chayton Africa ("Chayton")

On 10 April 2012, Zeder acquired 100% of the issued share capital in Chayton (name has since been changed to Agrivision Africa), a company incorporated in Mauritius, which operate as a holding company for farming operations in Zambia. A cash consideration of R24m was paid for Chayton's identifiable net liabilities of R4m, resulting in the recognition of R28m in goodwill. Subsequently, Zeder invested an additional R253m cash in Chayton and held a 73,4% interest in the company at the reporting date.

Somawhe

On 31 July 2012, Zeder, through its subsidiary Chayton, acquired 100% of the issued share capital in Somawhe, a farming operation incorporated in Zambia. Cash consideration of R275m was paid for Somawhe's identifiable net assets of R215m, resulting in the recognition of R59m in goodwill.

The summarised assets and liabilities recognised at acquisition date were:

GROUP	Agricol R'000	Chayton R'000	Somawhe R'000	Total R'000
Property, plant and equipment	38 892	129 006	177 171	345 069
Biological assets		14 033	55 041	69 074
Intangible assets	21 574	681		22 255
Equity securities	2 393			2 393
Inventories	79 181	3 850	10 813	93 844
Trade and other receivables	61 377	3 825	5 115	70 317
Cash and cash equivalents	31 287	9 948	9 818	51 053
Deferred income tax liabilities	(8 532)	(1 322)	(16 830)	(26 684)
Borrowings	(4)	(146 364)	(18 078)	(164 446)
Current income tax liabilities	(19 679)		(1 057)	(20 736)
Trade and other payables	(57 381)	(18 058)	(6 614)	(82 053)
Total identifiable net assets/ (liabilities)	149 108	(4 401)	215 379	360 086
Previously held investment in Agricol at fair value	(50 409)			(50 409)
Goodwill	51 722	28 063	59 206	138 991
Total consideration	150 421	23 662	274 585	448 668
Cash consideration paid	(150 421)	(23 662)	(274 585)	(448 668)
Cash and cash equivalents acquired	31 287	9 948	9 818	51 053
Net cash outflow from business combination	(119 134)	(13 714)	(264 767)	(397 615)

Goodwill recognised from the business combinations can be attributed to the employee corps and geographical footprint of the respective businesses, as well as expected synergies and growth potential.

Acquisition costs of R6,1m were incurred with the above business combinations, which are included in marketing, administration and other expenses in the income statement (refer note 26.2).

	GROUP		
	2015 **R'000**	2014* R'000	2013 R'000
32. **EARNINGS PER SHARE**			
The calculation of earnings per share is based on the following:			
Earnings attributable to equity holders of the company	**241 816**	306 753	511 741
Net loss on dilution of interest in associates (gross)			155 276
Non-headline items of associates and joint ventures	**20 377**	11 377	(42 776)
– Gross	**20 437**	11 561	(42 776)
– Non-controlling interest	**(60)**	(184)	
Net loss on disposal of investments in associates	**–**	3 836	(410 404)
– Gross		3 836	(502 890)
– Tax effect			92 486
Net gain on disposal of non-current assets held for sale	**–**	(3 758)	–
– Gross		(14 004)	
– Tax effect		10 246	
Fair value gain on step-up acquisition of an associate to a subsidiary	**(3 031)**	(17 120)	(22 023)
– Gross	**(3 295)**	(17 205)	(22 023)
– Non-controlling interest	**264**	85	
Reversal of impairment of property, plant and equipment	**(8 456)**	–	–
– Gross	**(11 893)**		
– Non-controlling interest	**3 437**		
Reclassification of reserves of associates with step-up to subsidiary or disposal	**–**	(55 466)	–
– Gross		(57 070)	
– Non-controlling interest		421	
– Tax effect		1 183	
Reclassification of gains on available-for-sale financial assets	**–**	(812)	–
– Gross		(1 010)	
– Non-controlling interest		71	
– Tax effect		127	
Impairment of investment in associate and joint venture	**126**	21 421	–
– Gross	**131**	21 421	
– Non-controlling interest	**(5)**		
Net profit on sale of property, plant and equipment	**(2 884)**	(66)	(1 433)
– Gross	**(4 331)**	3 838	(1 788)
– Non-controlling interest	**689**	(89)	143
– Tax effect	**758**	(3 815)	212
Impairment of intangible assets and goodwill	**12 822**	1 063	–
– Gross	**19 013**	1 155	
– Non-controlling interest	**(2 678)**	(92)	
– Tax effect	**(3 513)**		
Sub-total	**260 770**	267 228	190 381

	GROUP		
	2015	2014*	2013
	R'000	R'000	R'000
32. EARNINGS PER SHARE (continued)			
Sub-total	**260 770**	267 228	190 381
Fair value adjustment on non-current asset held for sale	**–**	727	5 961
– Gross		1 210	7 330
– Non-controlling interest		(290)	
– Tax effect		(193)	(1 369)
Recycling of foreign exchange gains on long-term loan	**(935)**	–	–
– Gross	**(1 410)**		
– Non-controlling interest	**81**		
– Tax effect	**394**		
Profit on disposal of available-for-sale financial assets	**(2 530)**	–	–
– Gross	**(3 559)**		
– Non-controlling interest	**1 029**		
Gain on bargain purchase (gross)		(7 414)	
Headline earnings	**257 305**	260 541	196 342
The calculation of the weighted number of shares in issue is as follows:			
– Number of shares at beginning of year ('000)	**980 188**	978 089	978 089
– Weighted number of shares issued during the year ('000)	**191 814**	1 674	
– Weighted number of shares at end of year ('000)	**1 172 002**	979 763	978 089
Earnings per share (cents)			
– Attributable – basic and diluted	**20,6**	31,3	52,3
– Headline – basic and diluted	**22,0**	26,6	20,1

** Restatement as set out in note 33.*

33. RESTATEMENT OF PRIOR YEAR FIGURES

The prior year figures of Capespan Group Ltd ("Capespan"), a subsidiary, have been restated to account for the following:

Restatement 1: Agriculture: Bearer plants

During the year, amendments were made to IAS 41 *Agriculture* and IAS 16 *Property, plant and equipment* that allow companies to account for bearer plants at cost less accumulated depreciation and impairment losses. Long-term biological assets consist of bearer plants used in the production of agricultural produce and are expected to bear produce for more than one period. Management's intention is to recover the economic benefit of these assets through continued use. Management revised its accounting policy to account for bearer plants in accordance with the cost model under IAS 16.

Restatement 2: Accounting for the sales and cost of sales of product sold

During the year, management reassessed an existing management agreement which was previously accounted for as management fee income, but concluded it to rather fall within IFRIC 4 *Determining whether an Arrangement contains a Lease* and therefore applied IAS 17 *Leases* retrospectively. This resulted in Capespan now accounting for this agreement and the related farming operations as principal.

Restatement 3: Reclassification of production costs

Certain production costs were reallocated from other expenses to cost of sales to correctly disclose the nature thereof. This restatement had no impact on previously reported profit.

33. RESTATEMENT OF PRIOR YEAR FIGURES (continued)

The effect of these restatements are as follows on the group results:

	Previously reported R'000	Currently reported R'000	Difference R'000
Statement of financial position at 28 February 2014			
Assets			
Biological assets[1]	201 426	200 568	(858)
Inventories[2]	739 763	955 724	215 961
Trade and other receivables[2]	1 127 223	1 045 000	(82 223)
			132 880
Equity			
Ordinary shareholders equity	3 606 929	3 620 512	13 583
Res tatement[1] – profit for the year			171
Restatement[2] – profit for the year			15 264
Restatement[2] – other movements			(1 852)
Non-controlling interest	535 958	544 679	8 721
Restatement[2] – profit for the year			6 869
Restatement[2] – other movements			1 852
Liabilities			
Deferred income tax liabilities	104 612	119 768	15 156
Restatement[1]			(686)
Restatement[2]			15 842
Trade and other payables[2]	1 081 299	1 176 719	95 420
			132 880
Income statement for the year ended 28 February 2014			
Revenue[2]	6 010 700	5 977 508	(33 192)
Cost of sales	(5 134 607)	(5 204 533)	(69 926)
Restatement[1]			(37 125)
Restatement[2]			48 854
Restatement[3]			(81 655)
Gross profit			(103 118)
Change in fair value of biological assets[1]	90 510	134 150	43 640
Investment income[1]	64 354	65 854	1 500
Other operating income[2]	8 928	16 342	7 414
Marketing, administration and other expenses	(741 254)	(660 828)	80 426
Restatement[1]			(8 580)
Restatement[2]			7 351
Restatement[3]			81 655
Profit before finance costs and taxation			29 862
Taxation	(97 128)	(104 686)	(7 558)
Restatement[1]			395
Restatement[2]			(7 953)
Profit for the year			22 304

[1] *Relates to Restatement 1.*
[2] *Relates to Restatement 2.*

33. **RESTATEMENT/RECLASSIFICATION OF PRIOR YEAR FIGURES (continued)**

	Previously reported R'000	Currently reported R'000	Difference R'000
Profit attributable to:			
Owners of the parent	291 318	306 753	15 435
Non-controlling interest	42 886	49 755	6 869
			22 304
Impact on earnings per share			
Recurring headline earnings	29,8	30,6	0,8
Headline earnings	25,8	26,6	0,8
Attributable earnings	29,7	31,3	1,6

During the prior year, the group acquired a further 25,3% shareholding in Capespan and thereby increased its interest to 71,1%. Since Capespan Group Ltd was not a subsidiary in the previous year, no prior year opening balances were restated and disclosed above and therefore the above only reflects post-acquisition restatements.

34. **CONTINGENT CONSIDERATION**

The deferred purchase consideration recognised at the previous reporting date (refer note 20) relates to an earn-out clause paid during the year. This was calculated by discounting the estimated average net profit before tax for three years using average forecast exchange rates.

35. **EVENTS SUBSEQUENT TO THE REPORTING DATE**

Following this notice, Zeder will formally announce to the market its conditional firm intention to acquire the remaining 25% shares in Capespan Group Ltd ("Capespan") held by minority shareholders other than management by means of a scheme of arrangement. In terms of the scheme of arrangement, Zeder will issue 85 ordinary shares for every 100 Capespan ordinary shares acquired.

Subsequent to the reporting date, the group, through Capespan, acquired the following businesses:

– Novo Packhouse (Pty) Ltd's coldstores, packhouse and equipment for a cash purchase consideration of R100m; and
– Theewaterskloof (Pty) Ltd's business operations, moveable equipment, farm land and biological assets (being a pome fruit farm) for a cash consideration of R140m.

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

36. **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.

36. **FINANCIAL RISK MANAGEMENT (continued)**

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 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**
Financial assets at 28 February 2014					
– Loans and preference share investments in associates			18 239		18 239
– Loan granted to joint ventures			1 553		1 553
– Equity securities	202 772	3 756			206 528
– Non-current assets held for sale				177 570	177 570
– Loans and advances			78 614		78 614
– Trade and other receivables			997 928		997 928
– Derivative financial assets	1 299				1 299
– Cash and cash equivalents			1 014 768		1 014 768
	204 071	3 756	2 111 102	177 570	2 496 499
Financial assets at 28 February 2013					
– Loans and preference share investments in associates			54 470		54 470
– Equity securities	97 484	3 031			100 515
– Non-current assets held for sale				287 733	287 733
– Loans and advances			16 261		16 261
– Trade and other receivables			97 308		97 308
– Cash and cash equivalents			752 615		752 615
	97 484	3 031	920 654	287 733	1 308 902

36. **FINANCIAL RISK MANAGEMENT (continued)**

COMPANY

The company had no financial assets at the current or prior reporting date.

	GROUP			COMPANY	
	At amortised cost R'000	**At fair value through profit or loss R'000**	**Total R'000**	**At amortised cost R'000**	**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
Financial liabilities at 28 February 2014					
– Borrowings	1 198 232		1 198 232	68 051	68 051
– Derivative financial liabilities		60 902	60 902		–
– Trade and other payables	1 081 299		1 081 299		–
	2 279 531	60 902	2 340 433	68 051	68 051
Financial liabilities at 28 February 2013					
– Borrowings	505 332		505 332	53 925	53 925
– Derivative financial liabilities		45 666	45 666		–
– Trade and other payables	187 486		187 486	33	33
	692 818	45 666	738 484	53 958	53 958

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.

36. **FINANCIAL RISK MANAGEMENT (continued)**

Market risk (continued)

Price risk (continued)

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% (2014: 20%) (2013: 20%) at the reporting date, with all other variables (e.g. effective tax rate) held constant.

GROUP	**2015 20% increase R'000**	2014 20% increase R'000	2013 20% increase R'000	**2015 20% decrease R'000**	2014 20% decrease R'000	2013 20% decrease R'000
Impact on post-tax profit	**8 299**	61 866	62 659	**(8 299)**	(61 866)	(62 659)
Impact on post-tax other comprehensive income		611	493		(611)	(493)

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	**2015 R'000**	2014 R'000	2013 R'000
Loans and preference share investments in associates			
Floating rate			50 470
Fixed rate and interest-free	**30 030**	18 239	4 000
Loans to and preference share investments in joint ventures			
Fixed rate and interest-free	**81**	1 553	
Loans and advances			
Floating rate	**106 998**	72 750	
Fixed rate and interest-free	**7 411**	5 864	
Trade and other receivables			
Floating rate	**733 982**	765 801	14 906
Fixed rate and interest-free	**409 696**	232 127	82 402
Cash, money market investments and other cash equivalents			
Floating rate	**769 999**	1 014 768	60 401
Borrowings			
Floating rate	**(1 124 213)**	(797 645)	(199 231)
Fixed rate and interest-free	**(748 098)**	(400 587)	
Total	**185 886**	912 870	12 948
Floating rate	**486 766**	1 055 674	(73 454)
Fixed rate and interest-free	**(300 880)**	(142 804)	86 402

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% (2014: 1%) (2013: 1%) higher/lower for the full year, with all other variables (e.g. effective tax rate, interest carrying balances) held constant.

36. **FINANCIAL RISK MANAGEMENT (continued)**

Market risk (continued)

Cash flow and fair value interest rate risk (continued)

GROUP	**2015 1% increase R'000**	2014 1% increase R'000	2013 1% increase R'000	**2015 1% decrease R'000**	2014 1% decrease R'000	2013 1% decrease R'000
Impact on post-tax profit	**3 505**	8 193	2 893	**(3 505)**	(8 193)	(2 893)

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	**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**
At 28 February 2014						
Financial assets						
– Trade and other receivables	28 392	209 931	178 863	207 381	63 325	687 892
– Cash and cash equivalents	85 686	47 292	211 673	61 930	44 787	451 368
Financial liabilities						
– Trade and other payables	(74 235)	(70 566)	(119 252)	(65 028)	(10 167)	(339 248)
– Borrowings	(3 157)		(228 565)	(153 814)		(385 536)
Total	36 686	186 657	42 719	50 469	97 945	414 476
At 28 February 2013						
Financial assets						
– Trade and other receivables			19 401	503		19 904
– Cash and cash equivalents			40 316	133		40 449
Financial liabilities						
– Trade and other payables			(88 117)	(3 173)	(5 943)	(97 233)
– Borrowings			(145 686)			(145 686)
Total	–	–	(174 086)	(2 537)	(5 943)	(182 566)

36. **FINANCIAL RISK MANAGEMENT (continued)**

Market risk (continued)

Foreign exchange risk (continued)

A "cash flow hedge" is a hedge of the exposure to variability in cash flows associated with a recognised asset or liability or a highly probable forecast transaction that is attributable to a particular risk and could affect profit or loss. Capespan entered into forward currency exchange contracts in respect of fruit import/export transactions and Agrivision Africa entered into forward currency exchange contracts in order to mitigate itself against currency exchange risk emanating from the acquisition of Mpongwe Milling. 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 12 and 19. Details of forward currency exchange contracts outstanding at the reporting date are as follows:

		2015			2014	
GROUP	**Foreign amount '000**	**Average exchange rate**	**Rand exposure translated at closing rate R'000**	Foreign amount '000	Average exchange rate	Rand exposure translated at closing rate R'000
Exports						
United States dollar	**3 496**	**10,84**	**62 909**	28 562	10,38	296 555
British pound sterling	**3 298**	**17,83**	**46 347**	5 155	17,11	88 190
Euro	**201 432**	**14,14**	**19 454**	6 038	14,32	86 436
Asian currencies				149 866	0,10	14 817
African currencies	**16 534**	**1,77**	**191 196**	154 074	1,84	284 245
			319 906			770 243
Imports						
United States dollar	**254**	**10,84**	**2 834**	690	14,45	9 971
British pound sterling	**160**	**17,83**	**2 249**			
Euro	**663**	**14,14**	**9 330**			
			14 413			9 971

Disclosure became relevant during the 2015 financial year, therefore no disclosure included in 2013 annual financial statements.

The table below shows the sensitivity of post-tax profits of the group to a 20% (2014: 20%) (2013: 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	**2015 20% Increase R'000**	2014 20% Increase R'000	2013 20% Increase R'000	**2015 20% Decrease R'000**	2014 20% Decrease R'000	2013 20% Decrease R'000
Impact on post-tax profit	**31 552**	27 666	3 687	**(31 552)**	(27 666)	(3 687)
Impact on post-tax other comprehensive income	**139 939**	111 993	64 503	**(139 939)**	(111 993)	(64 503)

36. **FINANCIAL RISK MANAGEMENT (continued)**

Credit risk

Financial assets which potentially subject the group to credit risk, consist of loans to associates (refer note 4), loans and advances (refer note 7), trade and other receivables (refer note 11) and cash and cash equivalents (refer note 13). 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.

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

GROUP	P1 Moody's R'000	Baa1 Moody's R'000	Baa2 Moody's R'000	Not rated R'000	Carrying value R'000
28 February 2015					
Loans and preference share investments in associates				**30 030**	**30 030**
Loan granted to joint ventures				**81**	**81**
Unquoted equity securities				**51 008**	**51 008**
Non-current assets 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**
28 February 2014					
Loans and preference share investments in associates				18 239	18 239
Loan granted to joint ventures				1 553	1 553
Unquoted equity securities				41 729	41 729
Non-current asset held for sale				177 570	177 570
Loans and advances				78 614	78 614
Trade and other receivables				1 080 110	1 080 110
Derivative financial assets	1 299				1 299
Cash and cash equivalents – bank balances		632 261			632 261
Cash and cash equivalents – money market fund				382 507	382 507
	1 299	632 261	–	1 780 322	2 413 882
28 February 2013					
Loans and preference share investments in associates				54 470	54 470
Unquoted equity securities				97 481	97 481
Loans and advances				16 261	16 261
Trade and other receivables				100 729	100 729
Cash and cash equivalents – bank balances		390 417			390 417
Cash and cash equivalents – money market fund				362 198	362 198
	–	390 417	–	631 139	1 021 556

36. **FINANCIAL RISK MANAGEMENT (continued)**

Credit risk (continued)

Loans and preference share investments in associates, loan granted 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.

Capespan performs ongoing credit evaluations on the financial condition of trade receivables, and where appropriate, purchases credit guarantee insurance. Capespan's credit guarantee insurance is limited to an annual aggregate of R300m.

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

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

GROUP	**0 – 2 months R'000**	**2 – 6 months R'000**	**6 – 12 months R'000**	**Total R'000**
At 28 February 2015	31 669	70 110	46 358	148 137
At 28 February 2014	96 367	54 058	5 674	156 099
At 28 February 2013	19 935	6 051	3 913	29 899

GROUP	**2015 R'000**	2014 R'000	2013 R'000
Reconciliation of allowance for impairment of trade receivables:			
Balance at beginning of year	**18 724**	345	
Subsidiaries acquired		28 473	345
Amounts written off	**(85)**	(11 662)	
Impairment provision	**328**	1 568	
Balance at end of year	**18 967**	18 724	345

36. **FINANCIAL RISK MANAGEMENT (continued)**

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**
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
28 February 2014				
– Borrowings	546 469	810 007	50 764	1 407 240
– Derivative financial liabilities	15 236	45 666		60 902
– Trade and other payables	1 135 364			1 135 364
	1 697 069	855 673	50 764	2 603 506
28 February 2013				
– Borrowings	24 676	498 683	94 790	618 150
– Derivative financial liabilities		45 666		45 666
– Trade and other payables	187 486			187 486
	212 162	544 349	94 790	851 302

COMPANY	**Less than one year R'000**	**No fixed repayment terms R'000**	**Total R'000**
28 February 2015			
– Borrowings		**701 911**	**701 911**
28 February 2014			
– Borrowings		68 051	68 051
28 February 2013			
– Borrowings		53 925	53 925
– Trade and other payables	33		33
	33	53 925	53 958

36. **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. These instruments are included in level 1 and comprise primarily JSE-listed equity securities classified as "fair value through profit or loss" or "available-for-sale".

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 derivatives. 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 relate to stock exchange rights and other rights owned. As these rights are unquoted, the valuation technique is based on the fact that the variability in the range of reasonable fair value estimates is not significant for this instrument and that the fair value of these rights is estimated to be equal to the guaranteed amount receivable for these rights, thus equalling the cost.

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.

36. **FINANCIAL RISK MANAGEMENT (continued)**

Fair value estimation (continued)

The following financial assets are measured at fair value:

GROUP	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
Assets				
28 February 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 assets held for sale			**30 378**	**30 378**
	–	**1 345**	**80 065**	**81 410**
28 February 2014				
Financial assets at fair value through profit or loss				
– Derivative financial assets	990	309		1 299
– Equity securities	163 792	1 007	41 729	206 528
– Non-current assets held for sale	177 570			177 570
	342 352	1 316	41 729	385 397
28 February 2013				
Financial assets at fair value through profit or loss				
– Equity securities	290 767	97 481		388 248
Liabilities				
28 February 2015				
– Derivative financial liabilities		**417**	**63 644**	**64 061**
28 February 2014				
– Derivative financial liabilities	15 236		45 666	60 902

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 over-the-counter traded equity securities' prices are readily available with observable inputs and no significant adjustments were made to the fair value of same. However, following a decline in the trading activity of the relevant over-the-counter traded markets (i.e. less observable inputs), at 28 February 2014, it was considered necessary to reclassify the entire balance of these unquoted equity securities from level 2 (as presented at the previous reporting date) to level 3 of the fair value hierarchy.

36. **FINANCIAL RISK MANAGEMENT (continued)**

Fair value estimation (continued)

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. Furthermore, in light of the transfer between level 2 and level 3, as additional information, please also find below a reconciliation of financial assets, for the prior year, included in level 2 of the fair value hierarchy:

	Level 2	**Level 3**	
	2014	**2015**	2014
GROUP	R'000	**R'000**	R'000
Reconciliation of financial assets:			
Opening balance	97 481	**41 729**	
Additions	8 418		3 531
Subsidiaries acquired	3 756		
Transfer from subsidiaries to non-current assets held for sale		**30 378**	
Disposal	(87 408)		(3 531)
Transfer from level 2 to level 3 classification	(41 729)		41 729
Fair value gain	20 489	**7 958**	
Closing balance	1 007	**80 065**	41 729
Reconciliation of financial liabilities:			
Opening balance		**45 666**	45 666
Additions		**19 487**	
Fair value gain		**(4 777)**	(730)
Interest		**3 268**	730
Closing balance		**63 644**	45 666

Capital risk management

The group's objective when managing capital is to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders.

The group's dividend policy is to declare and pay dividends according to its free cash flow model, i.e. dividends and interest received less management fees, interest and related taxation paid.

The group's capital comprises of total equity and borrowings, as shown in the group statement of financial position. When funding is required, the group will either raise additional capital or utilise debt. There is no restriction on the level of gearing. However, the group will continuously assess the extent of gearing employed, in the context of the level of liquidity within the group's portfolio.

37. SHAREHOLDER ANALYSIS

2015	**Shareholders Number**	**%**	**Shares held Number**	**%**
Range of shareholding				
1 – 20 000	**8 621**	**72,2**	**51 122 554**	**3,5**
20 001 – 50 000	**1 495**	**12,5**	**49 384 479**	**3,4**
50 001 – 100 000	**774**	**6,5**	**55 918 884**	**3,9**
100 001 – 500 000	**810**	**6,8**	**174 423 813**	**12,1**
500 001 – 1 000 000	**118**	**1,0**	**81 706 138**	**5,7**
Over 1 000 000	**128**	**1,0**	**1 031 288 117**	**71,4**
	11 946	**100,0**	**1 443 843 985**	**100,0**
Public and non-public shareholding				
Non-public				
– Directors	**6**	**0,1**	**10 655 099**	**0,7**
– PSG Financial Services Ltd	**1**	**0,0**	**488 446 910**	**33,8**
Public	**11 939**	**99,9**	**944 741 976**	**65,5**
	11 946	**100,0**	**1 443 843 985**	**100,0**
Major shareholders holding 5% or more at 28 February 2015				
PSG Financial Services Ltd			**488 446 910**	**33,8**
Public Investment Corporation*			**105 584 481**	**7,3**
Allan Gray*			**117 652 327**	**8,1**
Coronation*			**71 718 409**	**5,0**
			783 402 127	**54,2**

2014	Shareholders Number	%	Shares held Number	%
Range of shareholding				
1 – 20 000	4 445	76,3	27 745 258	2,8
20 001 – 50 000	709	12,2	24 062 119	2,5
50 001 – 100 000	292	5,0	21 691 540	2,2
100 001 – 500 000	241	4,1	53 277 570	5,4
500 001 – 1 000 000	46	0,8	31 879 676	3,3
Over 1 000 000	91	1,6	821 532 168	83,8
	5 824	100,0	980 188 331	100,0
Public and non-public shareholding				
Non-public				
– Directors	7	0,1	3 445 933	0,4
– PSG Financial Services Ltd	1	0,0	415 176 633	42,4
Public	5 816	99,9	561 565 765	57,2
	5 824	100,0	980 188 331	100,0

37. **SHAREHOLDER ANALYSIS (continued)**

2013	Shareholders Number	%	Shares held Number	%
Range of shareholding				
1 – 20 000	3 502	73,9	22 777 633	2,3
20 001 – 50 000	628	13,2	21 644 437	2,2
50 001 – 100 000	273	5,8	20 506 324	2,1
100 001 – 500 000	191	4,0	41 481 124	4,2
500 001 – 1 000 000	56	1,2	39 723 039	4,1
Over 1 000 000	90	1,9	831 955 960	85,1
	4 740	100,0	978 088 517	100,0
Public and non-public shareholding				
Non-public				
– Directors	4	0,1	490 000	0,1
– PSG Financial Services Ltd	1	0,0	415 176 633	42,4
Public	4 735	99,9	562 421 884	57,5
	4 740	100,0	978 088 517	100,0

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

ZEDER INVESTMENTS LTD
ANNEXURE A – SIGNIFICANT SUBSIDIARIES FOR THE YEAR ENDED 28 FEBRUARY 2015

			Effective interest held directly or indirectly[2]			Profit or loss attributable to non-controlling interest			Carrying value of non-controlling interest		
Subsidiary	**Country of incorporation[1]**	**Nature of business**	**2015 %**	2014 %	2013 %	**2015 R'000**	2014 R'000	2013 R'000	**2015 R'000**	2014 R'000	2013 R'000
Zeder Financial Services Ltd	South Africa	Investment holding	**100,0**	100,0	100,0						
Zaad Holdings Ltd (previously Agricol Holdings Ltd)	South Africa[3]	Agricultural	**92,0**	92,0	92,0	**10 043**	4 768	1 559	**83 889**	76 400	24 045
Capespan Group Ltd	South Africa[4]	Fruit procurement/ export	**71,1**	72,1		**38 549**	42 830		**396 884**	318 964	
Agrivision Africa (previously Chayton Africa)	Mauritius[5]	Agricultural	**76,5**	76,7	73,4	**(6 991)**	(4 712)	(3 737)	**126 602**	140 594	85 064
Total						**41 601**	42 886	(2 178)	**607 375**	535 958	109 109

[1] *Principle place of business is the country of incorporation, unless otherwise stated.*
[2] *Ownership interest 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 rest of the world. The group obtained control over Capespan Group Ltd during the prior year.*
[5] *Operating via subsidiaries in Zambia.*

Subsidiary	**Profit/(loss) from continuing operations 2015 R'000**	**Total comprehensive income/(loss) for the year 2015 R'000**	**Revenue 2015 R'000**	Profit/(loss) from continuing operations 2014 R'000	Total comprehensive income for the year 2014 R'000	Revenue 2014 R'000	Profit/(loss) from continuing operations 2013 R'000	Total comprehensive income/(loss) for the year 2013 R'000	Revenue 2013 R'000
Zaad Holdings Ltd (previously Agricol Holdings Ltd)[1]/[2]	**62 406**	**44 938**	**946 573**	46 875	54 435	465 417	28 437	28 764	294 063
Capespan Group Ltd[3]/[4]	**117 428**	**141 382**	**7 392 421**	132 474	276 679	7 149 021			
Agrivision Africa (previously Chayton Africa)[3]	**(29 515)**	**(56 154)**	**352 974**	(15 235)	22 807	137 940	(25 344)	(17 843)	63 439

[1] *Represents the year ended 28 February 2015 (2014: 28 February 2014) (2013: 28 February 2013).*
[2] *During the 2013 year, Zaad changed its financial year-end to 28 February, therefore the 2013 year represents the eight months ended 28 February 2013.*
[3] *Represents the year ended 31 December 2014 (2014: 31 December 2013).*
[4] *Prior year include Capespan's results for the eight months ended 31 December 2013.*

	Dividends paid								
Subsidiary	**To non-controlling interest 2015 R'000**	**To owners of the parent 2015 R'000**	**Total 2015 R'000**	To non-controlling interest 2014 R'000	To owners of the parent 2014 R'000	Total 2014 R'000	To non-controlling interest 2013 R'000	To owners of the parent 2013 R'000	Total 2013 R'000
Zaad Holdings Ltd (previously Agricol Holdings Ltd)			**–**			–			–
Capespan Group Ltd	**15 126**	**33 346**	**48 472**	13 170	18 712	31 882			–
Agrivision Africa (previously Chayton Africa)			**–**			–			–

	Assets								
Subsidiary	**Non-current 2015 R'000**	**Current 2015 R'000**	**Total 2015 R'000**	Non-current 2014 R'000	Current 2014 R'000	Total 2014 R'000	Non-current 2013 R'000	Current 2013 R'000	Total 2013 R'000
Zaad Holdings Ltd (previously Agricol Holdings Ltd)	**412 286**	**865 142**	**1 277 428**	336 844	744 401	1 081 245	166 166	188 291	354 457
Capespan Group Ltd	**1 486 163**	**1 501 924**	**2 988 087**	1 123 506	1 581 495	2 705 001			-
Agrivision Africa (previously Chayton Africa)	**857 124**	**291 393**	**1 148 517**	472 992	251 899	724 891	388 917	161 855	550 772

	Liabilities								
Subsidiary	**Non-current 2015 R'000**	**Current 2015 R'000**	**Total 2015 R'000**	Non-current 2014 R'000	Current 2014 R'000	Total 2014 R'000	Non-current 2013 R'000	Current 2013 R'000	Total 2013 R'000
Zaad Holdings Ltd (previously Agricol Holdings Ltd)	**185 822**	**530 586**	**716 408**	137 555	500 045	637 600	53 023	76 468	129 491
Capespan Group Ltd	**323 534**	**1 137 538**	**1 461 072**	306 509	983 336	1 289 845			-
Agrivision Africa (previously Chayton Africa)	**313 652**	**345 340**	**658 992**	193 093	152 629	345 722	112 467	134 224	246 691

ZEDER INVESTMENTS LTD
ANNEXURE B – SIGNIFICANT ASSOCIATES FOR THE YEAR ENDED 28 FEBRUARY 2015

			Effective interest held directly or indirectly**			**Dividends received during the year**			**Carrying value at year-end**		
Associate	**Country of incorporation***	**Nature of business**	**2015 %**	2014 %	2013 %	**2015 R'000**	2014 R'000	2013 R'000	**2015 R'000**	2014 R'000	2013 R'000
Agri Voedsel Ltd[2]	South Africa	Investment company with a voting and economic interest in Pioneer Food Group Ltd of 25% and 30%, respectively		48,0	45,0	**17 521**	34 320	27 590		**1 158 375**	1 063 537
Pioneer Food Group Ltd[2]	South Africa[1]	Food and beverage distributer	**27,3**			**90 871**			**4 774 246**		
Kaap Agri Ltd	South Africa[1]	Agricultural	**37,9**	37,9	34,9	**18 252**	13 984	8 766	**453 146**	412 961	271 555
Quantum Foods Holdings Ltd[2]	South Africa[1]	Feeds and poultry business	**26,4**						**142 769**		
Golden Wing Mau	China	Fruit procurement/ distribution	**25,0**	25,0			8 339		**295 324**	231 759	
Capespan Group Ltd[4]	South Africa[5]	Fruit procurement/ export			37,1			10 749			298 255
Klein Karoo Seed Marketing (Pty) Ltd[4]	South Africa[6]	Agricultural			49,0						90 851
Thembeka OVB (Pty) Ltd[3]	South Africa	Investment company with an effective interest of 20% in Overberg Agri Ltd			49,0		975	16 381			79 389
NWK Ltd[3]	South Africa	Agricultural			19,9		5 931	15 503			220 027
Suidwes Investments Ltd[3]	South Africa	Agricultural			24,1			4 250			101 405
Capevin Holdings Ltd[7]	South Africa	Beverages						34 198			
Bluegreen Oceans (Pty) Ltd	South Africa	Aqua culture									1 516
Other immaterial associated companies (aggregated)									**38 504**	18 719	
Total						**126 644**	63 549	117 437	**5 703 989**	1 821 814	2 126 535

* *Principle place of business is the country of incorporation, unless otherwise stated.*
** *Ownership interest equal voting rights.*
[1] *Operating via various subsidiaries throughout Southern Africa.*
[2] *During the year under review, Zeder made an offer to acquire all of the shares in Agri Voedsel Ltd (which in turn held an interest of 30,3% in JSE-listed Pioneer Food Group Ltd) not already held by Zeder, whereby Agri Voedsel shareholders were offered 16,2 Zeder shares for every one Agri Voedsel Ltd share. Following completion of same, Zeder now owns a direct interest of 27,3% in Pioneer Food Group Ltd and 24,9% in Quantum Foods Holdings Ltd.*
[3] *The group disposed of its interest in the associate during the prior year.*
[4] *The group obtained control over the company during the prior year (refer Annexure A).*
[5] *Operating via an associate in China and various subsidiaries throughout the rest of the world. The group obtained control over Capespan Group Ltd during the 2014 year (refer note 31.3).*
[6] *Operating via subsidiaries in Southern Africa, Europe and the Middle East.*
[7] *The group disposed of the majority of its interest in the associate during the 2013 year.*

	Profitability (100%)[2]					
	Profit/(loss) for the year	**Total comprehensive Income/(loss) for the year**	**Revenue**	Profit for the year	Total comprehensive Income for the year	Revenue
	2015	**2015**	**2015**	2014	2014	2014
Associate	**R'000**	**R'000**	**R'000**	R'000	R'000	R'000
Agri Voedsel Ltd				139 380	169 334	
Pioneer Food Group Ltd	**966 300**	**977 700**	**17 698 600**			
Kaap Agri Ltd	**158 213**	**158 234**	**4 874 579**	129 054	129 130	4 007 807
Quantum Foods Holdings Ltd	**(8 487)**	**(28 176)**	**3 560 943**			
NWK Ltd				142 100	171 400	1 840 200

[1] *These figures are the latest published full year results available for these companies.*

	Profitability (group's interest)*			
	Profit for the year 2015	**Total comprehensive income for the year 2015**	Profit/(loss) for the year 2014	Total comprehensive income/(loss) for the year 2014
Associate	**R'000**	**R'000**	R'000	R'000
Agri Voedsel Ltd			72 488	94 323
Pioneer Food Group Ltd	**77 407**	**73 670**		
Kaap Agri Ltd	**58 268**	**58 268**	48 879	48 909
Quantum Foods Holdings Ltd	**6 999**	**6 999**		
NWK Ltd			(459)	(419)

[2] *Disclosure became relavant during the 2015 financial year, therefore no disclosure included in 2013 annual financial statements.*

ANNEXURE B – SIGNIFICANT ASSOCIATES FOR THE YEAR ENDED 28 FEBRUARY 2015 (continued)

	Assets								
	Non-current	**Current**	**Total**	Non-current	Current	Total	Non-current	Current	Total
	2015	**2015**	**2015**	2014	2014	2014	2013	2013	2013
Associate	**R'000**	**R'000**	**R'000**	R'000	R'000	R'000	R'000	R'000	R'000
Agri Voedsel Ltd			**–**	2 067 645	6 203	2 073 848	1 963 249	4 758	1 968 007
Pioneer Food Group Ltd	**5 422 500**	**5 420 900**	**10 843 400**			–			–
Kaap Agri Ltd	**529 658**	**1 840 595**	**2 370 253**	454 567	1 664 015	2 118 582	408 381	1 464 031	1 872 412
Quantum Foods Holdings Ltd	**1 061 357**	**985 291**	**2 046 648**			–			–
NWK Ltd			**–**	935 900	1 477 300	2 413 200	763 900	1 532 700	2 296 600
Suidwes Investments Ltd			**–**	853 633	1 386 291	2 239 924	610 624	961 286	1 571 910
Capevin Holdings Ltd			**–**	2 095 530	2 641	2 098 171	1 794 697	3 445	1 798 142

	Liabilities								
	Non-current	**Current**	**Total**	Non-current	Current	Total	Non-current	Current	Total
	2015	**2015**	**2015**	2014	2014	2014	2013	2013	2013
Associate	**R'000**	**R'000**	**R'000**	R'000	R'000	R'000	R'000	R'000	R'000
Agri Voedsel Ltd			**–**		4 177	4 177		4 811	4 811
Pioneer Food Group Ltd	**2 308 600**	**3 920 700**	**6 229 300**			–			–
Kaap Agri Ltd	**30 875**	**1 224 010**	**1 254 885**	24 907	1 097 787	1 122 694	21 723	955 746	977 469
Quantum Foods Holdings Ltd	**195 922**	**389 502**	**585 424**			–			–
NWK Ltd			**–**	251 600	780 300	1 031 900	72 100	833 900	906 000
Suidwes Investments Ltd			**–**	1 079 863	546 529	1 626 392	797 444	239 175	1 036 619
Capevin Holdings Ltd			**–**	47	5 148	5 195	47	7 069	7 116

ANNEXURE B – SIGNIFICANT ASSOCIATES FOR THE YEAR ENDED 28 FEBRUARY 2015 (continued)

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

	Pioneer Food Group Ltd[1] 2015 R'000
Total assets reported above	**10 843 400**
Total liabilities reported above	**(6 229 300)**
Net assets reported above	**4 614 100**
Non-controlling interest	**(10 524)**
Equity attributable to owners of the parent	**4 603 576**
Non-current assets and liabilities held for sale[2]	**(1 498 718)**
	3 104 858
Group's economic interest in the associate (%)	**31,7**
Group's interest in equity attributable to owners of the parent	**983 309**
Deemed goodwill included in associate's carrying value[3]	**3 790 937**
Associate carrying value	**4 774 246**

[1] *Accounts are most recently reported publicly available results as at 30 September 2014.*

[2] *Pioneer Foods Ltd unbundled its shareholding in Quantum Foods Ltd subsequent to 30 September 2014 (being classified as a disposal group held for sale at such reporting date).*

[3] *Also include timing differences emanating from lag period accounting adjustments.*

ANNEXURE C – SEGMENT REPORT FOR THE YEAR ENDED 28 FEBRUARY 2015

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 subsidiaries operate to a lesser extent elsewhere (refer Annexures A and B for further details). Additional geographical information has not been presented since same is not reviewed by the CODM, 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 equity securities' see-through recurring headline earnings and the related net fair value gains/losses and investment income (as recognised in the income statement). Associates' and subsidiaries' one-off gains/losses are excluded from recurring headline earnings and included in non-recurring headline earnings.

Segmental income comprises revenue from sale of goods 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 measured using the relevant accounting standards which include historical cost and the equity accounting method.

	GROUP		
	2015 R'000	2014 R'000	2013 R'000
Recurring headline earnings			
Food, beverages and related services	**417 011**	247 304	205 652
Agri-related retail, trade and services	**64 130**	74 062	120 419
Agri-inputs	**73 728**	49 554	28 662
Agri-production	**(14 278)**	(4 796)	(21 759)
Recurring headline earnings from investments	**540 591**	366 124	332 974
Net interest, taxation and other income and expenses	**(8 621)**	(7 081)	(23 323)
Management (base) fee	**(117 757)**	(59 022)	(58 560)
Recurring headline earnings	**414 213**	300 021	251 091
Management (performance) fee	**(117 757)**	(59 022)	
Other non-recurring headline earnings	**(39 150)**	19 539	(54 748)
Headline earnings	**257 306**	260 538	196 343
Non-headline items	**(15 491)**	46 209	315 399
Attributable earnings	**241 815**	306 747	511 742
SOTP segmental analysis			
Segments			
Food, beverages and related services	**11 226 333**	3 340 859	2 047 010
Agri-related retail, trade and services	**681 017**	567 899	819 298
Agri-inputs	**885 284**	678 805	368 900
Agri-production	**562 818**	560 394	276 925
Cash and cash equivalents	**338 382**	376 102	692 214
Other net liabilities	**(439 389)**	(365 383)	(301 097)
SOTP value	**13 254 445**	5 158 676	3 903 250

ANNEXURE C – SEGMENT REPORT FOR THE YEAR ENDED 28 FEBRUARY 2015 (continued)

Income segmental analysis

	GROUP		
	2015	2014	2013
	R'000	R'000	R'000
Segment profit before tax			
Food, beverages and related services	**358 891**	265 516	
Agri-related retail, trade and services	**58 268**	75 575	
Agri-inputs	**70 603**	46 271	
Agri-production	**(29 768)**	(17 110)	
Management fees and other income and expenses	**(96 959)**	90 942	
Profit before tax	**361 035**	461 194	–
Food, beverages and related services	**7 438 026**	5 442 658	–
Revenue from sale of goods	**7 392 421**	5 407 343	
Investment income	**45 605**	35 315	
Agri-related retail, trade and services			
Investment income		3 496	5 792
Agri-inputs	**951 117**	467 780	266 602
Revenue from sale of goods	**946 573**	465 417	264 746
Investment income	**4 544**	2 363	1 856
Agri-production	**352 974**	137 947	63 684
Revenue from sale of goods	**352 974**	137 940	63 367
Investment income		7	317
Unallocated investment income (mainly head office interest income)	**24 699**	23 173	5 137
IFRS revenue	**8 766 816**	6 075 054	341 215

PRO FORMA FINANCIAL INFORMATION OF ZEDER

The *pro forma* financial information of Zeder at 28 February 2015 is set out below. The *pro forma* financial information has been prepared for illustrative purposes only to provide information on how the Proposed Transaction might have impacted on the financial position, changes in equity and results of operations of Zeder. Due to its nature, the *pro forma* financial information may not fairly present Zeder's financial position, changes in equity, results of operations or cash flows after the implementation of the Proposed Transaction. The *pro forma* financial information is presented in a manner that is consistent with the accounting policies of Zeder.

The *pro forma* financial information set out below, having been prepared in accordance with the South African Institute of Chartered Accountants' Guide on Pro Forma Financial Information, should be read in conjunction with the report of the Independent Reporting Accountants, which is included as **Annexure 5** to this Circular.

The directors of Zeder are responsible for the preparation of the *pro forma* financial information. The *pro forma* statement of financial position of Zeder has been prepared on the assumption that the Proposed Transaction was effected on 28 February 2015, while the *pro forma* income statement and the *pro forma* statement of comprehensive income have been prepared on the assumption that the Proposed Transaction was effected on 1 March 2014.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 28 FEBRUARY 2015

	Zeder[1] R'000	**Scheme[2, 3]** R'000	***Pro forma* after[4]** R'000
ASSETS			
Non-current assets	8 003 349	–	**8 003 349**
Property, plant and equipment	1 223 209		**1 223 209**
Intangible assets	600 729		**600 729**
Biological assets	181 524		**181 524**
Investment in ordinary shares of associates	5 703 989		**5 703 989**
Loans to associates	30 030		**30 030**
Investment in ordinary shares of joint ventures	39		**39**
Loans to joint ventures	81		**81**
Equity securities	51 008		**51 008**
Loans and advances	114 409		**114 409**
Deferred income tax assets	63 869		**63 869**
Employee benefits	34 462		**34 462**
Current assets	3 132 123	(4 389)	**3 127 734**
Biological assets	92 808		**92 808**
Inventories	988 105		**988 105**
Trade and other receivables	1 259 979		**1 259 979**
Derivative financial assets	24		**24**
Current income tax receivables	21 208		**21 208**
Cash, money market investments and other cash equivalents	769 999	(4 389)	**765 610**
Non-current assets held for sale	30 378		**30 378**
Total assets	11 165 850	(4 389)	**11 161 461**

	Zeder[1] R'000	Scheme[2, 3] R'000	*Pro forma* after[4] R'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Stated capital	5 095 256	607 721	**5 702 977**
Other reserves	54 067		**54 067**
Retained earnings	1 983 375	(316 848)	**1 666 527**
	7 132 698	290 873	**7 423 571**
Non-controlling interest	607 845	(295 262)	**312 583**
Total equity	7 740 543	(4 389)	**7 736 154**
Non-current liabilities	1 273 712	–	**1 273 712**
Deferred income tax liabilities	105 627		**105 627**
Borrowings	969 938		**969 938**
Derivative financial liabilities	63 644		**63 644**
Employee benefits	134 503		**134 503**
Current liabilities	2 151 595	–	**2 151 595**
Borrowings	902 373		**902 373**
Trade and other payables	1 153 236		**1 153 236**
Derivative financial liabilities	417		**417**
Current income tax payables	30 928		**30 928**
Employee benefits	64 641		**64 641**
Total liabilities	3 425 307	–	**3 425 307**
Total equity and liabilities	11 165 850	(4 389)	**11 161 461**
Number of shares in issue ('000)	1 443 844	69 558	**1 513 402**
Net asset value per share (cents)	494,0		**490,5**
Net tangible asset value per share (cents)	452,4		**450,8**

Notes and assumptions:

1 Extracted, without adjustment, from the audited consolidated financial statements of Zeder for the year ended 28 February 2015, as set out in **Annexure 3** to this Circular.

2 The increase in stated capital represents the acquisition of 81 832 865 Capespan Shares not already held by Zeder or Capespan management (by way of the Scheme), in exchange for the issue of the Scheme Consideration Shares. The transaction is accounted for at a value of R607 721 000, which is calculated by multiplying the Scheme Consideration Shares with their market value of R8,80 per share, being the JSE-listed share price at the Last Practicable Date, net of estimated transaction costs (including value added tax) of R4 389 000. Transaction costs are capital in nature, not tax deductible and accounted for as a deduction against stated capital.

3 The decrease in retained earnings of R316 848 000 represents the excess of the fair value of the Scheme Consideration Shares, as at the Last Practicable Date, over the accounting carrying value of the non-controlling interest acquired.

4 Represents the *pro forma* financial results after incorporating the adjustments set out above.

PRO FORMA CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2015

	Zeder[1] R'000	Scheme[2, 3, 5] R'000	*Pro forma* after[4] R'000
Revenue	8 691 968		**8 691 968**
Cost of sales	(7 423 794)		**(7 423 794)**
Gross profit	1 268 174	–	**1 268 174**
Income			
Change in fair value of biological assets	144 019		**144 019**
Investment income	74 848		**74 848**
Net fair value gains	37 717		**37 717**
Other operating income	44 714		**44 714**
Total income	301 298	–	**301 298**
Expenses			
Management fees	(235 514)	(18 363)	**(253 877)**
Marketing, administration and other expenses	(1 129 819)		**(1 129 819)**
Total expenses	(1 365 333)	(18 363)	**(1 383 696)**
Income from associates and joint ventures			
Share of profits of associates and joint ventures	299 892		**299 892**
Impairment of associates and joint ventures	(132)		**(132)**
Net income from associates and joint ventures	299 760	–	**299 760**
Profit before finance costs and taxation	503 899	(18 363)	**485 536**
Finance costs	(142 864)		**(142 864)**
Profit before taxation	361 035	(18 363)	**342 672**
Taxation	(77 289)		**(77 289)**
Profit for the year	283 746	(18 363)	**265 383**
Attributable to:			
Owners of the parent	241 816	7 607	**249 423**
Non-controlling interest	41 930	(25 970)	**15 960**
	283 746	(18 363)	**265 383**
Reconciliation to headline and recurring headline earnings:			
Profit attributable to owners of the parent	241 816	7 607	**249 423**
Non-headline items	15 491	(2 789)	**12 702**
Headline earnings	257 307	4 818	**262 125**
Non-recurring items	156 907	24 830	**181 737**
Recurring headline earnings	414 214	29 648	**443 862**

	Zeder[1] R'000	Scheme[2, 3, 5] R'000	*Pro forma* after[4] R'000
Weighted average number of shares in issue ('000)			
Basic	1 172 002	69 558	**1 241 560**
Diluted	1 172 002	69 558	**1 241 560**
Earnings per share (cents)			
Attributable – basic	20,6		**20,1**
Attributable – diluted	20,6		**20,1**
Headline – basic	22,0		**21,1**
Headline – diluted	22,0		**21,1**
Recurring headline	35,3		**35,8**

Notes and assumptions:

1 Extracted, without adjustment, from the audited consolidated financial statements of Zeder for the year ended 28 February 2015, as set out in **Annexure 3** to this Circular.

2 The increase of R18 363 000 in management fees was calculated in accordance with Zeder's existing management fee agreement and includes both the management base fee, calculated at 1.5% of the increased market capitalisation, as well as the performance fee. The increased market capitalisation was calculated with reference to the Scheme Consideration Shares and the JSE-listed share price at the Last Practicable Date of R8.80 per share. The performance fee is calculated annually, with reference to the Zeder share price, at the rate of 20% above the benchmark, being the GOVI-index plus 4%. The maximum performance fee for any financial year shall not exceed the annual management base fee and any excess is carried forward as a reduction in the benchmark for the next year.

3 The R7 607 000 increase in profit for the year attributable to owners of the parent represents the increased interest of R25 970 000 in Capespan's earnings, offset by the aforementioned higher management fee expense of R18 363 000.

4 Represents the pro forma financial results after incorporating the adjustments set out above.

5 All adjustments are expected to have a continuing effect on the income statement.

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2015

	Zeder[1] R'000	Scheme[2, 3, 5] R'000	*Pro forma* after[4] R'000
Profit for the year	283 746	(18 363)	**265 383**
Other comprehensive loss for the year, net of taxation	(30 963)	–	**(30 963)**
Items that will be reclassified to profit or loss			
Currency translation movements	(19 012)		**(19 012)**
Reclassification of foreign exchange gains on long-term loan forming part of net foreign investment	(1 015)		**(1 015)**
Fair value gains on available-for-sale investments	792		**792**
Share of other comprehensive losses of associates	(12 725)		**(12 725)**
Cash flow hedges	(5 709)		**(5 709)**
Recycling of cash flow hedges	25 010		**25 010**
Items that will not be reclassified to profit or loss			
Actuarial losses on employee defined benefit plans	(18 304)		**(18 304)**
Total comprehensive income for the year	252 783	(18 363)	**234 420**
Attributable to:			
Owners of the parent	217 522	13 679	**231 201**
Non-controlling interest	35 261	(32 042)	**3 219**
	252 783	(18 363)	**234 420**

Notes and assumptions:

1 Extracted, without adjustment, from the audited consolidated financial statements of Zeder for the year ended 28 February 2015, as set out in **Annexure 3** to this Circular.

2 The increase in total comprehensive income for the year attributable to owners of the parent represents the R7 607 000 additional profit for the year attributable to owners of the parent (as set out in the *pro forma* income statement above), together with the increased interest in Capespan's other comprehensive income of R6 072 000.

3 The decrease in total comprehensive income for the year attributable to non-controlling interest represents the R25 970 000 decrease in profit for the year attributable to non-controlling interest (as set out in the *pro forma* income statement above), together with the reduced interest in Capespan's other comprehensive income of R6 072 000.

4 Represents the *pro forma* financial results after incorporating the adjustments set out above.

5 All adjustments are expected to have a continuing effect on the statement of comprehensive income.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF ZEDER

The Directors

Zeder Investments Limited
1st Floor
Ou Kollege Building
35 Kerk Street
Stellenbosch
7600

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION OF ZEDER INVESTMENTS LIMITED ("CLIENT" OR "THE COMPANY")

Introduction

The Company and Capespan Group Limited are issuing a combined circular to Capespan Group Limited shareholders ("Combined Circular") regarding the scheme of arrangement ("the Proposed Transaction").

At your request and for the purposes of the Combined Circular to be dated on or about 25 May 2015, we present our assurance report on the compilation of the *pro forma* financial information of the Client by the directors. The *pro forma* financial information, presented in Annexure 4 to the Combined Circular, consists of the *pro forma* statement of financial position as at 28 February 2015, the *pro forma* income statement and the *pro forma* statement of comprehensive income for the 12 months ended 28 February 2015 and the *pro forma* financial effects ("the *Pro Forma* Financial Information").

The *Pro Forma* Financial Information has been compiled by the directors to illustrate the impact of the Proposed Transaction on the Company's reported financial position as at 28 February 2015, and the Company's financial performance for the period then ended, as if the Proposed Transaction had taken place at 28 February 2015 and 1 March 2014, respectively. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 28 February 2015, on which an audit report has been published.

Directors' responsibility

The directors of the Company are responsible for the compilation, contents and presentation of the *Pro Forma* Financial Information on the basis of the applicable criteria described in Annexure 4 to the Combined Circular. The directors of the Company are also responsible for the financial information from which it has been prepared.

Reporting accountants' responsibility

Our responsibility is to express a reasonable assurance opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the directors on the basis described in Annexure 4 to the Combined Circular based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis described in Annexure 4 to the Combined Circular.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro Forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro Forma* Financial Information.

As the purpose of *Pro Forma* Financial Information included in a Combined Circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *Pro Forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the corporate action or event in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

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

Opinion

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria described in Annexure 4 to the Combined Circular.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: NH Döman
Registered Auditor

Stellenbosch

19 May 2015

PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION ON A CAPESPAN SHAREHOLDER

The *pro forma* financial effects of the Proposed Transaction on a Capespan Shareholder as at the most recent financial reporting date is set out below. The *pro forma* financial effects have been prepared for illustrative purposes only. Due to its nature, the *pro forma* financial effects may not fairly present a Capespan Shareholder's financial position after the implementation of the Proposed Transaction.

The *pro forma* financial effects set out below, having been prepared in accordance with the South African Institute of Chartered Accountants' Guide on Pro Forma Financial Information, should be read in conjunction with the report of the Independent Reporting Accountants, which is included as **Annexure 7** to this Circular.

The directors of Capespan are responsible for the preparation of the *pro forma* financial effects.

The *pro forma* net asset value per share and tangible net asset value per share figures appearing in the table below, have been calculated on the assumption that the Proposed Transaction was effected on 28 February 2015, while the *pro forma* recurring headline earnings per share, headline earnings per share and attributable earnings per share figures appearing in the table below, have been calculated on the assumption that the Proposed Transaction was effected on 1 March 2014.

	Results for the year ended 31 December 2014[1] **(cents)**	***Pro forma* after**[2] **(cents)**	**Change (%)**
Share price per share (Rand)	3,97	6,50	63,7
The share price per share pro forma financial effect is the most relevant metric for assessment of the Scheme and the following pro forma financial effects do not present the premium at which the offer is made. The rationale for the Proposed Transaction is set out in paragraph 4 of this Circular.			
Recurring headline earnings per share	49,4	30,4	(38,5)
Headline earnings per share	30,3	17,9	(40,9)
Attributable earnings per share	33,7	17,1	(49,3)
Net asset value per share	462,3	416,9	(9,8)
Tangible net asset value per share	362,6	383,2	5,7

Notes and assumptions:

[1] Extracted, without adjustment, from the audited results of Capespan for the year ended 31 December 2014, as set out in **Annexure 2**, except for the "Before" share price which was Capespan's 30-day VWAP as at 31 March 2015, while the "*Pro forma* after" share price was calculated using the ratio of 85 Zeder shares for every 100 Capespan shares disposed of, and Zeder's JSE-listed 30-day VWAP of R7,64 as at 31 March 2015.

[2] The "*Pro forma* after" column sets out the position of a Capespan Shareholder following the Proposed Transaction, now owning Zeder shares. The financial information is based on Zeder's financial effects, as set out in **Annexure 4**, pursuant to the Proposed Transaction (for the year ended 28 February 2015), multiplied by the swap ratio of 0,85 to provide the *pro forma* financial effects for a Capespan Shareholder. Although Capespan Shareholders will be affected by the Proposed Transaction, the financial results and position of Capespan will not be affected.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL EFFECTS ON A CAPESPAN SHAREHOLDER

The Directors

Capespan Group Limited
The Vineyards Square North
Vineyards Office Estate
Jip de Jager Road
Bellville
7530

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION ON A CAPESPAN GROUP LIMITED ("CAPESPAN" OR "THE COMPANY") SHAREHOLDER

Introduction

Zeder Investments Limited ("Zeder") and Capespan are issuing a combined circular to the Company's shareholders ("Capespan Shareholder") ("Combined Circular") regarding the scheme of arrangement ("the Proposed Transaction").

At your request and for the purposes of the Combined Circular to be dated on or about 25 May 2015, we present our assurance report on the compilation of the *pro forma* financial effects of a Capespan Shareholder by the directors. The *pro forma* financial effects, presented in Annexure 6 to the Combined Circular, consists of the net asset value per share, tangible net asset value per share, recurring headline earnings per share, headline earnings per share and attributable earnings per share ("the *Pro Forma* Financial Effects").

The *Pro Forma* Financial Effects have been compiled by the directors to illustrate the impact of the Proposed Transaction on a Capespan Shareholder. The *pro forma* net asset value per share and tangible net asset value per share have been calculated on the assumption that the Proposed Transaction was effected on 28 February 2015, while the *pro forma* recurring headline earnings per share, headline earnings per share and attributable earnings per share have been calculated on the assumption that the Proposed Transaction was effected on 1 March 2014. As part of this process, information about Capespan's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 31 December 2014, on which an audit report has been published.

Directors' responsibility

The directors of the Company are responsible for the compilation, contents and presentation of the *Pro Forma* Financial Effects on the basis of the applicable criteria described in Annexure 6 to the Combined Circular. The directors of the Company are also responsible for the financial information from which it has been prepared.

Reporting accountants responsibility

Our responsibility is to express a reasonable assurance opinion about whether the *Pro Forma* Financial Effects have been compiled, in all material respects, by the directors on the basis described in Annexure 6 to the Combined Circular based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Effects have been compiled, in all material respects, on the basis described in Annexure 6 to the Combined Circular.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro Forma* Financial Effects, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro Forma* Financial Effects.

As the purpose of *Pro Forma* Financial Effects included in the Combined Circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *Pro Forma* Financial Effects have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *Pro Forma* Financial Effects provide a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *Pro Forma* Financial Effects reflect the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the corporate action or event in respect of which the *Pro Forma* Financial Effects have been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Effects.

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

Opinion

In our opinion, the *Pro Forma* Financial Effects have been compiled, in all material respects, on the basis described in Annexure 6 to the Combined Circular.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: NH Döman
Registered Auditor

Stellenbosch

19 May 2015

FOREIGN CAPESPAN SHAREHOLDERS AND EXCHANGE CONTROL REGULATIONS

1. FOREIGN CAPESPAN SHAREHOLDERS

1.1 The Scheme may be affected by the laws of the relevant jurisdiction of a Foreign Capespan Shareholder. A Foreign Capespan Shareholder should acquaint itself about and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this Circular that may affect it. It is the responsibility of each Foreign Capespan Shareholder to satisfy itself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Scheme, including the obtaining of any governmental, exchange control or other consents, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any taxes or other requisite payments due in such jurisdiction.

1.2 The Scheme is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Exchange Control Regulations.

1.3 Any Capespan Shareholder who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

2. EXCHANGE CONTROL REGULATIONS

The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which apply to Scheme Participants. Scheme Participants who have any queries regarding the Exchange Control Regulations should contact their own professional advisors without delay.

2.1 Residents of the Common Monetary Area

In the case of Scheme Participants whose registered addresses in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Scheme Consideration will be settled in the manner detailed in paragraph 4.6 of the Circular.

2.2 Emigrants from the Common Monetary Area

2.2.1 The Scheme Consideration is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.

2.2.2 The Scheme Consideration due to a Scheme Participant who is an emigrant from South Africa, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited in a blocked account with the authorised dealer in foreign exchange in South Africa controlling the Scheme Participant's blocked assets in accordance with his instructions, against delivery of the relevant documents of title.

2.2.3 In terms of a recent relaxation to the exchange control rulings, emigrants may externalise the Scheme Consideration by making application to the Financial Surveillance Department of the South African Reserve Bank via the requisite authorised dealer channel. Previously, a 10% levy would have been payable on externalisation. This is however no longer the position and the Scheme Consideration may, on application, be externalised free of the levy.

2.2.4 The authorised dealer releasing the relevant documents of title in terms of the Scheme must countersign the form of surrender, transfer and acceptance (*blue*) thereby indicating that the Scheme Consideration will be placed directly in its control.

2.2.5 The attached form of surrender, transfer and acceptance (*blue*) makes provision for the details of the authorised dealer concerned to be provided.

2.3 **All other non-residents of the Common Monetary Area**

2.3.1 The Scheme Consideration due to an own-name Scheme Participant who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the authorised dealer in foreign exchange in South Africa nominated by such Scheme Participant. It will be incumbent on the Scheme Participant concerned to instruct the nominated authorised dealer as to the disposal of the Scheme Consideration against delivery of the relevant documents of title.

2.3.2 The form of surrender, transfer and acceptance (*blue*) attached to this Circular makes provision for the nomination required in terms of paragraph 2.3.1 above. If the information regarding the authorised dealer is not given in terms of paragraph 2.3.1 above, the Scheme Consideration will be held in trust by Zeder for the Scheme Participants concerned pending receipt of the necessary information or instruction.

WORDING OF SECTION 115 AND SECTION 164 OF THE COMPANIES ACT

"Section 115 : Required approval for transactions contemplated in Part A

(1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:

(a) the disposal, amalgamation or merger, or scheme of arrangement:

(i) has been approved in terms of this section; or

(ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and

(b) to the extent that Parts B and C of this Chapter and the Takeover Regulations, apply to a company that proposes to:

(i) dispose of all or the greater part of its assets or undertaking;

(ii) amalgamate or merge with another company; or

(iii) implement a scheme of arrangement,

the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119 4 (b), or exempted the transaction in terms of section 119(6).

(2) A proposed transaction contemplated in subsection (1) must be approved:

(a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and

(b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:

(i) the holding company is a company or an external company;

(ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and

(iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and

(c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).

(3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:

(a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or

(b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

(4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:

(a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or

(b) required to be voted in support of a resolution, or actually voted in support of the resolution.

(4A) In subsection (4), 'act in concert' has the meaning set out in section 117(1)(b).

(5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:

(a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or

(b) treat the resolution as a nullity.

(6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:

(a) is acting in good faith;

(b) appears prepared and able to sustain the proceedings; and

(c) has alleged facts which, if proved, would support an order in terms of subsection (7).

(7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:

(a) the resolution is manifestly unfair to any class of holders of the company's securities; or

(b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.

(8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:

(a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and

(b) was present at the meeting and voted against that special resolution.

(9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:

(a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;

(b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;

(c) the transfer of shares from one person to another;

(d) the dissolution, without winding-up, of a company, as contemplated in the transaction;

(e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or

(f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

Section 164 : Dissenting shareholders appraisal rights

(1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.

(2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:

(a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or

(b) enter into a transaction contemplated in section 112, 113, or 114,

that notice must include a statement informing shareholders of their rights under this section.

(3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.

(4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:

(a) gave the company a written notice of objection in terms of subsection (3); and

(b) has neither:

(i) withdrawn that notice; or

(ii) voted in support of the resolution.

(5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:

(a) the shareholder:

(i) sent the company a notice of objection, subject to subsection (6); and

(ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;

(b) the company has adopted the resolution contemplated in subsection (2); and

(c) the shareholder:

(i) voted against that resolution; and

(ii) has complied with all of the procedural requirements of this section.

(6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.

(7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:

(a) 20 business days after receiving a notice under subsection (4); or

(b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.

(8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder seeks payment; and

(c) a demand for payment of the fair value of those shares.

(9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:

(a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);

(b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or

(c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

(10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.

(11) Within five business days after the later of:

(a) the day on which the action approved by the resolution is effective;

(b) the last day for the receipt of demands in terms of subsection (7)(a); or

(c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.

(12) Every offer made under subsection (11):

(a) in respect of shares of the same class or series must be on the same terms; and

(b) lapses if it has not been accepted within 30 business days after it was made.

(13) If a shareholder accepts an offer made under subsection (12):

(a) the shareholder must either in the case of:

(i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or

(ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and

(b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:

(i) tendered the share certificates; or

(ii) directed the transfer to the company of uncertificated shares.

(14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:

(a) failed to make an offer under subsection (11); or

(b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.

(15) On an application to the court under subsection (14):

(a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;

(b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and

(c) the court:

(i) may determine whether any other person is a dissenting shareholder who should be joined as a party;

(ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);

(iii) in its discretion may:

(aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or

(bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;

(iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and

(v) must make an order requiring:

(aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and

(bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

(15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:

(a) that shareholder must comply with the requirements of subsection 13(a); and

(b) the company must comply with the requirements of subsection 13(b).

(16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

(17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pays its debts as they fall due and payable for the ensuing 12 months:

(a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and

(b) the court may make an order that:

(i) is just and equitable, having regard to the financial circumstances of the company; and

(ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

(18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

(19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:

(a) the provisions of that section; or

(b) the application by the company of the solvency and liquidity test set out in section 4.

(20) *Except to the extent:*

(a) expressly provided in this section; or

(b) that the Panel rules otherwise in a particular case,

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."

TABLE OF ENTITLEMENTS

The following table sets out the number of Zeder Shares to which Scheme Participants will be entitled, should the Scheme be implemented. Scheme Participants will be entitled to receive 85 (eighty five) Zeder Shares for every 100 (one hundred) Scheme Shares disposed of by Scheme Participants in terms of the Scheme, as illustrated below:

Number of Scheme Shares held before the Scheme	Zeder Share entitlement	Number of Scheme Shares held before the Scheme	Zeder Share entitlement	Number of Scheme Shares held before the Scheme	Zeder Share entitlement
1	1	41	35	81	69
2	2	42	36	82	70
3	3	43	37	83	71
4	3	44	37	84	71
5	4	45	38	85	72
6	5	46	39	86	73
7	6	47	40	87	74
8	7	48	41	88	75
9	8	49	42	89	76
10	9	50	43	90	77
11	9	51	43	91	77
12	10	52	44	92	78
13	11	53	45	93	79
14	12	54	46	94	80
15	13	55	47	95	81
16	14	56	48	96	82
17	14	57	48	97	82
18	15	58	49	98	83
19	16	59	50	99	84
20	17	60	51	100	85
21	18	61	52	125	106
22	19	62	53	150	128
23	20	63	54	175	149
24	20	64	54	200	170
25	21	65	55	1 000	850
26	22	66	56	5 000	4 250
27	23	67	57	10 000	8 500
28	24	68	58	20 000	17 000
29	25	69	59	50 000	42 500
30	26	70	60	100 000	85 000
31	26	71	60	200 000	170 000
32	27	72	61	300 000	255 000
33	28	73	62	400 000	340 000
34	29	74	63	500 000	425 000
35	30	75	64	1 000 000	850 000
36	31	76	65	2 000 000	1 700 000
37	31	77	65	3 000 000	2 550 000
38	32	78	66	4 000 000	3 400 000
39	33	79	67	5 000 000	4 250 000
40	34	80	68	10 000 000	8 500 000

IRREVOCABLE UNDERTAKINGS BY CAPESPAN SHAREHOLDERS

As at the Last Practicable Date, the following Capespan shareholders have provided irrevocable undertakings to vote in favour of all Capespan Shareholder resolutions necessary to approve and implement the Scheme:

No.	Capespan shareholder	Number of Capespan shares	Percentage of available vote (%)
1.	CP Minnaar en Seun	1 079 188	1.3
2.	KF du Toit	10 000	0.0
3.	AD Roux	469 271	0.6
4.	J Baldie and Sons CC	1 063 416	1.3
5.	I Pretorious	288 500	0.3
6.	JC Kunz	30 000	0.0
7.	CJ de Waal	23 108	0.0
8.	CS Botha	23 108	0.0
9.	PSG Clients	384 854	0.5
10.	Birchmore Trust	96 920	0.1
11.	NC de Beer	2 013	0.0
12.	J Fourie	8 000	0.0
13.	DJ Burger	12 200	0.0
14.	M Smith	48 000	0.1
15.	Easy Nominees	639 389	0.8
16.	Bo – Radyn	363 558	0.4
17.	Maritzrak 9	100 000	0.1
18.	Boet van der Berg	183 523	0.2
19.	PB Reyneke	276 901	0.3
20.	Oseiland Boerdery	251 830	0.3
21.	LS Marais	160 955	0.2
22.	Peregrine Nominees	1 398 328	1.7
23.	PM Micklem	596 664	0.7
24.	SC Rossouw en Seun trust	1 901 456	2.3
25.	Frank le Roux Familietrust	221 533	0.3
26.	AE Jordaan	200 000	0.2
27.	AP Kuiper	622 295	0.8
28.	AF de Villiers	123 038	0.1
29.	WJ Bouwer	233 076	0.3
30.	La Plaisante Estate	475 399	0.6
31.	Damar Boerdery	277 305	0.3
32.	Sunny Acres Trust	176 374	0.2
33.	JA le Roux en Seuns	283 791	0.3
34.	Jenita Landgoed	146 678	0.2
35.	HJ Groenewald	22 786	0.0
36.	Jennifer Heatlie	97 858	0.1
37.	Glen Heatlie Trust	4 464	0.0
38.	PJ de Bruyn	113 644	0.1
39.	Fairview Landgoed	393 483	0.5
40.	Mhlati Sugar	203 949	0.2
41.	Stellenpak	3 000 000	3.6
42.	PSG Nominees	1 471 027	1.8
43.	JM Kriel	57 825	0.1
44.	Petrus le Grange	111 653	0.1
45.	SL Jordaan Trust	250 000	0.3

No.	Capespan shareholder	Number of Capespan shares	Percentage of available vote (%)
46.	DH Hill	200 001	0.2
47.	Mahela Boerderye	2 573 552	3.1
48.	Candice Segar	11 000	0.0
49.	S W B Boerderye, Klipbult, Suiderland plase, Radyn	1 374 164	1.7
50.	JP Theron	140 000	0.2
51.	BNS Nominees	749 093	0.9
52.	Ivy Asset Management	395 534	0.5
53.	Seweweeks Farms	97 272	0.1
54.	H Brummund	101 482	0.1
55.	JDJ Trust	137 536	0.2
56.	Andrijak Plase	116 646	0.1
57.	Salem Boerdery	154 656	0.2
58.	Sugwater Boerdery	41 417	0.1
59.	Bestwyk Plase	123 707	0.1
60.	Brynarfor Farm	39 271	0.0
61.	Gardenview Nominees	1 347 269	1.6
62.	ES Moola	122 802	0.1
63.	Devsand	10 000	0.0
64.	EMAC Corbett	15 000	0.0
65.	Louterwater Landgoed	726 653	0.9
66.	Raffi Abdoola	29 625	0.0
67.	Taryn Orkin	72 000	0.1
68.	HF le Roux	22 897	0.0
69.	Bakgat Boerdery	43 597	0.1
70.	J Hutton Squire	249 101	0.3
71.	MA Moola	61 401	0.1
72.	I Moola	61 401	0.1
73.	Hercules Viljoen	199 650	0.2
74.	A Moola	36 841	0.0
75.	MA Tarmahomed	122 803	0.1
76.	Capital Chip Trading	31 960	0.0
77.	Tambankulu Estates	2 343 160	2.8
78.	Lujes Trust	137 536	0.2
79.	Mscl Trust	137 536	0.2
80.	Alicedale Estates	481 843	0.6
81.	The G Langton Family Trust	129 803	0.2
82.	Mvutshini Estate	504 552	0.6
	Total	**31 040 121**	**37.6**

DEALINGS BY PROVIDERS OF IRREVOCABLE UNDERTAKINGS

The table below details, as far as can be ascertained, the dealings in Capespan Shares, during the six-month period prior to 8 April 2015 and during the period from 8 April 2015 up to the Last Practicable Date, by those Capespan Shareholders who have provided irrevocable undertakings to vote in favour of the Scheme Resolution:

No.	Capespan shareholder	Date	Transaction	Volume	Price
1.	ES Moola	05/02/2015	BUY	122 802	352
2.	IM Moola	05/02/2015	BUY	61 401	352
3.	MA Tarmahomed	05/02/2015	BUY	122 803	352
4.	Capital Chip Trading	05/02/2015	BUY	24 560	352
5.	AM Moola	05/02/2015	BUY	36 841	352
6.	MAH Moola	05/02/2015	BUY	61 401	352
7.	SJ Toerusting Trust (PSG Nominees)	09/02/2015	BUY	21 665	390
8.	Tebe Beleggings Trust (PSG Nominees)	09/02/2015	BUY	21 665	390
9.	RA Abdoola	03/03/2015	BUY	29 625	395

CAPESPAN GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2008/016971/06)
("**Capespan**" or "**the Company**")

NOTICE OF GENERAL MEETING OF CAPESPAN SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a General Meeting of Capespan Shareholders will be held at 11:00 on Wednesday, 24 June 2015 at Spier Wine Estate, Baden Powell Drive, Stellenbosch.

Purpose

The purpose of the General Meeting of Capespan Shareholders is to consider and, if deemed fit, to approve, with or without modification, the resolution set out in this notice of general meeting.

Notes:

- *The definitions and interpretations commencing on page 9 of the circular to which this notice of general meeting is attached ("**the Circular**"), apply mutatis mutandis to this notice and to the resolution set out below.*
- *For Special Resolution Number 1 to be approved by Capespan Shareholders, it must be supported by at least 75% of the voting rights exercised on the resolution.*
- *Quorum requirement for Special Resolution Number 1 to be adopted is sufficient persons being present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the special resolution.*
- *The voting rights otherwise exercisable by Zeder and the Capespan Management Shareholders shall not be taken into account for any purposes in respect of Special Resolution Number 1 (i.e. as to whether or not a quorum is present to vote on Special Resolution Number 1 or whether or not the required number of voting rights have been exercised in support of Special Resolution Number 1).*
- *In terms of Regulation 84 of the Companies Regulations, a presumption exists that Zeder Directors are acting in concert with Zeder in respect of the Scheme. Accordingly, the voting rights otherwise exercisable by any Zeder Directors and any persons who were Zeder Directors at the time the Zeder Board resolved to make the offer to Capespan Shareholders and who hold Capespan Shares on the Scheme Voting Record Date, shall not be taken into account for any purposes in respect of Special Resolution Number 1 (i.e. as to whether or not a quorum is present to vote on Special Resolution Number 1 or whether or not the required number of voting rights have been exercised in support of Special Resolution Number 1).*
- *The date on which Capespan Shareholders must have been recorded as such in the Register for purposes of being entitled to receive this notice is Friday, 15 May 2015.*

SPECIAL RESOLUTION NUMBER 1 – Approval of the Scheme in terms of sections 114 and 115 of the Companies Act

"**RESOLVED THAT**, as a special resolution in terms of section 115(2)(a) of the Companies Act, the Scheme proposed by the Capespan Board between the Company and its shareholders, be and is hereby **APPROVED** on the terms set out in the Circular, with the Scheme constituting a scheme of arrangement under section 114 of the Companies Act, in terms of which Zeder will, if the Scheme becomes operative, acquire, for the scheme consideration of 85 (eighty five) Zeder Shares for every 100 (one hundred) Scheme Shares disposed of in terms of the Scheme, all the issued Capespan Shares (save for the Treasury Shares and those Capespan Shares currently held by the Zeder Group, the Capespan Management Shareholders and by Dissenting Shareholders who do not withdraw their respective demands made in terms of sections 164(5) to 164(8) of the Companies Act or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse)".

Reason and effect

Capespan Shareholders are referred to the content of the Circular for more information relating to the reason for and effect of Special Resolution Number 1.

VOTING AND PROXIES

The date on which Capespan Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting is Friday, 19 June 2015. The last day to trade in order to be entitled to attend and vote at the General Meeting is Friday, 12 June 2015.

Section 63(1) of the Companies Act requires that meeting participants provide satisfactory identification. Accordingly, meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the General Meeting of Capespan Shareholders and must accordingly bring a copy of their identity document, passport or drivers' license to the General Meeting of Capespan Shareholders. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.

A Capespan Shareholder entitled to attend, speak and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company. For the convenience of Capespan Shareholders, a form of proxy (*yellow*) is attached hereto. Completion of a form of proxy will not preclude such Capespan Shareholder from attending and voting (in preference to that shareholder's proxy) at the General Meeting of Capespan Shareholders.

Duly completed forms of proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries (or Capespan's company secretary) at the address given below by no later than 11:00 on Monday, 22 June 2015 (or by no later than 48 hours before any adjournment of such General Meeting, excluding Saturdays, Sundays and official public holidays) or, alternatively, such forms of proxy may be handed to the chairman of the General Meeting of Capespan Shareholders immediately prior to the commencement of such General Meeting.

APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

In terms of section 164 of the Companies Act, at any time before Special Resolution Number 1 as set out in this notice is voted on, a Dissenting Shareholder may give the Company a written notice objecting to Special Resolution Number 1.

Within 10 Business Days after the Company has adopted Special Resolution Number 1, the Company must send a notice that Special Resolution Number 1 has been adopted to each Capespan Shareholder who:

- gave the Company a written notice of objection as contemplated above;
- has not withdrawn that notice; and
- has voted against Special Resolution Number 1.

A Capespan Shareholder may, within 20 Business Days after receiving the Company's aforementioned notice of the adoption of Special Resolution Number 1, demand that the Company pay the Capespan Shareholder the fair value for all of the Capespan Shares of the Company held by that person if:

- the Capespan Shareholder has sent the Company a notice of objection;
- the Company has adopted Special Resolution Number 1; and
- the Capespan Shareholder voted against Special Resolution Number 1 and has complied with all of the procedural requirements of section 164 of the Companies Act.

The wording of section 164 of the Companies Act is set out in **Annexure 9** to the Circular.

SIGNED AT BELLVILLE ON THURSDAY, 21 MAY 2015 ON BEHALF OF THE CAPESPAN BOARD

AZ FARR
Director

Company Secretary and Registered Office	**Transfer Secretaries**
PB Fourie Vineyards Square North Vineyards Office Estate 99 Jip de Jager Road Bellville, 7530	Computershare Investor Services Proprietary Limited Ground Floor 70 Marshall Street Johannesburg, 2001
(PO Box 6133, Tyger Valley, 7536)	(PO Box 61763, Marshalltown, 2107)

CAPESPAN GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2008/016971/06)
("**Capespan**")

FORM OF PROXY IN RESPECT OF THE GENERAL MEETING OF CAPESPAN SHAREHOLDERS

For use by Capespan Shareholders at the General Meeting of Capespan Shareholders convened in terms of the Companies Act to be held at 11:00 on Wednesday, 24 June 2015 at Spier Wine Estate, Baden Powell Drive, Stellenbosch, or any adjourned or postponed meeting.

*The definitions and interpretations commencing on page 9 of the circular to which this form of proxy is attached ("**the Circular**") apply mutatis mutandis to this form of proxy.*

I/We (Please PRINT names in full) ______________________________

of (address) ______________________________

being the holder(s) of [   ] Capespan Shares

do hereby appoint (see notes 1 and 2):

1. ______________________________ or failing him/her,

2. ______________________________ or failing him/her,

3. the Chairman of the General Meeting of Capespan Shareholders

as my/our proxy to attend, speak and vote for me/us at the General Meeting of Capespan Shareholders (or any adjournment thereof) for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s), in accordance with the following instruction (see notes):

	For	Against	Abstain
Special Resolution Number 1 Approval of scheme of arrangement between Capespan and Capespan Shareholders			

* One vote per Capespan Share held by Capespan Shareholders. Capespan Shareholders must insert the relevant number of votes they wish to vote in the appropriate box provided or "X" should they wish to vote all Capespan Shares held by them.

Signed at: ______________ on ______________ 2015

Signature ______________________________

Capacity of signatory (where applicable) ______________________________

Note: Authority of signatory to be attached – see notes 8 and 9.

Assisted by me (where applicable) ______________________________

Full name ______________________________

Capacity ______________________________

Signature ______________________________

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- *A shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a Capespan Shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder.*
- *A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.*
- *A proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy.*
- *Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder.*
- *Any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise.*
- *If an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company.*
- *A proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise.*
- *If the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a shareholder must be delivered by such company to:*
  - *the relevant shareholder; or*
  - *the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so.*

Notes:

1. Each Capespan Shareholder is entitled to appoint 1 (one) (or more) proxies (none of whom need be a Capespan Shareholder) to attend, speak and vote in place of that Capespan Shareholder at the General Meeting of Capespan Shareholders.
2. A Capespan Shareholder may insert the name of a proxy or the names of two alternative proxies of the Capespan Shareholder's choice in the space/s provided with or without deleting "the Chairman of the General Meeting of Capespan Shareholders" but the Capespan Shareholder must initial any such deletion. The person whose name stands first on the form of proxy and who is present at the General Meeting of Capespan Shareholders will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Capespan Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Capespan Shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise and direct the chairman of the General Meeting of Capespan Shareholders, if the chairman is the authorised proxy, or any other proxy, to vote or abstain from voting at the General Meeting of Capespan Shareholders as he/she deems fit, in respect of all the Capespan Shareholder's votes exercisable at the meeting.
4. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) or Capespan's company secretary at Vineyards Square North, Vineyards Office Estate, 99 Jip de Jager Road, Bellville, 7530 (PO Box 6133, Tyger Valley, 7536), to be received by them by no later than 48 hours before the commencement of the General Meeting (or any adjournment of the General Meeting), excluding Saturdays, Sundays and official public holidays or, alternatively, such form of proxy may be handed to the chairman of the General Meeting prior to the commencement of the General Meeting.
5. The completion and lodging of this form of proxy will not preclude the relevant Capespan Shareholder from attending the General Meeting of Capespan Shareholders and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Capespan Shareholder wish to do so.
6. The chairman of the General Meeting of Capespan Shareholders may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the memorandum of incorporation of Capespan.
7. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by Capespan.
9. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been registered by Capespan or waived by the chairman of the General Meeting of Capespan Shareholders.
10. Where Capespan Shares are held jointly, all joint holders are required to sign this form of proxy.
11. A minor Capespan Shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by Capespan.
12. This form of proxy shall be valid at any resumption of an adjourned meeting to which it relates although this form of proxy shall not be used at the resumption of an adjourned meeting if it could not have been used at the General Meeting of Capespan Shareholders from which it was adjourned for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This form of proxy shall in addition to the authority conferred by the Companies Act, except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting of Capespan Shareholders in question, subject to any specific direction contained in this form of proxy as to the manner of voting.
13. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Capespan Share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by Capespan before the commencement of the meeting or adjourned meeting at which the proxy is used.
14. Any proxy appointed pursuant to this form of proxy may not delegate her or his authority to act on behalf of the relevant Capespan Shareholder.
15. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid only until the end of the General Meeting of Capespan Shareholders or any adjournment of such General Meeting.

CAPESPAN GROUP LIMITED

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FORM OF SURRENDER, TRANSFER AND ACCEPTANCE

*The definitions and interpretations commencing on page 9 of the circular to which this form of surrender, transfer and acceptance is attached ("**the Circular**"), apply mutatis mutandis to this form of surrender, transfer and acceptance.*

This form should be read in conjunction with the Circular.

Instructions:

1. A separate form of surrender, transfer and acceptance is required for each Capespan Shareholder. Capespan Shareholders must complete this form in BLOCK CAPITALS.
2. Part A must be completed by all Capespan Shareholders who return this form and **relates to the surrender of Documents of Title**.
3. Part B must be completed by Capespan Shareholders **who are emigrants from or non-residents** of the Common Monetary Area (see note 2).
4. Part C must be completed by all Capespan Shareholders who return this form and **relates to the settlement of the Scheme Consideration**.

Please also read notes overleaf.

To: The Transfer Secretaries

Hand deliveries to:

Computershare Investor Services Proprietary Limited
Ground Floor
70 Marshall Street
Johannesburg
2001

Postal deliveries to:

Computershare Investor Services Proprietary Limited
PO Box 61763
Marshalltown
2107

Capespan Shareholders may return this form of surrender, transfer and acceptance (blue) and (if applicable) their Documents of Title either to:

- ***the Transfer Secretaries (Computershare Investor Services Proprietary Limited), at the address provided above; OR***
- ***Capespan's company secretary (Mr PB Fourie) at Vineyards Square North, Vineyards Office Estate, 99 Jip de Jager Road, Bellville, 7530 (PO Box 6133, Tyger Valley, 7536),***

whichever is more convenient to Capespan Shareholders.

Dear Sir

PART A – SURRENDER OF DOCUMENTS OF TITLE

ALL CAPESPAN SHAREHOLDERS WHO RETURN THIS FORM MUST PLEASE COMPLETE PART A.

Capespan Shareholders who wish to anticipate the Scheme becoming operative and expedite settlement of the Scheme Consideration should complete and return this form to the Transfer Secretaries together with their Document(s) of Title by no later 12:00 on the Scheme Consideration Record Date.

Should the Scheme not become operative, any Documents of Title surrendered to the Transfer Secretaries will be returned to such shareholders by the Transfer Secretaries, at such shareholders' own risk, by registered post within five Business Days from the date of receipt of the Documents of Title or the date on which it becomes known that the Scheme will not become operative, whichever is the later.

In any event, should the Scheme become operative, Capespan Shareholders will have to complete and return this form (even if after the Scheme Consideration Record Date) to the Transfer Secretaries together with their Document(s) of Title.

Surname or Name of corporate body

First names (in full)

Title

Identity number

Address (**see Part C below**)

Postal code

Country

Telephone (   )

Cell phone number (   )

Email address

Fax number (   )

Please note: In order to comply with the requirements of the Financial Intelligence Centre Act, 2001, the Transfer Secretaries will be unable to record any change of address mandated unless the following documentation is received from the relevant Capespan Shareholder:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number (if you do not have a tax number, please confirm this in writing and have the letter signed by a Commissioner of Oaths); and
- an original or an original certified copy of a service bill to verify your physical address.

I/WE HEREBY SURRENDER THE ENCLOSED SHARE CERTIFICATE/S, CERTIFIED TRANSFER DEED/S AND/OR OTHER DOCUMENTS OF TITLE, DETAILS OF WHICH HAVE BEEN COMPLETED BELOW, IN RESPECT OF MY/OUR HOLDING OF CAPESPAN SHARES.

Share certificate/s and/or other Document(s) of Title to be surrendered (as enclosed)

Name of registered holder (separate form for each holder)	Certificate number(s) (in numerical order)	Number of Capespan Shares covered by each certificate
	Total	

Signature of Capespan Shareholder	Stamp and address of agent lodging this form
Assisted by me (if applicable)	
State full name and capacity	
Date 2015	
Telephone number (Home) ( )	
Telephone number (Work) ( )	
Cell phone number ( )	

Signatories may be called upon for evidence of their authority or capacity to sign this form.

PART B

1. **To be completed only by Capespan Shareholders who are emigrants from the Common Monetary Area.**

   The Scheme Consideration will be forwarded to the authorised dealer nominated below for its control and credited to the emigrant's blocked account. Accordingly, a non-resident who is an emigrant from South Africa must provide the following information:

   Name and address of authorised dealer in South Africa or substitute instruction

   Account number

2. **To be completed only by all other non-resident Capespan Shareholders who wish to provide a substitute address.**

   The Scheme Consideration will be posted to the registered address of the non-resident concerned, unless written instructions to the contrary are received and a substitute address provided below:

   Substitute address

3. **If no nomination is made in terms of 1 above, the Scheme Consideration will be held in trust by the Transfer Secretaries.**

PART C – SETTLEMENT OF SCHEME CONSIDERATION

In order to comply with recent legislative changes, the Scheme Consideration Shares may only be issued in Dematerialised form.

All Capespan Shareholders# should kindly complete the section below, dealing with the settlement of the Scheme Consideration Shares, in the event that the Capespan Shareholder becomes entitled to the Scheme Consideration Shares as a result of the Scheme becoming operative.

1. ☐ Please tick this box **if you have an account with a Broker or CSDP** and wish such account to be credited with the Scheme Consideration Shares, and insert the details of such account below:

Name of account holder:	
Name of Broker:	
Name of CSDP:	
Account number of Broker:	
Account number of CSDP:	
Telephone number of Broker/CSDP:	
SCA number of Broker/CSDP:	

Please note: Should the account details provided by you above be incorrect or incomplete, or should this form and Documents of Title be submitted after **12:00 on the Scheme Consideration Record Date**, it will not be possible to credit such account with the Scheme Consideration Shares, in which case you will be issued with a statement of allocation, confirming the number of Scheme Consideration Shares due to you. The statement of allocation will be sent to you, at your risk, at the address set out in the Register.

2. ☐ Please tick this box **if you do not have an account with a Broker or CSDP**, but wish to receive the Scheme Consideration Shares in Dematerialised form and not in certificated form. It will be necessary for you to appoint a Broker or CSDP before the Scheme Consideration Shares can be credited to your Broker or CSDP account. In the meantime, you will be issued with a statement of allocation, confirming the number of Scheme Consideration Shares due to you. The statement of allocation will be sent to you, at your risk, at the address set out in the Register.

3. ☐ Please tick this box **if you do NOT wish to receive the Scheme Consideration Shares in Dematerialised form** and instead wish to withdraw the Dematerialised Scheme Consideration Shares due to you and replace these with a **physical Document of Title** (share certificate). The Document of Title (share certificate) for the Scheme Consideration Shares will be sent you, at your risk, at the address set out in the Register.

Notes:

1. Emigrants from the Common Monetary Area must complete Part B.
2. All other non-residents of the Common Monetary Area must complete Part B if they wish the Scheme Consideration to be sent to an address other than their address in the Register.
3. If Part B is not properly completed, the Scheme Consideration (in the case of emigrants) will be held in trust by the Transfer Secretaries pending receipt of the necessary nomination or instruction.
4. The Scheme Consideration will not be sent to Capespan Shareholders unless and until Documents of Title in respect of the relevant Capespan Shares have been surrendered to the Transfer Secretaries.
5. If a Capespan Shareholder produces evidence to the satisfaction of Capespan and Zeder that Documents of Title in respect of Capespan Shares have been lost or destroyed, Capespan may waive the surrender of such Documents of Title against delivery of a duly executed indemnity in a form and on terms and conditions approved by Capespan and Zeder, or may in their discretion waive such indemnity.
6. If this form of surrender, transfer and acceptance is not signed by the Capespan Shareholder, the Capespan Shareholder will be deemed to have irrevocably appointed the company secretary of Capespan to implement that Capespan Shareholder's obligations under the Scheme on his/her behalf.
7. Persons who have acquired Capespan Shares after the date of posting of the Circular to which this form of surrender, transfer and acceptance is attached, can obtain copies of the form of surrender, transfer and acceptance and the Circular from Capespan's company secretary at Vineyards Square North, Vineyards Office Estate, 99 Jip de Jager Road, Bellville, 7530 (PO Box 6133, Tyger Valley, 7536) and from the Transfer Secretaries at Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107).
8. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts. Signatories may be called upon for evidence of their authority or capacity to sign this form.
9. Any alteration to this form of surrender, transfer and acceptance must be signed in full and should not be merely initialled.
10. If this form of surrender, transfer and acceptance is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this form for noting (unless it has already been noted by Capespan or the Transfer Secretaries).
11. Where the Capespan Shareholder is a company or a close corporation, unless it has already been registered with Capespan or the Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form of surrender, transfer and acceptance must be submitted if so requested by Capespan.
12. Note 11 above does not apply in the event of this form bearing the stamp of a broking member of the JSE.
13. Where Capespan Shares are held jointly, all joint holders are required to sign this form of surrender, transfer and acceptance.

Save for Dissenting Shareholders who have given notice in terms of sections 164(5) to 164(8) of the Companies Act and who do not withdraw their respective demands or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse.

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